Southampton City Council

Hackney Carriage Demand Survey

Final Report

February 2009

Halcrow Group Limited

Southampton City Council

Hackney Carriage Demand Survey

Final Report

February 2009

Halcrow Group Limited

Halcrow Group Limited
Arndale House Otley Road Headingley Leeds LS6 2UL
Tel +44 (0)113 220 8220 Fax +44 (0)113 274 2924
www.halcrow.com

Halcrow Group Limited
Arndale House Otley Road Headingley Leeds LS6 2UL
Tel +44 (0)113 220 8220 Fax +44 (0)113 274 2924
www.halcrow.com

Southampton City Council

Hackney Carriage Demand Survey

Final Report

February 2009

Contents Amendment Record

This report has been issued and amended as follows:

Issue	Revision	Description	Date	Signed
1		Draft Report	30.01	SP
1		Revised Draft	20.02	LE

Contents

1 Study Objectives and Overview

1.1 *General*

1.1.1 This study has been conducted by Halcrow on behalf of Southampton City Council (SCC) in pursuit of the following objectives:

- to identify whether or not there exists a significant unmet demand for hackney carriage services in Southampton; and
- to recommend the increase in licences required to eliminate any significant unmet demand.

1.1.2 In 2006 the DfT produced 'Best Practice Guidance' for taxi licensing. The guidance also restated that the DfT considers it to be best practice not to impose quantity restrictions. However where restrictions are imposed, the Department urges that the matter is regularly reconsidered.

1.1.3 The DfT guidance is just that, guidance. We are unaware of any actual (or proposed) change in legislation that would affect the legal standing of an entry control policy in the context of local hackney carriage markets. The large body of well established case law and precedent should be unaffected by this guidance. Notwithstanding this, the local authority may wish to take this guidance into consideration when determining its policy, particularly given the forthright way in which DfT chooses to express its views on entry control in Paragraph 31.

2 Background

2.1 General

2.1.1 This section of the report provides a general background to the taxi market in Southampton and the relevant legislation governing the market.

2.2 Relevant Entry Control Regulations

2.2.1 Under the Town Police Clauses Act 1847, a licensing authority had an unfettered discretion to limit the number of hackney carriage licences by being able to licence only such numbers as it thought fit. It was a power, which was widely used by many authorities to restrict the numbers of hackney carriages for the purpose of exercising control and supervision over them. Under the Transport Act 1985, the position in law changed and the 1847 Act, as now amended by Section 16, provides as follows:

"That the grant of a licence may be refused for purposes of limiting the number of hackney carriages…, if but only if, the person authorised to grant a licence is satisfied that there is no significant demand for the services of hackney carriages… which is unmet".

2.2.2 The Act also provides for an appeals procedure whereby unsuccessful applicants for hackney carriage licences may call upon an authority to demonstrate that it is satisfied that there exists no significant unmet demand. If, in the eyes of the Court, the Authority fails to meet this requirement, the appeal against the refusal to issue a licence will be successful.

2.3 City of Southampton Overview

2.3.1 Southampton has a mid year 2007 population estimate of 231,200. Southampton is the UK's busiest cruise port and visitors travel to the city for trips aboard famous vessels, including Queen Mary 2, Queen Victoria, Independence of the Seas and the Ventura. The Port is expected to turnover 1 million passengers in 2008 which will have a significant impact on the taxi trade both into and out of the Port. A fourth terminal is due to open in April 2009.

2.4 Background to the Hackney Carriage Market in Southampton

2.4.1 There are 263 licensed Hackney Carriages in the Southampton licensing district, giving a level of hackney carriage provision of one vehicle per 879 resident population. The private hire fleet consists of approximately 500 vehicles. In view of the size of this fleet relative to the hackney carriage fleet, it is evident that this is the dominant force in the Southampton taxi market.

2.4.2 Two of the city centre ranks are served by taxi marshals. These are:

- Above Bar St; and
- London Road;

2.4.3 Plate 1 and 2 picture two ranks in Southampton:

Plate 1 High Street

Plate 2 Docks

2.5 *Hackney Carriage Fares and Licence Premiums*

2.5.1 Hackney carriage fares are regulated by the Local Authority. There are 4 tariffs, of which two are a daytime tariff (6am-11pm), a night time tariff (11pm-6am), the other two tariffs catering for Sundays, Bank Holidays, New Year and Christmas. There are also a series of additional charges for Itchen Bridge Tolls and a soiling charge.

2.5.2 The standard daytime tariff is made up of two elements; an initial fee (or "drop") of £2.20 for entering the vehicle and travelling any distance up to 110 metres. For the next 3 sets of 110 metres travelled an additional 20p is charged, following which each subsequent 225 metres is charged at an additional 20p. A waiting charge of 20p is charged for each period of 45 seconds. A two mile fare for tariff 1 would therefore cost £5.40. The standard night tariff follows a similar structure with an initial fee of £2.95. For the next 3 sets of 110 metres 25 p is charged, following which each subsequent 225 metres is charged at 25p. A standard waiting charge of 25p is charged for each period of 45 seconds. A two mile fare for tariff 2 would therefore cost £6.95. Table 2.2 outlines the fare structure in more detail.

Table 2.2 Southampton Hackney Carriage Fare Tariff 2008

	Price
Day Fare Rates (Tariff 1)	
(a) First 110 metres or part therefore	£2.20
(b) For the next 110 metres or part thereof	£0.20
(c) For the next 110 metres or part thereof	£0.20
(d) For the next 110 metres or part thereof	£0.20
(e) For each subsequent 225 metres or part thereof	£0.20
Waiting time for each period of forty-five seconds of part thereof	£0.20
Night Fare Rates (Tariff 2)	
a) First 110 metres or part therefore	£2.95
(b) For the next 110 metres or part thereof	£0.25
(c) For the next 110 metres or part thereof	£0.25
(d) For the next 110 metres or part thereof	£0.25
(e) For each subsequent 225 metres or part thereof	£0.25
Waiting time for each period of forty-five seconds of part thereof	£0.25
Tariff 3 Except for Tariff 4 below, for any hiring begun after 6am and before 11pm on a Sunday, Good Friday, a Bank or Public holidays, or first January, Tariff 1 plus a surcharge, per hiring of £1.00	£1.00 surcharge on tariff 1
Tariff 4 For any hiring begun after 11pm on the 24th December and before 6am on the 27th December of after 11pm on the 31st December and before 6 am on the 1st January	Double the rate of tariff 1
Extra Charges If any hiring involves crossing the Itchen Bridge, and a toll is payable, there shall be added to the fare a sum equivalent to the toll paid. If the hackney carriage is soiled by a passenger or an animal	£50.00

Source: Southampton City Council

2.5.3 In the published monthly league table, Southampton is rated 108th of the 376 authorities cited (Private Hire and Taxi Monthly, January 2009). Fares are marginally above the average to what is typical elsewhere across the UK. Table 2.3 provides a comparison of where neighbouring authorities rank in terms of fares.

Table 2.3 Comparison of Neighbouring Authorities in Terms of Fares (figures are ranked out of a total of 377 Authorities with 1 being the most expensive)

Local Authority	Rank
Fareham	96
New Forest	104
Southampton	108
Test Valley	253

Source: Private Hire and Taxi Monthly, January 2009

2.5.4 Where local hackney carriage markets are subject to both price and entry regulation, it has commonly been the case that a rent accrues to the ownership of the vehicle licence. This rent or "premium" is difficult to assess accurately as the re-sale of vehicle licences is not encouraged by the Authority. .

2.5.5 The existence of a licence premium is evidence of "excess" profit; that is, profit that would not exist if the level of supply of hackney carriages was determined by the market rather than by the Regulator. Licence premiums do not exist in Authorities where quantity controls are absent. This does not mean that we judge hackney carriage proprietors in Southampton to be making too much money. It is not within our remit to comment on what is or is not an appropriate rate of remuneration from hackney carriage operation. The term "excess" profit simply means that earnings from plying for hire are higher at present than they would be if a free entry policy was introduced.

2.5.6 Although a premium is a clear indicator of higher than "market" profits it is not necessarily an indicator of significant unmet demand. Where a premium exists, this may be due to low cab waiting time associated with under-supply, and hence passenger delays. Alternatively, it may be due to a fares level, which is higher than the break-even level for a given supply. Finally, it may simply be a reflection of the absence of alternative means of gaining employment.

3 Definition, Measurement and Removal of Significant Unmet Demand

3.1 *Introduction*

3.1.1 Section 3 provides a definition of significant unmet demand derived from experience of over 100 unmet demand studies since 1987. This leads to an objective measure of significant unmet demand that allows clear conclusions regarding the presence or absence of this phenomenon to be drawn. Following this, a description is provided of the SUDSIM model which is a tool developed to determine the number of additional hackney licences required to eliminate significant unmet demand, where such unmet demand is found to exist.

3.2 *Overview*

Significant Unmet Demand (SUD) has two components:

- patent demand – that which is directly observable; and
- "suppressed" demand – that which is released by additional supply.

3.2.1 Patent demand is measured using rank observation data. Suppressed (or latent) demand is assessed using data from the rank observations and public attitude interview survey. Both are brought together in a single measure of unmet demand, ISUD (Index of Significant Unmet Demand).

3.3 *Defining Significant Unmet Demand*

3.3.1 The provision of evidence to aid licensing authorities in making decisions about hackney carriage provision requires that surveys of demand be carried out. Results based on observations of activity at hackney ranks have become the generally accepted minimum requirement.

3.3.2 The definition of significant unmet demand is informed by two Court of Appeal judgements:

- R v Great Yarmouth Borough Council ex p Sawyer (1987); and

- R v Castle Point Borough Council ex p Maude (2002).

3.3.3 The Sawyer case provides an indication of the way in which an Authority may interpret the findings of survey work. In the case of Sawyer v. Yarmouth City Council, 16 June 1987, Lord Justice Woolf ruled that an Authority is entitled to consider the situation from a temporal point of view as a whole. It does not have to condescend into a detailed consideration as to what may be the position in every limited area of the Authority in relation to the particular time of day. The area is required to give effect to the language used by the Section (Section 16) and can ask itself with regard to the area as a whole whether or not it is satisfied that there is no significant unmet demand.

3.3.4 The term "suppressed" or "latent" demand has caused some confusion over the years. It should be pointed out that following Maude v Castle Point Borough Council, heard in the Court of Appeal in October 2002, the term is now interpreted to relate purely to that demand that is measurable. Following Maude, there are two components to what Lord Justice Keene prefers to refer to as "suppressed demand":

- what can be termed inappropriately met demand. This is current observable demand that is being met by, for example, private hire cars illegally ranking up; and
- that which arises if people are forced to use some less satisfactory method of travel due to the unavailability of a hackney carriage.

3.3.5 If demand remained at a constant level throughout the day and week, the identification and treatment of significant unmet demand would be more straight-forward. If there were more cabs than required to meet the existing demand there would be queues of cabs on ranks throughout the day and night and passenger waiting times would be zero. Conversely, if too few cabs were available there would tend to be queues of passengers throughout the day. In such a case it would, in principle, be a simple matter to estimate the increase in supply of cabs necessary to just eliminate passenger queues.

3.3.6 Demand for hackney carriages varies throughout the day and on different days. The problem, introduced by variable demand, becomes clear when driver earnings are considered. If demand is much higher late at night than it is during the day, an increase in cab supply large enough to eliminate peak delays will have a disproportionate effect on the occupation rate of cabs at all other times. Earnings will fall and fares might have to be increased sharply to sustain the supply of cabs at or near its new level.

3.3.7 The main implication of the present discussion is that it is necessary, when considering whether significant unmet demand exists, to take account of the practicability of improving the standard of service through increasing supply.

3.4 *Measuring Patent Significant Unmet Demand*

3.4.1 Taking into account the economic, administrative and legal considerations, the identification of this important aspect of significant unmet demand should be treated as a three stage process as follows:

- identify the demand profile;
- estimate passenger and cab delays; and
- compare estimated delays to the demand profile.

3.4.2 The broad interpretation to be given to the results of this comparison are summarised in Table 3.1.

Table 3.1 Existence of Significant Unmet Demand (SUD) Determined by Comparing Demand and Delay Profiles

	Delays during peak only	Delays during peak and other times
Demand is:		
Highly Peaked	No SUD	Possibly a SUD
Not Highly Peaked	Possibly a SUD	Possibly a SUD

3.4.3 It is clear from the content of the table that the simple descriptive approach fails to provide the necessary degree of clarity to support the decision making process in cases where the unambiguous conclusion is not achievable. However, it does provide the basis of a robust assessment of the principal component of significant unmet demand. The analysis is therefore extended to provide a more formal numerical measure of significant unmet demand. This is based on the principles contained in the descriptive approach but provides greater clarity. A description follows.

3.4.4 The measure feeds directly off the results of observations of activity at the ranks. In particular it takes account of:

- case law that suggests an authority should take a broad view of the market;
- the effect of different levels of supply during different periods at the rank on service quality;
- the need for consistent treatment of different authorities, and the same authority over time.

3.4.5 The Index of Significant Unmet Demand (ISUD) was developed in the early 1990's and is based on the following formula. The SF element was introduced in 2003 and the LDF element was introduced in 2006 to reflect the increased emphasis on latent demand in DfT Guidance

ISUD = APD x PF x GID x SSP x SF x LDF

Where:

APD = Average Passenger Delay calculated across the entire week.

PF = Peaking Factor. If passenger demand is highly peaked at night the factor takes the value of 0.5. If it is not peaked the value is 1. Following case law this provides dispensation for the effects of peaked demand on the ability of the Trade to meet that demand. To identify high peaking we are generally looking for demand at night (at weekends) to be substantially higher than demand at other times.

GID = General Incidence of Delay. This is measured as the proportion of passengers who travel in hours where the delay exceeds one minute.

SSP = Steady State Performance. The corollary of providing dispensation during the peaks in demand is that it is necessary to focus on performance during "normal" hours. This is measured by the proportion of hours during weekday daytimes when the market exhibits excess demand conditions (i.e. passenger queues form at ranks).

SF = Seasonality factor. Due to the nature of these surveys it is not possible to collect information throughout an entire year to assess the effects of seasonality. Experience has suggested that hackney demand does exhibit a degree of seasonality and this is allowed for by the inclusion of a seasonality factor. The factor is set at a level to ensure that a marginal decision either way obtained in an "untypical" month will be reversed. This factor takes a value of 1 for surveys conducted in September to November and March to June, i.e. "typical" months. It takes a value of 1.2 for surveys conducted in January and February and the longer school holidays, where low demand the absence of contract work will bias the results in favour of the hackney trade, and a value of 0.8 for surveys conducted in December during the pre Christmas rush of activity. Generally, surveys in these atypical months, and in school holidays, should be avoided.

LDF = Latent Demand Factor. This is derived from the public attitude survey results an provides a measure of the proportion of the public who have given up trying to obtain a hackney carriage at either a rank or by flagdown during the previous three months. It is measured as 1+ proportion giving up waiting. The inclusion of this factor is a tactical response to the latest DfT guidance.

3.4.6 The product of these six measures provides an index value. The index is exponential and values above the 80 mark have been found to indicate significant unmet demand. This benchmark was defined by applying the factor to the 25 or so studies that had been conducted at the point it was developed. These earlier studies had used the same principles but in a less structured manner. The highest ISUD value for a study where a conclusion of no significant unmet demand had been found was 72. The threshold was therefore set at 80. The ISUD factor has been applied to over 80 studies by Halcrow and has been adopted by others working in the field. It has proved to be a robust, intuitively appealing and reliable measure.

3.4.7 Suppressed/latent demand is explicitly included in the above analysis by the inclusion of the LDF factor and because any known illegal plying for hire by the private hire trade is included in the rank observation data. This covers both elements of suppressed/latent demand resulting from the Maude case referred to above and is intended to provide a 'belt and braces' approach. A consideration of latent demand is also included where there is a need to increase the number of hackney carriage licences following a finding of significant unmet demand. This is discussed in the next section.

3.5 *Determining the Number of New Licences Required to Eliminate Significant Unmet Demand*

3.5.1 To provide advice on the increase in licences required to eliminate significant unmet demand, Halcrow has developed a predictive model. SUDSIM is a product of 20 years experience of analysing hackney carriage demand. It is a mathematical model, which predicts the number of additional licences required to eliminate significant unmet demand as a function of key market characteristics.

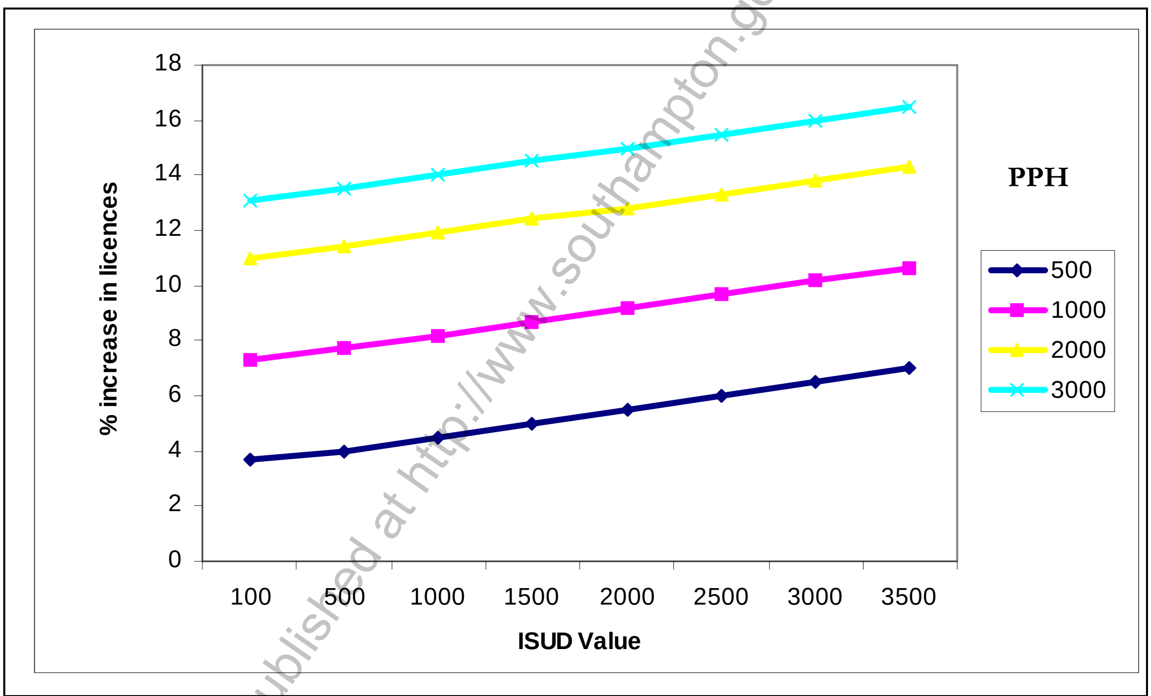
3.5.2 SUDSIM represents a synthesis of a queue simulation work that was previously used (1989 to 2002) to predict the alleviation of significant unmet demand and the ISUD factor described above (hence the term SUDSIM). The benefit of this approach is that it provides a direct relationship between the scale of the ISUD factor and the number of new hackney licences required.

3.5.3 SUDSIM was developed taking the recommendations from 14 previous studies that resulted in an increase in licences, and using these data to calibrate an econometric model. The model provides a relationship between the recommended increase in licences and three key market indicators:

- the population of the licensing Authority;
- the number of hackneys already licensed by the licensing Authority; and
- the size of the SUD factor.

3.5.4 The main implications of the model are illustrated in Figure 3.1 below. The figure shows that the percentage increase in a hackney fleet required to eliminate significant unmet demand is positively related to the population per hackney (PPH) and the value of the ISUD factor over the expected range of these two variables.

Figure 3.1 Forecast Increase in Hackney Fleet Size as a Function of Population Per Hackney (PPH) and the ISUD Value



3.5.5 Where significant unmet demand is identified, the recommended increase in licences is therefore determined by the following formula:

New Licences = SUDSIM x Latent Demand Factor

Where:

- Latent Demand Factor = (1 + proportion giving up waiting for a hackney at either a rank or via flagdown)

3.6 *Note on Scope of Assessing Significant Unmet Demand*

3.6.1 It is useful to note the extent to which a licensing authority is required to consider peripheral matters when establishing the existence or otherwise of significant unmet demand. This issue is informed by R v Brighton Borough Council, exp p Bunch 1989[1]. This case set the precedent that it is only those services that are exclusive to hackney carriages that need concern a licensing authority when considering significant unmet demand. Telephone booked trips, trips booked in advance or indeed the provision of bus type services are not exclusive to hackney carriages and have therefore been excluded from consideration.

[1] See Button JH 'Taxis – Licensing Law and Practice' 2nd edition Tottel 2006 P226-7

4 Evidence of Patent Unmet Demand – Rank Observation Results

4.1 *Introduction*

4.1.1 This section of the report highlights the results of the rank observation survey. The rank observation programme covered a period of 253 hours. During the hours observed some 32,185 passengers and 15,853 cab departures were recorded. A summary of the rank observation programme is provided in Appendix 2.

4.1.2 The results presented in this Section summarise the information and draw out its implications. This is achieved by using five indicators:

- The Balance of Supply and Demand – this indicates the proportion of the time that the market exhibits excess demand, equilibrium and excess supply;
- Average Delays and Total Demand – this indicates the overall level of passengers and cab delays and provides estimates of total demand;
- The Demand/Delay Profile – this provides the key information required to determine the existence or otherwise of significant unmet demand;
- The Proportions of Passengers Experiencing Given Levels of Delay – this provides a guide to the generality of passenger delay; and
- The Effective Supply of Vehicles – this indicates the proportion of the fleet that was off the road during the survey.

4.2 *The Balance of Supply and Demand*

4.2.1 The results of the analysis are presented in Table 4.1 below. The predominant market state is one of equilibrium. Excess supply (queues of cabs) was experienced during 17% of the hours observed while excess demand (queues of passengers) was experienced in 25% of hours. Conditions are most favourable to customers during the weekday night. Conditions were least favourable to customers on weekday day and weekend night periods.

Table 4.1 The Balance of Supply and Demand in the Southampton Rank-Based Hackney Carriage Market (Percentages – Rows Sum to 100)

Period		Excess Demand	Equilibrium	Excess Supply
Weekday	Day	30	48	22
	Night	12	74	15
Weekend	Day	20	61	18
	Night	42	48	10
Sunday	Day	20	55	25
All 2008		25	58	17

NB – Excess Demand = Maximum Passenger Queue ≥3. Excess Supply = Minimum Cab Queue ≥3 – values derived over 12 time periods within an hour.

4.3 *Average Delays and Total Demand*

4.3.1 The following estimates of average delays and throughput were produced for each of the main ranks in the licensing district and for the district as a whole (Table 4.2).

4.3.2 The survey suggests some 32,185 passenger departures occur per week from ranks in Southampton involving some 15,853 cab departures.

4.3.3 The taxi trade is somewhat concentrated London Road, accounting for 21% of the total. On average, passengers wait 2.99 minutes for a cab. Passenger delays are highest at the Mayflower Terminal rank with passengers waiting on average for 15.01 minutes.

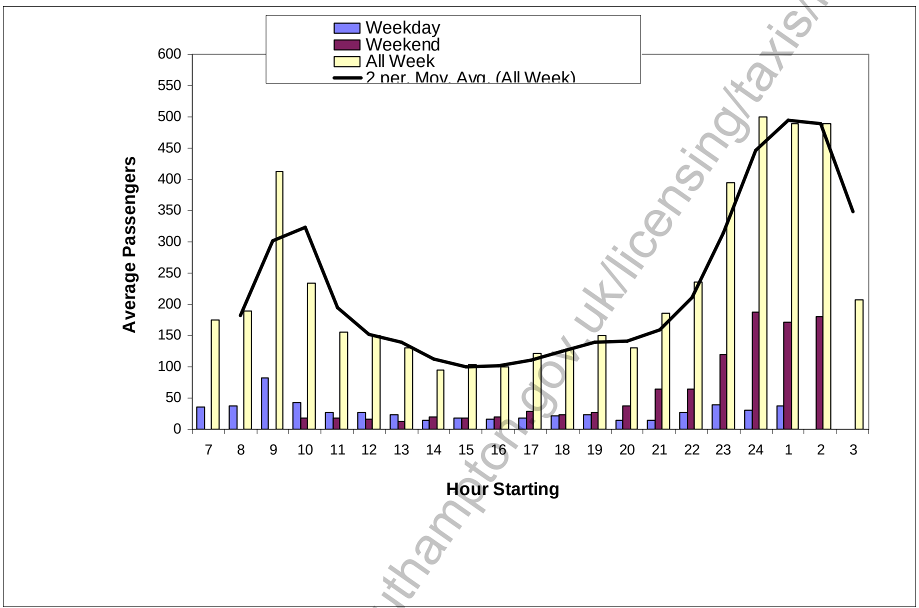
Table 4.2 Average Delays and Total Demand (Delays in Minutes)

Rank	Passenger Departures	Cab Departures	Average Passenger Delay	Average Cab Delay
QE2 Terminal	1,385	836	9.69	11.10
Mayflower Terminal	1,418	626	15.01	3.32
City Cruise Terminal	1,473	690	3.93	10.77
Rail Station	4,091	2,748	0.31	16.84
Above Bar Street	4,102	1,428	4.09	25.92
Leisure World	4,248	2,124	5.68	1.65
High Street	3,212	1,586	0.37	10.88
Coach Station	886	470	2.20	8.35
London Road	6,822	3,279	1.36	3.94
Town Quay	861	381	0.70	8.23
Lower Banister Street	1,611	735	3.20	7.31
Vincents Walk	729	297	0.37	7.27
Bevois Hill	504	234	0.00	8.91
Church Street, Shirley	843	419	0.05	14.29
Total 2009	32,185	15,853	2.99	9.83

4.4 *The Delay/Demand Profile*

4.4.1 Figure 4.1 provides a graphical illustration of passenger demand for the Monday to Saturday period between the hours of 09:00 and 04:00.

Figure 4.1 Passenger Demand by Time of Day in 2008 (Monday to Saturday)



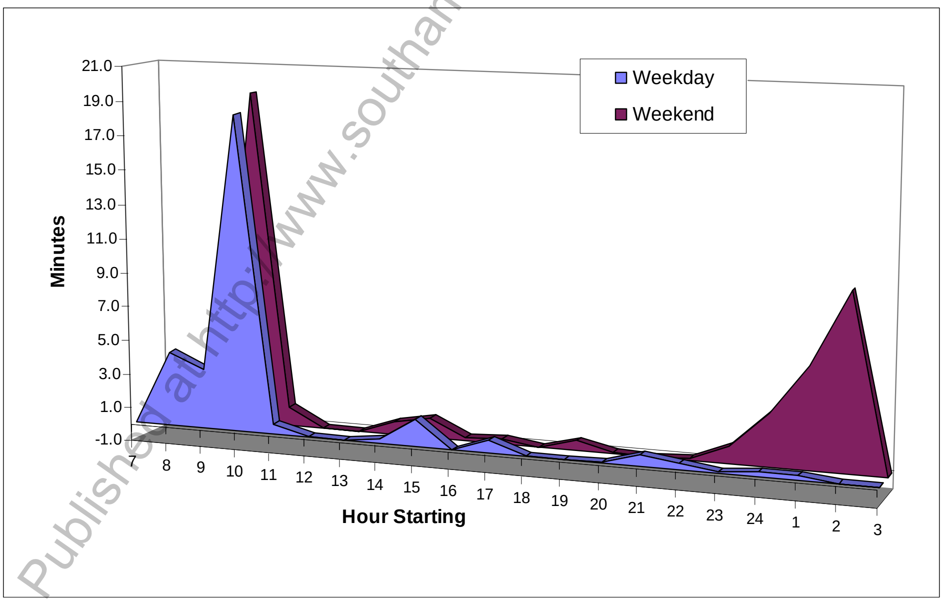
4.4.2 There are two periods during the day when demand is very much higher than the average. Demand shows a sharp peak at the end of the morning peak period, then falls away and remains comparatively low until late evening when it rises to a higher peak after midnight. We therefore conclude that this is a 'highly peaked' demand profile. This has implications for the interpretation of the results (see section 4.7 below).

4.4.3 Recent best practice guidance, issued by the DfT, states that delays associated with peaks in demand (such as morning and evening rush hours, or pub closing times) should be treated as 'significant' as they are often the most popular times for consumers to use taxis. However, in R v Great Yarmouth Borough Council ex p Sawyer (1987) Lord Justice Woolf ruled that an Authority is entitled to consider the situation from a temporal point of view as a whole. It does not have to condescend into a detailed consideration as to what may be the position in every limited area of the Authority in relation to the particular time of day.

4.4.4 It should also be noted that these 'peaks' may not be the direct result of the authority's limitation policy as they can also occur in de-restricted authorities. For example, we observed high passenger delays at ranks during weekend late night peak periods in Leicester in 2000 despite the fact that there had been no numerical limit in place in the hackney carriage market for over 10 years. Similar results were obtained in Bristol, an authority that had been de-restricted for 4 years at the time of the study. Halcrow believes that the DfT is mistaken in its assertion that passenger delay late at night associated with short term peaks in demand is evidence of the detrimental impact of quantity control regulations. Rather, it is an inevitable consequence of the concentration of demand i.e. it is caused by the same fundamental principles that cause queues in banks, post offices and supermarkets.

4.4.5 Figure 4.2 provides an illustration of passenger delay by the time of day for the weekday and weekend periods. It indicates incidences of passenger delay peak at weekend nights between 2300 and 0400 and between 0700 and 1100 during both weekday and weekend daytimes. The level of passenger delay can peak to just less than 20 minutes on weekday and weekend mornings around 10am. For all other times of day the level of passenger delay is generally less than one minute.

Figure 4.2 Passenger Delay by Time of Day in 2008 (Monday to Saturday)



4.5 The Effective Supply of Vehicles

4.5.1 Observers were required to record the hackney carriage licence plate number of vehicles departing from ranks. In this way we are able to ascertain the proportion of the fleet that was operating during the survey.

4.5.2 During the daytime period (0700 to 1800) some 198 (75%) of the hackney fleet were observed at least once during the period of the study. During the evening/night-time period (1800 to 0700) some 235 (96%) of the hackney fleet were also observed at least once during the period of the study.

5 Evidence of Suppressed Demand - Public Attitude Pedestrian Survey Results

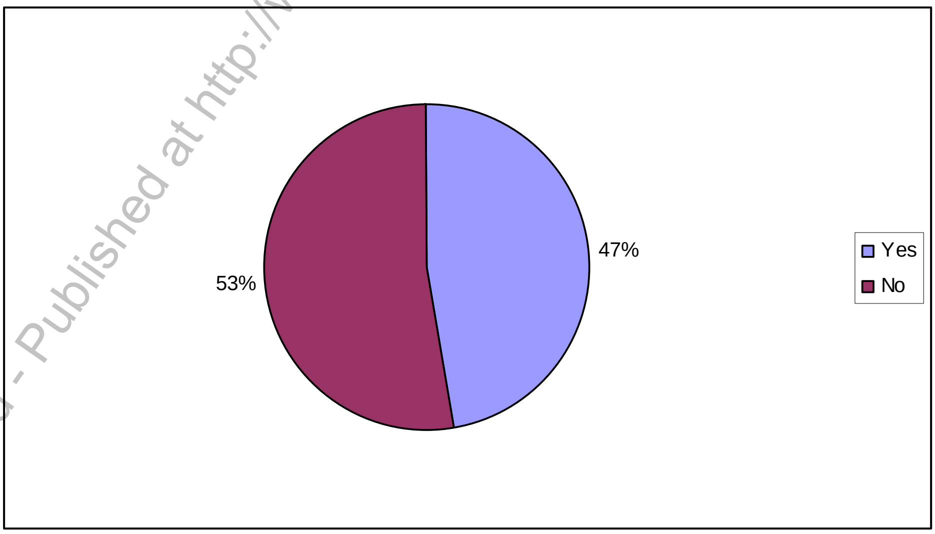
5.1 *Introduction*

5.1.1 Some 597 on-street public interview surveys were carried out in November and December 2008. A quota was followed so that the survey reflected the age and gender characteristics of the local community. This, in turn, ensured that broadly representative results were obtained.

5.1.2 A full breakdown and analysis of the results and the survey form are provided in Appendix 3.

5.1.3 The survey found just less than half of respondents (47.1%) had used a taxi within this period. The results are displayed in Figure 5.1

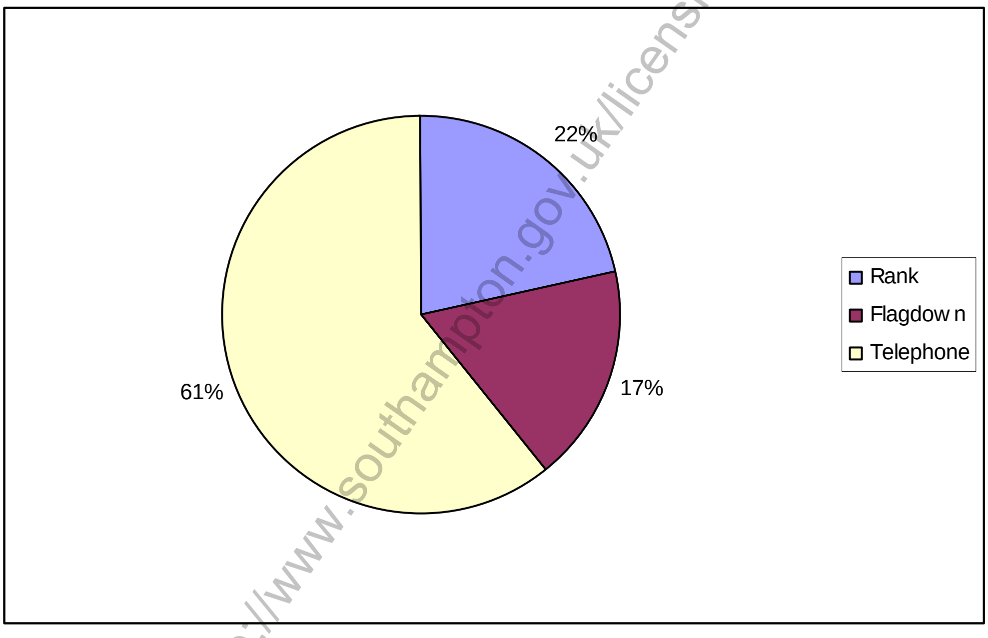
Figure 5.1 Made a trip by taxi in the last 3 months



5.2 *Method of Hire on Last Trip*

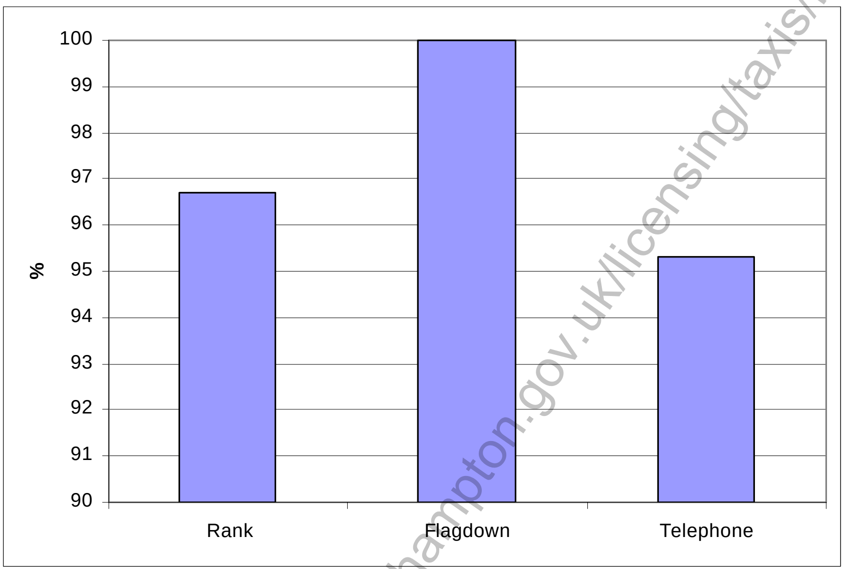
5.2.1 Some 21.7% of hirings were achieved at a rank. Some 60.9% of trip-makers stated that they hired their taxi by telephone. Only 17.4% of trip-makers obtained a taxi by on-street flag down. Figure 5.2 reveals the pattern of taxi hire. Compared to the previous unmet demand study carried out in 2005 the proportion of respondents obtaining taxi by on-street flagdowns has remained almost the same at around 17%. In contrast to this the number of hirings from a rank has decreased from 38%, with the number of hirings achieved by telephone increasing by almost 16% since 2005.

Figure 5.2   Method of Hire for Last Trip



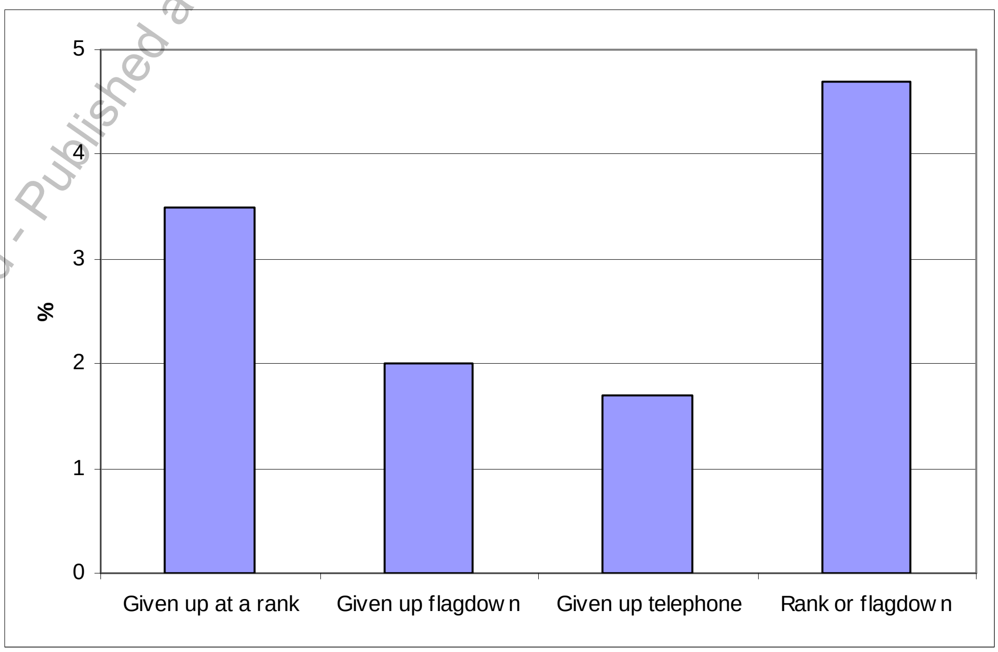
5.2.2 Respondents were asked if they were satisfied with the time taken and the promptness of the taxis arrival. Figure 5.3 shows that for each method of obtaining a taxi, the majority were satisfied with the service. Satisfaction with obtaining a taxi via on street flagdown was the highest (100%).   Overall satisfaction levels have increased since 2005. Satisfaction at ranks has increased from 81% to 97%, flagdown from 88% to 100% satisfaction, and telephone 75%to 95%.

Figure 5.3 Satisfaction with Delay on Last Trip by Method of Hire



5.2.3 In order to measure demand suppression, respondents were asked to identify whether or not they had given up waiting for a taxi at a rank, on the street, or by telephone in Southampton in the last three months. The results are documented in figure 5.5.

Figure 5.5 Latent demand by method of hire – Have you given up trying to make a hiring?



5.2.4 Figure 5.5 highlights that 4.7% of respondents had given up trying to hire a vehicle at a rank or by flagdown. In this instance results have again improved since the 2005 unmet demand study where 15% of people had given up waiting at a rank in Southampton and 19% gave up on flagdown, compared to the 3.5% and 2% observed in 2008.

5.3 Service Improvements

5.3.1 Respondents were asked what the main reason was for them not using taxis in Southampton more often, the results are shown in Table 5.1 below. Some 28.2% stated that they didn't use taxis more often in Southampton because they had a car available. 27.6% stated that taxis were too expensive and 27.9% of respondents do not use taxis more often because the bus is available.

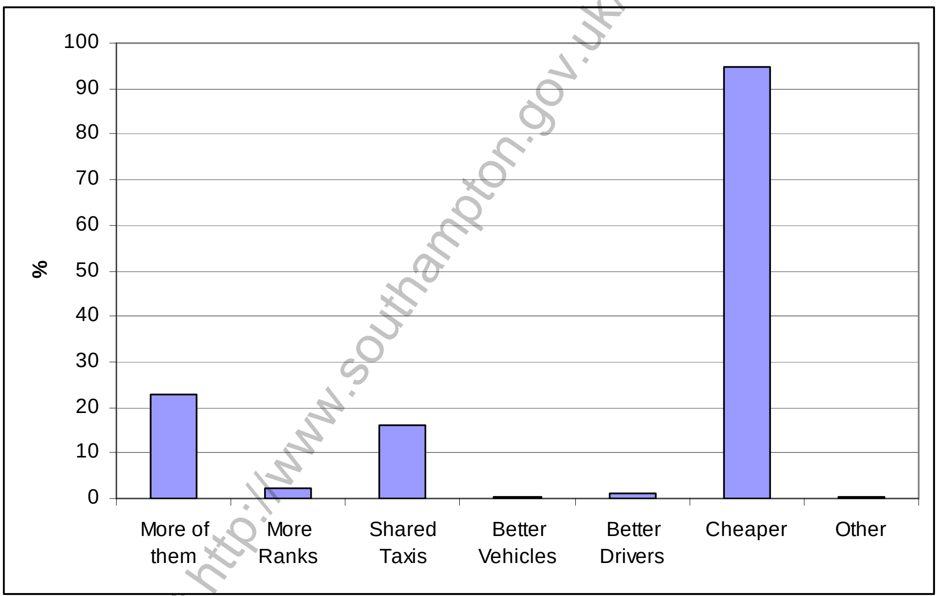
Table 5.1 Reasons for not using taxi services more often

	Frequency	Percent
Too Expensive	164	27.6
Waiting Time/Availability	2	0.3
Distance to Ranks	0	0.0
Car Available	168	28.2
Bus Available	166	27.9
Walk/Cycle	86	14.5
No Need	6	1.0
Prefer/Use Private Hire	0	0.0
Other	3	0.5
Total	595	100.0

5.3.2 Respondents were asked if they thought the taxi service in Southampton could be improved. The responses indicate that the majority of respondents (93.1%) thought that taxi services in Southampton could be improved.

5.3.3 Those who considered that taxi services needed improvement were asked how they could be improved. Figure 5.6 documents the range of potential improvements.

Figure 5.6 How could taxi services be improved (multiple responses)?



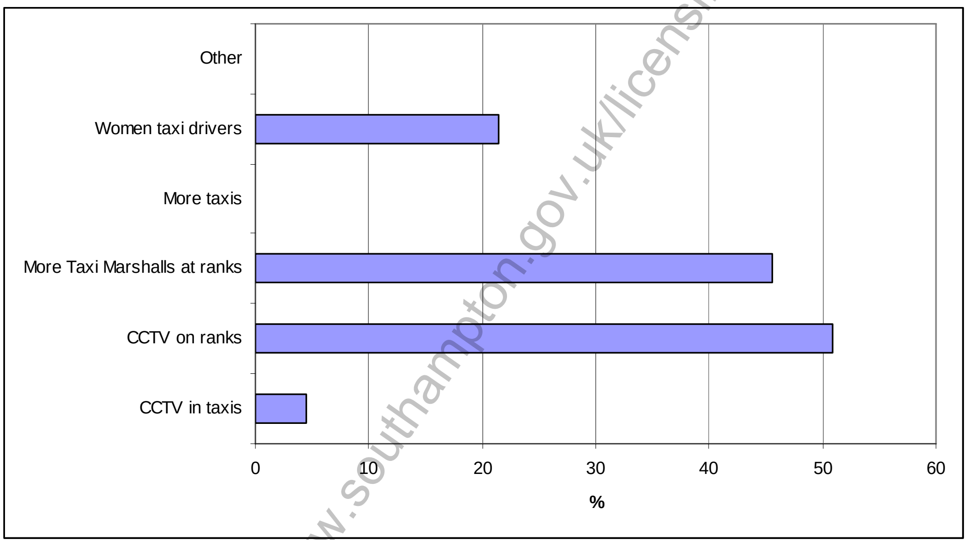
5.3.4 As detailed in Figure 5.6 some 94.6% of respondents stated that taxis in Southampton could be improved if they were made cheaper. Some 23% stated that there was a need for more taxis.

5.4 *Safety & Security*

5.4.1 Respondents were asked whether they felt safe when using taxis in Southampton. The majority of respondents felt safe using taxis during the day (99.5%) and at night (77.7%) in Southampton.

5.4.2 Respondents who did not feel safe during the day or at night were asked what needed to be done to improve safety and security when using taxis in Southampton. Some 4.5% of responses stated that CCTV in taxis and 50.9% stated that CCTV on ranks would improve safety when using taxis in Southampton. [2] Some 45.5% of respondents would feel safer if taxi marshals were employed at ranks. The results are shown in figure 5.7.

Figure 5.7 Improvements to safety and security when using taxis in Southampton (multiple responses)



5.5 *Ranks*

5.5.1 The survey asked if respondents were satisfied with the provision of taxi ranks in Southampton. Some 43.6% were satisfied with the provision of ranks in Southampton with a further 52% of respondents being unsure as to whether any more ranks were needed. The remaining 26 respondents (4.4%) felt there was a definite need for new rank provision. Compared to the 2005 study the proportion of respondents who consider there to be a need for new rank provision has decreased from 13%. Those satisfied with the provision has increased with just 31% satisfied in 2005.

5.5.2 Of the 24.6% of respondents who were not satisfied with the current provision of ranks in Southampton, they were asked what needed to be done about this. Table 5.2 documents the results.

---

[2] A high proportion of the City Centre ranks are covered by the city's CCTV system and some 120 licensed vehicles have approved secure internal CCTV systems.

5.5.3 Some 42.3% of responses felt that providing longer ranks with shelters would improve taxi services in Southampton. Some 80.8% stated that new ranks were needed in Southampton and 7.7% said that information on the location of existing ranks would improve taxi provision.

Table 5.2 Improvements to taxi rank provision in Southampton (multiple responses)

	Frequency	Percent
Provide information on ranks	2	7.7
Improve signage	0	0.0
Provide new ranks	21	80.8
Provide longer ranks with shelters	11	42.3
Other	0	0.0

5.5.4 Respondents were asked whether there were any locations that a new rank should be implemented. Some 4.9% of respondents stated that new locations were required, with 23.6% stating that none were required and 71.5% being unsure.

5.5.5 Those individuals who stated they would like to see a new rank were subsequently asked to provide a location. Those individuals who stated they would like to see a new rank were subsequently asked to provide a location. The most popular locations were[3]:

- Railway Station;
- Ocean Village;
- St Mary;
- Shirley; and
- Leisure World.

[3] It should be noted that taxi ranks do exist at the Rail Station, Shirley and Leisureworld.

Summary

Key results from the Public Attitude Survey can be summarised as:

- 39.1% of respondents hired their taxi by either flagdown or at a rank;
- High levels of satisfaction with delay on last trip – flagdown hirings provide the highest level of satisfaction;
- Some 4.7% of respondents had given up trying to obtain a vehicle by rank or flagdown;
- Some 94.6% of respondents feel that taxi service in Southampton could be improved (need to be cheaper);
- Majority of respondents (99.5%) felt safe using taxis during the day;
- Some 22.3% of respondents felt unsafe using taxis at night; and
- Some 33.6% of respondents were satisfied with rank provision.

6 Deriving the Significant Unmet Demand Index Value

6.1 *Introduction*

6.1.1 The data provided in the previous chapters can be summarised using Halcrow's ISUD factor described in Section 2.

6.2 *Southampton*

6.2.1 The component parts of the index, their source and their values are given below:

Average Passenger Delay (Table 4.2)	2.99
Peak Factor (Figure 4.1)	0.5
General Incidence of Delay (Table 4.4)	30
Steady State Performance (Table 4.1)	12.82
Seasonality Factor (paragraph 3.4.5)	1
Latent Demand Factor (paragraph 5.5.2)	1.047
ISUD (2.99*0.5*30*12.82*1*1.047)	602

6.2.2 The cut off level for a significant unmet demand is 80. It is clear that Southampton is above this cut off point, indicating that there is significant unmet demand. This conclusion covers both patent and latent/suppressed demand, although even without inclusion of the latent demand factor in the formula the result would still show a SUD.

7 Determining the Number of Additional Licences

7.1 *Introduction*

7.1.1 This Section of the report presents the results of the analysis conducted to determine the number of new licences required to eliminate the significant unmet demand identified in Section 4. This is achieved by bringing the foregoing analysis together, i.e. relating the increase to the value of ISUD and the level of suppressed (latent) demand. This is achieved using Halcrow's SUDSIM tool described in Section 3 and adjusting it for suppressed demand.

7.2 *Conclusion regarding the Alleviation of Significant Unmet Demand*

7.2.1 A finding of significant unmet demand requires the authority to issue hackney licences on demand up to a point at which the unmet demand is removed. To determine this level of supply, Halcrow have applied the SUDSIM model.

7.2.2 As stated in Section 3, the SUDSIM model provides a relationship between the recommended increases and three key market indicators:

- the population of the licensing Authority;
- the number of hackneys already licensed by the licensing Authority; and
- the size of the SUD factor.

7.2.3 Applying the model to Southampton with the following values:

- Population 231,200 (Census estimate 2007);
- Hackney licences 263; and
- SUD value 602 gives a SUDSIM value of 0.0713 (7.13% increase).as above

7.2.4 In turn the recommended increase in licences is determined by the following formula:

New Licences = SUDSIM x Suppression Factor

= 0.0713 x 1.047 =0.075

Where:

7.2.5 Suppression Factor = (1 + proportion who have given up trying to obtain a hackney at a rank in the last three months and proportion who have given up trying to obtain a hackney by flagdown in the last three months).

Increase in Licences = Proportional Increase in Licences x original number of licences

= 0.075 x 263 = 19.7

7.2.6 On this basis the analysis concludes that an increase of 20 licences to 283 in Southampton is required.

8 Consultation

8.1 *Introduction*

8.1.1 Guidelines issued by the Department for Transport state that consultation should be undertaken with the following organisations and stakeholders:

- all those working in the market;
- consumer and passenger (including disabled) groups;
- groups which represent those passengers with special needs;
- the Police;
- local interest groups such as hospitals or visitor attractions; and
- a wide range of transport stakeholders such as rail/bus/coach providers and transport managers.

8.2 *Direct Consultation*

8.2.1 A number of organisations were given the opportunity to attend a meeting to discuss a series of issues regarding the taxi market in Southampton. Separate meetings were organised with the following:

- Police
- Hackney Carriage Trade Representatives;
- Private Hire Trade Representatives;
- Cruise Partnership;
- Highways

8.2.2 The comments from those attending the organised meetings are summarised below and appended in full in Appendix 4.

<u>Police</u>

8.2.3 The Police felt there are too few taxis serving the night time economy in Southampton and there needed to be a greater number of hackneys working at this time. The Police considered that it would be beneficial for a change in legislation to allow Private Hire vehicles to pick up at ranks.

8.2.4 Regarding rank space the police had recently worked with the trade and Southampton City Council to introduce new ranks across the city.

8.2.5 Reference was made to the decision in the past to subsidise CCTV in hackney vehicles as a way of improving driver safety.

Southampton Hackney Association

8.2.6 The Southampton Hackney Association (SHA) stated that they were against introducing a policy of de-restricton. The Association stated that there were always plenty of hackneys on the ranks at all times of the day and night. It was also felt that there were sufficient wheelchair accessible vehicles in Southampton.

8.2.7 Regarding image of the trade it was felt that a number of drivers were seen as scruffy and needed to smarten their appearance. However, it was felt that Southampton does have a good quality vehicle fleet.

8.2.8 The SHA thought that the BTEC qualification was a good idea and should be introduced as standard for all new drivers. It was also suggested that the Knowledge Test should incorporate an assessment of a drivers' command of English[4].

8.2.9 There were various locations the SHA would like to see new ranks introduced extended, selected locations included:

- Outside Walkabout;
- Increased rank at London Road[5];
- Increased rank at the 'down' side of the Rail Station;
- Extended rank at Terminus Terrace; and
- Oxford St.

8.2.10 In terms of fares the SHA felt that the tariffs for Christmas and New Years Eve should be reviewed as these were based on the Millennium[6]. The SHA also wished for a review of

---

[4] A basic language and numeracy skills assessment forms an integral part of the BTEC qualification

[5] The authority have looked into this but there is insufficient road space available

the boundary charge as it was felt that some drivers apply this from the start of the journey rather than the boundary change.

8.2.11 Reference was also made to the fact that taxi shelters and advertising on buses promised to the trade in 2000 had never happened.[7]

Private Hire Representatives

8.2.12 A representative of the private hire trade attended the focus group. He stated that the association were happy with the current situation and restricted policy, and that no matter how many taxis there are there would not be enough to meet demand at peak times.

8.2.13 It was felt there was no need to introduce new hackney vehicles at present but potentially in the future with the opening of the new cruise terminal.

8.2.14 Regarding image of the trade it was felt that the standard of drivers had improved but there needs to be a greater level of enforcement.[8]

8.2.15 In terms of training it was felt that this should be encouraged with the introduction of the BTEC which should be made compulsory for all new drivers, and existing drivers who have a complaint/misdemeanour against them.

Southampton Taxi Consultative Committee

8.2.16 Three members of the Southampton Taxi Consultative Committee (STCC) attended the focus group. The representatives felt that the current restrictive policy worked in Southampton. They stated that they didn't feel any additional licences were required but had preference over a policy of managed growth rather than de-restriction.

---

[6] The tariffs were revised post the millennium by SCC

[7] Taxi Shelters have been introduced across Southampton where possible

[8] Since the last unmet demand survey, SCC have appointed a further enforcement officer

8.2.17 The association stated that they would like to see free and open access to the docks and that there should be unlimited access.

8.2.18 The representatives noted that the trade had begun to feel the effects of the downturn in the economy over a year ago and that there was a noticeable decline in work.

8.2.19 The representatives considered Southampton to have a high quality vehicle fleet and felt that the restrictive policy had maintained this high level of quality as vehicle owners felt confident in investing in vehicles.

8.2.20 The STCC didn't feel that training was necessary for existing drivers but should be considered for new drivers.

8.2.21 The representatives were unhappy that the CRB checks did not cover individuals who had recently moved to the UK[9].

8.2.22 The STCC were happy with the location of new ranks. They would like to see more introducing including one by the Student Union.

Cruise Partnership

8.2.23 The representative from the Cruise Partnership noted that cruise passengers have increased dramatically over the last year, with a forecast of 950,000 in 2008.

8.2.24 He noted that only a proportion of the hackney fleet serve the ports and therefore this resulted in occasions where demand exceeds supply.

8.2.25 The representative felt that there was little flexibility in the current system and wanted to see more taxis available serving the Port.

8.2.26 He noted that there was anecdotal evidence of drivers refusing to take cruise passengers on short journeys, e.g. rail station.

---

[9] It should be noted that special arrangements are in place for non-UK nationals or those with periods of residence outside the UK

8.2.27 Regarding image of the trade the vehicle quality was considered to be ok. It was felt that some of the drivers were seen as scruffy and a dress code should be introduced.[10]

8.2.28 Finally it was suggested that a voluntary code of training could be introduced and drivers completing the training could display a sticker in their vehicle.

8.3 *Indirect Consultation*

8.3.1 In addition to the face to face consultation undertaken a number of stakeholders were contacted by letter. This in turn assured the DfT guidelines were fulfilled and all relevant organisations and bodies were provided with an opportunity to comment. Copies of all the replies are included in Appendix 4.

8.3.2 In accordance with advice issued by the DfT the following organisations were contacted:

- Southampton City Council ;
- user/disability groups representing those passengers with special needs;
- local interest groups including hospitals, visitor attractions, entertainment outlets and education establishments; and
- rail, bus and coach operators.

8.4 *Comments Received*

8.4.1 The comments received are summarised below and appended in full to this report.

8.4.2 Southampton Centre for Independent Living felt that the adequacy of hackney carriage supply was totally inadequate. The response regarding private hire adequacy was similar citing extra premiums being charged, and taxis can only booked far in advance. It was considered there is generally no availability of wheelchair accessible vehicles during school start and finish times.

8.4.3 The respondent was of the opinion that disabled people are discriminated against and therefore cannot expect to travel as freely as non-disabled people.

8.4.4 Regarding additional training for drivers it was felt that this is definitely required. A couple of years ago this was tried in conjunction with drivers to provide free disability

---

[10] SCC have adopted a dress code for drivers

training but there was little interest from drivers. It was felt that this form of training should be made compulsory for all drivers.

8.4.5 Overall the opinion was that more wheelchair accessible vehicles are required.

8.4.6 Sembal House, a day service for adults with physical disabilities felt that there are not enough taxis within Southampton. The private hire supply was generally found to be more expensive, and although there are plenty of private hire vehicles, not all of these are wheelchair accessible.

8.4.7 Regarding image of the trade the vehicles were deemed ok and the majority of drivers were considered to be pleasant, helpful and polite.

8.4.8 Sembal House felt that there should be a rank provided for wheelchair accessible vehicles only. Aside from this ranks should have better signage and be more clearly defined, with more shelters, ramps and drop kerbs.

8.4.9 It was felt that more wheelchair accessible taxis are needed within Southampton with only four companies available to pre-book taxis. Taxis should be split into three sections; standard car, larger car and wheelchair accessible car.

8.4.10 Regarding safety issues Sembal House said they can feel unsafe and vulnerable at ranks but that is more related to society. More taxi marshals would solve this issue but should not result in higher fares.

8.4.11 The Neighbourhoods Directorate felt that greater provision of taxis was required through the evening and into the night and early morning periods in order to support the speedy egress of residents back to their homes.

8.4.12 Regarding safety taxi marshals are considered a welcome addition to maintain order.

8.4.13 Fares were considered to be high, and this is a disincentive for many local residents who cannot afford the fares.

8.4.14 The Neighbourhood Directorate felt that some Southampton taxi drivers are more ready to promote negative views about the city, if taxi driver training included more information about the positive attributes of the city this may lead to more helpful information for customers and potentially more trade for the customers.

8.4.15 The University of Southampton felt that both hackney carriages and private hire vehicles are generally readily available with the exception of late evening/early mornings Thursday-Sunday.

8.4.16 The vehicle type and quality if generally acceptable, though more people carriers and larger cars would be welcome. Regarding driver attitudes these tend to be variable and some are not ambassadors for the city. Focussed 'Welcome Host' type training could improve this. [11]

8.4.17 It was considered that designated ranks at the university would be a welcome addition.

8.4.18 Finally fares are considered to be high, but the overall integration with other public services is good.

[11] Welcome Host training has been provided for their drivers by West Quay Cars

9 Trade Survey

9.1 Introduction

9.1.1 A trade survey was designed with the aim of collecting information and views from both trades. In particular the survey allowed an assessment of operational issues and views of the hackney carriage market to supplement the rank observations, as well as covering enforcement and disability issues. The following Section summarises the results of the trade survey and full results are presented in Appendix 5.

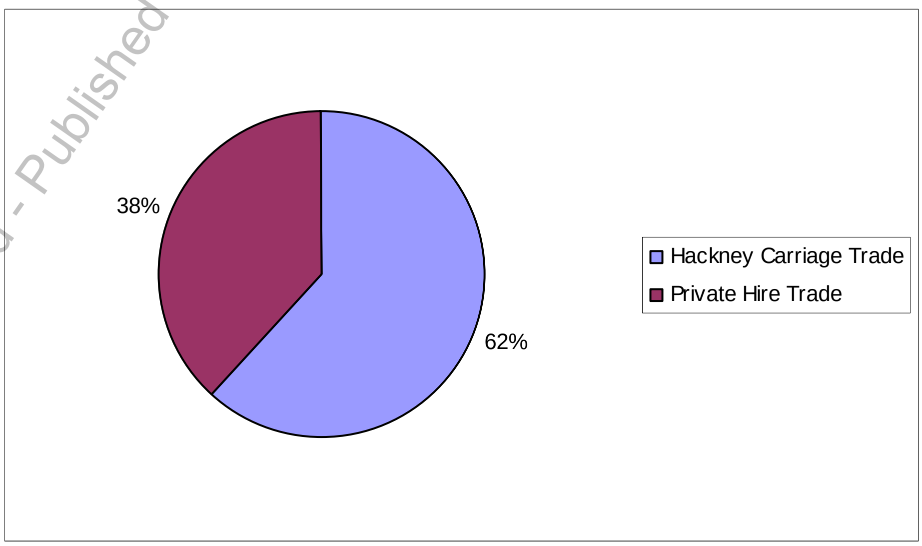
9.2 Survey Administration

9.2.1 The survey was conducted through a self completion questionnaire. These were sent to 1,140 licensed public and private hire drivers and operators in Southampton. A total of 211 questionnaire forms were completed and returned, giving a response rate of 18.5%, a typical value for this type of survey. It should be noted that not all totals sum to the total number of respondents per trade group as some respondents failed to answer all questions.

9.3 General Operational Issues

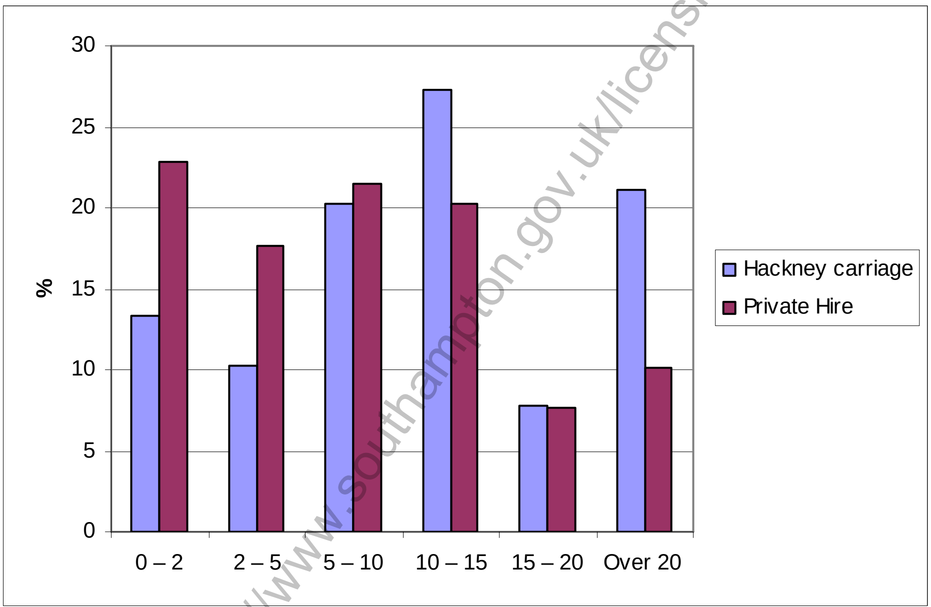
9.3.1 The responses provided have been disaggregated on a hackney carriage and private hire trade as shown in Figure 9.1 below.

Figure 9.1 Breakdown of Responses between Trades



9.3.2 Figure 9.2 indicates that 56.2% of hackney carriage respondents have been involved in the Southampton taxi trade for over 10 years compared to 38% of the private hire trade.

Figure 9.2 Duration of the respondents involvement in the hackney carriage trade/private hire trade.

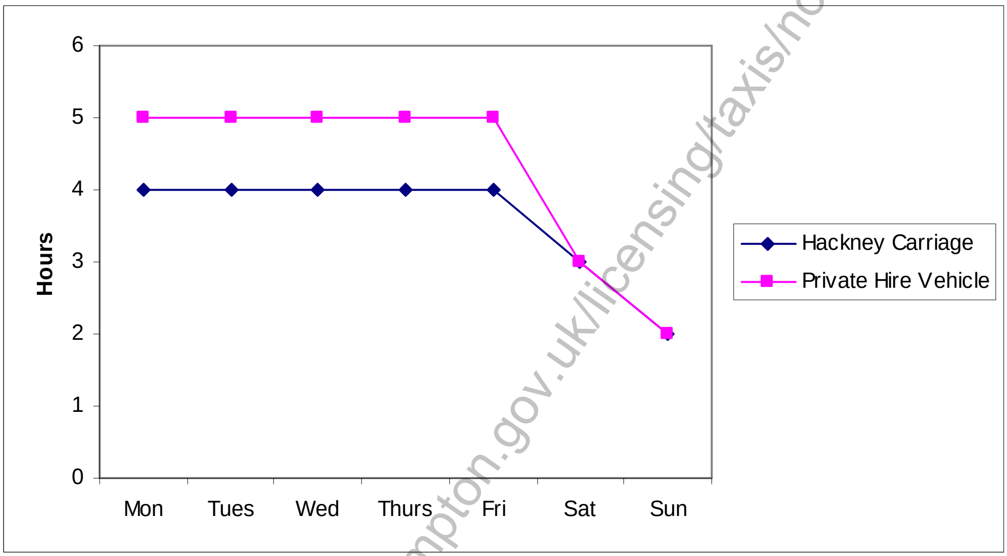


9.4 *Driving*

9.4.1 Respondents were asked the average number of hours they worked in a typical week. Hackney drivers tended to work on average nearly seven hours more a week than Private hire drivers. Hackney trade respondents worked on average for 53 hours per week compared to 46 hours per week for private hire drivers.

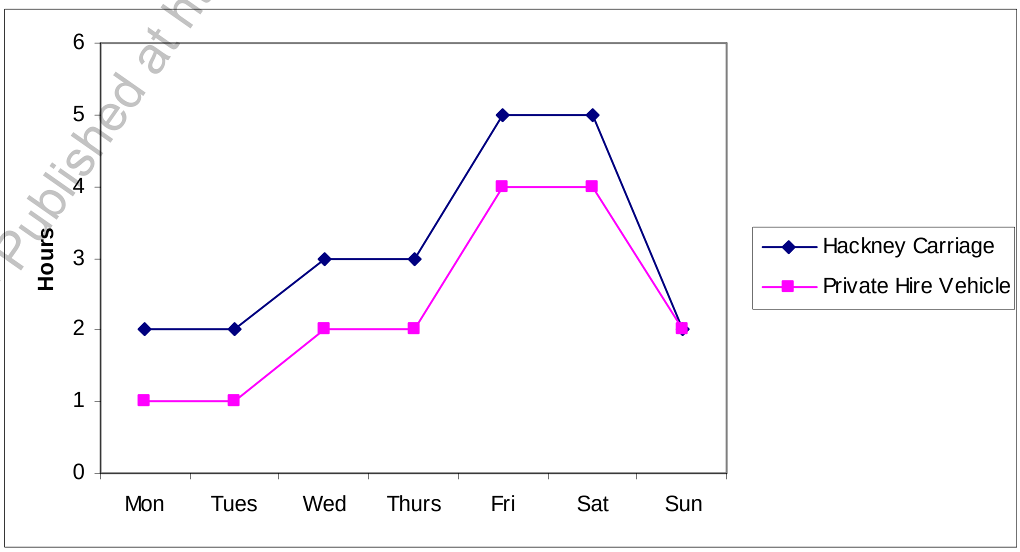
9.4.2 Respondents were asked to state how many hours they worked at different times of day during a typical week. Figure 9.3 documents the average hours worked during the daytime period (06:00-18:00) for each day of the week. On average, the hackney carriage trade work for fewer hours during the daytime to the private hire drivers. It also shows that both trades work the most hours during the day Monday – Friday and tend to work less hours during the day on the weekends than during the weekdays.

Figure 9.3 Average daytime hours worked



9.4.3 Figure 9.4 shows the average number of hours worked during the evening/night period (18:00-06:00). During the night time period the hackney carriage trade work, on average, longer hours than the private hire drivers. It also shows that both trades work for longer hours on a Friday and Saturday night compared with other nights during the week.

Figure 9.4 Average night time hours worked



9.4.4 Respondents were asked to state the number of times they carry disabled passengers on a weekly basis. Table 9.1 shows the results. Some 60.5% of hackney carriage respondents and 57.1% of private hire respondents were typically more likely to carry between one and five disabled persons per week.

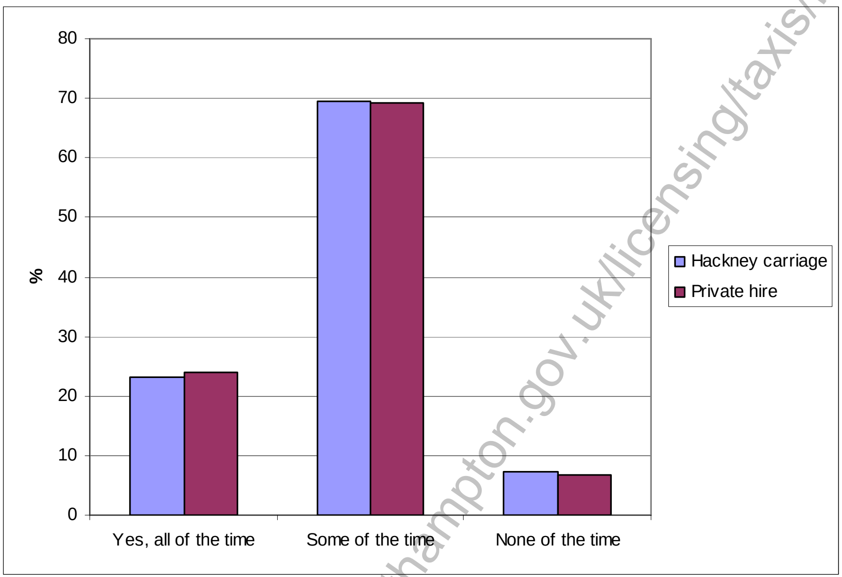
Table 9.1 Frequency of Transport of Disabled Persons

	Hackney Carriage Trade		Private Hire Trade	
	Frequency	Percent	Frequency	Percent
Never	29	24.4	15	19.5
1to 5	72	60.5	44	57.1
5 to 10	11	9.2	9	11.7
10 to 20	6	5.0	4	5.2
More than 20	1	0.8	5	6.5
Total	119	100.0	77	100.0

9.5 ***Safety & Security***

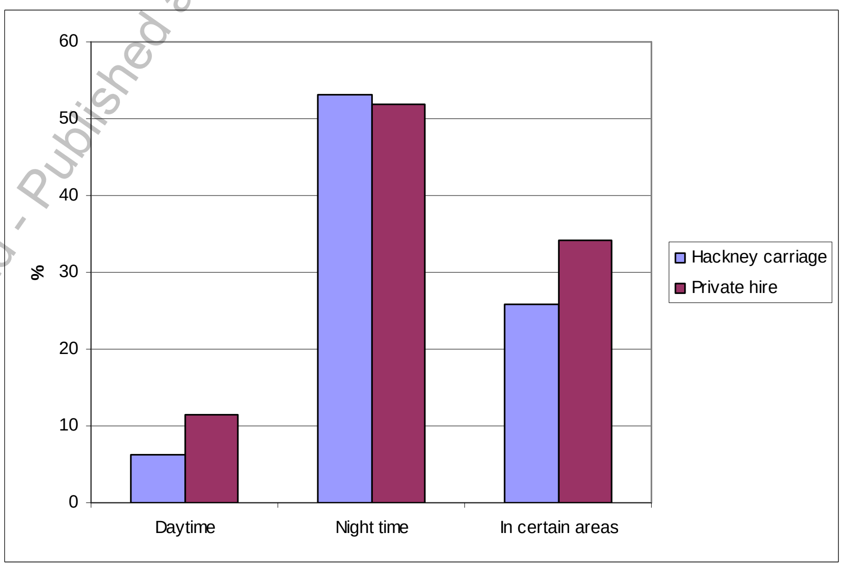
9.5.1 The respondents were asked if they felt safe whilst working as a taxi driver in Southampton, the results of which are shown below in figure 9.5. The majority of hackney carriage respondents stated that they felt safe some of the time (69.4%).

Figure 9.5 Do you feel safe whilst working as a Taxi Driver in Southampton?



9.5.2 The respondents were then asked when they felt unsafe working in Southampton. Figure 9.6 documents that over half of both hackney carriage respondents (53.1%) and private hire respondents (51.9%) stated that they felt unsafe whilst working at night in Southampton.

Figure 9.6 When do you feel unsafe as a taxi driver in Southampton?



9.5.3 Some 25.8% of both hackney carriage and private hire responses stated that they felt unsafe in certain areas of Southampton. The areas that were most commonly suggested as being unsafe were Millbrook, Weston, Shirley Warren and Thornhill.

9.6 *Ranks*

9.6.1 Members of the hackney trade were asked whether they believe there is sufficient rank space in Southampton. Some 78% of the hackney carriage respondents stated that there was not sufficient rank space for hackneys[12].

9.6.2 Some 47.7% of the hackney carriage respondents stated that there are areas in Southampton where there should be new hackney carriage ranks.

9.6.3 Of those that did say that new ranks were needed in Southampton, some respondents specified locations where new ranks were required. The most common suggestions were Shirley Road, Bedford Place, University, the Railway Station, Above Bar Street and Oxford street.

9.7 *Driver Skills*

9.7.1 Both trades were asked if they felt that taxi drivers receive enough training before being granted a taxi drivers licence. The majority (91.2%) of hackney respondent s were of the opinion that training was insufficient compared with 65.3% of the private hire trade .

9.7.2 Those respondents who stated that they didn't think they received sufficient training were then asked what training they would like to see offered to drivers. The results are shown in Table 9.2 below.

[12] A recent rank review has been undertaken by SCC which has resulted in a number of new ranks

Table 9.2 Opinions related to training (Multiple Response)

	Hackney Carriage Trade		Private Hire Trade	
	Frequency	Percent	Frequency	Percent
English Language	102	79.7	46	58.2
Customer Care	78	60.1	39	49.4
Disability Awareness	52	40.6	26	32.9
Driving Ability Test	62	48.4	35	44.3
Other	34	26.6	9	11.4

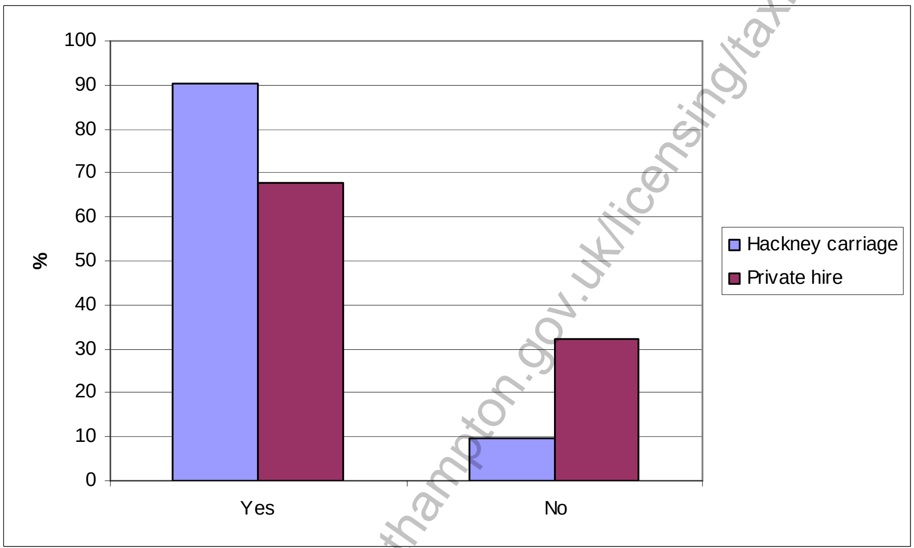
9.7.3 Both trades felt that English Language training and Customer Care training should be offered to drivers. Of those that stated other training, the most common suggestion were knowledge of the Southampton and taxi by-laws.

9.7.4 Respondents were then asked whether the training should be compulsory or voluntary. Of those who answered this question, some 89.6% of the hackney trade and 91.1% of the private hire trade said that the training should be compulsory.

9.8 *Taxi Market in Southampton*

9.8.1 Members of both trades were asked if they were aware that Southampton City Council enforces a numerical limit of 263 on the number of hackney carriage vehicle licences in the city. The results are outlined in Figure 9.10.

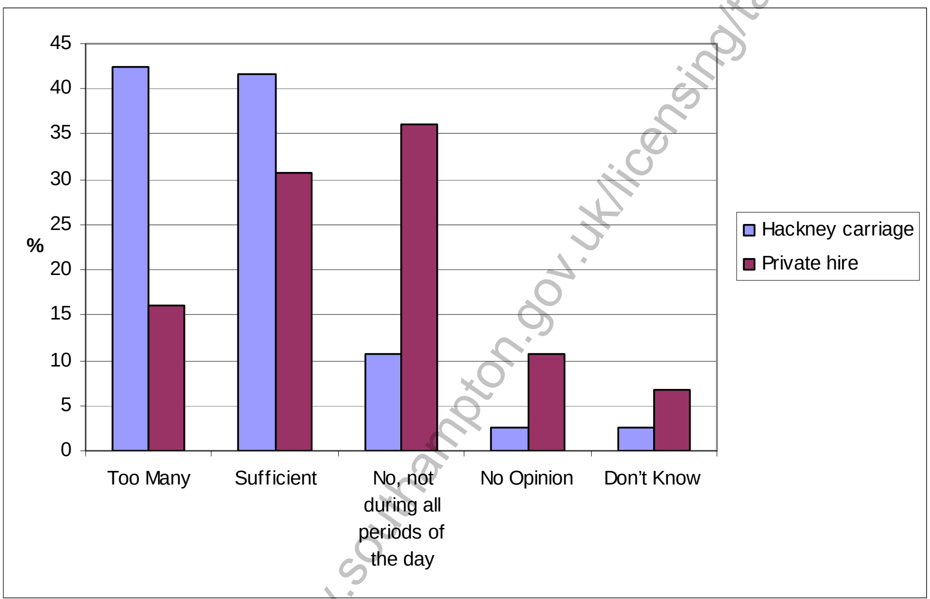
Figure 9.10 Were you aware that there is a numerical limit on the number of hackney carriage vehicle licences in Southampton?



9.8.2 The majority of the respondents were aware about the numerical limit, with 90.4% of the hackney respondents and 67.6% of the private hire respondents answering positively.

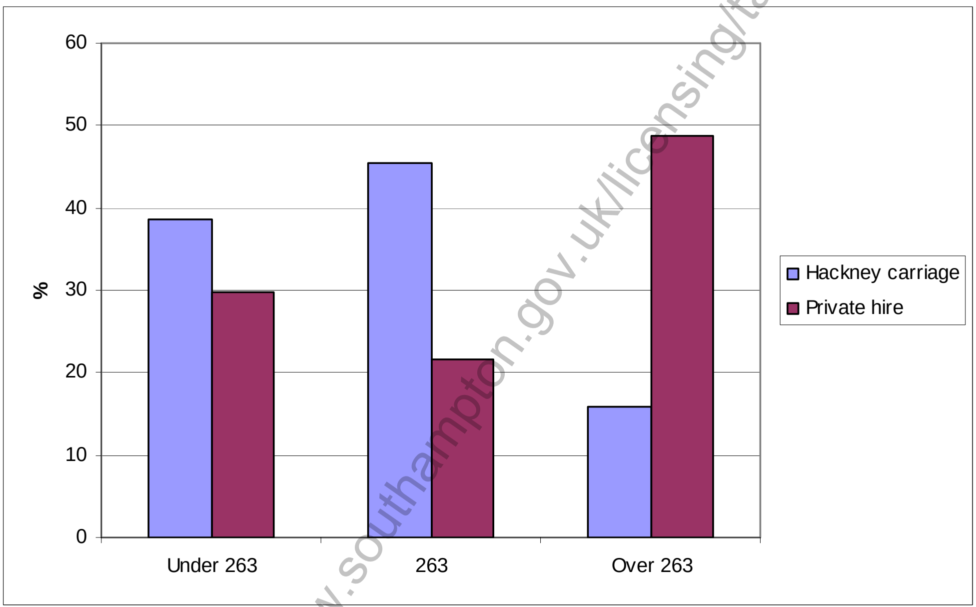
9.8.3 Members of both trades were asked whether they consider there to be sufficient hackney carriages to meet the current level of demand in Southampton. Figure 9.11 indicates that over a third of respondents from the hackney carriage trade (42.5%) consider there to be too many hackney carriages to meet the demand, compared to 16% of private hire drivers.

Figure 9.11 Do you consider there to be sufficient hackney carriages to meet the current level of demand in Southampton?



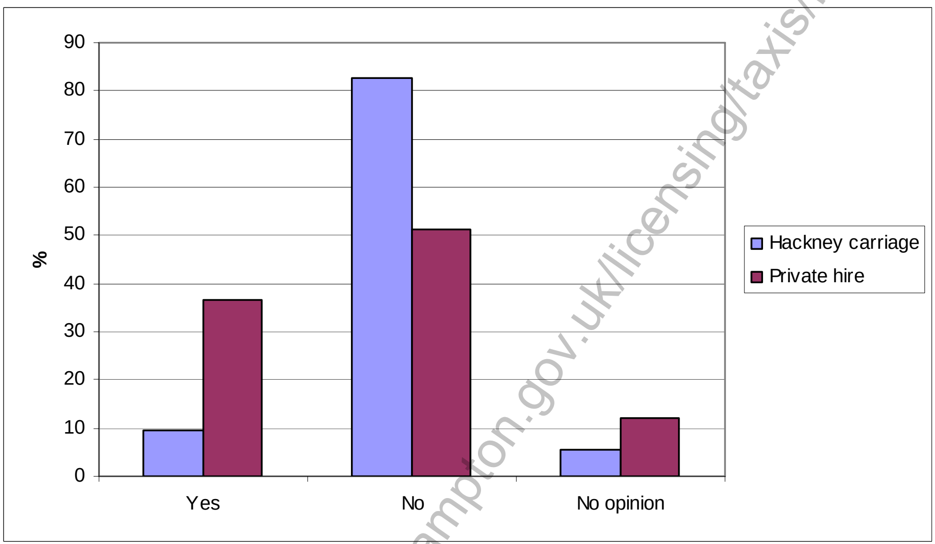
9.8.4 All respondents were asked to state what they thought the ideal hackney fleet size should be. The results are detailed in figure 9.12. Of those drivers who responded, 15.9% of the hackney carriage trade and 48.7% of private hire respondents felt that the fleet size should be greater than the present number.

Figure 9.12 Opinion of the Hackney Carriage and Private Hire trade of the Ideal Hackney Carriage Fleet Size.



9.8.5 All respondents were asked to state if they thought that Southampton CC should remove the numerical limit on the number of hackney carriage vehicle licences. The responses are detailed in Figure 9.13.

Figure 9.13 Should Southampton CC remove the numerical limit?



9.8.6 The majority of respondents from the hackney carriage trade (82.8%) felt that the numerical limit should not be removed compared to half of private hire respondents (51.4%). Some 36.5% of private hire respondents wished for the limit to be removed.

9.8.7 Views were sought regarding the likely impact on a series of factors if Southampton CC were to remove the existing limit on hackney carriage licences. The findings are summarised below and presented in Table 9.3

<u>Congestion</u>

9.8.8 The majority of respondents from the hackney carriage trade (74.6%) felt congestion would increase, compared to 23.6% from the private hire trade felt this would be the case.

<u>Fares</u>

9.8.9 Just under half of hackney carriage respondents (48.2%) considered that there would be no effect on fares following de restriction.

<u>Passenger Waiting Times</u>

9.8.10 The majority of hackney carriage respondents believe that passenger waiting times at ranks, when flagged or when booked by telephone would either not be affected or decrease. The majority of private hire drivers considered that waiting times at ranks or when flagging a taxi would decrease were the existing limit on the number of licences removed.

Vehicle Quality

9.8.11 Just over half of respondents from the hackney carriage trade felt hackney vehicle and private hire vehicle quality would decrease, compared to approximately half of private hire trade respondents stating that there would be no change.

Effectiveness of Enforcement

9.8.12 With regard to effectiveness of enforcement, 67.6% of the hackney carriage trade were of the opinion that removing existing licence restrictions would result in a decrease. Around a third of the private hire trade were of the same opinion (34.8%).

Illegal Plying for Hire

9.8.13 In terms of illegal plying for hire by private hire vehicles, 37.1% of the private hire trade were of the opinion that a change in licence restriction conditions would decrease this activity, compared to only 23.3% of hackney drivers.

Over Ranking

9.8.14 Both the hackney carriage and private hire trade felt over ranking would increase, with a response of 93.3% and 49.3% respectively.

Customer Satisfaction

9.8.15 Almost half of private hire drivers (49.3%) were of the opinion that customer satisfaction would increase as a result of the removal of the licence limit, compared to only 12% of the hackney trade.

Table 9.3 What would happen should Southampton CC remove the numerical limit?

	Hackney Carriage Trade			Private Hire Trade		
	Increas	No Effect	Decrease	Increase	No Effect	Decrease
Traffic Congestion	74.6	25.4	0.0	23.6	66.7	9.7
Fares	26.8	48.2	25.0	15.3	62.5	22.2
Passenger waiting times at ranks	8.0	73.2	18.8	8.1	21.6	70.3
Passenger waiting time when flagdown	2.7	73.9	23.4	4.1	33.8	62.2
Passenger waiting time by telephone	19.8	58.6	21.6	12.3	49.3	38.4
Hackney carriage vehicle quality	7.6	26.3	66.1	14.1	50.7	35.2
Private hire vehicle quality	7.1	37.2	55.8	18.6	50.0	31.4
Effectiveness of enforcement	9.9	22.5	67.6	13.6	51.5	34.8
Illegal plying for hire – private hire	58.6	18.1	23.3	32.9	30.0	37.1
Illegal plying for hire – unlicensed	53.0	31.6	15.4	29.4	32.4	38.2
Over ranking	93.3	4.2	2.5	64.3	24.3	11.4
Customer satisfaction	12.8	42.7	44.4	49.3	26.7	24.0

9.8.16 All respondents were asked their response to "*There is not enough work to support the current number of hackney carriages*". The results in table 10.6 show that over half of hackney carriage respondents (63.1%) strongly agree or agree with the statement that there is not enough work to support the current number of hackney carriages. Only 41.4% of private hire either strongly agree or agree that there is not enough work.

Table 9.8 Opinion of: "There is not enough work to support the current number of hackney carriages"?

	Hackney Carriage Trade		Private Hire Trade	
	Frequency	Percent	Frequency	Percent
Strongly disagree	18	15.8	21	36.2
Disagree	5	4.4	2	3.4
Neither agree nor disagree	19	16.7	11	19.0
Agree	12	10.5	4	6.9
Strongly agree	60	52.6	20	34.5
Total	114	100.0	58	100.0

9.8.17 The survey then asked opinions of the following statement; ***"Removing the limit on the number of hackney carriages in Southampton would benefit the public by reducing waiting times at ranks".*** The results in table 10.7 shows that 67.3% of hackney carriage drivers strongly disagreed or disagreed that removing the limit on the number of hackney carriages in Southampton would benefit the public by reducing waiting times at ranks, whereas only 55.3% of Private Hire respondents agreed or strongly agreed.

Table 9.9 Opinion of: "Removing the limit on the number of hackney carriages in Southampton would benefit the public by reducing waiting times at ranks"?

	Hackney Carriage Trade		Private Hire Trade	
	Frequency	Percent	Frequency	Percent
Strongly disagree	66	61.7	15	26.8
Disagree	6	5.6	10	17.9
Neither agree nor disagree	14	13.1	0	0.0
Agree	2	1.9	5	8.9
Strongly agree	19	17.8	26	46.4
Total	107	100.0	56	100.0

9.8.18 The survey then asked opinions of the following statement; *"There are special circumstances in Southampton that make the retention of the numerical limit essential".* The results in table 10.8 show that 61.8% of hackney carriage trade agree or strongly agree that there are special circumstances in Southampton that make the retention of the numerical limit essential, as do 41.7% of the private hire trade.

Table 9.10 Opinion of: "There are special circumstances in Southampton that make the retention of the numerical limit essential"

	Hackney Carriage Trade		Private Hire Trade	
	Frequency	Percent	Frequency	Percent
Strongly disagree	17	19.1	17	35.4
Disagree	2	2.2	3	6.3
Neither agree nor disagree	15	16.9	8	16.7
Agree	3	3.4	3	6.3
Strongly agree	52	58.4	17	35.4
Total	89	100.0	48	100.0

9.8.19 Finally the trade were asked what effect they thought it would have on them if the authority removed the numerical limit. The results show in table 10.9 that 67.2% of hackney carriage responses cited they would work more hours if the numerical limit of hackney carriages was removed. Some 43.8% of hackney responses stated that they would leave the trade if Southampton derestricted. In contrast 27.8% of private hire drivers said they would not change if the limit was removed, and 31.6% said they would switch from private hire to hackney.

9.8.20 Of those respondents who stated another effect de restriction would have, the main concern for hackney carriage drivers was financial.

Table 9.11 Effect on the trade if the numerical limit was removed (Multiple responses)

Effect of removing the limit	Hackney Carriage Trade		Private Hire Trade	
	Frequency	Percent	Frequency	Percent
No change	10	7.8	22	27.8
Work more hours	86	67.2	26	32.9
Work fewer hours	2	1.6	5	6.3
Acquire a hackney vehicle licence	16	12.5	29	36.7
Acquire more than hackney vehicle licence	6	4.7	7	8.9
Switch from hackney to private hire	2	1.6	0	0.0
Switch from private hire to hackney	2	1.6	25	31.6
Leave the trade	56	43.8	11	13.9
Other	16	12.5	5	6.3

Summary

Key findings from the survey can be summarised as follows:

- Approximately half of both trades have been involved in the Southampton trade for over 10 years;
- Over half of both hackney carriage and private hire typically carry disabled passengers 1-5 times a week;
- Some 69.4% of hackney carriage respondents and 69.3% of private hire respondents stated that they felt unsafe some of the time working at in Southampton;
- Some 67.2% of hackney carriage drivers stated that they would work more hours if Southampton City Council de restricted.

10 Summary and Conclusions

10.1 *Introduction*

10.1.1 Halcrow has conducted a study of the hackney carriage market on behalf of Southampton CC. Halcrow has the benefit of over 20 year's experience of research in the taxi market, in which the first survey undertaken by Halcrow for Southampton City Council was done in 2005.

10.1.2 The present study has been conducted in pursuit of the following objectives:

- to identify whether or not there exists a significant unmet demand for hackney carriage services in Southampton; and
- to recommend the increase in licences required to eliminate any significant unmet demand.

10.1.3 This section provides a brief description of the work undertaken and summarises the conclusions and implications for regulatory policy.

10.2 *Significant Unmet Demand*

10.2.1 The 2008 study has identified that there is evidence of significant unmet demand for hackney carriages in Southampton. This conclusion is based on an assessment of the implications of case law that has emerged since 2000, and the results of Halcrow's analysis.

10.2.2 On this basis the authority has discretion in its hackney licensing policy and may either:

- continue to limit the number of vehicles. The recommendation of this report is to set the limit at 282. The current limit is 263;
- issue any number of additional plates as it sees fit, either in one allocation or a series of allocations; or
- remove the limit on the number of vehicles and allow a free entry policy.

10.3 *Consultation – Public*

10.3.1 Key results from the Public Attitude Survey can be summarised as:

- 39.1% of respondents hired their taxi by either flagdown or at a rank;

- high levels of satisfaction with delay on last trip – flagdown hirings provide the highest level of satisfaction;
- some 4.7% of respondents had given up trying to obtain a vehicle by rank or flagdown;
- some 94.6% of respondents feel that taxi service in Southampton could be improved (need to be cheaper);
- majority of respondents (99.5%) felt safe using taxis during the day;
- some 22.3% of respondents felt unsafe using taxis at night; and
- some 33.6% of respondents were satisfied with rank provision.

10.4 *Consultation – Trade Survey*

10.4.1 Key findings from the survey can be summarised as follows:

- Approximately half of both trades have been involved in the Southampton trade for over 10 years;
- Over half of both hackney carriage and private hire typically carry disabled passengers 1-5 times a week;
- Some 69.4% of hackney carriage respondents and 69.3% of private hire respondents stated that they felt unsafe some of the time working at in Southampton;
- Some 67.2% of hackney carriage drivers stated that they would work more hours if Southampton City Council de restricted.