

APPENDIX A

Executive Summary

1. Unmet Demand Study

- i. Colin Buchanan & Partners were commissioned by Luton Borough Council to conduct an unmet taxi demand study within the town of Luton. The surveys took place between May and September 2008.
- ii. Several key elements to the taxi trade were investigated. These consisted of observations of the main ranks, public consultation, driver consultation, benchmarking Luton against other towns and a brief look at how the regeneration plans in Luton might affect the taxi trade. This report details the findings of the study and a separate report provides information on the benchmarking undertaken.
- iii. The main aim of this project was to find out if there was any unmet or latent demand for taxis in Luton. Secondary aims were to assess customer expectations and opinions in relation to the service provided by taxis in the town and to consult the drivers and other stakeholders about their opinions of the trade at the present time.

2. Hackney Driver Questionnaire

- i. Results from the Hackney drivers' survey (in which there was almost a 40% response rate), via a questionnaire, were peppered throughout with the issue of the number of PHVs which used the ranks to drop off fares and illegally tout for business, which we see become an issue in the observation study. Drivers were also asked questions relating to the amount of time that they, and their passengers, had to wait at ranks, their opinions on the ranks and how they might be improved, their opinions on how the Council's conditions could be improved and a selection of other issues.
- ii. The most striking result was that the majority of drivers (65%) felt that most customers have to wait less than five minutes for a taxi during the busiest times with many stating that customers had to wait no time at all. It was commented on that drivers often had to wait over 20 minutes to pick up a fare at each rank during the quietest times, occasionally giving additional comments about the amount of PHVs being the main cause of this. The survey also showed that drivers generally feel the sizes of the ranks are either satisfactory or too small but that they are lacking in facilities.
- iii. With regard to Council conditions most drivers felt the written test to be satisfactory to ensure a good standard of drivers (although some stated it was far too easy) and that there is no need to introduce a practical test for existing drivers. However 50% suggested it would be a good idea to introduce a test for new drivers. Over half of the drivers believed the disciplinary procedures to be fair but of those who stated they were unfair comments included that the Council tended to favour the side of the customer in cases of complaint.

3. Observation Study

- i. The taxi rank observations were carried out using high mast camera footage which helped to prevent the drivers from changing their normal patterns once they discovered a survey was taking place.

APPENDIX A

- ii. Public consultation was undertaken using surveys at a number of locations in the town centre over Thursday, Friday and Saturday.
- iii. The rank observations showed that the main ranks (Park Street, Upper George Street, Wellington Street, Bridge Street/Galaxy, Gordon Street/Manchester Street, Luton Train Station, Luton Airport Parkway Station and Luton Airport) had taxis waiting for fares for the majority of the time. However, there were periods of time, for example at around 2pm on Friday, particularly at the airport, where there were very limited numbers of taxis and small queues of passengers were waiting for Hackneys.
- iv. This is a suggestion that at some periods of time, there is a small amount of unmet demand. In terms of the busiest ranks, the Airport was found to be the busiest location followed by Park Street in the town centre.
- v. One very important observation, however, was that in total, apparently half of the taxis seen were PHVs plying for hire at the ranks in the town centre – a fact which suggests that there may be unmet demand for Hackney services, if, for example, the PHVs were to be removed from the town centre ranks. It was also observed that a large amount of PHV activity took place on Wellington Street. The amount of illegal plying for hire by PHVs is an area that needs to be addressed because the present level of PHV activity is, to an extent, hiding the true level of demand for Hackneys.
- vi. During night time hours (between 9pm and 4am), perceived to be the peak period for taxi usage, there was a mix of both Hackney Carriages and Private Hire Vehicles (PHVs), though as each night wore on, the ratio of PHVs to Hackneys steadily grew until around 4am, when there were around 9 PHVs to every Hackney operating at the main ranks – this was particularly noticeable at the night time ranks near the town centre pubs and clubs.

4. Public Consultation

- i. The public consultation was undertaken by way of a survey at a number of locations in the town centre over the course of a Thursday, Friday and Saturday in order to get as many responses as possible. In total 251 taxi users (those who had used a taxi in the last six months) and 148 non taxi users (those who had not used a taxi in the last six months) were questioned.
- ii. Customers who use taxis were generally satisfied with the service provided, with the majority thinking there are sufficient taxis to satisfy demand. Over 90% of respondents said that they waited less than 5 minutes for a taxi the last time they took one. Most of the average scores for the factors of service for Hackneys (such as wait time, helpfulness of driver, and level of local knowledge) were between 6 and 8 out of 10. For PHVs scores out of 10 were an average of 8. Users felt that improvements could be made by reducing prices, having more female drivers and ensuring good standards of English are spoken by all drivers.
- iii. A significant change that supports the theory of there being a small amount of unmet demand is the public's perception of the average wait time, in which from 2006 to 2008, there was a reduction of 20% of respondents who felt that they had to wait 1-2 minutes and an increase of 25% of respondents who felt they had to wait 3-5 minutes.

APPENDIX A

- iv. Around 57% of those public interview respondents whose last PHV trip involved being picked up from the town centre after shopping, waited for a PHV at a rank. Conversely, of the most recent trips of all those picked up from the town centre, stations or airport, either after shopping, a night out or for some other reason, the percentage that were picked up from a rank was 19%, with telephone bookings accounting for 47%. However, the largest percentage of respondent's last PHV trip involved being picked up at home after phoning a private hire company.
- v. There is a small amount of latent demand created by the pricing of taxis. If they were cheaper more people would use them (though we recognise that it is the taxi trade who decide the prices). However, the majority of those surveyed who had not used a taxi in the last 6 months stated that they had no need for a taxi.

5. Regeneration & Developments

- i. The effect of the planned regeneration of Luton is generally likely to increase the demand for taxis. On a small scale this could relate to increases in office and business space and on a more large scale basis relates to hotels and casinos. However, demand is likely to be limited to some extent by the Busway link (though this is still a some time away and will not have an impact over the next few years) and the already good service to and from Luton Airport Parkway station. As a result of the nature of the developments taxi demand is likely to be higher during the evenings and nights.
- ii. Whilst most of the developments are still planned, it would be appropriate to mention the current economic climate, which is both slowing down some developments and also causing some people to consider alternative methods of transportation. We do not yet know how long the economic downturn will last, nor it's effect upon the taxi trade. Nevertheless, it should be considered in the decision making process on the number of licences.

6. Recommendations

- i. From our observations we can conclude that there is occasionally some unmet demand, but, for the majority of time, passengers are almost always able to find a taxi when they need one. However, when the observations are broken down by type of taxi, it emerges that the PHV trade (through illegally plying for hire at ranks and near to ranks) is supplementing the Hackney trade to such an extent that it is masking the real demand for Hackney services.
- ii. Given this PHV activity, the development and growth of Luton, as well as the small amounts of unmet demand that is both visible at some periods of time and hidden at others by PHVs, we would recommend, in parallel with more stringent enforcement of the illegal plying for hire by PHVs, the release of around 15 to 20 Hackney licences for the next few years, after which the demand should be reassessed, allowing for the completion of some developments and hopefully a settling of the economy as well as more knowledge about the likely effects of the 2012 Olympics on Luton as a transport hub becoming available.

APPENDIX A

7. Overall Conclusions & Recommendations

- i. Our observations showed a significant amount of PHVs operating at and around Luton's taxi ranks. This is most prominent around Upper George Street and at the night time ranks of Gordon Street/Manchester Street and Bridge Street/Galaxy.
- ii. A small amount of unmet demand was found at certain periods of the day, most obviously around 2pm on Friday as well as the early evening periods. This could not be classed as significant unmet demand as it only occurs in small peaks, but is nevertheless noticeable even above the masking of the illegal PHV activity.
- iii. The ratio of PHVs to Hackneys generally increased as the night wore on, reaching a peak of almost 95% PHVs on Friday night between 3am and 4am. If even half of these PHVs were taken off the road, there would be a significant amount of stress placed on the Hackney trade, and unmet demand would be created.
- iv. However, it would not be practical to licence such large numbers of Hackneys to cater for such a short peak and there are many other factors to consider than simply just the amount of Hackneys and PHVs, such as the research undertaken with the public showing that a significant proportion of PHV users used them because they were cheaper (over half).
- v. The figures of dwell times show that there were many taxis at several ranks for most of the survey days, particularly the Airport and, to a lesser extent, the stations. However, when the fact that many of these are PHVs is taken into consideration, it is clear that there would not be an oversupply of Hackneys, but the amount of taxis would be bordering on an undersupply, a fact which would worsen as the night time wore on. We believe that the current level of illegal PHV activity at the ranks cloaks the true level of demand for Hackneys.
- vi. An obvious starting place would be to clear the ranks and reduce the amount of plying for hire on street by PHVs through increased enforcement, though this is understandably tough on finite resources. One option would be a reduction in PHV plates and an increase in Hackney plates, which would help to some extent balance the two markets.
- vii. It is important to consider the developments taking place in Luton as well as the current economic climate. Given careful consideration to these as well as the small amount of unmet demand at certain periods of time, and the extent of illegal activity of PHVs that is masking the true level of demand, we suggest the release of approximately 15-20 plates per year for the next 3 years. After this point, the number of Hackney/PHV licenses should be investigated in the means of an additional unmet demand study in the following 2-3 years, as in line with the best practice guidelines.