Lancaster Licensing Area Demand Survey

Thank you for our recent discussions during late October and early November 2022. This note covers the cost of a full survey beginning with a focus on rank work being undertaken in Mid November 2022. Please note that LVSA (Licensed Vehicle Surveys and Analysis) is a joint trading name covering CTS Traffic and Transportation Ltd and Vector Transport Consultancy. The actual legal entity for invoicing will be CTS Traffic and Transportation Ltd.

Introduction

LVSA have kept ourselves at the forefront of the developing needs of licensing authorities both in terms of ensuring they keep to the latest Government Guidance whilst also keeping up with the current need for public service and trade safety at the present difficult time. During this period we have become aware that, rather than traditional demand surveys, the emerging need in most licensing areas is now developing an understanding of how patterns of demand and use of licensed vehicles has changed, and continues to change, during the pandemic. This basis of understanding can then be used to identify how the industry will emerge into this 'new normal' and how well the remaining fleet can cope with existing and foreseeable changes in demand. Notwithstanding this, the need for the classic unmet demand elements to meet the needs of Section 16 of the 1985 Transport Act remain within our core methodology.

The aim is to provide the licensing authority with early warning of impending issues that affect vehicle licensing allowing them to attempt to tailor policy to best suit. We believe this fits well with the duties of the licensing authority in light of both Section 16 of the 1985 Transport Act and the still current April 2010 Best Practice Guidance (see more below) (BPG). It still fits with the proposed changes recently consulted on for a fully revised BPG document, and in particular ensures the authority has a current view on the value of the present set of ranks.

During 2022 we undertook 21 demand surveys under the LVSA banner. These included surveys for local areas including Wyre, South Ribble, Preston and Blackpool (all of which remain under way in some form)

In total, across all our demand survey activity, LVSA has undertaken 245 similar studies for some 106 different authorities with six studies for two authorities, five studies for four authorities, 12 studies for four authorities and 26 studies for three authorities, demonstrating good repeat business. Our full list of authorities served can be provided on request.

We can provided written references for two recent authorities, Liverpool and Wigan, if necessary. Further referees can be provided if necessary.

Background

Through our two taxi experts, and principally Ian Millership, we were involved in undertaking your last demand survey (reporting in 2020, but with the bulk of the data collection in 2019) and also copies of your previous surveys many of which were undertaken by the main taxi expert who would lead your new study. We have also attempted to keep up with developments in your area over the intervening period since your last study. This gives us unrivalled knowledge of your area and its licensing history and practices. Under the LVSA umbrella we now undertake almost all demand surveys in both England and Scotland at this time. In Scotland we also provided advice and have undertaken private hire restriction surveys.

We retained an involvement in the industry through the pandemic, undertaking outline and at least one detailed study during the actual main period, and building up to undertaking other surveys as soon as authorities felt this was reasonable or necessary, or both.

Since more levels of normality have returned following the peak of the pandemic impacts, we have and are working with a wide range of authorities to undertake their latest demand surveys. These include studies for Wigan, Liverpool, Hull, Brighton and Hove and Bradford that are essentially completed, plus ongoing studies for 18 other authorities for whom rank work is now complete and four others who are preparing for Autumn surveys and have made commitment to these. Some are already preparing for Spring 2023 surveys.

You provided us clarification regarding current rank provision. We have updated the level of vehicles and drivers from the DfT surveys undertaken each March to the latest end of March 2022 information to inform our thoughts regarding your potential study needs.

Despite current ongoing review of the BPG (publication of the response to the consultation is still unknown), the DfT April 2010 Best Practice Guidance (BPG) paragraph 49 remains the key statement with respect to timing of demand surveys and their importance:

"49. If a local authority does nonetheless take the view that a quantity restriction can be justified in principle, there remains the question of the level at which it should be set, bearing in mind the need to demonstrate that there is no significant unmet demand. This issue is usually addressed by means of a survey; it will be necessary for the local licensing authority to carry out a survey sufficiently frequently to be able to respond to any challenge to the satisfaction of a court. An interval of three years is commonly regarded as the maximum reasonable period between surveys."

Our professional experience is that a maximum three-year gap between rank survey work is generally the best test of change within any area. We have found numerous examples where delay has led to unforeseen consequences much harder to recover from. You remain in the very fortuitious position of being one of a reduced number of authorities who can continue the three-yearly repeat time frame, particularly if you can undertake rank work during November 2022.

We understand now is a timely point to undertake a thorough and informed collection of information to allow consideration of the issues around retaining a limit at this time, as well as understanding present operations in your area, including need for review of rank provision.

However, we would point out that the BPG points that the key is an authority being able to respond to any challenge to the satisfaction of a Court as the main determinant. Some Scottish views of this have led to several Scottish authorities undertaking regular test surveys.

The other concern arising is that all unmet demand surveys to the start of the pandemic were undertaken where the principal change impacting on existence of unmet demand and its significance was change in passenger demand of various kinds. Main changes were closure of demand generators but there were also issues related to major growth in rank usage often related to growth in passenger rail demand or from new major developments within town centres.

Our work since the pandemic has found that the supply side, often steadied by a limit policy, has even within that situation been severely impacted by what is now almost two years of severe disruption and challenge. This means that the original expectation that reduced demand would lead to improved service from a fixed number of vehicles and drivers, and therefore improved levels of unmet demand, can no longer be assumed. Indeed we are often finding reduced demand alongside worse public service which we are finding relates to supply side changes that need to be understood and reacted to in a firm but thorough and informed manner.

Even if vehicle numbers may have remained static they all need drivers to be of value to the public and we have found that high levels of renting can lead to a less tied workforce making health choices that take them temporarily or permanently out of the industry.

You have reviewed the proposed rank observation schedule and believe this to be satisfactory for our use.

Other comments
We are also becoming aware of discussion and thinking in the bus industry that sees the future levels of service provision being reduced to match the new levels and patterns of demand (Buses Magazine, January 2021). The result may be significant opportunities for the overall licensed vehicle industry to both meet gaps in public transport provision as well as perhaps consideration of more cost-effective provision of some essential but not profitable travel needs by licensed vehicle rather than more expensive previous larger transport provision.

It is clear that a full and perhaps more comprehensive demand survey for Lancaster is now a timely need and we outline our expected content below.

Methodology
We have identified several potential work items that will build up to provide the comprehensive review you aspire to. We discuss each below:

Trade consultation
Our standard all-trade consultation as required by the current (and proposed) Best Practice Guidance (BPG) provides independent feedback to us of key parameters such as:

- The current involvement in the trade
- What type of involvement they have, i.e. drive, own, operate and what kind of vehicle
- How they obtain their trade
- What ranks they utilise or areas they service
- How they feel the pandemic and other matters have and will affect their trade and operations

This is undertaken by your either posting or electronically contacting drivers to provide them the explanation and access to the questionnaire (preferably completed on-line).

This would also identify the level of people both having left and proposing to leave the industry. It would inform a ‘bottom-up’ estimation of the expected provision from the supply side of the unmet demand equation.

Our current preference for any demand survey update is that the driver survey occurs in advance of the main rank work. This has the benefit of being able to tailor the expected rank demand work to those ranks that drivers say they actually use. It also allows other elements of the work to be tailored to identifying evidence of issues that drivers raise.

However, some authorities have the strong belief that undertaking any work in advance of the rank work can lead drivers to 'play up' to the survey by ensuring ranks are covered more than they might normally be. Our methodologies are designed to minimise the chance for such behaviour to skew the results (see further below). However, with the need to progress the rank work urgently, we would propose for your survey to undertake the driver survey once the rank work is completed, and possibly after Christmas when the trade may feel more able to complete this realistically.

We would provide you with updates on returns every week once the initial issue of the survey by yourselves had been made.

Public views
A current version of our standard demand survey on-street consultation would be undertaken in the two main centres covering up to 100 interviews in each of Lancaster and Morecambe. This would identify current views from the public in the area about their present and proposed use of licensed vehicles, and provide an up to date set of direct views.

This public consultation also identifies the key 'latent demand' element of the study by asking people if and when they had given up waiting for hackney carriages either at ranks or by hailing.

Testing of rank-based demand
The ultimate way to keep any authority away from any possibility of legal challenge regarding unmet demand significance is to have direct information about demand at ranks. This is the most expensive part of any study yet also the clearest evidence of performance. Our report would highlight from various sources evidence about the likely locations where unmet demand might be developing that could be significant (SUD).

We now believe that your rank work could be undertaken during November 2022. This matches the November 2019 date for your previous study. Content would be confirmed at inception.

The rank work will include sample observation of active plates on two of the three days of the survey to provide the level of activity of the hackney carriage (and other) fleets at key points around the central area. This is critical to understand how many plates are providing the observed level of service to the public at the ranks.

Results from the rank work will be tested using the industry standard 'Index of Significance of Unmet Demand' (ISUD) which identifies level of public service provided from the appropriate inputs from both rank and on-street interviews. We will also follow the spirit of the suggested public interest test outlined by the Law Commission although principally led by the current BPG document guidance at the time of undertaking the survey work.

Key stakeholders
We would approach a range of key stakeholders as defined in the BPG to seek their views of the impact of the present hackney carriage (and private hire) service provided on their customers and businesses.

This would include:
-supermarkets
-pubs
-bars
-night clubs
-hotels
-leisure attractions
-public transport providers
-other appropriate groups

We would also include disability representatives.

We would advise that the present culture is lack of response to any form of stakeholder consultation, given that our work is not statutory, but we will use all available methods to seek to obtain views. We would also draw on any formal discussions or representations made to the licensing authority in this regard (which are usually rare, but some of which you have mentioned particularly on the disability facet).

Overall summary
The results from each of the above reviews would be drawn together to provide a comprehensive review of the state of the industry as far as is known in 2022/3. This would highlight trends and inform possible policy decisions that could be made in advance of any new full survey to obtain and provide benefits to both trade and customers at the earliest opportunity. The report would be built up and reported as each section of work was concluded to ensure the licensing authority, committee and trade could be kept aware at all times of the latest state of knowledge of the industry and its potential future.

Study costs
Our estimated fee for undertaking your study would be £9,950 + VAT.

Overall reporting is included in each element above

Further details can be provided once initial consideration by yourselves of the options above have been undertaken.

The proposed payment schedule of staged payments would be agreed on appointment

We would also advise you that we utilise the services of a factoring company as part of the payment process, more details of which will be provided to you at Inception.

This price does not include a presentation of results to committee other than using virtual presentations. A cost for a face-to-face presentation could be provided if and when necessary.

Further contact can be made by email to ian.millership@ctstraffic.co.uk; by mobile phone on 07976 344254, or by prior agreement to 0121 558 2259 as long as your phone system does not withhold its number, or in last resort to our main office number on 01772 251400.