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**Unmet Demand Survey – Chorley Council
Our Ref: 4371**

Dear Paul / Steve

Thank you for inviting CTS to provide you a price for undertaking an unmet demand survey for your latest review for the Chorley licensing area. Thank you also for speaking with me, sending a copy of your previous study and the further clarification provided to allow this revised proposal to be more carefully tailored to your needs.

CTS Traffic & Transportation are based in Preston, and we are therefore the closest demand survey company to you as well as already being well used to undertaking survey work for Lancashire County Council in the Chorley area. We also believe we are unique in using video-based rank survey methods which provide a more robust and defensible record of rank demand and operation.

We have provided you with a fixed cost for each element of our proposed survey. This is summarised in the table below. Detail of the content of each element is provided in the following paragraphs. We have also taken care to keep the costs to a minimum but have also provided you additional options which we have found useful in other recent studies which add value, but are not essential. We have also taken great care to revise this proposal to include your specific needs as outline to us by phone. We are confident this proposal therefore contains all you consider is necessary to be covered in your demand survey at this point in time.

These prices remain negotiable dependant on our interpretation of your requirements and your consideration of this offer. We have provided an idea of the professional staff time allocated to each task and an additional cost for adding further items or scope for your information.

Work Item	Fixed Price (£) + VAT	Chargeable hours excl survey staff	Hourly rate for additional work
1: Inception and site visit	500	8	54
2: Policy review and reporting	830	15	54
3: Rank observations and analysis (205 hours)	3585	23	35 (see notes 1 and 2)
4: Public attitudes (400)	1815	8	35
5: Trade survey	1120	23	54/35
6: Other stakeholder consultation	1080	20	54
7: Presentation to Licensing Committee	500	8	54
TOTAL	9430	97	

Note 1 – adding extra cameras during proposed survey period can cost as little as £75 plus analysis time per site which depends on no. of hours and busyness of site

Note 2 – extra cost per hour is based on collection and analysis by trained staff with a small amount of taxi specialist time for the net additional interpretation required.

*Note 3 – all prices are inclusive of expenses, but **EXCLUDE VAT**.*

Our fixed fee for undertaking work items 1 to 7 is therefore **£9,430** plus VAT.

We have also included details of our surveys undertaken over the last six years (Appendix 1), as well as the CV for our taxi expert who would have control of the production of your Final Report (Appendix 2).

With respect to any legal challenges to our work, our taxi expert has never faced any sustained legal challenge to the work undertaken. Whilst we have answered questions regarding the content of our work, none of this discussion has ever led to any requirement for our work to be reviewed in a court situation. We believe that our thorough methodology, clear involvement of relevant parties within the survey and in particular our video rank data collection method has all helped to maintain this situation. Furthermore, our careful documentation of information collected would put us in excellent stead were any challenge to be forthcoming.

Below, we have provided further detail of what is included for the costs stated above to help clarify the content of our survey, which we believe provides excellent value for money.

Proposed Methodology

1: Inception Meeting

Upon appointment, we would agree a date for an inception meeting. If possible, this meeting should include as well as licensing staff, at least for part of the time, representatives from key stakeholder groups including:

- Pub Watch
- City Centre Management
- Local Transport Plan representatives
- A police representative

We believe that including the above representatives would allow us to get the study off to a prompt start. Were you to feel able to include trade representatives, that usually leads to the best studies but we understand in some cases this is not appropriate as the trade might then play up to the surveys.

This meeting would include final agreement of the content of our public attitude questionnaire that would be undertaken with up to 600 persons. We would recommend surveys be undertaken in all relevant sections of Chorley town centre (250), plus up to seven other locations with a sample of 50 persons to be agreed, giving a total of 600 interviews which we believe is a sufficient sample for the purposes of this survey (see further detail in section 4 below).

It will be important to ensure all potential demand locations for hackney carriages are surveyed with this public attitude questionnaire to ensure any latent demand can be captured. A draft copy of the proposed questionnaire is included as Appendix 3 for circulation to parties in advance of the inception meeting. As mentioned at our meeting, your specific questions will be added and agreed with yourselves at that time.

Any available information should be available at this meeting, together with any further detail of stakeholders beyond those able to attend the meeting (including other stakeholders listed in the DfT Best Practise Guidance, including representatives of disabled groups and the business community such as key shops and businesses).

The inception meeting would be preceded or followed by the opportunity for a member of licensing staff to show us around current rank provision in the area. It would also confirm timetables for delivery of the various elements of the study.

Cost - £500

2: Policy Review and Reporting

This section of work would summarise the research undertaken in the various strands of the study to provide an evaluation of the level of unmet need for hackney carriages in the area. Results of each survey would be provided and drawn together into a set of conclusions from our research. This would lead to a set of recommendations suggesting alternative regimes for taxi regulation in the area, ranging from maintaining the current limit, through specific and managed growth to full removal of number regulation. This would enable the committee to make a reasoned decision at the presentation.

The results of our review would be contained in a report which would ensure recommendations made in light of the current Best Practise Guidance. The report would include summary of all research undertaken, including extracts from nationally available statistics for licensed vehicle numbers and licensed vehicle fares.

Our report would include clear statements of situations where further work would be required to ensure the information base remained robust, in particular any events that might occur that might require specific rank survey work or other data to be updated, and recommendations of how policy might be developed for your area in a way that would ensure hackney carriages remained a vital part of the public transport offer of the area in a sustainable manner.

Cost - £830

3: Rank Observations

Our rank surveys allow for up to 205 hours of observations undertaken over three busy days (including Chorley market day, Tuesday). We consider that our video-based method of data collection provides a robust data source which can be reviewed if necessary and which minimises any opportunity for the data to be falsified in any way. It also allows ready checking of any locations where unmet demand is identified to ensure that this is not arising from geometric or other matters that could be resolved in ways other than by adding extra plates.

Our rank surveys will cover up to seven locations on three days (we would presently expect to cover a Friday, Saturday and Tuesday) to ensure all hackney carriage activity was observed, and that any attempt to 'flood' ranks being observed would be thwarted. Observations at the railway station would cover the Friday and Tuesday, and would identify how this location was served given the absence of any formal rank.

At your request, we are also covering observations at the main rank and the railway station on the Tuesday following the weekend observations (Market Day). Your previous survey would provide sufficient information to allow understanding of the likely potential for unmet demand on other days of the week.

We would provide our detailed rank observation proposals to the Council within one week of the inception meeting site visit and then aim to undertake the actual survey work in a timetable to be agreed at the inception meeting. At this point in time, this could be during March, April or May, or between September and November. We would not usually undertake rank work in August when schools were on holiday, and this year we would not undertake work in June or July with the run-up to the Olympics and Queen's Jubilee celebrations. We would also avoid the month of Ramadan when we are aware when this is this year.

The video method allows precise timing of all arrivals and departures, giving extra certainty regarding any unmet demand identified, and an excellent balance between vehicle waiting and passenger waiting times so that any decision on unmet demand can be carefully made in context of the operation.

Each video is watched by a trained member of CTS staff to ensure consistency and accuracy, and the data is then interpreted and presented in tabular format to show current rank performance. Other issues regarding rank performance, such as safety issues or abuse of the location by other vehicles are also noted as a matter of course, providing added value to this method.

Cost - £3,585

4: Public Attitude Surveys

A public attitude survey, using the agreed questions confirmed at the inception meeting, would be undertaken with people in areas around the town, as agreed at the inception meeting. This would seek to understand how the public currently perceive licensed vehicles and their availability in this area. The sample obtained would be compared to current 2012 population estimates for the Council area (using nationally available statistics unless local data was readily available).

This survey is important to identify any latent demand. At present we would expect to undertake 250 surveys in Chorley and up to seven samples of, 50 interviews in further locations to be agreed, but which you suggested might be Astley Village, Coppull, Adlington, Wheelton, Ecclestone and Euxton. We are aware there are some 23 'towns' defined within Chorley (as shown on your web site), but that many would be too small to provide any reasonable public attitude sample size. We also agree that we will confirm the location of surveys in Chorley town centre at the inception meeting so we can cover locations where people might want to see new ranks as well as those currently using hackney carriages. We also confirm that we would undertake the public attitude work on the weekend following the rank surveys to avoid the trade being unnecessarily made aware of the rank work that was ongoing.

The questionnaire would be tailored to include questions eliciting how the public felt about vehicle condition, use of electric vehicles and other relevant concerns as agreed at the inception meeting. In particular, we are aware you would like to know how many people currently arrive by another mode and return by hackney carriage or private hire vehicle and we would confirm how this could be included in the questionnaire at the inception meeting.

Cost - £1,815

5: Trade survey of all license holders

We assume that, for data protection reasons, invitation letters and questionnaires would be sent out by the licensing department. The content of the questionnaire to be used would be agreed at the inception meeting, and a letter provided to be sent with the questionnaire. The option of return to a freepost address or by email would also be provided, as well as provision of a telephone number for people to give their comments verbally were that felt to be appropriate.

A drop in day would be arranged for hackney carriage and private hire drivers (in separate sessions) to come and speak with us, leaving completed questionnaires with us at the same time. Options would be available if questionnaires could be handed out by trade members and returned.

The above method of consulting the trade was developed to meet the requirements of both the Best Practice Guidance and case history following the Watford case where insufficient consultation with the trade was undertaken. Our method has been refined as further studies have been undertaken.

The data received will be entered into an analysis spreadsheet using well-trained data entry operators who are experienced in interpreting and entering similar data, and who can undertake this process promptly, accurately and efficiently. Final analysis, checking and interpretation would be undertaken by our taxi expert and the results incorporated into the Final Report.

Key outputs from this questionnaire would include the average time worked by drivers at present and estimates of the level of revenue currently being received by drivers in the area.

Cost - £1,120

6: Other stakeholder consultation

The Department for Transport Best Practise Guidance lists a number of key stakeholders to be consulted. Our proposed list of stakeholders would be forwarded to the Council in advance of the inception meeting to ensure that any current contact details held by the Council could be utilised. Our recent surveys have included sending some consultation to relevant persons by email, which has proved very successful in obtaining high levels of prompt response. This would be backed up by postal requests, and supplemented by phone calls to ensure every opportunity was taken to give key stakeholders chance to contribute.

In our discussions, you suggested there is a forthcoming development with a major supermarket at the opposite end of the town centre to the current main rank. We agree it would therefore be prudent to hold a face to face meeting with the local planners to identify the expectations regarding the timing of this development and its potential to provide further demand for hackney carriages. We have assumed we could arrange this meeting on one of the other days when we were visiting Chorley to keep costs to a minimum.

Cost - £1080

7: Presentation to Licensing Committee

We have included a single presentation by our taxi expert to the licensing committee on one day. This will utilise a powerpoint presentation.

Cost - £500

Other Options

In other recent surveys, we have included the option of a face to face discussion of the draft final report with relevant officers. This has often added value to our report, allowing direct discussion of issues with officers and a clearer focus of recommendations than is possible without such face to face contact. *If you required this option, it could be added for an additional £470.*

We could also undertake a more detailed review of your current rank provision and the potential for alternative ranks. If this option was taken at the time of appointment (or during the inception meeting) it would cost an additional **£430**. Outputs would include a current rank appreciation together with a list of options showing their potential strengths and weaknesses in terms of provision for public requirements in the area.

Dates and Availability:

Our review can commence immediately you confirm your agreement to our methodology with a purchase order. CTS are available immediately. We are happy to negotiate and develop this brief proposal further following feedback and consideration by yourself and other relevant council officials who may wish to have an input. We understand you will be presenting the options available to your committee on 7 March 2012 and would appoint the successful tenderer within a week of that meeting. Assuming appointment no later than 14 March 2012, we would expect to be able to return a draft report to you by the end of April 2012, and to undertake a presentation to committee during May 2012. If you wish to discuss the timetable further, we can discuss this on receipt of this letter, or at inception.

If you wish to clarify any of the points in this letter, please call Ian Millership on 07976 344254 or 0121 558 2259. You can also arrange an inception meeting directly with Ian.

Client Satisfaction

CTS Traffic and Transportation Ltd work to the highest standards in all aspects of survey work. We have established a comprehensive quality control system and welcome your participation and feedback with regards to the services we provide. A copy of our legal documentation and abridged health and safety information is available on request. If you have any queries about any aspect of this quotation please do not hesitate to contact me, using the above details.

Best Regards

Joseph Maclaren
For CTS Traffic and Transportation Ltd