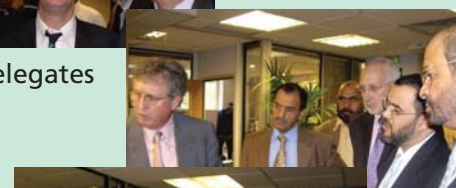


UITP delegation and London's Private Hire Story



Just to show that its not all hard work and regulations **Eddie Townson** and I were invited at the end of March to speak at a PCO hosted **Middle East and North African** delegation tour organised by **UIPT (The International Association of Public Transport)**.



In response to the PCO request for a 'Private Hire' story, a potted history of **Private Hire** and the reasons for our success was told. This can be read below.

There was some hard work which came in the form of the presentation and the question and answers section that followed. The delegates were full of questions and crammed a great deal into their short stay.

Very conveniently in the afternoon we had a routine meeting which enabled us to travel a few hours later into the nearby **Jury's Inn Islington** for a dinner hosted by the delegation, where we were joined by members of the PCO team, so it was a long but enjoyable day.

On the second day **Eddie** and I were kindly invited to join a private tour of **Addison Lee** for the delegation hosted by **Chairman and Founder John Griffin**, who had also joined us the night before.

Nobody can challenge **John** as the **King of Private Hire in London** and we were all treated to an amazing tour of the most successful company in our history. However, what sets **John** apart from the rest is the fantastic gesture to our foreign guests at the end of their tour when he kindly provided food and hospitality for all. That paled into insignificance when **John** announced that he had laid on dozens of his cars to provide complimentary 2-hour tours of London for our foreign guests, **Well done Sir**, a very nice gesture.

The Story of Private Hire in London...

Good Morning Ladies & Gentleman, I am Steve Wright Chairman of the Licensed Private Hire Car Association, which is a Trade Association that represents the interests of the Private Hire Industry in London and elsewhere in the U.K.

I came into the Private Hire Industry over 35 years ago, having had my first experience of it as passenger in the 1960's.

In that time I have watched it grow from a technically 'illegal street hire service' into probably the biggest provider of 'Door to Door' Transport in the world.

Our Regulator, the Public Carriage Office or (Transport for London), has had to manage the biggest Licensing Operation of its kind ever undertaken. This licensing exercise has covered over 40,000 vehicles, 40,000 drivers and 4,000 operators.

We estimate, the Industry in London today often moves around a million people a day doing around 1/4 billion journey movements a year in the capital. These journeys are undertaken, by a diverse range of licensed drivers, in a diverse range of licensed vehicles, managed by a diverse range of licensed operators.

So what is the Licensed Private Hire Industry and how is it different from the Licensed Taxi Industry?

For any industry or Transport Mode to support such volumes and have such great success there has to be some very key reasons.

1 The first key reason for Private Hire's success was demand.

Crucially there has to be a demand for a service. In the early 1960's London had three primary modes of transport – Bus, Rail and Taxi, they all had certain things in common:

- none was truly (24 x7) - every hour, every day of the year
- none were pre-bookable
- none were truly 'Door to door'

Ironically today these three facts broadly remain; furthermore there was clearly a demand for something different.

That something different was a combination of all three.

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The Story of Private Hire in London...

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A pre-bookable, 24 hour 'door to door' transport mode and it was provided by the arrival of the London Minicab or Private Hire Vehicle.

Prior to the arrival of the Minicab in the early 1960's, the only Privately Hireable mode of small vehicle transportation had been by way of Chauffeur or Executive Vehicles.

These typically, transported corporate executives and the more 'well off' people, to private functions, such as sporting events, corporate occasions and on social journeys.

Whilst Licensed Taxis provided 'Street Level' transport, they were expensive and virtually impossible to pre-book.

This gave the opportunity for something else – the Minicab or Private Hire Vehicle.

2 The second key Reason for Private Hire's success was the level of control.

The first Minicabs started as a 'street hire' service but crucially they were controlled from an office in Central London, so soon after the arrival of the first Minicabs came the control by way of the Operators.

This defined the difference between the Publicly Hired 'Taxis or Hackney Carriages' and the Privately Hired – 'Minicabs and Chauffeurs'.

Publicly Hired Taxis of course can be flagged down on the streets whilst Private Hire Vehicles need to be booked through an office and in the early days they were only bookable by phone or by calling in person at an office. Nowadays, Private Hire can also be booked by fax, email, internet and text, sometimes without any human intervention in the booking process.

3 The Third Key Reason for Private Hire success was its – availability.

The Control of Private Hire Drivers by Private Hire Operators created availability.

In reality there are probably around 1,200 Licensed Operators in London averaging around 40 cars per operator.

The remaining 3,000 licensed operators are generally single drivers with 'small operator' status.

This gives an average of around 40 operating centres in every one of the 33 London Boroughs or Areas.

The geographical spread of these operators creates the availability. Each Licensed Operator knows their local area and knows the local demand, enabling them to sustain driver levels to meet that local demand.

4 The Fourth key Reason for Private Hire success is the fact that Private Hire is truly 'Door to Door' transport.

A crucial factor in the growth of Private Hire is that the service provided is the only guaranteed, pre-bookable, door to door mode of transport.

By 'door to door' I mean from 'where you are at' to 'where you are going'.

Private Hire Companies will send a car to your home, your place of work, shopping centres, leisure facilities or transport interchanges like airports and stations.

Private Hire will take you to any destination and guarantee to pick you up for a return. Furthermore it will quote you an agreed price before you travel, that makes it a unique form of transport.

5 The Fifth key Reason for Private Hire success is that it is a genuine 24 Hour Service

Other modes in London today do provide 24-hour services, but they are very limited.

Licensed Taxis, particularly at night are often uncontrolled because many choose to work from the streets, rather than with the handful of Taxi Operators in London.

They are also fairly expensive and can be difficult to pre-book, with premiums charged late at night.

Why should a Taxi Driver travel a long way to pick up when they are being flagged down or hailed on the streets by paying customers?

To many they are unaffordable, particularly when other modes are not available or are running a much reduced service late at night.

Night buses also provide a few 24-hour routes but compared to daytime levels, these services are limited & uneconomic, so buses do not provide significant 24-hour cover.

Rail the other primary mode in London has considerable tube and over-ground railway coverage but the very success of these networks means that they require substantial amounts of infrastructure and track maintenance.

For these reasons most parts of the railway network closes down for several hours overnight. This leaves the Privately Hireable Minicab as the most available late night transport mode.

We end up with an interesting conclusion... A mode of transport that did not exist 40 years ago is now the main provider of transport over-night and in many cases during the day in one of the world's busiest capitals, particularly outside of Central London.

Whilst there are approximately 20,000 Public Taxis or Black Cabs serving Central London (approximately 5% of the capital), there are only a few thousand serving outside the centre. In these areas it is very difficult to 'hail or flag down' a Public Taxi outside Central London, so the Private Hire Vehicle is dominant with as many as 35,000 vehicles providing Taxi services.

Having discussed where Private Hire came from and now I would like to tell you where I feel it is going.

As previously mentioned the average Private Hire Company has around 40 cars, very few have over 100 cars and only one has over 1,000 cars in London. We believe that the now licensed industry will develop radically and the reason for this rapid change will be new and cheaper technology.

The biggest companies have already got stunning technology in place, which I understand you will be shown on your tour.

Smaller operators are also getting better systems to manage their work and its distribution. Following a period of consolidation since licensing, we believe operators of all sizes will now grow because of the increasing demand for safer and 'more environmentally friendly' transport solutions.

One of the LPHCA's members Greater London Hire became carbon neutral this week. Exceptionally low emission levels emanate from Licensed Private Hire Vehicles, which demonstrates that we have a serious role to play, reducing the number of vehicles on the road, whilst fulfilling our primary function of providing 'door to door' transport.

The latest Private Hire Sector technologies include:

Satellite Tracking



Satellite tracking enables Private Hire Operators to track vehicle movements for effective work distribution and efficiently, furthermore Satellite Tracking provides extra levels of assurance for the travelling public.

It is now possible for parents to track the safe movements of their children being met by a Private Hire Vehicle. This can be done through the internet, mobile phone or even in their own home via cable television.

Satellite Navigation

Another technological innovation that is changing the Private Hire Sector is the use and arrival of Satellite Navigation.

It was once thought that Private Hire Drivers needed to have a 'London Taxi Driver's type knowledge of streets and places. When In fact what is actually needed for Private Hire Drivers is the ability to pre-plan a journey and to have good map reading skills.

This is because all 'Private Hire bookings' are made in advance and can therefore be pre-planned, so that appropriate drivers, in appropriate vehicles can be sent.

New XDA and PDA technology is the latest link in technology chain and has arrived via the latest generation of XDA and PDA terminals, which are fast replacing two-way radio systems in London.

It is now possible to send a pre-priced job to a driver with a tremendous amount of detail.

New software can actually route the driver to the pick up and onward to the destination without any voice intervention whatsoever.



Training and Development

The arrival of new technology has enabled the emphasis on training to switch from 'having knowledge in the drivers head' to having map reading and route planning skills and even this is now only required when the technology fails – if at all.



Once drivers have been trained in how to use the latest technology they are capable of being guided anywhere in the U.K. without the use of an atlas.

This has allowed Private Hire operators to focus on customer care, regulatory requirements and other important areas for training, like disability awareness.

The LPHCA has a Grading System that is being developed into a formal Certificate of professional competence and it is this type of initiative that will deliver the highest standards of service as London heads towards entertaining the world for the 2012 Olympics.

Working with Our Regulator

It is an excellent fact that the delegation from UITP includes both Operator and Regulator representatives as crucial to our expansion has been the Licensing of our sector and our relationship with our regulator.



Private Hire is now a fully licensed mode of Public Transport in London, having taken nearly 10 years of implementation since Government approved its regulation.

During that 10 year period it has been essential to have a very healthy working relationship with our Regulators.

Locally our regulator is Transport for London's Public Carriage Office and nationally we have Local Authorities who have licensing powers devolved from the Government's Department for Transport.

The Licensed Private Hire Car Association has enjoyed a very special relationship with the Public Carriage Office, Transport for London and The Mayor's office.

This has ensured that the Industry can continue its successful expansion, whilst at the same time meeting both regulatory, as well as supply & demand factors.

The close working relationship ensures safer travel for the travelling public, with sensible regulation and controls for the industry.

BUYING OR SELLING?

The LPHCA is often asked if we know of Private Hire businesses that are for sale as many of our Platinum Members are looking for acquisitions. We have also been successful in brokering sales to the satisfaction of both buyers and sellers.

If you have a business for sale or wish to buy one, The LPHCA can in confidence – introduce buyers, give advice and broker any sale for you.

Private details of all businesses for sale will be placed in a secure area on our website which is pass-worded for our Platinum Members to see. The LPHCA can then arbitrate and broker the sale if required.

The viewing of the secure area is a free member's benefit to *Platinum LPHCA members* and the arbitration and brokering service will be on a commission basis – no sale, no fee.

Call Steve on **07956 329288** for further details.

