

Appendix D - Rationale to defer amalgamated taxi zone decision

Based on the consultation feedback received from the industry and evidence from the unmet demand survey, it is recommended that at this time to retain the two-zone system – with the caveat that the position be reviewed and any further changes can be implemented within two years.

This would allow a programme of further engagement with the industry and more evidence gathering to inform the decision and ensure that it has greater support among industry members.

Possible risks

A hackney carriage vehicle can only accept fares within its registered zone of operation. For this reason, at present in West Suffolk, zone B taxis (former SEBC area) cannot operate on a taxi rank or be hailed on the street in the zone A (former FHDC) area and vice versa (although this does not prohibit transporting passengers to locations in the different zones or the operation of private hire vehicles taking pre-booked passengers).

Taxi zoning is a means of managing supply and demand. If the council maintains the current boundaries that restrict the operating area (e.g. for up to a further two years) of a hackney carriage to the zone it is licensed for, it guarantees the supply of service in the area it is assigned to. In other words, there is no risk to maintaining the two-zone system for passengers or trade.

There is no common body of research that summarises how keeping or removing zoning has benefitted the consumer or otherwise. However, the main negative risk of amalgamating zones - of vehicles being attracted to a main centre or more lucrative area leaving demand unmet in other areas – can be detrimental to the local area (see Durham case study below). In addition, there is also a risk of over queuing at taxi ranks, which causes problems navigating the road for other drivers, cyclists and buses and causes additional emissions through idling.

This means that there is risk involved with a proposal to merge zones, but not a great deal of comparative or indicative data that can be gathered to support a merge.

Any decision to move to one zone could leave the council unable to regulate any issues with supply-demand. Firstly, there is no legal way of regularising the supply of hackney carriage vehicles in different areas to ensure that there is no unmet demand without maintaining different zones – our only option in this instance would be to license more vehicles if they choose to apply.

And secondly, local authorities do not have legal power to create new taxi zones. While it is worth noting that if the decision were made to merge zones, the implementation would not be instant (and instead be implemented on a similar timeframe to other proposals, such as the maximum age of vehicle), any decision to

merge, once made, cannot be changed back without a change to legislation. (It should also be noted that the Law Commission recommended giving local authorities the ability to create new zones to prevent unmet demand through honey potting.)

Unmet demand survey – notable findings

The West Suffolk unmet demand survey was published in January 2020. The study found that there was a potential negative impact in the area if the two taxi zones were merged.

(Please note: the definition of what unmet demand is: 'any length of time waiting')

Among other findings, the study suggested the distances between the four settlements (zone A – Newmarket and Mildenhall; zone B – Bury St Edmunds and Haverhill), which reduces the likelihood of major moves between the two zones, also dissuades drivers from taking fares cross zone, as this will necessarily entail their need to return empty – were the zones amalgamated this would no longer be the case.

Were the zones to be merged it will inevitably cause issues with local supply: for example, if a taxi takes a passenger from Bury St Edmunds (current zone B) to Newmarket (zone A), there is no guarantee they can find a new passenger to take back to Bury St Edmunds, causing a shortfall in supply in zone B. ie they may remain in the former zone A longer.

What is more, there is also a risk of "honey potting". The study recognises that there may be times, such as race days in Newmarket or market days in Bury St Edmunds, where vehicles may flood to a single specific area where business may be more lucrative, leaving gaps in the supply elsewhere (unmet demand).

Whilst the impact is unknown, the study acknowledges that there is some risk of unmet demand arising should the zones be merged. However, it should also be noted that the purpose of the Unmet Demand survey was not to ascertain the risk of amalgamating the two zones, but to gauge the relative health of the local service in its current form. As such, the use of this study as an evidence-base for merging the zones is not robust and there remains a degree of uncertainty. There remains a need to undertake a further review in order to acquire sufficient evidence.

Merging the zones – industry response in the unmet demand survey

Compared to the driver interviews carried out in the Unmet Demand survey, the opposition to merging the zones from the industry represents a shift in opinion. As shown in the Unmet Demand Survey, 51 per cent of drivers interviewed were opposed to merging the zones, and 47 per cent were in favour (p.55, Unmet Demand Survey).

The discrepancy between the consultation response and the Unmet Demand survey interviews highlights the need to engage further with the industry on this issue.

Impact of COVID-19

The evidence from the unmet demand survey suggests the 2 zones are currently working. However, the impact of COVID-19 on the industry is as yet unknown.

Due to COVID-19, West Suffolk presently has 94 vehicles with active SORNs - 21 of these are Hackney Carriage vehicles – this represents 10 per cent of the total fleet in West Suffolk. There remains a great deal of uncertainty and disruption to the industry as the COVID-19 pandemic continues to unfold.

In this context, the work to manage a move to a single zone system at this point may be significant and will cause further disruption to a local supply system that is working.

Approaches taken by other authorities – case studies

Durham County Council

Prior to the 1st April 2009, when the County of Durham was divided into seven District Council areas, hackney carriages were licensed by the seven District Councils. Each District had its own taxi policy which related to matters such as vehicle, driver and operator licence conditions, fees and charges and taxi fares etc. When the single Durham Council was formed, it sought to amalgamate the taxi zones in a similar fashion.

Transitional arrangements were put in place where there would initially be differing licence conditions applying across the seven zones to give the industry time to adapt to the various changes resulting from the new policy and associated conditions. In this manner the process afforded some means of protection to those who were involved in the taxi trade, whilst ensuring that the transition to the standard adopted by the Licensing Authority was managed in an orderly fashion for the benefit of the public. The Durham Council 'taxi policy' was formally adopted in May 2011.

However, a review of the policy took place in summer 2015, which included a 12-week public consultation between June and August 2015, indicated serious problems had come about due to the amalgamation of the taxi zones.

(It should also be noted that the consultation did not have any questions on 'honey potting', unmet demand or other issues arising due to the amalgamation of the taxi zones. All comments were included under 'other comments'.)

The most comments (11.4 per cent) focused on there being too many taxis in Durham centre; while other comments (4.1 per cent) highlighted that nonlocal taxis were causing issues.

Public responses indicated that Durham city had become "a honeypot for taxis from far and wide. Residents suffer from long queues of taxis [over ranking] ... There is a further problem, in that drivers from out of town are not familiar with the area and do not know where the passenger has asked to be taken to. If the passenger is also from out of town, they may not know the postcode, which reduces the value of satnavs."

East Suffolk Council

East Suffolk Council was created from the former Waveney and Suffolk Coastal Councils at a similar time to West Suffolk's formation. Similarly, much of their early work as a Council has involved the harmonisation of policies between its two former entities into workable single policies.

However, regarding taxi policy, in contrast to West Suffolk, East Suffolk has been taking an incremental approach - which has allowed all partners, including the industry, to adjust gradually to any changes. In June 2020, the Council introduced a new drug testing standard into their taxi policy and are due to consider fare harmonisation across the area next. However, as the 2-zone system inherited from the two former councils works, it has not yet been considered for amalgamation. While it is likely to be considered in the future, there is as yet no timeline set out.

Approach for zone amalgamation

CTS, the organisation that undertook the West Suffolk Unmet Demand survey, and West Suffolk officers have set out an approach to a review for the consideration of merging into a single zone within two years should the proposal be agreed.

Proposed timeline for further zone review

- Spring 2021 – undertake engagement events and evidence gathering with the taxi industry. Produce a clear short report summarising views and making an independent and reasoned recommendation for the way forward with respect to zoning by March 2021.
- Summer 2021– Officers to review recommendations and evidence-base
- Approx. Sept 2021 – Cabinet to receive recommendations and any implementation plan.
- By April 2022 – adoption of any changes to zoning.