



Neighbourhood Services

Environment, Health and Consumer Protection

Public Safety (Licensing Services Section)

PUBLIC CONSULTATION ON TAXI LICENSING POLICY AND REGULATION

**BRIEFING PAPER ON HACKNEY CARRIAGES AND PRIVATE HIRE VEHICLE REGULATION IN COUNTY DURHAM
(ZONES, THE REGULATION OF HACKNEY CARRIAGE VEHICLE NUMBERS AND COLOUR POLICY)**

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1.0 INTRODUCTION

- 1.1 This briefing paper forms one part of the overall consultation and appraisal process associated with hackney carriage and private hire vehicle regulation in the County of Durham. The overall consultation and appraisal process aims to bring together relevant information concerning a number of important issues associated with the regulated operation of hackney carriages and private hire vehicles within the County of Durham. Specifically, the issues of zoning, colour policy and the control of taxi numbers are major subjects for consideration. It is these three important issues that are mainly covered in this paper.
- 1.2 Every attempt has been made to ensure that the information provided in this briefing document is accurate and factual. A balanced approach has been taken in the production of this paper and care has been taken to ensure that all known relevant and significant matters are included. The consultation and appraisal process as a whole has been designed to be both open and transparent. The Licensing Authority welcomes your ideas, thoughts and suggestions in relation to any aspects of the consultation and appraisal process. If you would like to comment on this briefing paper or any matters associated with the consultation and appraisal process as a whole, please contact us. Our contact details are given at the end of this document.

2.0 Zoning

- 2.1 The licensing of taxis is complex and involves the application of a substantial amount of legislation and case law, some of which dates back to 1847. The effect of this regulation is to require any vehicle which is to be used as a taxi, to be licensed by the licensing authority, either as a hackney carriage or as a private hire vehicle. The difference between a hackney carriage and a private hire vehicle is detailed in the glossary at the end of this paper. Prior to the 1st April 2009, when the County of Durham was divided into 7 District Council areas, hackney carriages were licensed by the 7 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. With the coming together and merging of the former Durham District Authorities with the County Council, a new, single Council was formed.
- 2.2 In order to provide the general overriding principles against which the licence conditions can be set, the new Durham County Council (the Licensing Authority) adopted a single taxi policy, which includes appropriate licensing conditions. The policy provides guidance for members when making taxi related decisions, informs the trade of the operating standards with which they are expected to comply and informs the public of the service that they can expect from the taxi trade.

- 2.3 From 1st April 2009, hackney carriage vehicles continued to be licensed only to operate as such within the zone in which their license was granted – i.e. in one of the areas of the previous District Councils. Council members had to make a decision on whether taxis should continue to operate in 7 zones (corresponding to the original District Council boundaries) or as 1 single zone covering the entire geographical area of County Durham.
- 2.4 The decision had been taken by the new Authority to initially maintain the status quo in relation to the zones but to harmonise licence conditions across all 7 zones by adopting one single policy. Transitional arrangements were put in place allowing for the situation where there would initially be differing licence conditions applying across the 7 zones for a period of time to give drivers and operators 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.
- 2.5 The initial decision to maintain the status quo was influenced by a number of important factors: It was accepted by the Authority that the situation relating to zoning was both complex and emotive in nature and may have important consequences for the trade, the travelling public and for the local authority. A decision to change the zoning arrangements could therefore not be taken lightly or without full consideration of all of the various associated issues. Most importantly, in order to allow for the appropriate long term taxi licensing policy and arrangements to be put in place, the Council accepted that it would need to carry out extensive consultation in order to make a proper decision on zoning arrangements. The time was not available to carry out such a detailed study and consultation exercise prior to the vesting day for the new authority.
- 2.6 Having outlined the nature of zoning and circumstances that resulted in the current situation within County of Durham the possible ramifications resulting both directly or indirectly from either keeping or changing the current zoning arrangements are set out below. However, before concentrating on the possible advantages and disadvantages of zoning arrangements and the various options available, the subject of taxi quantity regulation must be highlighted. This particular issue is inextricably linked to the zoning situation.
- 2.7 Two of the former District Councils, Durham City Council and Chester-le-Street District Council had, by regulation (the Transport Act 1984), limited the number of hackney carriage vehicle licenses that were available to the taxi trade. 74 in Durham City and 92 in the Case of Chester-le-Street District Council. These limitations had been imposed following detailed surveys that had established at the time of the survey that there was no unmet demand for hackney carriages within the area of these two former District Councils. The limitations on available vehicle licences are directly associated with the existence of the zones in which the restrictions apply. Removal of a zone would have the effect of removing any associated limitations on taxi licence numbers. In this context, the removal of the limitations of taxi numbers is known as deregulation. Within the County of Durham, there are currently approximately 950 Hackney Carriages, 550 Private Hire vehicles and 2500 drivers licensed by the Council.

3.0 Zoning Options

There are five main options available for dealing with the issue of zoning that are available to the Council:

- A. Removal of the 7 zones with the simultaneous removal of all limits on hackney carriage numbers throughout the County of Durham.
- B. Retain the status quo, with seven zones, two of which are regulated (limitation of hackney carriage vehicle numbers in Chester le Street and Durham City zones).
- C. Maintain the zones with no limitations on numbers of hackney carriages.
- D. Maintain the zones and undertake further demand surveys in all zones.
- E. Removal of the 7 zones with the simultaneous removal of all limitations on hackney carriage numbers in the Chester le street and Durham City zones; and then to undertake a demand survey for the whole of the County of Durham.

Each one of these five options has associated with it various positives or advantages and negatives or disadvantages for the public, the trade, the Council and several other and interested parties. Some of these pros and cons are outlined below. It is important to note however that what may be perceived as an advantage for one party may be thought of as disadvantageous to others. These lists are not exhaustive and there may well be other pros and cons associated with any one or more of these options that are either not known or predictable at the present time.

3.1 Removal of the 7 zones and removal of all limits on hackney carriage numbers throughout the County of Durham i.e. the creation of a single zone and removal of all current restrictions on hackney carriage numbers - OPTION A

De-zoning the whole County area and removing limitations could prove to be the most straight forward, simple and cost effective method of administration for Hackney Carriage licensing. Any significant savings that might result from such changes would then be reflected in licensing fees and charges. Under this system, there would be a greater consistency in terms of licensing conditions/restrictions and hackney carriage fares or tariffs throughout the County would be the same. The enforcement of taxi licensing conditions and legislation would be simplified and made easier. This option could have the biggest impact upon the taxi trade as it currently stands, especially in the two existing zones that currently have regulated numbers of hackney carriages in them. De-zoning and deregulation may have a positive affect in terms the service made available to the public in these two zones as more taxis may be available at peak times.

3.1.1 Some possible advantages and positive attributes associated with option A - a single zone, unregulated in terms of hackney carriage numbers.

- The Office of fair Trading considers this approach to conform to best practice.
- The Department of Transport also consider the one zone approach to be the best practice.
- Potentially could lead to greater availability of hackney carriage vehicles in some busy areas at peak times.
- Could result in fewer or shorter taxi queues in some busy areas at peak times.
- Could lead to reduced waiting times for customers in some busy areas at peak times.
- May be beneficial to hackney carriage owners and drivers who are currently excluded from operating as such outside their current zones.
- There would be no waiting list for hackney carriage vehicle licences as is currently the case in the existing Chester le Street and Durham City zones.
- Could result in increased in revenue for the Council from potentially more hackney carriage vehicles and drivers entering the trade from outside the County. Any increase in such revenue would be used to maintain and improve the provision of licensing services.
- This option could encourage new drivers and vehicle owners to enter the trade and provide new employment opportunities.
- It would provide greater freedom and the ability for hackney carriage trade members to operate throughout the County area as opposed to just one zoned area.
- There is the potential for an increase in income for some members of the hackney carriage trade as a result of a lifting of restrictions.
- The system would be beneficial to enforcement regime.
- This option could support crime and disorder reduction by assisting in the efficient transport of pedestrians in town and city centres and help promote the safe night time economy.
- By removing limitations and restrictions and making it easier for new drivers and vehicles to be licensed in currently controlled zones, this option could reduce the number of unlicensed drivers and vehicles. This would also support public protection and public safety measures.

- One set of hackney carriage fares or tariffs would give a greater degree of uniformity for the travelling public in County Durham.
- There could be some reduction in officer workload particularly in administration but also in terms of enforcement.
- This option would remove some existing confusion and complexity. It would provide a simplified and more a uniform system of hackney carriage licensing.

3.1.2 Some possible disadvantages and negative attributes associated with option A - a single zone, unregulated in terms of hackney carriage numbers.

- There may well be insufficient provision for taxi ranks in some busy, high demand areas at peak times.
- There is the potential for increased traffic movements and congestion in busy town and city centre areas especially during periods of high demand at peak times. This could lead to increases in road traffic pollution at certain times.
- Option A could be detrimental to the business interests of some existing members of the hackney carriage trade operating in the currently regulated and controlled Chester le Street and Durham City zones. The ability of taxis from outside existing zones to operate throughout the County and for new people and vehicles to enter the trade in previously restricted and controlled areas, could lead to a reduction in available work and income for some existing trade members. The imposition of unrestricted hackney carriage trade and changes to both supply and to demand for hackney carriage services could have a significant impact on existing trade members in the Chester le Street and Durham City zones.
- The imposition of a single set of hackney carriage tariffs throughout the County could be damaging to the income of some existing members of the hackney carriage trade. Current tariffs reflect the nature of hackney carriage movements and usage associated with service user patterns within the existing zones. A single set of tariffs would to some extent alter the incomes of hackney drivers and proprietors and they may not properly align with service usage across all parts of the county. (Taxis in city centres characteristically make more frequent but shorter journeys whilst out of town and city cabs may make fewer but longer passenger journeys. Current zone related tariffs do take account of these differences to some degree).

3.2 Retain the status quo, with seven zones, two of which are regulated and maintain the existing limitation on hackney carriage vehicle numbers i.e. the maintenance of a multi-zone system and limitations on taxi numbers in the Durham City and Chester-le-Street zones - OPTION B

This option requires the least effort on the part of the new authority in the short term. Over the longer term however it would prove costly due to the need to administer the different licensing regimes and to maintain the regulation of taxi numbers.

Regular, expensive, independent surveys of user demand for taxi services must be carried out. This option may also be perceived to be anomalous with the provision of other services which affect the public in the County, as the boundaries of the zones will remain as the administrative areas for the dissolved district councils.

3.2.1 Some possible advantages and positive attributes associated with maintaining a multi-zone system and continuation of the regulated limitations of hackney carriage numbers in the Durham City and Chester le Street zones.

- Choosing this particular option would maintain the status quo
- Potentially, this option could help in the reduction or control of traffic congestion by controlling numbers of hackney carriage vehicles in some busy areas at peak times. This may help to prevent increases in road traffic pollution as well.
- The necessity for extra Taxi ranks would be lessened, as the number of such facilities could, more justifiably, be maintained as is current. Increases in Hackney carriage numbers operating in towns and city areas would require a review and assessment of taxi rank provision which, may lead to an identifiable need for more ranks in certain areas.
- In the short term there would be a reduced officer workload in the administration of taxi licensing in comparison to any other option which changes the current situation and which would inevitably lead to some changes in the management of taxi licensing services hence changes to and increases in workload.
- Option B would continue to provide a certain degree of business or trade protection to existing hackney carriage trade members operating in the individual zones. Arguably this would give greater benefit to those trade members who are associated with the two regulated zones.
- Maintenance of the zones and continuation of the limitation of numbers of hackney carriage vehicles in Durham and Chester le Street areas would necessitate future, regular surveys of unmet demand. Irrespective of the costs involved in such exercises, the results may provide a good indication of demand for taxi services in those zones and the numbers of hackney carriage vehicles allowed to operate could therefore reflect the needs of the travelling public in those zones.

3.2.2 Some possible disadvantages and negative attributes associated with maintaining a multi-zone system and continuation of the regulated limitations of hackney carriage numbers in the Durham City and Chester le Street zones.

- Arguably, this option has some effect in terms of reducing choice for consumers (taxi service users) in controlled or regulated areas, especially in some busy areas at peak times.
- By a similar process, the status quo reduces trade and business choices and options available to all existing hackney carriage trade members by preventing their ability to operate freely as hackney carriages throughout the County.

- This option will continue to restrict those potential members of the hackney carriage trade who may want to set up business in the zones that have limitations on hackney carriage vehicle licence numbers.
- This option does restrict open competition and prevents free market conditions in relation to hackney carriage trade and business activities, especially in the Chester le Street and Durham City areas of the County.
- Limitation of hackney carriages could lead to insufficient taxi numbers in some locations at certain times. In some busy areas at peak times the balance of supply against demand could be disadvantageous to the service users.
- There is a greater potential for higher or increased levels of enforcement activities to control errant hackney carriage drivers who may seek to flout the zoning requirements and carry out hackney carriage activities outside the zones in which they are so licensed.
- The administration system is more complex in comparison to what would be required under option A, involving the use of a multi-plating identity system and other differences in hackney carriage vehicle identification methods. Such differences are necessary to match the vehicles to the zones in which they are licensed.
- Under the current economic climate, there is a potential negative impact on existing businesses who may be unable to expand their operations and access new markets as they are restricted in their operations by both the zoning arrangements and the associated limitations on available vehicle licences in two areas of the County.
- Anecdotally, there currently exists a certain level of confusion or a lack of understanding amongst the public and the trade in relation to the current operation of hackney carriage zones and the restriction of hackney carriage licence numbers.
- There is a continuing risk of applications being made for a Hackney Carriage license and, when refused, appealed to the Crown Court.

3.3 Maintain the zones but with no limitations on numbers of hackney carriages i.e. the maintenance of a multi-zone system and the removal of limitations on hackney carriage numbers in the Durham City and Chester le Street zones - OPTION C

This option if chosen might produce some of the advantages and the disadvantages associated with the removal of the regulation of hackney carriage vehicle numbers outlined in option A along with some of the possible pros and cons associated with maintaining the 7 zones highlighted in option B. However, because zoning and the regulation of numbers are to some degree inextricably linked, it is also conceivable that the nature extent of any possible advantages and disadvantages stemming from this option could be somewhat different when compared to those which may result from either option A or B. It should be noted that although a rigorous demand survey is always required in order to enable an Authority to limit or to maintain limitations in respect of hackney carriage numbers in a given zone, no such survey would be required in order to remove any existing limitations. Any decision to de-limit numbers could be subject to Judicial Review by those most affected by the decision to de-limit numbers (i.e. those who have hackney carriages currently licensed in Durham and Chester-le-Street).

3.3.1 Possible advantages and positive attributes associated with a multi-zone system and the removal of limitations on hackney carriage numbers in the Durham City and Chester le Street zones.

See 3.1.1 above (some possible advantages and positive attributes associated with option A - a single zone, unregulated in terms of hackney carriage numbers – associated with option A) for those identified pros possibly associated with the removal of limitations on hackney carriage numbers.

See also 3.2.1 above (some possible advantages and positive attributes associated with maintaining a multi-zone system and continuation of the regulated limitations of hackney carriage numbers in the Durham City and Chester le Street zones – associated with option B) for those identified pros possibly associated with maintaining the existing 7 zones.

3.3.2 Possible disadvantages and negative attributes associated with a multi-zone system and the removal of limitations on hackney carriage numbers in the Durham City and Chester le Street zones.

See 3.1.2. above (some possible disadvantages and negative attributes associated with option A - a single zone, unregulated in terms of hackney carriage numbers – associated with option A) for those identified cons possibly associated with the removal of limitations on hackney carriage numbers.

See also 3.2.2 above (Some possible disadvantages and negative attributes associated with maintaining a multi-zone system and continuation of the regulated limitations of hackney carriage numbers in the Durham City and Chester le Street zones – associated with option B) for those identified cons possibly associated with maintaining the existing 7 zones.

3.4 Maintain the zones and undertake further demand surveys in all zones - introduce limits for the zones not currently limited Maintain the zones – OPTION D

It is possible to impose and maintain a limit in any zone; provided that there is an up to date survey that confirms that there is no significant unmet demand for Hackney Carriages within that zone. If Members wish to exercise this option, in addition to maintaining the zones as they currently exist, it would be necessary to conduct demand further surveys in all of the zones to establish the demand status in each, and to repeat these surveys at least every three years thereafter in all or some of the zones in order to maintain any identified and arguably justifiable limitations.

This option might produce some of the advantages and the disadvantages associated with maintaining a multi-zone system and continuation of the regulated limitations of hackney carriage numbers in the Durham City and Chester le Street zones, together with some possible concurrent disadvantages and negative attributes as outlined in option B above. This option would be an expensive one due to the amount of demand survey work that would be necessary and it is also probable that if further limitation of hackney carriage numbers was to occur in zones additional to those that already exist, then any probable and associated advantages and disadvantages could be magnified and affect larger areas of the County.

3.4.1 Possible advantages and positive attributes associated with a multi-zone system and additional limitations on taxi numbers throughout all zones

See 3.2.1 above (some possible advantages and positive attributes associated with maintaining a multi-zone system and continuation of the regulated limitations of hackney carriage numbers in the Durham City and Chester le Street zones – associated with option B) for those identified pros possibly associated with maintaining the existing 7 zones and the regulation of hackney carriage numbers. Could lead to such affects being experienced in other zones should the need for limitation of hackney carriage vehicles in other zones be identified and the regulation of numbers be imposed as a result.

3.4.2 Possible disadvantages and negative attributes associated with a multi-zone system and additional limitations on taxi numbers throughout all zones

See also 3.2.2 above (Some possible disadvantages and negative attributes associated with maintaining a multi-zone system and continuation of the regulated limitations of hackney carriage numbers in the Durham City and Chester le Street zones – associated with option B) for those identified cons possibly associated with maintaining the existing 7 zones and the regulation of hackney carriage numbers. Could lead to such affects being experienced in other zones

should the need for limitation of hackney carriage vehicles in other zones be identified and the regulation of numbers be imposed as a result.

3.5 Removal of the 7 zones with the simultaneous removal of all limitations on hackney carriage numbers in the Chester le street and Durham City zones; and then to undertake a demand survey for the whole of the County of Durham – OPTION E

Theoretically it would be possible to remove the zones but then to impose and maintain a limit in the one zone that would be created by the administrative boundary of the whole of County Durham; provided that there had been a suitable survey that had confirmed that there was no significant unmet demand for Hackney Carriages within the entirety of County Durham. It is however considered that it would be highly unlikely that such a situation would exist within the whole of County Durham and that it would be very unlikely that such a survey, if carried out would ever find evidence of a countywide situation involving unmet demand within such a massive and diverse geographical area. Notwithstanding this, If Members wished to exercise this option, it would be necessary to conduct a countywide survey to establish that there was in fact unmet demand, and repeat this survey at least every three years thereafter on a countywide basis. Any possible advantages or disadvantages resulting from this option would to a greater or lesser degree mirror those highlighted above in relation to options that include removal of the zones with the imposition of limitations on hackney carriage numbers where this was proved to be both possible and necessary.

3.5.1 Possible advantages and positive attributes associated with a single zone with limitations on taxi numbers throughout the County.

See 3.1.1 above (some possible advantages and positive attributes associated with a single zone, unregulated in terms of hackney carriage numbers - associated with option A) pros in relation to the single zone aspects highlighted.

See also 3.2.1 above (some possible advantages and positive attributes associated with maintaining a multi-zone system and continuation of the regulated limitations of hackney carriage numbers in the Durham City and Chester le Street zones - associated with option B) pros in relation to the limitation of hackney carriage numbers – but within one zone only, not the existing two.

3.5.2 Possible disadvantages and negative attributes associated with a single zone with limitations on taxi numbers throughout the County

See 3.1.2. above (*some possible disadvantages and negative attributes associated with option A - a single zone, unregulated in terms of hackney carriage numbers* – associated with option A) cons in relation to the single zone aspects highlighted.

See also 3.2.2 above (*some possible disadvantages and negative attributes associated with maintaining a multi-zone system and continuation of the regulated limitations of hackney carriage numbers in the Durham City and Chester le Street zones* – associated with option B) cons in relation to the limitation of hackney carriage numbers – but within one zone only, not the existing two.

3.6 Opinions of the Department of Transport

The Department for Transport (DFT) advised the Council in September 2009 that it remains the Department's view (as set out in the Department's response to the Office of Fair Trading report in 2004 and the Best Practice Guidance in 2006) that a limit on taxi numbers is unlikely to be in the best interest of consumers. However, Ministers recognise that local licensing authorities are in the best position to determine whether taxi numbers should be limited and section 16 of the Transport Act 1985 remains the statutory means by which they can limit numbers if they so choose.

The DFT further advised that the Department's most recent research, from a survey carried out in 2008, showed that 88 licensing authorities (including Chester le Street and the City of Durham) out of 343 imposed a limit on the number of hackney carriage licences.

3.7 Opinions of the Office of fair Trading

The Office of Fair Trading considers that quantity regulation (limiting the number of taxis), reduces availability and lowers the quality of service to the public. In the OFT's opinion, which was expressed in two separate reports published in 2003 and 2007, these restrictions should therefore be lifted by the local authorities that have imposed such restrictions.

The OFT study that led to its 2003 report identified a number of benefits to consumers that should flow from adoption of its recommendations. Specifically, the OFT believes that acting on their recommendations in respect of removing quantity restrictions would benefit consumers by:

- Putting more taxis on the road – removing quantity restrictions could increase the number of taxis in affected areas by 30 per cent.

- Making journeys safer – removing quantity restrictions and increasing the number of licensed taxis will reduce the need for illegal taxis where neither the driver or vehicle have been subject to appropriate quality and safety checks. Last year (2006) around 1.8 million people used an illegal taxi, exposing themselves to potentially serious safety risks.
- Reducing passenger waiting times – removing quantity restrictions will save an overall 2.5 million hours across the UK
- Creating more choice – removing quantity restrictions could put an extra 15,000 taxis on the road. This will substantially increase peoples' choice of transport modes when deciding how to reach their destination.

3.8 Opinions of Durham Constabulary

The report supplied by Durham Constabulary to Durham County Council on the 7th May 2010 is the official police contribution to the countywide taxi consultation process and contains the views, opinions and observations of the Local Constabulary. This will contribute to the report presented to members on completion of the consultation.

3.9 Opinions of the Licensed Hackney Carriage and Private Hire Trade

In early December 2009, following a consultation process specifically involving members of the hackney carriage and private hire trade licensed by and operating within the County of Durham, 7 separate, area based working groups were established. Each one of the area working groups (AWGs) is associated with one of the existing 7 zones. These AWGs were designed to be forums for discussion and they form a vital part of the ongoing wider consultation process. The groups themselves have no decision making role or powers. The outcomes from these meetings are passed to a Countywide Working Group (CWG) that will meet at least 4 times every year on a 3 monthly basis. Although the trade representations at the AWG and CWG were elected by their peers, the views expressed and opinions they have given may not represent all members of the trade throughout the County. All licensed trade members will be asked to comment on these options individually as well as through the AWG forums.

3.9.1 Opinions expressed by the local Area Working Groups (AWGs) representing the hackney carriage and private hire trade associated with the existing zones.

Table (i)

Area Working Group	Zones Keep or Remove? (1 zone or 7)	Regulation of HC Numbers Maintain or End?	Colour Policy Yes or No?	Option Favoured by AWG (Zoning and regulation of HC numbers)
Chester le Street	Keep the 7 zones	Regulate HC numbers	Yes to Colour policy	Option B
Easington	Remove the 7 zones	Regulate HC numbers	No to colour policy*	Option E
Derwentside	Remove the 7 zones	Regulate HC numbers	No to colour policy*	Option E
Durham City	Keep the 7 zones	Regulate HC numbers	No to Colour policy	Option B
Sedgefield	Remove the 7 zones	Regulate HC numbers if 7 zones are kept	No clear opinion expressed	Option A or Option E
Teesdale	Keep the 7 zones	No clear opinion expressed	No clear opinion expressed	Option B or Option E
Wear Valley	Remove the 7 zones	No clear opinion expressed	Yes to Colour policy	Option A or Option E

(See also paragraph 28 of the main report)

3.9.2 Opinions expressed by the County Wide Working Group (CwWG) comprising representatives from the 7 AWGs whose membership represents the hackney carriage and private hire trade associated with the existing zones.

Table (ii)

All Area Working Groups	Zones Keep or Remove? (AWG Responses)	Regulation of HC Numbers Maintain or End?	Colour Policy Yes or No?	Option Favoured by AWG (Zoning and regulation of HC numbers)
Countywide Working Group Representatives	3 Keep 4 Remove	5 Regulate 2 Unclear	2 Yes 3 No* 2 Unclear	2 for Option B 2 for Option E 2 for Options A or E 1 for Options B or E

(See also paragraph 28 of the main report)

Note: *Comments were received from both AWG and CWG representatives to the effect that if a colour policy was introduced despite their opposition to such a policy, they would expect that the vehicle colour requirements would not be brought in immediately but would be phased in over an appropriate time scale e.g. that existing vehicles of whatever colour would continue to be able to be licensed until they were changed by their owners and the colour policy would then be adopted on renewal of such vehicles.

4.0 Vehicle Identification and Colour Policies

A Council can require any hackney carriage licensed by them under the Town and Police Clauses Act 1847 Act to be of such design or appearance or bear such distinguishing marks as shall clearly identify it as a hackney carriage. In a similar way, under the Local Government (Miscellaneous Provisions) Act 1976, a Council can require private hire vehicles not to be of such a design and appearance as to lead the public to believe that it is a hackney carriage.

In order to assist the public in recognising a hackney carriage that has been licensed by the Authority such vehicles may therefore be required by license conditions to conform to a specified colour policy. This may assist in the promotion of public safety by helping to reduce the possibility of customers getting into unlicensed vehicles or getting in to private hire vehicles that are unlawfully plying for hire in the street or from a taxi rank.

Of secondary consideration, the adoption of a colour policy would, in addition to the main public safety purposes, provide a readily identifiable 'Durham Countywide Taxi Fleet'. Three of the former District Councils had adopted a colour policy and white was the colour chosen by the former District authorities. This colour was chosen at the time as it had been considered that there were generally fewer white non-commercial vehicles on the road. Another consideration that had led towards white being chosen was that with white, the issue of colour shading was thought not to be as prevalent as with other car colours.

Arguably, the need to specify the colour of hackney carriages and private hire vehicles is not so great when such licensed vehicles may be easily identified as such in other ways with the appropriate use of decals, roundels, top signs, for hire signs etc. In the Department for Transport publication '*Taxi and Private Hire Licensing Best Practice Guidance*' DfT February 2010, reasons for and means of vehicle identification are addressed.

The colour of a vehicle is not specifically mentioned however as a means of identification which is considered to equate to best practice although the publication does say in the section on vehicle identification that in addition to the display of licence plates and discs on vehicles "...requiring some additional clearer form of identification can be seen as best practice. This is for two reasons: firstly, to ensure a more positive statement that the vehicle cannot be hired immediately through the driver; and secondly because it is quite reasonable, and in the interests of the traveling public, for a PHV operator to be able to state on the vehicle the contact details for hiring;". The use of colour policies is not referred to however and some degree of interpretation or extrapolation may be thought necessary if this section were to be used to give justification to a colour policy in terms of perceived best practice.

5.0 The national perspective

Information provided by the Department for Transport revealed in September 2009, that at the time of their survey carried out in 2008, 88 of the 343 authorities in England had a working policy to restrict the number of Hackney Carriage licenses in all or some parts of their administrative areas. This includes Chester le Street and Durham City zones within the County of Durham.

5.1 The situation in other new unitary authorities

The 7 other new unitary authorities that along with Durham County Council were created under the latest round of local government reorganisation were contacted to find out about the situation concerning zoning, limitation and colour policy in their administrative areas. These new authorities, formed by the merger of former County and District Councils were Wiltshire County Council, Shropshire County Council, Northumberland County Council, Cornwall County Council, Cheshire East, Cheshire west and Central Bedfordshire.

As may be seen from the two tables below, only one new Unitary Authority has removed zoning in respect of hackney carriages (HC). Central Bedfordshire had no number limitations or colour policies in either zone and the amalgamation of the zones was with the co-operation of the trade.

Table (iii) Zoning, limitation and colour policies in the new Unitary Authorities

Authority	No of zones pre LGR	No of zones post LGR	No of zones regulated	No of zones with colour policy
Central Beds	2	1	0	0
Cheshire East	3	3	2	0
Cheshire West	3	3	1	2
Cornwall	6	6	2	2
Northumberland	6	6	0	1
Shropshire	5	5	0	0
Wiltshire	4	4	0	0

Table (iv) Zoning, consultation and policies in the new Unitary Authorities

Authority	Has authority de-zoned post LGR?	Is consultation ongoing or proposed re de-zoning?	Has a single policy been adopted, proposed, or in consultation?
Central Beds	Yes	N/A	Yes
Cheshire East	No	No	No
Cheshire West	No	No	No
Cornwall	No	No	No
Northumberland	No	Yes	Proposed
Shropshire	No	Ongoing	In consultation
Wiltshire	No	No	Yes

NOTES: *By the end of 2009, Cornwall and Shropshire were in the process of consultation regarding the possible removal of zones in their administrative areas.*

Cornwall had met with the trade only and was consulting via a questionnaire. The questionnaire's responses were designed to fit into categories ranging from 'strongly disagree' with the proposal/suggestions to 'strongly agree'. The responses we are told have been very poor with only 10 – 11% of questionnaires from the trade being returned. The results were to be reported to the appropriate committees and the final decision was to be left to members with no officer recommendations given at all in the final report. The proposals were to address the issues of removing zones in the first instance and then to proceed with the issue of restricting/de-restricting Hackney Carriage numbers. The eventual outcome of this consultation and decision making process in Cornwall was that local members decided to keep the existing 6 zones and to maintain the limitation of numbers in two of these zones.

Shropshire adopted a single policy for April 1st 2009 and consulted on revisions to this alongside the issue of the removal of existing zones. They consulted with the trade by way of forums but not working groups. Their consultation document on their website simply asked for any comments on the issue of de-zoning among the proposed amendments to the policy. At the time of writing this briefing paper Shropshire County Council have not made a decision on the issue of zones and they are continuing to operate as they had previously done prior to LGR.

Appendix 1

The Phased Consultation Process

Durham County Council Phased Consultation Process on the Future Regulation of Hackney Carriages and Private Hire Vehicles in County Durham

(Taxi Zoning, Colour Policy and HC Quantity Regulation Consultation Process)

1.0 Introduction

This briefing paper outlines the methodology used to appraise options for the future of taxi zoning, colour policy and quantity regulation in County Durham and for undertaking a countywide public consultation exercise to determine preferred options.

2.0 Background

A broad public consultation exercise was undertaken in the **Spring of 2009** as part of the development of the Council's Hackney Carriage and Private Hire Licensing Policy. However, the issues of the quantity regulation, zoning and colour policy in relation to hackney carriages licensed by the County Council were intentionally omitted from this consultation because of the limited timescales available. Decisions on these critical issues were postponed until sufficient time was available to allow for a full and open debate.

The phased consultation process was designed in **September 2009** and aims to be broad ranging, inclusive, balanced and to apply any lessons learned from the earlier consultation process. In December 2009, following conversations with the Neighbourhood Services Communications Team advising on communications and publicity and as a result of information provided by the Chair of Licensing it was decided that more time than had been originally planned was needed in order to carry out the 3 phases of the consultation process.

We wanted to ensure that the consultation process not only followed the designed methodology but also that it was done properly and carefully. It had become evident that the process was dependant on a number of external inputs which could not be guaranteed to have been accomplished within the original time constraints.

A committee report was drafted for presentation in **January 2010** which, along with a presentation of minor but important technical amendments/revisions to the HC and PH Licensing Policy, requested of members more time to undertake and complete the phased consultation process. This report has recently been to Licensing Committee and Cabinet and is about to go to full Council.

3.0 The Phased Consultation Method

PHASE I – To Establish the National Context and Set up a Licensed Trade Working Group

- Member workshop – An event to brief members on the key issues, options available and to receive relevant feedback took place at County Hall on **23rd October 2009**. The format included an opening presentation followed by breakout groups led by members of the Licensing Team.
- Undertake a postal survey of new Unitary Authorities and other Authorities that have recently addressed issues of zoning, colour policy and quantity regulation to ascertain results, rationale and experiences. This postal survey was completed in **November 2009** by the former Environmental Health Manager of Easington DC.
- Obtain up to date national figures from the Department for Transport for Authorities that use quantity restrictions and for their future intentions for the relevant legislation. This work was completed by Area Licensing Team Leader (Central and East) in **November 2009**.
- Production of a definitive briefing paper summarising the current legal position, relevant government guidance, expert opinion and options available. This is a work in progress and was/is updated and developed throughout phase I and II of the consultation process. The most up to date version is attached as appendix 2.
- Stakeholder analysis undertaken and key contact list developed. Licensing Team Leaders were given this responsibility and contacted the Business Support Manager to ensure the production of a definitive list for consultation purposes.
- Role out public relations strategy. A press release to publicly announce the start of the consultation was developed with Vanessa Glover in the PR Team and was released on **24th February 2010** to coincide with the invitations to the taxi working group meetings.
- Circulation of the briefing paper to specialist groups and ‘interested parties’. This was done by sending out copies of the briefing paper to the various ‘single’ interest groups prior to workshops and presentations towards the end of phase II and the beginning of phase III.

- Establishment of a countywide taxi working group (a joint trade, Member and Officer Group with democratically elected representatives that meets formally on a regular basis), based on a model chosen by the trade. The Licensing Manager held a series of presentations to trade groups at three venues in the North, Central and South of the County on the **6th, 9th and 10th of December 2009**.

These trade presentations invited trade members to engage with the Authority in the setting up of the Countywide Hackney Carriage and Private Hire Working Group. A number of group options or models were made available to the trade. Following the presentations, in **January 2010**, two identifiable favoured models for the working groups were designed and presented to trade members who subsequently voted for one particular model in **February 2010** which incorporates 7 'Area Working Groups' and 1 'Countywide group'.

Following the announcement of the chosen group, the Licensing Manager and Licensing Team Leaders held seven separate meetings in early **March 2010**, with licensed trade members at various locations around the County to implement the necessary arrangements to enable trade members to pick their own trade representatives for group membership. These meetings were also attended by members of the Licensing Committee. Representatives in four licensed categories (private hire drivers, hackney carriage drivers, hackney carriage proprietors and private hire operators) were chosen at these meetings and in all but two of the licensed categories at one of the zone related AWG locations (Durham City), without the necessity for a ballot.

A ballot was required in this area and the necessary paperwork was prepared by the Area Licensing Team Leader. **This was sent out to the relevant trade members by the 19th March 2010.**

Once the membership of the Area Working Groups was established (**by the beginning of April 2010**), the groups met for the first time to consider the various licensing and regulatory issues that surround the consultation process. The first meeting of the CWG took place in **June 2010**.

PHASE II – Option Appraisal

- **The Licensed Trade** – The use of the area and countywide taxi working groups (7 AWG and 1 CWG) based around the existing 7 zones but organised by Team Leaders working on the 3 area service delivery model. (**May/June/July 2010**).
- **The Public** – It is envisaged that an educative approach be adopted with significant use of press releases to generate public interest. A Citizens Panel presentation and workshop will be held as well as a possible postal survey as a follow up exercise. (**July/August 2010**).

- **Interested Parties** – Separate meetings and a workshop based event held **15 June 2010**, for bodies such as Transport Planning Officers, Fleet Management and Disability Groups etc. This approach enabled any “single or focused issue” group’s points to be considered in context.

The Police - The Licensing Manager met with the Licensing Sgt North Durham region on a number of occasions to discuss the consultation process and the main issues. In addition, a meeting was held at Chester le Street Police Station on **16 March 2010** to discuss the police response to the Phase II options appraisal process. A subsequent report sanctioned by the Assistant Chief Constable detailing Durham Constabulary’s views and opinions in relation to zoning and the limitation of HC numbers in Chester le Street and the City of Durham was received.

This phase of the project, has enabled a highly detailed, well informed and inclusive option appraisal, used to inform the third phase of the process.

PHASE III – Formal Consultation

- A traditional postal survey and a web-based survey **August / September 2010**. The surveys will contain details of the option appraisal developed during phase two. This part of the consultation process will be available to anyone with an interest in the issues and also survey material will be distributed to those contacts identified through the stakeholder analysis carried out during phase I and II.

Timetable

The phased consultation process as outlined above began in **September 2009**.

Phase I: September 2009 to March 2010.

Phase II: March 2010 to July 2010.

Phase III: July 2010 to September 2010.

The final survey results will be used to draft a report for consideration by Council in October/November 2010.

Consultation Process	Activities and Milestones	Key Dates
Phase I	Process design	September 2009
	1 st Member workshop	23 rd October 2009
	1 st Press Release	23 rd October 2009
	Postal Survey	November 2009
	Dept Transport Enquiry	November 2009
	Briefing paper started	December 2009
	Stakeholder analysis	December 2009
	1 st Trade Presentations	December 2009
	Development of Working Group Model Options	January 2010
	Report to committee (ongoing review of policy, technical revision and request for extension to phase consultation process)	January 2010
	2 nd Press Release	24 th February 2010
	Model for countywide working group chosen by trade by ballot	
	2 nd Trade presentations and trade nominations	March 2010
	Meeting with Police	16 th March 2010
	Ballot Durham City Trade	March 2010
Phase II	Full AWG membership established	April 2010
	First meeting AWG	April/May 2010
	Nominations for CWG	April/May 2010
	3 rd Trade AWG and CWG meetings	May/June/July/August 2010
	Citizen Panel, AAP and Interested Party Presentations and workshops	July/August 2010
	Completion of Briefing Paper and Options Appraisal	July 2010
	3 rd Press Release	July 2010
Phase III	Postal and Web Based Survey	July/August 2010
	Survey Results and Committee Report/Policy Revision	October/November 2010
	4 th Press Release	October/November 2010

Definitions

Zoning

- County Durham is sub divided into 7 areas for taxi purposes.
- The 7 areas correspond to the administrative areas of the former 7 District Councils (Chester-le-Street, Derwentside, Durham City, Easington, Sedgefield, Teesdale and Wear Valley)
- Hackney carriages may legally ply for hire only in the zone where they are licensed.
- The 7 zones result from the merging of the District Authorities into Durham County Council.

Quantity Regulation

- A limit is placed on the number of hackney carriages in a particular zone. (The number of hackney carriage licences is limited or restricted).
- Quantity regulation was initiated and used by the former Chester-le-Street and Durham City Councils and continues in these two zones.
- Quantity regulation can be implemented and maintained when there is significant evidence to show that there is no unmet demand for hackney carriages following a special survey.

Colour Policy

- A colour policy exists where the Council imposes a standard colour for either hackney carriage or private hire vehicles or for both.
- Colour policies are used by some authorities to distinguish between hackney carriage vehicles and private hire vehicles. Some councils do not have colour policies for taxis.
- Some policies use single colours and some have multiple colours in their policies.

6.0 REFERENCES

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Contacts

Environment, health & Consumer Protection
Council Offices
Newcastle Road
Chester-le-Street
DH3 3UT

Email: licensing@durham.gov.uk
Tel: 0191 3872202