

GD Number 2015/0035



**Isle of Man
Government**

Reiltys Ellan Vannin

Council of Ministers

**Report on the Purpose, Remit and Operation of the Road Transport
Licensing Committee**

To be received in Tynwald July 2015

June 2015

To: The Hon Clare Christian, MLC, President of Tynwald and the Honourable Council and Keys in Tynwald assembled.

Foreword by Hon T Crookall MLC Chairman of the Road Transport Licensing Review Committee

At June 2014 sitting of Tynwald the Hon Member for Peel (Mr Crookall) moved the following motion:

That Tynwald ask the Council of Ministers to review the purpose, remit and operation of the Road Transport Licensing Committee and report to Tynwald by December 2014.

The Council of Ministers' Road Transport Licensing Committee (RTLCL) Review Committee was constituted on 6th October 2014 consisting of the following members:

Mr Crookall, Hon Member for Peel (Chairman)

Mr Cregeen, Hon Member for Malew and Santon

Mr Butt, Member of the Legislative Council (until 28th February 2015)

A number of updates have previously been provided to Tynwald on the progress of this work and this Report represents the findings of the Council of Minister's review Committee taking into consideration the consultation which took place between 13 March and 23 April 2015.

The analysis of these responses to the consultation has enabled a number of findings to be made regarding the Road Transport Licensing Committee to be made, the most significant being that the RTLCL should be merged with the Office of Fair Trading.

A handwritten signature in black ink, appearing to read 'T. Crookall MLC', with a horizontal line underneath the name.

Hon T Crookall MLC

Chairman, Road Transport Licensing Review Committee

Introduction/Background

1. On 17th June 2014 Tynwald approved a Motion for a Council of Ministers' Committee to review the purpose, remit and operation of the Road Transport Licensing Committee. During the debate on this Tynwald motion a number of concerns relating to the Road Transport Licensing Committee were raised by members of Tynwald these included:

- a) "Elected politicians are all getting complaints about the RTLC from various walks of life";
- b) Why volunteer drivers, including minibus drivers, are regulated;
- c) The high cost of applications for volunteers to obtain licences to drive public passenger vehicles;
- d) Why volunteers must renew licences to drive public passenger vehicles every three years;
- e) Why do volunteers have to pay for Police checks when renewing a licence to drive public passenger vehicles every three years;
- f) How the safety of young and elderly who use public passenger transport is to be protected;
- g) Why an independent body is required to regulate the road transport industry;
- h) Can the regulation of the transport industry be reduced to make it smaller and more efficient; and
- i) Is the Road Transport Licensing Committee restricted by the existing legislation?

2. It should be noted that during the debate, the term volunteer was not restricted to *bona fide* volunteers who provide their services free of charge for charities but was used in its broadest term for persons who voluntarily takes part in an enterprise or offer to undertake a task including charity employees, teachers and community volunteers. The Tynwald Motion was subsequently voted for by 20 House of Keys Members and all Members in Council.

3. In addition, the Council of Ministers' Report on Modernising Ministerial Government dated December 2013¹ sought to reduce the number of separate Government entities to improve communication, reduce costs and increase customer service. This document suggested efficiencies and a more coherent regulatory regime could be provided if some regulatory functions including the Road Transport Licensing Committee were brought together as a Fused Regulator. This new body could provide:

- (a) Enhanced efficiency and effectiveness
- (b) Enhanced co-operation
- (c) Improved governance and accountability
- (d) Enhanced public clarity
- (e) Reduced conflicts of interest

The scope of this Report is specifically designed to exclude proposals to modify the extent of existing legislation for ply for hire taxis, private hire vehicles, buses, coaches, mini buses and goods vehicles and their operators. However, this document will seek to identify the key issues in these areas which may result in proposals being brought forward in the future. Any

¹ http://www.gov.im/medis/878074/modernising_government.pdf

changes of this type will be subject to their own separate reports to Tynwald in support of any legislative changes to the Road Transport Act 2001.

What is the Purpose of The Road Transport Licensing Committee?

4. The Road Transport Licensing Committee (RTL) is a statutory body constituted under the Road Transport Act 2001. The purpose of this body is to regulate, register and/or licence passenger vehicle operators; goods vehicle operators; regular service public passenger service vehicle; regular public passenger vehicle routes; ply for hire vehicles; and drivers of public passenger vehicles in accordance with the provisions of the Road Transport Act 2001.

5. The public passenger and goods transport is regulated in the public interest to ensure the following:

- The availability of convenient and reliable public passenger transport;
- The availability of accessible public passenger transport for all users;
- The affordability of public passenger transport;
- The safety of the public who use public passenger transport;
- The safe and appropriate storage of public passenger transport vehicles when they are not in use;
- The availability of convenient and reliable goods transport;
- The safe and appropriate storage of goods transport vehicles when they are not in use;
- The safety of other highway users; and
- International reputation when the Isle of Man public passenger and goods operators travel in neighbouring jurisdictions.

What is the Legislative Remit of the Road Transport Licensing Committee?

6. The Road Transport Licensing Committee (RTL) is a statutory body constituted under the Road Transport Act 2001. The legislative remit of this body is to regulate, register and/or licence the transport of passengers and goods by road and for connected purposes. The Road Transport Act 2001 includes the following:

- Granting passenger vehicle operators' licenses to operators of vehicles constructed or adapted to carry passengers for up to five years duration.
- Granting goods vehicle operators' licenses to operators of motor vehicles (including trailer) for carrying goods for up to five year duration
- Compiling and keeping up to date a register (registration) of all passenger vehicle operators.
- Compiling and keeping up to date a register (registration) of all goods vehicle operators.
- Approving a suitable operating centre for a licensed or registered operator.
- Specifying the maximum number of vehicles for a licensed or registered operator.
- Varying, revoking or disqualifying a licensed or registered operator.
- Granting public passenger licences for regular services (not excursions) using public passenger vehicles. These are provided on more than one occasion, for the carriage of passengers at separate fares on either predetermined routes or variable routes, whether passengers are taken up or set down at predetermined stopping places or on demand for a period of up to five years.

- Granting public passenger ply for hire service licences for standing or plying for hire in a road or other public place for a period of up to five years using public passenger vehicles (Transitional Schedule 2 Provisions are still in force).
- Granting public passenger private hire vehicle (advance booked public passenger vehicle transport usually by telephone) licenses
- Revoking regular or ply for hire service licences
- Licensing drivers of public passenger vehicles for up to a 3 year period

7. In addition, the RTLC has regulatory powers to set its own procedures; exempt voluntary organisations for the carriage of passengers; condition licences or registration; receive statutory returns from passenger service licence holders; and inspect maintenance facilities.

8. Secondary legislation has been promoted by the Department of Infrastructure since 2001 to allow the RTLC to undertake the following activities:

- Fixing maximum fares which may be charged for public passenger vehicle journeys
- Examining public passenger vehicles
- Regulating the conduct of drivers, inspectors and conductors on public passenger vehicles
- Regulating the conduct of passengers on public passenger vehicles
- Controlling the number of passengers on public passenger vehicles
- Regulating the minimum age of public passenger vehicle drivers
- Requiring a medical examination for public passenger vehicle drivers
- Examining the geographical knowledge of public passenger vehicle drivers
- Exempting non-resident and temporary uses
- Permitting the transfer of licenses and registration
- Requiring the display of certificates and badges
- Regulating use on airfield roads when they are available for public use

9. The Road Transport Act 2001 permits the Department of Infrastructure to make regulations in respect to any proceedings of the Road Transport Licensing Committee. In April 2014 the Department of Infrastructure became responsible for public passenger transport by bus and rail. This is in addition to the contracting, vehicle fleet management and vehicle testing services the Department of Infrastructure already provided.

What is the current remit of the Road Transport Licensing Committee?

10. The RTLC website² provides the following information on its duties and resources:

11. The Road Transport Licensing Committee (RTLC) acts as an independent body of Government with responsibility for regulating the transport of passengers. It is the duty of the Committee to administer and enforce the provisions of the Road Transport Act 2001, to benefit and protect the public through the provision of sufficient, efficient, safe, and quality services of public transport.

12. The Act provides for the licensing of all public passenger vehicles that are used commercially on the Island, (i.e. taxis, private hire vehicles, minibuses, buses, and coaches), and their drivers, plus the licensing or registration of operators. The Act also embraces the

² <http://www.gov.im/RTLC/>

operation of heavy goods vehicles, but regulations for the licensing or registration of such vehicles have yet to be made by the Department of Transport [sic].

13. The RTLC consists of five members appointed by the Council of Ministers, subject to the approval of Tynwald, and each member shall hold office for a term of five years. The Committee is supported by a Secretary, Administration Officer and a part time Public Passenger Vehicle Inspector.

14. The RTLC must lay an annual report before Tynwald which sets out the duties the RTLC has discharged in each financial year. These annual reports are available on the RTLC's website³. The annual reports for the last two financial years (2012/13 and 2013/14) provides the following data⁴:

³ <http://www.gov.im/RTLC/>

⁴ <http://www.gov.im/RTLC/about.xml>

Annual Statistics	To 1 April 2014	To 1 April 2013
Total Number of Registered Operators	248	231
Total Number of Registered Public Passenger Vehicles	434	450
Number of Ply for Hire Licenses	200	210
Number of Private Hire Cars Licensed	69	68
Number of Buses, Minibuses and Other Vehicles (Including trikes, funeral cars, etc)	165	172
Total Number of Registered Public Passenger Vehicle	1,308	1,271
Number of Public Passenger Vehicle Drivers Licensed to Drive Ply for Hire Taxis and Private Hire Cars (approximate)	700	580
Total Number of New Applications For Public Passenger Vehicle Driver Licenses	126	93
Number of New Applications For Public Passenger Vehicle Driver Licenses to Drive Ply for Hire Taxis and Private Hire Cars	50	37
Number of New Applications for Public Passenger Vehicle Licenses to Drive Buses, Minibuses or Restricted Public Passenger Vehicle Driver Licenses	76	56
Total Number of Renewal Applications for Public Passenger Vehicle Driver Licenses	208	218
Total Number of New Applications	252	186
Total Number of Renewal Applications	208	218

The RTLC Annual Reports for the 2012/13 and 2013/14 financial years following data on matters considered by the Committee:

RTLC (Committee) Annual Statistics	To 1 April 2014	To 1 April 2013
Total Number of Committee Meetings	15	18
Total Number of Applications Determined by the Committee	66	72
Total Number of New Applications For Ply for Hire (Taxi) Licences Determined by the Committee	3	3
Total Number of New Applications For Ply for Hire (Taxi) Licences Approved by the Committee (Number of Applications Withdrawn)	0 (2)	0 (0)
Total Number of Applications to Vary or Transfer Ply for Hire (Taxi) Licences Determined by the Committee	22	22
Total Number of Applications to Vary or Transfer Ply for Hire (Taxi) Licences Approved by the Committee (Number of Applications Withdrawn)	22 (0)	22 (0)
Total Number of New Applications For Private Hire Vehicles Licences Determined by the Committee	29	20
Total Number of New Applications For Private Hire Vehicles Licences Approved by the Committee (Number of Applications Withdrawn)	27 (2)	20 (0)
Total Number of New Applications for Regular Services (Bus and Coaches) Licences Determined by the Committee	12	27
Total Number of New Applications for Regular Services (Bus and Coaches) Licences Approved by the Committee (Number of Applications Withdrawn)	12 (0)	27 (0)
Total Number of New Applications Refused	1	3
Total Number of Existing Licences Revoked by the Committee	0	2

15. In addition to this work the two annual reports describe how the Committee and its support staff carry out a number of other functions these include:

- Reviewing taxi fares;
- Providing advice to the operators and drivers including the provision of a guide to maintaining vehicle roadworthiness;
- Providing training to improve customer care;
- Improving access for users with special needs;

- Investigating the occurrences of vehicle test failures for existing operators;
- Investigating the occurrences of criminal convictions and cautions for existing operators and drivers.

Are the Operations of the Road Transport Licensing Committee Controlled?

16. How public passenger and goods transport is regulated by the RTLC is prescribed within the Road Transport Act 2001. This legislation and associated regulations puts in place a statutory frame work within which the RTLC operate. These frameworks set out the following:

- How RTLC regulates the public passenger and goods transport; and
- How the RTLC is regulated by the Department of Infrastructure.

17. The Department of Infrastructure and its predecessor the Department of Transport, has changed significantly since the Road Transport Act was approved by Tynwald in 2001. In this time the Department has become the Isle of Man Government's main:

- Contractor for undertaking construction, engineering, building and maintenance operator;
- Vehicle fleet procurement, management and maintenance operator;
- Bus public transport operator; and
- Vehicle testing operator

18. The Road Transport Act 2001 specifically states that public and local authorities are not exempt from this legislation. This results in the goods and public passenger transport activities carried out by the Department being regulated by the RTLC.

19. A conflict of interest could be seen to exist if the Department of Infrastructure's employees were regulating both the Department of Infrastructure as well as other external operators engaged in the same trade or business activity. This is the case for services offered by the Department's contractor, vehicle fleet and bus public transport operators. The statutory requirement for the RTLC overcomes this issue through the provision of an independent committee to regulate the activities of the public authority, local authority and private operators while still having access to the specialist vehicle testing and transport legislative skills and knowledge which are contained within the Department of Infrastructure.

What are the Costs of the RTLC?

20. The costs associated with operating the RTLC include the following:

- The income to the RTLC and the cost to road transport industry including the voluntary sector from licensing and registration fees;
- The cost in providing this regulating body including permanent staff

21. The annual budget expenditure for the RTLC contained within the 2013/2014 annual report states that in 2012/13 the annual budget for the RTLC was £154,000. This was reduced to £125,000 in 2013/14 and the RTLC managed to restrict the spending during the calendar year so that the total net expenditure for 2013/14 was significantly under budget at £76,000.

22. The RTLC achieved the 2013/14 budget without the requirement to increase fees which provided approximately £40,000 income per annum towards the budget. No financial information was contained within the 2012/13 annual report.

23 The fees which must be paid when making an application are listed on the RTLC website. The main fees are show below:

Type	Application Cost	Renewal Cost
Registration of Operators for a business which will use vehicles commercially	£60	-
Ply for Hire or Regular Service License	£45 (5 years)	£30 (5 years)
Ply for Hire/Private Car or Minibus Operator Disc	£83 per year	£83 per year
Ply for Hire Operator Disc for each additional area	£55 per year	£55 per year
Bus/Coach Operator Disc	£105 per year	£105 per year
Registration of Operators who will use only ONE taxi or Private Hire car, (i.e. up to 8 passenger seats, excluding the driver), which is NOT used for radio dispatch.	£45	-
Ply for Hire/Private Car or Minibus License	£45 (5 years)	£30 (5 years)
Ply for Hire/Private Car or Minibus Operator Disc	£83 per year	£83 per year
Ply for Hire Operator Disc for each additional area	£55 per year	£55 per year
Variation Application	£15	-
Ply for Hire/Private Hire Car or Minibus Public Passenger Vehicle Driving Licence	£45 (3 years)	£25 (3 years)
Bus or Minibus Public Passenger Vehicle Driving Licence (restricted use only)	£25 (3 years)	£25 (3 years)
Disclosure & Barring Certificate (Actual Police Check Costs)	£44	£44

Public Consultation

24. The Council of Ministers' RTLC Review Committee carried out a public consultation between 13 March and 23 April 2015 on the role, remit and operation of the Isle of Man's Road Transport Licensing Committee. The Council of Ministers' RTLC Review Committee directly notified a number of key stakeholders that this consultation was in progress and a copy of the consultation documentation document is contained within Appendix 1.

25. The Council of Ministers' RTLC Review Committee received a total of 96 responses. During the consultation period (16 April 2015) a potential anomaly in the posted questionnaire responses was identified. After a long period of not receiving any responses two responses were being received every day with identical responses to a high proportion of the questions (Questions 1.5, 1.6, 1.7, 1.11, 1.12, 1.13, 1.14, 1.15, 1.15, 1.16, 1.17, 1.18, 1.19, 1.20 and 1.21) and in particular, no written comments were being returned by these respondents. During the same period of time only three (hard copy?) paper consultation documents (including questionnaires) had been sought from the named Government distributor. The discrepancy in response rate continued until the completion of the consultation period with a further four copies of the consultation document (including questionnaire) being requested during this period of time. This anomaly has resulted in the responses being assessed separately depending upon how they were sent into the Council of Ministers' RTLC Review Committee.

26. The quantitative and qualitative information obtained from the public consultation is contained within Appendix 2. The qualitative information obtained from stakeholders is contained within Appendix 3.

Assessment of the Purpose of the RTLC

27. Evidence from other jurisdictions and the Isle of Man indicates that without regulation, public passenger and goods vehicle transport would be operated on a lowest cost commercial model. This would not be in the public interest for the reasons described above and would reduce the safety, quality of employees and public access in this industry.

28. In the United Kingdom the regulation of public passenger and goods road transport is performed by a number of separate bodies. These include the United Kingdom Traffic Commissioners regulating goods vehicle transport, County Councils regulating bus public passenger transport and District Councils regulating ply for hire and private hire public passenger transport for the same geographic areas.

29. The public consultation highlighted that the majority of respondents believed both public passenger and goods road transport should be regulated. The four main reasons given were as follows:

- To ensure the safety of other road users;
- To ensure the safety of the public who use public passenger transport;
- To ensure the availability of convenient and reliable transport; and
- To ensure the affordability of public passenger transport.

30. In addition, the public consultation exercise did not highlight any significant areas which should not be regulated.

31. The Island Road Transport Association and the Manx Taxis Federation both supported the purpose of a regulatory framework but were opposed to the current regulator and wanted greater input from the road transport industry.

Finding 1

32. That the purpose of the RTLC as a regulating body is well defined within existing law, including the scope of its regulatory activities. The requirement for this regulatory role is broadly supported by the public.

Assessment of the Remit of the RTLC

33. The data from the RTLC Annual Reports for the 2012/13 and 2013/14 financial years indicates the following:

- The majority of renewal licenses are dealt with by the permanent support staff employed within the RTLC and approximately a quarter to a third of new applications is determined by the Committee directly.
- The Committee focusses on the public passenger transport.
- The majority of the applications considered by the Committee are new, varied or transferred Ply for Hire (Taxi) and Private Hire Vehicle licenses.
- The only applications refused are Ply for Hire (Taxi) Licenses; no new Licenses of this type were approved within this two year period.
- During this two year period all transfers and variations for Ply for Hire were approved.
- No new applications for private hires or regular services were refused by the Committee.

34. In addition, the RTLC within both these annual reports has highlighted its concern relating to the scope of the Road Transport Act 2001:

Schedule 2 of the Road Transport Act 2001 greatly hinders the RTLC. Schedule 2 was an interim temporary measure or transitional provision and was never intended to still be in place today. This causes an unofficial market in trading in ply for hire (taxi) licences through the buying/selling of statutory approvals to operate a taxi business; increase in the number of private hire vehicles; unlawful renting of taxi plates; and restricting taxi to particular zones or districts.

35. The Department of Infrastructure has not yet implemented regulations for heavy goods vehicles despite consultation taking place with the haulage industry in 2008/09. In meetings with the Department the RTLC has expressed concern about the absence of these regulations for reasons of public safety because there is currently only an annual test supplemented by Police roadside spot checks.

Public Passenger Road Transport

36. The statutory prescriptive requirements of Schedule 2 for Ply for Hire taxis and the lack of specific legislative requirements for private hire vehicles does create an environment for differing levels of regulatory activity. The public consultation highlighted frustration from the Ply for Hire trade over the unregulated number of private hire vehicle licences granted. Currently there are entrants into the ply for hire trade being regulated on the applicant's ability to prove a need in a specific geographical area and all island private hire trade being regulated by predominately market forces. These difficulties could be overcome in the short term by having more information and improved transparency between the regulator, operators and the public on the capacity for both these types of public passenger transport. The public consultation highlighted support for the regulator to assess the need for any type of licences and publish their findings. In addition, some of the consultation respondents and the taxi trade body proposed the requirement for an experienced and independent regulator which would greatly assist in this regard.

37. However, in the long term a requirement will exist for changes to legislation to bring both the Ply for Hire and Private Hire within an equitable and transparent regulatory framework. This is a major piece of work which must be fully evaluated to ascertain the public and economic benefits associated with changing primary Ply for Hire legislation, introducing secondary legislation for Private Hire vehicles or completely reviewing this aspect of the Road Transport Act 2001.

38. The public consultation for regular service public passenger transport highlighted the need for better engagement with stakeholders and the public over changes to bus timetables, engagement with vehicle manufacturers on their capacity and encompass best practice from the United Kingdom regulators which is suitable for the Isle of Man.

Finding 2

39. That an independent regulator is required which is capable of assessing the need for all types of licences and will publish the findings of this assessment in addition to the administration functions prescribed within the Road Transport Act 2001.

Finding 3

40. That there is a requirement to r change the Road Transport Act 2001 to bring both the Ply for Hire and Private Hire within an equitable and transparent regulatory framework.

Goods Road Transport

41. The Road Transport Act 2001 (Appointed Day) Order 2001 dated 17 August 2001 brought the Road Transport Act 2001 into operation. This includes Section 3(1) which places a statutory duty on the RTALC. The RTALC shall maintain a register of goods vehicle operators in such form as may be provided and Section 3(2) gives powers to grant goods vehicle operator licences. Although the RTALC would like the Department to make additional regulations in relation to goods road transport, further consideration is required as to the extent of the statutory duties currently placed upon the RTALC by the existing provisions within the Road Transport Act 2001.

42. The Road Transport Act 2001 is less comprehensive and onerous in regulating goods and passenger transport than those which are applicable in neighbouring jurisdictions.

Finding 4

43. That further consideration is given to the extent of the statutory duties currently placed upon the RTALC by the existing provisions within the Road Transport Act 2001.

Finding 5

44. That the existing Road Transport Act 2001 is reviewed to ensure road goods vehicles can be shown to be safe

Public Passenger Road Transport Volunteers

45. A significant amount of RTALC reported activity relates to licensing public passenger vehicle drivers. The numbers of drivers appears high for those involved in the commercial transport of public passengers on the Island. The statistics contained within the RTALC's 2013/14 annual report establish that 208 renewal applications for public passenger vehicles licenses were made within the twelve month period. In addition, it reports that approximately half of the public passenger vehicle drivers are ply for hire and private car

drivers. This means approximately 600 public passenger drivers are involved in the non-taxi related commercial transport of passengers.

46. The Road Transport Act 2001 allows charities and voluntary organisations to apply to the RTLC for an exemption from licensing and registration. In addition, the Act defines passenger vehicle commercial use as:

- Adapted vehicles which can carry more than 8 passengers in addition to the driver;
- The passengers' payment exceeds the running expense for the journey; and
- The payment by passengers is made during or after the journey began.

47. The public consultation looked at this issue in depth and there was no overwhelming support for more self-regulation or strong cases made for specific public passenger road transport sectors. In addition, the Isle of Man Constabulary and Local Authorities were opposed to additional self-regulation.

48. There is no requirement or demand for new legislation to increase self-regulation. Guidance should be provided by the regulator on exemptions.

Finding 6

49. That there is no requirement for additional self-regulation and guidance should be provided by the regulator on exemptions to the Road Transport Act 2001.

Duration of Licences

50. The Road Transport Act 2001 specifies a five year maximum duration for the following licenses:

- Licenses to operate passenger vehicles constructed or adapted to carry passengers;
- Licenses to operate motor vehicles (including trailer) for carrying goods;
- Licenses for public passenger regular services (not excursions) including private hire vehicles using public passenger vehicles;
- Licenses for public passenger for standing or plying for hire in a road or other public place; and
- Licences for public passenger private hire vehicles

51. However, the Road Transport Act 2001 specifies up to a three year maximum duration for the licensing of drivers of public passenger vehicles. The public consultation document proposed promoting new legislation to extend the duration of the license for public passenger vehicle drivers. This increase in duration would require more frequent checks by employers on the suitability of the drivers they use and to provide this information to the regulator. This must be made an operator license conditioned requirement or an exemption conditioned requirement for voluntary organisations or a charity. How this condition is complied with would be an essential part of the regulator's assessment when considering any renewal applications.

52. This approach would increase the responsibility on operators, voluntary organisations and charities to monitor and validate the suitability of the drivers they use. Many of these organisations would already undertake Police checks and this may reduce duplication. However, the operating costs for these organisations and the risks to vulnerable members of

our society may increase if these checks are not undertaken as a consequence of introducing this measure.

53. The public consultation supported extending the duration for the driving of public passenger vehicles to five years. In addition, this proposal was supported by Isle of Man Constabulary.

Finding 7

54. That legislation should be brought forward in the future to extend the duration for the driving of public passenger vehicles to five years with associated operator checking/reporting regimes.

Promoting Legislation

55. The RTLC's annual reports proposes a number of changes to legislation. The public consultation highlighted support for the regulator to assess the need for new legislation and publish their findings prior to promoting legislation. This would improve stakeholder engagement, co-operation and transparency.

Finding 8

56. That the regulator must be capable of assessing the need for new legislation and publish their findings of this assessment prior to promoting legislation. This will improve stakeholder engagement, co-operation and transparency.

Cost

57. All regulation of the road transport industry would need to cease to save Government approximately £105,000 to £125,000 per annum. In addition, this figure includes approximately £40,000 per year income which the RTLC receives from the road transport industry from licensing fees and does not include the £25,000 fees associated with the Disclosure and Barring Service checks, which is paid directly to the Department of Home Affairs. The public consultation had minimal support for ceasing all road transport regulation. It should be noted the budget for the RTLC operations have significantly reduced in recent years and the pressure to reduce cost by improving efficiency will continue in future years. A consistent theme from the public consultation was reducing administration costs. This will prove harder to achieve in the future against a background of retaining low cost fees, more transparency, improved stakeholder engagement and the fixed RTLC operating costs.

Assessment of the Regulatory Operating Framework Options

Option 1 Independent Road Transport Licensing Committee

58. The Road Transport Licensing Committee exists because there is a requirement for a specialist regulator which is not involved in the delivery of public passenger or goods road transport. The public consultation overwhelmingly supported the requirement for this regulatory role. In addition, the consultation responses highlighted that the majority were in favour of retaining the current arrangements. This issue was significantly distorted by the anomaly observed in the postal responses which overwhelming supported the retention of the RTLC. However, the online survey responses also recorded a slight preference to retaining the current regulatory arrangements including positive comments about .

59. The stakeholder responses were less supportive of the current arrangements and they were in favour of a change to a more transparent and lower cost regulator

Option 2 Merger with the Office of Fair Trading

60. The Council of Ministers' Report on Modernising Ministerial Government dated December 2013⁵ sought to reduce the number of separate Government entities to improve communication, reduce costs and increase customer service. This document suggested efficiencies and a more coherent regulatory regime could be provided if some regulatory functions including the Road Transport Licensing Committee were brought together with another regulator. That document proposed merging the Office of Fair Trading with the RTLC. The following similarities in expertise exist within these bodies:

- Both bodies have support services which include corporate governance, financial management, legislative support and administration support.
- Both bodies assess appropriate pricing and levels of completion are in place for the Island's consumers and users.
- Both bodies protect consumer/user interests, consumer/user safety, register service providers and license services.
- Both bodies provide advice and education.
- Both bodies have sponsoring Government Departments to promote legislation for their areas of regulation. The Department of Economic Development sponsor the Office of Fair Trading and the Department of Infrastructure sponsor the RTLC.

61. The merged regulator was the second most popular option in the on-line public consultation and received the most support from the stakeholders. In addition, this option was supported by the majority of respondents who made written argued representations to the Council of Ministers' review committee.

Option 3 Department of Infrastructure

62. The Department of Infrastructure and its predecessor the Department of Transport have changed significantly since the Road Transport Act was approved by Tynwald in 2001. In this time the Department has become the Isle of Man Government's main:

- Contractor for undertaking construction, engineering, building and maintenance operator;
 - Vehicle fleet procurement, management and maintenance operator;
 - Bus public transport operator; and
 - Vehicle testing operator

63. The Road Transport Act 2001 specifically states that public and local authorities are not exempt from its requirements. This would result in the Department of Infrastructure regulating both the Department of Infrastructure employees as well as other external operators engaged in the same trade or business activity. This would result in the Department having to put in place robust measures to overcome this conflict of interest including referring contentious issues to an independent person or body.

⁵ http://www.gov.im/medis/878074/modernising_government.pdf

64. The Department of Infrastructure directly regulating the road transport industry was the third most popular option in the on line public consultation. This option was not supported by the majority of stakeholders or those who made written argued representations to the Council of Ministers' review committee.

Option 4 Local Authorities

65. Local authorities could undertake some of the RTLC regulatory functions. For example, ply for hire (taxi) is currently licensed and operated on a geographical basis and the RTLC has a statutory obligation to send a copy of the notice to the relevant local authority prior to assessing applications for registration or for an operator's licence.

66. The majority of the other road transport industry areas operate across a number of local authority areas and this could create problems coordinating regulatory activity and could increase bureaucracy and costs. In addition, those RTLC functions which currently operate on a geographical basis may not do so in the future as a consequence of more efficient logistic and communication technologies.

67. A number of local authorities currently operate some public passenger and goods road transport services, through their contractor and voluntary service activities. This will result in these local authorities regulating the private sector and their own activities locally which could be perceived as a conflict of interest. In addition, some local authorities may not have the technical and regulatory expertise to undertake and sponsor these regulatory functions. It is likely this work would still need to be done by the Department of Infrastructure who currently sponsor local authority legislation.

68. The public consultation highlighted minimal support for local authorities undertaking this regulatory role and only one local authority stakeholder was of the opinion that this was the best option.

Other Options

69. No other options were identified by stakeholders or the public as part of the consultation.

Finding 9

70. That the merged regulator located within the Office of Fair Trading is the best option for regulating the road transport industry for the future, to meet the open, transparent and independent technical requirements of both the public and stakeholders.

Next Steps

71. There is now further work to be undertaken to ascertain how best to take the findings from the Public Consultation forward into recommendations regarding the future of the purpose, remit and operation of the Road Transport Licensing Committee.

72. This work will include an assessment of what legislation is required to facilitate and support a merged regulator within the Office of Fair Trading.

APPENDIX 1

PUBLIC CONSULTATION DOCUMENTATION

COUNCIL OF MINISTERS
ROLE, REMIT AND OPERATION OF THE ROAD TRANSPORT LICENCING
COMMITTEE

PUBLIC CONSULTATION DOCUMENT

MARCH 2015

Introduction

1. This document is part of an ongoing consultation with the public on how best to deliver Government services in the future. Agenda for Change⁶ details the priorities that will be delivered by Government before September 2016. The Review of the Road Transport Licensing Committee will ensure the delivery of targets and objectives listed within Agenda for Change for the 'Good Government'⁷ policy theme. This includes assessing a proposal for a more efficient and coherent regulatory regime through bringing together the road transport licensing function together with other Government regulatory functions within a 'fused regulator'⁸.

2. The Road Transport Licensing Committee (RTLCL) is a statutory body constituted under Road Transport Act 2001. The purpose of this body is to regulate the road transport industry including public passenger and goods transport and their operators.

3. This consultation is required to identify and fully understand the requirement for regulating the road transport industry and how public safety can be safeguarded in the most efficient and cost effective manner. This consultation is required to obtain the following information:

- Identifying and understanding the road transport needs of the Island and its population;
- Identifying and understanding the needs of the road transport industry;
- How bureaucracy and duplication associated with regulating and administering the road transport provision on the Island can be reduced; and
- If the costs associated with regulating road transport offers value for money or could be achieved in a more cost effective manner;

4. It is important that the review committee receives as many views from the public and the road transport industry as possible to ensure we have a detailed understanding of the issues facing users, drivers and operators of bus, coach, taxi, private hire vehicles, mini bus and goods vehicle prior to making a firm decision on how these services will be regulated in the future.

5. I urge you therefore to take the time to read through this document and let us know your thoughts. Please answer the questions contained in the questionnaire at the end of the document and add any additional comments you may have within the sections provided.

Hon Tim Crookall MHK, Chairman of the RTLCL Review Committee

February 2015

⁶ <http://www.gov.im/about-the-government/government/the-council-of-ministers/agenda-for-change/>

⁷ <http://www.gov.im/about-the-government/government/the-council-of-ministers/agenda-for-change-policy-overview/good-government/>

⁸ http://www.gov.im/medis/878074/modernising_government.pdf

What is the Purpose of the Road Transport Licensing Committee?

8. The Road Transport Licensing Committee (RTLTC) is a statutory body constituted under Road Transport Act 2001. The purpose of this body is to regulate, register and/or licence the transport of passengers and goods by road and for connected purposes. The Road Transport Act 2001 includes the following:

- i. Granting passenger vehicle operators' licenses to operators of vehicle constructed or adapted to carry passengers for up to five years duration.
- ii. Granting goods vehicle operators' licenses to operators of motor vehicles (including trailer) for carrying goods for up to five year duration
- iii. Compiling and keeping up to date a register (registration) of all passenger vehicle operators.
- iv. Compiling and keeping up to date a register (registration) of all goods vehicle operators.
- v. Approving a suitable operating centre for a licensed or registered operator.
- vi. Specifying the maximum number of vehicles for a licensed or registered operator.
- vii. Varying, revoking or disqualifying a licensed or registered operator.
- viii. Granting public passenger licences for regular services (not excursions) using public passenger vehicles. These are provided on more than one occasion, for the carriage of passengers at separate fares on either predetermined routes or variable routes, whether passengers are taken up or set down at predetermined stopping places or on demand for a period of up to five years.
- ix. Granting public passenger ply for hire service licences for standing or plying for hire in a road or other public place for a period of up to five years using public passenger vehicles (Transitional Schedule 2 Provisions are still in force).
- x. Granting public passenger private hire vehicle (advance booked public passenger vehicle transport usually by telephone) licenses
- xi. Revoking regular or ply for hire service licences
- xii. Licensing drivers of public passenger vehicles for up to a three year period.

9. In addition, the RTLTC have regulatory powers to set its own procedures; exempt voluntary organisations for the carriage of passengers; condition licences or registration; receive statutory returns from passenger service licence holders; and inspect maintenance facilities.

10. Secondary legislation has been promoted by the Department of Infrastructure since 2001 to allow the RTLTC to regulate the following:

- i. Fixing maximum fares which may be charged for public passenger vehicle journeys
- ii. Examining public passenger vehicles
- iii. Regulating the conduct of drivers, inspectors and conductors on public passenger vehicles

- iv. Regulating the conduct of passengers on public passenger vehicles
- v. Controlling the number of passengers on public passenger vehicles
- vi. Regulating the minimum age of public passenger vehicle drivers
- vii. Requiring a medical examination for public passenger vehicle drivers
- viii. Examining the geographical knowledge of public passenger vehicle drivers
- ix. Exempting non-resident and temporary uses
- x. Permitting the transfer of licenses and registration
- xi. Requiring the display of certificates and badges
- xii. Regulating use on airfield roads when they are available for public use

11. The Road Transport Act 2001 permits the Department of Infrastructure to make regulations in respect to any proceedings of the Road Transport Licensing Committee. In April 2014 the Department of Infrastructure became responsible for public passenger transport by bus and rail. This is in addition to the contracting, vehicle fleet management and vehicle testing services the Department of Infrastructure already provided.

What is the Road Transport Licensing Committee?

12. The RTALC website¹⁰ provides the following information on their duties and resources:

- The Road Transport Licensing Committee (RTLC) acts as an independent body of Government with responsibility for regulating the transport of passengers. It is the duty of the Committee to administer and enforce the provisions of the Road Transport Act 2001, to benefit and protect the public through the provision of sufficient, efficient, safe, and quality services of public transport.
- The Act provides for the licensing of all public passenger vehicles that are used commercially on the Island, (i.e. taxis, private hire vehicles, minibuses, buses, and coaches), and their drivers, plus the licensing or registration of operators. The Act also embraces the operation of heavy goods vehicles, but regulations for the licensing or registration of such vehicles have yet to be made by the Department of Transport.
- The RTALC consists of 5 members appointed by the Council of Ministers, subject to the approval of Tynwald, and each member shall hold office for a term of 5 years. The Committee is supported by a Secretary, Administration Officer and a part time Public Passenger Vehicle Inspector.

13. The RTALC must lay an annual report before Tynwald which sets out the duties the RTALC have discharged in each financial year. These annual reports are available on the RTALC's website¹¹. The annual report to 31 March 2014 provides the following data¹²:

¹⁰ <http://www.gov.im/RTLC/>

¹¹ <http://www.gov.im/RTLC/>

¹² <http://www.gov.im/RTLC/about.xml>

Annual Statistics	To 1 April 2014	To 1 April 2013
Total Number of Registered Operators	248	231
Total Number of Registered Public Passenger Vehicles	434	450
Number of Ply for Hire Licenses	200	210
Number of Private Hire Cars Licensed	69	68
Number of Buses, Minibuses and Other Vehicles (Including trikes, funeral cars, etc)	165	172
Total Number of Registered Public Passenger Vehicle	1,308	1,271
Number of Public Passenger Vehicle Drivers Licensed to Drive Ply for Hire Taxis and Private Hire Cars (approximate)	700	580
Total Number of New Applications For Public Passenger Vehicle Driver Licenses	126	93
Number of New Applications For Public Passenger Vehicle Driver Licenses to Drive Ply for Hire Taxis and Private Hire Cars	50	37
Number of New Applications for Public Passenger Vehicle Licenses to Drive Buses, Minibuses or Restricted Public Passenger Vehicle Driver Licenses	76	56
Total Number of Renewal Applications for Public Passenger Vehicle Driver Licenses	208	218
Total Number of New Applications	252	186
Total Number of Renewal Applications	208	218

The RTLC Annual Reports for these years include the following data on matters considered by the Committee:

RTLC (Committee) Annual Statistics	To 1 April 2014	To 1 April 2013
Total Number of Committee Meetings	15	18
Total Number of Applications Determined by the Committee	66	72
Total Number of New Applications For Ply for Hire (Taxi) Licenses Determined by the Committee	3	3
Total Number of New Applications For Ply for Hire (Taxi) Licenses Approved by the Committee (Number of Applications Withdrawn)	0 (2)	0 (0)

Total Number of Applications to Vary or Transfer Ply for Hire (Taxi) Licences Determined by the Committee	22	22
Total Number of Applications to Vary or Transfer Ply for Hire (Taxi) Licences Approved by the Committee (Number of Applications Withdrawn)	22 (0)	22 (0)
Total Number of New Applications For Private Hire Vehicles Licences Determined by the Committee	29	20
Total Number of New Applications For Private Hire Vehicles Licences Approved by the Committee (Number of Applications Withdrawn)	27 (2)	20 (0)
Total Number of New Applications for Regular Services (Bus and Coaches) Licences Determined by the Committee	12	27
Total Number of New Applications for Regular Services (Bus and Coaches) Licences Approved by the Committee (Number of Applications Withdrawn)	12 (0)	27 (0)
Total Number of New Applications Refused	1	3
Total Number of Existing Licences Revoked by the Committee	1	1

This data indicates the following:

1. The majority of renewal licenses are dealt with by the permanent support staff employed within the RTLIC and approximately a quarter to a third of new applications is determined by the Committee directly.
2. The Committee focus on the public passenger transport.
3. This majority of the applications considered by the Committee are all the new, varied or transferred Ply for Hire (Taxi) and Private Hire Vehicle licenses.
4. The only applications refused are Ply for Hire (Taxi) Licences and no new Licences of this type were approved within this two year period.
5. During the same two year period all transfers and variations for Ply for Hire were approved.
6. No new applications for private hires or regular services were refused by the Committee.

14. In addition to this work the Committee and their support staff carry out a number of other functions these include:

- Reviewing taxi fares;
- Providing advice to the operators and drivers including the provision of a guide to maintaining vehicle roadworthiness;
- Providing training to improve customer care;
- Improving access for users with special needs;
- Investigating the occurrences of vehicle test failures for existing operators;
- Investigating the occurrences of criminal convictions and cautions for existing operators and drivers.

What are the Costs of the RTLC?

15. The costs associated with operating the RTLC must include the following:

- a. The income to the RTLC and the cost to road transport industry including the voluntary sector from licensing and registration fees
- b. The cost in providing this regulating body including permanent staff

16. The fees which must be paid when making an application are listed on the RTLC website. The main fees are show below:

Type	Application Cost	Renewal Cost
Registration of Operators for a business which will use vehicles commercially	£60	-
Ply for Hire or Regular Service License	£45 (5 years)	£30 (5 years)
Ply for Hire/Private Car or Minibus Operator Disc	£83 per year	£83 per year
Ply for Hire Operator Disc for each additional area	£55 per year	£55 per year
Bus/Coach Operator Disc	£105 per year	£105 per year
Registration of Operators who will use only ONE taxi or Private Hire car, (i.e. up to 8 passenger seats, excluding the driver), which is NOT used for radio dispatch.	£45	-
Ply for Hire/Private Car or Minibus License	£45 (5 years)	£30 (5 years)
Ply for Hire/Private Car or Minibus Operator Disc	£83 per year	£83 per year
Ply for Hire Operator Disc for each additional area	£55 per year	£55 per year
Variation Application	£15	-
Ply for Hire/Private Hire Car or Minibus Public Passenger Vehicle Driving Licence	£45 (3 years)	£25 (3 years)
Bus or Minibus Public Passenger Vehicle Driving Licence (restricted use only)	£25 (3 years)	£25 (3 years)
Disclosure & Barring Certificate (Actual Police Check Costs)	£44	£44

17. The annual budget expenditure for the RTLC was £154,000 in 2012/13 and £125,000 in 2013/14. This was achieved with a significant under spend in the 2013/14 financial year and without the requirement to increase fees which provide approximately £40,000 income per annum towards this budget.

Options for Change

Should the road transport industry be regulated?

18. The public passenger and goods transport is regulated in the public interest to ensure the following:

- The availability of convenient and reliable public passenger transport;
- The availability of accessible public passenger transport for all users;
- The affordability of public passenger transport;
- The safety of the public who use public passenger transport;
- The safe and appropriate storage of public passenger transport vehicles when they are not in use;
- The availability of convenient and reliable goods transport;
- The safe and appropriate storage of goods transport vehicles when they are not in use;
- The safety of other highway users; and
- International reputation when the Isle of Man public passenger and goods operators travel in neighbouring jurisdictions.

19. The removal of road transport industry regulation including the RTALC could save Government approximately £105,000 to £125,000 per annum. This figure includes approximately £40,000 per year income the RTALC receive from the road transport industry from licensing fees and does not include the £25,000 fees associated with the Disclosure and Barring Service checks which is paid directly to the Department of Home Affairs. However, without this regulation public passenger and goods vehicle transport could be operated on a lowest cost commercial model. This would remove the requirement to take account of the public interest issues described above and could reduce the safety, quality of employees and public access in this industry.

Do we need an independent RTALC Committee?

20. The Department of Infrastructure and its predecessor the Department of Transport have changed significantly since the Road Transport Act was approved by Tynwald in 2001. In this time the Department has become the Isle of Man Government's main:

- Contractor for undertaking construction, engineering, building and maintenance operator;
- Vehicle fleet procurement, management and maintenance operator;
- Bus public transport operator; and
- Vehicle testing operator

21. The Road Transport Act 2001 specifically states public and local authorities are not exempt from this legislation. This result in the goods and public passenger transport activities carried out by the Department being regulated by the RTALC.

22. A conflict of interest could be seen to exist if the Department of Infrastructure's employees were regulating both the Department of Infrastructure as well as other external operators engaged in the same trade or business activity. This is the case for services offered by the Department's contractor, vehicle fleet and bus public transport operators. The statutory requirement for the RTALC overcomes this issue through the provision of an

independent committee to regulate the activities of the public authority, local authority and private operators while still having access to the specialist vehicle testing and transport legislative skills and knowledge which are contained within the Department of Infrastructure.

Could another Department regulate or sponsor the road transport industry?

23. 2013¹³ sought to reduce the number of separate Government entities to improve communication, reduce costs and increase customer service. This document suggested efficiencies and a more coherent regulatory regime could be provided if some regulatory functions including the Road Transport Licensing Committee were brought together as a Fused Regulator. This document proposed merging the Office of Fair Trading with the RTLC. The following similarities in expertise exist within these bodies:

- i. Both bodies have support services which include corporate governance, financial management, legislative support and administration support.
- ii. Both bodies assess appropriate pricing and levels of completion are in place for the Island's consumers and users.
- iii. Both bodies protect consumer/user interests, consumer/user safety, register service providers and license services.
- iv. Both bodies provide advice and education.
- v. Both bodies have sponsoring Government Department's to promote legislation for their areas of regulation. The Department of Economic Development sponsor the Office of Fair Trading and the Department of Infrastructure sponsor the RTLC.

24. Alternatively, another Government Department could take on the RTLC functions directly or sponsor the existing RTLC structure.

Should some of the RTLC functions be carried out by local authorities?

25. Local authorities could undertake some of the RTLC regulatory functions. For example, ply for hire (taxi) is currently licensed and operated on a geographical basis and the RTLC have a statutory obligation to consult the relevant local authority to obtain their views when assessing applications for licensing and registration.

26. However, the majority of the other road transport industry areas operate across a number of local authority areas and this could create problems coordinating regulatory activity and could increase bureaucracy and costs. In addition, those RTLC functions which currently operate on a geographical basis may not do so in the future as a consequence of more efficient logistic and communication technologies.

27. A number of local authorities currently operate some public passenger and goods road transport services, through their contractor and voluntary service activities. This will result in these local authorities regulating the private sector and their own activities locally which could be perceived as a conflict of interest. In addition, some local authorities may not have the technical and regulatory expertise to undertake and sponsor these regulatory functions. It is likely this work would still need to be done by the Department of Infrastructure who currently sponsor local authority legislation.

Should voluntary organisations and charities be subject to more self-regulation?

¹³ http://www.gov.im/medis/878074/modernising_government.pdf

28. A significant number of RTLC reported activity related to licensing public passenger vehicle drivers. The numbers of drivers appears high for those involved in the commercial transport of public passengers on the Island. The licensing statistics contained within the report establish 208 renewal applications for public passenger vehicles licenses were made within the twelve month period. In addition, it reports approximately half of the public passenger vehicle drivers are ply for hire and private car drivers. This means approximately 600 public passenger drivers are involved in the non-taxi related commercial transport of passengers.

29. The Road Transport Act (2001) allows charities and voluntary organisations to apply to the RTLC for an exemption from licensing and registration. In addition, the Act defines passenger vehicle commercial use as:

- Adapted vehicles which can carry more than 8 passengers in addition to the driver;
- The passengers' payment exceeds the running expense for the journey; and
- The payment by passengers is made during or after the journey began.

30. Guidance or new legislation could be implemented to allow more self-regulation for voluntary organisations and charities to allow them to use drivers which are not licensed directly by a regulator. This exemption would be conditioned with a requirement for the voluntary organisation or charity to undertake regular checks on the suitability of their drivers and to send this information to the regulator.

31. This approach would increase the responsibility on voluntary organisations and charities to monitor and validate the suitability of the drivers they use. Many of these organisations would already undertake Police checks and this may reduce duplication. However, the operating costs for these organisations and the risks to vulnerable members of our society may increase if these checks are not undertaken as a consequence of introducing this measure.

Should the duration of the licenses for public passenger transport drivers be extended subject to it being governed through the introduction of more self-regulation?

32. The Road Transport Act (2001) specifies a five year maximum duration for the following licenses:

- i. Licenses to operate passenger vehicles constructed or adapted to carry passengers;
- ii. Licenses to operate motor vehicles (including trailer) for carrying goods;
- iii. Licenses for public passenger regular services (not excursions) including private hire vehicles using public passenger vehicles;
- iv. Licenses for public passenger for standing or plying for hire in a road or other public place; and
- v. Licenses for public passenger private hire vehicles

33. However, the Road Transport Act 2001 specifies up to a three year maximum duration for the licensing of drivers of public passenger vehicles. New legislation could be implemented which extends the duration of the license for public passenger vehicle drivers. This increase in duration would require more frequent checks by employers on the suitability of the drivers they use and to provide this information to the regulator. This must be made

an operator license conditioned requirement or an exemption conditioned requirement for voluntary organisations or a charity. How this condition is complied with would be an essential part of the regulator's assessment when considering any renewal applications.

34. This approach would increase the responsibility on operators, voluntary organisations and charities to monitor and validate the suitability of the drivers they use. Many of these organisations would already undertake Police checks and this may reduce duplication. However, the operating costs for these organisations and the risks to vulnerable members of our society may increase if these checks are not undertaken as a consequence of introducing this measure.

What is the RTLC's role in promoting changes to the Road Transport Act (2001)?

35. The RTLC have not issued any ply for a hire (taxi) license in the last two years and this is the only area of the RTLC (Committee) responsibility where they have refused new applications. In the majority of the cases this is because the applicant has not proved there is an unmet need for any new ply for hire licenses in accordance with the legislative requirements. In the same period of time the RTLC (Committee) have not refused any applications to transfer or vary existing licenses or private hire vehicle licenses which are not required to prove a need.

36. The Road Transport Act (2001) has legislation relating to the fitness of drivers and vehicles for public passenger use. This legislative provision does not exist for goods vehicles and is inconsistent with neighbouring jurisdictions where some of the Island's good vehicles must travel.

37. This information has resulted in a number of questions:

- Should the regulator assess the need for any type of licenses and publish their findings?
- Should the regulator assess the need for new legislation and publish their findings?

38. This consultation document is designed to allow the public and the road transport industry to provide the Council of Ministers' review committee with information on the role, remit and operations of the RTLC. The review committee do not wish to restrict the feedback provided by participants to the areas outlined specifically within the consultation document and the questionnaire will provide opportunities for additional comments on the following general areas:

- Which other public passenger and goods road transport industry areas should not be regulated and why?
- Which other public passenger and goods road transport industry areas should be regulated and why?
- Which other public passenger and goods road transport industry areas should be self-regulated and why?
- Which other part of the public passenger and goods road transport regulatory role would you change and why?
- Which other part of the public passenger and goods road transport industry regulatory remit would you change and why?

- Would you change any other part of the RTLÇ's operation and why?

QUESTIONNAIRE

1.1. What are your main interests in public passenger road transport?

- Ply for hire operator (On demand at roadside including ranks)**
- Private hire vehicle operator (advance booked vehicle transport)**

- Regular public passenger service operator**

- Public passenger vehicle driver**

- Voluntary organisation or charity**

- RTLC Representative**

- Member of the public**

1.2. What are your main interests in goods road transport?

- Goods vehicle operator**

- Goods vehicle driver**
- Business owner or operator**

- RTLC Representative**

- Member of the public**

1.3. Why should the public passenger road transport industry be regulated?

- Public passenger road transport should not be regulated**

- To ensure availability of convenient and reliable public passenger transport**

- To ensure the availability of safe and appropriate storage of public passenger transport vehicles when not in use**
- To ensure the availability of accessible public passenger transport for all users**
- To ensure the affordability of public passenger transport**

- To ensure the safety of the public who use public passenger transport**

- To ensure the safety of other highway users**

- To protect our international reputation when the Isle of Man public passenger operators travel in neighbouring jurisdictions**

- Other (Please Specify)**

1.4. Why should the goods road transport industry be regulated?

- Goods road transport should not be regulated**

- To ensure the availability of convenient and reliable goods transport**

- To ensure the availability of safe and appropriate storage of goods transport vehicles when not in use**
- To ensure the safety of other highway users**

To protect our international reputation when the Isle of Man goods operators travel in neighbouring jurisdictions

Other (Please Specify)

1.5. Do we need an independent RTLC?

Yes

No

Do Not Know

1.6. Who should regulate public passenger and goods road transport?

RTLC

Department of Infrastructure

Fused Regulator (Office of Fair Trading/RTLC)

Other Government Department

Local Authorities

Other

1.7. Should voluntary organisations and charities be subject to more self-regulation?

Yes

No

Do not know

1.8. Should the duration of the licences for public passenger transport drivers be extended to a five year duration subject to it being governed through the introduction of more self-regulation?

Yes

No

Do not know

1.9. Should the regulator assess the need for any type of licences and publish their findings?

Yes

No

Do not know

1.10. Should the regulator assess the need for new legislation and publish their findings?

Yes

No

Do not know

1.11. Which other public passenger road transport industry area should not be regulated and why?

Not Applicable

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1.12. Which other goods road transport industry area should not be regulated and why?

Not Applicable

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1.13. Which other public passenger road transport industry area should be regulated and why?

Not Applicable

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1.14. Which other goods road transport industry area should be regulated and why?

Not Applicable

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1.15. Which other public passenger road transport industry area should be self-regulated and why?

Not Applicable

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1.16. Which other goods road transport industry area should be self-regulated and why?

Not Applicable

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1.17. Which other part of the public passenger road transport regulatory role would you change and why?

Not Applicable

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1.18. Which other part of the goods road transport regulatory role would you change and why?

Not Applicable

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1.19. Which other part of the public passenger road transport regulatory remit would you change and why?

Not Applicable

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1.20. Which other part of the goods road transport regulatory remit would you change and why?

Not Applicable

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1.21. Would you change any other part of the RTLC's operation and why?

Not Applicable

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WHAT HAPPENS NEXT

Thank you for reading this consultation. Please tear off the questionnaire, complete and return to the Department of Infrastructure by no later than 23 April 2015.

Alternatively, visit the Government website at www.gov.im where the questionnaire can be completed and submitted online.

APPENDIX 2

SUMMARY OF PUBLIC CONSULTATION RESPONSES

COUNCIL OF MINISTERS
ROLE, REMIT AND OPERATION OF THE ROAD TRANSPORT LICENSING
COMMITTEE

SUMMARY OF PUBLIC CONSULTATION RESPONSES

MAY 2015

Department of Infrastructure

Bun –Troggalys

Introduction

1. The Council of Ministers' RTLC Review Committee carried out a public consultation between 13th March and 23rd April 2015 on the role, remit and operation of the Isle of Man's Road Transport Licensing Committee (RTLC). The Council of Ministers' RTLC Review Committee directly notified the stakeholders listed below that this consultation was in progress:

Members of the House of Keys;

Members of the Legislative Council;

The Isle of Man Government Cabinet Office;

Road Transport Licensing Committee;

Department of Education and Children Policy Officer;

Department of Infrastructure Highway Services Division Policy Officer;

Department of Infrastructure Public Transport Division;

The Isle of Man Constabulary Chief Constable;

The Isle of Man Constabulary Road Policing Unit;

All Local Authorities;

Isle of Man College;

The Isle of Man Chamber of Commerce;

Ramsey Chamber for Trade and Commerce;

Port Erin Chamber for Trade and Commerce;

Port St Mary Chamber for Trade and Commerce;

Manx Taxi Federation;

Island Road Transport Association;

TravelWatch Isle of Man;

DisabledGo –Isle of Man;

Project 21;

Manx Blind Welfare Society;

Manx Deaf Society;

Isle of Man Live at Home Charity;

Age Isle of Man;

Childrens Centre;

Hospice Isle of Man;

Crossroads Care Isle of Man;

Tours Isle of Man; and

Taxi companies.

Number of Responses

The consultation received the following number of responses

Method of Response	Number
Online Surveymonkey Questionnaire	40
Posted Questionnaire	45
Stakeholder Group Responses	10
Letter from the Public	2

Frequency of Responses

Method of Response	w/c 9 March	w/c 16 March	w/c 23 March	w/c 30 March	w/c 6 April	w/c 13 April	w/c 20 April
Online surveymonkey	9	14	5	0	3	2	7
Posted	0	0	0	0	7	11	27

Statistical Validity Data

2. During the consultation period (16 April 2015) a potential anomaly in the posted questionnaire responses was identified. After a long period of not receiving any responses two responses were being received every day with identical responses to a high proportion of the questions (Questions 1.5, 1.6, 1.7, 1.11, 1.12, 1.13, 1.14, 1.15, 1.15, 1.16, 1.17, 1.18, 1.19, 1.20 and 1.21) and in particular, no written comments were being returned by these respondents. During the same period of time only a three paper consultation documents (including questionnaires) had been sought from the named Government distributor. The discrepancy in responses rate continued until the completion of the consultation period with a further four copies of the consultation document (including questionnaire) being requested during this period of time. This anomaly has resulted in the responses being assessed separately depending upon how they were sent into the Council of Ministers' RTLC Review Committee.

3. A total of 96 responses were received. However, it is likely from an assessment of the posted questionnaires the total number of responses is significantly overstated through the submission of multiple responses by individuals. More than 50% of postal questionnaires are likely to fit within this category. This would reduce the number of responses received to 74. A breakdown of main interest groups is shown below for each method of response including an assessment to remove some of the anomalies.

Public Passenger Transport:

Main Interest	Online	All Posted	Cleansed Posted
Ply for hire operator (on demand at roadside including ranks)	2	8	5
Private hire vehicle operator (Advanced booked transport)	6	4	2
Regular public passenger service operator	0	0	0
Public passenger vehicle driver	3	8	4
Voluntary organisation	1	0	0
RTLC representative	3	1	1
Member of the public	29	26	11
Total	39	45	22

Goods Transport:

Main Interest	Online	All Posted	Cleansed Posted
Goods vehicle operator	5	0	0
Goods vehicle driver	2	1	0
Business owner or operator	3	13	5
RTLC representative	3	0	0
Member of the public	27	29	14
Total	38	45	22

Questionnaire Data

4. The responses to the questions that give quantitative data are as follows:

Q1.3 Why should the public passenger road transport industry be regulated?

Reason	Online	All Posted	Cleansed Posted
Public passenger road transport should not be regulated	1	0	0
To ensure the availability of convenient and reliable public passenger transport	19	27	13
To ensure the availability of safe and appropriate storage of public passenger transport vehicles when not in use	12	9	7
To ensure the availability of accessible public passenger transport for all users	16	23	11
To ensure the affordability of public passenger transport	21	22	13
To ensure the safety of the public who use public passenger transport	32	20	11
To ensure the safety of other highway users	20	20	9
To protect our international reputation when the Isle of Man public passenger operators travel to neighbouring jurisdictions	8	5	5

Q1.4 Why should the goods road transport industry be regulated?

Reason	Online	All Posted	Cleansed Posted
Goods road transport should not be regulated	3	0	0
To ensure the availability of convenient and reliable goods transport	7	20	11
To ensure the availability of safe and appropriate storage of goods transport vehicles when not in use	12	6	3
To ensure the safety of other highway users	34	24	11
To protect our international reputation when the Isle of Man public passenger operators travel to neighbouring jurisdictions	12	16	8

Q1.5 Do we need an independent RTLC?

Response	Online	All Posted	Cleansed Posted
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YES	18	44	20
NO	17	1	1
DO NOT KNOW	5	0	0

Q1.6 Who should regulate public passenger and goods road transport?

Response	Online	All Posted	Cleansed Posted
RTLC	14	43	20
Department of Infrastructure	7	1	1
Fused regulator (Office of Fair Trading/RTLC)	10	0	0
Other Government Department	1	0	0
Local Authority	2	0	0

Q1.7 Should voluntary organisations and charities be subject to more self-regulation?

Response	Online	All Posted	Cleansed Posted
YES	18	8	3
NO	19	27	13
DO NOT KNOW	3	10	5

Q1.8 Should the duration of the licences for public passenger transport drivers be extended to a five year duration subject to it being governed through the introduction of more self-regulation?

Response	Online	All Posted	Cleansed Posted
YES	22	16	9
NO	16	19	7
DO NOT KNOW	2	10	5

Q1.9 Should the regulator assess the need for any type of licences and publish the findings?

Response	Online	All Posted	Cleansed Posted
YES	26	15	9
NO	5	16	6

DO NOT KNOW	8	14	6
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Q1.10 Should the regulator assess the need for new legislation and publish their findings?

Response	Online	All Posted	Cleansed Posted
YES	31	14	9
NO	7	11	5
DO NOT KNOW	2	20	7

Qualitative Data

Questions 1.11 to 1.21 allowed the respondents to provide qualitative information. It should be noted the posted questionnaires contained very little qualitative information with only 8 (18%) respondents choosing to provide any information within this part of the questionnaire. In the online surveymonkey survey 26 (65%) of respondents provided information to at least one of the questions within this part of the questionnaire. In the cleansed posted response 8 (36%) of the respondents answered at least one question in this part of the questionnaire.

*Q1.11 Which other public passenger road transport industry area **should not be regulated** and why?*

Three responses were received online and three were received by post. No respondents identified an area which should not be regulated and all were in favour of extending regulation or regulating in a consistent way.

*Q1.12 Which other goods road transport industry area **should not be regulated** and why?*

Eight responses were received online and three were received by post. All these postal respondents were in favour of regulating all goods road transport. The online respondents highlighted couriers, road sweepers, transit vans and those carrying goods which were non-hazardous and supplementary to their main business activity.

*Q1.13 Which other public passenger road transport industry area **should be regulated** and why?*

Four responses were received online and four were received by post. Four respondents highlighted a need to further regulate private hire vehicles. Three were in favour of all areas being regulated and one requested trains/trams should be regulated. One respondent thought the current legislation was suitable.

*1.14 Which other goods road transport industry area **should be regulated** and why?*

Eight responses were received online and four were received by post. Four respondents were in favour of regulating all heavy goods road transport. Other respondents highlighted the need to regulate parcel delivery vehicles, the misuse of agricultural vehicles, trailers, construction vehicles and trams/trains. One respondent highlighted these areas are not regulated and one respondent thought the current legislation was suitable.

Q1.15 Which other public passenger road transport industry area *should be self-regulating*?

Three responses were received online and four were received by post. Three respondents highlighted no public passenger road transport should be self-regulating. Other single respondents suggested private hires, taxis, voluntary organisations/charities and driving schools.

Q1.16 Which other goods road transport industry area *should be self-regulated and why*?

Three responses were received online and three were received by post. Three respondents highlighted no goods road transport should be self-regulating. Other single respondents suggested delivery vans, couriers and using the United Kingdom fleet operators' registration scheme.

Q1.17 Which other part of the public passenger road transport *regulatory role* would you change and why?

Twelve responses were received online and six were received by post. Two respondents highlighted the need for more experienced regulators and four thought the current regulatory role is unsuitable. Other single respondents suggested strengthening existing powers within the Act, reducing administration costs/fees, better consultation with stakeholders, allowing charities to charge passengers, breaking up monopolies, publishing a list of all operators online and having an unmet need survey for private hire vehicles.

Q1.18 Which other part of the goods road transport *regulatory role* would you change and why?

Six responses were received online and three were received by post. Four respondents highlighted the need for more regulation and two thought the current regulatory role is unsuitable. Other single respondents suggested strengthening existing powers within the Act to bring vehicle testing up to United Kingdom Standards, reducing administration costs, and any changes must achieve value for money.

Q1.19 Which other part of the public passenger road transport *regulatory remit* would you change and why?

Four responses were received online and two were received by post. Four respondents highlighted the need for more regulation of private hires vehicles and two thought a single regulatory body was required to regulate road transport. Other single respondents suggested strengthening existing powers within the Act, reducing administration costs, review all legislation in this area and better consultation with stakeholders.

Q1.20 Which other part of the goods road transport *regulatory remit* would you change and why?

Five responses were received online and five were received by post. Three respondents highlighted the need for more regulation of goods vehicles. Other single respondents suggested reducing administration costs, review all legislation in this area and having a single regulatory body which tested/licensed vehicles.

Q1.21 Would you change any other part of the RTLC's operation and why?

Fifteen responses were received online and seven were received by post. Four respondents highlighted the need for more regulation of the road transport industry and three thought the RTLC should be disbanded. Four respondents wanted to see a more independent and experienced regulator used and three respondents wanted to see a merged regulatory role. Other single respondents suggested more checks on vehicles, making regulation self-funding, reducing administration costs, reduce number of private hire vehicles and no changes because the RTLC are brilliant.

APPENDIX 3

Summary of Stakeholder Consultation Responses

COUNCIL OF MINISTERS
ROLE, REMIT AND OPERATION OF THE ROAD TRANSPORT LICENSING
COMMITTEE

SUMMARY OF STAKEHOLDER CONSULTATION RESPONSES

MAY 2015

Department of Infrastructure

Bun –Troggalys

Introduction

1. The Council of Ministers' RTLC Review Committee carried out a public consultation between 13 March and 23 April 2015 on the role, remit and operation of the Isle of Man's Road Transport Licensing Committee (RTLC). The Council of Ministers' RTLC Review Committee directly notified the stakeholders listed below that this consultation was in progress:

Members of the House of Keys;

Members of the Legislative Council;

The Isle of Man Government Cabinet Office;

Road Transport Licensing Committee;

Department of Education and Children Policy Officer;

Department of Infrastructure Highway Services Division Policy Officer;

Department of Infrastructure Public Transport Division;

The Isle of Man Constabulary Chief Constable;

The Isle of Man Constabulary Road Policing Unit;

All Local Authorities;

Isle of Man College;

The Isle of Man Chamber of Commerce;

Ramsey Chamber for Trade and Commerce;

Port Erin Chamber for Trade and Commerce;

Port St Mary Chamber for Trade and Commerce;

Manx Taxi Federation;

Island Road Transport Association;

TravelWatch Isle of Man;

DisabledGo –Isle of Man;

Project 21;

Manx Blind Welfare Society;

Manx Deaf Society;

Isle of Man Live at Home Charity;

Age Isle of Man;

Childrens Centre;

Hospice Isle of Man;

Crossroads Care Isle of Man;

Tours Isle of Man; and

Taxi companies.

Road Transport Licensing Committee

2. The Road Transport licensing Committee were unhappy with the consultation document because it contains numerous errors, inaccuracies and lists certain figures which have no basis in fact. A copy of the letter and response is contained within Annex A along with a short response to each of the issues the RTALC have identified.

Island Road Transport Association

3. The RTALC is a duplication of the Department of Infrastructure because both regulate buses and the RTALC have not issued any new ply for hire taxi licenses in the last two years. The RTALC is an expense we cannot afford and the Office of Fair Trading could take on appeals and operational issues with their existing resources.

4. There are sufficient regulations already in place for goods vehicles including licensing, testing, safety checks and other operational issues which operators undertake on a voluntary basis. So what has the RTALC got to offer? The regulatory body would be better regulating incoming traffic from other jurisdictions.

5. The RTALC makes operations more expensive, has no relevance to the transport industry and should be disbanded.

Manx Taxi Federation

6. The Road Transport Act has been in force for thirteen years and is no longer fit for purpose.

7. The RTALC should be disbanded and replaced by an independent non-government regulator after a thorough review of the existing legislation. This review should allow more self-regulation for voluntary organisations/charities, increasing the duration of passenger transport driver licences and increasing transparency of the regulator activities.

8. Department of Infrastructure Public Transport Division (Bus Vannin)

- i. A neutral, government statutory watchdog is required;
- ii. No additional self-regulation for voluntary organisations or charities;
- iii. Free marketing, tendering or deregulation of the bus network would not offer value for money in a predominately rural area;
- iv. The watchdog can ensure government policies and key performance objectives are met;
- v. The watchdog needs to be adequately resourced;
- vi. Customer comments or complaints assist in improving services;
- vii. A watchdog should be cost effective, consistent, efficient and provide good support to the industry
- viii. The watchdog needs to have a protective overview of the bus network, the platform staff, vehicles and maintenance;
- ix. The watchdog must encompass best practice from the United Kingdom including Driver Vehicle Standard Agency, Traffic Commissioner, Passenger Transport Executive, Passenger Focus and Public Transport Ombudsman;
- x. The watchdog will need to be separate to bus/coach operators;
- xi. The watchdog should not fix maximum fares;
- xii. Individuals inspecting buses should be competent;
- xiii. The watchdog should have the power to suspend licences for fixed periods for the conduct of platform staff (smoking, mobile phone use, inadequate vehicle checks and inconsiderate driving etc.);

- xiv. The watchdog should not regulate the maximum number of passengers a vehicle can carry. This is a matter for the vehicle manufacture and its certification;
- xv. Isle of Man medical forms require updating;
- xvi. There should be no requirement for a driver to display their licence;
- xvii. Operator's condition of carriage are better than the watchdog's conduct of passenger regulations; and
- xviii. Other issues for consideration should be new vehicle technologies, conversion of old fire engines, taxis parked in bus stops, fuel emissions, weight of vehicles, traffic regulations, electronic verification of PPV licences, extend driver licences to five year durations, review of PPV driving test and continued profession development similar to Driver Certificate of Professional Competence.

9. Isle of Man Constabulary

- Independent regulator which should be within a Government fused regulator body.
- No additional self-regulation for voluntary organisations or charities
- Extend the duration of licences to a five year period subject to more self-regulation; and
- More transparency and engagement from the regulator.

10. Members of the House of Keys

No additional fare costs should be levied for taxis for entering Government land.

11. Douglas Borough Council

- The licensing of taxis and related vehicles, and their drivers could be considered a suitable function to transfer back to local authorities;
- The other road transport regulatory roles should be placed within another Government Agency such as a fused regulator to demonstrate separation between operational and regulatory responsibilities; and
- Deregulation of any aspect of the transport industry, particularly fitness of drivers, should be resisted.

12. Marown and Patrick Parish Commissioners

Resolved to make no comments

13. Kirk Michael Commissioners

- i. The RTLC needs more powers to assess the capability of operators;
- ii. Both taxis and public service vehicles require regulating;
- iii. The RTLC needs to regulate bus timetables;
- iv. The RTLC needs to regulate bus fares
- v. The RTLC need to engage with stakeholders for longer
- vi. The RTLC need to review taxi fares
- vii. The RTLC needs to operate without political interference and not be placed in the Office of Fair Trading; and
- viii. The RTLC and DOI need to resolve what constitutes a large vehicle of overnight parking in urban areas.

14. Office of Fair Trading (OFT)

OFT's principles are:

Regulation will only be undertaken where there are clear benefits which outweigh the cost, including the cost to those who are subject to regulation.

- Regulators will be accountable for the fairness, efficiency and effectiveness of their activities, while remaining independent in the decisions they take
- Regulation, and in particular multi-agency regulation of a single business, will be designed around the regulated business not those undertaking the regulation.
- Regulators will provide clear information and advice to business to assist compliance with the law and regulatory standards.
- Regulators will recognise that a key element of their activity is to allow and encourage, economic progress and only to intervene when there is a clear case for protection.
- Regulators, and the regulatory system as a whole, will use risk assessment to concentrate enforcement and inspection resources on the areas that need them most.
- Where enforcement action becomes necessary it will be proportionate to the risk and consequences arising from non-compliance.
- Self-regulation by professional bodies and others will be encouraged where it can be shown to meet the objectives of statutory regulation.
- As part of their reporting process Regulators will demonstrate how their activities meet these principles.

15. The OFT is responsible under Part 2 of Fair Trading Act 1996 for competition and pricing other than areas of the economy which are covered by sector specific regulators (e.g. Communications Commission). The general principle underpinning economic regulation should be a presumption that free markets should prevail and that Government should only interfere in those markets where absolutely necessary. These principles are important in relation to the review of the RTLC because to a considerable extent, the RTLC is currently acting as an economic regulator (e.g. restrictions on number of licences, approval of routes, fixing fares and prices).

16. The OFT believes that the whole system of bus route and service regulation is a layer of questionable bureaucracy which adds limited value.

17. Deregulation of routes and services would enable other operators to enter the market and compete with Bus Vannin. Whilst there is no evidence to suggest that there is significant private sector interest at the moment, neither is there, in the view of the OFT, any coherent economic reason for restricting potential competition.

18. There is a legal requirement for all vehicles to be maintained to a roadworthy standard it is self-evident that public transport vehicles which carry many passengers pose a potentially larger risk to public safety. The OFT does not possess the technical knowledge to assess whether the current system represents a proportionate response to that risk or whether an alternative approach could be developed.

19. The licensing of drivers seeks to achieve three objectives; namely ability to drive, medical fitness to drive and fit and proper person. Clearly driving ability is a matter to be tested by the highway authority through driving tests; although it is difficult to understand why different standards should apply to PSV and HGV drivers of similar sized vehicles.

Clearly medical fitness to drive is important but it is questioned whether the system needs to be via the licence or whether a requirement for all PSV operators to hold valid medical certificates for their drivers might offer a less bureaucratic alternative. Equally it is questionable whether the risk to the public really merits the expensive use of resources to run police vetting on PSV drivers except for taxis who often deal with the public, including the vulnerable, one on one and at night it is probably a proportionate response to risk.

20. If economic regulation of the taxi sector is necessary it should be maintained on the basis that it is necessary to ensure that the Isle of Man maintains a sustainable taxi market which cost effectively meets the long term needs of the public; and that without economic regulation it is clear that the market would fail to meet those needs. The OFT is not aware of any evidence which supports the economic need for regulation. Before any major decisions are taken there is a need for a proper economic appraisal of the taxi sector to ascertain whether economic regulation is necessary, and if so, identify the minimum level of economic regulation required to achieve the objective of maintaining a sustainable taxi market, which cost effectively meets the long term needs of the public.

21. There is no real need for the regulation of the third sector provided that it is genuinely operated on a not-for-profit basis. Government should be actively encouraging the third sector to help meet the needs of the community and removal of unnecessary red tape in this area would assist.

22. There is a clear need for the Department of Infrastructure to ensure that vehicles and especially higher risk HGV's are properly maintained and the OFT has no view as to whether operator licensing would (or would not) be a proportionate measure. If licensing were to be introduced the OFT would not wish to see any form of economic regulation. It is a competitive market with multiple participants, some large and some small. It is open to new entrants without artificial barrier to entry. There is no evidence to suggest that competition is not giving the best deal for customers.

23. Whilst in this response the OFT is articulating a reduction in the regulation of the transport sector, it is certainly not arguing for complete deregulation. It necessarily follows that there needs to be a regulator. Overall the OFT believes that page 9 of the Consultation provides a strong reasoned case for the merger of OFT and RTLC. It is envisaged that the new Board would operate similarly to the OFT with the Board

Public Written Responses

24. A taxi operator gave examples of his dealings with the RTLC which he describes as poor. The letter makes no recommendations concerning the role, remit and operation of the RTLC going forward.

25. A retired taxi operator found the consultation document to have few errors or omissions. He recommends the following:

26. The RTLC remain because although at first sight the Office of Fair Trading (OFT) is a good fit it could prejudice there impartiality and independence. He refers to the disgraceful record for unmet need for ply for hire which could cause problems for the OFT.

27. The knowledge test and security checks should be undertaken continuous by the Isle of Man Constabulary and the RTLC should have access to this information. This is particularly important if more work is being done by the voluntary sector

28. There is no need for consistency with neighbouring jurisdictions.

29. Bus services should be run on a commercial basis with transparent subsidies. The £100,000 saving could be better made in this area.

2. Page 2, "Why elected politicians receive a high number of complaints and comments in relation to the operation and policies of the Road Transport Licensing Committee" – This is an exaggerated statement at best. The RTLC has no knowledge of a "high number" of complaints and the Hansard reporting the debate in Tynwald on 17th June 2014 only mentions the word "complaint" once and not alongside the word "high". If there is evidence of a "high number" of complaints, it has never been shared with the RTLC, which seems disingenuous on your part given our open welcome to the establishment of the CoMIN review.
3. Page 2, "Why volunteer drivers including minibus drivers are regulated" – True volunteers do not need to be regulated according to the Act. If there is no "hire or reward" there is no need in the Act for a PPV Driver licence. This apparent lack of clarity skews this issue.
4. Page 2, "The high cost of applications for volunteers to obtain licenses" – As stated in Item 2, true volunteers do not need to obtain a PPV Driver licence, but even if they do wish to have one, a cost of £25 every three years in the RTLC's opinion cannot be considered "high".
5. Page 2, "Why do volunteers have to pay for Police checks" – They do not. Minister Wattersson actually stated this in the Tynwald debate of 17th June 2014 according to the record in Hansard, yet this incorrect statement has found its way into the consultation document. This is a good example of what the RTLC deem unprofessional lack of attention to basic detail.
6. Page 3, "Granting goods vehicle operators' licenses to operators of motor vehicles (including trailer) for carrying goods" – The Act states that the RTLC can grant licenses for goods vehicles, but there are no Regulations, or other secondary legislation, passed by Tynwald that would authorise the RTLC to implement that part of the Act. This would seem to indicate a worrying lack of grasp of the subject by the report writer which gives a public with even less expertise and knowledge of the subject even less chance of being able to formulate a sensible and worthwhile response.
7. Page 3, "Compiling and keeping up to date a register (registration) of all goods vehicle operators" – As with Item 6, the Act might state that the RTLC can do this, but there are no Regulations passed by Tynwald that would authorise the RTLC to implement that part of the Act. This appears by this stage in the document to be becoming a concerning trend of inaccurate and poorly researched evidence.
8. Page 6, "Total Number of Existing Licences Revoked by the Committee" – The figures listed in the consultation document are incorrect. The number of licences revoked should read "2" for 2013 and "0" for 2014.
9. Page 6, There is also no mention of the fact that Ply for Hire (taxi) applicants need to prove an unmet need while Private Hire applicants do not according to the legislation. This is a significant omission as it gives context to the difficulties facing the RTLC in dealing with applications for additional Ply for Hire licences.
10. Page 7, "Investigating the occurrences of vehicle test failures for existing operators" – This is inaccurate and gives the wrong impression. The RTLC only investigate major test failures that are related to the safety or roadworthiness of the vehicle. The report should we feel reflect that this is actually a public safety issue and is therefore of paramount importance.

11. Page 7, "Disclosure & Barring Certificate (Actual Police Check Costs)" - This is not a cost of the RTLC, but of the Department of Home Affairs. Any money that the RTLC office may take from applicants for their Disclosure and Barring Certificates is passed straight onto the Department of Home Affairs. Once again, a basic piece of misinformation rather than accurate evidence/comment upon which the public could be expected to base their reasoned responses.
12. Page 8, "annual budget expenditure" - These figures are totally wrong and misleading. The annual budget for the RTLC in 2012/13 was £154,000 but the actual expenditure was £63,000. Similarly the budget for 2013/14 was £125,000 but the actual expenditure was £76,000. This gives the impression that the RTLC costs a great deal more than it actually does which will mislead the public. In addition, there is no mention that the annual budget for 2014/15 is £105,000 which would indicate that the RTLC is continuing to drive down costs. Such figures are freely available from the RTLC office, Treasury or the last two RTLC Annual Reports.
13. Page 8, "public passenger and goods transport is regulated" - the RTLC has not yet been authorised to implement the regulation of HGVs (see items 6 and 7 above).
14. Page 10, "the RTLC have a statutory obligation to consult the relevant local authority to obtain their views" - This is an error, the RTLC have no obligation to consult. The obligation that exists in legislation is to notify and then the local authority, or whoever else, can object if they wish.
15. Page 11, "The RTLC have not issued any PLY for Hire (taxi) license in the last two years" - This is also incorrect. One was issued earlier this year to an Operator in the North West district.

The RTLC considers this Public Consultation document to be a very unprofessional document, given the number of errors and inaccuracies present within it. We are also concerned at the lack of basic statistical analysis principles in relation to data collection and the potential for inaccurate conclusions to be reached given that there are no personal identifiers thus making analysis open to a whole range of inaccuracies. How can an accurate picture of the public's views be gained from such a flawed document? It is the opinion of the RTLC that it cannot. As you will know the RTLC has members with considerable experience in collecting and disseminating data as well as the formulation of public response data and those members are dismayed with the basic lack of professional approach evident in this piece of work.

Due to the lengthy list of errors, omissions, exaggerations and inaccuracies contained within this flawed and unprofessional document, the RTLC would expect that you would immediately wish to withdraw this document and ensure it is replaced with a revised version which is accurate and contains none of the problems highlighted in this letter.

The RTLC would welcome any opportunity to discuss this matter with you at your convenience.

The RTLC reserve the right to take further action if we believe that the concerns which have been highlighted in this letter are ignored.

RESPONSE TO THE ISSUES RAISED BY THE RTLC

Item 1

You are correct "Licensing" is spelt incorrectly on the cover page.

Item 2

Page 2 (Items 2 to 5) is a brief summary of the issues raised during the Tynwald debate which resulted in the approval of the motion that Tynwald asks the Council of Ministers to review the purpose, remit and operation of the Road Transport Licensing Committee and report back to Tynwald by December 2014:

High number of complaints and comments:

6830 Mr Cregeen "There have been a number of concerns raised regarding the RTLC"

7075 Mr Houghton (mover to reply) immediately before the vote on the motion "We are **all** getting complaints about the RTLC from various walks of life, and there are more than just the two items that I have down on the motion tonight. But because of that and Hon Members want the whole ambit of the RTLC to be looked at – I am quite happy to support the Hon Member, Mr Crookall's amendment."

The **all** refers to all Tynwald members and Mr Crookall's amendment was subsequently voted for by 20 Keys members and all members in Council.

Item 3

Volunteers are regulated and the statement made is accurate. In addition, Mr Houghton clearly states 6715 "**There is a fee payable to the RTLC in respect of all classes of PPV licence**"; and in respect of such fee I wish to focus on the applications by volunteers to drive minibuses in particular."

Item 4

Mr Houghton states 6735 "We are met with closed minds: the RTLC did not wish to know how difficult it is to recruit minibus drivers who were being simply put off by **sheer costly** and unnecessary bureaucracy."

Item 5

The common definition of a volunteer is a person who voluntarily takes part in an enterprise or offers to undertake a task. In the Tynwald debate Mr Watterson caveats his response to *bona fide* volunteers referring to those who work for a charity and are not paid by that charity as a member of staff (6860). Mr Houghton in his motion refers to community volunteers (6720) and teachers (6725). These could all be volunteers but may not qualify as *bona fide* because they may not work for a charity or defined voluntary organisation and they may receive payment.

Page 3 (Items 6 and 7) concerns the RTLC's interpretation of the Road Transport Act 2001. The Council of Ministers' RTLC review committee have received legal advice on this matter prior to writing the consultation document. The RTLC review committee were aware a difference existed in the interpretation of this legislation and have presented a balanced approach by including the following information:

Page 3 specifically states "The Road Transport Act 2001 includes:" rather than "The RTLC regulate the following:"

Page 4/5 specifically states the RTLC interpretation "The Act provides for the licensing of all public passenger vehicles that are used commercially on the Island (ie taxis, private hire vehicles, minibuses, and coaches), and their drivers, plus the licensing or registration of operators. The Act also embraces the operations of heavy goods vehicles, but regulations for licensing or registration of such vehicles have yet to be made by the Department of Transport."

Please note, The Road Transport Act 2001 (Appointed Day) Order 2001 dated 17 August 2001 brought the Road Transport Act 2001 into operation. This includes Section 3(1) which places a statutory duty on the RTLC. The Committee shall maintain a register of goods vehicle operators in such form as may be provided and Section 3(2) gives powers to grant goods vehicle operator licences. In addition, no regulations exist for private hire vehicles which are currently regulated by the RTLC.

Page 6 (Items 8) this information was calculated from the RTLC's annual reports as specified in the consultation document. Both your letter and the consultation document have 2 licenses revoked over the two year period.

Page 6 (Item 9) please see the bottom of page 11 of the consultation document which covers this issue at length.

Page 7 (Item 10). This summary is taken from the RTLC's annual report for the year ending 31 March 2014. This document does not deal exclusively with major test failures by stating:

"The Committee and the Vehicle Testing Centre have established a system whereby if any defects are detected which result in a test failure or if a prohibition notice is issued, the Committee is notified.

Where this occurs the Committee will wish to see evidence that the operator of the vehicle has adequate procedures in place for the proper maintenance and servicing of their vehicles. The Committee is particularly looking for evidence of a preventative maintenance system which will not only help to prevent future test failures but will also hopefully save operator time and money on potential faults with the vehicle can be spotted when they are still relatively minor and easy to rectify at a time of the operator's choosing."

Page 7 (Item 11) The "Actual Police Check Costs" statement is included within the table to identify this is the actual cost of undertaking the check and the RTLC do not recover costs from this. In addition, Page 8 states:

"..... does not include the £25,000 fees associated with the Disclosure and Barring Service checks which is paid directly to the Department of Home Affairs."

Page 8 (Item 12) This information is taken from the RTLC's annual report for the year ending 31 March 2014. No financial information is contained within the report for the year ending 31 March 2013. This documented stated:

"In 2012/13, the annual budget for the RTLC was £154,000. This was reduced to £125,000 in 2013/14 and the RTLC managed to restrict the spending during the

calendar year so that the total net expenditure for 2013/14 was significantly under budget at £76,000.”

This is consistent with the consultation document which states:

“The annual budget expenditure for the RTALC was £154,000 in 2012/13 and £125,000 in 2013/14. This was achieved with a significant under spend in the 2013/14 financial year and without the requirement to increase fees.....”

Page 8 (Item 13) See above Items 6 and 7

Page 10 (Item 14)

Section 11 of the Road Transport Act 2001 states:

“Where an application is made for registration or for an operator’s licence, the Committee shall publish in the prescribed manner notice of the application, and send a copy of the notice to:

- a) The Department;
- b) The Chief Constable;
- c) (Repealed)
- d) The local authority for the district in which any operating centre specified in the application is situated; and
- e) To such representative body or bodies as appear to the Committee to be appropriate.

The Department, the Chief Constable or a representative body may object to the registration or the grant of the licence on the grounds that one or more of the requirements mentioned in section 10(1) or (2) are not satisfied in relation to the application.”

This legislation places a statutory duty on the RTALC to send a copy of the notice to the local authority and receive objections from representative bodies to the registration or the granting of the licence. In the public consultation document which is not a legal document this process is referred to as consultation because you are obliged to follow this procedure.

Page 11 (Item 15) All the information in the consultation document was calculated from the RTALC’s annual reports for years ending 31 March 2013 and 31 March 2014 because this information was available once the RTALC review committee was constituted.

The year ending 31 March 2013 report states: “During the year the Committee received 3 applications to add new Districts to existing Ply for Hire taxi licences. All three applications were refused.”

The year ending 31 March 2014 report states: “During the year the Committee received 3 applications for new Ply for Hire taxi licences to be issued. One application was refused and the remaining two were subsequently withdrawn.”

I assume the ply for hire licence you have granted occurred in 2015 because you refer to earlier this year.