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Road Transport Licensing Committee

Annual Report for the year ended 31st March 2015

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Chairman's Report

To the Hon Clare Christian, President of Tynwald, and the Hon Council and Keys in Tynwald assembled, I am pleased to present this Annual Report of the Road Transport Licensing Committee to 31st March 2015. I sincerely hope that all members will find it useful and informative whilst giving some valuable information to you about the work of the Road Transport Licensing Committee ("RTLTC or the Committee").

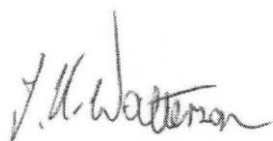
As Chairman I wish to once again put on record my thanks to my fellow Committee members and administrative staff for their sterling work over the last year. With such a small administrative team the work at times can be very demanding and stressful due to dealing with a large customer base but I am very pleased that Mr Noel Capewell (Secretary), Ms Liz McMahon (Admin Officer) and Mr David Berry (Inspector) are able to work well together and, along with the support of the Committee, can resolve most issues within a reasonable time scale. My sincere thanks also go out to all my fellow Committee members who carry out their duties with such dedication and enthusiasm. I also wish to record my thanks to staff within the Department of Infrastructure ("the DoI" or "the Department") at both the Sea Terminal office and at the Vehicle Test Centre ("the VTC") for their continued support. Their assistance and co-operation from time to time is valued and much appreciated.

Once again I must draw to the attention of Tynwald the fact that 'Schedule 2' is still attached to the Road Transport Act 2001 ("the Act") some 13 years after it was put there as a "temporary transitional measure" to accommodate the change from Local Authority licensing of taxis to a function of this Committee. 'Schedule 2' does not enable the RTLTC or the present day trade to carry out taxi services in an efficient and effective manner as was originally intended by the introduction of the Act. The assistance and understanding of Tynwald is once again requested by me to remove 'Schedule 2' and allow us to move forward. This is a point that the Committee continually asks of the DoI at our six monthly meetings with them.

During this last year a call was made by certain members of Tynwald for a further review of the work of the RTLTC. As before, we operate an open door policy and we look forward to the final report and any recommendations that the report may contain. As a Committee we are keen to move forward within the confines of the Act and will co-operate and explore better working methods with Government and our partners such as shared accommodation and counter facilities which is already under review.

Regarding Heavy Goods Vehicles ("HGV"), this is an area of great concern for myself and the Committee as 13 years after the introduction of the Act we still await Regulations to enable us to carry out our work as required by the Act. This again is a point we continually make to the DoI and a point which greatly frustrates us as I have said in detail in previous Annual Reports. The issue is one of safety regarding the continual effective maintenance of lorries throughout the year, something which the better HGV Operators already carry out but unfortunately not all Operators fall into this category. This creates an uneven playing field for the haulage industry and a genuine concern for further injury or death which could result from a poorly maintained lorry. Once again I must point out that the IoM trades with the UK via Heysham port and the UK Traffic Commissioner takes a keen interest in IoM lorries operating on UK roads. We must move forward together to create this even handed and safe area of working.

I sincerely hope that Tynwald Members will find time to read this whole report and I would welcome any comments that members would like to make regarding it.



Mr JK Watterson, Chairman

Introduction

The Committee is an independent organisation within the Isle of Man Government established under the Act 2001. The duty of the Committee is to enforce the provisions of the Act. In effect, this means that they regulate the providers of road transport services to ensure the safety of the public and that services meet the needs of the community.

The DoI acts as the sponsoring Department for the Committee within the Isle of Man Government. The Committee holds formal meetings with the Department approximately every six months.

This report provides information about to the work of the Committee for the year ended 31 March 2015.

Scope of Responsibilities

The Act requires the Committee to regulate providers of both Public Passenger Vehicle ("PPV") and HGV services. However since the commencement of the Act in 2001, Tynwald has only approved legislation to allow the Committee to regulate PPVs and then only on a "transitional basis".

The "transitional provisions" of the Act have been in place for more than 12 years and the Committee supports the removal of these provisions to allow more efficient and effective regulation of both PPVs and HGVs. It is understood that the DoI supports progress in these areas.

The Committee

The Committee consists of five members of the public who are appointed by the Council of Ministers subject to the approval of Tynwald for a period of up to five years.

The current membership of the Committee is as follows:-

Mr J Keith Watterson (Chairman)

Mr Brendan O'Friel (Vice-Chair)

Mr Alan Payne

Mr Fred A Peck

Mr David Sellick

RTL Office Staff and PPV Inspector

The RTL office staff consists of the Secretary to the Committee, Mr Noel Capewell and an Administrative Officer, Miss Liz McMahon. They are assisted by a part-time PPV Inspector, Mr David Berry.

Despite being so few in number, the office staff are still able to cover absences through annual leave and training courses with a minimum of fuss and little or no decrease in the quality of the service offered to Operators and the public in general. Maintaining this level of service is extremely challenging but ultimately rewarding.

Should Tynwald approve legislation which will allow the Committee to regulate HGVs, this will greatly add to the levels of work that the Office staff are required to perform. It is estimated that there are some 650 HGVs currently in use on the Island which is in excess of the amount of current PPVs. It is anticipated that extra office staff will be required to maintain the current levels of service given the greatly increased workload.

Regulatory Activities

Meetings

During the year, the Committee held 19 meetings, 14 of which had all or some of their proceedings held in public.

The Committee considered 98 applications, of which 93 were approved and 5 were withdrawn. A number of these applications were deferred so that further information could be provided to the Committee or changes were made to the applications themselves prior to them being approved. No applications were refused by the Committee during this time.

Ply for Hire (Taxi) Applications

During the year the Committee received 1 application for a new Ply for Hire "taxi" licence to be issued in the North West District. The application was approved as the applicant was able to demonstrate evidence of an "unmet need" in that District to the Committee. Usually, such an application prompts a very large and passionate response from the taxi trade, but it is worth noting that there were no objections to this application.

The Committee considered and approved an additional 27 applications which involved Ply for Hire licences. These were for renewals of existing licences, or variations to allow for the registration of new Operators following the transfer of a business from an existing Operator.

Private Hire Applications

The Committee approved 19 applications which involved Private Hire vehicles. This included additional Private Hire cars, the transfer of a Private Hire car from one Operator to another, the approval of Private Hire motorcycles and commercial courtesy minibus services. In addition to these 19 applications, 2 further applications for Private Hire vehicles were withdrawn.

Regular Service (Bus and Coach) Licence Applications

The Committee considered 22 applications for variations to Regular Service licences during the year, approving all of them.

Miscellaneous Applications

The Committee also considered 27 other applications which involved variations to individual Operator Registrations. These included such things as changes in operating centres and the appointment or removal of a designated Transport Manager. A number of these applications were deferred so that further information could be provided to the Committee or changes were made to the applications themselves prior to them being approved. In total, 24 of these applications were approved and 3 were withdrawn.

Public Safety Issues

The Committee is very concerned about the safety of the travelling public and they have a duty under the Act to ensure that all PPV drivers and Operators do not present any danger to the public. As a result, they invited 26 different PPV drivers or Operators to meetings to explain why they had been convicted of a wide variety of offences. Some offences were driving related such as speeding while others involved criminal convictions or cautions.

Some of these were applicants for new PPV driver licences whose cautions or convictions had been brought to the Committee's attention by a Disclosure and Barring Service certificate.

Other drivers or Operators had committed offences during the term of their PPV Driver licence. While some drivers / Operators informed the Committee of their convictions as they were required to do, most did not. The Committee had to rely on reports in the local press or other sources as well as the Disclosure and Barring certificate which was required for all new and renewal applications.

Driver Medical Issues

Following the tragedy of the "Glasgow bin lorry crash", which occurred in December 2014, the Committee may need to reconsider some matters involving the medical fitness of people who drive PPVs once the recommendations arising from this incident have been fully digested. It is vital that all such issues are considered in the hope of preventing such an incident from occurring on the Island.

Annual Budget

In 2013/14, the annual budget for the RTLC was £125,000. This was reduced to £105,000 in 2014/15 and the RTLC managed to restrict the spending during the calendar year so that the total net expenditure for 2014/15 was significantly under budget at £79,284. This was achieved despite the fact that there has been no increase in the fees that the RTLC can charge since July 2012 which, in turn, was the first fee increase since the creation of the RTLC.

It is interesting to note that the Committee itself is only paid expenses when there are meetings held. In 2014/15 the total cost of Committee expenses was £11,585.

Support for Other Regulators

The VTC division of the DoI carries out annual examinations of PPVs and where test failures are issued to vehicles which do not pass this examination. In some extreme cases, it has been known for a Prohibition Notice to be issued for a PPV at the VTC following an annual examination. The Department also carries out unannounced spot checks on PPVs which take place at taxi ranks or other places around the Island where PPVs are likely to congregate. The Committee and the VTC have established a system whereby if any defects are detected on licensed PPVs which result in a test failure or a Prohibition Notice being issued, either at the VTC or as a result of a roadside check, 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 regular safety checks as well as 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 the Operator time and money as 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.

The Committee's primary aim when speaking to Operators about vehicle maintenance is to impress upon them the importance of regular maintenance checks and daily safety checks, all of which should be documented.

The Committee is willing and able to provide advice to the Operators as evidenced by the production of the Guide to Maintaining Roadworthiness ("the Guide") which was produced in July 2012. The Guide describes a system for maintaining vehicles in a roadworthy condition regardless of operating conditions, fleet size or vehicle type and is also supplied to all new Operators when they make their application for a new Operator Registration to the Committee. The Committee has received some positive feedback from Operators who have found the Guide to be helpful and have followed most of the recommendations contained within it.

Should an Operator have repeated test failures which, in the Committee's opinion are jeopardising the safety of the travelling public, the Committee may then hold a formal Inquiry into whether the Operator can meet the standard of "professional competence" necessary to retain their Operator Registration.

The Committee received a total of 33 test failures or vehicle prohibition notices from the VTC for PPVs during 2014/15. This was down from a figure of 54 for the previous year. Of those 33 notices, 18 were considered serious enough to warrant the Committee inviting the Operator into a meeting to discuss their maintenance procedures. It was not deemed necessary to hold any formal Inquiries in 2014/15. There was evidence that most Operators who appeared before the RTLC following a test failure took significant steps to improve their safety and maintenance procedures.

Occasionally the Committee find that a small minority of Operators have repeat failures which raise questions as to whether advice is being heeded and improvements actioned. One action that the Committee considers in cases where the Operator has licences for more than a single vehicle is whether to reduce that Operator's fleet until higher standards are achieved.

The Committee continue to be concerned that a minority of Operators are deploying vehicles which are over 10 years old, some with a very high mileage recorded. These vehicles are likely to be less attractive to passengers and more liable to breakdowns.

The Committee also received correspondence from a senior examiner at the VTC in February 2015 who stated that the standards of PPVs being brought in for their annual tests had improved considerably.

The VTC were unable to supply the Committee with any figures for the pass rate of PPVs in 2014/15. However, they had been able to supply some figures for previous years. In 2011/12, when the current Committee was formed, the pass rate for PPVs in general was 90.4% with taxis and Private Hire cars having a pass rate of 63.1%. In 2013/14 these pass rates had increased to 96.8% and 77.1%. The Committee is hopeful that this upward trend will continue and lead to an increase in road safety for the travelling public.

Support for the Industry - Quality

Drivers of Ply for Hire taxis and Private Hire cars and minibuses play a significant and vital role in providing services to the public, and a customised training course has been designed for taxi drivers, which is aimed at improving customer care.

As at 1 April 2015, a total of 347 drivers had attended the RTLC Customer Service course. The RTLC office staff continue to look at new ways to improve this Customer Service training in the future.

The Committee has recently become aware of complaints from the travelling public about the variable standard of customer care being given by a small minority of PPV drivers when picking people up from Ronaldsway Airport. As a result, members of the Committee have met with representatives of the Department of Economic Development to see if there was anything that the Committee could do to prevent taxi drivers from giving a negative picture of the Island when they pick up passengers at the airport. These talks are ongoing.

The issue of a variable standard of customer care is one example of the need to strengthen regulations and the penalties that can be imposed upon those that do not follow them. Another example was mentioned earlier in the Report where the majority of Operators or PPV drivers do not inform the Committee when they have committed an offence. The Committee is exploring ways of strengthening these regulations and penalties through legislative avenues with the DoI.

Support for the Industry - Safety

In previous years the Committee has made provision for specialist and certificated training opportunities for PPV drivers in the care and handling of wheelchair and mobility impaired passengers, which had been supported by the Department of Economic Development.

In 2014/15 the RTLC was able to switch to an on-Island training provider to reduce costs and we were grateful to St John Ambulance for this.

15 drivers attending the training course in July 2014 which means that a total of 57 drivers have been certificated in the care and handling of wheelchair and disabled passengers through training courses organised by the RTLC.

Licensing Statistics

As part of its duties under the Act the Committee holds registers of drivers and operators providing PPV services.

The following statistics were valid on the 1st April 2015.

Statistic	1st April 2015	1st April 2014
Total number of registered Operators	259	248
Total Number of registered PPVs	478	434
Number of Ply for Hire taxis licenced	198	200
Number of Private Hire cars licenced	101	69
Number of Buses, Minibuses and other vehicles (including motorcycles, trikes, funeral cars, etc).	179	165
Total number of registered PPV Drivers	1,135	1,308
Number of PPV Drivers licensed to drive Ply for Hire taxis and Private Hire cars (approximately)	628	700
Total number of new applications for PPV Driver Licences	100	126
Number of new applications for PPV Driver Licences to drive Ply for Hire taxis or Private Hire Cars	39	50
Number of new applications for PPV Driver Licences to drive buses, minibuses or Restricted PPV Driver Licences	61	76
Total number of renewal applications for PPV Driver Licences	218	208

Annual Review of Taxi Fares

A review of the maximum fares to be charged by Ply for Hire taxis was carried out by the Committee from January 2015 with the deadline for submissions extended to March 20th to allow for a consultation by the DoI regarding the operation of taxis at Ronaldsway Airport to conclude.

The Committee asked for submissions from all Operators as well as the Manx Taxi Federation, inviting them to submit their views and any fare proposals to the Committee as part of the review. The Committee were disappointed that only 23 submissions were received from various parties, although this in itself was an increase from the 7 received in 2014.

The Committee were grateful to the Operators and organisations that took time to present submissions.

- 12 respondents believed that there should be a substantial increase in the taxi tariff and that any increases in operating at the airport should be reflected in the overall tariff. No specifics were mentioned in either case however.
- 1 respondent thought that there should be a slight increase (no specifics).
- 2 respondents said that they would like the tariff increased (no specifics).
- 1 respondent thought that there should be a 20% rise in all tariffs for this year (and 50% over the next three years).
- 3 respondents believed that there should be no increases whatsoever.
- 1 respondent said that Tariff 1 should not be increased, but Tariff 2 should be 1.5 times Tariff 1 and a new Tariff 3 should be created that would be double Tariff 1. Tariff 3 would include Good Friday, Easter Sunday, Christmas Day and New Year's Day.
- 1 respondent has advocated that there should be increases in airport fee extras, in bag charge extras and that Tariff 2 should include all Bank Holidays.
- 1 respondent said that both Tariffs should increase by 10p at the flag drop and that all extras should also increase by 10p.
- 1 respondent thought that both Tariffs should increase by 50p at the flag drop and there should also be a reduction in the distances measured.

Out of over 250 Operators or organisations, only approximately 8% requested an increase in fares. The Committee was also conscious of the fact that any small change made, such as an increase of 20p on the Flag Drop, would mean that every meter would have to be adjusted at a cost to the Operator of £20 or more.

The Committee considered all of the responses that it received and decided to defer a decision on the review of the tariff until it was known what, if any, increased charges Ply for Hire taxis and Private Hire vehicles will be subject to for operating at Ronaldsway Airport. As at March 31st 2015, no decision had been made. Information regarding the up to date taxi tariffs can be found on the RTLC website, www.gov.im/RTLC.

The cost in the Isle of Man of a Tariff 1 two mile fare is £5.70 which is just over the UK average of £5.65 according to figures obtained from the February 2015 edition of Private Hire + Taxi Monthly magazine. This ranks the Isle of Man 166th out of 365 UK authorities when looking at the cost of a Tariff 1 two mile fare (with 1st being the most expensive). Jersey ranks 27th while Guernsey ranks 41st.

Challenges Facing PPV Operators

Road Transport Act 2001

Many of the challenges facing the industry have been generated by a requirement, set out in the "transitional provisions", to limit numbers of taxi (Ply for Hire) licences, and to apply a District or zonal licensing system.

These challenges to both the industry and to the regulator could be removed by Tynwald bringing to an end the “transitional provisions” of the Act which were due to be lifted in 2007 and have subsequently been delayed on a number of occasions.

The ending of the “transitional provisions” would de-limit numbers of taxi licences, and make provision for all-Island taxi licensing. It is understood that such changes would allow taxi operators to invest in their businesses to improve standards for customers and it would also reduce the complexity of the regulatory system.

The Committee cannot make effective decisions in regulating taxi providers whilst the “transitional provisions” continue for an extended period. The current situation increases the focus on quantity controls, rather than quality controls, and that any decision by the Committee to grant or refuse a licence is open to legal challenge.

Challenges Facing the Road Transport Licensing Committee

The continuation of the “transitional provisions” of the Act have, in the opinion of the Committee, led to the following undesirable activities which reduce the effectiveness of regulation and work contrary to the Committee’s remit to protect public safety and to ensure services are provided for the benefit of the community.

Sale of Taxi Businesses/“Trading” in Taxi Plates

An unofficial and unlawful market in trading in ply for hire (taxi) licences has been created which supports the buying and selling of statutory approvals to operate a taxi businesses. Anecdotal evidence suggests that a value of up to £20,000 can be gained from the sale of statutory approvals to operate a ply for hire taxi.

The Committee does not have the power to prevent the lawful transfer or takeover of a taxi business, or to restrict the sale of a business within a given timescale, even in circumstances where it is evident that a taxi plate is dormant and no actual business exists.

It is important to note that problems associated with the sale, and trading of taxi businesses or “plates” only arise where a limit is placed on the overall number of taxi licences, and it is evident that such difficulties will persist whilst the “transitional provisions” of Schedule 2 of the Act continue to provide for quantity controls.

Private Hire

Applications to operate additional Private Hire vehicles are not subject to the “transitional provisions” of Schedule 2 of the Act and the Committee has no authority to restrict the numbers of such class of vehicles. Services of Private Hire can also be operated on an all-Island basis.

It is estimated that over 90% of all PPV journeys originate from a Private Hire booking, e.g. by mobile phone or landline, rather than Ply for Hire where the vehicle is hailed at a taxi rank or in the street.

It is noted that there has been an increase in the number of applications to operate Private Hire cars, which is largely due to the problems generated by the limit on numbers of Ply for Hire taxis.

The continuation of the "transitional provisions" means that owners who operate on a purely Ply for Hire basis are not able to compete fairly with their Private Hire counterparts for bookings made by telephone.

Mobile Taxi Applications or Apps (e.g. Uber)

In 2014 a mobile taxi app called "Appy Taxi" came to the attention of the Committee. The company behind Appy Taxi marketed itself extensively on social media before launching in the last few months of 2014. The company did attempt to make contact with the Committee, but all efforts to meet with them or discuss how their app would work on the Island came to nought.

The Committee did not stop trying to investigate how the company was operating but it became apparent after several months that the company had ceased operating. It is believed that this was because of a lack of interest from drivers to sign up to the company (which was acting as a service provider) and a lack of interest from the travelling public.

The Committee understands that a number of established, on-Island service providers are developing apps of their own.

The impact of Uber and similar developments on the taxi trade worldwide may affect the Island. The Committee note the considerable controversy generated by the arrival of Uber - for example in London - and intend to continue to monitor what is in the best interests of the Island and especially our travelling public.

Renting of Taxi Plates

The practice of "renting taxi plates" is unlawful and the Committee has been unable to identify the actual arrangements or agreements that may exist. This is caused by the difficulty in obtaining any evidence of these arrangements or agreements.

The "renting of taxi plates" can, on occasions, generate income for a number of people, including the operator, the manager, and the driver or drivers. The difficulty for the Committee arises when a complaint occurs and it may not be possible to investigate who was responsible for the vehicle due to the presence of unlawful renting agreements.

Problems associated with the "renting of taxi plates" only arise where a limit is placed on the overall number of taxi licences, and such difficulties will persist whilst the "transitional provisions" of Schedule 2 of the Act continue to provide for quantity controls.

Taxi Districts or Zones

The "transitional provisions" support a system of four "zones" in the Island and restricts taxi operators to only accept customers in the area in which they are licensed and when they are in other "zones" they have to refuse to accept passengers.

The present zonal system can be confusing and frustrating to the public, who sometimes do not understand that a taxi is restricted to plying for hire in its licensed District.

When the "transitional provisions" come to an end, the Act provides for the introduction of an all-Island licensing system, which would likely increase the supply of taxis and the scope for customer choice. It would also likely promote fuel efficiency, and better utilisation of vehicles, time and resources.

Some members of the taxi trade are concerned that the removal of the District system will result in a proliferation of out-of town taxis in the Douglas area (the East District), which could in turn result in a shortfall in the number of taxis available in other areas of the Island.

Tynwald has previously approved a recommendation that legislation be amended in order to make provision for all-Island taxi licensing, but that such legislative change is still awaited.

Language / Cultural Difficulties

The Committee is experiencing increasing difficulties with applicants and Operators who have a lack of familiarity with the English language. It is not uncommon to receive applications from new PPV drivers or Operators for whom English is not a first language, but the Committee is now meeting applicants who are unable to either read, speak or understand English – or, in some cases, all three.

It is clear that the Committee must adapt and modify some of its mechanisms such as the knowledge test to not only ensure that a driver has sufficient knowledge of a particular District and the Island as a whole, but also that they are able to understand the travelling public and also be understood by them.

This is a problem likely to be experienced increasingly across other public services and Island wide initiatives to encourage improved knowledge of spoken and written English may be needed.

Mr J Keith Watterson (Chairman)




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Mr Brendan O’Friel (Vice-Chair)



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