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Road Transport Licensing Committee

Annual Report for the year ended 31 March 2012

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Annual Report 2012

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Chairman's Report

The Road Transport Licensing Committee has been in existence for over ten years following the approval by Tynwald of the Road Transport Act 2001. It is therefore disappointing to report once more that the Committee have not yet been able to fulfil all their potential as Tynwald have yet to approve the ending of the Transitional Provisions of the Road Transport Act or the extension of the Committee's remit to include Heavy Goods Vehicles.

Both of these significant changes were agreed in principle as part of the original approval of the Road Transport Act 2001 but have yet to be progressed. The failure to fully implement this legislation is frustrating to both the Committee as regulator and also the industry providing services to the community. These challenges are set out in more detail later in this report.

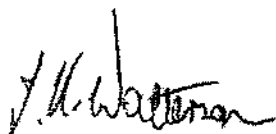
A part of the regulator's function is to ensure a level playing field and fairness for all involved in the passenger carrying and road transport industries, but the Committee finds this is a difficult area to address whilst the requirements of the Road Transport Act have yet to be fully implemented.

Despite these constraints the work of the Committee has continued and they continue to carry out their remit of ensuring public safety and the provision of public passenger vehicles services for the community.

During the year under review the Committee membership changed as the five year periods of appointment came to an end. On behalf of the current Committee I would like to place on record my thanks and appreciation of the work of the three retiring members, Mr David Evans, Mr Alwyn Collister, and Mr John Wormald which is respectfully acknowledged. I would also like to welcome the new members Mr Brendan O'Friel, Mr Alan Payne & Mr David Sellick and look forward to working with them in future along with the existing member Mr Fred Peck.

The challenges for the forthcoming year will be to review the costs of regulation and to encourage the Department of Infrastructure to consider increasing the statutory licence fees and the aim of the Committee is to ensure that the cost of regulation is met from the statutory fees payable.

We would also wish to encourage all parties to consider implementing all parts of the Road Transport Act 2001 to ensure high standards of public safety and the provision of road transport services in a manner which is a benefit to the community.



Mr J K Watterson, Chairman

Introduction

The Road Transport Licensing Committee acts as an independent organisation within the Isle of Man Government established under the Road Transport Act 2001. The duty of the Committee under the Act is to regulate the providers of road transport services to ensure the safety of the public and that services meet the needs of the community.

This report has been prepared with a view to providing information relating to the work of the Road Transport Licensing Committee (RTLCC) for the year ended 31 March 2012.

Scope of Responsibilities

The Road Transport Act 2001 requires the Committee to regulate providers of both public passenger vehicle and heavy goods vehicle services. However since the commencement of the Act in 2001 Tynwald has only approved legislation to allow the Committee to regulate public passenger vehicles and only on an a transitional basis.

The transitional provisions of the Road Transport Act 2001 have been in place for more than 10 years and the Committee supports the removal of the these provisions to increase public safety and to allow more efficient and effective regulation of both public passenger vehicles and heavy goods vehicles. It is understood that the Department responsible for the Road Transport Act 2001, the Department of Infrastructure 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 membership of the Committee to January 2012:-

Mr David Evans (Chairman)
Mr J Keith Watterson (Vice-Chair)
Mr Alwyn Collister
Mr Fred A Peck
Mr John Wormald

The five year term of office for members came to an end in January 2012 and a new Committee was appointed from February 2012

The membership of the Committee from February 2012:-

Mr J Keith Watterson (Chairman)
Mr Brendan O'Friel (Vice-Chair)
Mr Alan Payne
Mr Fred A Peck
Mr David Sellick

Regulatory Activities

Meetings

During the year, the Committee held 27 meetings, 10 of which were public hearings.

The Committee considered 53 applications, of which 50 were approved, 1 refused, and 2 withdrawn. An additional 3 operators had their applications to terminate their registration approved.

Ply for Hire "Taxi" licences

During the year the Committee did not receive any applications for new ply for hire "taxi" licences and therefore there was no increase in the number of ply for hire licences.

All applications considered were for variations in existing licences to allow operators to buy and sell parts of their businesses.

Private Hire

The Committee approved the granting of an additional 14 Private Hire cars, 1 Private Hire motorcycle trike, and 5 minibuses licences during the year and existing operators surrendered licences to operate a total of 4 Private Hire cars and 1 Minibus.

Regular Service "Bus and Coach" licences

A number of applications for variations to bus service licences were heard and considered during the year, many of which were prompted by demand from the public following operational experience since the review.

Tribunal Sessions

The Committee held a number of disciplinary hearings and Inquiries during the year. Two Driver Licences were revoked, and periods of suspension were imposed on another two licence holders during the year.

Licensing Statistics

As part of its duties under the Road Transport Act 2001 the Committee holds registers of drivers and operators providing public passenger vehicle (PPV) services.

On the 1st April 2012 the Register of Operators contained 233 entries and these operators had registered 542 vehicles of which 233 were taxis.

The register of Drivers of PPV vehicles contained 1,356 entries of which approximately 600 were taxi drivers.

A total of 199 new applications for PPV Driver Licences were received during the year, 48 of which were for "ply for hire" taxi driver licences, with the remaining 151 being for minibus and bus licences. The Committee also processed 457 PPV Driver Licence renewals which are valid for a three year period.

Annual Review of Taxi Fares

A review of the maximum fares to be charged by Ply for Hire taxis was carried out by the RTLC from January 2012, with the revised fares taking effect from 1 April 2012.

The Committee and the taxi trade were conscious that there had been a significant increase in fuel and motoring expenditure since the last review, and that an allowance for such costs should normally be reflected in taxi fares. However, the Committee and the taxi trade in general were mindful of the needs of the public and the current economic climate, and the danger of increasing fares to levels which could prove counterproductive to the taxi industry.

The Committee determined therefore that a small allowance for the increase in fuel costs should be reflected in taxi fares, by awarding an increase of 20p to the Flag Drop, or minimum fare, on Tariff 1 and Tariff 2.

It is important to note that Ply for Hire fares are set at a maximum by the RTLC, and that in principle they are open to downward negotiation between the passenger and the driver. The Committee has no power to set fares in respect of Private Hire journeys.

In reviewing the fares, the Committee paid particular regard to the needs of the travelling public, to what is reasonable to expect people to pay, and also the need to give taxi drivers sufficient incentive to provide a service when it is needed.

Availability of Taxis

The RTLC continues to receive complaints regarding a lack of availability of taxis in certain areas of the Island, at certain times, mainly at the Airport and the Sea Terminal. The RTLC has met with Airport taxi operators and drivers, and the Airport managers, with a view to seeking ways to improve the availability of taxis, particularly during evenings and at week-ends. It is apparent however, that whilst there are a significant number of taxis licensed to serve the Airport, there is still a shortage at certain times.

It is evident that the actual number of taxis licensed is not the most appropriate measure of supply, and that while some operators and drivers work long hours and provide a very effective service, others choose to work few hours, and in some cases licences are not used at all. It is worth noting that two identical numbers of taxis can easily manifest fundamentally different measures of supply, insofar as the numbers of drivers, or more accurately drivers hours worked, is a more accurate measure.

There are no powers within the Road Transport Act 2001 to control the hours worked by a driver or operator.

Support for other Regulators

The Vehicle Testing Centre part of the Department of Infrastructure carries out annual examinations of public passenger vehicles and where defect or prohibition notices are issued these are provided to the Committee.

The reports indicate that a number of vehicles may not be considered roadworthy at the time of their test.

The Committee and the Vehicle Test Centre have therefore established a new system whereby all Public Passenger Vehicle defects and prohibitions are reported to the RTL.

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. Where this is not the case the Committee may then hold a formal Inquiry into whether the Operator can meet the standard of Professional Competence necessary to remain registered.

Support for the Industry

Safety

The RTL has made provision for specialist and certificated training opportunities for PPV drivers in the care and handling of wheelchair and mobility impaired passengers, which is supported by the Department of Economic Development.

PPV drivers can now avail themselves of this training initiative, with a total of 42 drivers having now been certificated in the care and handling of wheelchair and disabled passengers.

Quality

It is recognised that 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 new customised training course has been designed for taxi drivers, which is aimed at improving customer care and providing a Manx welcome.

As at 1 April 2012, a total of 275 drivers had been accredited to the required standards.

Administration

Staff

The RTLC is supported by a small team of staff comprising of a Secretary, an Administrative Officer (AO), and a part-time authorised person.

Much of the staff's time and resources continues to be taken up in dealing with the challenges brought about by the incomplete implementation of the Road Transport Act 2001 and a wide range of problems mainly associated with the licensing of taxis.

In addition to Government's public service training opportunities, the RTLC has supported and invested in specialist training for its staff through residential Hackney and Private Hire courses organised by the National Association of Licensing Enforcement Officers (NALEO). Such courses are recognised nationally as part of the process for qualification for BTEC awards in licensing and enforcement.

Expenses

The Committee would wish to be in a position where the funding of its statutory obligations and activities was met entirely by the fees charged for registration and licensing. In order to achieve this, the Committee recognises that the costs of regulation should be minimised and also that income from statutory fees should be increased.

The Committee does not have the ability to set its own fees and relies on the Department of Infrastructure to seek approval from Tynwald to increase fees.

The Committee continues to support an annual increase in statutory fee income to reduce the need for funding for general Government revenue and continues to focus on reducing the overall cost of regulation.

The Committee recently submitted a proposal to the DoI to increase fees with a view to achieving self-funding, phased in over a period of 2 years. However, it is noted that the Department has subsequently decided to draft a proposal for an increase in Licensing Fees that is limited and linked to inflation only.

Information

A website, www.gov.im/rtlc, is maintained to assist operators and drivers, and the public, in gaining access to information, and in raising awareness of the Committee's functions and responsibilities.

Challenges facing Operators of Public Passenger Vehicles

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 Road Transport 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.

Public Consultation

The Department of Infrastructure carried out a consultation exercise in late 2010, to assess the views of the public in respect of all-Island taxi licensing, and the limitation on numbers of taxis. As a result of that exercise, the Department decided to present an Order to Tynwald in March 2011, with a view to revoking part of Schedule 2 of the Act through the introduction of all-Island licensing. However, the Motion was withdrawn for a period of 2 months to enable the Department to set up a working group, to further consider the effectiveness of the proposed new all-Island taxi licensing system, before reporting the findings to Tynwald.

The outcome of the deliberations of the working group is still unknown, and it is apparent that little or no progress has been made over the past year with regard to the Transitional Provisions of Schedule 2 of the Act, or a review of taxi legislation. It is noted that the Transitional Provisions have now been in place for a period of over 10 years, and there appears to be little prospect of resolving any changes to taxi legislation in the shorter term.

Challenges facing the Road Transport Licensing Committee

The continuation of the transitional provisions of the Road Transport Act 2001 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 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 evident that the vast majority of public passenger vehicle journeys originate from a Private Hire booking, e.g. by mobile phone; 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 of taxi business are not able to compete fairly with private hire operators for bookings made by telephone.

Renting of Taxi Plates

The practice of "renting taxi plates" is unlawful and therefore it is difficult for the Committee to identify the actual arrangements or agreements that exist, due to the reluctance of drivers and operators to provide any real evidence.

The "renting of taxi plates" can, on occasions, generate income for a number of people, including the operator, the manager, and the driver(s). 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.

It is important to note that problems associated with the "renting of taxi 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.

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 Road Transport 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 (East District), which could in turn result in a shortfall in the number of taxis available in other areas of the Island.

It is noted that 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.

