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Isle of Man
Government

Reilrys Ellan Vannin

Road Transport Licensing Committee

Annual Report for the year ended 31 March 2013

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Annual Report 2013

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Chairman's Report

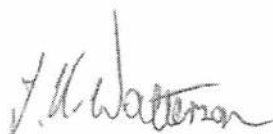
This is my second report since being appointed Chairman of the Road Transport Licensing Committee ("the Committee") and I am very pleased to report that the new committee has settled in during the past year and work together very well bringing together a vast range of experience and knowledge from different backgrounds. I am confident that we are ready and able to continue the existing work of the the Committee and any new challenges that may face us in the coming years.

I wish to put on record my sincere thanks to our first Secretary Mr Brian Leece who has retired this year after giving over 10 years exemplary service. The dedication and commitment shown by Mr Leece has been first class and we all wish him a long and happy retirement. Mr Michael Morrison stepped in at short notice and became our Acting Secretary for five months and I thank him for his guidance and work until the appointment of Mr Noel Capewell as the new Secretary to the Committee. On behalf of the committee I extend a very warm welcome to Mr Capewell and we hope that he has a very fulfilling and enjoyable experience working with the Committee for many years to come.

The work of the Committee since its inception in 2002 has been to act as a regulator with regards to Road Transport under the Road Transport Act 2001 and this has been carried out for Public Passenger Vehicles ("PPV") only as we await the introduction of legislation to cover Heavy Goods Vehicles ("HGV"). We have patiently waited for these HGV regulations to be progressed and approved by Tynwald, something that has been under the spot light for a few years now with Island wide consultation taking place by the former Department of Transport (now the Department of Infrastructure) therefore the Committee would once again urge progress in this area so that the haulage industry operates within a fair and level playing field and most importantly it operates in a safer manner with high standards of maintenance and safety. This is something that the Traffic Commissioner for the UK North West area is watching with interest as many Island based trucks travel via Heysham to the UK and beyond without Operator Registration or regulation.

The committee is mindful of operating in an efficient manner and is always looking at ways of streamlining its operation without compromising quality and safety standards for the public. Further use of IT facilities, better use of office space and other issues are under active consideration in this regard.

I commend this Annual Report to Tynwald and would encourage Tynwald support towards the Committee to enable us to further our work for the benefit of the community.



Mr J K Watterson, Chairman

Introduction

The Committee acts as an independent organisation within the Isle of Man Government established under the Road Transport Act 2001 ("the Act"). 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.

The Department of Infrastructure 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 has been prepared with a view to providing information relating to the work of the Committee for the year ended 31 March 2013.

Scope of Responsibilities

The Road Transport Act 2001 requires the Committee to regulate providers of both 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 only on an a transitional basis.

The transitional provisions of the Act have been in place for more than 10 years and the Committee supports the removal of the these provisions to allow more efficient and effective regulation of both PPVs and HGVs. It is understood that the Department responsible for the Act, 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 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

The Secretary

In May 2012 Mr Brian Leece, who had been Secretary to the Committee since its inception, retired. He was replaced by Mr Michael Morrison who took on the role of Acting Secretary in May 2012 and enabled the Committee to continue operating until a permanent replacement for Mr Leece could be appointed. In October 2012, Mr Noel Capewell was appointed as the new Secretary to the Committee.

Regulatory Activities

Meetings

During the year, the Committee held 18 meetings, 12 of which were meetings where either the entirety or parts of the proceedings were held in public.

The Committee considered 72 applications, of which 69 were approved, and 3 refused. An additional operator had his application to terminate his registration approved.

Ply for Hire (Taxi) licences

During the year the Committee received 3 applications to add new Districts to existing Ply for Hire "taxi" licences. All 3 applications were refused.

The Committee considered and approved an additional 22 applications which involved Ply for Hire Operators. These were for variations in existing licences, or variations to allow for the registration of new Operators following the transfer of a business from an existing Operator.

Private Hire

The Committee approved the granting of an additional 13 Private Hire cars, 3 Private Hire minibuses and 1 Private Hire Bus licences during the year and existing operators surrendered licences to operate a total of 3 minibuses.

The Committee considered 20 applications which involved Private Hire Operators. These contained both applications from new Operators and variations for existing Operators. All applications were approved.

Regular Service (Bus and Coach) licences

The Committee considered 27 applications for variations to Regular Service licences during the year, approving all of them.

Tribunal Sessions

The Committee held three Inquiries during the year. One resulted in an Operator Registration being revoked while the other two resulted in warnings for the Operators involved.

There were also two temporary suspensions which were imposed on licence holders during the year. Both suspensions were lifted shortly after their imposition.

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 2013.

Statistic	1st April 2013
Total number of registered Operators	231
Total Number of registered PPVs	450
Number of Ply for Hire taxis licenced	210
Number of Private Hire cars licenced	68
Number of Buses, Minibuses and other vehicles (including trikes, funeral cars, etc).	172
Total number of registered PPV Drivers	1,271
Number of PPV Drivers licensed to drive Ply for Hire taxis and Private Hire cars (approximately)	580
Total number of new applications for PPV Driver Licences	93
Number of new applications for PPV Driver Licences to drive Ply for Hire taxis or Private Hire Cars	37
Number of new applications for PPV Driver Licences to drive buses, minibuses or Restricted PPV Driver Licences	56
Total number of renewal applications for PPV Driver Licences	218

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 2013, with the revised fares taking effect from 1 April 2013.

The Committee asked for submissions from the taxi trade and was disappointed that a total of eight submissions were received from various parties including the Manx Taxi Federation as well as other taxi operators and drivers. The Committee is grateful to those operators and organisations that did take the time to present submissions, which included proposals ranging from no increase in fares to a 50p increase on the Flag Drop (minimum fare). Other proposals considered by the Committee included;

- the introduction of an additional tariff on Christmas Day, Boxing Day and New Years Day,
- an increase in the number of Public Holidays attracting the Tariff 2 charge,
- introduction of a 50p charge for dogs (excluding guide dogs),
- reducing the distance units on Tariffs 1 and 2,
- removal of the additional £1 on top of the journey fare (known as the Airport journey fee),
- removal of the extra charge for wheelchairs.

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 Committee, 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.

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 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. Should any defects be detected or Prohibition Notices issued, the Committee is notified of this right away.

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 system whereby all Public Passenger Vehicle defects and prohibitions are reported to the Committee.

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.

During the year Operators were invited to appear before the Committee a total of 21 times following the receipt of a Prohibition Notice or a Notification of Refusal of Test. To date, none of the cases have resulted in the Operator having to attend a formal Inquiry.

Support for the Industry

Safety

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 is supported by the Department of Economic Development. PPV drivers will be able to 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.

Guide to Maintaining Roadworthiness

In July 2012, the Committee produced a guidebook for people responsible for operating, maintaining or providing public passenger carrying taxis and private hire cars. It describes a system for maintaining vehicles in a roadworthy condition regardless of operating conditions, fleet size or vehicle type. This Guide to Maintaining Roadworthiness ("the Guide") was distributed to all existing Operators. It is also supplied to all new Operators when they make their application for a new Operator Registration to the Committee.

By reading the Guide, new Operators will find advice on how to devise, install and monitor a system for making sure their vehicles are roadworthy. Established Operators, whether they carry out their own maintenance, contract out maintenance or do a combination of both, will be able to use the Guide as a standard to assess whether their systems are comprehensive enough or should be reviewed and improved.

The Guide was not designed as a template that all Operators would be compelled to follow. Its aim was to provide Operators with ideas and advice to aid them in ensuring that levels of vehicle maintenance and safety are of the required standard.

The Committee has received some very positive feedback from Operators who have found the Guide to be very helpful and have followed most of the recommendations contained within it.

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.

As at 1 April 2013, a total of 308 drivers had attended the Customer Service course over a .

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.

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.

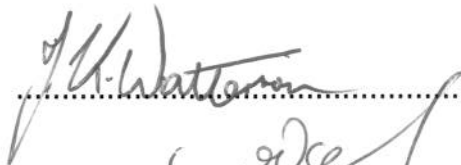
The present zonal system can be confusing and frustrating to the public, who sometimes do not understand that a taxi is restricted to plying for hire in its licensed District.

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.

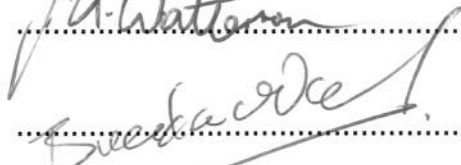
It is noted that Tynwald has previously approved a recommendation that legislation be amended in order to make provision for all-Island taxi licensing, but that such legislative change is still awaited.

Mr J Keith Watterson (Chairman)




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