

GD: 2014/0064



# Road Transport Licensing Committee

Annual Report for the year ended 31<sup>st</sup> March 2014

Laid before Tynwald January 2015

December 2014

Price: £2.30

# Annual Report to 31<sup>st</sup> March 2014

## Contents

	<b>Page</b>
Chairman's Report	2
Introduction	4
Scope of Responsibilities	4
The Committee	4
RTLC Office Staff	4
Meetings	5
Ply for Hire (Taxi) Licences	5
Private Hire	5
Regular Service (Bus and Coach) Licences	5
Driver or Operator Fitness	6
Annual Budget	6
Support for other Regulators	6
Support for the Industry	7
Licensing Statistics	8
Annual Review of Taxi Fares	8
Challenges Facing Operators	9
Challenges facing the RTLC	9

## 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 ("RTLCL") to 31<sup>st</sup> March 2014. I sincerely hope that all members will find it useful and informative whilst giving some information to you about the work of the RTLCL and its office staff.

At the outset I wish to record my grateful thanks to the office staff of just two, our Secretary, Mr Noel Capewell and the Administrative Officer, Miss Liz McMahon, who both carry out sterling work to meet demanding deadlines. Their dedication and courteous service is appreciated. The part-time Public Passenger Vehicle ("PPV") Inspector Mr Derek Crellin has serviced the needs of the taxi trade since 2002 and retired in February this year. I would like to thank Derek for his diligent work over the past 12 years and wish him well in his retirement. I now give a warm welcome to the new Inspector, Mr David Berry, as he settles in and finds his feet. I am sure that he will be a valuable asset to the Committee and its work.

The present committee members have been together now for two years. I wish to thank them for their enthusiasm and commitment whilst carrying out their duties of researching and preparing for meetings along with their attendance. All members work well together and integrate with the office staff to form a harmonious team

The RTLCL has an established website, [www.gov.im/rtlc](http://www.gov.im/rtlc), where PPV Operator and Licensing information can be found to assist the industry and the public. As well as giving an indication of taxi fares and tariffs for the public, there is also a great deal of additional information for the trade including the Committees previous Annual Reports along with six Background Papers which should be of interest to present politicians.

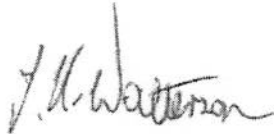
I say this because it continues to greatly frustrate the Committee that, 12 years after the introduction of the Road Transport Act 2001, we are still trying to work with Schedule 2 which greatly hinders us at almost every step of the way. I therefore once again ask Tynwald Members to sanction the removal of Schedule 2 which was an interim temporary measure or transitional provision (see pages 9, 10 and 11 of this report) and was never intended to still be in place today. We were hopeful of some progress when Tynwald set up a Taxi Working Party within the old Department of Transport, but alas, it also came to nothing some time later.

Another concern of the Committee is that the Road Transport Act 2001 requires the RTLCL to regulate PPVs and also Heavy Goods Vehicles ("HGVs"). Whilst the regulations are in force for PPVs and generally work well, we remain very concerned that the Department of Infrastructure have not yet implemented regulations for HGVs despite consultations taking place with the haulage industry back in 2008/09. We are very concerned for driver and general public safety as the only check at the moment is an annual vehicle safety test at the Vehicle Testing Centre which verifies the vehicle is safe on that day only. There are no further regulatory checks made regarding the matter of routine vehicle maintenance or any vehicle safety checks until a full year later unless the HGV is stopped on the roadside for a spot check or involved in an accident. This is neither right nor fair for the HGV industry, who expect a level playing field, nor is it comforting for the general public. As I have said before in previous Annual Reports, the IoM is very much coming under the spotlight of the UK Traffic Commissioners as our Manx lorries roll off the Ben-My-Chree and into Heysham Port without an Operator's Licence or a driver's Certificate of Professional Competence or CPC. Surely this cannot be allowed to continue any longer – remember there has already been the sad loss of a young man whilst out cycling due to a heavy wheel becoming detached from a lorry axle.

I would like to raise further concerns that the use of fast farm type agricultural tractors and trailers is on the increase for the construction and civil engineering trades. This type of vehicle is primarily designed for field work and has braking systems of a lesser standard than an HGV, no annual vehicle safety test and can be driven by an inexperienced lone driver on 'L' plates. None of this is a role for the RTALC but one which political members within the Department of Infrastructure may wish to consider further.

The RTALC can only carry out its work successfully if supported correctly, and I would urge Members of Tynwald to contact me or our Secretary should they wish to talk with us to help improve safety and quality of PPV and HGV services. We would welcome your interest and input.

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

A handwritten signature in black ink, appearing to read 'J. K. Watterson'. The signature is written in a cursive style with a large initial 'J'.

Mr J K Watterson, Chairman

## **Introduction**

The Committee is 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 provides information about to the work of the Committee for the year ended 31 March 2014.

## **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 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 the these provisions to allow more efficient and effective regulation of both PPVs and HGVs. It is understood that 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

## **RTLCL Office Staff and PPV Inspector**

The RTLCL 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, who joined the team in February 2014. Prior to that, the PPV Inspector was Mr Derek Crellin who had served the Committee with distinction since its inception.

Despite being so few in number, the Office staff is 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 900 HGVs currently in use on the Island which is double 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 15 meetings, 14 of which were held in public.

The Committee considered 66 applications, of which 60 were approved, five were withdrawn and one was refused.

### **Ply for Hire (Taxi) licences**

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. Applications such as these pose an additional set of challenges for the Committee. To begin with, the applicants need to be able to prove that an "unmet need" exists which can be very challenging and such applications always prompt a very passionate response from the taxi trade. The response comes in the form of a substantial number of written objections to the applications, which all have to be considered by the Committee. All the objectors usually wish to attend the meeting in public where the application is being heard which can lead to a large and unpredictable number of people being present in a standard meeting room. In such conditions, tempers can easily flare and the Committee has to ensure that unruly objectors or observers are held in check so that the application and any objections can all be heard in a considered and fair manner. The sheer number of people present at these meetings inevitably leads to the meeting being very lengthy which, in turn, prevents the Committee from dealing with any other business on the agenda.

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 14 Private Hire cars (with 1 Private Hire car licence being surrendered as well), 2 Private Hire minibuses, 2 Private Hire limousines and 1 Private Hire Trike licences during the year. Various Operators chose not to renew 12 Private Hire car licences when they were due for renewal for a number of reasons. Those Operators still have approval from the Committee to operate the cars and so their licences could be activated if the Operators choose to do so.

The Committee considered 29 applications which involved Private Hire Operators. These contained both applications from new Operators and variations for existing Operators. 27 applications were approved and two were withdrawn.

### **Regular Service (Bus and Coach) licences**

The Committee considered 12 applications for variations to Regular Service licences during the year, approving all of them.

During the year, the Secretary entered into discussions with Bus Vannin about how to streamline the application process for annual variations such as TT Week, the Royal Show and the Christmas period (to name but a few). Bus Vannin has traditionally applied to the Committee to vary their Regular Services Licences every year for such events. These variations normally consist of extra services being added because of extra demand or bus routes having to be altered as a result of road closures. These changes are neither substantive nor permanent and, as such, it was proposed that they would not warrant a full variation application.

The Secretary published the proposals in an AD&N Circular and invited any comments, representations or objections to the proposals. None were received and so the Committee unanimously decided to adopt the proposals. The effect of this was to eliminate some of the work that was previously being done by Bus Vannin, the Secretary and the Committee as the number of Regular Service Variation applications diminished significantly. This also reduced the amount of resources that Bus Vannin had to spend on variation applications.

### **Driver or Operator Fitness**

The Committee also invited 14 different drivers or Operators to meetings to explain why they had been convicted of a number of offences, some driving related such as speeding and some criminal.

Some of these were new drivers whose cautions or convictions had been brought to the Committee's attention by the 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. This meant that the Committee had to rely on either the local press or the Disclosure and Barring Certificate which was required for all renewal applications.

In one case, a PPV Driver had his licence revoked as a result of a serious sexual conviction which led to a lengthy term of imprisonment. The RTLC office staff discovered this offence as a result of monitoring the media.

### **Annual Budget**

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 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.

In 2014/15 the annual budget has been further reduced to £105,000 and the RTLC is hopeful that, through good financial stewardship, it will be able to limit its net costs and spend less than its allocated budget again.

### **Support for other Regulators**

The Vehicle Testing Centre division of the Department of Infrastructure carries out annual examinations of PPVs and where test failures 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. 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 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 remain registered.

During 2013/14 the Committee received a total of 54 test failures or vehicle prohibition notices from the Vehicle Testing Centre. Of those 54 notices, 31 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 2013/14. 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.

The Vehicle Testing Centre were also able to supply the Committee with some figures regarding the pass rate of PPVs. 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 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 328 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.

### **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 is supported by the Department of Economic Development.

In 2013/14 the RTLC were looking to switch to an on-Island training provider to reduce costs, however, the provider that had been lined up failed to materialise. The Committee are hopeful that a further training course will be conducted in the upcoming year.

To date, a total of 42 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 1<sup>st</sup> April 2014.

<b>Statistic</b>	<b>1<sup>st</sup> April 2014</b>	<b>1<sup>st</sup> April 2013</b>
Total number of registered Operators	248	231
Total Number of registered PPVs	434	450
Number of Ply for Hire taxis licenced	200	210
Number of Private Hire cars licenced	69	68
Number of Buses, Minibuses and other vehicles (including trikes, funeral cars, etc).	165	172
Total number of registered PPV Drivers	1,308	1,271
Number of PPV Drivers licensed to drive Ply for Hire taxis and Private Hire cars (approximately)	700	580
Total number of new applications for PPV Driver Licences	126	93
Number of new applications for PPV Driver Licences to drive Ply for Hire taxis or Private Hire Cars	50	37
Number of new applications for PPV Driver Licences to drive buses, minibuses or Restricted PPV Driver Licences	76	56
Total number of renewal applications for PPV Driver Licences	208	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 2014, with the revised fares taking effect from 1 April 2014.

The Committee asked for submissions from all Operators (totalling over 230 in number), the Manx Taxi Federation, and the Castletown & Southern Taxi Association, inviting them to submit their views and any fare proposals to the Committee as part of the review. The Committee were disappointed that only seven submissions were received from various parties.

The Committee were grateful to the seven Operators and organisations that took time to present submissions. A number, but not all, of the seven submissions received asked for the fare to be increased. These submissions were very varied in how the fares were to be increased including;

- an increase of 20p on the Flag Drop,
- an increase in travel calculations,
- reducing the distance units on Tariffs 1 and 2,
- include all Bank Holidays on Tariff 2,
- a new, more expensive, Tariff for Christmas Day and Boxing Day.

Out of over 230 Operators or organisations, only approximately 2% requested an increase in fares. The Committee is 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.

While the Committee are aware of fluctuating charges on fuel and other motoring costs since the last review they are also aware of the ability of the public to pay. In the current economic climate, the Committee is mindful of increasing fares to levels which could prove counterproductive to the taxi industry.

Following careful consideration of the issues, including the responses from the Operators, the views of the Committee members and analysis of the economic climate, the Committee decided that there should be no increase to the taxi fares. Information regarding the up to date taxi tariffs can be found on the RTLC website, [www.gov.im/RTLC](http://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 £5.58 according to figures obtained from the March 2014 edition of Private Hire + Taxi Monthly magazine. This ranks the Isle of Man 151<sup>st</sup> out of 364 UK authorities when looking at the cost of a Tariff 1 two mile fare (with 1<sup>st</sup> being the most expensive). Jersey ranks 28<sup>th</sup> while Guernsey ranks 34<sup>th</sup>.

## **Challenges facing Operators of PPVs**

### **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 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(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.

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.

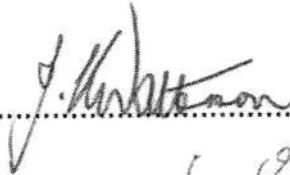
The present zonal system can be confusing and frustrating to the public, who sometimes do not understand that a taxi is restricted to plying for hire in its licensed District.

When the transitional provisions come to an end the 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.

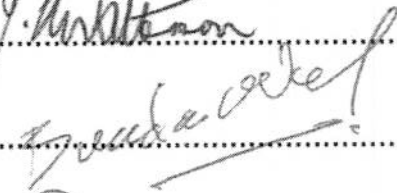
Some members of the taxi trade are concerned that the removal of the District system will result in a proliferation of out-of town taxis in the Douglas area (East District), which could in turn result in a shortfall in the number of taxis available in other areas of the Island.

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.

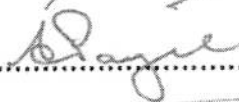
Mr J Keith Watterson (Chairman)

  
.....

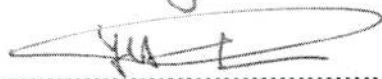
Mr Brendan O’Friel (Vice-Chair)

  
.....

Mr Alan Payne

  
.....

Mr Fred A Peck

  
.....

Mr David Sellick

  
.....

Road Transport Licensing Committee  
Ground Floor  
Prospect House  
27-29 Prospect Hill  
Douglas  
Isle of Man  
IM1 1ET

Telephone: 651564  
Email: [rtlc@gov.im](mailto:rtlc@gov.im)  
Website: [www.gov.im/RTLC](http://www.gov.im/RTLC)