

Taxi Regulatory Reform – Final Recommendations

States of Jersey
10183C

September 15

FINAL



The TAS Partnership Limited
Passenger Transport Specialists

Quality Assurance

Document Management

| | | | |
|-------------------------------|--|----------|--|
| Document Title | Taxi Regulatory Reform – Final Recommendations | | |
| Name of File | 10183C REP Jersey Taxi Reform Programme September 2015 Final.doc | | |
| Last Revision Saved On | 10/09/2015 16:04:00 | | |
| Version | Draft 1 | Final | |
| Prepared by | JT | JT | |
| Checked by | ND | ND | |
| Approved by | JT | JT | |
| Issue Date | 24/07/2015 | 10/09/15 | |

Copyright

The contents of this document are © copyright The TAS Partnership Limited, with the exceptions set out below. Reproduction in any form, in part or in whole, is expressly forbidden without the written consent of a Director of The TAS Partnership Limited.

Cartography derived from Ordnance Survey mapping is reproduced by permission of Ordnance Survey on behalf of the Controller of HMSO under licence number WL6576 and is © Crown Copyright – all rights reserved.

Other Crown Copyright material, including census data and mapping, policy guidance and official reports, is reproduced with the permission of the Controller of HMSO and the Queen’s Printer for Scotland under licence number C02W0002869.

The TAS Partnership Limited retains all right, title and interest, including copyright, in or to any of its trademarks, methodologies, products, analyses, software and know-how including or arising out of this document, or used in connection with the preparation of this document. No licence under any copyright is hereby granted or implied.

Freedom of Information Act 2000

The TAS Partnership Limited regards the daily and hourly rates that are charged to clients and the terms of engagement under which any projects are undertaken, as trade secrets and therefore exempt from disclosure under the Freedom of Information Act.

The TAS Partnership Limited often uses commercially or personally sensitive data provided under confidentiality agreements by third parties to inform projects and disclosure of this information could constitute an actionable breach of confidence. This detailed content is therefore likely to be exempt from disclosure under the Act.

Consequently, The TAS Partnership Limited will expect to be consulted before any content of this document is released under a Freedom of Information request.



The TAS Partnership Limited
Passenger Transport Specialists

Guildhall House
59-61 Guildhall Street
Preston PR1 3NU
Telephone: 01772 204988
Fax: 01772 562070
info@taspartnership.co.uk
www.tas.uk.net

Contents

| | |
|--|----|
| Executive Summary | 3 |
| 1 Introduction and Objectives | 5 |
| 1.1 Introduction | 5 |
| 1.2 Objectives..... | 6 |
| 1.3 Report Structure | 6 |
| 1.4 Note about Terminology | 7 |
| 2 Original Recommendations, Consultation and Engagement..... | 9 |
| 2.1 Original Recommendations | 9 |
| 2.2 Green Paper Consultation | 10 |
| 2.3 White Paper Consultation..... | 13 |
| 3 Commentary on tiering and other issues..... | 15 |
| 3.1 Taxi Tiering | 15 |
| 3.2 Single Tier | 15 |
| 3.3 Two Tier | 17 |
| 3.4 Comparative Performance..... | 19 |
| 3.5 Recommended Approach | 22 |
| 3.6 Moving to a single tier..... | 23 |
| 3.7 Tariff..... | 25 |
| 3.8 Vehicles..... | 26 |
| 3.9 Driver Requirements..... | 27 |
| 3.10 Companies..... | 29 |
| 3.11 Equipment..... | 31 |
| 4 Ministerial Duties and Powers | 33 |
| 4.1 Introduction | 33 |
| 4.2 Adequate | 34 |
| 4.3 Efficient..... | 35 |
| 4.4 Reasonably Priced | 36 |
| 4.5 Available throughout Jersey | 38 |

| | | |
|------|---|----|
| 4.6 | Available at all times..... | 40 |
| 4.7 | Safe..... | 40 |
| 4.8 | Consumer Protection..... | 42 |
| 4.9 | Accessibility for Disabled People | 43 |
| 4.10 | Environmental Protection | 45 |
| 4.11 | Minimum Wage Legislation | 46 |
| 5 | Conclusions and Recommendations..... | 47 |
| 5.1 | Conclusions..... | 47 |
| 5.2 | Recommendations..... | 48 |

Executive Summary

1. Introduction

- 1.1 This report covers the continuing consultation and development of the taxi reform programme in Jersey and produces a final set of recommendations.
- 1.2 The primary focus has been to improve the level of service for the customers of the industry, meeting their aspirations in both the domestic and the tourist markets. Whilst the taxi industry in Jersey is not in crisis, there are clearly a number of areas where improvements, identified through consultation and comparison with elsewhere, are both desirable and in our opinion achievable.
- 1.3 A secondary concern has been for the drivers and other taxi industry participants and their reasonable expectation to make a living. Experience shows that a disregard for the industry results in short to medium term disruption that does not serve customers well. We have therefore recommended a phased approach to reform, without deregulation of licence numbers. Whilst the reforms required to provide consumer benefits are likely to result in economic loss for some participants in the industry, they will also undoubtedly provide an opportunity for gain by those willing to innovate.

2. Summary of Recommendations

- 2.1 The general approach recommended in the White Paper is still considered to be the most appropriate way of moving forward. Broadly, this approach can be characterised as being a move from quantity control towards quality control allied to an integration of the current different types of taxicabs into a single type along with a simplified maximum set of tariffs controlled by the Minister.
- 2.2 Considerably more detail is provided in the report. In summary, the main recommendations are:
 - Move towards a single class of taxi to replace the current two tiers of 'Controlled' and 'Restricted'. All will beailable and available for advanced booking.
 - No additional licences to be issued. Numbers to be reviewed two years after single tier introduced.
 - Standard for advance booking arrangements to be established, and licensed, with a requirement that all taxis are linked to a licensed arrangement, whether this is through a company or an App.
 - Simplified tariff to be introduced (standard / peak / no extras) and applied to all. This will contain an option for an advance booking fee. There will be an objective basis for updating the tariff which will be published.

- A standard vehicle colour to be introduced with contrast colour bonnet / boot wraps and States identity on doors.
- Development of a longer-term standard for accessible vehicles. In the meantime, any replacement / additional licences should only allow wheelchair accessible vehicles to be used.
- Improved child safety arrangements
- Improvements to taximeter arrangements, particularly requiring independent calibration and sealing.
- Driver Disclosure and Barring Service checks to be repeated every three years.
- An enhanced medical requirement covering both fitness to drive and fitness to work.
- Enhanced Jersey taxi driver training arrangements to include thresholds for:
 - ◆ Customer care
 - ◆ Disability awareness and support
 - ◆ Equalities / non-discrimination
 - ◆ Jersey Ambassador
 - ◆ Fluency in English.
- Additional safety training to apply to those driving wheelchair accessible vehicles.
- An enhanced Code of Conduct.
- A points-based disciplinary system with appropriate sanctions
- The industry to introduce and manage a voluntary consumer complaints resolution process.

1.1 Introduction

- 1.1.1 The TAS Partnership Ltd was asked by Transport and Technical Services (TTS) of the States of Jersey to assist with a review of the regulation and provision of taxis and cabs. TAS produced a report on regulatory reform in March 2012 which then led to a very extensive and cross-sector consultation exercise allied to the publication of the report within an associated Green Paper.
- 1.1.2 Following this, the responses were analysed and further work was undertaken on a number of the detailed issues. This culminated in a White Paper containing recommendations for regulatory reform with associated consultation (including a video to give non-specialists an easier route to understanding the proposals) running into February 2014. The consultation confirmed significant general support for the approach recommended. However, as could be expected given the wide-ranging nature of the proposals, some detailed issues were raised in the responses received and further work has been undertaken since then to refine the recommendations to those that are now presented, and to consider the resource implications for the States of the phased timetable for the individual components.
- 1.1.3 Throughout our work on the regulatory reform of the taxi industry in Jersey, the primary focus has been to improve the level of service for the customers of the industry. To this end, the final result of the reforms should be that on a number of measures the industry has both objectively and subjectively (i.e. in the opinion of the industry's customers) significantly improved.
- 1.1.4 The role of the taxi regulator may seem simple, but worldwide experience demonstrates how challenging it is. A large part of the industry consists of self-employed individuals; however, consumers can benefit from both co-ordination and operational scale. The regulator has to create a framework that optimises the potential for individual initiative whilst establishing standards that meet twenty-first century expectations from a public transport service.
- 1.1.5 While the taxi industry in Jersey is not in crisis, there are clearly a number of areas where improvements, identified through consultation and comparison with elsewhere, are both desirable and in our opinion achievable. There is no reason why Jersey should not aspire to have one of the very best taxicab industries in the world that meets the aspirations of both the domestic and the tourist markets.
- 1.1.6 A secondary, albeit still important, consideration has been for the drivers and other taxi industry participants and their reasonable expectation to make a living. Experience shows that a disregard for the industry results in short to medium term disruption that does not serve customers well. More than that, in a relatively small interlinked community such as Jersey there is a clear

feeling that it is important to avoid inflicting unnecessarily sudden hardship. For both these reasons our recommendations are for a phased approach to reform.

- 1.1.7 Nevertheless, it bears repeating that the primary objective of reform, and the regulatory responsibility, is to achieve improvements for the customer. While a phased approach is desirable in order to mitigate the disruption associated with change, it is likely that the reforms will result in economic loss for some industry participants but the opportunity for gain by others. However, we believe that it is impossible to make significant improvements without this being the case.

1.2 Objectives

1.2.1 The overall objectives of our work were to:

- Evaluate the current situation and produce a report with initial recommendations (this was the “Taxi Regulatory Reform” report produced by TAS and circulated with the Green Paper in March 2012).
- Advise upon and assist with consultation with stakeholders, and consider the responses received as part of the consultation process.
- Make clear recommendations to form the basis for proposed legislation through the normal process starting with a White Paper (this was the Taxi Regulatory Reform – Recommendations” report produced by TAS and circulated with the White Paper in December 2013 – this reports in some detail on the consultation process).
- Consider the further responses received, particularly given the rapidly developing service innovations within the sector; provide technical contributions to some of the detailed issues raised (e.g. tariff design); comment on regulatory resource requirements; assess the nature of the legal changes required.
- Provide a final version of the recommendations (this report).

1.3 Report Structure

1.3.1 This report is structured as follows:

- Chapter 2 outlines the original recommendations which were used as the basis for consultation, then summarises the various consultation stages.
- Chapter 3 discusses a number of the key principles and technical issues involved, starting with a revisit of the issues around the two-tier / single tier issue.

- Chapter 4 considers these issues in the context of the Minister’s duties and powers under the Motor Traffic (Jersey) Law 1935
- Chapter 5 provides our conclusions and recommendations.

1.4 Note about Terminology

- 1.4.1 The legislation relating to the taxi sector in Jersey variously refers to cabs, taxi-cabs and cab services. We are aware that Controlled Taxi-cabs are commonly referred to as Taxis or Rank Taxis, and Restricted Taxi-Cabs as Cabs or Restricted Cabs. When directly referring to legislation we have used the term Cab. Otherwise, throughout this report ‘taxi’ refers to both Controlled and Restricted taxis.

2.1 Original Recommendations

- 2.1.1 The recommendations from the 2012 report were that the artificial barriers to access to the industry should be removed. In principle, Jersey should move towards a system where **quantity** control is replaced by **quality** control. Quality control aspects should include:
- A maximum fare tariff throughout the industry;
 - Improved accessibility and service for disabled people;
 - Compellability with a guarantee to taxi users and compensation for delay;
 - A requirement to accept electronic payment systems throughout;
 - A requirement for clearer performance indicators and monitoring;
 - A common livery;
 - Improved driver training;
 - Reduction in environmental impact.
- 2.1.2 Whilst there is a strong case for removing the distinction between Controlled and Restricted Taxis, particularly as smartphone booking and payment arrangements develop, we were conscious that the 'big bang' approach with all changes introduced at one go would be potentially disruptive and would lead to congestion and conflict. Consequently, it was recommended that a phased process should be developed for moving towards a unitary licensing model, in conjunction with industry representatives.
- 2.1.3 A formal set of criteria should be adopted for licensing companies that offer remote taxi booking. It was suggested that this could include:
- Compellable minimum coverage:
 - ◆ whole island coverage;
 - ◆ 24/7 availability;
 - ◆ availability of accessible vehicles on request;
 - Improved record keeping with the potential for the regulator to interrogate these;
 - Information provision to customers.
- 2.1.4 An improved two stage complaints and comments system should be introduced. The intention was that this should go in the first place to the industry itself to resolve, with appeals going to TTS. Thus there would be a specific requirement on the industry to establish a single responsible body,

with proper resolution structures and penalties, for handling these issues in a way that would be fair and reasonable and thus resistant to legal challenge.

- 2.1.5 A working group should be established with the industry with a specific 'task and finish' remit to consider two issues:
- How to accelerate the introduction of new communications, information provision and payment technology.
 - How to develop a role for taxis in providing taxibus or shared taxi services in rural areas outside peak times, integrated within the bus system and using common payment and concession systems.
- 2.1.6 The opportunity of the above changes should be accompanied by a general review of licensing processes to eliminate past ad hoc arrangements and provide for formal, challengeable criteria where possible. This was also to provide an opportunity for reconsideration of minor technical issues that were raised during the review such as 'soiling' charges, criteria for taximeter calibration and testing and so on.
- 2.1.7 A wider recommendation was that the States should develop an access strategy within its Sustainable Transport Policy which specifically considers the needs of disabled people. This would enable the vehicle accessibility and driver training requirements mentioned above to be part of a coherent approach towards barrier-free movement including all forms of public transport and the walking environment. Within this, the States would also need to consider how the use of taxis can be afforded by a group of people that includes many on low income.
- 2.1.8 Finally, there remained considerable potential in our view for the taxi industry in Jersey to grow in line with UK experience, despite recent declines in economic and tourism activity. This could contribute significantly to achieving the island's sustainable transport policy objectives. This would, however, require the industry to improve its collective organisation so that it could undertake common promotion where appropriate and the development of new initiatives such as taxi-sharing.

2.2 Green Paper Consultation

- 2.2.1 A significant consultation exercise took place with the public, businesses and taxi industry stakeholders in a variety of different ways: questionnaires, on-line surveys, a series of consultation meetings and the acceptance of longer written submissions including many from major stakeholders. The consultation was publicised in the press and on radio.
- 2.2.2 The public questionnaire received nearly 740 responses, revealing very strong support for:
- All taxis to be subject to a tariff

- No restrictions on picking up from premises or ranks (i.e. a single class of taxi)
- Quality standards
- Ensuring that a taxi can be obtained from anywhere in the Island at any time of the day or night.

2.2.3 Other proposals generated less strong responses; however, with one exception, all of the proposals were supported. For example, 95% of respondents thought it was important (i.e. either very important or quite important) that the States should ensure that there is a minimum number of taxis that can carry wheelchairs, and over 70% of respondents agreed that it was either very important or quite important that taxis should accept payment by credit and debit cards and a similar proportion that taxi drivers should be able to provide printed receipts.

2.2.4 The only proposal with which respondents disagreed related to making a booking charge for pre-booked taxis. 46% of respondents disagreed strongly and over 60% disagreed strongly or slightly with the proposal that pre-booked taxis should be able to charge a small booking fee.

2.2.5 The industry was significantly polarised in its response to the question about whether there should be a single class of taxi, with support from Restricted drivers and extremely strong disagreement from Controlled taxi drivers. The response from independent stakeholders was less clear about this issue, although there was more support for removing limits on the number of licences in issue.

2.2.6 The polarisation around rationalising the framework into a single class continued in the workshops, without, unfortunately, identifying any compromise solutions.

2.2.7 Following this consultation, taking into account the views received, a summary report and recommendations was produced. The conclusion was that, whilst the taxi system offers a reasonable service to the public:

- Customers do not know about and / or do not understand the difference between types of taxi including:
 - ◆ The different fares charged;
 - ◆ The different ways taxis can be hailed;
- At peak times there are occasions when there are not enough taxis to meet demand;
- There is some evidence of difficulty in booking a taxi from rural locations.

- There is little objective basis for identifying a particular number as being the appropriate number of licences to have in issue.
- Technology has begun to blur the distinction between the two types of taxi and will continue to do so in the future – the introduction of the Jersey Taxis App <http://www.jerseytaxi.je/> is a forerunner of things to come.
- Whilst not directly investigated during the initial study and consultation, there has subsequently been pervasive anecdotal evidence that there is a lack of vehicles accessible for disabled passengers and that this has caused difficulties for customers.

2.2.8 There was discussion about the advantages and disadvantages of 'red plates' for employed drivers, and of having companies which employed drivers and others that just provided a booking function. However, the policy that taxi plates should not be traded should continue.

2.2.9 It was felt to be reasonable for the States to pursue wider road safety and environmental objectives by making it a requirement to operate vehicles with good safety standards and with lower negative impacts on the Island's environment. The potential benefits for customers of card payment and printed receipts were rehearsed.

2.2.10 Consideration was given to approaches that could mitigate the locations and times where there is sometimes a shortfall in supply, with peak time queuing at the Weighbridge, and occasionally at the Airport and the Harbour, and problems getting taxis to come out to rural settlements. A combination of technology and taxi-sharing and set fares to certain zones was suggested.

2.2.11 The following recommendations were made:

1. The current two-tier taxi licensing system should be replaced with a single-tier system.
2. The number of taxi licences should be allowed to gradually rise over a period of several years.
3. Quality standards for taxis should be introduced. The type of standards which should be introduced include those relating to:
 - ◆ Environmental factors (vehicle emissions)
 - ◆ Vehicle safety (for drivers, passengers and pedestrians)
 - ◆ Availability when needed (time, place and type of service)
 - ◆ Accessibility for passengers with restricted mobility and passengers with other disabilities including restricted vision or hearing (examples include visibility strips on door handles and in-cab hearing aid loops)

- ◆ Vehicle condition (internal and external)
- ◆ Customer care and driver training

2.2.12 Changes should be phased in, so that the disruption to both taxi customers and the taxi industry associated with a 'big-bang' approach experienced elsewhere does not occur.

2.3 White Paper Consultation

2.3.1 A white paper report was drafted detailing the findings of the consultation and setting out the then Minister's intentions for policy change, as follows:

1. The current two-tier taxi licensing system should be replaced with a single-tier system with harmonised conditions and fares.
2. A mixed market of taxi supply consisting of companies with drivers and self-employed drivers is to be encouraged.
3. Owner-drivers must be the main drivers of their vehicles; however, owner-drivers should be allowed to share their taxi with other self-employed badge holder / driver(s).
4. Numbers of taxi licences should be allowed to rise over a period of several years, with a review after three years.
5. Enhanced quality standards for taxis and their operation should be introduced, including those relating to:
 - ◆ Environment (vehicle emissions)
 - ◆ Vehicle safety (for drivers, passengers and pedestrians)
 - ◆ Accessibility for passengers with restricted mobility
 - ◆ Accessibility for passengers with other disabilities including restricted vision or hearing
 - ◆ Availability when needed (time, place and type of service)
 - ◆ Vehicle condition (internal and external)
6. Additional requirements for taxi drivers should be introduced, covering fitness, customer care and related training, dress code and a commitment to ensuring safe and clean vehicles
7. Changes should be phased in to avoid the disruption (to both customers and the taxi industry) associated with a big-bang approach experienced elsewhere.

2.3.2 That report stimulated further response from the industry and third parties, as well as a requirement for a more detailed investigation of the costs and feasibility of some of the technical aspects. This has included consideration of:

- Tiering
- Tariff structures
- Vehicle standards and accessibility requirements
- Disciplinary systems
- Information capture
- Technical developments in booking systems.

3.1 Taxi Tiering

3.1.1 The current approach amounts to what has been described as a 'one and a half tier' model. It is clear from consultation that the current Controlled / Restricted separation with white, yellow and red plates creates:

- confusion for the public,
- complexity for the regulator,
- tension within the sector,

with few, if any, benefits.

3.1.2 In particular, it has not solved:

- cost / perceived cost of taxis
- unavailability of taxis at peak times at certain locations
- gaps in island-wide availability
- the need for improved accessibility
- the need for improved service quality, such as acting as Island 'ambassadors'
- the lack of opportunity for young drivers / innovative ideas / enterprise.

3.1.3 Whilst the approach that has been developed in the Green and White Papers has been for a move towards single tier, there has, as has been noted, been considerable opposition to this from within one half of the industry, with the suggestions that the reverse should take place i.e. a move to clearer separation and a proper two tier model. Here we consider these options again.

3.2 Single Tier

What would it look like?

3.2.1 Anticipated features:

- all licensed taxis may use all ranks and be pre-booked without limit;
 - ♦ [A variation would be that only wheelchair accessible vehicles (or meeting some other higher standard e.g. environmental) could use ranks];
- standard livery (colour / bonnet & boot wrap + door badges) to make taxis conspicuous;
- single tariff controlled by the States (allowing for a booking fee);

- any hire arrangement other than immediate rank or hail would need to go through a booking system of some kind, with accessible records.

Advantages

3.2.2 Include:

- Simple for public to understand – particularly visitors, and this remains an important part of the Jersey economy
- No danger of being ‘overcharged’
- Simpler marketing (although agreement would need to be reached as to who does this on a collective basis)
- Simpler to regulate – States can provide an overarching safety, quality and consumer protection framework and allow the market to segment itself, make alliances, offer new products, etc.
- (Potentially) Reducing taxi driver disputes which today are almost entirely between drivers of the two different tiers
- Improve availability at the rank at those peak times that are currently a problem as the full fleet will be able to use the rank

Disadvantages

3.2.3 Include:

- Initial disruption as the sector adjusts – likely over-provision of taxis at ranks (most probably the Weighbridge and the Airport), with resulting traffic management problems. This could potentially be significant as the current Controlled – Restricted taxi hierarchy has led to significant pent-up desire amongst Restricted drivers to get access to the ranks. However, there is limited rank space available. St Helier ranks are provided and maintained by the States. Whilst this is primarily undertaken to facilitate the travelling public i.e. to allocate a dedicated part of the public road space for taxi users, ranks also provide temporary free on-road parking to Controlled taxis whilst they wait for work. There is no such provision for Restricted taxis, even though in practice a lot of ‘pre-booked’ work takes place in St. Helier and is immediate.

Other Issues

- 3.2.4 A move to single tier would undermine the current Controlled Taxi personal business model which is based on access to rank work restricted to a limited group of individuals who thereby can obtain enough work to make a living without having to undertake significant amount of pre-booked activity or to be linked to a company. Whilst this also means that their overheads are lower (no booking office / depot rent) which, in principle should relate to lower fares, experience elsewhere suggests that this is offset by greater inactivity waiting for hires i.e. there is consumer benefit in there being a taxi available at a rank,

so worth paying a surplus on the fare to compensate for the added waiting that drivers do.

3.2.5 Undermining this model would force existing Controlled drivers to change their behaviour to either:

- market themselves for advanced booking
- establish collectively a conventional booking office and circuit
- join an existing booking office system / company
- sign up to an App

OR

- move to a part-time model, just serving the ranks at peak

OR

- leave the industry.

This latter result would potentially have the benefit of bringing down the average age of taxi drivers / creating opportunities for new entrants.

3.2.6 In principle, the Controlled model does allow individuals to enter the taxi trade with limited capital (just a car). However, the cab rank principle (i.e. a lengthy waiting list for licences with no means of jumping the queue) means that there is actually very limited competition within the sector and there has been relatively limited investment or innovation in the face of reduced demand from the tourism and financial business sectors. Elimination of rank exclusivity will mean that there is greater requirement to invest in access to booking systems.

3.3 Two Tier

3.3.1 One of the problems with the current arrangement in Jersey is that hardly anyone understands the difference between the two types of taxi. They do not mirror the conventional separation (UK / continental Europe) between taxis and private hire, whereby only taxis can use ranks and be hailed on the street.

3.3.2 There is in principle, therefore, an option of moving to a fully segregated two tier system of taxis and private hire vehicles.

What would it look like?

3.3.3 Anticipated features:

- only licensed taxis may use ranks and be hailed in the street;
- taxis can also take advance bookings without restriction – if they want to, drivers can make arrangements for this individually or through a booking service;

- taxis would be compellable i.e. they must show if they are available for work and if so, they must accept a rank or hail journey request;
- taxis would require a standard livery (colour / bonnet & boot wrap + door badges);
- only taxis can have the word taxi on the vehicle and have an (illuminated) roof sign;
- taxis would use calibrated meters and charge a tariff controlled by the States (wouldn't include a booking fee);
- (potentially) all taxis would be wheelchair accessible;
- there might or might not be quantity control i.e. limits on the number of taxi licences issued based on 'unmet demand' or some form of public interest test – albeit there is no adequately robust methodology for this assessment;
- however, access to these licences would be direct i.e. no requirement to work first as a private hire driver;
- as now, licences would not be transferrable and therefore would not have a tradeable value;
- taxi licences would be to individuals – there would be no licensing of taxi operators;
- private hire vehicles can only work on a pre-booked basis, despatched by a licensed PH operator required to maintain a record of all bookings; this would rule out any arrangement between the passenger and a driver on a 'here and now' basis.
- there would be no tariff control on private hire services – as these would be pre-booked the customer has the option of shopping around - however, there would be a requirement to publicise the basis for charging in advance;
- private hire work would need to be defined so that it excludes miscellaneous services that involve provision of transport for a charge but which are clearly not part of a business of providing transport e.g. childminders who use their own cars to pick children up;
- there would be no quantity control of private hire driver or operator licences – but there would still be quality thresholds;
- both taxi and private hire drivers would be required to undertake disability awareness and related training;
- taxi drivers would require to pass some form of local knowledge test – this could include tourism information to facilitate their ambassadorial function;
- private hire vehicles would be required not to look like taxis.

Advantages

3.3.4 Include:

- Allows market to work effectively in private hire – creating cost and quality options from cheap and basic (but still safe) through to luxury, executive service. This includes a range of different vehicle shapes and sizes. Also allows the private hire market to provide bespoke options such as extra child seats.
- Compared to the current arrangement, it frees up individual entry into at least part of the sector.
- Allows higher standards (accessibility, environmental performance, etc.) to be required for taxis without the costs transferring to the whole of the sector [but is this just avoiding making more difficult decisions about how to spread the requirements across both sectors?].

Disadvantages

3.3.5 Include:

- Much more complex to regulate, with more categories to consider – regulatory time spent on policing the boundary between the two systems rather than on unlicensed operation.
- Public will still be confused about the difference between a taxi and private hire vehicle, especially outside St. Helier where there are no ranks and the vast bulk of work will be pre-booked.
- Pre-booking technology through smartphones using location-based technology is getting more reliable, faster and simpler and means that the difference between an immediate hire (taxi) and a pre-booked hire (private hire) is simply a finger click away. This will mean that policing the thorny issue of immediate hire in St Helier will not be easy.

Other Issues

- 3.3.6 App-based technology can be expected to improve competition as regards pre-booked journeys by making comparisons easier between different operator offers.

3.4 Comparative Performance

- 3.4.1 The Ministerial duty is set out in Article 38 of the Motor Transport (Jersey) Law 1935:

It is the duty of the Minister to prescribe by Order such matters as it is necessary or convenient to prescribe to ensure that, insofar as it is practicable to do so, there is an adequate, efficient and reasonably priced cab service available throughout Jersey at all times.

Table 1: How the two models perform against the ministerial duties

| Issue | Single Tier | Two Tier |
|---------------------------------|---|---|
| Adequate (i.e. no unmet demand) | Will meet this, subject to licence numbers being increased appropriately. Assume that the market will differentiate / specialise into appropriate service segments. | More complex to meet 'adequacy' because two separate restricted markets created. Would require additional licences for both tiers. |
| Efficient | Assuming no onerous conditions, contains enough flexibility to respond to suppressed demand. Assumption is that is not the Minister's duty to directly control logistical efficiency, simply to create the conditions for the market to work. Note that what is 'efficient' for consumers (a surplus of taxis) is not necessarily efficient for providers and vice versa. In principle, eliminating tiering barriers means that the nearest vehicle can respond to a call for work. | Assuming no onerous conditions, contains enough flexibility to respond to suppressed demand. Assumption is that is not the Minister's duty to directly control logistical efficiency, simply to create the conditions for the market to work. Note that what is 'efficient' for consumers (a surplus of taxis) is not necessarily efficient for providers and vice versa. Tiering does reduce logistical efficiency e.g. private hire dropping off at the airport cannot join the airport taxi queue. |
| Reasonably priced | Maximum tariff set by Minister with a booking fee element. Potential for fixed fare component from Airport and night time zonal premium to stimulate rural provision. | Pure two tier model assumes no tariff control on pre-booked journeys – as consumers can shop around. Current experience is that the Jersey market may not be large enough for this to function effectively. |
| Available throughout Jersey | This is not an issue that tiering is likely to influence. Most work starting outside St. Helier is advance-booked. | This is not an issue that tiering is likely to influence. Most work starting outside St. Helier is advance-booked. |
| At all times | Assumption is that eliminating the tiers will result in greater rank provision at those times when there is currently a gap between demand and supply, without necessarily issuing extra licences. | This will not stimulate better coverage at peak times unless more taxi licences are issued. |

3.4.2 In addition to the duties set out explicitly in the legislation, there are some implicit requirements, as well as a need to respond to issues repeatedly raised by stakeholders during consultation.

Table 2: How the two models perform against inherent issues and current problems

| Issue | Single Tier | Two Tier |
|-------------------------------------|--|--|
| Safety | <p>A single tier would involve no diminution of vehicle or driver standards. Better availability will reduce the pressure towards unlicensed operation, although this is also driven by price. (Issuing more licences would be expected to stimulate some price competition.) Moving from two tiers will reduce conflict between the two sectors, although this hasn't been (as far as we are aware) a safety issue. The initial disruption may see traffic management problems which will need managing, but no long term traffic risk.</p> | <p>There would be no diminution of vehicle or driver standards associated with a two tier model. Two tiers would enable the States to require an even higher standard for taxis than for private hire if that were felt appropriate. There isn't an obvious safety case for this, however.</p> |
| Consumer protection | <p>100% of the industry would be subject to price control. Additional requirements in respect of record-keeping would apply to all pre-booked work. New complaints handling arrangements would be required regardless of tiering.</p> | <p>Only taxis would be subject to price control in pure two tier model. Additional requirements in respect of record-keeping would apply to all pre-booked work. New complaints handling arrangements would be required regardless of tiering.</p> |
| Environment | <p>The States can set whatever environmental standard they require and will apply to whole fleet. Potentially more difficult to set a higher standard that would outlaw unusual or vintage vehicles that might only be wanted for occasional hire, although these could potentially better be handled by retaining the 'Limousine' licence category.</p> | <p>Potentially politically easier for States to require a consistently higher environmental standard just for taxis (e.g. taxis = Euro 6; private hire = Euro 5), without this adding costs across the whole sector. However, there isn't an environmental argument for discriminating between the two sectors in this way (e.g. specific air quality problem at the ranks).</p> |
| The need for improved accessibility | <p>This is a difficult area for single tiering. States can set whatever accessibility standards that are considered appropriate and these will apply to the whole fleet. However, moving to 100% wheelchair accessibility would not be an optimum approach for a number of reasons. A mixed fleet is needed, but with a reasonable proportion of wheelchair accessible vehicles within it. Some other system will be required to assure accessibility.</p> | <p>A two tier model has enabled other authorities to require the taxi sector to be 100% wheelchair accessible, whilst leaving the private hire sector a free choice of vehicles. Whilst this still does not necessarily get the balance of availability right, it can be used to increase the number of accessible vehicles available.</p> |

| Issue | Single Tier | Two Tier |
|---|---|---|
| The need for improved service quality, such as acting as Island 'ambassadors' | In principle, the States can specify the standards, training initiatives, etc. for 100% of the fleet, which should mean a consistent approach covering both ranks and pre-booked work. However, covering the entire sector implies significant intervention with associated costs. | A two tier approach in principle allows for a 'gold standard' high quality taxi operation. The extra costs are potentially compensated for by access to the ranks. As taxis can also be advance booked, anyone who wants such a standard can pre-book it. The private hire sector can offer a different quality service at a different price. The ranks at the Airport, the Port and St. Helier are the key interface points with tourists. |
| Age profile of drivers / lack of innovation / enterprise | Moving from the current position to a single tier will be disruptive and should therefore stimulate a level of churn because some existing drivers will choose this moment to leave rather than adjust to new conditions. This is regardless of whether additional licences are issued. The new approach will put pressure on those solely reliant on the rank to adopt new means of obtaining work, so should boost the potential for 'apps' and other marketing techniques. | Moving to a two tier will not stimulate churn within the taxi sector unless additional licences are issued. However, removing quantity control on the private hire tier will increase competition, but it is more difficult to predict how this will play out amongst operators. |

3.5 Recommended Approach

- 3.5.1 The current 'one and a half tier' framework has come about as a result of a series of pragmatic compromises occasioned by the inability of the rank sector to respond adequately to market demand. Thus the effective on-street capacity in St. Helier and at the airport was increased by allowing restricted taxis to be hailed and, in the latter case, to serve the rank when no controlled taxi is available.
- 3.5.2 Despite the downturn in tourism, the pressure for performance improvements is still strong, and additional effective capacity is required at peak times. On top of this, there is a strong perception that the supply market has not responded competitively or with innovation in recent years to develop new markets for taxi services.
- 3.5.3 St. Helier is not a major urban area that can support a differentiated rank and hail taxi market on its own i.e. generating significant enough work within St. Helier itself to justify a distinctly regulated provision.
- 3.5.4 In summary, the arguments in favour of moving to a single tier model significantly outweigh those for moving to a two tier model, as well as any suggestion that the status quo is acceptable. There are some downsides, not

least the disruption to the current controlled taxi drivers' business model. However, the focus of the regulator needs to be on the interests of the public, and there is no clear linkage to suggest that the current business model, which contains significant market protection, necessarily provides the best service for the public.

3.6 Moving to a single tier

3.6.1 There are two obvious options to take:

- Implementing the changes simultaneously
- Adopt an incremental or phased approach.

3.6.2 However, within the simple concept of a move to single tier, there are a number of facets that need to be considered, including:

- Access to the ranks
- Removing any restrictions on pre-booking
- Harmonising the eligibility criteria for drivers to be licensed
- Vehicle identification / livery
- On-board equipment
- Position of company licences (red plates)
- Minimum mileage requirements
- Position of operators
- Requirement for record-keeping for pre-booking
- Issuing any additional licences.

3.6.3 The idea of phasing is, in principle, least disruptive. However, modelling a gradualist change combined with extra licence issue suggests that this would take a long time to work through. For example, if a 10% overall increase in licences were targeted, this could be achieved by issuing 31 additional Restricted Licences, but also allowing, say, 20 new Controlled Licences (which would in effect transfer from the waiting list of Restricted Licence holders). The impact would be as follows:

Table 3: Modelling a gradual move towards single tier

| Type of Licence | 2014 | % Split | 2015 | % Split | Change in Nos. | % Change |
|-------------------------|------|---------|------|---------|----------------|----------|
| Controlled | 146 | 47% | 166 | 48% | 20 | 14% |
| Restricted (Individual) | 115 | | | | | |
| Restricted (Company) | 50 | | | | | |
| Mobility Taxi-Cab | 1 | | | | | |
| Restricted Total | 166 | 53% | 177 | 52% | 11 | 7% |
| TOTAL | 312 | 100% | 343 | 100% | 31 | 10% |

3.6.4 It will be seen that although the numbers have gone up, the ratio between the two branches of the industry has scarcely changed. Whilst the numbers alter slightly under different scenarios, the fact is that a phased shift in the ratio between Controlled and Restricted would be complex and unwieldy, and would lose focus in the second and subsequent years.

3.6.5 This strongly suggests moving at an early stage to a single tier model. This could occur simultaneously with an increase in overall licence numbers, although this is not a necessary connection.

3.6.6 The recommendation, therefore, is that the Minister should announce a date not more than, say, 24 months away at which the distinction between the two tiers will be abolished. On that date:

- All taxis will be able to use all ranks;
- All taxis can be hailed in the street;
- All taxis will be able to undertake pre-booked work, provided that the bookings are recorded in a secure form that would enable the States to investigate any consumer complaints;
- Licensing will apply to:
 - ◆ Drivers
 - ◆ Vehicles
 - ◆ Operators
- Quantity control will only apply to drivers:
 - ◆ The quantity limit will be reviewed within 24 months of the introduction of single tiering;
- There will be no minimum mileage requirement.

- 3.6.7 A periodic programme of monitoring of queues / booking performance (developed from the previous rank survey and mystery shopper work) should be introduced in advance of the change so as to be able to identify and report on trends. The evidence from this programme will be one of the components taken into account during reviews of quantity limits.

3.7 Tariff

- 3.7.1 A universal tariff can be introduced before the due date for single tier consolidation (T-day). TAS has provided the States with an objective tariff model that provides the basis for regular updating and which, when agreed, can be published – thus meeting one of the suggestions made by the Competition Regulatory Authority. The tariff would be a maximum and will contain the usual enhancements to the rates to make late night working more attractive. The critical issue to consider is whether there should be a defined booking fee or not – with advance booking the customer is, in principle, free to shop around and therefore one might allow for market competition to function. This would provide freedom for the operators to adjust their prices to compensate for out of the way rural journeys, for example, whilst possibly forgoing the booking fee for pick-ups in St. Helier.
- 3.7.2 A decision will need to be made on whether the operator needs to determine and publicise the (basis for the) booking fee(s) (these could differentiate between times and travel zones) in advance – for example on their websites or in printed publicity. Without that transparency, it may in practice be difficult for consumers to compare prices. On the other hand, freedom to set prices in response to immediate demand could allow for surge pricing to develop (as seen in the Uber model, whereby at peak times, users pay a premium). One of the effects of surge pricing is to stimulate the provision of additional capacity at peak times, which is clearly desirable. On the other hand it is not popular with passengers used to a fixed rate. In either case, the operator would be obliged to state the booking fee at the time of booking.
- 3.7.3 Consideration has also been given to other options:
- a) Fixed key route fares – particularly for the route between the airport and greater St. Helier;
 - b) Formal arrangements for taxi-sharing on fixed key routes which establish how the tariff should be divided up whilst containing a premium for the driver to stimulate sharing;
 - c) A requirement that any booking fee is waived where there is more than an agreed level of delay in respect of the predicted pick-up time;
 - d) A 'Know your fare' awareness campaign, including publicity in respect of key route fares and taxi-sharing.

e) Zonal fares to provide some predictability for journeys outwards from St. Helier, together with linked taxi-sharing arrangements. However, the need for this would depend upon market performance and responsiveness following the introduction of single tiering and other reforms.

3.7.4 It is felt that a), b) and e) above go beyond the immediate requirements of the regulator in response to the issues that led to the taxi reform programme. The market needs to be allowed to develop revised business strategies following any changes. There is potential for c) to be considered, but again this should be left initially to the market. In addition, policing it would depend upon adequate and accurate records being rapidly accessible at minimum cost and this is not currently the case. As regards item d) above, we assume that there will be appropriate publicity when tariff changes are introduced.

3.8 Vehicles

3.8.1 It is suggested that a small technical group be established to consult with the industry over the detail and timing of the following changes:

Short term – to be introduced within 12 months

- Improved child safety arrangements – primarily ensuring that:
 - ◆ New vehicles are fitted with 'all age' seat belts
 - ◆ Older vehicles are equipped with seat belt adjusters to make them safer for younger passengers to use
 - ◆ At least one booster seat is available

Medium term – within 24 months

- A common taxi identification
 - ◆ replacement of the roof yellow and white roof signs with a common colour (and confirmation of the rules about lighting / use of the vehicle)
 - ◆ a bonnet vinyl wrap in a preferred colour
- Minimum standards for vehicles that are wheelchair accessible

Longer term

- Establishing enhanced minimum safety and environmental standards for vehicles to be used as taxis:
 - ◆ NCAP performance requirements
 - ◆ Emissions limits

This will include determining:

- the phasing for introduction of new standards
- how these will impact on the existing fleet
- how they will be reviewed in the future.

3.8.2 The technical group should consider, as a matter of priority, how to introduce a greater number of wheelchair accessible vehicles into the fleet whilst ensuring the maintenance of a mix of vehicles, including saloon cars and MPVs, with features (such as wider opening doors, greater roof height and low sills) that make travel more convenient for people with a mix of impaired functions, including walking and bending difficulties. The proportion of wheelchair accessible vehicles in the overall fleet needs to be much greater than is currently the case if people accessing the ranks or seeking advance booking are not to be discriminated against through delay. It is suggested that all new and replacement licences should require wheelchair accessibility until an appropriate target is reached.

3.9 Driver Requirements

Short term – to be introduced within 12 months

- 3.9.1 The States should review and refresh their approach to DBS checks for drivers and within 12 months should introduce a system for periodic (potentially 3 yearly) rechecks and/or continuous monitoring as this comes available
- 3.9.2 The States should enhance the medical requirements by making clear on the form and in instructions to those undertaking the independent checks that applicants intending to work from ranks need to be physically fit enough to assist passengers, including potentially wheelchair users, to enter and exit the vehicles and all drivers must be fit enough to load and unload luggage, which may include heavy suitcases and similar being lifted over boot sills. Existing drivers will be expected to be physically capable of complying with the same conditions and all drivers would be periodically retested.
- 3.9.3 There should be a requirement for specific training for any driver driving a wheelchair accessible vehicle, covering safe boarding and alighting, use of wheelchair and occupant restraint systems and assistance up and down kerbs and ramps. The States will need to determine the syllabus for the training and how it can be delivered. Good practice suggests that the training should involve delivery by disabled people. The bus operator has direct experience of delivering similar training for minibus drivers. Whilst this may in future be linked to the training below, it is a safety requirement and should be introduced as soon as possible.

- 3.9.4 A technical group should be established to develop a broader training package for taxi drivers and despatch staff, and to consult with the industry and other stakeholders such as Jersey Tourism. This training should be subject to pass-fail assessment and should be a precursor to entry into the industry. Arrangements will need to be made, and a timetable agreed, in respect of existing drivers. The training and testing should include:
- Customer care
 - Disability awareness and support
 - Equalities awareness / anti-discrimination
 - Use of English
 - Jersey Ambassador role.
- 3.9.5 Where possible, modules should be used from existing accredited training, which then will mean that the updating / refresher process will be simplified, as well as providing drivers with a potentially transferrable qualification. The working group should also determine a programme for refresher training. As with the wheelchair safety training, delivery of the disability components of this training should involve disabled people.
- 3.9.6 The objectives for the technical group should be to:
- Agree the training package
 - Determine how it should be commissioned and paid for, and the practical delivery arrangements
 - Identify testing arrangements and the associated processes, including issuing qualifications
 - Introduce it for new applicants within 12 months
 - Commence a programme of retrospective training for existing drivers with a timetable for completing this within an agreed timetable.
- 3.9.7 The States should develop and publish a Code of Conduct and a separate disciplinary policy in respect of drivers. This will include establishing a complaints process for the public and other stakeholders to use where a breach of the Code of Conduct or related requirement (e.g. driving rules) is suspected. There will be a requirement for contact information for this process to be publicised in the vehicles, on receipts (along with the Driver ID), on websites and other publicity. Consideration in the policy should be given to the use of penalty points and mandatory retraining.
- 3.9.8 Although it may not always be clear, the States should make a distinction between disciplinary complaints and consumer complaints which need to be

directed to the operator involved (owner-drivers where appropriate) in the first instance. The industry should be encouraged to establish and publicise its own sector-wide consumer complaints handling mechanism, containing an independent component¹. Only if the industry fails to do this, should the States develop and impose an independent complaints handling process. It will be made a requirement of licensing that drivers sign up to the complaints process.

3.9.9 As regards a disciplinary policy, it is suggested that a points-based system should be introduced to provide greater objectivity to the disciplinary process, as well as a clear understanding of sanctions. This will reduce the current discretionary and somewhat ad hoc approach, which is unsatisfactory for the drivers involved as well as for DVS staff. Examples of issues which have previously arisen and which will need to be covered by a points system include:

- Speeding;
- Smoking;
- Dress code;
- Failure to take a fare;
- Charging the wrong amount;
- Not renewing badge on time;
- Poor driver discipline (e.g. arguments in front of others);
- Taxi cleanliness.

3.10 Companies

3.10.1 A new approach to 'operator' licensing should be developed which focuses on regulating the 'despatch' function. The States should cease to consider company business plans (it was pointed out in our initial report that there is no objective basis for assessing these plans) and should not be concerned about employment relationships.

3.10.2 It is suggested that a driver may only accept pre-booked work on their own account² or through a licensed despatch company.

¹ This could for example involve the Jersey Consumer Council as the final arbiter – this would be preferable to DVS having a role in this.

² Consideration will need to be given whether two drivers working together (e.g. vehicle sharing) would require to license as a despatch company.

- 3.10.3 A licensed despatch company may only deploy licensed drivers and vehicles. Whether it owns the vehicles or employs the drivers is not, per se, an issue for the regulator.
- 3.10.4 A licensed despatch company must:
- Meet 'good repute' standards – primarily that those in charge do not have any relevant convictions, including dishonesty, breaches of financial regulations and breaches of public service vehicle operation;
 - Have a legal presence in Jersey;
 - Maintain auditable records of all requests for bookings and arrangements made to deliver these, including detail covering drivers, vehicles, times and agreed fares;
 - Hold suitable insurance cover;
 - Agree to ensure that drivers and vehicles that they despatch meet all necessary standards and are informed of any changes to these;
 - Participate in and publicise complaints handling and disciplinary processes;
 - Comply with data handling and processing standards, including data security in respect of personal data as appropriate;
 - Only employ despatch staff (anyone who has access to personal data and booking records) with an equivalent DBS clearance to drivers;
 - Ensure that any customer-facing staff have gone through the same (or equivalent) customer care / disability awareness, etc. training as licensed drivers.
- 3.10.5 The standards for 'auditability' will need to be determined including:
- identifying who may request the records³ and the circumstances under which they may do so;
 - the data content that can be requested;
 - the response times for providing the data;
 - the format in which the data must be provided;
 - penalties for failure to comply.
- 3.10.6 It should be possible for an 'App' to be licensed as a despatch company provided that the arrangements and those behind it meet the above standards. This would then mean that individual drivers have the choice of:

³ This needs to consider the Police and security agencies

- Working the ranks and accepting direct requests via phone, SMS, email or web;
- Subscribing to and using an App;
- Associating with a licensed despatch company. This could, for example, include a trade association such as JTDA.

3.11 Equipment

2.3 DVS will need to develop specification standards and calibration / checking arrangements for the equipment to be used on the vehicles. This will include:

- Taximeters;
- Receipt printers;
- Electronic payment systems;
- Communications.

3.11.2 In the short-term, arrangements need to ensure that taximeter calibration is only undertaken by fitters who meet standards to be defined by DVS, including:

- Named fitters who have undergone DBS checks;
- The individuals concerned and the company employing them should not have any financial or immediate family links to licensed taxi drivers or despatch companies;
- The workshops involved must be suitably equipped with systems that are themselves subject to periodic checking / calibration.

3.11.3 The establishment of a maximum tariff that applies across the industry will require all vehicles involved to be fitted with taximeters that meet the specification and that have been calibrated and adjusted to contain the new tariff. This will require a programme to ensure that all vehicles are suitably equipped by the introduction date.

3.11.4 It has been suggested that this may be a suitable opportunity to uprate the current taximeter specification and that it might be easier for this to be organised centrally by the States i.e. the cost of a taxi vehicle licence would include the provision of an approved taximeter and annual calibration. This would allow for central purchase of a single product with consistent standards throughout. However, because of the interaction between the taximeter and despatch systems and record-keeping, DVS will need to be cautious about identifying and making available a single model in contrast to setting down

minimum functional standards. Further discussion is needed with the industry on this issue.

- 3.11.5 It should be a requirement that every taxi should be equipped to produce printed receipts using information about the journey directly from the taximeter. However, the timing for introduction of this requirement needs to reflect:
- The current types of taximeter in use;
 - The technical potential for these meters to be retrofitted with receipt printers;
 - The timetable for introducing a new taximeter standard (as above).
- 3.11.6 It will be mandatory for drivers to produce such a receipt on request (Code of Conduct) and for the equipment to be maintained in working order including adequate printing supplies (this will be covered as a requirement in the vehicle licence).
- 3.11.7 Consideration should be given to disapplying the above requirements in circumstances where a booking and payment are both made through an App or equivalent, where an electronic receipt is made available.
- 3.11.8 It should be a requirement that every taxi should be equipped to accept electronic payments. The timetable for this will require consideration being given to the technical aspects as experienced in Jersey, including mobile data coverage across the Island and the potential for contactless payment. Therefore it may not be possible to introduce this straight away.
- 3.11.9 Consideration of communications arrangements on vehicles should be primarily concerned with ensuring that drivers can fully comply with the safety implications involved with communication whilst driving.
- 3.11.10 A consideration for DVS and the proposed technical group will be to ensure that nothing that it does will act as a barrier to the further integration of despatch, vehicle management, communications and data transfer arrangements, and the introduction and adoption in Jersey of the latest technology and the associated systems.

4.1 Introduction

4.1.1 It is worth restating the Minister's duties in respect of taxi regulation in Jersey. The regulatory framework is set out in the Motor Transport (Jersey) Law 1935. This starts by defining taxis (cabs) as Public Service Vehicles, making a distinction between them and hire vehicles let on a self-drive basis, and putting them in a class of vehicle consisting of omnibus, char-à-banc and cab. The conceptual point here is that this is the public passenger transport group i.e. taxis are a subset of public transport. This is underlined and confirmed by the emphasis in s38 which places a positive duty on the Minister to ensure an appropriate Jersey taxi service, in contrast to simply providing the Minister with powers to manage a licensing function. It may be the case that some commentators perceive that the Minister is only concerned with open and fair licensing of a business function that is fundamentally an open market concern, as contrasted to his legal duty to secure an adequate service.

4.1.2 Article 38 gets to the nub of the matter. It states :

(1) It is the duty of the Minister to prescribe by Order such matters as it is necessary or convenient to prescribe to ensure that, insofar as it is practicable to do so, there is an adequate, efficient and reasonably priced cab service available throughout Jersey at all times.

4.1.3 This is then followed (2) by a category list of issues that the Minister may, in particular, prescribe, including:

- Fares
- Vehicle types
- Vehicle designs
- Driver dress code
- Provision and use of communication equipment and meters in cabs
- Signs and advertisements in or on cabs
- Where and how cabs may or may not wait or ply for hire
- The cabs (i.e. a subset of all cabs) that may or may not use particular ranks, and any conditions attached to that use.

The use of the phrase '*in particular*' means that this is not an exclusive list.

4.1.4 A further power is set out in Article 9(6):

The Minister may, in respect of a class of public service vehicles, determine that public service vehicle licences shall not be granted in excess of such number the Minister considers desirable.

- 4.1.5 We take it that the Minister must exercise this power reasonably and, in particular, by reference to their Article 38(1) duty.
- 4.1.6 Unpicking this duty, we have the following: The cab service must be, as far as it is practicable to do so:
- a) adequate
 - b) efficient
 - c) reasonably priced
 - d) available throughout Jersey
 - e) available at all times.

In addition, we think that it goes without saying that the cab service must be:

- f) safe.
- 4.1.7 Beyond this are four other aspects that impact on decision-making and which we believe it is reasonable for the Minister to consider when regulating:
- g) consumer protection – to ensure that consumers are not misled or confused about the service and its costs;
 - h) accessibility for disabled people – given the use made of taxis by those with mobility difficulties that prevent them from making effective use of bus services;
 - i) environmental impact – primarily concerned with minimising the negative impact associated with emissions (especially air quality hotspots in St. Helier) and congestion;
 - j) compliance with Jersey minimum wage legislation – given that the Minister has the power to set the taxi tariff, it would seem to follow that this needs to be set at a rate that enables both employees and self-employed people to earn the current minimum wage.

4.1.8 We now examine these ten issues in turn.

4.2 Adequate

4.2.1 An 'adequate' service might be described as one where there was no unmet demand for taxis. Unmet demand occurs when either there are excessive

queues at ranks or unavailability or delay in respect of pre-booked services. It is clear from the consumer research that TTS undertook that whilst rank queuing of any significance only occurs in St Helier early on Saturday and Sunday mornings, there is a problem of unavailability and delay in respect of less attractive pre-booked journeys, especially at peak times and in rural areas and for short journeys. This does suggest that there is a shortage of supply, particularly at peak periods. The Minister controls the quantity of licences in issue, and therefore the obvious response should be to issue more licences. There is, of course, opposition to this from some, but by no means all, of the incumbents. However, it is significant that none of those proposing continued quantity control can identify how to identify the 'correct' number of licences in issue. The UK experience is that 'unmet demand' surveys say very little about suppressed demand. Consequently, the presumption should be in favour of issuing more licences until any actual negative impacts are discerned. Even then there is an assessment to be made whether the market benefits are greater than the negative impacts and whether there are any other mitigating factors.

- 4.2.2 'Adequate' could also relate to aspects of the service, such as the type of vehicles available, service information and the assistance provided by drivers. As regards vehicles, there is certainly an expectation that vehicles will be capable of carrying amounts of luggage that travellers such as holiday-goers would have with them. Whether there is a requirement for a broad range of vehicle types is a point for discussion and also relates to the need for access for disabled users (see below). Information adequacy needs to be appropriate for both residents and visitors.

4.3 Efficient

- 4.3.1 Over-supply of taxis appears obviously 'inefficient' for the supply-side in the sense that it involves resources either sat around waiting for work or cruising the streets looking for work. However, there are two counters to this. Firstly, this analysis suggests a static view of the market i.e. that there is a set amount of demand against which one could optimise supply. However, whilst we have not seen usage trends in Jersey, it is clear from other jurisdictions, not least the UK, that demand can change significantly over time in response to a range of external factors. Where these factors promote growth in demand for a cab service, then clearly there needs to be continuing spare or flexible capacity to accommodate this. A second, but related, point is that the static analysis ignores the potential of the market to make use of 'spare' resources by attracting additional demand through the provision of financial incentives for consumers, differentiated services and so on.
- 4.3.2 Furthermore, over-supply is not, at least in the short-term, inefficient from a demand-side perspective. For reasons set out above it is difficult for the state to identify a particular number of licences that would optimise 'efficiency' for

both supply and demand, without being in danger of unnecessarily restricting the provision.

- 4.3.3 Having identified the principle involved, the fact is that there is limited availability of 'rank' capacity as well as off-street parking for waiting taxis, especially in St. Helier. As significant and peak demand occurs in St. Helier, an aspect of efficiency is to ensure that supply is geographically matched. Other things being equal, issuing more licences will lead to an increased number of vehicles seeking work in the area where most demand originates, and this is likely to have some traffic impacts unless rank space is increased to match and/or there is increased off-road parking. Ranks are not a 'free good' – they have an option value for the States and this needs to be taken into account. There are practical limits to the States' ability to expand rank capacity on St. Helier.

4.4 Reasonably Priced

- 4.4.1 A theoretically ideal position would be to provide market freedom to establish market rates and a supply-demand equilibrium balance. The model currently developed by the taxi market giant Úber in other jurisdictions uses dynamic or 'surge' pricing, so that the fare paid by taxi users is higher at times of peak demand (conversely, it is lower at times of low demand). However, Úber is dependent upon sophisticated consumers who have access to smart phone and tablet booking apps; it is not designed around rank work. It is generally acknowledged that consumers do not in practice have the ability or time to shop around for a cab, even where they book in advance, and therefore require taxi costs to be predictably established with protection from exploitation. This explains why the Minister needs to set a tariff.
- 4.4.2 At present, this only applies to rank (Controlled) taxis – in theory, consumers can compare prices amongst advance hire (Restricted) taxis and therefore no such tariff should be required for them. For this reason, it was originally anticipated that uncontrolled 'Restricted' fares would actually end up being lower than 'Controlled' fares. In practice, however, this has proved not to be the case. Moreover, it is possible to make an immediate hire of a Restricted taxi by hailing it on street and picking it up from certain ranks when no Controlled taxis are available. The consumer research identified an almost complete absence of understanding of the distinctions between Controlled and Restricted taxis as well as specific concerns about fares. It would seem reasonable, therefore for the Minister to extend his power to set a maximum tariff to cover both Controlled and Restricted taxis (but to exclude Limousines, which really are exclusively booked some time in advance by consumers with a genuine opportunity to assess the cost/value available between competing suppliers). This tariff should be a maximum and formally stated as such, with drivers and operators free to offer a discount either generally or to particular groups of people where there is a market advantage in so doing.

- 4.4.3 There remains the practical issue of establishing the basis for a tariff. A pragmatic model has been proposed to the States using a segmented analysis of the major cost components; this is structurally similar to equivalent models used by local authorities for this purpose in the UK. Whilst the details may be subject to discussion, it is important that:
- a) the basis for establishing the tariff is transparent;
 - b) there is continued monitoring of the tariff to ensure that it remains in line with industry costs.
- 4.4.4 A particular issue that needs to be determined is whether there should be a cost component in the tariff that reflects the costs of maintaining a booking office (a "booking fee"). Points in the discussion include:
- A major group of taxi users require the ability to book in advance by telephone;
 - There is a genuine investment required to establish and maintain an office that involves human interface via a telephone and real-time communication with drivers;
 - The tariff only covers 'live mileage' i.e. where the passenger is carried in the vehicle, NOT the positioning mileage. Advance bookings almost inevitably involve positioning mileage as the vehicle makes its way from the waiting point to the pick-up point. This will not be a significant issue within St Helier, but the more remote or awkwardly timed the journey is, the more significant the positioning mileage component is likely to be. The absence of a 'booking fee' element will make it more difficult to assure the 'anywhere, anytime' service, as there will be an incentive for the market not to accept bookings (or not to make resources available) for such journeys. The consumer research provides evidence that this happens now.
 - If there is no separate "booking fee" component allowed for, then the core tariff would need to cover the cost of an office. In this case, those people who use rank taxis that are not tied to an office and which simply serve the ranks will make a payment in respect of a function that they are not using. Moreover, those drivers who only do rank work or work that arrives via a mobile phone, will receive a payment at standard tariff rates, to cover something that they do not actually have to pay for.
- 4.4.5 A taxi user who chooses to use a rank is implicitly making an economic statement about the value of their time. Using a rank involves walking to the rank and some expectation of a short waiting period at the rank. Allowing 5 to 10 minutes for the first of these and 5 minutes for the second, suggests a 10-15 minute time allocation. In transport appraisal terms⁴ this might suggest a

⁴ Using DfT WebTAG Transport Appraisal Guidance values November 2014: Taxi passenger working time: £26.13/hour; commuting time: £6.81/hour; other time: £6.04/hour. Allowing for a rank user split of 30% work/ 5% commuting / 65% other.

value of between £2.02 and £3.03. Under these circumstances a booking fee that is set below this would be reasonable, as it would eliminate the need to walk and potentially the need to wait unproductively. Of course, assuming reasonable supply, the latter may not actually be required, which suggests a £1.00 - £1.50 could be the upper limit for any booking fee.

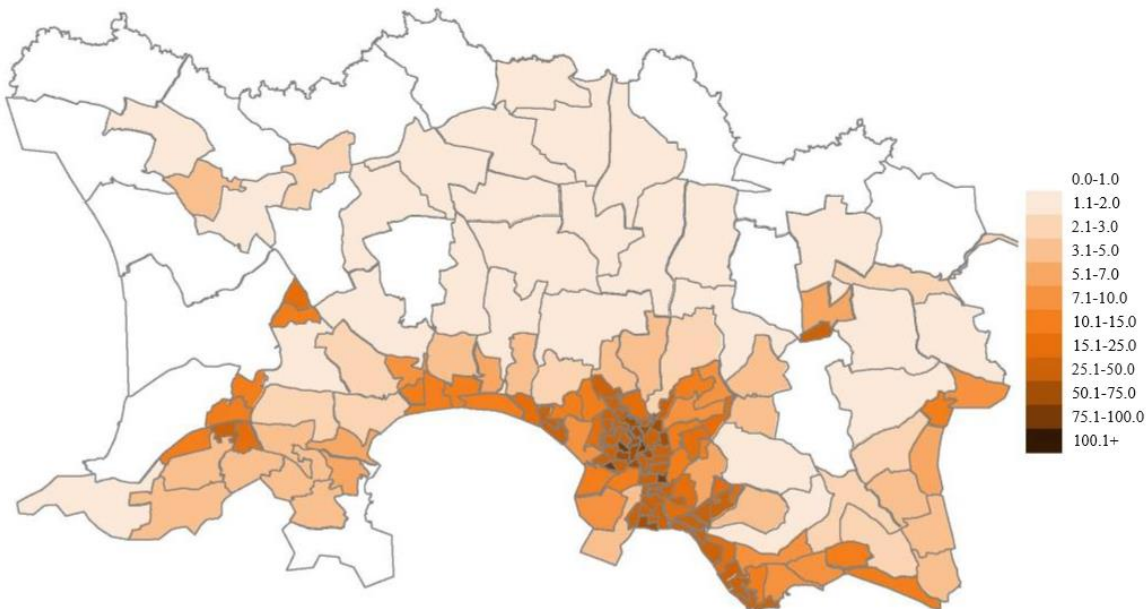
4.5 Available throughout Jersey

4.5.1 A key challenge is how the Minister can regulate in a way that meets his duty to ensure a service is 'available throughout Jersey'. We don't have a current picture of geographical demand for taxis in Jersey, nor of supply. In the future it should be possible to build one up by requiring all taxi AVL (Automatic Vehicle Location) transmissions to be made available for a collective view to be assembled as exemplified by <http://cabspotting.org/> or <http://hubcab.org/#13.00/40.7250/-73.9484>. It seems inevitable that the picture of usage will reflect a combination of:

- Population density
- Business, retail and leisure activity
- Travel interchanges

none of which is equitably distributed geographically:

Jersey Census 2011: Population Density (people/acre)



4.5.2 In an open market, supply will follow demand. This means that without intervention of some kind it will be difficult to get a taxi without delay in geographical areas around the northern periphery of Jersey. In addition to available taxis clustering close to where significant numbers of journey origins start (St Helier and the southern coast), there is a further disincentive to taxi

operators to plan for journeys between rural areas - the necessary amount of 'dead' or positioning mileage, which is proportionately higher for one-off inter-rural journeys than it is for linked urban journeys. The Mystery Shopping surveys undertaken by The Marketing Bureau demonstrated clearly that there was unacceptable unavailability of taxis in rural areas when pre-booking.⁵

- 4.5.3 A regulatory approach to this issue is not straightforward in a market that involves a mix of companies, including some small ones, and individual owner-drivers. One might like to introduce compellability (i.e. a requirement to respond to telephone requests on the 'cab rank' principle), but whilst this might be applied to companies or groupings with, say, a minimum of 20 vehicles active, it can hardly be applied to individuals. A previous suggestion we put forward for consideration was to require every licensed taxi driver to be attached to a booking office, and for the offices to be subject to compellability i.e. the downside of the short journey in the rural north would be shared across all drivers attached to that office. However, there are some practical disadvantages to this approach (how do you start a new operation and build up to the requisite size?) and it could potentially severely constrain the development of new booking models and new companies.
- 4.5.4 A common alternative used in rural areas is a zonal licensing arrangement, whereby licences require the operator to only ply for hire (accept bookings) within a specific zone. Jersey is, however, simply too small for such a model to be practical. Not only would cross-zonal-border journeys be significant, but this model generates significant monitoring and administration costs.
- 4.5.5 One response would be to stimulate some additional (or redistribution of) provision by compensating for the additional time / dead mileage involved in rural journeys by having a geographically-based fare tariff, perhaps based on a zonal system. However, this would be complex to administer and even more difficult for users to understand.
- 4.5.6 Given that almost all the rural journeys will involve pre-booking, it can be argued that a booking fee could act as a proxy to compensate for the downside of rural journeys. This would be simple to set out and to understand. With adequate competition, one could anticipate that for bookings in and around St. Helier operators taking telephone and web-based bookings would offer to discount the booking fee, so as to ensure that there is no price disadvantage compared to the rank.

⁵ 19 of the 72 journeys (26%) attempted in December were not completed because no taxi was stated to be available. In the August survey, 19% of journeys could not be completed. Notable explanations included: "Le Rocquier is out of the way"; "They would not pick up for such a short journey ... management decision" (St. John's village to St. Mary's village); "They won't pick me up because they only operate certain areas of the island" (Grouville); "Was told they had nothing out that way, everything in town" (St. Ouen); "Said initially that booked up for long time, then said they were town based so wouldn't come out" (St. John); "Was told they don't do that side of island" (Trinity).

4.6 Available at all times

- 4.6.1 A similar issue applies to the need for a service “at all times”. Again, the market research demonstrated that there are shortages of taxis at certain times, most notably and predictably at the Weighbridge rank at late night / early morning weekend peaks. Some drivers choose not to operate during this period, partly because of the wish to avoid long hours and late night working, and partly because of the nature of the work. This means that the full licensed complement of Jersey taxis is not available to meet peak demand.
- 4.6.2 The standard market approach to this issue is to stimulate greater availability through a higher tariff for work at ‘antisocial’ times (late evenings, bank holidays, etc.). This has applied in Jersey but has clearly not been enough to prevent the queues at the rank.
- 4.6.3 A regulatory approach to stimulating availability has required drivers to undertake a minimum working mileage each year, with the threat of licence review and/or issuing additional licences into the market if the minima are not reached. This is time-consuming to administer, requiring DVS to check individual mileages, and also puts the responsibility of triggering additional licence issue onto an individual’s performance, whereas it really should reflect the performance of the sector as a whole. Moreover, it appears to be based on the concept that taxi driving should be a full-time occupation, whereas it would seem much a more natural approach that the late-night peaks should be covered by additional part-time capacity, even for rank coverage. In that context, setting a minimum annual mileage is perverse as it prevents part-time working.
- 4.6.4 It seems obvious that an increase in licensed cab capacity is the appropriate regulatory response to peak-period queuing whether at ranks or through advanced booking.

4.7 Safe

- 4.7.1 Safety issues cover vehicles, drivers, driving and non-driving behaviour:

Vehicles

- 4.7.2 Modern, type-approved, passenger-carrying vehicles that meet UNECE or EU standards reach an acceptable level of general safety and there is little obvious need for regulatory intervention. If the Minister were minded to establish a higher standard for taxis than the general vehicle pool, then a requirement could be made that vehicles used as taxis achieve certain minimum Euro NCAP star ratings⁶ relating to adult and child occupant

⁶ Depending upon the standard set, this could reduce the pool of vehicle-types available for licensing as taxis. No assessment has been made as to how this might impact upon the vehicles in current use, nor

protection and pedestrian protection. This could be phased in over time to avoid penalising existing licensed vehicle owners.

4.7.3 Detail issues that may be considered include:

- Requiring there to be clear instructions as to how to open doors, as these vehicles may be unfamiliar to passengers and this information is absent in retail vehicles for the private market. This would be an inexpensive requirement.
- A requirement to carry a fire extinguisher and a first aid kit. This is a common licensing requirement in the UK and may be seen to be prudent, although, we are unaware of the evidence base that would justify such a requirement. This would be a relatively inexpensive requirement.
- A requirement to provide adjustable seat belts to make it safer for younger passengers. This could either involve retrofitting with 'all-age' seat belts or carriage of a booster cushion. It is not intended to go so far as to require every vehicle to carry a child car seat, although there could be a requirement for the appropriate IsoFix mountings to be in place which is the case in almost all new cars. Carriage of a booster cushion would be a relatively inexpensive requirement.
- Some detailed requirements where vehicles have undergone significant conversion to ensure that, e.g.:
 - ◆ These are retested where there have been structural alterations (to avoid the stretch limousine problem in the UK);
 - ◆ Every passenger is provided with a forward or rearward facing seat with a tested M1 standard seat belt assembly. (This would outlaw certain stretch limousines)
 - ◆ Some specific space, restraint strength and gangway width requirements are introduced where the conversion allows for the carriage of passengers in wheelchairs to ensure that such vehicles will accommodate a reasonable proportion of the wheelchair-using public. This detail is not contained in the Motor Vehicles (Construction and Use) Jersey (Order) 1998, nor the Motor Traffic (Public Service Vehicles (Conditions of Fitness)) (Jersey) Order 2003.
- Vehicle identification – to make the distinction between a taxi and a private vehicle absolutely clear – this is a safety issue in larger British towns and cities, where unlicensed cabbing is frequent. We are not aware that it is an issue in Jersey, so an enhancement to the current illuminated signs might be seen more as a convenience and brand aspect, coloured to clarify the vehicle's role, than a safety issue

- CCTV – again this is a safety issue for both drivers and passengers alike in major British cities, and CCTV or equivalent has become widespread as the cost has reduced. Again, we are unaware of the need for this in Jersey.
- Frequency of tests to ensure vehicle safety compliance. We have not seen any indication that the current regime in Jersey is inadequate.

Drivers & Driving Behaviour

4.7.4 Standards for the driver already include:

- Disclosure and Barring Service check (enhanced)
- Practical driving test
- A written test of Highway Code, vehicle maintenance and general PSV law
- An oral test of knowledge of the location of places and areas in the Island
- Formal confirmation from a doctor of fitness to drive. (Given the nature of the work, it should be clear that this extends to providing assistance with luggage and to passengers when entering and exiting the vehicle.)

There is no indication that the current regime in Jersey is inadequate. However, we believe it would be appropriate for the DBS arrangements to be extended to allow for periodic (every three years is suggested) renewal of DBS clearances, in the absence of the continuous checking regime.

Non-driving Behaviour

4.7.5 Amongst other passengers, taxis do end up carrying vulnerable children and adults, and, where this is regular, drivers will get to know their location, habits and other personal information. It is worth noting that the taxi sector in some locations in the UK has been a vector for exploitation of vulnerable young people and adults. Equally, there are many positive examples where drivers who are observant have identified vulnerability issues and reported them to the authorities. Consideration should be given to whether a basic level of safeguarding awareness training could either be included in the formal driver briefing that DVS give to applicants, or else added to the requirements⁷.

4.8 Consumer Protection

4.8.1 The regulatory function in respect of consumers of taxi services needs to cover:

⁷ See for example: <http://www.yorkshireeveningpost.co.uk/news/latest-news/top-stories/leeds-taxi-drivers-to-be-trained-to-help-spot-children-at-risk-of-sexual-exploitation-1-7002413>

- An agreed and publicly understood minimum set of standards for the service. This is achieved by a combination of a developed Code of Conduct for drivers and this and the Tariff being publicly available. There is a requirement for the Tariff to be visible to passengers in the vehicle.
- Price predictability and transparency. This is mostly covered under 'Reasonably Priced' above. In addition, the regulator can specify, indeed provide as part of the licence, a taximeter that is regularly and independently calibrated to ensure accurate and consistent fares.
- Payment methods – The market has been slow to respond to changes in consumer payment preferences, preferring to take cash. The question arises whether it is the regulator's role to require taxis to be equipped to take electronic payments in one or more of the current forms, and if so, how the equipment should be paid for.
- Companies involved are sound – The coherence of a company's business plan is currently considered by DVS but we do not consider that the approach is either meaningful or necessary. We strongly recommend that beyond some form of 'fit and proper person' check (i.e. those involved in controlling a company should pass the same DBS checks as drivers), this is left to the market.
- A customer complaints process / means of resolving disputes. This is currently unsatisfactory. Taxi users do not know who to complain to if they have a problem. The industry has not established its own collective processes and, as a result, issues end up with DVS, most frequently having been raised by one driver against another or against a company. This is administratively burdensome.

4.9 Accessibility for Disabled People

4.9.1 This is one of the more difficult areas to regulate. There is a reasonable expectation amongst the public that a taxi system should be accessible i.e. it should not discriminate against disabled people by making it difficult or impossible for them to use the service. Research in the UK has shown that taxi trip-making rates by disabled people are higher than for non-disabled people. Some points are relatively easy to introduce:

- Requirement that assistance animals are carried without charge
- Mandatory training for drivers in disability awareness and assistance techniques
- No extra charge for carrying a wheelchair (whether folded or not) or for the additional boarding and alighting time
- Key information (e.g. tariffs) made available in large print

- Web or SMS-based booking for people with hearing difficulties (ideally extending to TypeTalk – a service which Jersey Telecom offers)
- Visible driver ID in a common location within a vehicle
- Some form of central signposting so that different groups of disabled people understand how to obtain the service that best meets their needs.

4.9.2 However, a key area (but by no means the only area) is provision for wheelchair users. It is worth bearing in mind that the majority of disabled people with mobility difficulties do not use wheelchairs, and that the majority of wheelchair users can transfer from their wheelchair to a car seat, assuming that this is easily accessible. Consequently, a solution that provides for those who need to remain in their wheelchairs when travelling, but which it makes it more difficult for other disabled passengers, would be unhelpful.

4.9.3 An obvious question is whether all taxis should be wheelchair accessible⁸, in the same way that buses now are. In many British cities this is a 100% requirement for rank taxis; some of these have implemented this by requiring all taxis to be a 'London-taxi model. The focus on rank taxis reflects the fact that these provide a non-pre-booked service and therefore should offer the highest levels of accessibility. The downside is that many disabled people find the standard London taxi much more difficult to board and alight than a conventional saloon car – in particular it is difficult to simply sit down backwards onto a rear seat and then swing one's legs in. The latest version of the traditional London taxi, the TX4, has had to incorporate some complex modifications to offer something similar⁹, but these are still not simple for someone with walking difficulties or someone transferring from their wheelchair to a seat, compared to a conventional saloon car which has a wide opening rear door. Some of the other wheelchair accessible vehicles available, such as the Peugeot E7 or the Fiat Doblo, are slightly less cumbersome although entrance height can be off-putting. When asked, a majority of people with disabilities prefer a saloon car type vehicle or can use any type of vehicle. Recent research in Northern Ireland¹⁰ suggested that 5% of taxi demand requires a wheelchair accessible vehicle, whilst a further 6% requires an MPV or van-based vehicle (i.e. with greater space).

4.9.4 There are some accessible taxis currently in the fleet, assisted by a previous decision to grant some additional controlled licences, but only where the vehicle is wheelchair accessible. However, the number does not appear adequate to ensure that anyone arriving at a rank in Jersey can be assured that there will be an accessible taxi waiting there. It should be noted that improved accessibility can benefit a wider group of consumers who benefit from greater space and improved access.

⁸ It may be useful and/or necessary for the Minister to define a minimum standard of wheelchair accessibility. This can be achieved by adopting standards set in other regulatory regimes.

⁹ See the video on http://www.the-london-taxi.com/london_taxi_accessibility

¹⁰ Review of Wheelchair Accessible Taxis in N Ireland, DoE, 2013, Report 1, Table 2-5

- 4.9.5 What would be ideal for disabled passengers would be for a mixed fleet of taxi vehicles that includes standard saloon car vehicles, MPVs/converted vans and wheelchair accessible taxi vehicles. This would require an increase in the number of wheelchair accessible taxis available, without these being exclusively of one type and ensuring that other vehicles remain available that people with walking and bending difficulties may find easier to use. The question is – “How this can be achieved across both controlled and restricted taxis?” The fact is that wheelchair access adds costs, certainly to the purchase cost and probably to the operating cost. In the Northern Ireland study mentioned above, the wheelchair accessible vehicles cost 67% more than the standard saloon car taxi¹¹. This is likely to be a significant issue given that the business model for the majority of controlled taxis in Jersey is individual owner-driving, and suggests that it would be hard to make the business case for requiring 100% new-model wheelchair accessible vehicles.
- 4.9.6 An alternative might be a requirement for any operator with above a certain number of vehicles to have a minimum proportion of wheelchair accessible vehicles available. This would also reflect the fact that the majority of disabled people pre-book their taxis by telephone. Of course, operators do not necessarily own the vehicles of self-employed drivers who pay to receive bookings through the operator’s system; however, it should be possible for operators to adjust the make-up of the firm’s fleet by charging different ‘depot rents’ to incentivise wheelchair accessible vehicle ownership until an appropriate proportion is reached. However, it should be noted that the operators currently only cover ‘restricted’ taxis, so this suggestion would not improve the position at ranks, on the assumption that no change is made to the current controlled / restricted distinction.
- 4.9.7 In summary, this remains a difficult issue with no easy answers. There has been a hope that a new model of wheelchair accessible MPV would be available that would meet most needs without attracting the same cost premium as the London-taxi style. Unfortunately, this still appears to be some way off. What is clear, however, is that there are not enough wheelchair accessible vehicles in the fleet and, rather than wait around for a perfect solution to be identified, action should be taken now to increase the numbers.
- 4.9.8 Note that whichever approach is taken towards enhancing the availability of accessible vehicles within the Jersey taxi fleet, the experience that disabled people have is very significantly affected by the personal interface with taxi drivers, hence there is a requirement for training as a priority.

4.10 Environmental Protection

- 4.10.1 A high proportion of Jersey taxi activity starts or finishes in St Helier, where levels of PM₁₀ particulates, associated with diesel engine vehicles, are an issue

¹¹ £10,604 compared to £6,362 –note that the predominant approach to taxi acquisition in NI is to purchase used vehicles.

without, as we understand it, this being a critical one. This suggests that a regulatory approach that seeks for steady medium-term improvements in taxi environmental performance would be more appropriate than a requirement for significant change in the short-term. Whilst this might be delivered by imposing a maximum age limit for licensed vehicles, as newer vehicles tend to have improved environmental performance, this can be a crude tool, and it would be better to make reference to specific emissions thresholds as stated by the manufacturer for the type involved.

4.11 Minimum Wage Legislation

- 4.11.1 The Minister controls both access to the profession and the charges that can be levied for taxi services. It seems self-evident that the tariff should be set at a level that enables a reasonably efficient taxi service to employ drivers at a rate above the minimum wage or that supports self-employed drivers at a similar level. It might also be argued that unrestricted access to the profession would result in over-supply chasing the current demand and a period of significantly reduced earnings. Experience in the UK has seen examples of 'self-employed' drivers regularly earning less than the minimum wage, and depending upon tax credit for survival. Whilst this might be expected to stabilise over time, one of the potential impacts could be a shift from full-time to a mixture of extended hours (50/60 per week) and part-time taxi driving, as it will become increasingly difficult to maintain full-time earnings. This would be a change from the current position where taxi driving is a full-time occupation for a good proportion of current licence holders, particular of controlled taxi drivers. The profession argues that there are benefits to users from drivers who are experienced and have a long-term commitment to the service, and who are able to make a living without needing to exceed reasonable working and driving hours. A powerful counter argument is that greater competition will stimulate innovation that will reduce costs and increase demand.
- 4.11.2 The inexact nature of the linkages between licence numbers, unmet and suppressed demand and the potential impact on earnings makes it very difficult to advise definitively. However, as we have previously maintained, it does suggest that there are stability risks attached to a complete 'big bang' move to unrestricted licence issue. Taxi driving is a relatively unskilled profession, made easier (but NOT replaced) by the introduction of SatNavs and related technology; cars are cheaper to acquire and operate than ever before. Consequently, there has been a global shift in taxi and private hire driving towards a lower-wage economy, and unless minimum wage legislation can be applied to 'self-employed' agency staff, or drivers' hours applied to taxis, this does not seem likely to change.

5.1 Conclusions

- 5.1.1 Regulation of the taxi industry in Jersey has evolved in a piecemeal fashion in response to changing technological developments and economic circumstances. This piecemeal development has resulted in a regulatory system which is not fit for purpose for the 21st century. The technological forces will continue to act on the industry in the future. In particular there will be significant pressure from the so-called disrupters such as Uber which is already being felt by the taxi industry across the world and so far seen locally in the form of Jersey Lifts. Whilst there are issues about regulatory compliance, these disrupters have clearly revealed a hidden public demand for a different type of service. It is worth noting that earlier this year, Sir Brian Souter, the Chairman and driving force behind Stagecoach Group, one of the largest and most successful UK bus companies, identified Uber and similar initiatives as the major threat facing the bus industry, with some inner city taxi fares coming close to competing with bus fares.
- 5.1.2 We believe that the proposed changes to the sector's regulatory system will provide improvements in the following fields:
- Economic – through improved efficiency and better consumer value;
 - Social – including improved provision for people in rural areas, people with a mobility difficulty and people with, for example, a visual impairment or a hearing impairment and people with learning difficulties;
 - Safety – on technical and behavioural grounds;
 - Environmental – with new technology reducing wasted mileage and reducing the environmental impact of the taxi fleet.
- 5.1.3 A re-casting of the taxi industry as a key part of the Jersey experience, that is a positive part of the overall Jersey offer to both leisure and business visitors will both strengthen the whole Jersey economy and the taxi industry itself.
- 5.1.4 From a Jersey economy basis, it is important that both the leisure and business sectors are supported by a high-quality offer. As has been observed, the taxi industry often serves as the gateway experience for visitors: that is the first time visitors come into contact with someone from Jersey and the first opportunity they get to hear first-hand about the Island. It may also be the last transaction they have with the Island economy before departure. It is crucial that this experience is always a positive one.
- 5.1.5 From an industry perspective, a strong, united, efficient, trusted and well respected taxi service offering a value for money proposition will be in a good position to compete with the challenging disrupters when they arrive.

5.2 Recommendations

5.2.1 **Controlled and Restricted taxis should be consolidated into a single class of taxi.** This new single class of taxi should:

- Have access to the ranks;
- Be attached to a booking system with features specified by the States;
- Within a reasonable time to utilise vehicles with a consistent body colour and a distinctive bonnet / boot wrap;
- Have a roof sign;
- Be subject to a number of quality improvements.

5.2.2 There are several matters which are inherent in having one single class of taxi and obviously having only one maximum tariff of fares is one of these. Because there will be significant changes taking place, a revision of the tariff should take place in order to make the tariffs much simpler. There should be fewer tariffs so that customers are clearer about what a journey will cost and no 'extras' except where larger vehicles are required.

5.2.3 **A new tariff** which will:

- Include only two tariffs (a core tariff and a one premium tariff for late nights/ early mornings / bank holidays);
- Abolish any 'extras' charged;
- Allow a booking fee which can be enhanced (increased) if a larger vehicle is requested when the booking is made (but not if booked by wheelchair users who require the space but not the capacity);
- Prohibit charging extra for carrying wheelchair users, even though they may require extra space (assuming they do not require extra passenger capacity for others travelling with them).
- Optional additional element for advance booking and, within advance booking, for larger vehicles. This booking fee must be declared at time of booking (i.e. before booking confirmed) to be effective. (Applies whether verbal or other booking made).
- Also incorporate a published methodology and system for the tariff to be updated.

5.2.4 **Quantity Control Maintained** for the time being. Although availability of taxis has been identified as an issue in a limited number of specific circumstances, these being:

- late night availability;
- availability in rural areas;
- availability of accessible vehicles;

in general there is not a significant amount of unmet demand. Consequently, it is not proposed that additional white or yellow plates are issued for the time being. Depending upon how rapidly a single taxi class can be introduced, the quantity limit should be reviewed two years afterwards. Appropriate monitoring will be required during this period to enable an informed assessment of the impact of the changes on taxi availability. Meanwhile, the so-called 'deferred list' – an ad hoc arrangement whereby those on the waiting list can postpone taking up a licence offer, should be discontinued.

- 5.2.5 In order to deal with the specific instances, overall availability will be increased by allowing all vehicles conforming to the disability access requirements to use the ranks. Availability in rural areas should be dealt with through the mechanism of compelling booking / dispatch companies to take bookings from rural areas. Increasing the number of accessible vehicles will be achieved by encouraging drivers to purchase accessible vehicles by only allowing accessible vehicles to access the ranks after a pre-determined date.
- 5.2.6 To ensure maximum availability, but not discriminate between different modes of booking, the States should determine **a standard for advance booking arrangements (licensed despatch)** covering:
- Communication options (phone / web / SMS / App) to be provided
 - Minimum time availability/coverage
 - Keeping records and making these available to regulators (and police)
 - Tracking of attached vehicles when available for work
- 5.2.7 The advanced booking arrangements should be provided by a 'fit and proper person' which implies licensing an advance booking provision. DBS should cease requiring company plans forthwith. All taxis (Controlled / Restricted / Company) to be attached to / subscribe to an advanced booking system that meets States standards.
- 5.2.8 There should be a requirement for an agreed pick-up time to be recorded at time of booking, needed as the reference point for determining whether the advance booking fee can be charged (should an arrangement be introduced where this is foregone where the taxi arrives significantly late).
- 5.2.9 To ensure visibility and a high quality brand **a new livery should be introduced for vehicles permitted to access the ranks**, with a less intrusive branding for vehicles primarily engaged in private hire. This would

make a clear symbolic break from the current regime. All vehicles meeting the States access standards would need to have an appropriate addition to the livery – potentially incorporating the International Access Symbol. This would assist with hailing and with compellability (i.e. ensuring that those driving accessible vehicles do not turn down fares from disabled people).

- 5.2.10 To match this, **new roof signs** should be introduced to replace the current yellow / white signs. It will be an offence not to light the roof sign when working and an offence not to respond to a hail (assuming safe to do so) when working.
- 5.2.11 The States should determine a **functional standard for taximeters** and can, following this, identify which meters meet this standard and are therefore 'approved'. All vehicles should be fitted with an 'approved' taximeter. New arrangements should be made to ensure that **taximeters are independently calibrated, adjusted when tariffs change and sealed**. It will remain an offence to seal / unseal a taximeter unless this is by a licensed fitter or DVS. It will remain a requirement that the taximeter display is visible to passengers.
- 5.2.12 As regards vehicles there should be an immediate **improvement of child safety** and convenience by requiring that booster seats / height adjustable seat belts are available.
- 5.2.13 To **improve accessibility**, a States 'access' standard should be developed along with a timetable for phasing out of any accessible vehicles that do not meet this 'access' standard. In the meantime, **any replacement licences issued should only be for wheelchair accessible vehicles**.
- 5.2.14 Vehicles should, in the longer term, be equipped with the **ability to print receipts** containing a specified set of information. In addition, vehicles should be equipped with the **ability to accept electronic payments**.
- 5.2.15 **Longer-term vehicle safety standards** should be determined using objective standards such as NCAP ratings. The same would apply to environmental standards. When these are introduced, the standards will be maintained by ensuring that catalytic converters / particulate traps / additive systems continue to function as designed.
- 5.2.16 As regards drivers, **periodic (3 year) rechecks for DBS Checks** should be introduced and, when feasible, continuous monitoring. DVS will need to publish some guidance that sets out the approach as to what is a relevant conviction and what happens if a check reveals a non-prosecuted caution / internal police note / dismissal as a teacher or social worker / relevant file note from Department of Health, etc. There should be a requirement to notify DBS of any pending prosecutions
- 5.2.17 **Development of a States taxi driver training package** including:
- Customer care

- Disability awareness and support
 - Non-discrimination / equalities
 - Jersey Ambassador
 - Fluency in English
- 5.2.18 A specific package should be developed covering **safety /assistance training for wheelchair / child buggy users**. It should be a requirement that all drivers of vehicles that are wheelchair accessible (whether meet States 'access' standard or not) should hold have passed this training. Where any relevant complaints are upheld, DVS should have the power to compel drivers to retake this training.
- 5.2.19 A **revised medical standard** should be introduced covering both fitness to drive and fitness to work – including:
- Fit to load luggage
 - Fit to assist passengers
 - Fit to utilise wheelchair ramps / lifts and fit restraint devices appropriately.
- 5.2.20 It should be a requirement for drivers to inform DVS if any aspects of their health change so that their medical fitness comes into question
- 5.2.21 A **points-based disciplinary system** should be introduced, to include:
- Framework for allocation of points (i.e. what issues lead to points being imposed and how many)
 - Power to impose points
 - An accumulation timetable specifying thresholds (maximum points within a given time period before a sanction occurs)
 - Appeals system
 - Sanctions at different levels e.g.:
 - ◆ Removal of ability to use the rank
 - ◆ Suspension for a period
 - ◆ Suspension until retraining successfully completed
 - ◆ Disqualification
- 5.2.22 Further discussion should take place with the industry as to how they can introduce and manage a **system for handling customer complaints**, with

the expectation of jointly publishing a voluntary complaints resolution procedure, which will contain reference to DVS to adjudicate as a final point of appeal (i.e. must have gone through other stages first). The States will need to be prepared to introduce an independent system should the industry not prove capable of the above.