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|  <b>Urgent Delegated Executive Decisions</b><br><b>11 May 2020</b>   |  | <b>Agenda Item No.</b><br><h1 style="text-align: center;">1</h1> |
| <b>Title</b>  | Vehicle and Driver Renewals – Temporary Measures in response to COVID (19)   |  |
| <b>For further information about this report please contact</b>   | Kathleen Rose 01926 456703<br><a href="mailto:kathleen.rose@warwickdc.gov.uk">kathleen.rose@warwickdc.gov.uk</a>   |  |
| <b>Wards of the District directly affected</b>  | All  |  |
| <b>Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?</b> | No   |  |
| <b>Date and meeting when issue was last considered and relevant minute number</b>   |  |  |
| <b>Background Papers</b>  | Private Hire and Hackney Carriage Drivers, Vehicles and Operators Handbook: WDC approach, Policies and Procedure<br><a href="https://www.warwickdc.gov.uk/downloads/file/3270/handbook">https://www.warwickdc.gov.uk/downloads/file/3270/handbook</a><br><br>Approaches to managing licensing and related issues during the COVID-19 pandemic. Advice for licensing authorities. |  |

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| <b>Contrary to the policy framework:</b>                                   | No  |
| <b>Contrary to the budgetary framework:</b>                                | No  |
| <b>Key Decision?</b>   | Yes |
| <b>Included within the Forward Plan? (If yes include reference number)</b> | No  |
| <b>Equality Impact Assessment Undertaken</b>                               | No  |

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| <b>Officer/Councillor Approval</b>             |             |                |
| <b>Officer Approval</b>                        | <b>Date</b> | <b>Name</b>    |
| Chief Executive/Deputy Chief Executive         | 04/05/2020  | Chris Elliott  |
| Head of Service                                | 30/04/2020  | Marianne Rolfe |
| CMT  |             |                |
| Section 151 Officer                            |             | Andrew Jones   |
| Monitoring Officer                             |             |                |
| Finance  | 05/05/2020  | Mike Snow      |
| Portfolio Holder(s)                            | 01/05/2020  | Judy Falp      |
| <b>Consultation &amp; Community Engagement</b> |             |                |
|  |             |                |
| <b>Final Decision?</b>                         |             | No             |

## 1. **Summary**

- 1.1 Hackney carriage and private hire drivers, are currently permitted to work under the transport exemptions. However, in response to Government guidance on business closures and social distancing measures recommended to help reduce the spread of Covid-19 and a reported drop in demand for service, officers have recognised that many have stopped trading.
- 1.2 Officers have also recognised that many of the hackney carriage and private hire workforce operate as 'sole traders' and as such are having difficulty accessing the government small business relief schemes.
- 1.3 This report outlines measures that could be put in place temporarily to support drivers and vehicle owners to ensure that they can retain their driver (hackney carriage or private hire) or vehicle licence.
- 1.4 Members are asked to consider all of the options and agree to a solution.

## 2. **Recommendation**

- 2.1 That The Executive agree to implement the following proposal for a time-limited (6 months initially) period:

To allow licence holders, that are not working, to have a 'licensing holiday' and allow their licences to be paused 'without consequence' whilst they have no income. At a future date, and within a given time period, the licence holder can 're-licence' the original driver or vehicle licence as if it were a renewal at the appropriate renewal licence fee. Further details are included as appendix 1.

## 3. **Reasons for the Recommendation**

- 3.1 Officers are being contacted daily by licence holders, asking if they must renew their licences in order not to lose them in accordance with the existing licensing requirements as laid out in the Drivers and Operators Handbook.
- 3.2 All hackney carriage and private hire licences are granted for a specified period and need renewing. Those periods vary (a maximum of one year for a vehicle licence, 3 years for a driver's licence and 5 years for an operator's licence). The costs involved also vary (from £88.25 for a 6 month vehicle renewal, £430 for a 3 year driver renewal (+ the medical examination fee), £835 for a 5 year Private Hire Operator renewal).
- 3.3 Unlike many other renewable licences there is no statutory mechanism for renewal contained in the legislation, and therefore no mechanism for a local authority to extend the duration of any of these licences. However, guidance issued by the Local Government Association and legal advice from Warwickshire County Council Legal Services on this matter suggests that we can legally decide what to do with 'expired' licences. Legal advice has been received on all of the proposals considered within this report and fall within our decision making powers under the applicable legislation.
- 3.4 LGA guidance also confirms that as the fees for Taxi Licensing are set locally, there is more discretion for reducing or deferring payments for licence holders/applicants.

3.5 Where vehicles and hackney carriage/private hire drivers continue to trade, licence holders are required to renew them to ensure that they are operating legally.

#### 4. Policy Framework

##### 4.1 Fit for the Future (FFF)

The Council's FFF Strategy is designed to deliver the Vision for the District of making it a Great Place to Live, Work and Visit. To that end amongst other things the FFF Strategy contains several Key projects. This report forms part of this process as part of the changes made to bring forward the Council's new Business Plan.

The FFF Strategy has 3 strands – People, Services and Money and each has an external and internal element to it. The table below illustrates the impact of this proposal if any in relation to the Council's FFF Strategy.

| <b>FFF Strands</b>  |  |  |
|---|--|--|
| <b>People</b>   | <b>Services</b>  | <b>Money</b>   |
| <b>External</b>   |  |  |
| <b>Health, Homes, Communities</b>   | <b>Green, Clean, Safe</b>  | <b>Infrastructure, Enterprise, Employment</b>  |
| <u>Intended outcomes:</u><br>Improved health for all<br>Housing needs for all met<br>Impressive cultural and sports activities<br>Cohesive and active communities | <u>Intended outcomes:</u><br>Becoming a net-zero carbon organisation by 2025<br>Total carbon emissions within Warwick District are as close to zero as possible by 2030<br>Area has well looked after public spaces<br>All communities have access to decent open space<br>Improved air quality<br>Low levels of crime and ASB | <u>Intended outcomes:</u><br>Dynamic and diverse local economy<br>Vibrant town centres<br>Improved performance/productivity of local economy<br>Increased employment and income levels |
| <b>Impacts of Proposal</b>  |  |  |
| None  | The revisions will ensure that the public will be able to identify all working hackney carriage and private hire vehicles and drivers easily.  | The revisions will ensure that the hackney carriage and private hire trade can continue to operate, both now and once the Covid-19 Restrictions are lifted.                            |
| <b>Internal</b>   |  |  |
| <b>Effective Staff</b>  | <b>Maintain or Improve Services</b>  | <b>Firm Financial Footing over the Longer Term</b>   |
| <u>Intended outcomes:</u><br>All staff are properly   | <u>Intended outcomes:</u><br>Focusing on our   | <u>Intended outcomes:</u><br>Better return/use of our  |

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| trained<br>All staff have the appropriate tools<br>All staff are engaged, empowered and supported<br>The right people are in the right job with the right skills and right behaviours | customers' needs<br>Continuously improve our processes<br>Increase the digital provision of services | assets<br>Full Cost accounting<br>Continued cost management<br>Maximise income earning opportunities<br>Seek best value for money |
| <b>Impacts of Proposal</b>  |  |   |
| None  | None   | None  |

- 4.2 **Supporting Strategies** - This report does not directly contribute to any supporting policies.
- 4.3 **Changes to Existing Policies** - This report brings forward temporary revisions to local conditions that have previously been formally agreed by Council.
- 4.4 **Impact Assessments** - These have not been undertaken because there is no direct impact of any changes in respect of protected characteristics.
5. **Budgetary Framework**
- 5.1 There is likely to be reduction in income generated by the regime this year as some traders may go out of business. Allowing some flexibility in the application process will help promote and support business within the district and reduce this loss as far as possible. At this moment in time it is impossible to estimate what this loss may equate to. The income budgeted for the full year is £60,000. In, what we hoped would be a worst case scenario, a full 6 months could amount to a loss of a full licence cycle for 200 vehicles estimated around £19,000.
6. **Risks**
- 6.1 There is a risk that licence holders may declare that they are not operating and then continue to work. If licence holders wish to register themselves as 'off the road' they will be required to surrender their physical licences, plates and badges to us for the period. Anyone who then continues to operate will be committing a criminal offence which will be investigated in accordance with our policies.
- 6.2 There is a risk that licence holders defer their renewals and then cannot afford to renew at the end of this period and Warwick District Council has a reduced number of Drivers and Vehicles going forward.
7. **Alternative Option(s) considered**
- 7.1 Alternative options are attached as appendix 1.
8. **Background**
- 8.1 The government has recognised the importance of maintaining a varied public transport system in their announcements and legislation so far. Hackney

carriage and private hire drivers are included in the governments guidance under the heading of 'transport'.

- 8.2 Many of our taxi drivers are contacting us to tell us that they are not working and to ask if we can confirm this with their insurance providers as they can reduce their insurance cover temporarily to reduce their outgoings at this difficult time.
- 8.3 Many of our drivers are reporting to us that they are self-isolating in accordance with public health and government guidance.
- 8.4 'The Private Hire and Hackney Carriage Drivers, Vehicles and Operators Handbook: WDC approach, Policies and Procedure' is currently under review. The timing of this has been impacted by this current crisis, however, the policy is being prepared for public consultation.
- 8.5 The review will take in to consideration the Climate Emergency Action Programme, and propose changes which will include actions to reduce the carbon footprint of the sector and promote cleaner air.
- 8.5 The licence holiday period may mean that there are older vehicles on the road for longer than would perhaps have been the case under the existing relicensing process. However, it is anticipated that this will be addressed in due course by the changes incorporated into the new policy following consultation.

Alternative options that the Executive could consider.

### **Alternative option 1**

Do nothing. Apply the policy as written. Vehicle and Driver licence holders would be required to renew as normal (with Medical Declaration for Drivers, and using government MOT extension for vehicles) or their licenses expire.

Reasoning:

This is the simplest option for managing the licenses involved for the licensing team. Applications can be received via email and licenses and associated paperwork can be created and posted to licence holders. Letters confirming that licenses have expired can also be posted.

This option is the least helpful to licence holders. This crisis has hit the industry very hard. Licence holders that lose their licenses may not be able to 're-licence' after the restrictions are lifted, which could have a detrimental impact on our income.

There are 58 drivers (out of 427) and 150 vehicles (out of 346) that are scheduled to renew their licenses over the next 3 months.

### **Alternative option 2**

Allow licence holders to 'not renew' at the moment. Allow them to keep hold of their money at the moment and then renew within a given time of the Covid-19 restrictions being lifted. The Expiry date of their licenses would not change and there would be no alteration to the licence fee.

Reasoning:

This is a simple option for managing the licenses involved for the licensing team, there is no impact on our income. The fees would still be paid in full, but the income would be delayed for these licenses.

It offers some assistance to licence holders, as they get to keep hold of any fees in the short term. There are also options for vehicle owners to SORN their vehicles and cancel or place insurance policies on hold, therefore accessing refunds or postponing monthly payments.

This option is fair to all licence holders. It offers some temporary relief to those that need to renew at the moment, but does not give any long term 'benefit' to them. They would still be paying the same fee as every other licence holder, and they would still be issued the same length of licence.

Individual licence holders may feel that they are being asked to pay for time that they were unable to work, this could cause harm to our reputation.

### **Alternative option 3**

Allow licence holders to 'defer' their renewal and reduce their renewal fees (pro rata) for the 'lock down' period. Allow them to keep hold of their money at the moment and then renew within a given time of the Covid-19 restrictions being lifted. The Expiry date of their licenses would not change but the 'Licence' element of the fee would be reduced by the number of months that they were unable to work.

Reasoning:

This is a simple option for managing the licenses involved for the licensing team. Once ready to renew a licence a fee calculation could be performed to determine the correct fee amount. No alterations to renewal dates or expiry dates would be required.

It offers some assistance to renewing licence holders only, as they get to keep hold of any fees in the short term and then get a fee reduction at renewal. There are also options for vehicle owners to SORN their vehicles and cancel or place insurance policies on hold, therefore accessing refunds or postponing monthly payments.

Fee reductions would only be based on the 'licence' element of the fee, and would not include the 'application' element.

For the 3 year drivers licence this equates to £7 per month.

For a 1 year hackney carriage vehicle licence this equates to £6.88 per month.

For a 1 year private hire vehicle licence this equates to £6.54 per month.

If a reduction was issued at renewal only, only those licence holders that need to renew would receive any assistance from us. Between now and 31<sup>st</sup> July there are 58 drivers and 150 vehicles that need to be renewed. Therefore, 369 drivers and 196 vehicle owners would be left with no apparent support.

There would be an impact on income. If the reductions were in place for 4 months there would be a maximum drop in income of:

£1,624.00 in driver income

£2,284.16 in hackney carriage vehicle income

£1,752.72 in private hire vehicle income

But we would only be assisting those licence holders that need to renew their licenses.

### **Preferred option**

Allow licenses that are due to renew to 'lapse' for the moment 'without consequence'. Allow licence holders to keep hold of their money at the moment and then allow them to 're-licence' as a renewal, within a given time period of the Covid-19 restrictions being removed (legal recommended 3 months). The Renewal and Expiry dates of their licenses would change, however, they would renew as 'normal' so the correct fee for the application would be required.

Allow current licence holders who are not working to 'surrender' their physical licenses to us, and register themselves as 'off the road'. Licenses could then be reactivated within a given time period of the Covid-19 restrictions being

removed (legal recommended 3 months) and the licence renewal and expiry dates would be altered to reflect the time that the licence was not in use.

This offers some assistance to all licence holders that are not working. Those that were due to renew get to keep hold of any fees in the short term. However, all vehicle owners can take advantage of SORN or insurance options to allow them to access refunds or postpone monthly payments. All drivers can 'extend' their driver licence by an equal time if they declare themselves 'off the road' to us.

This option leaves us with no reduction in income for the service, however, the income would be deferred to later in the year.