

Please Ask For:

Mr Nigel Robinson

Your Ref:

Our Ref:

NR/KW/CICL/Oadby & Wigston

Date:

10 July 2013

Mr Trevor Durham
Licensing Manager
Chesterfield Borough Council
Environment Services
Customer Services Centre
85 New Square Chesterfield
Derbyshire S40 1AH

Dear Mr Durham

Re: Our Client: Collingwood Insurance Company Ltd (CICL)
Licensing of hackney carriage and private hire vehicles
Proposed amendment to Licensing Policy (Insurance)

We act for CICL which provides motor insurance to the hackney carriage and private hire trade. Chesterfield Borough Council's letter dated 1 July 2014 addressed "To all Drivers and Operators" has come to CICL's attention and this letter addresses the proposed motor insurance amendment.

CICL offers both short and long term motor insurance cover, which ranges from weekly to annual certificates of insurance, to the taxi trade. The shorter term certificates have proved to be popular with self employed taxi drivers. Taxi insurance is relatively expensive and weekly/monthly premiums enable individuals to pay from their weekly/monthly takings.

You will appreciate that the introduction of a provision whereby insurance cover must be for a period of not less than 6 months in duration on first application for a vehicle licence and on renewal is prejudicial to the insurance business carried out by our client company. It is the view of ourselves and our client that the introduction of such a provision is unnecessary, unreasonable, discriminatory and unlawful.

We are aware that a consultation period for the draft amendment closes on 31 July 2014.

The licensing of hackney carriages and private hire vehicles is carried out by taxi licensing authorities under Sections 47 and 48 of the Local Government (Miscellaneous Provisions) Act 1976. The 1976 Act does not specify a minimum period of insurance. Thus, the position is no different to when a DVLA tax disc is applied for, in that a certificate of insurance does not need to

cover the whole period for which the licence is issued. Section 48(1) of the 1976 Act provides that a District Council shall not grant a vehicle licence unless satisfied that there is in force in relation to the use of the vehicle a policy of insurance or security as complies with the requirements of the Road Traffic Act.

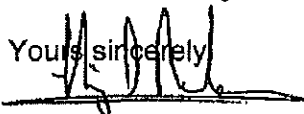
Whilst we would accept that the taxi licensing authority can make it a condition precedent to granting a licence that a valid certificate of insurance will be produced before the licence is released, it does not have the power to make it a condition precedent to granting a licence, that the period of insurance should be of any particular duration. All that is required is that the insurance is valid under the Road Traffic Act and the public is thereby protected.

In our view, a taxi licensing authority cannot in law maintain a position whereby taxi drivers are not permitted to have motor insurance cover of, say, 7 days duration. The licensing authority's powers and duties are regulatory in the public interest and not in its own. Licensing authorities are prohibited from granting drivers and operators licences unless they are satisfied that applicants are fit and proper persons. An applicant who is deemed to be fit and proper to hold a licence can be expected to ensure that valid motor insurance is in place at all times. In addition, the licensing authority has the power to inspect motor insurance certificates and the issue of a certificate of less than 6 months in no way prejudices such checks. Furthermore, a certificate issued for 7 days is not capable of cancellation. Therefore, if a 7 day certificate is produced, it is valid. A certificate issued for a period of more than 7 days is capable of cancellation and therefore the production of such a certificate is not necessarily proof that there is valid insurance cover in place.

So far as the interests of public safety are concerned, as stated above, long term certificates can be cancelled and production of such is not necessarily proof of a current contractual insurance arrangement. Furthermore, the primary concept which underpins motor insurance in the UK is that no innocent person who is injured in a road traffic accident will go uncompensated, irrespective of the presence or absence of effective insurance. This result is achieved by a mixture of contractual obligations, the Road Traffic Act 1988, and the Motor Insurers Bureau.

You will appreciate that the implementation of the insurance provision mentioned above is against our client company's commercial interest and of those it insures, therefore implementation of the insurance amendment would, if necessary, be challenged through the Courts. Hopefully, such action can be avoided.

We await hearing from you.

Yours sincerely


RobinsonMurphy

Trevor Durham

From: [REDACTED]
Sent: 09 July 2014 22:08
To: Trevor Durham
Cc: Denise Hawksworth (Cllr)
Subject: Re: consultation

dear Mr Durham,

can I say that in respect to this issue please be careful as some know that this would eliminate quite a big chunk of the opposition mainly the big company's who own most of the hackneys hence giving them an advantage.

one insurer alone has 70 on his books who pay weekly and would have to lay staff off or even close causing more job losses in chesterfield and there has already been to may innocent people lost their jobs and homes in chesterfield already. if some do this it would be small minority and we should not be penalising the majority good honest driver but talking the issue to them and weeding out the few who are doing it but as you know if any car is not insured the police traffic officer who parks at the top or corporation street and on Sheffield road most night would get them as they passed.

do you also now of any cases were this has happened or do the individuals in the trade who have brought this up know of any or reported any one to yourself for doing this?

thank you

Paul Mann

From: Trevor Durham <Trevor.Durham@Chesterfield.gov.uk>
To: [REDACTED]
Sent: Wednesday, 9 July 2014, 16:13
Subject: RE: consultation

Paul,

The suggestion on insurance policies came from members of the taxi trade who felt some drivers/operators were abusing the system by having weekly policies that may not be renewed, thereby putting passengers and other road users at risk.

As regards the budget, I'll record your request under 'freedom of information' and ask for the figures from accounting.

Trevor Durham
Licensing Manager
Chesterfield Borough Council,
Customer Service Centre,
85 New Square, Chesterfield. S40 1AH
01246 345203

From: [REDACTED]
Sent: 08 July 2014 09:18
To: Trevor Durham
Cc: Denise Hawksworth (Cllr)
Subject: consultation

hello Mr Durham.

in respect the consultation letter sent out to all operators and drivers I would like to make an objection to eth section which refers to length of insurance policy. this would affect a lot of drivers and would with out a doubt put a lot in to financial difficulty at a time when the trade is on its knees as it is. with this in mind can I please ask what the reasoning for this idea and a full written explanation why and who came up with it.

plus can I also please ask for a copy of the taxi licensing account for the past three years. this has to be the taxi section only and not a full accounts of the department

thank you

Paul Mann

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Trevor Durham

From: Ian Bassett [REDACTED]
Sent: 09 July 2014 19:13
To: Trevor Durham
Subject: Insurance Policy

Hi , regarding the length of policy to be accepted by the council can I point out one of many thing that this will affect , when someone wants to become a taxi driver he has many items to pay out of his own pocket to do this . I'm sure your aware how much this amounts too and on top of this not being able to pay your insurance weekly just makes it a near impossibility to be able to afford , can I point out that taxi insurance companies DO NOT take in to account your private car insurance as in how much no claims discount you have built up. Having had quotes of between £3500 and £5300 and the companies wanting 25% as deposit which is £875 and £1325 respectively it makes it impossible to afford , when a driver takes out a weekly policy there's NO DEPOSIT to find and your covered from day one.Hope you take this as a valid point , Ian Bassett Badge number CD1373 Plate number 591 A-Line driver Chesterfield.

Sent from my iPad

[Faint, illegible text]

Trevor Durham

From: Nicola Aldersley [REDACTED]
Sent: 09 July 2014 14:03
To: Trevor Durham
Subject: Taxi Insurance

Dear Trevor,

I am writing with huge concerns over your proposal to withdraw weekly insurance policy's for Taxi drivers. As a taxi company owner I can not stress enough the detrimental impact this would have on not only my business but the drivers themselves and the council. Most of these drivers can not afford to buy annual insurance as in most cases the policy's are in excess of £2000, therefore can only manage to pay for there policy's on a weekly basis giving the driver a) an affordable amount to pay each week, b) making them legal to transport passengers and c) giving the drivers an incentive to work hard during the week to earn enough money to keep up with their affordable payments. Most drivers do not have a bank account or credit history so can not even contemplate taking out a yearly policy. This would penalise so many people.

If the new policy would put in place I myself would easily loose 30+ drivers. This would mean my income as a business would loose over £2500 per week, I would have to forfeit my council contracts as I wouldn't have enough drivers to cover them all, which also provides my business with income and the drivers a good wage. The effect this has on my business would mean I would have to make at least 2 members of my staff redundant so potentially 32 people out of work, 32 extra people claiming job seekers allowance and 32 people needing to find work in the most difficult of climates. Not to mention the huge loss on my own families income.

This is very hard for me to comprehend has for the past year A-Line has worked along side the job centre creating more jobs for people wanting to earn a living and provide for their families. I feel we are on a never ending battle and sometimes wonder why we try so hard!!!

The council would loose money due to the fact 30+ people just from our organization would no longer be renewing their badges and as it is already hugely expensive to become a taxi driver I would predict very little new starters to the job!!

The knock on effect this has to families who are already struggling to earn a decent wage to provide enough basic means to support their family would be destroying.

We have looked into 6 month insurance policy's but are yet to find any, and no-one we have found would provide 6 months credit policies!

I would very much appreciate it if you could reconsider this proposal and keep the weekly affordable insurance policy's available to our drivers.

Kindest regards

Nicola

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Nicola Aldersley
Administration & Accounts Manager
A-Line Taxis & Hill Top Cars

Mobile : [REDACTED]
Email : [REDACTED]
Website : www.a-linetaxis.co.uk

Trevor Durham

From: Stephen Aldersley [REDACTED]
Sent: 09 July 2014 13:39
To: Trevor Durham
Subject: Taxi insurance

Regards taxi weekly insurance. I think this is wrong to cancel this because it will put alot of people out of work and will stop new drivers joining the taxi industry. It is over £4000 for an average new starter and the people I help from the job center to get back into work , would no longer be able ti do this. Even trades people in industries are allowed to be buy there tools on weekly policys. le electricians mechanics. Remember taxis are a tool to provide money and put food on the table for familys. We should be helping people back into work not making it impossible. All insurance companys require a deposit, which in most cases is over £1000 and to be able to pay monthly you have to have good credit which alot of drivers dont have because they have never borrowed before and built up a credit history or have got behind because of loosing jobs or being out of work. Thanks stephen aldersley Sent from my iPhone

Mr David Lowe

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
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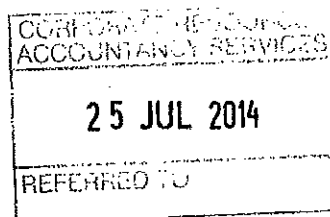
Dear Sir,

Having received your letter dated the 1st July 2014, I strongly disagree with one proposal you intend to put into place. **Length of insurance policy - Schedule 1 par. 8.4** appears to be a ridiculous proposal. I feel this way due to the fact that as a taxi driver I get paid cash, so paying the insurance cash weekly works really well for me, also finding the deposit on a monthly policy would not be ideal. What I fail to understand is if my vehicle is insured in the eyes of the law, why it should make any difference if it is paid weekly, fortnightly, monthly or yearly. It is an unlawful proposal.

Yours Sincerely,



David Lowe



Trevor Durham

From: Joanne Rowley [REDACTED]
Sent: 10 July 2014 19:22
To: Trevor Durham
Subject: re changes

re Trevor Durham

the proposed cancellation of weekly insurance would cause extreme difficulty to new drivers i recruit into the trade. At the moment there is a steady stream of people coming from the job centre. The job centre part pays for there tests and badge to help with getting people of benefits. All the drivers we have given jobs to pay weekly insurance cancellation of weekly insurance would cause extreme hardship for new drivers and new applicants coming into the trade. There is also a large number of drivers that have worked in the borough for a long time also pay weekly insurance, is it right to force all these people back onto benefits when people are struggling so much in this financial climate.

yours Mr Trevor Cross
recruitment manager
A-line taxis

Trevor Durham

From: Craig M Bonney [REDACTED]
Sent: 14 July 2014 09:24
To: Trevor Durham
Subject: Scrapping weekly car insurance facility

Sent on behalf of Mrs Deborah Curtis.

Dear Mr Durham,

As a self-employed taxi-driver I wish to register my objection to the proposed removal of the weekly car insurance facility. Myself and many other self-employed taxi-drivers find this facility to be extremely helpful as, by the nature of our job, our incomes can be very precarious. This facility allows us to comply with the law, but in a way that 'makes work pay'. The withdrawal of this facility would ultimately lead to many of us having to give up our work as we would no longer be able to afford it. I sincerely ask you to seriously reconsider this proposal as I love my job, but would be financially incapable of continuing were this invaluable facility to be withdrawn.

Yours Sincerely,
Deborah Curtis