

## **NPAS CIRCULAR**

### **VEHICLE HIRE AGREEMENTS**

One of the Road Traffic Act 1991 (“RTA 1991”) Schedule 6 grounds for representation (and appeal) against a Penalty Charge Notice relates to vehicle hire firms. This ground is expressed in the Act as follows:

- 2(4)(e) that the recipient is a vehicle-hire firm and –
- (i) the vehicle in question was at the material time hired from that firm under a vehicle hiring agreement; and
  - (ii) the person hiring it had signed a statement of liability acknowledging his liability in respect of any penalty charge notice fixed to the vehicle during the currency of the hire agreement

The RTA 1991 stipulates that the terms “vehicle hiring agreement” and “vehicle hire firm” shall have the same meanings as in S66 of the Road Traffic Offenders Act 1988.

The Road Traffic (Owner Liability) Regulations 2000 (S.I. 2000 No. 2546) detail the particulars required in a hiring agreement to render it compliant with S66 of the Road Traffic Offenders Act 1988. A copy of the relevant part, Schedule 2, is attached.

It follows from the above that for a vehicle hire firm to be able to deflect liability for payment of a penalty charge to the hirer, they must be in possession of a hire agreement that conforms to Schedule 2 of the 2000 Regulations.

Should a case relating to a hire vehicle proceed to appeal, the Adjudicator may wish to be satisfied that a valid hiring agreement was in place at the time the Penalty Charge Notice was issued. On this basis, it is recommended that councils include a copy of the hiring agreement with their appeal submission, which must also be copied to the appellant

This applies to hire vehicles as defined by S66 of the Road Traffic Offenders Act 1988 – i.e. vehicles hired for a period not exceeding six months. Only in such circumstances is there a requirement for the hire firm to complete a hire agreement compliant with S66 of the Road Traffic Offenders Act 1988. It follows that a vehicle hire firm, seeking to rely on ground 2 (4) (e) of Schedule 6, can only be required to furnish councils with a copy of a hiring agreement in a form prescribed by these Regulations if the period of hire was fixed at six months or less (although this term is capable of extension as detailed in S66).

Many vehicles registered with the DVLA to contract hire, hire purchase or leasing companies are ‘kept’ by the same company or driver for a period exceeding six months and often for two, three or four years.

Whilst any appeal brought on this ground must be decided on its merits, in accordance with current law and precedent, adjudicators will regard periods of ‘keepership’ of a vehicle in excess of six months as implying a degree or permanence, sufficient for the

keeper to be regarded as if he were the owner of the vehicle for the purposes of enforcement under Schedule 6 of the Road Traffic Act 1991. Whilst there will doubtless be a finance or leasing agreement in place between lessor and lessee, there is no requirement for this agreement to conform with the 1988 Act or Regulations as these cannot apply in such circumstances. It is also important for councils to understand that whilst they can require a hire company to furnish a copy of the hire agreement in respect of a vehicle hired for six months or less under the terms of the 1988 Act, no such requirement can be placed on companies where the term is for greater than six months. Whilst the provision of a copy of any finance or leasing agreement in force would doubtless be helpful to councils (and the adjudicator), the provision of the name and address of the actual keeper would normally be sufficient for the company to have discharged its duty under Schedule 6 of the RTA 1991.

These and related issues were discussed at length in the 1997 London appeal case 'Autolease Limited and the London Borough of Barnet' which can be viewed on the Parking and Traffic Appeal Service website at [www.parkingandtrafficappeals.gov.uk](http://www.parkingandtrafficappeals.gov.uk)

# Statutory Instrument 2000 No. 2546

## **The Road Traffic (Owner Liability) Regulations 2000**

### SCHEDULE 2

#### Regulation 3

Particulars required in a Hiring Agreement to comply with Section 66 of the Road Traffic Offenders Act 1988

#### **A. Particulars of person signing statement of liability\***

1. Full Name.
2. Date of birth.
3. Permanent Address.
4. Address at time of hiring (if different from 3 above and stay is likely to be more than two months from date of hiring).
5. Details of driving licence:
  - (a) country where issued (if not UK),
  - (b) serial number or driver's number,
  - (c) date of expiry (which should be no later than date specified in B7 below).

\* Where the statement of liability is in Part II of form H, the full name and address of the person by or on whose behalf the statement of liability was signed should be supplied together with the date on which it was signed. If the person taking possession of the vehicle is not the same as the person by or on whose behalf the statement was signed, the full name of that person should also be supplied (if known).

## **B. Particulars of hiring agreements**

1. Registration mark of vehicle hired under the hiring agreement.
2. Make and model of vehicle hired under the hiring agreement.
3. Registration mark of any vehicle substituted for the above during the currency of the hiring agreement.
4. Make and model of any vehicle substituted for the above during the currency of the hiring agreement.
5. Time and date of any change of vehicle.
6. Time and date of commencement of original hiring period.
7. Expected time and date of expiry of original hiring period.
- †8. Time and date of commencement of authorised extension of hiring period.
- †9. Expected time and date of expiry of authorised extension of hiring period.
- †10. Actual time and date of return of vehicle (or when vehicle returned out of hours time and date on which vehicle-hire firm next opened for business).

† This requirement applies only to the vehicle hire firm's copy of the hiring agreement.