



Department  
for Transport

This guidance in this letter has been replaced by  
this guidance:

[https://www.gov.uk/government/publications/section-19-  
and-22-permits-not-for-profit-passenger-transport](https://www.gov.uk/government/publications/section-19-and-22-permits-not-for-profit-passenger-transport)

## **OPERATING USING COMMUNITY TRANSPORT (CT) PERMITS – EXEMPTIONS FROM REGULATION 1071/2009**

**27<sup>th</sup> November 2017**

The Department for Transport is aware that some groups are still unsure of whether they can continue operating as they currently do using permits despite the letters issued by the Department to permit-issuers and local authorities.

I want to make clear that the following groups of permit holders are unaffected by Regulation 1071/2009:

- Operators whose main purpose is not that of a passenger transport services provider (such as a youth or social care body like the Scouts or Age UK); and
- Operators under section 19 or 22 permits of vehicles that are only capable of carrying a maximum of 8 passengers.

Other permit holders are also unaffected by Regulation 1071/2009 where:

- There is no commercial market for any of the services which they operate. This includes:
  - where there were no bids received for a local authority contract from commercial operators (like bus, taxi or PHV firms holding a relevant operator's licence); and
  - where a permit holder is running a registered bus service and there are no competing services provided by commercial operators for journeys to and from similar destinations.
- The use of a vehicle is for the purpose of providing transport for people who have paid for non-transport services and the transport provided is merely incidental to the provision of those other services. This could include transport provided by an organisation for the purpose of attending a day centre or lunch club which is arranged by the same organisation; or

- The service consists of an occasional (rather than regular) activity, organised on a voluntary basis (with an unpaid driver) for a specific group of people. This could include day trips undertaken on an ad-hoc basis where the passengers share the costs; or
- Any charge made to passengers is substantially less than the cost of providing the service and no other payment is made by any other person in exchange for the service. This could include CT services whose fares are heavily subsidised by voluntary donations.

In order to be considered to be operating exclusively non-commercially a mixture of PSV Operator licences and permits cannot be used by the same undertaking.

Where doubt exists about the current or future market for a specific service in a particular area, the applicant for the permit may be able to obtain confirmation from the Local Authority as to the absence of competition for contracts from the holders of PSV Operator licences, or direct from such holders that they have no intention of operating equivalent services with which the applicant's service would compete. That information can be supplied to the relevant permit-issuing or enforcement authority in the form of a letter to demonstrate that no competitive commercial market exists for the relevant service or services.

A potential exemption may be implemented which applies to: undertakings *"engaged exclusively in national transport operations having only a minor impact on the transport market because of.... the short distances involved."*

The Department is interested in obtaining further information about community transport operators' journey patterns to enable us to form a view about how this exemption might be implemented. In responding to the forthcoming consultation, we would welcome any views on whether and how respondents think this exemption could be applied.

Any proposals as to how the derogation could be applied must be accompanied with evidence that services of particular types or operating in particular circumstances have only a minor impact on transport markets because of the short distances involved.