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Dear Sir/Madam

**Consultation on the use of Section 19 and Section 22 permits for road passenger transport in Great Britain**

I would like to respond to this consultation. I am a self-employed consultant with extensive experience in the Community Transport sector including as a full time volunteer, as the Chair of a dial-a-ride organisation, as a local government officer responsible for funding CT and as a consultant.

Despite the reassurances offered to CT groups in the document, I believe that the DfT's proposed action would significantly damage many CT groups who would be unable or unwilling to move to a PSV licensing regime. Moreover, I believe that the DfT's position is based on a fundamentally false premise. Paragraph 2.19 states that "as a general rule, if a transport service is provided by an organisation in return for payment, that service should be treated as commercial". No justification is provided for this statement, which I believe to be wrong. There are many fields of activity where charitable and other third sector organisations receive a payment for their services, but are not acting 'commercially'. One obvious example is housing - housing associations charge rent to tenants and therefore receive a payment; but they are not acting as commercial landlords. Similarly, charges are made by many not-for-profit groups in fields such as education, childcare and the arts without acting 'commercially'.

However, I would agree with the DfT that "Some not-for-profit permit holders have expanded and now compete actively with profit-making PSV holders....the resulting competition between permit holders and PSV license holders was not intended or foreseen" (2.22). I agree that it is inappropriate for holders of S19 and S22 permit to compete with commercial operators which do not have access to the benefits that these permits offer: this is not a

level playing field. It would therefore be appropriate for the DfT to tighten rules around direct competition between S19/S22 permit holders and commercial PSV operators, most obviously in the context of competition for local authority tendered contracts. However, there is no justification for the much wider changes that DfT proposes for the much greater number of CT groups which don't compete for such contracts but which receive some payment for the use of their service.

The 1985 Transport Act is over 30 years old. If the provisions of the Act are to be amended, there are other, wider issues affecting the CT sector and licensing regime which should be looked into. To take one example, Section 19 permit holders cannot access concessionary travel funding. In Edinburgh, local dial-a-ride service Handicabs provides transport for disabled people who cannot manage to use conventional bus services. The minimum cost to the passenger is £4.50; so the shortest possible return journey costs £9.00, which would of course be free were the passenger able to use a local bus. The rules therefore currently discriminate against those whose mobility is most limited. If the law on S19 and S22 permits is to be reviewed, the scope should take in such considerations, rather than be restricted solely to this narrow issue.

The consultation paper notes (3.25) that there are potentially distinctive Scottish issues (with respect to the possible 'short distance' exemption). CT groups in Scotland differ in other respects to many in England. For example, fewer CT groups in Scotland than in England appear to compete for local authority tenders. There is therefore a case to be made for devolving powers relating to these sections of the 1985 Transport Act to Holyrood which could establish a community transport licensing scheme suited to Scottish needs.

For these reasons, I do not support the DfT's proposed course of action, essentially because I believe it is based on a fundamental misinterpretation of the nature of commercial activity. My preference would be for the DfT to simply update its guidance, in order to discourage larger CT groups using S19/22 permits from competing with commercial operators for competitive tenders. This should address the legitimate concerns of commercial operators, and reduce the risk of any legal action on the matter. If the DfT does wish to amend legislation, then a review of the 1985 Transport Act should have a much wider scope than the one envisaged.

Yours sincerely

David Hunter