

Section 19 Standard Permits for Minibus Operation

Summary

If you own or use a minibus and your passengers contribute to the cost of their journey in any way, you need a Section 19 Standard Permit.

A permit allows you to carry groups of passengers, such as members of a club or scout group and their helpers or a school transporting children and teachers. It also allows groups such as Age Concern to carry older people – people that their group is set up to help. It also enables you to meet the needs of one or more local communities whose public transport needs are not met, other than by your services.

Permits are issued to organisations that are non-profit-making and concerned with either education, religion, social welfare, recreation or other activities for the benefit of the community.

When operating under a Section 19 Standard Permit:

- You may charge your passengers or accept donations
- You may pay your drivers or use volunteers
- You must maintain your vehicle in a safe and roadworthy condition – and keep records of checks and servicing.

But:

- You must NOT Make a profit – but can include depreciation and drivers' wages in working out your costs
- You must NOT run local bus services for the general public – nor advertise trips or excursions to the wider public. If you want to do this you need a different type of permit, a Section 22 Community Bus Permit, not covered in this fact sheet.

Introduction: Why do we need a permit?

Section 19 Standard Permits enable many schools and not-for-profit voluntary and community organisations to operate their vehicles legally. Your organisation will need a permit if passengers are contributing to the costs of running your vehicle in any way. The legal term for this is operating for 'hire or reward'. A permit allows your organisation to operate for hire or reward without the need to go through the process of obtaining a PSV Operator's Licence, as required by commercial bus and coach companies. In practice, most voluntary and community organisations and schools require a permit in order to stay within the law.

Hire or reward

'Hire or reward' is very widely defined and covers much more than simply charging passengers to cover your fuel costs. All of the following would be included within hire or reward:

- When passengers directly pay a charge per person for a journey
- When passengers pay a total charge, e.g. for a holiday or day out which includes a proportion towards the cost of transport
- When the whole cost or any part of the cost of the transport is taken from funds which include membership subscriptions from passengers
- When an organisation hires a vehicle and shares the cost or part of the cost among the passengers
- When passengers make voluntary contributions or donations towards the cost of their trip or the cost of running the vehicle
- When passengers do not pay directly to use the vehicle but buy fuel for it.

Hire or reward would include, for example, a group of children or their parents paying £10 each towards the cost of an afternoon's canoeing, including travelling there by minibus.

What types of vehicle can be operated under a Section 19 Standard Permit?

- Minibuses: Vehicles with a maximum capacity for between 9 and 16 passengers + the driver
- Smaller vehicles: with a maximum capacity for no more than 8 passengers + the driver, that are owned or hired by an organisation. *See Fact Sheet 11: Permits for small vehicles.* (Note that Permits are not for volunteers using their own cars).

Where you own an accessible vehicle, designed to transport passengers in their wheelchairs, it is the maximum capacity of the vehicle that is relevant, even if you normally remove some of the seats.

Driver Licensing and Permits

For minibuses, you need to be sure that your drivers are licensed to drive. This is covered in *Factsheet 1: Driver Licensing for Minibuses*.

Permit expiry dates

Section 19 Standard Permits are issued for five years. You will then need to apply for a new permit. If your permit becomes faded and illegible it will be invalid so you will need to apply for a new one, even if the old faded one has not yet expired.

Maintaining your vehicle in a safe condition

When applying for a Section 19 permit you have to agree that you will maintain your vehicle in a safe condition. Running a vehicle is an important and responsible role - the lives of up to 16 passengers may depend on it.

Under a permit, your vehicle will be subject to the same rules on vehicle safety and maintenance as commercial bus and coach companies. This also means that the DVSA, the government agency responsible for vehicle safety and MoT tests, can ask to see your maintenance records and can inspect your vehicle at the roadside. If serious vehicle defects are found, the driver can be given a fixed penalty notice – or DVSA can stop the vehicle being used to carry passengers until the defects are rectified.

To comply with the DVSA's recommendations on vehicle maintenance you must make sure that:

- Daily checks are carried out - these will usually be done by the driver doing basic 'walk around checks' before he/she takes the vehicle out.
- Regular **safety checks** are carried out - in addition to the servicing specified by the manufacturer. These safety checks, usually done at 10 week intervals, need to be carried out by a garage or a competent person such as a mechanic.
- You keep records of all safety inspections, regular servicing etc.
- There is a defect reporting system for drivers to use and that defects are promptly repaired – you need to be able to show an 'audit trail' of the defect report and subsequent repair.

Further detail is set out in the 'Guide to maintaining roadworthiness' published by the DVSA, which can be viewed on www.gov.uk

Any responsible vehicle owner will always want to ensure that their vehicles are maintained in a safe condition so the DVSA's requirements are reasonable. In practice, the DVSA pays far less attention to vehicles used

under permits than it does to commercial bus, coach and truck operators but it may take a keener interest in future.

Applying for a permit

Permits can be issued to not-for-profit organisations concerned with religion, education, recreation, social welfare and other activities of benefit to the community. Permits are issued by a range of bodies. Local authorities, including Hampshire County Council, can issue permits to their schools and Council departments. To obtain a permit, telephone 01962 846983 for an application form. For other organisations the Community Transport Team can advise on where to obtain permits from.

Frequently Asked Questions

Q: How much does it cost?

A: The maximum cost is £11 per permit.

Q: If I own two vehicles do I need two permits?

A: Yes.

Q: How do I know if our vehicle has a permit?

A: You should see a small permit disc (the size of a tax disc) displayed in the windscreen. Make sure that you can still read it as they fade in sunlight.

Q: Do permits have an expiry date?

A: Yes, since 2009 permits have an expiry date 5 years from when they were issued. Also, if they become lost or illegible before that you will need to apply for replacements.

Q: Do permits bear the vehicle registration number?

A: No. They are issued in the name of the organisation, not for specific vehicles. This means they can be transferred between vehicles, if you buy a new one or if you borrow a vehicle because yours is off the road.

Q: Our group doesn't own a minibus but we hire one sometimes and passengers pay a donation towards their trip. Do we need a permit?

A: Yes, donations are included within the definition of hire or reward so you will need a permit. If you are hiring from an 'umbrella organisation' such as a Council of Voluntary Service that hires vehicles to its member groups, they should have a permit which will cover use by your group. Confirm this by asking them. If you are hiring from a small organisation or school you will probably need to get your own permit as theirs is likely to only cover their own use. You can apply for a permit even if you don't own the vehicle you will be using.

Q: Do we need a permit if we hire a vehicle from a self-drive hire company?

A: If your passengers are contributing in any way towards the cost of their journey, you will need a permit.

Q: If a minibus has a permit, does this stop it from being a Public Service Vehicle (PSV)?

A: No - it is still being used for 'hire or reward' and so it is a PSV vehicle. But the use of a permit means that a PSV Operator's licence is not required.

Q: If we are operating 'for hire or reward' under a permit, does it affect the type of driving licence that the driver needs?

A: Generally, it has no effect. Further information about driver licensing for minibuses is set out in:

- Factsheet 1: *Driver Licensing for Minibuses*
- Factsheet 2: *Renewing a Driving Licence*
- Factsheet 3: *Taking a Minibus Abroad.*

Q: Can anyone be a passenger if a permit is held by the operator?

A: No. The 'public at large' cannot be carried. The organisation providing the service must be concerned with education, religion, social welfare, recreation or meeting the needs of one or more local communities whose public transport needs are not met, other than by the services provided under the permit. Passengers must only be the groups that the organisation is set up to serve.

Q: What charges can be made to passengers?

A: You can only charge to cover the costs of running the vehicle and must not make a profit. You can, however, cover all vehicle-related costs, including vehicle depreciation. The Department for Transport has confirmed that drivers' wages can be included in charges along with any other direct or indirect costs for operating the minibus or journey provided that the overall charging structure is not intended to make a profit.

Q: If my organisation hires out its minibus to another group, will the permit cover use by the group that takes the minibus on hire?

A: It depends on whether the organisation that hires out the minibus has a formal link to the group that takes it on hire. For example, a community transport group may have member groups and all these members will be able to use the community transport group's permit. If in doubt, the group taking the minibus on hire should obtain its own permit if passengers will contribute to the cost of their journey.

Q: Are there any restrictions on the type of organisations we can hire our vehicle out to?

A: You must not hire your minibus out to commercial organisations such as companies or private rest homes (those that operate for profit). Your insurance will not cover this type of use. You should restrict your hires to not-for-profit organisations such as voluntary and community organisations, schools and not-for-profit nursing homes and rest homes. Remember to tell your insurance company that you will be hiring out your vehicle. Also, remember that these hirers are likely to need their own permit if yours does not cover their use.

Q: Can private rest homes or independent schools apply for permits?

A: Permits are only for not-for-profit organisations. If an independent school or rest home is run as a not-for-profit organisation, such as a registered charity, then they can apply for a permit. If, however, they are run commercially (for profit), by an individual or company, then this is outside the not-for-profit scope of a permit. If passengers contribute to the cost of their journeys, then the law requires full PSV operator licensing, similar to a commercial coach company or, for a smaller vehicle, they will need to be licensed as a private hire or taxi operator by the district council.

Where can I get further information?

- Community Transport factsheets:
- *Factsheet 1: Driver Licensing for Minibuses*
- *Factsheet 2: Renewing a driving licence*
- *Factsheet 3: Taking a Minibus Abroad*
- The DVSA publish a very useful guidance document: 'Section 19 and 22 permits: not for profit passenger transport'. This can be viewed or downloaded from www.gov.uk. The DVSA is a government agency which licenses buses, coaches and goods vehicles. It oversees the permit system through the network of Traffic Area Offices.
- For further information contact Tel: (01962) 846785 or email: communitytransport@hants.gov.uk

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Every care has been taken when detailing important areas such as legislation and this it is our understanding that this factsheet was correct at April 2016. However, please be aware that interpretations in the legislation may have changed since then. If you have not applied for a Section 19 permit before, please see advice from Hampshire County Council before doing so.

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