



Department  
for Transport

Andrew Turner MP  
House of Commons  
London  
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03 APR 2014

From the Minister of State  
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31 MAR 2014

*Dear Andrew*

Thank you for your letter of 7 March to Rt Hon Patrick McLoughlin MP, enclosing correspondence from your constituent, Tim Marshall of Oakdene, Rookley, Ventnor, Isle of Wight, PO38 3NH about public service vehicle licensing. I am replying as Minister responsible for this issue.

Ordinarily, any organisation operating in Great Britain that accepts any sort of payment for providing transport to passengers must hold either a public service vehicle (PSV) operator's licence issued by the relevant traffic commissioner or a private hire vehicle licence issued by a local authority.

However, under section 19 and section 22 of the Transport Act 1985 organisations who operate in Great Britain without a view to profit can obtain a permit exempting them from the need to hold a Public Service Vehicle (PSV) operator's licence when providing transport for a charge. Those applying for a section 19 permit must satisfy the issuing body that the transport services are not run with a view to profit (for 'hire or reward') nor incidentally to an activity which is itself carried on with a view to profit.

Ultimately, any organisation which makes, or seeks to make, a profit would not normally qualify regardless of how it uses any profits or income gained. Therefore, a number of commercial organisations, including privately owned schools, nursing/residential homes, hotels and activity centres are not eligible to be granted a permit.

The legal definition of 'hire or reward' is any payment, in cash or kind, which gives a person the right to be carried on the vehicle, regardless of whether or not that right is exercised. The payment may be made by the passenger or on the passenger's behalf. It may be a direct payment e.g. a fare or an indirect payment such as a membership subscription.

The courts have taken a broad view of what constitutes "hire or reward", and may consider any sort of indirect payment to fall under this description. Whilst I understand your constituent's frustration, the Government has no plans to change these conditions in the near future.



**BARONESS KRAMER**