

'How To' Guide

Permit and Operator Licensing Overview

Safe Operation



This guidance will be useful for: organisations who want to understand what permits they need to operate legally, and why they need them.

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Introduction

When starting a new service, you need to ask yourself two key questions: does ‘hire and reward’ take place in the execution of your service and, if so, is that done with a view to a profit? Answering these will help you assess what permit or licence, if any, you need in order to operate.

This document includes explanation and practical examples of ‘hire and reward’, followed by a flowchart that will help you identifying which permit or licence your services should be run under.

What is Hire and Reward?

‘Hire and reward’ is the legal term for payment for providing transport. It’s any payment, in cash or kind, which gives a person the right to be carried on a vehicle, regardless of whether that right is exercised. The payment may be made by the passenger or on the passenger’s behalf.

Fares, subscriptions, donations, grants, payments for another services and money drawn from club funds would all be treated as ‘hire and reward’. This applies even when no profit is made or when transport is only part of a package.

Operators need to be very careful before assuming that their operation is **not** for ‘hire and reward’.

For further information, see section 4.1 *Payment for providing transport* of Department for Transport’s guidance on section 19 and 22 permits: [gov.uk/government/publications/section-19-and-22-permits-not-for-profit-passenger-transport/section-19-and-22-permits-not-for-profit-passenger-transport#definitions](https://www.gov.uk/government/publications/section-19-and-22-permits-not-for-profit-passenger-transport/section-19-and-22-permits-not-for-profit-passenger-transport#definitions).

Who is the Operator?

The driver, if they own the vehicle

Or

The person or organisation that the driver is working or volunteering for

There can only be one operator at one time.

Examples of Hire and Reward

Hire or reward takes place

- A transport operator receives a grant from their local authority and, therefore, doesn't charge any fares to their passengers. 
- Transport is provided by schools to their students, despite no transport-related fares being charged. 

Hire or reward doesn't take place

- Small vehicles taking part in a volunteer car scheme. 
- Some minibuses operated by a local authority or the NHS 
- Transport operated by the employer, for their employees, provided no contribution is made by the employee. 
- Private use, provided no contribution is made by any individual passengers for any costs of the journey. 
- Informal groups hiring self-drive vehicles from commercial companies where each passenger, including the driver, makes an equal contribution to the cost, provided no surplus is made on the cost of the trip. 

Permits and Operator Licensing

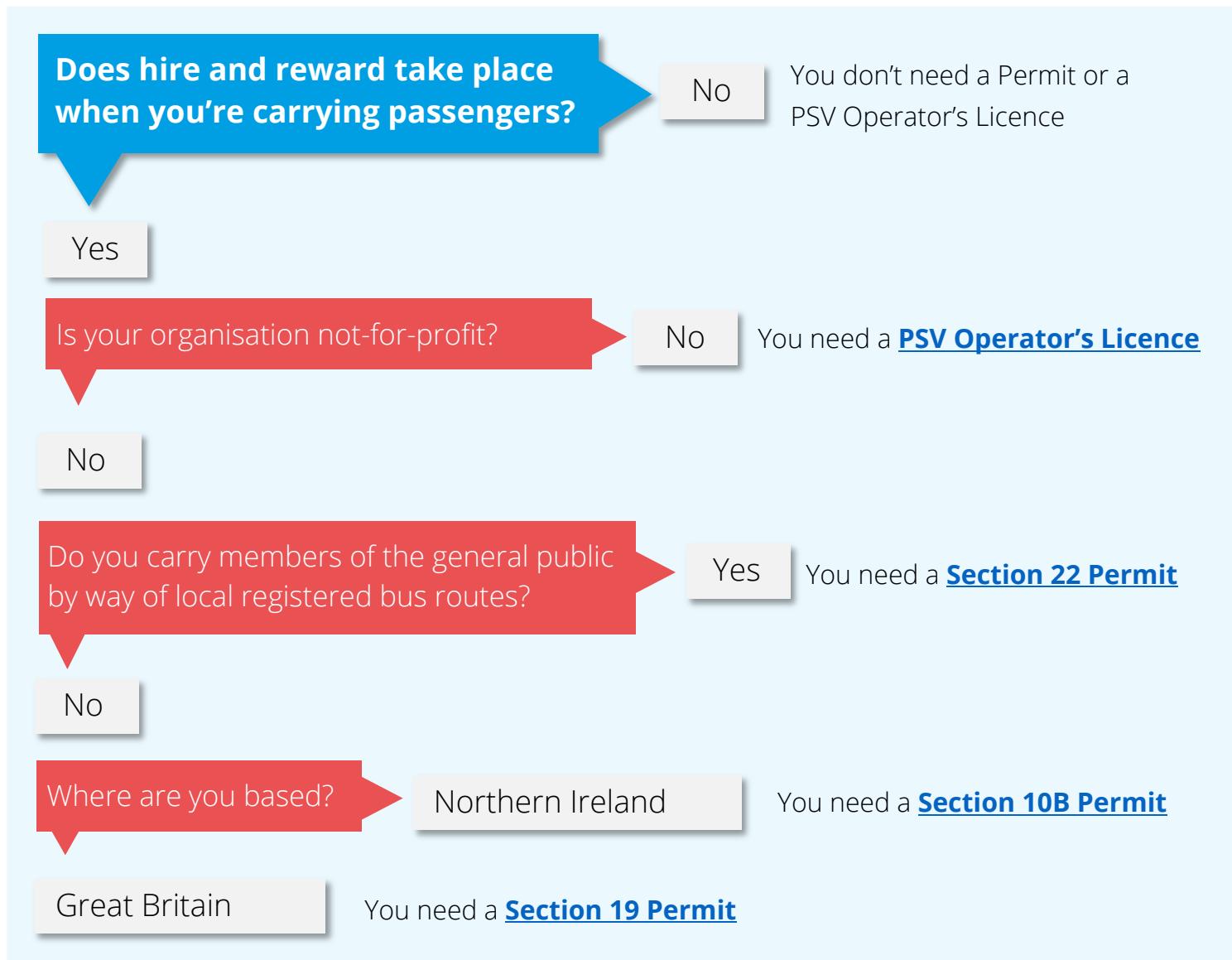
If a vehicle is operated for 'hire and reward', there must be a permit or an operator's licence displayed on the vehicle:

- [Section 19 Permit](#)
- [Section 10B Permit](#)
- [Section 22 Permit](#)
- [PSV Operator's Licence](#)

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What Permit/Licence do I need?

The following flowchart will give you an overview of what permit/licence you need to operate your vehicles legally. **Once you've identified what permit/licence you need, you can take a look at our handy info sheets which will give you a helpful overview of each permit/licence.**



Additional Information

For further information, please refer to the following official guidance from the Department for Transport and the Northern Ireland Department for Infrastructure.

- [Department for Transport: Section 19 and 22 permits and obligations: not for profit passenger transport.](#)
 - [Department for Transport: Public Service Vehicle Operator Licences.](#)
 - [Department for Infrastructure \(Northern Ireland\): Guidance on Driver Licensing Requirements for Minibuses.](#)
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