



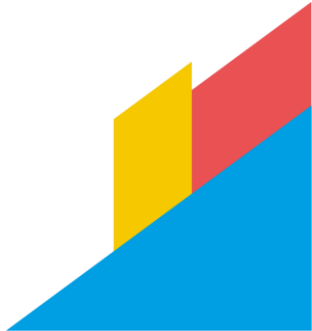
Online Events

Understanding the exclusively non-commercial purposes exemption

25 February 2021
members-only online event



@CTAUK1



Today

Go through how the regulations have come about

Lots of interactive polls, please use chat to ask questions

Any specific questions we'll pick up through the advice service

Presentation to explain the exclusively non-commercial purposes exemption

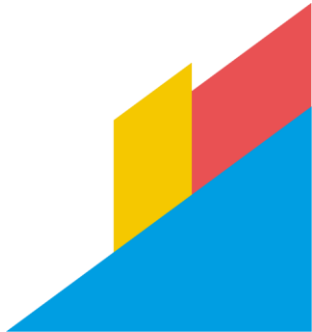
Breakout groups for smaller group discussions

Come back to bigger group to pick up themes

After this session you should:

- Know which exemptions are available
- Feel comfortable explaining which one your organisation relies on
- Know next steps in having some conversations in your organisation about this

Some introductory polls



Where we are and how we got here

- 2015** The European Commission told the UK Government to address how its directives on operator licensing were interpreted into UK law.
- Jul 2017** DfT wrote to permit issuing bodies informing them of DVSA action in relation to a live case – in infamous “Fidler Letter”
- Oct 2017** House of Commons Transport Select Committee launch an inquiry
- Dec 2017** Select Committee report urges DFT to ‘not use a sledgehammer to crack a nut’
- Feb 2018** DfT launch consultation on the use of section 19 and section 22 permits and its impact assessment

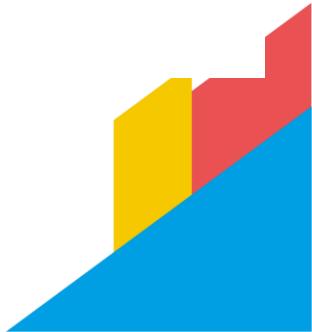


Where we are and how we got here

May 2018 Consultation closes
Westminster Hall debate

Dec 2018 CTA receives notice of the Judicial Review and are named as an
interested party

March 2019 The DfT releases their consultation response – short distance
exemption

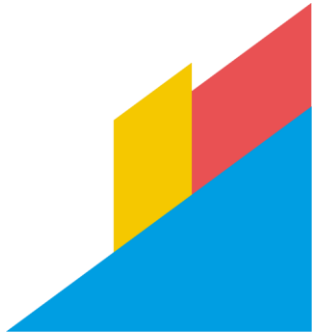


Where we are and how we got here

November 2019 Judicial Review

December 2019 Judgment

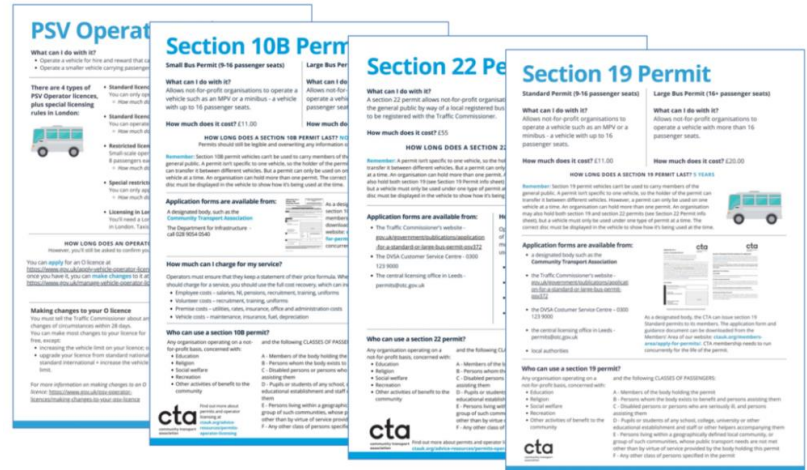
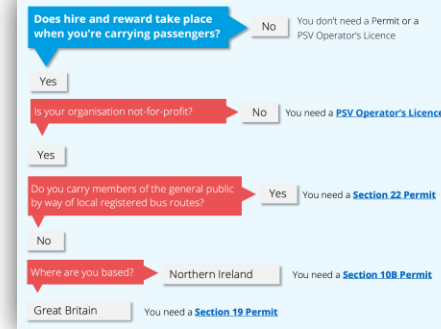
December 2020 Final guidance issued



Which permit/exemption is right for me?



Video - Understanding Your Exemption



EU Regulation 1071/2009 CTA resources in members' area: **Permits and Operator Licensing**

There are THREE EXEMPTIONS to the law:

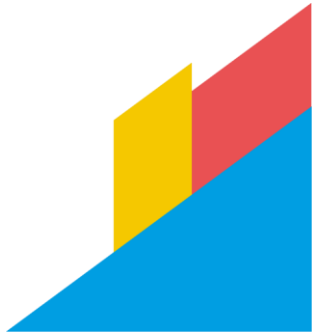
1. Main Occupation
2. Short Distance
3. Exclusively Non-Commercial Purposes

You only need to rely on ONE exemption for your whole organisation

“Satisfy themselves about which exemption they rely on”

Should be a fun activity, take a step back and re-affirm why you do what you do

Show you’ve followed some thought process and be able to show some financial info to support



Main occupation

Where an organisation's "engagement in road passenger transport must be **ancillary or complementary** to another activity which must demonstrably be their main occupation"

...transport is not
the main thing your
organisation does
(time and money)

'Main occupation' is a question of fact
not purpose

An organisation's main occupation
cannot be simply inferred by looking at
its constitutional documents

Short distance

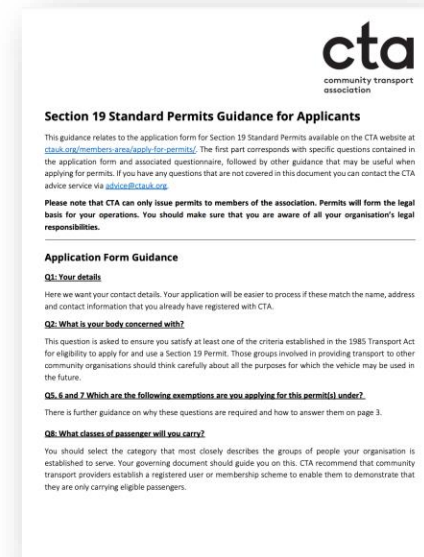
"engaged exclusively in national transport operations having only a minor impact on the transport market because of the short distances involved"

10 mile - radius/straight line
There are flexibilities in distance

Map the transport market
Understand population density

Call us before you apply

Last resort



CTA permit
application guidance

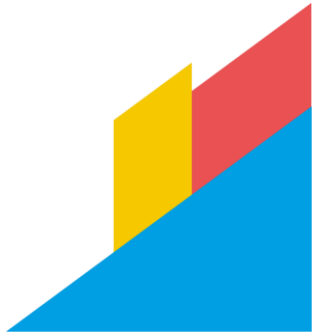
Exclusively Non-Commercial Purposes Exemption



All services must
satisfy the test of
“exclusively non-
commercial purposes”

Charitable status not
enough

Exclusively Non-Commercial Purposes Exemption



All services must satisfy the test of “exclusively non-commercial purposes”

Charitable status not enough

The purpose of a service is what matters



Every purpose of every service offered must be non-commercial

Key Question – “why am I running this service?”

Exclusively Non-Commercial **Purposes** Exemption



All services must satisfy the test of “exclusively non-commercial purposes”

Charitable status not enough

The purpose of a service is what matters

Every purpose of every service offered must be non-commercial

Key Question – “why am I running this service?”

Exclusively **Non-Commercial** Purposes Exemption

There are a number of things that can impact whether a service is “non-commercial”

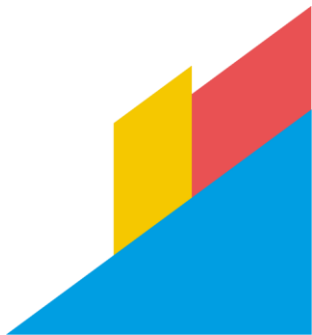
It’s no longer “a payment has been made”

Surplus

Cross-subsidy

Size

contracts



Surplus

If a surplus is made...

Why?

What is happening to the surplus?

Why have you chosen to do that?

Is there a clear financial and decision audit?

Cross-subsidy

If the **only** reason you offer a service is to make a surplus to fund something else – that is **COMMERCIAL**

Is there a clear REASON for these decisions?

Size

The bigger an organisation the more difficult it will be to claim non-commercial purpose

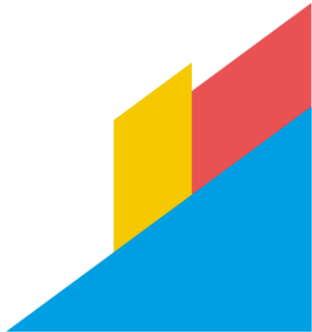
BUT size does not automatically mean an organisation is commercial

The more services an organization offers the more purposes it will have, the more difficult it will be to claim the exemption

Contracts

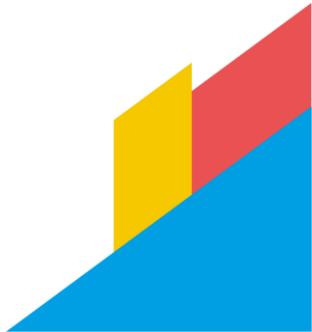
Just because you have contracts does not mean you are commercial

Why do you have the contracts?



There are THREE EXEMPTIONS to the law:

1. Main Occupation
2. Short Distance
3. Exclusively Non-Commercial Purposes



How do I do a “thought process and gather supporting financial information?”

Exact process will depend on how your organisation works

Have a board/sub-committee/SLT meeting

Go through each service and consider why you're operating it

See which exemption each service fits under and why

Make sure you're only relying on one exemption for your whole organisation

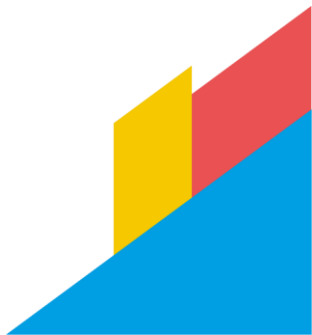
Find out/look at data that tells you whether services make a surplus, where that surplus goes and how its used

This is about understanding the fundamental business model of your organisation “blobs and arrows”

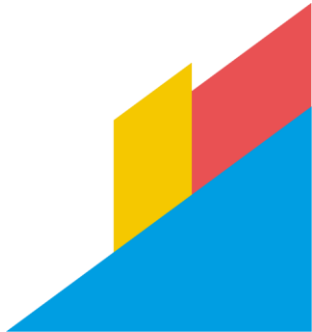
Pepper this understanding through your communications (annual report/website/conversations with staff and funders)

This needs to be a thought through meaningful discussion

Make sure the discussion is noted down on paper – with a date



Some more polls 😊



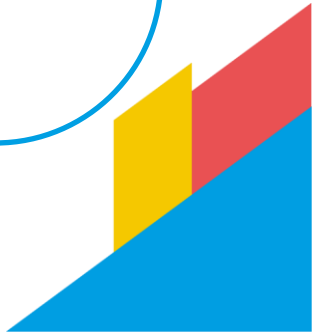
Breakout rooms – conversation starter

Which exemption is **best fit** for your organisation to rely on?

Do you **feel comfortable** explaining how you fit into the “exclusively non-commercial purposes” exemption? (or the main occupation/short distance exemption)

What will your **thought process and gathering financial information** look like?

Any unanswered **questions**?



Thank you



Understanding the
exclusively non-commercial
purposes exemption

25 February 2021
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@CTAUK1

Use these slides in your
organisations if you want.
Event recording will be up
on the members area of
the website under
“Permits and Operator
Licensing”

Resources: Accessing Funding for Community Transport

Accessing Funding for Community Transport

Funding is more important than ever for community transport providers, especially as they continue to recover from the effects of lock-down and begin to re-start their services. These are challenging times, so it's become even more important than normal to review your funding streams and consider looking for new opportunities to bring money into your organisation to diversify your income over the coming months.

These resources have been put together as part of the Connecting Communities in Wales project run by the Community Transport Association. The project is funded through the Welsh Government Rural Communities Rural Development Programme 2014-2020, which is funded by the European Agricultural Fund for Rural Development and the Welsh Government, and aims to support community transport in Wales through creating new partnerships, bringing funding into the sector and creating new transport networks. In some instances, the resources below might reference information specific to members in Wales.

Contents

- Who is Funding Community Transport?
- The Tax on Fundraising
- Presentations
- Articles
- How-To Guides
- Example Applications
- Where else can you find support?

Articles

Here, we'll share any articles we've published about what to consider when applying for funding.

- Article: 'What to consider when putting together an effective funding bid'

[Back to table of contents.](#)



Presentations



How-To Guides



CTA Online Events - Feedback Survey



Thank you for joining us at our recent online event. Especially at a time when we can't all gather together as a sector, we're confident that online events like these are a great way to share important ideas and insights with our members, so we're keen to understand how you found the event and what sort of topics you'd like us to cover in any future webinars.

1. Your Name

2. How did you find the process of registering for, and joining, the event?

- ☐ Very easy
- ☐ Easy
- ☐ Neither easy nor difficult
- ☐ Difficult
- ☐ Very difficult

If you have any specific comments you'd like to share, especially if you ran into any trouble, please let us know.

Fill in our one-minute evaluation

Unanswered question? Contact
advice@ctauk.org

We'll be running a full cost recovery event soon – please help us if you've done this sort of exercise before – email advice service (address above) 😊

Visit our [Members' Area](#) for more resources