



Department
for Transport

BUS SERVICE OPERATORS GRANT



Information Pack and Conditions of Eligibility PSV360

BUS SERVICE OPERATORS GRANT

Any enquiries regarding this guidance should be sent to us at:

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AN EXPLANATION OF THE BUS SERVICE OPERATORS GRANT SCHEME

The Bus Service Operators Grant (BSOG) allows operators of local bus services and community transport schemes to reclaim some of their fuel costs. The fuel must have been used in operating eligible local bus services. The grant is paid on all eligible mileage, including mileage for moving buses between eligible contracts or The grant is payable only on a local bus service as defined in section 2 of the Transport Act 1985 or in London, a service run under a London local service permit or exempt from the need to have such a licence. The service(s) must then meet the further requirements detailed in this form **PSV360**.

The process is that an eligible bus operator submits an estimate claim on form **PSV310** which details the kilometres the operator estimates they will run in the forthcoming claim year. When the form is received and the claims are checked and approved for payment, the Department will then make 4 quarterly payments at three monthly intervals based on this estimate. The Department will then write to the bus operator notifying them of the amounts they are due to receive and the dates on which it is intended to credit these amounts to the company's bank account.

These payments are conditional upon a further claim form **PSV311/PSV311 (E)** being submitted by the company within three months of the end of the claim period. The form **PSV311/ PSV311 (E)** should show the actual (as opposed to the estimated) kilometres operated during the period and must be certified by a qualified independent accountant/auditor.

On receipt of the certified claim form **PSV 311/ PSV311 (E)** the Department will calculate the actual amount of grant that should have been paid during the period. This amount is compared with amounts already paid based on the estimate. Any underpayment will result in an additional payment being made; any overpayment will usually be recovered from future quarterly payments.

All payments of Bus Service Operators Grant are made through the **Bankers Automated Clearing Service (BACS)** and any new operators are asked to supply the Department with their banking details. A form for these is available on request. For their part, companies are required to keep adequate records of the kilometres run and the fuel consumed in operation of local bus services so as to satisfy both the independent accountant who must certify the actual claim form **PSV 311/ PSV311(E)** and the Department for Transport that the figures on the claim are correctly stated.

It should be noted that whilst the Department for Transport's intentions are to avoid placing unnecessary administrative burdens on bus operators, officers of the Department will periodically visit bus operators to check that claims comply with the appropriate legislation and to ensure that adequate records are being kept in support of claims.

Conditions of Eligibility for Commercial Bus Operators

This leaflet contains a brief description of the conditions of eligibility for Bus Service Operators Grant. This leaflet is for guidance only; full conditions of eligibility for Bus Service Operators Grant are contained within the Bus Service Operators Grant (England) Regulations 2002 (equivalent regulations are in place in Wales) and are printed in full on the reverse of the estimated claim form (PSV310) and certified claim form (PSV311/PSV311(E)).

CONDITIONS OF ELIGIBILITY

To qualify for the grant a bus service must be a local bus service or, in London, a service run under the London local service permit or exempt from the need to have such a licence.

OTHER CONDITIONS

Local services (other than schools services and those for elderly or disabled (see below) will qualify for rebate if:

A) at least half the accommodation is available to the general public and the service is regularly used by the public (this means that for example, a contractor or other dedicated service will not qualify for grant);

B) stopping places are situated where the public are likely to use them;

- all the fixed stopping places (whether marked or otherwise generally recognised) are located where they are likely to be used with reasonable frequency by members of the general public, and
- in any section of the area of operation of the service where there are no fixed stopping places, the arrangements for determining when and where passengers may be taken up and set down are such that members of the general public may take advantage of them with reasonable frequency;

C) the public can make a single journey between any two stopping places at a fare which is not designed to deter them from using the service (a long-distance service on which very high fares are charged for short journeys could be ineligible for grant);

D) the arrangements for paying the fare are not a deterrent to using the service;

E) there are no signs or descriptions giving the impression that only particular categories of people can travel on the vehicle;

F) members of the public can inform themselves about the service, the places served and times of operation.

The main exceptions to these conditions are bus services provided or secured:

1. by education authorities under section 509 of the Education Act 1996
2. for persons who are over sixty years or disabled.

These services must meet conditions A to F except that:

- they will qualify provided that **some** seats are available to the general public and the service is regularly used by the public;
- the stopping places to or from which the service is mainly provided (for example, a school) need not be used by the public;
- Condition E will not apply.

OTHER EXCEPTIONS

- Excursions and tours will not qualify for Bus Service Operators Grant ("excursion" or "tour" means a service on which all the passengers travel together on a return journey).
- Services using vehicles designed to carry eight people or less will qualify **only** if they satisfy all the conditions A to F and if the service is operated to a timetable.

If you require further information or if you think you are entitled to claim Bus Service Operators Grant for some or all of the local bus service (s) you are operating or intend to operate, please contact the administration team.

Notes for guidance on how to complete forms PSV310 and PSV311(E)

Form PSV310 (Yellow form) for kilometres to be run

You should enter your best estimate of the kilometres you intend to run between the dates shown on the front of the form. Please note that it is not in your best interest to overestimate, as any amount overpaid will be recovered from the next estimate claim.

Section 1 You should enter the intended number of eligible and dead kilometres to be run based on your timetables.

In order that grant payments may reflect any seasonal variations, the estimate of service kilometres for the period should be divided in quarters (i.e. every three calendar months).

The notes on the form itself explain what is meant by “eligible” kilometres. “Dead” kilometres can include all kilometres run “light” (i.e. empty) between:

- a) the depot and the first registered stop or boarding point of a local service journey;
- b) the finishing point of one service journey and the starting point of the next service journey where the two points are different;
- c) the last registered stop or alighting point of a local service journey and the depot.

“Dead” kilometres also include those run by vehicles changing from private hire/contract or non eligible service work onto eligible service work (though not the other way round) and those run by a substitute bus in the event of a breakdown occurring to a bus on eligible local service work. If the defective vehicle can get back to the bus under its own power, then this can be claimed as “dead” kilometres.

In the event of the level of BSOG rates changing during the period covered by the estimate the Department will adjust accordingly those quarterly payments to be made after the date on which the change will take place.

Section 2 The figures you enter in this section are important in that they allow the Department to calculate the kilometres per litre (kpl) rate in which your vehicles will achieve during the period of the claim. If you can isolate from the rest of the fleet those vehicles which will run at least 50% of their kilometres on local service work during the claim period, then you should enter in 2a all the kilometres to be run by those vehicles; this figure should include not just eligible local service journeys but also any other journeys which the vehicles may run, for example on driver training, PSV testing, private hire/excursions etc. In section 2b you should enter all the fuel that will be issued to those vehicles.

If you cannot divide your fleet in this way; then you must enter all kilometres to be run by your whole fleet over the claim period, again whether local service or not, in Section 2c of the claim form, and all the fuel to be issued to the fleet in Section 2d.

It is vital whichever combinations of section 2 you fill in that you keep distance travelled and fuel issued records adequate to support your claim. In addition to this, records should be maintained of the daily eligible local service live and dead kilometres and any kilometres lost or gained on the daily schedule. These records are necessary to satisfy the independent accountant who must certify the actual claim form PSV311(E) at the end of the claim period, and also the Department that the figures are correctly stated.

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Section 3

Column 1: You should enter your route / service number

Column 2: The registration number given to you by the Traffic Area Office

Column 3: You should enter the Notice and Proceedings issue number and the date the service began

Column 4: You should enter the longest one way journey on the route eligible for BSOG

Column 5: The total estimated service kms that you will run for the claim period

Column 6: The total estimated dead kms that you will run for the claim period

Column 7: The total of column 5 and column 6 added together

Please supply timetables if the following apply:

- You have not sent timetables in respect of the service(s) to Department for Transport previously
- The service has been introduced within the last year
- The service frequency and/or route has changed within the last year.

Form PSV31(E) (green form) for kilometres actually run

You will see that the information required is very like that on the PSV310 except that you will have to enter the actual number of service kilometres run based on your service records; you must not enter estimated figures on the PSV311(E).

It is not necessary to divide the actual kilometres run by quarterly periods as on the estimated claim; you should only complete those of section 1 where the start and end dates of the claim period appear. The Department for Transport will send you a PSV311(E) when your claim year has come to an end. We may split the 'from' and 'to' column at section 1 if the payment rate changes mid-year. If this does not happen we will hand-write on the PSV311(E) the relevant dates.

The information required in section 2 is exactly the same as that on the estimated claim except that only the actual total kilometres travelled and the actual fuel physically issued to your vehicles must be entered.

With regard to PSV311(E), the total eligible kilometres figure in Section 2 should not be the same figure as in Section 1 as this implies:

- the buses used on local service work do only local services and no private hire;
- the buses used on local service work are maintained entirely at the garage/operating base;
- the buses used on local services have their annual PSV test at the garage/operating base and do not incur any kilometres to or from PSV tests at other garages;
- the buses used on local service work never require substitution in the event of breakdowns, maintenance, annual tests or deep cleaning.

From this you will realise that we require the total kilometres run by the buses used on local service work to be entered in Section 2 and that this includes any non-eligible kilometres run by those buses i.e. every turn of the wheel and every litre of fuel used. We require this in order to accurately calculate the kilometre per litre (KPL) figure.

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You should note that the payments you receive based on an estimated claim are not yours by right but are subject to the condition that you submit a PSV311(E) certified by an independent accountant/auditor within three months of the end of the claim period. If you do not submit a properly certified PSV31 (E), or submit a PSV311(E) that is not supported by full accurate records, the Department may withhold payments on a current estimated claim, recover payments already made or even exclude you from further participation in the rebate scheme.

Other Information

Conversion Factor

Department for Transport uses the following conversion factors:

- a) miles to kilometres multiply by 1.61
- b) gallons to litres: multiply by 4.55

Certification of a Low Carbon Emission Bus Incentive for England

From April 2009, operators of Low Carbon Emission Buses (LCEB) have been eligible for an additional payment of 6p per kilometre. An LCEB is a bus that is able to achieve a 30% reduction in its Greenhouse Gas Emissions compared to an average Euro 3 diesel bus of the same total passenger capacity.

A vehicle will **not** qualify as an LCEB simply by using a fuel type which allows it to achieve a 30% reduction in its Greenhouse Gas Emissions, unless the fuel it uses is a biogas.

In order to identify that a particular vehicle is eligible for the LCEB incentive, the vehicle's manufacture will need to issue the bus operator with a certificate, certifying the vehicle as an LCEB based upon an independently witnessed emission test of a vehicle of the same type. An original certificate must be provided for every LCEB purchased by a bus operator. However, there is no requirement for each individual bus to be tested. The process is based on a type approval.

Full details on the method of accreditation and testing procedures for low carbon emission buses are available from the Low Carbon Vehicle Partnership on request to LCEB@lowcvp.org.uk or can be downloaded from the Low Carbon Vehicle Partnership website www.lowcvp.org.uk/LCEB.

This payment is in addition to the normal BSOG payment. The operator is therefore required to complete a separate LCEB form as well as the normal BSOG claim form.

Incentives for the use of Smartcards and AVL for England

From 1st April 2010 operators will receive an 8% increase in their BSOG rate if they have operational ITSO Smartcard systems. They will receive a 2% increase in their BSOG rate if their buses are fitted with Automatic Vehicle Location (AVL) equipment.

These incentives cannot be claimed for routes secured by Transport for London as part of the London Bus Network. The details of these incentives can be found at: www.dft.gov.uk/pgr/regional/buses/busgrants/bsog/avl-incentives.pdf.