

PUBLIC TRANSPORT

PRINCIPLES OF DEVOLVING BUS SERVICE OPERATORS' GRANT (BSOG) TO BUS OPERATORS FOR SUBSIDISED (TENDERED) LOCAL BUS SERVICES

A number of important changes were introduced to BSOG as from 1 January 2014. This council received the payments for all bus operators who run a subsidised bus route service in North Lincolnshire. These payments used to be paid directly to bus operators from the Department for Transport.

Subsidised routes are those which could not economically operate without support.

We decided that we would reimburse the bus operators with their payment using a similar methodology used by the Department for Transport to pay BSOG.

The council completed the annual output survey in accordance with the conditions of receiving the BSOG money.

The Council will administer the BSOG scheme as follows:

Principles

• This scheme comes into effect from 1 January 2014.
• Annual RPI price increases will be based on the original tender price and not the adjusted price.
• The amount of BSOG will not increase year on year
• Bus operators must price all future contracts on the basis of not receiving any BSOG
• The Council will cover the shortfall of BSOG received from the Department for Transport to reimburse bus operators for all subsidised local (tendered) bus services.
• BSOG will only be paid for eligible services as determined in guidance set by the Department for Transport.
• The Council will carry out a one-off exercise to revise contract prices for all eligible contracts.
• All eligible contracts that were reviewed in 2013 were re-tendered on the basis of a revised price from 1 January 2014 to not include BSOG.
• BSOG payments will be reviewed during 2016/17 for any contracts that haven't been re-tendered before 1 April 2017.
• The methodology will be subject to internal audit.

Methodology

The Council will use the following formula to determine the revised contract price for each eligible service:

Actual local service kms + actual dead kms divided by kilometre per litre * 0.3457 = annual BSOG claim

Then

Annual claim / number of days that service operates = revised additional contract price

Notes:

- The kilometres per litre varies from operator to operator.
- The dead and live mileage is based on information received from the most recent claim form.

- Number of days used is as follows:
 - School days = 190
 - Non school days = 64
 - Service once per week = 52
 - Mon to Fri = 260
 - Mon to sat = 312
 - Bank holidays = 8

For any queries please contact the public transport team on 01724 297460