

HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Executive Member for Environment and Transport
Date:	3 November 2016
Title:	Bus Service Operators Grant
Reference:	7839
Report From:	Director of Economy, Transport and Environment

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1. Executive Summary

- 1.1. The purpose of this paper is to further improve passenger facilities on buses in Hampshire and so build on the present high levels of passenger use by using currently unallocated funding from the Department for Transport (DfT) as a 'grants' stream to help fund improvements such as contactless payment, onboard WiFi, next stop announcements, USB chargers and real time passenger information.
- 1.2. This paper seeks to encourage bus operators to bring forward investment in facilities such as contactless payment by offering match funding from unallocated Bus Service Operator Grant budget.

2. Contextual information

- 2.1. Bus Service Operator Grant (BSOG), formerly known as Fuel Duty Rebate, is a payment made by the Department of Transport (DfT) to offset the duty paid for diesel fuel to bring buses in line with other forms of public transport such as rail and ferry which do not incur the duty.
- 2.2. From 1 January 2014, the BSOG payable for tendered services has been paid via local authorities. Bus operators still receive the BSOG payments for commercial services direct from the DfT.
- 2.3. Hampshire County Council has retained specialist consultants to calculate the BSOG payable to each subsidised service but the County Council has advised operators that as bus tenders came up for renewal, they should bid using a price which included an allowance for BSOG as no separate payment would be made for new tenders. This was to avoid two sets of payment for each tender in perpetuity and recognised that BSOG was a fixed sum, though tenders could alter, and was time-limited.

- 2.4. Local area bus tenders have been renewed on a rolling basis so that after October 2016, only Cango services will receive separate BSOG payments until they come up for renewal in turn.
- 2.5. Competition for local bus tenders in many areas has meant that tender prices have risen by less than the previous BSOG allocation. As a result, unallocated BSOG for 2016/17 is likely to be in the order of £950,000 from a budget of £1,068,177.
- 2.6. DfT rules for the allocation of BSOG include maintenance of existing services, kick-start of new services, substitution of community transport or taxi services, infrastructure or real time information or other investment.
- 2.7. Recognising the need to reduce dependency on subsidy and looking to achieve longer term benefits, the proposal is to make available unallocated BSOG as a 'grants' stream to incentivise operators to bring forward their own investment in Hampshire.
- 2.8. Close attention would be paid to 'state aid' implications, and De Minimis rules, as was done for successful bids to Better Buses Area Fund and Local Sustainable Transport Funds which saw buses across Hampshire equipped for onboard WiFi and next stop announcements and roadside real time information displays provided at 320 bus stops in the county.
- 2.9. Existing corporate grants processes would be used, as currently offered for community transport grants, and would be fully transparent and offered to all operators of local bus services in Hampshire.
- 2.10. The grants process would invite operators to provide agreed funding of their own to maintain partnership working which has been key to the success of bids for external funding in recent years.
- 2.11. Clear guidance would set out the Council's wish to see a modern bus service offered to Hampshire residents with grants available for contactless payment (payment by credit or debit card) which has proved very popular in London, USB chargers which are increasingly valued by those using tablets or phones on the bus, onboard WiFi and next stop announcements and displays, which are invaluable to visitors and those with sensory limitations.
- 2.12. Remaining funds could be used for roadside real time information displays, including the new paper white style low energy displays which no longer require external electricity supplies and are easier to install, or provision would be made to carry unused budget forward to future years.

3. Finance

- 3.1. BSOG funding of £1,068,177 for 2016/17 has been provided to the County Council in April 2016.

- 3.2. Grants would be awarded individually and only against unallocated funds to a maximum of £950,000.
- 3.3. Arrangements would be made for any remaining budget to be carried forward to future years.

4. Performance

- 4.1. Successful partnership working has contributed to near record bus use in Hampshire.
- 4.2. A modern transport system aids economic growth and the proposal allows for investment to make journey time more productive and aid visitors and those with sensory limitations.

5. Future direction

- 5.1. Utilising existing funding in the way proposed will build on the existing successful partnership with bus operators in Hampshire which has seen investment in some 60 new buses over a three year period maintain or improve the existing high levels of bus use in the county.

6. Recommendations

- 6.1. That the Executive Member for Environment and Transport gives authority for unallocated Bus Service Operators Grant funding for 2016/17 to a maximum of £950,000 to be made available on a pilot basis as a 'grant' stream for bus operators to apply for on a match funding basis to improve passenger facilities such as the introduction of contactless payments or equipping vehicles with Wi-Fi, USB chargers, next stop announcement systems or similar, and that remaining monies be considered for roadside infrastructure such as real time information displays.
- 6.2. That the Director of Economy, Transport and Environment be given the delegated authority to develop and implement the arrangements for the 'grant' stream in consultation with the Executive Member for Environment and Transport, as set out in the report.

CORPORATE OR LEGAL INFORMATION:**Links to the Corporate Strategy**

Hampshire safer and more secure for all:	yes
Corporate Improvement plan link number (if appropriate):	
Maximising well-being:	yes
Corporate Improvement plan link number (if appropriate):	
Enhancing our quality of place:	no
Corporate Improvement plan link number (if appropriate):	

Section 100 D - Local Government Act 1972 - background documents

The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)

Document

Location

None

IMPACT ASSESSMENTS:

1. Equality Duty

1.1. The County Council has a duty under Section 149 of the Equality Act 2010 ('the Act') to have due regard in the exercise of its functions to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act;
- Advance equality of opportunity between persons who share a relevant protected characteristic (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation) and those who do not share it;
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

Due regard in this context involves having due regard in particular to:

- a) The need to remove or minimise disadvantages suffered by persons sharing a relevant characteristic connected to that characteristic;
- b) Take steps to meet the needs of persons sharing a relevant protected characteristic different from the needs of persons who do not share it;
- c) Encourage persons sharing a relevant protected characteristic to participate in public life or in any other activity which participation by such persons is disproportionately low.

1.2. Equalities Impact Assessment:

The proposals in this report have been developed with due regard to the requirements of the Equality Act 2010, including the Public Sector Equality Duty and the Council's equality objectives. The proposals seek to increase bus use by improving passenger facilities and any impact upon those with protected characteristics would be positive.

2. Impact on Crime and Disorder:

2.1. This proposal is not expected to have any impact on crime and disorder.

3. Climate Change:

3.1. How does what is being proposed impact on our carbon footprint / energy consumption?

Attractive public transport reduces the need for private car use.

3.2. How does what is being proposed consider the need to adapt to climate change, and be resilient to its longer term impacts?

Helping to provide a sustainable public transport service reduces carbon use.