

Bus Service Operators Grant

Information and Conditions of Eligibility (PSV 360-S, Version 2, revised 2019)

AN EXPLANATION OF THE BUS SERVICE OPERATORS GRANT SCHEME
NOTES FOR GUIDANCE ON HOW TO COMPLETE FORMS PSV 310-S and PSV
311-S

There is a separate information sheet for Community Bus Operators which is currently being reviewed.

BACKGROUND TO THE BUS SERVICE OPERATORS GRANT SCHEME

The Bus Service Operators Grant (BSOG) is a discretionary grant paid under section 38 of the Transport (Scotland) Act 2001 by Transport Scotland on behalf of Scottish Ministers.

The aim of BSOG is principally to benefit passengers. It does this by helping operators to keep their fares down and enabling operators to run services that might not otherwise be commercially viable, thus contributing to the maintenance of the overall bus network. It also contributes to the operation of Community Transport services, allowing people who cannot make use of conventional bus services to access local services.

This grant is payable only on a local bus service as defined in section 2 of the Transport Act 1985 or a community transport service possessing a section 19 or section 22 permit. The service(s) must then meet the further requirements detailed in the Bus Service Operators Grant (Scotland) Regulations 2002 which are detailed in this form

Transport Scotland has administered BSOG in Scotland since 1 April 2010. Scottish Ministers removed the formal link to fuel duty from 1 April 2010 and whilst payment calculations are still linked to fuel consumption they are no longer linked to fuel duty. Payment calculations are based upon the numbers of live service kilometres run per bus.

CONVERSION FACTORS

Transport Scotland uses the following conversion factors:
(a) miles to kilometres : multiply by 1.61

BSOG RATES

Core rate – 14.4 pence/kilometre for all fuel types except for biofuel.

Since 1 April 2010 there has also been an additional incentive for Low Carbon Buses (LCB), known as the Low Carbon Vehicle (LCV) incentive. This incentive was based on the definition of a LCB, and paid at one single rate to all eligible buses, and will cease once the payment has reached a maximum of 5 years:

BSOG Information and Conditions of Eligibility (PSV 360-S, Version 2, March 2019)

10.1 pence/kilometre for buses

The LCB accreditation scheme has now been superseded by the Low Emission Bus (LEB) accreditation scheme which compares GHG savings with conventional Euro V diesel buses, and subsequently by the Ultra Low Emission Bus (ULEB) accreditation scheme which compares GHG savings with conventional Euro VI diesel buses.

BSOG Low Emission Vehicle (LEV) incentive rates for all new claims from 1 April 2019) –

LEB; 5 pence/kilometre;
 ULEB; 10 pence/kilometre;
 ZEC 15 pence/kilometre;
 EZEB 30 pence/kilometre

100% Bio-diesel – 17.0 pence/kilometre

Blended Bio-diesel – rate is dependent on the percentage of bio-diesel to standard diesel used, and set annually.

Core BSOG eligibility criteria and payment rates remain unchanged.

BSOG LOW EMISSION VEHICLE (LEV) INCENTIVE

From 1 April 2019 the Low Emission Vehicle (LEV) incentive has been introduced, and is weighted towards Ultra Low Emission Buses (ULEB), with different payment rates depending on emission levels. From this date, the incentive is payable for a maximum period of 5 years.

BSOG is budget limited. The eligibility criteria and payments rates of the BSOG LEV incentive are set by Transport Scotland, working together with the bus industry and relevant stakeholders, within the available budget. Transport Scotland monitor the budget throughout the year and, if necessary, can adjust the payment rate within the year to ensure that expenditure is to budget. The current bands and rates is as follows:

BAND		RATE	ELIGIBILITY THRESHOLD	
			LEB CERTIFICATION	ULEB CERTIFICATION
A	LEB	5 pence/km	15%-35% saving vs Euro V	15%-29% saving vs Euro VI
B	ULEB	10 pence /km	36%+ saving vs Euro V	30%+ saving vs Euro VI
	ZEC	15 pence/km	36%+ saving vs Euro V & 2.5km zero emission range* with geo fence capability	30%+ saving vs Euro VI & 2.5km zero emission range* with geo fence capability
C	EZEB	30 pence/km	36%+ saving vs Euro V & 50km zero emission range	30%+ saving vs Euro VI & 50km zero emission range

*2.5km zero emission range from the “inner urban” phase of the UK Bus Cycle

LEB – Low Emission Bus
 ULEB – Ultra Low Emission Bus

ZEC – Zero Emission Capable
EZEB – Effectively Zero Emission Bus

The % saving noted in the table refers to the Well to Wheel (WTW) Greenhouse Gas (GHG) emissions compared with the equivalent Euro standard.

BSOG LOW CARBON VEHICLE (LCV) INCENTIVE

From 1 April 2019 a time limit of 5 years will be introduced for ongoing BSOG LCV entitlement. If a bus has received BSOG LCV for five years or more on 1 April 2019, the incentive will have exhausted and will no longer be payable. Where five years has yet to be reached, entitlement to BSOG LCV will continue until the maximum period is reached. There is no transfer from the BSOG LCV incentive to the new BSOG LEV incentive.

BIO DIESEL

The Scottish Government through Transport Scotland also provide an incentive for bio-diesel as a fuel option. This is in support of the Governments climate change agenda. The incentive is of long-standing and is open to all operators across Scotland. All operators must satisfy the eligibility criteria for core BSOG. Different payment rates apply for 100% biodiesel, and pro rata for weaker mixes down to 15%. Operators using bio-diesel will receive the LCV incentive but the standard kilometres will be paid at the standard rate of 14.4 pence not the higher blended bio-diesel payment rate. Rates are set annually and are dependent on the percentage mix of bio-diesel.

BIOMETHANE

All gas buses must run on B100 and will qualify for Band B ULEB (10p/km). Please note bands are subject to review and rates of payment may change.

PROCESS AND APPLICATION

It should be noted that whilst Transport Scotland's intention is to avoid placing unnecessary administrative burden on bus operators which are not commensurate with either the size of the operator, or its type of operations, full completion of the application form is required, and payment will not commence until all relevant information is held.

Transport Scotland are working towards an online system for application and payment and will advise when this occurs. In the interim, we are asking all operators to return bus fleet information using an excel spreadsheet. A section of this relates to the BSOG LEV incentive and is required to allow the appropriate rate to be applied. Failure to provide this information will result in the incentive not being paid.

The verification/inspection branch of the BSOG team will also periodically visit bus operators for the purpose of checking that claims comply with the appropriate legislation governing BSOG, and to ensure that adequate records are being kept in support of claims.

BSOG Information and Conditions of Eligibility (PSV 360-S, Version 2, March 2019)

Eligible bus operators submit an *estimate* claim on form PSV 310-S which details the kilometres which are projected to be operated during the forward claim year. When this form is received and the BSOG claim checked and approved for payment, Transport Scotland will write to the bus operator notifying them of the amount(s) which they are due to receive, and the four weekly payment dates on which it is intended to credit these amount(s) to the company's bank account. Receipt of advance estimate payments is conditional upon a certified claim (PSV 311-S) being submitted to Transport Scotland within three months from the end of the financial year. Failure to submit a certified claim within three months will result in estimate payments being withheld and may lead to recovery of any grant already received.

Annually, in line with financial year end, or twice yearly for six monthly claimants, bus operators submit a certified claim (PSV 311-S) for the actual live service kilometres operated during the claim period.

On receipt of the certified claim form PSV 311-S Transport Scotland will calculate the actual amount of the grant due for the period. Where estimate payments have been made the actual grant amount due is offset against the amount paid on estimate. Where the actual kilometres operated attract a higher grant amount than estimate payments received a balance is paid to the operator; where the actual kilometres operated attracts a lesser grant amount than estimate payments received the overpayment is recovered from future four weekly estimate payments. Where future four weekly estimate payments are not being made a cheque for settlement of the overpayment amount will be requested.

All payments of BSOG are made through the Bankers Automated Clearing Service (BACS) and any new operators are asked to supply Transport Scotland with their banking details. A form for these is available on request.

For their part, companies are required, under the conditions imposed under section 38 of the Transport (Scotland) Act 2001, 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-S and Transport Scotland that the figures on the claim are correctly stated.

All BSOG claim years (whether estimate and certified or certified only) run from 1 April to 31 March (Financial year) or six monthly from April – September and October – March dependent on the type of service operation.

This information sheet is for guidance only; full conditions of eligibility for the Bus Service Operators Grant (BSOG) are contained within the Bus Service Operators Grant (Scotland) Regulations 2002 and are printed in full on the reverse of the estimated claim form (PSV 310-S) and certified claim form (PSV 311-S).

CONDITIONS OF ELIGIBILITY FOR COMMERCIAL BUS OPERATORS

A separate information sheet is available for Community Bus Operators.

(1) A bus service is an eligible bus service for the purposes of section 38 of the Transport (Scotland) Act 2001 (Grants to bus service operators) if it is of one of the following classes:

(a) a local service provided or secured:

- (i) by a local education authority pursuant to arrangements made under section 51 of the Education (Scotland) Act 1980; or
- (ii) for persons who have attained the age of sixty years or disabled persons, and in respect of which the conditions set out in paragraph (2) are satisfied;

(b) a local service, other than a service described in paragraph (1)(a), which is provided by means of a vehicle adapted to carry more than eight passengers (or by a smaller vehicle, but only if the services are operated in accordance with a timetable) and in respect of which the conditions set out in paragraph (3) are satisfied; and

(2) The conditions referred to in paragraph (1)(a) are that:

(a) seats on the vehicle by means of which the service is provided are normally available to members of the public and the service is regularly used by such members;

(b) the stopping places (other than those to or from which the service is mainly provided) are situated at locations where they are likely to be used with reasonable frequency by members of the public;

(c) such members are able to make a single journey between any two stopping places upon payment of a fare which is not a deliberate deterrent to their use of the service;

(d) such members are able to pay the fare at a place and in a manner which are not a deliberate deterrent to their use of the service; and

(e) arrangements are made which afford members of the public a reasonable opportunity to inform themselves of the existence of the service, the times of its operation, and the places which it serves.

(3) The conditions referred to in paragraph (1)(b) are that:

(a) at least half of the accommodation on the vehicle by means of which the service is provided is normally available to members of the public and the service is regularly used by such members;

(b) the stopping places are situated at locations where they are likely to be used with reasonable frequency by members of the public;

(c) such members are able to make a single journey between any two stopping places upon payment of a fare which is not a deliberate deterrent to their use of the service;

(d) such members are able to pay the fare at a place and in a manner which are not a deliberate deterrent to their use of the service;

(e) there is not displayed on the vehicle, by means of which the service is provided, any sign or description intended or likely to convey the impression that the service is only available to a particular category of person; and

(f) arrangements are made which afford members of the public a reasonable opportunity to inform themselves of the existence of the service, times of its operation and the places which it serves.

NOTES FOR GUIDANCE ON HOW TO COMPLETE FORMS PSV 310-S, BUS FLEET INFORMATION INTERIM ADDITIONAL INFORMATION FORM, AND PSV 311-S

As noted above, Transport Scotland is working towards an online system for application and payment. Until this is in place, we are asking all operators to return bus fleet information using an excel spreadsheet form.

The information on this form is required in order to administer BSOG LCV for all buses with continued eligibility. A section of this form also related to the new BSOG LEV incentive and is required to allow the correct rate to be applied. Failure to provide this information will result in the incentives not being paid. Guidance on completion of these questions is provided below.

Once the new online application and payment process has been introduced, we will revise this guidance to reflect the changes.

Form PSV 310-S (Estimate) for kilometres to be run (yellow form)

Operators may be eligible to receive advance grant payments based on the best estimate of live service kilometres intended to be run between the dates of the relevant claim period. **Please note** that it is not in an operators interest to overestimate, as any amount overpaid will be recovered once the certified claim is submitted, validate and approved. Recovery may be sought in the current or next financial year.

Section 1: enter intended number of eligible live service kilometres to be run based on timetables for the claim period;

Ineligible kilometres (often referred to as dead kilometres) are 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 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.

Section 2: The responsible operator representative must sign and date the Operator Declaration having understood and agreeing the undertakings and providing timetables for services claimed for the first time.

Section 3:

Column 1: The route/service number how the service is identified by passengers.

Column 2: The registration number given to you by the Traffic Area Office and as appears in Notice and Proceedings.

Column 3: The length of the most frequently run journey, where variable route lengths are operated across a service.

Column 4: The total estimated number of service operation days in the claim period.

Column 5: The total estimated number of journeys to be run on the route in the claim period

Column 6: The total estimated service kms on which BSOG is claimed.

You must maintain records of daily eligible live service 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 at the end of the period, and also Transport Scotland, that the figures thereon are correctly stated.

Form PSV 311-S (Certified claim) for kilometres actually run (green form)

Whilst some of the information to be provided on form PSV 311-S is similar to that provided on estimate, more detailed information is required to ensure adequate validation and authorisation of the claim. **Figures provided on the PSV 311-S must be certified actuals and not estimated figures.**

Transport Scotland will send you form PSV 311-S shortly prior to the financial year coming to an end. In most circumstances the date in section 1 will reflect the financial year April to March or six monthly periods April to September or October to March. Where there is a mid year payment rate change you will receive two PSV 311-S forms clearly indicating the date range the claim relates to.

Also required is a letter from your certifying accountant /auditor which sets out the audit tests that have been carried out and which routes (and figures) have been sample checked as part of the certification process.

The following explanation should be read in conjunction with the 'Notes for Guidance' which are printed on the back of each claim form. This is not an official document but a guide that operators may find helpful when completing the form.

Section 1: enter actual number of **live service** kilometres operated during the claim period

Ineligible kilometres (often referred to as dead kilometres) are 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 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.

Section 2: The responsible operator representative must sign and date the Operator Declaration having understood and agreeing the undertakings and providing timetables for services claimed for the first time.

Section 3: provide details of any service /registration changes during the claim period, such as new service registrations, cancelled service registrations and change of registrations.

Section 4: provide details of the services for which you are claiming that are operated on behalf of or in partnership with a local authority, RTP or other public body to assist with any further enquiries that are deemed necessary to validate the kilometres claimed.

Section 5: Where you hold a valid PSV licence, issued by the Office of the Traffic Commissioner, you should record the **actual** total eligible live service kilometres operated at Section 5.

Where you operate any demand responsive travel services you should record the **actual** total eligible live service kilometres operated on these services at Section 5.1. Where you hold a valid Section 22 permit, issued by the office of the Traffic Commissioner, you should record the actual total eligible kilometres operated at Section 5.2

The figures in Section 5 should match the total kilometres recorded at Section 1.

Section 6:

This should provide a breakdown of the live service kilometres operated on each service/registration.

Column 1: The route/service number - how the service is identified by passengers,

Column 2: The registration number given to you by the Traffic Area Office and as appearing in Notice and Proceedings

Column 3: The length of the most frequently run journey, where variable route lengths are operated across a service

Column 4: The total **actual** number of service operation days in the claim period

Column 5: The total **actual** number of journeys run on the route in the claim period

Column 6: The total **actual** service kms on which BSOG is claimed

Column 7: The total **actual** kms not during the claim period

Records of daily eligible live service kilometres and any kilometres lost or gained on the daily schedule for the period claimed must have been retained. These records are necessary to satisfy the independent accountant who must certify the actual claim form PSV311 at the end of the period, and also Transport Scotland, that the figures thereon are correctly stated.

Section 7: where low carbon vehicles are operated on eligible services provide the **actual** total eligible live service kilometres operated on low carbon vehicles, and a breakdown per vehicle, identifying the service on which the vehicle operated where possible. You must provide a copy of the low carbon vehicle certificate for vehicles appearing on the claim for the first time. To receive the incentive you must also provide the fleet information referred to below. Failure to do so will result in the payment of this incentive being withheld.

BUS FLEET INFORMATION - INTERIM BUS FLEET INFORMATION QUESTIONNAIRE (excel spreadsheet)

This questionnaire is split into two sections. Detailed guidance on how to complete each section is provided below.

Section 1 is mandatory for all operators and must be completed in respect of **all local service buses**.

Section 2 should only be completed if you intend to claim the new BSOG Low Emission Vehicle (LEV) incentive for any new buses from 1 April 2019 onwards. If the bus has claimed BSOG LCV incentive prior to 1 April 2019, or is not low emission to at least the low emission bus (LEB) standard, you do not need to complete this section.

SECTION 1 - VEHICLE DETAILS

ALL sections within the "Vehicle Details" section must be completed for ALL buses claiming BSOG.

Column A: Vehicle Registration Plate

This is the registration number of the bus. If you have changed the registration number of the bus, (for example, by using a private number relevant to your Company) please state the old and new numbers.

Column B: Vehicle Registration Date

This is the date the bus was originally registered

Column C: Vehicle Ownership Date

This is the date that the bus was purchased by the Group Operating Company. If your Company covers more than one geographical area this may not be the date it arrived in your depot.

Column D: Date Vehicle Entered Service

This is the date the bus entered service for your Group Operating Company in Scotland. Any subsequent movement between depots across Scotland, or to the rest of the UK and return to Scotland, whilst remaining under the same Group Operating Company, is not applicable.

Column E: Vehicle Make/Model

This is the manufacturer name of the bus, and whether a single or double decker

Column F: Euro Standard

This is the type of Euro Standard the bus falls into, eg Euro V

Column G: Retrofitted to Euro VI for air quality

This is for buses which have been retrofitted through an approved scheme to bring them to Euro VI standard – either yes or no

Column H - Vehicle claiming core BSOG - Date started

This is a Yes/No answer, with the month/year date that core rate BSOG was originally claimed for, eg March 2015

Column I: Vehicle claiming BSOG LCV incentive prior to 1 April 2019. Yes/No

If you have claimed the 10.1p low carbon vehicle incentive for the bus at any point prior to 1 April 2019 the response is yes. If you have never claimed the low carbon vehicle incentive for the bus prior to 1 April 2019, the answer is no.

SECTION 2 - NEW BSOG LOW EMISSION VEHICLE (LEV) INCENTIVE

This guidance has been produced to support the completion of the BSOG LEV section, as we appreciate the bandings of the new system requires you to provide more detailed information on a buses low emission performance.

Information provided to the BSOG LEV questions will be cross referenced with your BSOG estimate claim form to identify which band and rate of BSOG LEV should apply. To receive the new BSOG LEV incentive, you must provide the required information and certification about the bus in support of any claim you make. A new summary certificate is being produced which manufacturers will provide when you purchase a new bus, and an example of this is within the guidance accompanying the spreadsheet. This clearly provides the information to complete the BSOG LEV questions.

Alternatively, the information can be found on the full Low Emission Bus Scheme Certificate or Ultra Low Emission Bus Scheme Certificate issued by an approved test

BSOG Information and Conditions of Eligibility (PSV 360-S, Version 2, March 2019)

facility to the manufacturer. Examples of full test certificates can be viewed on the LowCVP website - www.lowcvp.org.uk/Hubs/leb/LEBCertificates.htm. The guidance below explains how to find the required information on the full test certificate.

Column J: This is stated in the ‘summary section’ of the manufacturers test certificate as the % WTW GHG Saving against Euro Standard compared to Euro V (Low Emission Bus Test Certification) or Euro VI (Ultra Low Emission Bus test certification). Input the % figure provided and whether this is against Euro V or Euro VI as given on the certificate.

Column K: Zero Emission Range (kms)
This information is also found in the ‘summary section’ of the manufacturers test certificate. State the zero emission range, if applicable.

Column L: Geo Fence Capability
This information is currently not included on the manufacturers test certificate, but will be included in the future. Where applicable to your bus please ask the relevant bus manufacturer for this information and a letter of guarantee to evidence that the bus has geo fence capability.

Column M: BSOG Low Emission Vehicle incentive Band Vehicle qualifies for
This will determine the rate of low emission vehicle incentive you will receive and is based on the answers provided to the three previous questions, please indicate the relevant BSOG LEV Band. Depending on the eligibility threshold below, input the appropriate banding in relation to the bus certification.

* BAND		RATE	ELIGIBILITY THRESHOLD	
			LEB CERTIFICATION	ULEB CERTIFICATION
A	LEB	5 pence/km	15%-35% saving vs Euro V	15%-29% saving vs Euro VI
B	ULEB	10 pence /km	36%+ saving vs Euro V	30%+ saving vs Euro VI
	ZEC	15 pence/km	36%+ saving vs Euro V & 2.5km zero emission range** with geo fence capability	30%+ saving vs Euro VI & 2.5km zero emission range** with geo fence capability
C	EZEB	30 pence/km	36%+ saving vs Euro V & 50km zero emission range	30%+ saving vs Euro VI & 50km zero emission range

***2.5km zero emission range from the “inner urban” phase of the UK Bus Cycle*

The % saving noted in the table refers to the Well to Wheel (WTW) Greenhouse Gas (GHG) emissions compared with the equivalent Euro standard.

- * Bands:
- LEB – Low Emission Bus
 - ULEB – Ultra Low Emission Bus
 - ZEC – Zero Emission Capable
 - EZEB – Effectively Zero Emission Bus

FURTHER INFORMATION

Alternative formats of this document can be made available, on request.

If you require further information or if you think you are entitled to claim BSOG for some or all of the local bus service(s) you are operating or intend to operate, please contact:

BSOG Team
Bus, Accessibility and Active Travel
Transport Scotland
8th Floor West
Buchanan House
58 Port Dundas Road
Glasgow
G4 0HF
Tel: 0141 272 7170/0141 272 7155 / 0141 272 7948
E-mail: bsog@transport.gov.scot