

## Improving bus quality through son-of-BSOG in south Wales

Christian Schmidt  
Transport Planning & Policy Officer  
Monmouthshire County Council  
[christianschmidt@monmouthshire.gov.uk](mailto:christianschmidt@monmouthshire.gov.uk)

(With support of the South East Wales Bus Funding Project Board)

---

### Contents

1.	Summary	2
2.	Bus funding changes	3
2.1.	Cuts	3
2.2.	Wales Bus Funding Policy Group	3
2.3.	Setting up RTSG in South East Wales	4
3.	Developing indicators	5
3.1	First cut	5
3.2	Finalising the strategy	6
3.3	Three quality levels	6
3.4	What passengers want	6
3.5	Consultation	7
3.6	Agreed standards	7
4.	Implementation	9
4.1.	Bus Services Support Grant	9
4.2.	Gathering Information	9
4.3.	Evidence & Monitoring	9
5.	Current Situation	11
6.	Conclusions	15
	Glossary	16
	References	17
	Attachment A: BSSG1516 Delivery Plan	18
	Endnotes	29

## 1. Summary

The variability in the quality of bus service operations, and the need for improvements have been recognised in South East Wales at least since the development of the Regional Transport Plan.

When during 2012 the Welsh Government determined to devolve bus funding to the then Regional Transport Consortia, Sewta decided to use the opportunity to deliver bus quality improvements.

As a first step Sewta set up a grant management process that allowed payments to operators under a new grant system to vary by the quality level achieved in future years.

There were complications as no background information (existing quality standards) was available, and as funding levels were actually reduced there was no money available to study the issues. It was also clear that unwelcome side-effects (such as further service withdrawals or operators leaving the market) needed to be avoided.

Sewta developed proposals for quality indicators relating to vehicles, operations, information and ticketing. After extensive consultation a number of specific quality standards were defined, and these were linked to three quality levels.

A quality standard template was developed for operators to complete. Once returns were received it became clear that a detailed monitoring strategy was required. This was developed, and operators were asked for further evidence for a number of indicators. Submission of evidence was slow, but sufficient information was gathered to allow operators to be assigned to a quality level. Graded payments started on 1 April 2015.

The evidence also shows that a number of improvements have already been made between autumn 2014 and spring 2015. It also provides extensive background information that allows higher quality standards to be set for 2016/17 with confidence.

## **2. Bus funding changes**

### **2.1 Cuts**

On 17 January 2012, the Welsh Government advised local authorities of a cut of 27% in the Local Transport Services Grant (LTSG) from 1 April and bus operators of a 25% cut in the level of Bus Service Operators Grant (BSOG) from the same date.

The unexpected LTSG cut and the larger than expected size of the BSOG cut was seen by Sewta as undermining the role that buses have as a more sustainable alternative to the car that can tackle social exclusion and achieve modal shift, and it was also expected to have a noticeable negative effect on bus services across Wales. The timing of the announcements (coming after most council budgets for 2012/13 had been set, and given the required notice for supported bus services and deregistrations) caused much concern too.

In response to widespread comment the relevant Minister within the Welsh Government agreed to meet with Consortia leaders and senior officers in February, and it was agreed that a Bus Funding Policy Group should be set up "To agree new arrangements for funding bus services in Wales from 1 April 2013 that are affordable and deliver agreed policy outcomes" while the grant cuts were to be delayed by 3-6 months depending on progress.

### **2.2 Wales Bus Funding Policy Group**

The bus funding policy review comprised a Steering Group and a Technical Group of Welsh Government and local authority officials, representatives from CPT and bus operators, Bus Users Cymru, the Community Transport Association (CTA) Wales, Traveline Cymru and the (Welsh) Passenger Transport User Committee.

WG officers noted that the minister's vision is for bus networks to be more efficient, focussed on passengers and based on output based quality partnership contracts with the bus operators, and a greater role for community transport. In particular, WG were looking to link outputs such as increased passenger journeys, lower vehicle emissions etc. with outcomes such as service provision, punctuality, accessibility and service quality. Council officers agreed with the need for a review of bus funding, but disagreed with the presumption that operators were making significant profits on the back of public sector funding. In terms of quality most council officers believed that a partnership approach and linking existing funding to quality standards could be a better approach than Statutory Quality Partnerships or Quality Contracts. Costs and timescale was also seen as a major issue as Quality Contracts have such a long lead in time due to the legal notices and consultations that have to be undertaken beforehand, and should generally only considered as the means of last resort.

Another concern was that some key facts about the bus services that operated in and around Wales were missing, including bus mileage and passenger numbers by region or council area, where most the money is being spend (and how effective it is), or any systematic information about current quality standards.

Eventually in December 2012 a number of core principles were agreed. Consortia would be responsible for administering the new Regional Transport Services Grant (RTSG) scheme, which took over from BSOG and LTSG, from 1 April 2013. The RTSG budget would be £25m, of which £8m would be split between Consortia on the basis of their member authorities' LTSG shares and £17m on the basis of fuel duty reimbursement paid out for operations in each consortia area<sup>1</sup>. As time to the start of the new system was tight it was further agreed that Consortia would also develop a Regional Bus and Community Transport Network Strategy in 2013/14, setting out outcomes consistent with national and regional transport priorities. No quality outcomes were required, and while the strategies had to look at Statutory Quality Partnerships or Quality Contracts, there was no requirement to initiate any.

### 2.3 Setting up RTSG in South East Wales

As a first step Sewta (and the other consortia) now had to define its plans for managing and resourcing the new responsibilities. As Sewta had already ensured that key council officers had sufficient project management training, it was relatively straight forward to set up a South East Wales Bus Funding Project Board, involving the Consortia core team and local authority officers, supported by representatives from CPT.

To keep things simple, Sewta's RTSG proposal included two elements. Firstly, there would be continued support for local authorities – this 'Bus, CT and Associated Services Element' became known as 'son-of-LTSG'. Secondly there would be a funding stream to support operators – known as 'son-of-BSOG'.

However, for the first time, the son-of-BSOG would be a fixed amount, allocated annually and it would be necessary to manage the spending of this budget through a control mechanism. Sewta decided that BSOG-successor payments should be made on a pence-per-km operated basis, as in future years there would be the option to make enhancements (and deductions) dependent on the quality of the service provided<sup>2</sup>.

As the overall amount was fixed, Sewta decided that at the end of the financial year, participating operators must submit a certified claim detailing the actual kilometres operated during the year. Sewta would calculate the pence-per-km rate and the payments due to each operator. Furthermore, as it would clearly cause cash-flow problems for many of the operators if all payments would be made after the end of the financial year, Sewta decided to make quarterly interim payments. At the beginning of each quarter Sewta would ask each operator to provide an estimate of the kilometres expected to be operated, calculate an estimated pence-per-km rate and make interim payments based on 90% of this estimate no later than the mid-point of each quarter.

In addition to advice received from those operators attending Bus Funding Project Board, a consultation workshop was held where the proposed system (and future plans) was explained to all operators and terms and conditions and templates amended to take account of the feedback received. The new grant system started operating on time in April 2013, and no complaint was received from operators or councils during 2013/14.

### 3. Developing indicators

In April 2013 a task & finish group was set up to progress the development of a regional network strategy. A workshop for all authorities, operators, Bus Users UK and the Community Transport Association Wales was held in April, and a set of objectives developed:

- Sewta Bus and Community Transport Network Strategy Objectives
- 1) To provide and promote safe, attractive and accessible bus and Community Transport links to key regional centres and destinations.
  - 2) To maximise opportunities to maintain and stimulate passenger growth.
  - 3) To improve the quality and efficiency of bus and Community Transport services.
  - 4) To address exclusion from the core network through the most appropriate mode, including the use of flexible bus services, Community Transport and services operated by taxi and private hire vehicles.
  - 5) To encourage partnership working, including in information provision, ticketing and service provision.
  - 6) To ensure buses and Community Transport play their full role within the Cardiff Capital Region Metro proposals
  - 7) To provide a foundation for bus infrastructure and bus services enhancement programme.

In large parts the strategy reflected the bus-related policies and actions set out in the 2010 Sewta RTP, and provided further detail on how these would be implemented in the light of the work already undertaken over the previous couple of years.

#### 3.1 First cut

At the workshop participants were specifically asked what quality indicators they believed could/should be included in a future quality standards regime. The following suggestions were made:

- Vehicles being fitted with Smartcard enabled Electronic Ticket Machines;
- Drivers to have relevant licences and Driver Qualification Card (DQC);
- Operators to have an effective complaints procedure in place;
- Operators to participate in GoCymru e-purse scheme;
- Average age of fleet;
- Cleanliness of vehicles;
- Emissions standards;
- Provision of roadside publicity by operators;
- Availability of reduced fares for young persons over 16 years of age;
- Drivers undergoing disability awareness training;
- Participation in Daily and Weekly Network Rider<sup>3</sup>;
- Drivers to wear uniforms;
- Real-time information;
- Operator must participate in PlusBus schemes;
- Vehicles to be fitted with CCTV;
- Vehicles using alternative fuels;
- Vehicles to be equipped with comfort/efficiency equipment (e.g. Greenroad);
- Provision of live service information;
- Provision of printed timetables;
- Website, Facebook and Twitter;
- Audio and/or visual on-board stop announcements;
- Driver to have passed safe and fuel efficient driving Awareness CPC module

In addition, it was proposed that services departing between the hours of 19:00 and 05:00 Monday to Saturday or any time on Sundays should be eligible for an enhanced rate to address the issues associated with the lower level of service provision during these times.

It was also suggested that in order to comply with state aid rules, future allocation of the RTSG *must* be linked to a series of outcomes.

### **3.2. Finalising the strategy**

These suggestions were then turned into draft indicators and included in a consultative draft Bus Network Strategy which was sent to all stakeholders with a request for comments. The key questions were whether these are indicators that should be used to vary payments to operators, if so how important they were and what benchmarks should be set, and what mechanism should be chosen to vary payments.

### **3.3. Three quality levels**

In terms of quality outputs, Welsh Government proposed that operators should have their payments cut for each indicator standard that is missed. However as the overall budget is fixed and Sewta was keen to reward operators for achieving standards as much as to punish them this was seen as impracticable<sup>4</sup>.

An alternative proposal promoted by Sewta was that there should be a number of levels of quality standards. Each operator would be assigned to one level, depending on the quality standards it achieves. Out of the total available funding a specific sum would be reserved to be shared only between those operators that achieve a certain level – i.e. operators that fail to achieve the basic level would lose out – while another sum would be reserved to be shared only between those operators that achieve a higher level. It should be noted that in practice this would mean that the ultimate pence-per-km bonus for each level would depend on the number of operators achieving the level.

In the absence of a better alternative given that the overall budget is fixed the latter proposal was adopted within Sewta, with three quality standard levels (termed Bronze, Silver, Gold). Of the total budget 70% would be shared between all operators that achieve Bronze level or better, 15% would be shared only between those that achieve Silver level or better while the remaining 15% would be shared only between those that achieve Gold level.

For Bronze level a number of essential standards would be selected that all operators wishing to participate in the scheme would need to fulfil in full. The bronze-level standards would be basic and any operator not fulfilling one or more of these standards will not be eligible for any funding.

For Silver and Gold level it was decided that there should be a range of standards, with operators earning points for each achievement. To achieve, silver or gold level, operators must gain a number of points. This had the advantage that those quality standards that are seen as more important could be of a higher weight by offering more points, whilst still offering some points towards partial fulfilment. Operators that fall short of silver or gold level would also have a range of quality standards which they can upgrade to earn extra points, allowing overall standards to be raised in an efficient way. Finally the system enables the number of points required to achieve silver and gold level to increase over time. It also allows the number of standards against which points can be earned to increase over time, thereby ensuring continuing improvement. (It is similarly planned that the basic quality standards that need to be achieved for bronze level will be enhanced in future years.)

### **3.4. What passengers want**

To get a better understanding of the priorities of passengers, a questionnaire was developed and distributed via the websites of Sewta, member councils, Traveline Cymru, main operators (including Cardiff Bus and Stagecoach South Wales) and via events held jointly with Bus Users Cymru at key bus stations and libraries throughout the region.

Key questions included asking respondents to rate the importance of 11 aspects of bus travel, asking where money would be best spent and whether or not they agreed with the objectives.

In terms of importance, passengers ranked the aspects in the following order:

1. Reliability of service
2. Frequency of service
3. Printed timetable information at bus stops
4. Connections to other transport links
5. Safety and security
6. Bus operates during evenings and Sundays
7. Cost of bus fares
8. Shelters at bus stops
9. Cleanliness of buses
10. Real-time information
11. Level access on and off buses

In terms of spending money, the following suggestions received most support:

1. More reliable bus services
2. More frequent bus services
3. Timetable information at all stops
4. Tickets valid on all bus and trains
5. More Sunday services

The responses were used to help inform the selection and weighting of indicators. For example the relatively low importance of cleanliness and real-time information led to these being not progressed in the first year, while the relatively high-importance of connections to other transport links suggested that participation in existing multi-operator ticketing products would be a useful indicator.

In terms of objectives, it was heartening to see that “To improve the quality and efficiency of bus and community transport services” had the highest rate of strong agreement of all.

### **3.5. Consultation**

At a workshop a specific set quality standards (including points by achievement) was tabled, and participants (mainly operators) asked for their view of this which were used to draw up the finalised list.

A key problem was that Sewta had little quantified knowledge about existing standards. As overall funding levels had been severely cut in 2013, both in terms of funding for bus operators to spend on service / quality development and for councils to fill any gaps in service, officers were very keen to avoid any unwelcome consequences such as further service withdrawals or operators pulling out of bus work. However, to ensure that Sewta could demonstrate that funding for bus operators does result in quality operation, officers were equally keen to ensure that as many quality standards that are already fulfilled by the majority of operators, or can be achieved relatively easily, were included.

### 3.6. Agreed standards

In the end, the following quality standards were agreed to be part of the scheme for 2015/16:

#### 1) Bronze level:

- All vehicles(\*) fitted with an operational and approved ITSO compliant Smartcard enabled Electronic Ticket Machine
- A written customer complaint procedure
- All drivers have valid Public Service Vehicle (PSV) driving licence and Driver Qualification Card (DQC)
- All drivers are issued with uniform, and are required to wear it
- Operator participates in PlusBus schemes where applicable.

#### 2) Silver and Gold levels:

Quality standard	Points
Vehicles – average age of fleet in years	<6yrs=30 <9yrs=20 <12yrs=10
Vehicles – Proportion of vehicles achieving EURO III standard or better	>90%=24 >60%=16 >30%=8
Vehicles – Proportion of vehicles achieving EURO IV standard or better	>60%=18 >40%=12 >20%=6
Vehicles – Proportion of vehicles achieving EURO V standard or better	>30%=12 >20%=8 >10%=4
Vehicles – Proportion of vehicles fitted with CCTV	>90%=24 >60%=16 >30%=8
Vehicles – Proportion of vehicles fitted with destination blinds or working electronic destination displays that are clearly visible at night, in low light and poor weather conditions	>90%=18 >60%=12 >30%=6
Vehicles – Proportion of vehicles fitted with next stop information	>90%=24 >60%=16 >30%=8
Vehicles –Proportion of vehicles using of alternative fuels	>30%=12 >20%=8 >10%=4
Vehicles – proportion of vehicles with driver/vehicle telematics (e.g. Greenroad, Mix)	>90%=24 >60%=16 >30%=8
Information – Provision of unscheduled service changes information to passengers (on website, Twitter, Facebook, Traveline Cymru or equivalent)	30
Ticketing – Availability of reduced fares for young persons over 16	24
Ticketing – Participation in Daily Network Rider scheme	30
Ticketing – Participation in Weekly Network Rider scheme	24
Training – Proportion of drivers having completed Disability Awareness CPC module	>90%=24 >60%=16 >30%=8

Silver – 106 or more points, Gold – 212 or more points

## 4. Implementation

### 4.1. Bus Services Support Grant

On the same day in January 2014 that the final Sewta Bus and Community Transport Network Strategy was submitted to Welsh Government, the Welsh Government decided that all grants were to be withdrawn from the Consortia (including RTSG) and that instead there should be a new Bus Services Support Grant paid directly by Welsh Government to each local authority<sup>5</sup>. However after it was quickly pointed out that working out the exact allocation for each council would be quite an administrative burden (and quite impossible in time for the next financial year), WG agreed that the new BSSG be paid to regional lead authorities. Sewta also had some financial reserves that allowed the administration of bus funding and the management of the bus quality project to continue, but the episode and the end of the general Sewta working arrangements caused substantial uncertainty and delay.

### 4.2. Gathering information

In summer 2014 the Bus Funding Project Board set out to gather baseline information on the quality standards from bus operators. A template was developed that asked operators for the standards they expected to achieve by 1 October 2014, and whether the standards were already achieved or equated to work in progress. The aim of allowing improvements before the scheme went live was to encourage operators to improve standards – in particular for operators that found themselves close to the higher level, this was thought to clearly showing the incentive of improving their quality standards.

Unfortunately response rates were slow, especially for slower operators. Those responses that were received also showed that there were misunderstandings (e.g. operators claiming points for achieving EURO IV or better emissions standards, but then not realising that any vehicle that achieves EURO IV or better also achieves EURO III or better) and misconceptions (e.g. operators believing they have achieved silver level despite failing to achieve some basic bronze standards). Overall much recontacting was required, and it was clear that the start date of 1 October needed to be postponed.

### 4.3. Evidence & Monitoring

During the information gathering it also became apparent that a certain amount of regular upfront monitoring was required. Up to this time limited thought had been given to monitoring. The general idea had been to undertake ad-hoc monitoring only where there was an indication that some claimed standards are not being delivered. (The terms and conditions allowed Sewta/council officers to request any monitoring information they believe is required and to inspect vehicles and depots as necessary.)

Together with Bus Users Cymru, who already employed three WG-funded Bus Compliance Officer, and Caerphilly County Borough Council, who operate the back office that provides WG-funded smartcard-enabled electronic ticket machines for smaller operators in the region, a monitoring framework was drawn up:

Level	Standard	Stage 1	Stage 2
Bronze	All vehicles(*) fitted with an operational and approved ITSO compliant Smartcard enabled Electronic Ticket Machine	For smaller operators: check with Caerphilly back office that some ticket machines are provided. For larger operators: evidence has been provided	Inspection
	A written customer complaint procedure	Request copy	---
	All drivers have valid Public Service Vehicle (PSV) driving licence and Driver Qualification Card (DQC)	Accept declaration	Request further evidence
	All drivers are issued with uniform, and are required to wear it	Accept declaration – Bus Users Compliance officers to notify BFPB of any instances of drivers without uniforms	Request further evidence / Inspection

	Operator participates in PlusBus schemes where applicable.	PlusBus website	Request further evidence
Towards silver and gold	Vehicles(*) – average age of fleet in years	Request vehicle list (template provided)	Inspection
	Vehicles(*) – Proportion of vehicles achieving EURO III standard or better	Request vehicle list (template provided)	Inspection
	Vehicles(*) – Proportion of vehicles achieving EURO IV standard or better	Request vehicle list (template provided)	Inspection
	Vehicles(*) – Proportion of vehicles achieving EURO V standard or better	Request vehicle list (template provided)	Inspection
	Vehicles(*) – Proportion of vehicles fitted with CCTV	Accept declaration – Bus Users Compliance officers to notify BFPB of any instances of vehicles without CCTV	Request further evidence / Inspection
	Vehicles(*) – Proportion of vehicles fitted with destination blinds or working electronic destination displays that are clearly visible at night, in low light and poor weather conditions	Accept declaration – Bus Users Compliance officers to notify BFPB of any instances of vehicles without displays	Request further evidence / Inspection
	Vehicles(*) – Proportion of vehicles fitted with next stop information	Accept declaration – Bus Users Compliance officers to notify BFPB of any instances of vehicles without next stop information	Request further evidence / Inspection
	Vehicles(*) – Proportion of vehicles using of alternative fuels	Request evidence	Inspection
	Vehicles(*) – proportion of vehicles with driver/vehicle telematics (e.g. Greenroad, Mix)	Request evidence (e.g. of supply)	Inspection
	Information – Provision of unscheduled service changes information to passengers (on website, Twitter, Facebook, Traveline Cymru or equivalent)	Check website, Twitter, Facebook, Traveline Cymru	Request further evidence
	Ticketing – Availability of reduced fares for young persons over 16	Request evidence (fares policy)	---
	Ticketing – Participation in Daily Network Rider scheme	For smaller operators: check with Caerphilly back office. For larger operators: evidence has been provided	Request evidence (fares policy)
	Ticketing – Participation in Weekly Network Rider scheme	For smaller operators: check with Caerphilly back office. For larger operators: evidence has been provided	Request evidence (fares policy)
	Training – Proportion of drivers having completed Disability Awareness CPC module	Accept declaration and notify partner organisation	Request further evidence

During winter 2015 operators were issued with a template for fleet information and asked to provide further evidence as set out in the above table. Once again, many operators failed to respond in time or fully. This caused some anxiety, and whilst the Bus Funding Project Board was clearly in a position to refuse payments to these operators in the future, this may lead to unintended consequences and service withdrawals. As the aim was to improve bus quality, it was decided that it would be better to further work with operators trying to get the required information.

At this point operators that had earlier claimed that certain standards were 'work in progress' were also recontacted to verify whether the standards were achieved.

## 5. Current situation

This system is now in use, and since 2015/16 quarter 1 the interim payments vary by the quality level achieved. Those operators that have achieved at least bronze levels are closely monitored. Two smaller operators have failed to achieve base standards and the overall outcome is as follows:

Bus Operator	Submitted form					Analysis					
	Claimed standard			Claimed Points		Bronze achieved ?	Actual Points	Actual points level achieved			notified
	G	S	B	inclWIP	exclWIP			G	S	B	
Operator A	X			250	202		66				
Operator B		X		180	180	yes	34			X	yes
Operator C	X			244	244	yes	244	X			yes
Operator D	no claim form						0				
Operator E		X		138	98	yes	46			X	yes
Operator F	X			256	236	yes	218	X			yes
Operator G	X			222	192	yes	226	X			yes
Operator H	X			250	250	yes	196		X		yes
Operator I		X		218 [G!]	218	yes	164		X		yes
Operator J		X		210	166	yes	154		X		yes
Operator K	X			238	106	yes	214	X			yes
Operator L	no claim form					yes	108		X		yes
Operator M		X		158	138	yes	64			X	yes
Operator N	X			282	258	yes	258	X			yes
Operator O			X	112 [S!]	84	yes	130		X		yes
Operator P			X	160 [S!]	94	yes	152		X		yes
Operator Q	X			282	282	yes	258	X			yes
Operator R	X			236	142	yes	210	X			yes
Operator S			X	0	0	yes	0				yes
Operator T	X			258	234	yes	268	X			yes
Operator U		X		154	154	yes	234	X			yes
Operator V	X			260	260	yes	150		X		yes
Operator W	X			230[240!]	210	yes	220	X			yes
Operator X	no claim form					yes	32			X	yes
Operator Y		X		218 [G!]	218	yes	220	X			yes
Operator Z	X			258	234	yes	258	X			yes
Operator AA	X			282	282	yes	258	X			yes

The payment differential for interim payments for quarter one of 2015 is 2.14p/km between bronze and silver and 2.40p/km between silver and gold:

	Q1	Q2	Q3	Q4	Full year
total funding	£1,809,531	£1,809,531	£1,809,531	£1,809,531	£7,238,124
of which for bronze	£1,266,672	£1,266,672	£1,266,672	£1,266,672	£5,066,687
of which for silver	£271,430	£271,430	£271,430	£271,430	£1,085,719
of which for gold	£271,430	£271,430	£271,430	£271,430	£1,085,719
bronze km	12,752,933	0	0	0	0
silver km	12,679,458	0	0	0	0
gold km	11,315,707	0	0	0	0

bronze km rate	9.93p	0.00p	0.00p	0.00p	0.00p
silver additional	2.14p	0.00p	0.00p	0.00p	0.00p
silver km rate	12.07p	0.00p	0.00p	0.00p	0.00p
gold additional	2.40p	0.00p	0.00p	0.00p	0.00p
gold km rate	14.47p	0.00p	0.00p	0.00p	0.00p

The Bus Funding Project Board now also a very good overview of actual standards of operation for many indicators:

Fleet standards	Fleet age in years		Vehicles achieving EURO III or better in %		Vehicles achieving EURO IV or better in %		Vehicles achieving EURO V or better in %		Vehicles with next stop info in %		Vehicles using alternative fuels in %	
	claim	actual	claim	actual	claim	actual	claim	actual	claim	actual	claim	actual
Operator A	<12y		>90		>60							
Operator B	<12y		>90		>60		>10		>30		>10	
Operator C	<9y	8.0	>60	86	>20	38	>10	18				
Operator D												
Operator E	<9y		>90		>60		>20		>30		>10	
Operator F	<6y	7.9	>60	100	>40	56	>10	33	>30 WIP	0	>10 WIP	
Operator G	<6y	3.3	>90	100	>60	100	>20	47				
Operator H	<9y	7.43	>60	66	>40	45	>30	45				
Operator I	<9y	8.0	>90	100								
Operator J	<9y WIP	11.0	>60	100								
Operator K	<12y	9.9	>90	100	>20	27		5				
Operator L		13.7		100								
Operator M	<9y WIP	10.5	>90	75	>40	50		25				
Operator N	<6y	4.1	>90	100	>60	91	>30	55				
Operator O	<9y WIP	4.5	>90	100	>60	100		25				
Operator P	<12y WIP	12.0	>60 WIP	100	>40	40	>10	20	>30 WIP	80		
Operator Q	<6y	5.8	>90	98	>60	76	>30	48				
Operator R	<6y WIP	7.3	>60	86	>40 WIP	56	>10	42		8		
Operator S												
Operator T	<9y	5.93	>90 WIP	94	>40	54	>30	40		3		
Operator U	<12y	6.0	>90	100		54		31		77		100
Operator V	<6y	5.8	>90	100	>40	100	>20	40	>30	100	>10	0
Operator W	<6y	6.8	>90	100	>40	75		25				
Operator X		13.0		100						100		
Operator Y	<9y	7.2	>90	100		71		21		7		
Operator Z	<6y	2.7	>90	100	>60	100	>30	67				
Operator AA	<6y	4.3	>90	100	>60	67	>30	67				

<b>Ticketing</b>	Electronic ticket	PlusBus?	Reduced fares	Daily network	Weekly network
------------------	-------------------	----------	---------------	---------------	----------------

standards	machines?				for young people over 16?		rider?		rider?	
	claim	actual	claim	actual	claim	actual	claim	actual	claim	actual
Operator A	yes WIP	no	yes WIP		yes		yes		yes	
Operator B	yes	yes	n/a		yes					
Operator C	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Operator D		yes								
Operator E	yes	yes	yes							
Operator F	yes	yes	yes	yes	yes		yes	yes	yes	yes
Operator G	yes	yes	yes WIP				yes	yes		
Operator H	yes	yes	yes	yes	yes	yes	yes		yes	
Operator I	yes	yes	yes	yes	yes	yes	yes		yes	
Operator J	yes	yes	yes WIP		yes		yes	yes	yes	yes
Operator K	yes	yes	yes WIP		Yes WIP		Yes WIP	yes	Yes WIP	yes
Operator L		yes						yes		yes
Operator M	yes	yes	n/a		yes		yes		-	
Operator N	yes	yes	yes	yes	yes		yes	yes	yes	yes
Operator O	yes		n/a							
Operator P	yes	yes	yes		Yes WIP					
Operator Q	yes	yes	yes	yes	yes		yes	yes	yes	yes
Operator R	yes	yes	yes	yes	yes		yes	yes		
Operator S	yes WIP	yes	n/a		-					
Operator T	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Operator U	yes	yes	yes	yes	yes	yes	-	-	-	
Operator V	yes	yes	n/a		yes		yes		yes	
Operator W	yes	yes	n/a		yes		yes	yes	yes	yes
Operator X	0	yes	0		0		0		0	
Operator Y	yes	yes	n/a		yes		yes	yes	yes	yes
Operator Z	yes	yes	yes	yes	0		yes	yes	yes	yes
Operator AA	yes	yes	yes	yes	yes		yes	yes	yes	yes

Because the Bus Funding Project Board's original evidence gathering also asked for work in progress, it can already been demonstrated that there has been some progress in improving standards over the last year or so.

Operator	Standard	claim	achieved
Operator E	Electronic external destination display	30-60% of fleet WIP	30-60%
Operator F	Euro III emissions	60-90% of fleet	100%
	Euro V emissions	10-20% of fleet	33%
Operator G	Euro V emissions	20-30% of fleet	47%
	Live Service Info	Yes WIP	Yes
Operator J	Euro III emissions	60-90% of fleet	100%
Operator K	Daily network rider	Yes WIP	Yes

	<i>Weekly network rider</i>	Yes WIP	Yes
	<i>Live Service Info</i>	Yes WIP	Yes
	<i>Driver/vehicle telematics</i>	Yes WIP	Yes
Operator L	<i>Daily network rider</i>	No	Yes
	<i>Weekly network rider</i>	No	Yes
	<i>Live Service Info</i>	No	Yes
Operator M	<i>Euro V emissions</i>	<10% of fleet	25%
Operator N	<i>Driver/vehicle telematics</i>	Yes WIP	Yes
Operator O	<i>Fleet age</i>	6-9 years WIP	4.5 years
	<i>Euro V emissions</i>	<10% of fleet	25%
	<i>Fleet with CCTV</i>	30-60% WIP	30-60%
Operator P	<i>Fleet age</i>	9-12 years WIP	12.0 years
	<i>Euro III emissions</i>	60-90% of fleet WIP	100%
Operator R	<i>Euro IV emissions</i>	40-60% WIP	56%
	<i>Euro V emissions</i>	10-20% WIP	42%
	<i>Fleet with CCTV</i>	>90% WIP	>90%
Operator S	<i>Electronic ticket machines</i>	Yes WIP	Yes
Operator T	<i>Fleet age</i>	6-9 years	5.9 years
Operator U	<i>Fleet age</i>	9-12 years	6.0 years
	<i>Euro IV emissions</i>	<20% of fleet	54%
Operator V	<i>Euro IV emissions</i>	40-60% of fleet	100%
	<i>Euro V emissions</i>	20-30% of fleet	40%
Operator W	<i>Euro IV emissions</i>	40-60% of fleet	75%
	<i>Euro V emissions</i>	<10% of fleet	25%
	<i>Live Service Info</i>	Yes WIP	Yes
Operator Y	<i>Euro IV emissions</i>	<20% of fleet	71%
	<i>Euro V emissions</i>	<10% of fleet	21%
Operator Z	<i>Driver/vehicle telematics</i>	Yes WIP	Yes

## 6. Conclusions

The objective of the project was to develop a methodology that will improve and enable continuous improvement in bus service quality. The project outcome is that there has been a (limited but demonstrable) improvement in bus service quality while a system is in place that should allow further improvements to be achieved in future years.

All this has been achieved on a minimal budget – scheme set up and year one administration was less than 1.5 FTE (excluding local authority and partner attendance at monthly project board meetings), and it is expected that the future administration will fall towards 0.5-1.0 FTE.

The system has been recommended by Welsh Government's Bus Policy Advisory Board as best practice; and it is expected to be basis of bus service quality improvements across Wales in the future.

However a number of lessons have been learned that should improve future management of quality standards, and reduce the cost and risk for any other public authority that wishes to engage in a similar project:

- Try to avoid introducing a new quality standards system at the same time when cutting bus funding, it makes stakeholder engagement more difficult, and increases the risk of unintended negative consequences and thus the quality standards that can reasonable be asked for.
- Do not abolish the organisation charged with managing the project half-way through!
- Consultation with operators is absolutely essential – this must include consultation on the principles, on the quality standards and the weighting and on how the scheme will be administered.
- Try to be as admin light as possible – design administrative procedures with future simplification in mind. (For example, while interim payments are currently based on operators' estimates of service kilometres submitted quarterly on bespoke forms, in future service kilometre data may be assembled from Traveline Cymru timetable data.)
- In terms of quality standards included, while much can be learned through consultation, it may have been useful to also undertake a more systematic approach in terms of looking at all steps of passengers experience through a journey.
- Get baseline information early in the process, before finalising indicators.
- Don't assume you will get much baseline information without repeat-contacting of operators (esp. smaller ones)
- Be prepared to be flexible – if an operator submits evidence of achieving a quality indicator late, accept it if possible – after all the aim is to improve quality!
- Some mistakes will be made – admit them, and make sure your systems are flexible enough to cope with it
- Align contracts for tendered bus services with the quality standard system

For any further information on the system, including templates, please contact Christian Schmidt, Transport Planning & Policy Officer, Monmouthshire County Council, [christianschmidt@monmouthshire.gov.uk](mailto:christianschmidt@monmouthshire.gov.uk)

## Glossary

ATCO	Association of Transport Coordinating Officers
BSOG	Bus Service Operators Grant – A former grant to bus operators, based on fuel usage (and initially introduced as Fuel Duty Rebate), which aimed to help operators keep fares at an affordable and attractive level. In Wales BSOG was part of the devolved expenditure, though it was managed by the DfT on behalf of the WG.
BSSG	Bus Services Support Grant – A grant by WG to lead regional lead councils since 2014/15. BSSG took over from RTSG when WG withdrew all funding from the RTCs.
Consortia	See RTCs
CPT	Confederation of Passenger Transport – Trade organisation representing most of Wales' bus operators
CTA	Community Transport Association – CTA Wales is the officially recognised (and part-funded) community transport partner of the Welsh Government
LTSG	Local Transport Services Grant – A former grant by WG to Welsh councils. Eligible expenditure included supported bus service (additional to bus services supported by councils' own revenue spend), related expenditure (e.g. bus timetable booklets, bus stop departure information) and Community Transport (at least 10% of the total).
PTUC	Passenger Transport User Committee Wales – A former corporate body of the Welsh Government charged with considering and making recommendations about any matter relating to passenger transport services and facilities from or within Wales. The PTUC was established under the Transport (Wales) Act 2006 and disbanded in 2014.
RTC	Regional Transport Consortia – Local Authority voluntary partnerships and (since 2005/9) Joint Committees charged with regional transport planning on behalf of member authorities. There were four consortia (as they were generally referred to), Sewta for South East Wales, Sswitch for the south-west, Taith for the north and Tracc for Mid-Wales. The Consortia ceased to operate in 2014 when Welsh Government withdrew core funding.
RTP	Regional Transport Plan – Name of the statutory joint Local Transport Plan in Wales between 2009 and 2015. In 2006 the WG determined that next round of LTPs should be delivered jointly by the consortia. In 2014 it determined that councils could develop the next round of LTPs jointly or on their own.
RTSG	Regional Transport Services Grant – A former grant by WG to the RTCs during 2013/14. RTSG took over from LTSG and BSOG and was in turn succeeded by the BSSG.
Sewta	South East Wales Transport alliance. RTC for South East Wales, comprising Blaenau Gwent County Borough Council, Bridgend CBC, Caerphilly CBC, Cardiff Council, Merthyr Tydfil CBC, Monmouthshire County Council, Newport City Council, Rhondda Cynon Taf CBC, Torfaen CBC and Vale of Glamorgan CBC
WG, WAG	Welsh Government (Welsh Assembly Government until 2011)

## References

- South East Wales Regional Transport Plan, March 2010
- South East Wales Bus & Community Transport Regional Network Strategy Consultation Document, July 2013
- South East Wales Bus & Community Transport Regional Network Strategy, January 2014
- South East Wales Transport Alliance, Board paper on “Bus Funding Review”, 20 July 2012
- South East Wales Transport Alliance, Board paper on “Bus Funding Review” 14 December 2012
- South East Wales Transport Alliance, Board paper on “Bus Funding Review” 15 March 2013
- South East Wales Transport Alliance, Board paper on “Bus Funding Review / Bus & Community Transport Network Strategy” 14 June 2013
- South East Wales Transport Alliance, Board paper on “Bus & Community Transport Network Strategy – Response to Consultation” 6 December 2013
- South East Wales Transport Alliance, Board paper on “Bus Funding”, 28 March 2014
- South East Wales Transport Alliance, Board paper on “Bus Funding”, 19 September 2014

(The above documents are available on the Sewta website or from Newport City Council.)

- South East Wales Transport Alliance, Bus Services Support Grant 2014/15 Bus Kilometre Support Element Terms and Conditions
- South East Wales Transport Alliance, Bus Services Support Grant 2015/16 Bus Kilometre Support Element Terms and Conditions

(The above documents are available from Monmouthshire County Council.)

- Review of Bus Funding in Wales. A Report by the Bus Funding Review Technical Group. September 2012
- Welsh Government Regional Transport Services Grant 2013/14 Terms & Conditions
- Welsh Government Bus Services Support Grant 2014/15 Terms & Conditions

(The above documents are available from Welsh Government.)

## **ATTACHMENT A: BUS SERVICES SUPPORT GRANT 2015/16 SOUTH EAST WALES DELIVERY PLAN**

### Content

1. Purpose
2. Background
3. Principles and Budget

Appendix 1 – Council Allocations Terms and Conditions

Appendix 2 – Bus Services Kilometre Support Terms and Conditions

Appendix 3 – Community Transport Kilometre Support Terms and Conditions

Appendix 4 – Community Transport Capital Enhancement Programme Terms and Conditions

### **1. Purpose**

The purpose of this document is to set out how the South East Wales Bus Funding Project Board (BFPB) and Monmouthshire County Council (MCC) will deliver the Bus Services Support Grant (BSSG) in 2015/16. The document should be read in conjunction with the relevant Welsh Government (WG) Award of Funding Letter and Notes for Guidance.

### **2. Background**

- 2.1 Since the 2014/15 financial year, the Welsh Government has provided BSSG funding to lead local authorities in Wales to support bus services in their region.
- 2.2 The BSSG replaced the Regional Transport Services Grant (RTSG) that was offered to the four Regional Transport Consortia (RTCs) for the same purpose during 2013/14. In turn, the RTSG had replaced the Local Transport Services Grant (LTSG) - a grant from the Welsh Government to the 22 local authorities in Wales to support contracted bus and community transport (CT) services, and the Bus Service Operators Grant (BSOG) - a grant from WG to bus operators based on their fuel use (formerly known as the fuel duty rebate). BSOG was administered by the Department for Transport.
- 2.4 The Welsh Government also provided the RTCs with one-off additional funding to support the setting-up of the RTSG project.
- 2.5 During 2012/13 Sewta, the RTC for South East Wales, set up a Bus Funding Project Board (BFPB) with the remit to develop a mechanism to administer the RTSG and then to manage it. Prior to Sewta ceasing to operate, its Board decided that the BFPB should continue and manage the BSSG, with MCC as its lead authority.
- 2.6 The BFPB is comprised of officers of the local authorities of South East Wales. Current membership is:
  - Charlie Nelson, Rhondda Cynon Taf CBC (Chair)
  - Clare Cameron, Vale of Glamorgan Council
  - Richard Cope, Monmouthshire CC
  - Michele Mitchell, Torfaen CBC
  - Huw Morgan, Caerphilly CBC
- 2.7 Also attending are representatives of the Confederation of Passenger Transport Wales and the Community Transport Association Wales to provide expert advice.
- 2.19 As lead local authority for South East Wales MCC will receive the grant from WG, administer it, including disbursement of payments to bus and CT operators, other local authorities, CTA Wales and any other grant recipient as directed by the BFPB and undertake a final account audit.

### **3. Principles & Budget**

3.1 The BSSG allocation to MCC is based on the historic shares of LTSG grant paid to the local authorities in the former Sewta region and to reflect the former BSOG payments, the proportion of certified bus kilometres operated in the region during 2013/14 is used.

Table 1 – Grant Shares

Region	2013/14 certified Kilometres	%	Share of £17m BSOG-successor	Share of £8m LTSG-successor	BSSG Total 2015/16 (£)	%
South East	56,149,941.44	47.20%	£7,976,506.50	£3,198,840	£11,175,346.50	44.88%
South West	23,150,454.13	19.46%	£3,288,689.95	£1,916,213	£5,204,902.95	20.90%
North	32,938,426.00	27.69%	£4,679,142.35	£2,031,063	£6,710,205.35	26.95%
Ceredigion	2,934,484.00	2.47%	£416,864.74	£312,457	£729,321.74	2.93%
Powys	3,792,812.00	3.19%	£538,796.46	£541,427	£1,080,223.46	4.34%
Traveline			£100,000.00		£100,000.00	
<b>Total</b>	<b>£118,966,117.57</b>	<b>100.00%</b>	<b>£17,000,000.00</b>	<b>£8,000,000.00</b>	<b>£25,000,000.00</b>	<b>100.00%</b>

3.2 The BSSG funding will be used to fund the following purposes:

- Provision of funding to councils to support the core strategic bus network, community transport and related services;
- Commercial and contracted bus services support based on actual service kilometres;
- Community transport services support based on actual service kilometres;
- Community transport capital enhancement programme;
- Related work in support of bus and community transport services as set out in the South East Wales Regional Bus & Community Transport Network Strategy
- Administration
- Maintaining a reserve

Table 2 – BSSG South East Wales budget 2015/16

Item	Allocation	Of which CT min	Of which CT target	
<b>Council Support</b>	<b>Blaenau Gwent</b>	£151,606	£10,203	£33,817
	<b>Bridgend</b>	£384,616	£25,885	£85,793
	<b>Caerphilly</b>	£411,565	£27,699	£91,804
	<b>Cardiff</b>	£631,710	£42,515	£140,910
	<b>Merthyr Tydfil</b>	£148,020	£9,962	£33,017
	<b>Monmouthshire</b>	£334,989	£22,545	£74,723
	<b>Newport</b>	£326,067	£21,945	£72,733
	<b>Rhondda Cynon Taf</b>	£585,054	£39,375	£130,503
	<b>Torfaen</b>	£231,334	£15,569	£51,602
	<b>Vale of Glamorgan</b>	£366,347	£24,655	£81,718
<i>All councils</i>	<i>£3,571,308</i>	<i>£240,353</i>	<i>£796,620</i>	
<b>Commercial &amp; Contracted Bus Services Kilometre Support</b>	<b>Bronze</b>	£5,066,686		
	<b>Silver</b>	£1,085,719		
	<b>Gold</b>	£1,085,719		
	<i>Bus km support total</i>	<i>£7,238,124</i>		
<b>Community Transport Services Kilometre Support</b>	£315,915	£315,915	£315,915	
<b>Administration</b>	£50,000	£2,500	£5,000	
<b>Total</b>	<b>£11,175,347</b>	<b>£558,768</b>	<b>£1,117,535</b>	

3.3 The funding provided to councils to support the core strategic bus network, community transport and

- related services will be divided between the councils on the basis of previous LTSG shares that each council received in 2011/12. Councils will submit a budget for their local support element to the BFPB by June and will provide a year-end report. These must identify all BSSG expenditure used to support the core strategic bus network, community transport and related services. Councils will also provide the BFPB with any additional information requested by it or by the WG.
- 3.4 At least 5% of the BSSG must be spent on community transport related expenditure, with a target of 10%. Each council will therefore need to spend at least 6.73% of its allocation on community transport related expenditure as set out above, in order to ensure that the target figure of 10% is reached. The support of each local authority is therefore requested to meet or exceed the suggested target expenditure on Community Transport services. Councils must notify the BFPB by 30 September 2015 if they plan to spend less than the target amount on community transport services.
  - 3.5 The funding provided for bus services kilometre support is provided to bus operators to keep fares low and to achieve quality standards as set in the South East Wales Bus & Community Transport Network Strategy.
  - 3.6 The funding provided for community transport kilometre support also continues into 2015/16. The BFPB reserve the right to introduce quality standards for CT operators during the year and to introduce a mechanism to restrict eligibility to services it believes are of value to passengers.
  - 3.7 In discussions with CT operators it has become clear that the Community Transport Capital Enhancement Programme is a valued source of funding. Every effort will be made during 2015/16 to identify funding for the programme.
  - 3.8 For further details on the council allocations, bus services kilometre support, community transport services kilometre support and the Community Transport Capital Enhancement Programme see the relevant terms and conditions below.
  - 3.9 MCC, as the BSSG lead authority for South East Wales will inform the BFPB of actual administrative cost (incl. auditing) incurred.
  - 3.10 The BFPB will have authority to amend the budget if required.

#### **Appendix 1 – Council Allocations Terms and Conditions**

##### **Bus Services Support Grant 2015/16 – South East Wales – Contracted Bus, Community Transport & Associated Services Support – Terms & Conditions**

#### **1. Grant Purpose**

- 1.1 The purpose of this grant is to provide support to councils for expenditure to support the core strategic bus network, community transport services and associated services, in accordance with the requirements specified by the Welsh Government for the implementation of the Bus Services Support Grant in 2015/16.
- 1.2 The Welsh Government requires that the South East Wales' local authorities collectively should allocate at least 5% of its total BSSG allocation (including pence per kilometre payments) to support the provision of services by community transport providers, and strongly recommends that a figure of 10% is achieved (providing that sufficient, good-quality community transport projects that deliver value for money and integrate with the public transport network have been identified).
- 1.3 A minimum of the grant, as set out in the grant letter, must therefore be spent on Community Transport services (or other flexible transport services where agreed between Bus Funding Project Board and the Community Transport Association Wales). In order to ensure that the target figure of 10% is met from the total South East Wales BSSG allocation, the support of each local authority is requested, to meet or exceed the suggested base expenditure on Community Transport services. You must notify the Bus Funding Project Board if you wish to spend less than the suggested base spend set out in the grant letter on Community Transport services.

#### **2. Grant Monitoring**

- 2.1 The grantee (each local authority) will nominate a named officer to act as project manager and principal liaison officer, and one financial officer contact for the BSSG scheme. This will be provided to Bus Funding Project Board and the bus funding lead authority (Monmouthshire CC) for reference. The grantee will inform the project board and the bus funding lead authority immediately of any change in project manager. The grantor (Monmouthshire CC on behalf of the Bus Funding Project Board) will likewise inform the grantee of any changes in its grant scheme manager.
- 2.2 The grantee shall submit to Bus Funding Project Board a breakdown of its budget for contracted bus, Community Transport & associated services no later than the 30th June 2015, and a report of actual expenditure against these items no later than 30th June 2016.
- 2.3 As appropriate, Grantees may be requested by the Bus Funding Project Board to provide additional information on public transport services and schemes funded in whole or in part by this grant in order for the project board to provide monitoring data on operational objectives, strategic objectives and performance.

### 3. Publicity

- 3.1 The grantee shall acknowledge, through the inclusion of the appropriate wording and branding in Welsh and English on press releases, information published online, publicity, communication materials and signage, the contribution made to its BSSG funded activities by the Welsh Government.

### 4. Contact Details

Charlie Nelson  
Rhondda Cynon Taf CBC, Sardis House, Sardis Road, Pontypridd CF37 1DU  
Tel: 01443 494818, Email: [charlie.nelson@rctcbc.gov.uk](mailto:charlie.nelson@rctcbc.gov.uk)

Christian Schmidt  
Monmouthshire CC, PT Unit, PO Box 106, Caldicot NP26 9AN  
Tel: 01633 644727, Email: [christianschmidt@monmouthshire.gov.uk](mailto:christianschmidt@monmouthshire.gov.uk)

Damien Weeks  
Monmouthshire CC, PT Unit, PO Box 106, Caldicot NP26 9AN  
Tel: 01633 644729, Email: [damienweeks@monmouthshire.gov.uk](mailto:damienweeks@monmouthshire.gov.uk)

## Appendix 2 – Bus Services Kilometre Support Terms and Conditions

### Bus Services Support Grant 2015/16 – South East Wales – Bus Services Kilometre Support – Terms & Conditions

#### 1. General

- 1.1 This document sets out the terms and conditions of the Bus Services Support Grant (BSSG) 2015/16 – Commercial and Contracted Bus Service Kilometre Support Element for the South East Wales region, including a definition of services that are eligible for the grant, basis of payment, joining instructions, claims, payment process and quality standards information. It must be read in conjunction with Annex 1 and Annex 2 from the 2014/15 terms and conditions. A separate document is issued for community transport kilometre support. The scheme is administered by Monmouthshire County Council (CC) on behalf of the 10 Local Authorities in South East Wales, acting through the South East Wales Bus Funding Project Board.

#### 2. Eligible Service Definition

- 2.1 Eligible services are commercial and contracted local bus services that:
  - operate wholly in the South East Wales area or operate partly in the South East Wales area (up to the boundary) and in the view of the Bus Funding Project Board are of benefit for south east Wales residents;
  - run by an operator holding a valid PSV Operator's Licence;
  - are registered local services (including park and ride services);
  - allow free travel in accordance with the Welsh Government's Concessionary Bus Travel Scheme;
  - fulfil the minimum bronze level criteria of the quality standard scheme;

- are not excluded under section 2.2

2.2 The following services are excluded:

- services run under a section 19 or section 22 Community Bus Permit or any flexible bus service operated under a PSV Operator's Licence. (Note such services may be eligible under the Community Transport Element.);
- rail replacement services;
- coach services that are primarily designed to service longer distance markets;
- excursions and tours;
- sightseeing tour services, where fares are not commensurate with a local service registered with the Office of the Traffic Commissioner;
- internal shuttle buses within airports and seaports;
- dedicated contract services not open to the general public (e.g. school contracts);
- positioning or dead running journeys ;
- any contracted services that have been amended to take account of the cessation of BSOG;
- any services that in the view of the Bus Funding Project Board are not of benefit for south east Wales residents.

**3. Basis of Payment**

- 3.1 The basis of payment to participating operators is the quality level achieved by the operator and the certified number of actual kilometres operated for qualifying services between 1 April 2015 and 31 March 2016. There will be quarterly interim payments to participating operators based on estimated eligible kilometres. The final grant adjustment will be made in summer 2016 and will reflect the certified number of kilometres operated and the quality standard met, set in the context of the available budget.

**4. Joining Instructions**

- 4.1 An operator wishing to claim BSSG must provide Monmouthshire CC with the following information on the forms provided:

- Operator's name (as specified on the PSV Operator's Licence);
- Trading name (if different from the name specified on the PSV Operator's Licence);
- PSV Operator's Licence Number;
- Company Registration Number (if applicable);
- Contact Name and details (address, telephone, email);
- Banking details (to receive payment if approved);
- Details of independent certified accountant;
- Details of eligible local services operated (including route numbers, service registration numbers and whether the route is fully contracted, de-minimis or commercial. Copies of the appropriate service registration as submitted to the Office of the Traffic Commissioner must be provided on request.);
- Claim of quality standards achieved;
- Signed acceptance of these terms and conditions.

Operators must also notify Monmouthshire County Council of any changes to the above information.

- 4.2 The Bus Funding Project Board reserves the right to refuse an application if the form is incomplete, if services are in its view ineligible or the participating operator has defaulted on any payments due to Monmouthshire CC or Sewta. In the case of refusal an explanation of the reasons will be provided.

**5. Claims and Payment Process**

Quarterly Interim Payments

- 5.1 At the beginning of each quarter, participating operators will provide Monmouthshire CC with an estimate of the eligible service kilometres expected to be operated in the quarter for each route on the forms provided. Participating operators must inform Monmouthshire CC immediately of any change in their circumstances which was not foreseen at the time that the estimated number of eligible service kilometres was submitted, and which has a

significant effect on the claim. Where appropriate, an adjustment will be made to the quarterly payment.

- 5.2 The Bus Funding Project Board will calculate the interim pence-per-kilometre rates for bronze, silver and gold level, on the basis of the overall estimate of eligible service kilometres and quality levels achieved. The Board will then calculate the interim payments due to each participating operator based on the interim pence-per-kilometre rate, the operator's estimate of the eligible service kilometres, the operator's quality level and funding available in the quarter. (Funding available in each quarter is set at 90% of  $\frac{1}{4}$  of the total budget.) Monmouthshire CC will then provide participating operators with details of their interim payment.
- 5.3 Monmouthshire CC aims to make interim payments to participating operators at the mid-point of each quarter. The remaining 10% will be paid at the year-end – see below.
- 5.4 At the end of each quarter, participating operators will provide Monmouthshire CC with details of actual eligible service kilometres operated in the quarter for each route, as set out on the forms provided. Copies of the appropriate service registration as provided to the Office of Traffic Commissioner must also be provided on request. The Bus Funding Project Board may withhold payment for any service that it considers inappropriate and may seek to recover any such payments made.
- 5.5 The Bus Funding Project Board reserves the right to withhold interim payments to any operator that has failed to provide requested information within the time periods specified or defaulted on any payments due to Monmouthshire CC or Sewta. No subsequent retrospective claims will normally be permitted. In the case of refusal an explanation of the reasons will be provided. False statements in support of any claim will normally result in cessation of all payments, and may constitute a criminal offence.

#### Year-end Arrangements

- 5.6 At the end of the financial year, participating operators must undertake an audit of their claims and by 30 June 2016 provide Monmouthshire CC with an Annual Certified Claim of the certified eligible service kilometres operated in the year for each route, as set out on the forms provided. The Annual Certified Claim must be signed and stamped by an independent certified accountant, to confirm that the figures supplied and claims made are correct. Any costs incurred in the preparation of a claim are the responsibility of the participating operator.
- 5.7 Upon receipt of the Annual Certified Claims from participating operators, the Bus Funding Project Board will undertake a reconciliation process, calculate the actual payments due for the year and pay participating operators the balance due (or deduct overpayments from the next interim payment or demand repayment, as the case may be), using the 10% of funding that was held back.
- 5.8 The Bus Funding Project Board reserves the right to withhold payments to and to reclaim any interim payments from any operator that has not submitted the Annual Certified Claim or failed to provide any requested information within the time periods specified, or defaulted on any payments due to Monmouthshire CC or Sewta. No subsequent retrospective claims will normally be permitted. In the case of refusal an explanation of the reasons will be provided.
- 5.9 All payments will be made by Monmouthshire County Council, through the Bankers Automated Clearing Service (BACS). Participating operators must supply Monmouthshire County Council with their banking details to enable payments to be made.

## **6 Quality Standards**

- 6.1 From 1 April 2015 participating operators will have to fulfil certain quality standards in order to qualify for bus services kilometre support. Payments will be graded by the quality standard achieved.
- 6.2 Participating operators will have to meet all the bronze level standards to receive any funding. Bronze level standards are:
- All vehicles that are used to operate BSSG eligible local bus services must be fitted with an operational and approved ITSO compliant Smartcard enabled Electronic Ticket Machine.
  - A written customer complaint procedure must be in place.
  - All drivers to have valid Public Service Vehicle (PSV) driving licence and Driver Qualification Card (DQC).
  - All drivers must be issued with uniform, and be required to wear it.
  - The operator must participate in PlusBus schemes where applicable.
  - The operator must participate in the Welsh Government's Concessionary Bus Travel Scheme for Young

People.

- All vehicles must comply with the requirements of the Public Service Vehicle Accessibility Regulations (PVSAR) 2000 and the relevant accessibility requirements therein.

6.3 Of the total funding for bus services kilometre support, 30% will be reserved to make enhanced payments to those operators achieving silver and gold standard – 15% of the available funding will be reserved for participating operators that achieve the silver level or better, while a further 15% will be reserved for participating operators that achieve the gold level. Fulfilling any of the following standards contributes points towards the silver and gold level, with 106 points required to achieve silver level, and 212 for gold level:

- Vehicles – Average age of fleet in years: <6yrs=30 points; <9yrs=20, <12yrs=10
- Vehicles – Proportion of vehicles achieving EURO III standard or better: >90%=24; >60%=16; >30%=8
- Vehicles – Proportion of vehicles achieving EURO IV standard or better: 60%=18; >40%=12; >20%=6
- Vehicles – Proportion of vehicles achieving EURO V standard or better: 30%=12; >20%=8; >10%=4
- Vehicles – Proportion of vehicles fitted with CCTV: >90%=24; >60%=16; >30%=8
- Vehicles – Proportion of vehicles fitted with destination blinds or working electronic destination displays that are clearly visible at night, in low light and poor weather conditions: >90%=18; >60%=12; >30%=8
- Vehicles – Proportion of vehicles fitted with next stop information: >90%=24; >60%=16; >30%=8
- Vehicles – Proportion of vehicles using of alternative fuels: >30%=12; >20%=8; >10%=4
- Vehicles – Proportion of vehicles with driver/vehicle telematics (eg Greenroad, Mix): >90%=24; >60%=16; >30%=8
- Information – Provision of unscheduled service changes information to passengers (on website, Twitter, Facebook, Traveline Cymru or equivalent): 30
- Ticketing – Availability of reduced fares for young persons over 16: 24
- Ticketing – Participation in Daily Network Rider scheme: 30
- Ticketing – Participation in Weekly Network Rider scheme: 24
- Training – Proportion of drivers having completed Disability Awareness CPC module: >90%=24; >60%=16; >30%=8

6.4 Participating operators will be required to provide a list of the quality standards achieved, together with any supporting evidence requested. The Bus Funding Project Board reserves the right to withhold payments and refuse participation in the schemes from any operator that has not submitted a list of standards achieved and relevant supporting evidence.

6.5 The Bus Funding Project Board reserves the right to review and amend these quality standards. This may include (but is not limited to) the use of the new generation of electronic ticket machines that enable the efficient monitoring of punctuality and reliability or making participation in an e-purse scheme a gold, silver or bronze standard.

## 7. Further Terms and Conditions

7.1 Participating operators must supply passenger data for each route at the end of each quarter. The Bus Funding Project Board will respect commercial confidentiality and will not share data other than quarterly total bus patronage data of eligible services with any other party without the consent of the participating operators unless it is required to do so by law.

7.2 Participating operators must keep adequate and accurate records relating to claims, eligible service kilometres operated, lost eligible service kilometres, and quality standards achieved, for a minimum period of seven years. Such records, as are deemed necessary to substantiate a claim, must be made available on request, and designated representatives of the Bus Funding Project Board, Bus Users Cymru, Monmouthshire CC or their auditors and Welsh Government or their auditors must be granted access to premises to inspect this information as required.

7.3 Bus Users Cymru, Monmouthshire CC or officers acting on behalf of the Bus Funding Project Board may undertake monitoring of services or of quality standards achieved at any time. Participating operators are required to grant free access to services, documents and information for the purpose of conducting monitoring. The Bus Funding Project Board may seek to use information reports that can be generated from any technology supplied to, or used by, participating operators to support day to day operations, such as electronic ticket machine (ETM) data or relevant information gathered by Bus Users Cymru or local authorities for other purposes. Additional investigations may be undertaken where monitoring indicates high levels of lost mileage, or claims that vary significantly from expectations. This may include quarterly checks of totals against expectations through data analysis software, ETM data or scheduling software / Electronic Bus Service Registration (EBSR) as appropriate; annual checks of routes being claimed to ensure that the number of kilometres being claimed by route and in total are broadly in line with

expectations (i.e. certified estimates, South East Wales data; periodic more detailed checks, taking sample routes and the number of kilometres being claimed; checking days claimed (bank holidays / school days) to ensure appropriate adjustments have been made; lost journey/part journey records. It is also expected that the ETM system provided by Caerphilly CBC will be replaced with one with General Packet Radio Service (GPRS) systems which will allow configurable reporting including exception reporting for journeys/part journeys that failed to operate. This may allow the Bus Funding Project Board to monitor for lost journeys/part journeys through the ETM system.

7.4 The Bus Funding Project Board will also work with Traveline Cymru to enable the verification of the estimates provided by participating operators. Monitoring information collected will be used by the Bus Funding Project Board for the purposes of administering the grant payments. It will not be shared with any other party without the consent of the participating operators unless the Bus Funding Project Board is required to do so by law. The Bus Funding Project Board further reserves the right to develop further processes for monitoring.

7.5 Participating operators must inform Monmouthshire CC immediately where any change in their circumstances has occurred or is likely to occur which has a significant effect on their participation. These include (but are not limited to):

- Repayment of any part of the Funding is required under European Law (whether under State Aid Rules or otherwise);
- Operators fail to comply with any of the Conditions;
- Monmouthshire CC has made an overpayment to you;
- Any declaration operators have in respect of their application is incorrect in any respect or, if repeated at any time with reference to the facts and circumstances then existing, would be incorrect;
- Any petition is presented or resolution passed or other action taken for an operator's bankruptcy or winding-up or a petition is presented for an administration order against an operator;
- A receiver or an administrative receiver is appointed in respect of an operator or in respect of all or any part of an operator's assets;
- A moratorium in respect of all or any of an operator's debts or a composition or an agreement with an operator's creditors is agreed, applied for, ordered or declared;
- Operators are unable, or admit in writing their inability, to pay their debts as they fall due;
- Any distress, execution, attachment or other process affects any of an operator's assets;
- A statutory demand is issued against an operator;
- An operator ceases, or threatens to cease, to carry on all or a substantial part of their business;

In the case of a service termination or reduction, a minimum period of 56 days in advance of the day the service will cease to operate must be given. Where appropriate, the Bus Funding Project Board will make an adjustment to the quarterly payment. The Bus Funding Project Board also reserve the right to notify participating operators where it believes a change in their circumstances has occurred or is likely to occur which in its opinion gives reasonable grounds for believing that operators may not, or may be unable, to perform or comply with any of their obligations under these Conditions.

7.6 The Bus Funding Project Board will seek to discuss the change in circumstances with participating operators and to agree a course of action to be taken to address it and in doing so will consider both the seriousness of the change in circumstances and whether or not it can be remedied.

7.7 If despite the Bus Funding Project Board's reasonable efforts it has been unable to discuss the change in circumstances with participating operators, or it notifies participating operators that the change in circumstances is not capable of remedy, or a course of action is agreed with the participating operators but the participating operators fail to follow it, or any conditions attached to it are not met (including without limitation the timescale for such course of action), or the course of action fails to remedy the change in circumstances to the Board's satisfaction, then Bus Funding Project Board will be entitled to take any of the following actions:

- withdraw the award of funding; and/or
- require participating operators to repay all or part of the funding immediately; and/or
- suspend or cease all further payment of funding; and/or
- make all further payments of funding subject to such conditions as the Bus Funding Project Board may specify; and/or
- deduct all amounts owed to the Bus Funding Project Board under these conditions from any other funding that South East Wales local authorities has awarded or may award to participating operators; and/or
- exercise any other rights against participating operators which the Bus Funding Project Board may have in respect of the funding.

7.8 All repayments of funding must be made to Monmouthshire CC within 28 days of the date of their demand.

Participating operators must pay interest on any overdue repayments at a rate of 1.5% per annum above the Bank of England base rate from time to time or at such other rate as may be required by the State Aid Rules. Interest will accrue on a daily basis from the date the repayment is due until actual repayment of the Funding, whether before or after judgment. Participating operators must pay the interest together with the overdue repayment. Participating operators should inform Monmouthshire CC in writing of any disputed payments within 14 days. The Bus Funding Project Board will seek to resolve any such dispute within 30 days.

- 7.9 Nothing in the conditions imposes any liability on the Bus Funding Project Board or Monmouthshire CC in respect of any liability incurred by participating operators to any third party (including, without limit, employees and contractors). The Bus Funding Project Board reserves the right to review and amend these Terms and Conditions.
- 7.10 Participating operators must co-operate fully with the Bus Funding Project Board and Monmouthshire CC officers or their representatives in fulfilling its obligation to the Welsh Government under the terms and conditions associated with the award of BSSG funding to Monmouthshire CC. The Welsh Government's BSSG terms and conditions are attached.

### Appendix 3 – Community Transport Kilometre Support Terms and Conditions

#### Bus Services Support Grant 2015/16 – South East Wales – Community Transport Kilometre Support – Terms & Conditions

#### **1. General**

- 1.1 This document sets out the terms and conditions of the Bus Services Support Grant (BSSG) 2015/16 –Community Transport Kilometre Support Element for the South East Wales region, including a definition of services that are eligible for the grant, basis of payment, joining instructions and claims and payment processes. It must be read in conjunction with Annex 1 and Annex 2 from the 2014/15 terms and conditions. A separate document is issued for bus services kilometre support. The scheme is administered by Monmouthshire County Council (CC) on behalf of the 10 Local Authorities in South East Wales, acting through the South East Wales Bus Funding Project Board.

#### **2. Eligible Service Definition**

- 2.1 Eligible services are community transport services that:
- are based in the South East Wales area (kilometre support is only payable on actual kilometres inside the South East Wales area);
  - are flexible bus services operated under a PSV Operator's Licence;
  - operate on a not-for-profit basis;
  - are run by an operator holding a valid Section 19 or Section 22 permit;
  - provide generic transport services for the wider community rather than operating with restricted user profiles or providing access to specific activities only;
  - are not excluded under section 2.2
- 2.2 The following services are excluded:
- timetabled services run under a PSV Operators Licence;
  - rail replacement services;
  - dedicated school contract services;
  - any contracted services that have been amended to take account of the cessation of BSOG;
  - social and community car schemes, car-sharing schemes (Car Clubs) or shop-mobility schemes (Note such services may be eligible under other BSSG funding streams that are not paid on a pence per kilometre basis);
  - grant funded services where fuel costs are wholly/partly met by the said grant;
  - training, maintenance and claimants own mileage for miscellaneous purposes not related to the carriage of service users

#### **3. Basis of Payment**

- 3.1 The basis of payment for the Community Transport Kilometre Support is the certified number of actual kilometres operated for qualifying services between 1 April 2015 and 31 March 2016. There will be quarterly interim payments to participating operators based uncertified actual eligible kilometres. The final grant adjustment will be made in summer 2016 and will reflect the certified number of kilometres operated, set in the context of the available budget.

#### **4. Joining Instructions**

4.1 An operator wishing to claim BSSG must provide Monmouthshire CC with the following information on the forms provided:

- Operator's name (as specified on the PSV Operator's Licence, Section 19 or Section 22 Permit)
- Trading name (if different from the name specified on the PSV Operator's Licence, Section 19 or Section 22 Permit)
- Type of licence / permit held;
- PSV Operator's Licence Number (if applicable)
- Company Registration Number (if applicable)
- Contact Name and details (address, telephone, email);
- Banking details (to receive payment if approved);
- Details of independent certified accountant;
- Details of eligible services operated (including route numbers and service registration numbers if applicable; whether the service is contracted or not; area of operation;
- Whether the operator is a member of CTA Wales;
- Signed acceptance of these terms and conditions.

Operators must also notify Monmouthshire County Council of any changes to the above information.

4.2 The Bus Funding Project Board reserves the right to refuse an application if the form is incomplete, if services are in its view ineligible or the participating operator has defaulted on any payments due to Monmouthshire CC or Sewta. In the case of refusal an explanation of the reasons will be provided.

#### **5. Claims and Payment Process**

##### Quarterly Interim Payments

5.1 At the end of each quarter, participating operators will provide Monmouthshire CC with the number of actual eligible service kilometres operated in the quarter (for each service / vehicle as applicable) on the forms provided.

5.2 The Bus Funding Project Board will calculate the interim pence-per-kilometre rates on the basis of the overall actual eligible service kilometres. The Board will then calculate the interim payments due to each participating operator based on the interim pence-per-kilometre rate, the number of the eligible service kilometres operated and funding available in the quarter. (Funding available in each quarter is set at 90% of ¼ of the total budget). Monmouthshire CC will then pay the participating operators accordingly.

5.3 Monmouthshire CC aims to make interim payments to participating operators at the mid-point of each quarter. The remaining 10% will be paid at the year-end – see below. Copies of the appropriate service registration as provided to the Office of Traffic Commissioner must also be provided on request. The Bus Funding Project Board may withhold payment for any service that it considers inappropriate and may seek to recover any such payments made.

5.4 The Bus Funding Project Board reserves the right to withhold interim payments to any operator that has failed to provide requested information within the time periods specified or defaulted on any payments due to Monmouthshire CC or Sewta. No subsequent retrospective claims will normally be permitted. In the case of refusal an explanation of the reasons will be provided. False statements in support of any claim will normally result in cessation of all payments, and may constitute a criminal offence.

##### Year-end Arrangements

5.5 At the end of the financial year, participating operators must undertake an audit of their claims and by 30 June 2016 provide Monmouthshire CC with an Annual Certified Claim of the certified eligible service kilometres operated in the year, as set out on the forms provided. The Annual Certified Claim must be signed and stamped by an independent certified accountant, to confirm that the figures supplied and claims made are correct. Any costs incurred in the preparation of a claim are the responsibility of the participating operator.

5.6 Upon receipt of the Annual Certified Claims from participating operators, the Bus Funding Project Board will undertake a reconciliation process, calculate the actual payments due for the year and pay participating operators the balance due (or deduct overpayments from the next interim payment or demand repayment, as the case may be), using the 10% of funding that was held back.

- 5.7 The Bus Funding Project Board reserves the right to withhold payments to and to reclaim any interim payments from any operator that has not submitted the Annual Certified Claim or failed to provide any requested information within the time periods specified, or defaulted on any payments due to Monmouthshire CC or Sewta. No subsequent retrospective claims will normally be permitted. In the case of refusal an explanation of the reasons will be provided.
- 5.8 All payments will be made by Monmouthshire County Council, through the Bankers Automated Clearing Service (BACS). Participating operators must supply Monmouthshire County Council with their banking details to enable payments to be made.
- 6 Quality Standards**
- 6.1 The Bus Funding Project Board reserves the right to introduce quality standards during 2015/16.
- 7. Further Terms and Conditions**
- 7.1 Participating operators must supply passenger data for each route at the end of each quarter. The Bus Funding Project Board will respect commercial confidentiality and will not share data other than quarterly total bus patronage data of eligible services with any other party without the consent of the participating operators unless it is required to do so by law.
- 7.2 Participating operators must keep adequate and accurate records relating to claims, eligible service kilometres operated and of any lost service kilometres, and quality standards achieved, for a minimum period of seven years. Such records, as are deemed necessary to substantiate a claim, must be made available on request, and designated representatives of the Bus Funding Project Board, Bus Users Cymru, Monmouthshire CC or their auditors and Welsh Government or their auditors must be granted access to premises to inspect this information as required.
- 7.3 Bus Users Cymru, the Community Transport Association Wales, Monmouthshire CC or officers acting on behalf of the Bus Funding Project Board may undertake monitoring of services at any time. Participating operators are required to grant free access to services, documents and information for the purpose of conducting monitoring. The Bus Funding Project Board may seek to use information reports that can be generated from any technology supplied to, or used by, participating operators to support day to day operations, such as scheduling software, electronic ticket machine (ETM) data, records of journeys, vehicle odometer readings, daily driver record sheets or relevant information gathered by Bus Users Cymru or local authorities for other purposes. Additional investigations may be undertaken where monitoring indicates claims that vary significantly from expectations. This may include quarterly checks of totals against expectations.
- 7.4 Monitoring information collected will be used by the Bus Funding Project Board for the purposes of administering the grant payments. It will not be shared with any other party without the consent of the participating operators unless the Bus Funding Project Board is required to do so by law. The Bus Funding Project Board further reserves the right to develop further processes for monitoring.
- 7.5 Participating operators must inform Monmouthshire CC immediately where any change in their circumstances has occurred or is likely to occur which has a significant effect on their participation. These include (but are not limited to):
- Repayment of any part of the Funding is required under European Law (whether under State Aid Rules or otherwise);
  - Operators fail to comply with any of the Conditions;
  - Monmouthshire CC has made an overpayment to you;
  - Any declaration operators have in respect of their application is incorrect in any respect or, if repeated at any time with reference to the facts and circumstances then existing, would be incorrect;
  - Any petition is presented or resolution passed or other action taken for an operator's bankruptcy or winding-up or a petition is presented for an administration order against an operator;
  - A receiver or an administrative receiver is appointed in respect of an operator or in respect of all or any part of an operator's assets;
  - A moratorium in respect of all or any of an operator's debts or a composition or an agreement with an operator's creditors is agreed, applied for, ordered or declared;
  - Operators are unable, or admit in writing their inability, to pay their debts as they fall due;
  - Any distress, execution, attachment or other process affects any of an operator's assets;
  - A statutory demand is issued against an operator;
  - An operator ceases, or threatens to cease, to carry on all or a substantial part of their business;

In the case of a service termination or reduction, a minimum period of 56 days in advance of the day the service will cease to operate must be given. Where appropriate, the Bus Funding Project Board will make an adjustment to the quarterly payment. The Bus Funding Project Board also reserve the right to notify participating operators where it believes a change in their circumstances has occurred or is likely to occur which in its opinion gives reasonable grounds for believing that operators may not, or may be unable, to perform or comply with any of their obligations under these Conditions.

- 7.6 The Bus Funding Project Board will seek to discuss the change in circumstances with participating operators and to agree a course of action to be taken to address it, and in doing so will consider both the seriousness of the change in circumstances and whether or not it can be remedied.
- 7.7 If despite the Bus Funding Project Board's reasonable efforts it has been unable to discuss the change in circumstances with participating operators, or it notifies participating operators that the change in circumstances is not capable of remedy, or a course of action is agreed with the participating operators but the participating operators fail to follow it, or any conditions attached to it are not met (including without limitation the timescale for such course of action), or the course of action fails to remedy the change in circumstances to the Board's satisfaction, then Bus Funding Project Board will be entitled to take any of the following actions:
- withdraw the award of funding; and/or
  - require participating operators to repay all or part of the funding immediately; and/or
  - suspend or cease all further payment of funding; and/or
  - make all further payments of funding subject to such conditions as the Bus Funding Project Board may specify; and/or
  - deduct all amounts owed to the Bus Funding Project Board under these conditions from any other funding that South East Wales local authorities has awarded or may award to participating operators; and/or
  - exercise any other rights against participating operators which the Bus Funding Project Board may have in respect of the funding.
- 7.8 All repayments of funding must be made to Monmouthshire CC within 28 days of the date of their demand. Participating operators must pay interest on any overdue repayments at a rate of 1.5% per annum above the Bank of England base rate from time to time or at such other rate as may be required by the State Aid Rules. Interest will accrue on a daily basis from the date the repayment is due until actual repayment of the Funding, whether before or after judgment. Participating operators must pay the interest together with the overdue repayment. Participating operators should inform Monmouthshire CC in writing of any disputed payments within 14 days. The Bus Funding Project Board will seek to resolve any such dispute within 30 days.
- 7.9 Nothing in the conditions imposes any liability on the Bus Funding Project Board or Monmouthshire CC in respect of any liability incurred by participating operators to any third party (including, without limit, employees and contractors). The Bus Funding Project Board reserves the right to review and amend these Terms and Conditions.
- 7.10 Participating operators must co-operate fully with the Bus Funding Project Board and Monmouthshire CC officers or their representatives in fulfilling its obligation to the Welsh Government under the terms and conditions associated with the award of BSSG funding to Monmouthshire CC. The Welsh Government's BSSG terms and conditions are attached.

## Endnotes

---

<sup>1</sup> As BSOG was paid out to operators by the DfT, this required an officer to look at the latest claims from each operator and allocate these to a consortia on the basis of the operators' base. For operators that had substantial operations in more than one consortia area, the claim was split on a route-by-route basis (and section-by-section were necessary) between Consortia areas. This took one officer about one month, and the experience convinced local authorities that a split of funding by local authority area would not be practical.

<sup>2</sup> The change from fuel used to miles operated had a noticeable negative effect on a number of operators, including the two main urban operators in South East Wales. As operators had not enough time to react to these changes before the start of the 2013/14 financial year, it was agreed in the first year special one-off transitional payments would be made to those operators that experienced the largest cuts.

<sup>3</sup> The Daily and Weekly Network Rider are bus tickets issued by the majority of operators in South East Wales and accepted by any other operator that issues such tickets. They are not integrated tickets; each operator issues its own tickets and keeps the revenue. From a passenger's point of view though these are de-facto multi-operator tickets, and the most commonly used multi-operator tickets in the region.

<sup>4</sup> Welsh Government furthermore suggested that there should be 21 standards, and missing a standard should see payments reduced by 5%.

<sup>5</sup> Allocation of capital funding for transport schemes was also changed from block grants to Consortia to competitive bidding by local authorities. The root cause of the disagreement between WG and Consortia was related to capital funding and the Cardiff Capital Metro project – bus funding was just a collateral damage...