

BSOG Background

25.5.17

Bus Operators currently receive Bus Service Operators Grant (BSOG) at a basic rate of 34.57p per litre of fuel which applies to the operation of registered local bus services that they operate on a commercial basis as an offset against tax paid on fuel. In order to qualify, services must be registered with the relevant Traffic Commissioner, be open to all passengers and have fares that are available to all. Responsibility for the payment of BSOG in respect of tendered subsidised services passed to local authorities (including TfGM) in November 2013.

Operators claim this grant using an audited process which is based around their declarations on mileage operated, fuel use and an average mpg figure for their fleet. The payment process for commercial bus services is currently the responsibility of the DfT managed by a specialist team in Hastings which covers the entire country. As well as administering the payments, this team also acts as a point of contact for bus operators and carries out monitoring on an ongoing basis to ensure that services that operators claim for meet the requirements of BSOG (e.g. are not 'closed' school or works services).

Operators can currently also claim enhancements to their payments in relation to the use of smartcard and AVL technology as well as for introducing Low Carbon Emission Vehicles to their fleet. The responsibility for the payment of these enhancements will remain the responsibility of the DfT.

The devolved funding and administration of BSOG for commercial bus services from the Secretary of State to the Greater Manchester Combined Authority (GMCA), pursuant to a Greater Manchester Order made in December 2016, is now a Mayoral function which commenced on 8 May 2017.