



Department
for Transport

Transport Director
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[by email]

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20 December 2024

2025-26 bus grant for Slough Borough Council

Thank you for your continued efforts in delivering improved bus services in your area. We appreciate the time and effort you and your local bus operators have put into building and supporting effective local bus services and networks.

Buses are the most popular form of public transport in our country and reforming bus policy is key a part of the government's wider plan to give local leaders across England greater control to deliver bus services in a way that suits the needs of their communities. Local authorities will be empowered to deliver modern and integrated bus networks that put passengers at the heart of local decision making.

We are pleased to offer you a total bus funding allocation from the Department for Transport (the Department) of £1,536,153 for 2025-26. This will be known as the Bus Grant and will comprise both CDEL and RDEL BSIP funding together with the Local Authority element of Bus Service Operators Grant. The breakdown of your total payment is as follows:

- BSIP funding of £1,430,015 (of which £917,715 capital and £512,300 revenue)
- LA-BSOG funding of £43,138
- Capacity and capability grant of £63,000

This funding is part of over £1billion for buses announced on 17 November 2024. This Bus Grant funding is additional to – and is not a substitute for – your existing baseline bus budget funded by locally-raised revenues or public transport funding allocations from other Government Departments; we expect this budget to be maintained and not reduced when compared with the previous year.

The Department remains committed to the use of Bus Service Improvement Plans (BSIPs) as the means to provide transparency to the public on local plans to improve bus services.

By the end of March 2025, please send the Department a 2025/26 Delivery Plan (a template is enclosed) which lists all the schemes and measures to be funded by this Bus Grant and by all previous BSIP funding allocated to your Authority which is still being used to deliver schemes and measures in 2025/26. This will include: total funding and key milestones for each scheme and an initial assessment of the likely outcomes and contributions to the local BSIP, aligned with the Local Transport Plan (LTP) and wider authority objectives. The Department will not approve this Plan but does ask that the list of schemes and measures are published

There are expectations attached to the funding, which are explained further in a new Memorandum of Understanding (MoU) accompanying this letter; key ones are:

- Your Authority must have published an updated BSIP since April 2024 to release funding for 2025-26. Further details can be seen in Annex A.
- Your Authority must submit quarterly monitoring returns against the Delivery Plan focused on delivery against milestones and providing an honest and transparent update of forecast delivery timescales and costs.
- Your Authority must provide and potentially publish data to measure progress against key outcome metrics to be determined. This will follow work in the first quarter of 2025 to form the outcomes which may apply across all Authorities in receipt of this funding, on which we will engage representatives of passengers, bus operators and LTAs.

The new MoU will apply to all the funding provided by Bus Grant for Local Authorities (LAs) and will govern the funding for 2025/26. It will also supercede the previously agreed MoU that covered the BSIP funding for 2022/23, 2023/24, and 2024/25. All schemes from BSIP Phases 1, 2 and 3 will fall under the terms of the new MoU and should be included in a new single Delivery Plan, if delivery is expected in 2025/26. The 2025/26 funding will not be released until the new MoU is signed and returned to the Department.

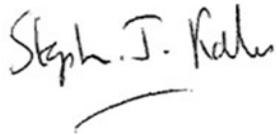
The following annexes set out more detail about next steps and our requirements:

- Annex A provides an update on what the Bus Grant may be spent on.
- Annex B provides an update on support from the Department to deliver BSIPs and changes to the relationship manager role.
- Annex C updates the change control criteria that applies to all BSIP funding with immediate effect and will apply to the Bus Grant.

Do not hesitate to contact us with any Bus Grant or BSIP queries by emailing BSIP@dft.gov.uk, or BSLAF@dft.gov.uk for queries relating to the LA element of BSOG.

We look forward to working closely with your team as you deliver these plans.

Yours sincerely,

A handwritten signature in black ink that reads "Steph. J. Fidler". The signature is written in a cursive style with a horizontal line underneath the name.

Stephen Fidler

Annex A: The use of 2025/2026 Bus Grant for LAs

Purpose of the Grant

1. This new Bus Grant is provided to make a real difference for people across the country by improving bus services and keeping fares down. The Department for Transport expects all LTAs to provide a Delivery Plan consistent with an up-to-date BSIP. This could include but is not limited to:
 - introducing new or more frequent services, getting more people to more places;
 - creating safer and more accessible bus stops, stations and interchanges;
 - ensuring bus services are punctual and reliable for passengers;
 - improvements to the bus fleet, including introducing zero emission buses;
 - improving bus service information so people know when their bus will turn up;
 - ensuring that socially necessary services are preserved or created; and
 - local fares simplification and fares reductions.

Development of a Delivery Plan

2. The allocation of the 2025/26 Bus Grant will enable an Authority to identify which of its schemes it can afford to deliver. This could include the continuation or completion of schemes and measures in its existing BSIP delivery programme, and/or the commencement of new schemes and measures.
3. Authorities are asked to start work on their 2025/26 Delivery Plan for submission to the Department by 31 March 2025 using a template (a copy is enclosed).
4. Authorities are encouraged and welcome to produce and publish a Bus Service Improvement Plan (BSIP) in 2025-26 (if they wish to do so). However, we expect all Authorities to have published a 2024 BSIP. Updated BSIP Guidance will be issued, which will reflect the Government's policy priorities including wider transport integration.
5. The release of 2025/26 BSIP funding will be conditional on submitting to the Department a Delivery Plan and a weblink to a published BSIP (which may be the 2024 BSIP). The BSIP should be a public document for anyone to read and must be published on the LTA's own website in an easy-to-find web location which is notified to the Department.

Capital investment

6. The purpose of the capital element of the Bus Grant is to fund investment in capital assets which support delivery of the vision set out in the Authority's BSIP. All spending using this funding must meet the definition of the allowable use of capital

funding as determined by the Authority's own Chief Finance Officer (sometimes known as the 's151 officer').

7. As is established practice within the sector, and subject to the caveat above, the development costs of capital schemes can be 'capitalised' into the overall scheme cost and are an allowable use of capital funding.
8. The scope of capital investment should typically include schemes which deliver the Authority's ambitions as set out in its published Bus Service Improvement Plan produced following engagement with local bus operators and any lower-tier local authorities, as well as maintain and enhance the financial sustainability of its bus network, including but not limited to:
 - bus priority infrastructure that delivers faster and more reliable services on key bus routes and corridors;
 - new improved and safer bus stops and shelters, stations and interchanges;
 - equipment that improves bus ticketing, information and network identity, and vehicles;
 - support the purchase of Zero Emission Buses and/or infrastructure.

Wider highways, public realm and safer streets schemes

9. We encourage the use of capital funding as a contribution to wider funding packages for improvement schemes for safer streets, road corridors, road junctions, neighbourhood or town centre public realm that deliver a holistic design solution to the needs of all users of the street space, but it is important that all capital investment should benefit bus services and bus passengers in some demonstrable way. It is up to LTAs to strike this balance and take the necessary decisions accordingly.

Purchase of vehicles and on-board equipment, including Zero Emission Buses

10. Capital investment using the Bus Grant for LAs may be used to:
 - (a) support bus operators to purchase zero emission buses and/or infrastructure
 - (b) fund new Zero Emission Bus projects in an Authority that has previously received bus funding, but not to top up an existing DfT-subsidised ZEBRA project.

Please note that Zero Emission Bus Grants should not replace commercial investment that is the usual responsibility of bus operators.

Revenue expenditure

11. The purpose of the revenue elements of the Bus Grant is to fund expenditure that supports delivery of the vision set out in the Authority's BSIP but does not result in the purchase or delivery of capital assets.

12. This should typically include schemes and measures such as:
- Network development: enhanced bus service levels and network coverage, including frequency, hours of operation (times of day, days of the week), bus service support, new and restored routes and simplification of the fixed route network.
 - Simpler and more affordable fares, including local fares promotions and schemes, as set out in the section below.
 - Safety and security: investment in programmes to address anti-social behaviour, through the Transport Security Officers, and deliver buses and bus waiting facilities which are safe and are seen as safe.
 - Bus information and network identity.
 - Accessibility and inclusion.
 - Delivery of Bus Passenger Charters.
 - Development of future proposals, including for long-term network transformation.
13. The Bus Grant for LAs includes an element for capacity & capability. Authorities have the flexibility to use all or part of this fund; or to supplement it from the BSIP or LA-BSOG elements. However, there is an expectation that it will be used to ensure the Authority has the necessary skills to deliver the schemes and measures in its Delivery Plan, either through the Bus Centre of Excellence, recruitment campaigns or external contractors.
14. The Bus Grant for LAs may be used for feasibility and preparatory work for considering any move towards bus franchising, the establishment of local authority-owned bus companies or the strengthening of bus Enhanced Partnerships, in line with Government policy on empowering LTAs to take control of their bus networks and in anticipation of forthcoming legislation to make franchising easier and cheaper to accomplish and to facilitate the creation of new local authority bus companies.
15. With the Bus Grant for LAs now allocated, there is an opportunity for Authorities to consider all the priority ambitions and proposals in their BSIP and determine which are the priorities for 2025/26 in terms of being affordable, deliverable, and offering attractive value for money, and will therefore form part of its Delivery Plan.

Use of 2025/26 BSIP funding for network development

16. Every LTA's 2024 BSIP should have:
- mapped and categorised the existing bus route network by type of service, including defining the areas where non-fixed route provision is to be sought;

- set out credible short and long term ambitions for service level standards for each category of route, including for frequency and hours of operation by time of day/day of week;
- set out prioritised ambitions for network simplification and enhanced network coverage, including both for new/restored fixed routes and for other innovative forms of provision where fixed routes are unlikely to ever to be good value for money.

17. As has been the established practice in the BSIP programme, it is acceptable to use the 2025/26 Bus Grant to safeguard service provision in circumstances where services formerly being operated commercially are at risk of being deregistered, where this is a priority and offers value for money.

18. The Department strongly encourages the use of Bus Grant funding by March 2026 in order to deliver benefits to passengers and communities as quickly as possible. It is recognised that it will not always be fully possible to do so, or to do so in a value for money manner, given the lead times on capital projects and usual lengths of tendered bus service contracts. Where absolutely necessary funding can therefore be carried forward into 2026/27. As the Department cannot provide funding in advance of need this is only appropriate where you are satisfied that without having received the payment in 2025/26 your Authority would not have been able to progress Delivery Plans or enter into contracts (either in absolute terms or at an appropriate cost and value for money). In all cases we would expect a contractual or other significant commitment to have been entered into for the full use of the funding by March 2026. You should maintain a clear record of the rationale for, and where relevant VfM or cost benefits achieved by, and decisions to use this funding beyond 2025/26 – which should be signed off by your s151 officer. A copy of any such record should be submitted with your next quarterly return when it is created or amended. A Project Adjustment Request would need to be submitted to the Department for any delivery beyond March 2027.

Use of 2025/26 BSIP funding for fares schemes

19. The delivery of simpler and more affordable bus fares is a core objective of both the existing phases of BSIP funding and the new Bus Grant. Authorities are encouraged to consider local objectives for bus fares and to determine what is affordable, deliverable and offers value for money. This includes looking at not just single fares but also the overall structure and range of fares products across all operators in their area including one day, weekly, monthly and annual season tickets, carnet or multi-buy discounts. In particular, Authorities are encouraged to consider the fares discounts on offer to young people.

20. Authorities may use their Bus Grant funding to enter into local agreements with operators to set a single fare cap below that set by the £3 National Bus Fare Cap

scheme (NBFC), if LTAs deem this to be their priority and it is affordable and value for money. To protect bus passengers, no single bus fare on routes included in the £3 NBFC in 2025 will exceed £3, and fares less than £3 will only be allowed to increase by inflation. The £3 NBFC is expected to end in December 2025. LTAs should collaborate with DfT to ensure there is no conflict with the £3 NBFC nor any double funding as a result of any local agreements with operators.

Annex B: Support from the Department for Transport to deliver your BSIP

1. The Department for Transport has enabled Local Transport Authorities (LTAs) to deliver their BSIPs through a programme of bespoke support from a team of Relationship Managers as well as the establishment of the Bus Centre of Excellence, monthly DfT forums, bulletins and a Basecamp site. We are delighted by the success of this programme to date.
2. Ministers remain committed to BSIPs, with their publication providing transparency on LTAs' ambitions to improve bus services for the public. However, we will be reviewing the guidance and frequency to ensure they are fully integrated with wider Local Transport Plans.
3. The Government wants to empower LTAs by making it easier to pursue bus franchising, improve and strengthen Enhanced Partnerships, and give local authorities the option to create local authority bus companies, as well as giving local leaders more control and flexibility over how bus funding is distributed. To align with the Government's commitment to giving further flexibility over funding to LTAs, we are adjusting the BSIP change control process that applies to all BSIP funding and Bus Grant funding enabling more decisions to be taken locally. The updated change control criteria can be found in **Annex C** of this letter.
4. With this new approach, the Department is shifting its focus to providing more targeted practical support over the new opportunities for the LTAs rather than concentrating its efforts to cumbersome monitoring exercises. This will include changes to the ongoing support that DfT offers on the BSIP programme as follows:
 - Except in a few select cases, LTAs will no longer have a dedicated Relationship Manager from the DfT, supported by Arup. The BSIP@dft.gov.uk inbox will remain active and available for any queries, comments or advice on BSIP delivery.
 - Separately, we will offer a specific franchising RM for places actively pursuing bus franchising. If your LTA is considering pursuing franchising, please let us know at your earliest convenience. The Department is keen to support any LTA with franchising ambitions at any stage in the process.
 - We will continue to hold online DfT bus forums and issue bulletins.
 - We will close the Basecamp site which has had reduced activity for some time. Please note that the Association of Transport Coordinating Officers (ATCO), which represents local authority officers, offers a similar facility called ATCOList. There are different levels of membership available, details on their website: [ATCO MEMBERSHIP | ATCO](#) and one of the biggest advantages of membership

is access to the ATCOList – an online forum where you can ask questions and gain responses from LA colleagues – there are currently over 400 members from all over the UK.

- We will continue to work with the Bus Centre of Excellence team to build their support offer through webinars, training, materials, forums, and building communities of LTAs and other stakeholders on bus related topics.
 - We will engage LTAs as part of the Government's Review of Enhanced Partnerships in 2025.
5. These changes along with the commencement of the new BSIP change control process will come into force from the date of this letter.
 6. From DfT surveys and other sources, we understand that your LTA is not currently interested in exploring options to franchise. If that has changed, you can email BSIP@dft.gov.uk to express your interest in joining a working group that we will be establishing to support LTAs on their bus franchising journey and inform our ongoing work such as on the development of different franchising models and tools and products. Note that we will be disseminating the information and products from this group to all LTAs.
 7. We understand that you may have queries following these changes, so please do not hesitate to contact us if need be, by emailing BSIP@dft.gov.uk.

Annex C: Updated change control criteria

1. To align with the Government's commitment to provide local authorities with greater flexibility and control, we have updated the change control criteria that apply to all BSIP funding and will apply to the Bus Grant funding. These replace the previous set of criteria with immediate effect. Local Authorities now have greater freedom to move funding between bus schemes and make other changes, with a Project Adjustment Request only required in the reduced set of circumstances listed below:

A. Introduction of any new schemes not outlined in the 2025/26 delivery plan

Where new schemes are proposed for inclusion, they must:

- meet BSIP objectives (i.e. make buses more frequent, more reliable, easier to understand and use, better coordinated and cheaper) or support and protect existing bus services that would otherwise be at risk, and align with any wider Government strategies or standards,

- be deliverable within existing timeframes and funding, and,
- not have a negative impact on the overall programme VfM.

B. Cancellation, major scope reductions of any schemes or movement of funding between schemes:

There is a need to approve changes to larger projects that could have a material impact on the LTA's overall BSIP programme. The following thresholds determine whether a change should be referred to change control:

- If a scheme being **cancelled** is worth \geq £5m.
- If the **proposed scope reduction** of a scheme is \geq £5m.
- If funding being moved between schemes \geq £5m.

We also expect LTAs to submit data on changes to smaller schemes through quarterly monitoring and reporting.

C. All requests to transfer RDEL to CDEL or to transfer CDEL to RDEL

D. Delivery changes which could result in funding not being spent within the specified period or bring significant reputational challenges

For funding allocated in 2022-23, 2023-24 and 2024-25, through Phases 1, 2 and 3 of the BSIP Programme, the specified period is March 2025 for fares schemes; and March 2026 for all other revenue schemes (e.g. service support) and all capital schemes.

For Bus Grant funding allocated in this letter, the specified period means March 2027 for all schemes, both revenue and capital.

The Department strongly encourages the use of Bus Grant funding by March 2026 in order to deliver benefits to passengers and communities as quickly as possible. It is recognised that it will not always be fully possible to do so, or to do so in a value for money manner, given the lead times on capital projects and usual lengths of tendered bus service contracts. Where absolutely necessary, funding can therefore be carried forward into 2026/27. As the Department cannot provide funding in advance of need this is only appropriate where you are satisfied that without having received the payment in 2025/26 your Authority would not have been able to progress Delivery Plans or enter into contracts (either in absolute terms or at an appropriate cost and value for money). In all cases we would expect a contractual or other significant commitment to have been entered into for the full use of the funding by March 2026. You should maintain a clear record of the rationale for, and where relevant VfM or cost benefits achieved by, and decisions to use this funding beyond

2025/26 – which should be signed off by your s151 officer. A copy of any such record should be submitted with your next quarterly return when it is created or amended. A Project Adjustment Request would need to be submitted to the Department for any delivery beyond March 2027.

E. The proposed change is novel, contentious or repercussive, or is likely to bring reputational challenges for HM Government.

F. The scheme/area/change is of particular interest to the Department's Ministers

G. Changes to any scheme which significantly reduces or changes the outputs or outcomes, or materially impacts: a public announcement or commitment; or value for money.

H. Changes to any specific requirements outlined in the Memorandum of Understanding or conditions in this letter and annexes