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**MEMORANDUM OF UNDERSTANDING**

*Between*

**Department for Transport**

*-and-*

**North Yorkshire Council**

**1. Purpose**

1.1. This Memorandum of Understanding ('MOU') sets out the terms, principles and practices that will apply to the working relationship between the Department for Transport ("the Department") and North Yorkshire Council ('the Authority')(collectively 'the Parties') regarding the administration and spending of their Bus Service Improvement Plan plus (BSIP+) funding allocation.

**2. Background**

2.1. On 18 May 2023, the Department confirmed funding for the Authority as part of the Bus Service Improvement Plan plus (BSIP+) announcement.

2.2. This MOU covers the funding commitments from the Department and the delivery, financial expenditure, agreed milestones, reporting and evaluation, communication and branding expectations between the Parties.

**3. Purpose of Funding**

3.1. The Department agrees to provide funding of up to £ 2,927,376. The allocation is set out in the following table:

	<b>RDEL allocation</b>
<b>2023/24</b>	£ 1,463,688
<b>2024/25</b>	£ 1,463,688
<b>Total</b>	£ 2,927,376

3.2 The Authority may use the funding to target it on the actions that they – and local operators through their Enhanced Partnership (where relevant) –

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believe will deliver the best overall outcomes in growing long term patronage, revenues and thus maintaining service levels, whilst maintaining essential social and economic connectivity for local communities. In some places that may involve ensuring existing connections are maintained (either by conventional services or DRT). Elsewhere it might be achieved through increasing the frequency on key corridors or the operating hours of some services whilst reducing others; or reducing fares or introducing new local concessions to open up new markets and revenue.

- 3.3 The funding must be spent on bus measures. It cannot be used for measures that primarily benefit other modes of transport, with secondary benefits for buses (e.g. road maintenance).
- 3.4 We expect you to use the funding to maintain existing service levels or on measures that are consistent with Departmental guidance on [Bus Service Improvement Plans \(BSIPs\)](#), bearing in mind that we have changed the BSIP rules, enabling BSIP and BSIP+ allocations to be used for supporting existing services, as set out in the 17 May announcement. Funding decisions should be based on local circumstances and need. The Authority can enhance the frequency of existing services, expand routes or provide new services using this funding.
- 3.5 Other interventions, such as ambitious new fares initiatives, that can make the experience for non-users and existing passengers demonstrably better can be funded through the BSIP+ allocation.
- 3.6 The funding should not be used to support generic marketing or advertising costs that are not directly related to specific improvements (such as a fares change, or new services). We would expect bus operators to fund routine marketing costs.

### 4. Statutory Arrangements

- 4.1 The Authority must make an Enhanced Partnership (EP) or be in the process of franchising, in order for the full funding amount to be released. The Department will release 50% of the 2023/24 funding in paragraph 3.1 upfront, and the remaining 50% once the EP has been made (where relevant). If an EP is already in place, or the LTA is following the statutory process for franchising, then the full allocation will be released.
- 4.2 Schemes provided for by this funding should be included in the Authority's Enhanced Partnership (EP) scheme, EP scheme variation, or franchising delivery plan - all requirements of the EP/franchising plan would then apply.

### 5. MOU Conditions

- 5.1 Should the conditions of this MOU not be met, the Department will review whether it is appropriate to, by notification in writing to the Authority, require the repayment of the whole or any part of the grant. The

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Department also reserves the right to:

- i. Reduce, suspend or withhold BSIP+ grant funding should delivery not progress as agreed in documentation relating to other grants provisionally awarded by the Department to the Authority.
- ii. Reduce, suspend or withhold grant funding from other grants provisionally awarded by the Department to the Authority, should, the conditions of this MOU not be met.

### **6. Financial Arrangements**

- 6.1. The agreed funds will be issued to the Authority as non-ringfenced grant payments under Section 31 of the Local Government Act.
- 6.2. The Authority accepts responsibility for meeting any costs over and above the Department's contribution set out in Clause 3.1, including potential cost overruns and the underwriting of any funding contributions expected from third parties.
- 6.3. The Department expects the grant funding to be spent within a reasonable timeframe and outputs delivered within 12 months of funding receipt.

### **7. Assurance, Monitoring and Evaluation**

- 7.1. The Authority will collaborate with the Department over assurance requirements, which will include the Section 151 Officer using the template provided to give a written confirmation that the project/s represents value for money to the Department. The Authority will also collaborate with the Department and/or its contractors who reserve the right to seek further assurances and monitoring data. The Department shall assist the Authority where possible, and the Parties will work together to satisfy these requirements.
- 7.2. The Authority will publish and submit an end-of-year report to the Department detailing how the funding has been used in a format specified by the Department. It is important that the public can view how taxpayer funding is being spent.

### **8. Value for Money**

- 8.1. The value for money of all individual investments should be considered through the Authority's governance frameworks in the usual way – with confirmation sent to the department by the s151 officer that this funding represents value for money.

### **9. Adherence to national guidance**

- 9.1. The Authority is expected to follow relevant national guidance in the course of scheme development and implementation.

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### 10. Changes to approved project/programme

- 10.1. The Authority will comply with the terms of this MOU. Any request to deviate from these terms must be made in writing to the Department.

### 11. Compliance

- 11.1. The Authority will comply with all applicable procurement laws when procuring goods and services in connection with the Project and the Department shall not be liable for the Authority's failure to comply with its obligations under any applicable procurement laws.
- 11.2. The Authority will ensure that its use of the funding complies with State Aid laws, the UK's international obligations in relation to subsidy control and any UK subsidy control legislation.
- 11.3. The Authority will maintain appropriate records of compliance with the relevant subsidy control regime and will take all reasonable steps to assist the Department to comply with the same and respond to any proceedings or investigation(s) into the use of the funding by any relevant court or tribunal of relevant jurisdiction or regulatory body.
- 11.4. The Authority acknowledges and represents that the funding is being awarded on the basis that the use of the grant will not affect trade in goods and electricity between Northern Ireland and the European Union and shall ensure that the funding is not used in a way that affects any such trade.
- 11.5. The Secretary of State may require repayment of any of the grant already paid, together with interest from the date of payment, if the Secretary of State is required to do so as a result of a decision of a court, tribunal or independent body or authority of competent jurisdiction.
- 11.6. The Authority will ensure they comply with the 2010 Equality Act and the Public Sector Equality Duty. This includes considering impacts of the project on protected characteristic groups during the scheme design process and in the monitoring and evaluation stage.

### 12. Branding and Communication

- 12.1. The Authority shall at all times during and following the end of the Funding Period:
  - i. comply with requirements of the Branding Manual in relation to the Funded Activities; and
  - ii. cease use of the Funded by UK Government logo on demand if directed to do so.
- 12.2. Branding Manual refers to the HM Government of the United Kingdom of Great Britain and Northern Ireland 'Funded by UK Government branding manual' first published by the Cabinet Office in November 2022 and is available at <https://gcs.civilservice.gov.uk/guidance/marketing/branding-guidelines/> including any subsequent updates from time to time

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12.3. Whilst there are important benefits of local brands for transport services - including promoting local identity, loyalty and accountability - to emphasise the role played by government funding, the Authority must also prominently co-brand any vehicles, signage, websites and all public-facing printed material. Media announcements and releases about improvements funded or part-funded by this money must also be co-branded, must prominently acknowledge the role played by HMG funding and offer HMG the opportunity in good time to include a comment. Failure to do so may result in funding being reduced or reclaimed as set out at paragraph 5.1 above.

### 13. Bus Connectivity Assessments

13.1. LTAs will also be expected to comply with the Bus Connectivity Assessments coordinated by DFT, at regular intervals. We expect submission of the Bus Connectivity Assessments to the Department for Transport to be required at dates to be specified.

13.2. As part of this process, Operators and LTAs will be expected to report on a range of issues, including but not limited to:

- i. Connectivity;
- ii. Patronage;
- iii. Types of Service;
- iv. Innovation;
- v. Funding.

13.3. Bus Connectivity Assessments will require comprehensive responses, and the Department for Transport reserve the right to ask for further evidence if deemed necessary and appropriate.

13.4. The Department for Transport reserve the right to change the regularity of Bus Connectivity Assessments at any point.

### 14. Other conditions

14.1. The Authority and any Travel Concession Authority within its boundaries must maintain their bus budgets from all sources. This must demonstrate that BSIP+ funding is additional to previously agreed council budgets. To be eligible for future funding including 2024/25 BSIP+ funding, the overall authority bus budget must be maintained at least at the same level. If concessionary travel reimbursements are reduced, the corresponding budget must be reinvested into other bus measures (e.g. tendered services).

14.2. The Authority and any Travel Concession Authority within its boundaries will commit (including in their Enhanced Partnership where relevant) to work with operators to promote the England National Travel Concessionary Scheme (ENCTS) and to proactively inform local residents when they become aware that they are eligible for such a concession. They will ensure that it is easy to apply for. Unless there are exceptional

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circumstances, any existing “no marketing” clauses in concessionary travel funding agreements will be removed by 1 April 2024.

- 14.3. Demand responsive transport (DRT) services provided under this funding and replacing existing bus services should offer a concession to ENCTS passholders, between 09:30 to 23:00 on weekdays and at all times on Saturdays, Sundays and bank holidays. Where DRT is planned, clear arrangements shall be in place to ensure a high standard of integration with other services and a clear timeline for delivery, with particular regard to elements such as continuity of service, accessibility, safety and fare levels.

### 15. Compliance with the MOU

- 15.1. The Parties to this MOU are responsible for ensuring that they have the necessary systems and appropriate resources in place within their respective organisations to comply fully with the requirements of this MOU.

### 16. Legal Enforcement

- 16.1. This MOU is not legally enforceable. It describes the understanding between both parties for the use of funding specified in Clause 3 of this agreement.

#### Signed on Behalf of the Authority:

Name:

#### Signed on Behalf of the Department (Deputy Director)



Sharon Maddix