



Department
for Transport

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09 April 2020

To Local Transport Authority Transport Officers and
Chief Executives

via email

Dear colleague,

COVID-19 Bus Services Support Grant

The Department has been engaging with bus trade organisations, operators and local transport authorities to monitor the impact of COVID-19 on the bus industry. Of particular concern, is the ability of bus operators to continue to run services due to the availability of drivers and other staff, as well as passengers' willingness to use the bus following the Government's advice for the public to avoid any non-essential travel and to work from home where possible.

As part of our continued support to the sector at this difficult time, Ministers have agreed for a temporary grant to be introduced, the COVID-19 Bus Services Support Grant (CBSSG). There are two parts to this funding, one for local transport authorities and one for bus operators.

CBSSG for local transport authorities (LTAs)

As per Stephen Fidler's letters of 25 March and 4 April 2020 to local transport authorities, the Department urged you to continue to pay bus and coach operators for tendered services, concessionary fares and home to school transport at the levels before any downturn in service provision or patronage, for at least the period of the outbreak. This is in line with the general advice from the Cabinet Office at <https://www.gov.uk/government/publications/procurement-policy-note-0220-supplier-relief-due-to-covid-19>

All the further measures we are offering to bus operators and LTAs are additional to these existing concessions and tendered service payments. Removal of these payments could undermine the service offered at this critical time.

For our part, we are continuing to pay commercial Bus Service Operators Grant (BSOG) to operators on the basis of estimated service levels before the outbreak. That includes BSOG incentive payments that we pay direct to operators running tendered services (such as for operating low carbon vehicles). In addition, the Department will continue to pay the £42 million of devolved BSOG to LTAs from April 2020.

The funding you provide to tendered bus services, including the devolved BSOG you use to support this, will be vital to ensuring that those services can continue to run where

necessary. The local transport authority element of CBSSG is being allocated to support local bus services such as tendered bus services that may be experiencing revenue shortfalls, and to help support any adjustments to services required by the authority following your discussions with operators. The aim is to ensure that local bus services continue to operate in the right places, and at the right times of day, during the COVID-19 outbreak.

You must check with operators to make clear which services (or parts of services) will attract LTA CBSSG funding and which ones the operator will be claiming separately from operator CBSSG (to avoid any double funding).

All operators who receive the bus operator element of CBSSG will be expected to make available sufficient capacity to run up to 50 per cent of normal service capacity. This is in part based on the assumption that operators continue to receive funding from the relevant local authority at pre-pandemic levels.

CBSSG will initially run for a period of up to three months (12 weeks). LTAs will receive monthly payments over the period of the scheme. Individual authority allocations have been calculated based on historic supported service mileage, with a top up for rural areas, as was done for the £30 million funding for supported bus services in 2020-21 as part of the Better Deal for Bus Users. LTA allocations are annexed to this letter.

CBSSG can only be spent on supporting bus services that have been affected by, or need to be adjusted because of, the impact of COVID-19. LTA CBSSG funding to operators should only cover the period from 17 March 2020. Any underspend will need to be returned to DfT. This is a condition of the provision of the funding to DfT by the Treasury so no flexibility is possible, even where other funding from DfT to the authority concerned is devolved. As noted above, we expect that this funding is used as additional support on top of normal funding for local bus services, not as a replacement of that funding. Even with your continued support, bus operators are experiencing significant operational losses.

CBSSG for bus operators

Separately, CBSSG will be provided direct to commercial bus operators. We have written to all operators as attached. Commercial CBSSG will be provided by the Department direct to operators to make available sufficient capacity to run up to 50% of scheduled commercial mileage. The CBSSG is designed to meet the costs of making this capacity available and will be paid for services run since the 17 March 2020. The funding paid by the Department to operators will, over time, be adjusted to reflect the actual level of service each operator is asked to provide.

We are funding operators to make available sufficient capacity to run between 40%-50% of scheduled commercial mileage for a typical non-school week excluding public holidays for the period of the scheme, which is a period of up to three months (12 weeks), subject to regular reviews.

If a LTA and operator jointly agree that capacity to provide a service level of less than 40% of scheduled commercial mileage is required, a joint letter justifying this position from the LTA and relevant operators must be sent to DfT. Operators will still receive CBSSG under these circumstances. In exceptional circumstances, if a LTA and operator jointly agree that capacity to provide a service level of greater than 50% of scheduled commercial mileage is required, CBSSG funding to cover this mileage may only be provided with prior written agreement of DfT, and the overall CBSSG funding will not exceed the overall funding envelope as a result.

Operators are required to take all possible steps to respond positively and quickly¹ to reasonable requests from LTAs to amend the services operated and the routes used by those services, hours of operation, vehicles used or levels of provision and to supply data on service usage and operations during the period of CBSSG receipt - including to ensure a joined-up cross-modal service offer and to support wider COVID-19 response efforts. Operators are required to demonstrate on request that initial and ongoing consultation with LTAs has taken place and that all possible steps have been taken where they have not responded positively or quickly to reasonable requests from LTAs. We would urge you to work closely with your local bus operators to make sure this happens.

A condition of the grant was that operators to accept English National Concessionary Travel Passes before 9.30am, on the basis that LTAs maintain concessionary travel reimbursement at pre-COVID levels. We have also asked operators to cooperate with LTAs in the development of additional concessions where these will be locally funded for the duration of the outbreak. Any new concessions need to be reported to DfT as part of the returns to ensure payments are calculated correctly.

The public are to be kept informed of service alterations in a timely fashion in line with any guidance to be issued by Transport Focus. DfT will ask operators to confirm how they are achieving this and LTAs should support them in this. Where emergency timetables are produced, they should be promoted at bus stops and on websites and any local public forums for key workers and essential travel.

LTAs can contact the Department at CBSSG@dft.gov.uk if they have any questions about the above.

Reconciliation

At the end of the CBSSG period, DfT will undertake a review of how the local transport authority element of CBSSG funding was used to support bus services during the outbreak.

As part of that review, LTAs will be expected to provide information to DfT, and publish on their websites to keep the public informed, on how they used their funding, including how much bus mileage was supported and on what routes.

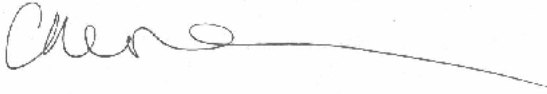
The draft CBSSG grant details, including the terms and conditions, and indicative local transport authority funding allocations, are annexed to this letter. We will confirm these together with a formal grant letter shortly.

£30 million funding for supported bus services in 2020-21

The Department is allowing local transport authorities to use some, or all, of their funding allocations from the £30 million funding for supported bus services as part of the Better Deal for Bus Users to retain or restore bus services affected by the outbreak. Payments to LTAs who have submitted compliant statements of intent are due to be paid shortly. Any LTAs who wish to amend their submitted statements of intent may do so by contacting betterdeal4buses@dft.gov.uk, and LTAs who have not yet submitted a statement of intent should do so by 17:00 on 26 June 2020.

¹ Subject to any necessary delays due to factors such as the terms and conditions of the Coronavirus Job Retention Scheme.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'CH', followed by a long horizontal flourish that extends to the right.

Catriona Henderson

Deputy Director, Buses and Taxis Division, Department for Transport

ANNEX A – INDICATIVE LOCAL AUTHORITY FUNDING ALLOCATIONS

Local Authority	Funding per 4 weeks (£)	Funding per 12 weeks (£)
Bedford Borough Council	35,060	105,180
Blackburn with Darwen Borough Council	13,584	40,751
Blackpool Council	9,960	29,880
Bournemouth, Christchurch and Poole Council	35,400	106,201
Bracknell Forest Council	19,356	58,069
Brighton and Hove City Council	15,933	47,800
Buckinghamshire County Council	91,254	273,761
Cambridgeshire and Peterborough Combined Authority	91,824	275,472
Central Bedfordshire Council	36,922	110,765
Cheshire East Council	76,544	229,632
Cheshire West and Chester Council	55,897	167,690
City of York Council	19,990	59,970
Cornwall Council (including Isles of Scilly)	176,092	528,276
Cumbria County Council	91,039	273,117
Derby City Council	9,759	29,277
Derbyshire County Council	200,447	601,341
Devon County Council	235,794	707,381
Dorset Council	71,557	214,672
East Riding of Yorkshire Council	54,645	163,935
East Sussex County Council	63,478	190,434
Essex County Council	230,781	692,342
Gloucestershire County Council	153,568	460,704
Greater Manchester Combined Authority	380,285	1,140,855
Hampshire County Council	169,808	509,423
Herefordshire Council	58,618	175,855
Hertfordshire County Council	95,959	287,877
Hull City Council	44,668	134,005
Isle of Wight Council	13,567	40,702
Kent County Council	241,019	723,058
Lancashire County Council	179,774	539,321
Leicester City Council	19,985	59,954
Leicestershire County Council	133,143	399,428
Lincolnshire County Council	199,664	598,992
Liverpool City Region Combined Authority	266,399	799,197
Luton Borough Council	11,068	33,205
Medway Council	26,113	78,339
Milton Keynes Council	41,387	124,160
Norfolk County Council	219,448	658,344
North East Joint Transport Committee	347,906	1,043,719
North East Lincolnshire Council	22,344	67,031

North Lincolnshire Council	36,815	110,446
North Somerset Council	32,262	96,785
North Yorkshire County Council	181,115	543,346
Northamptonshire County Council	66,414	199,241
Nottingham City Council	55,333	165,998
Nottinghamshire County Council	155,144	465,432
Oxfordshire County Council	140,743	422,230
Plymouth City Council	32,852	98,557
Portsmouth City Council	13,108	39,325
Reading Borough Council	20,059	60,178
Royal Borough of Windsor and Maidenhead	19,834	59,501
Rutland County Council	13,899	41,697
Sheffield City Region Combined Authority	168,301	504,904
Shropshire Council	76,376	229,127
Slough Borough Council	18,953	56,859
Somerset County Council	105,980	317,941
Southampton City Council	13,329	39,988
Southend-on-Sea Borough Council	7,288	21,865
Staffordshire County Council	139,540	418,620
Stoke-on-Trent City Council	29,716	89,148
Suffolk County Council	138,904	416,713
Surrey County Council	160,726	482,179
Swindon Borough Council	22,785	68,354
Tees Valley Combined Authority	49,647	148,942
Telford and Wrekin Council	18,654	55,961
Thurrock Council	7,252	21,756
Torbay Council	7,015	21,044
Warrington Borough Council	16,105	48,314
Warwickshire County Council	119,520	358,560
West Berkshire Council	25,954	77,863
West Midlands Combined Authority	210,453	631,358
West of England Combined Authority	176,143	528,429
West Sussex County Council	91,652	274,957
West Yorkshire Combined Authority	259,866	779,597
Wiltshire Council	160,539	481,616
Wokingham Borough Council	11,408	34,224
Worcestershire County Council	112,143	336,428

ANNEX B – DRAFT GRANT AWARD CONDITIONS

Local Transport Authority COVID-19 Bus Services Support Grant

1. The grant paid to each local transport authority under this determination may be used only for the purposes of supporting local bus services during the COVID-19 outbreak, which is a period of up to three months (12 weeks), subject to regular reviews.
2. The Chief Executive and Chief Internal Auditor of each of the recipient local transport authorities are required to sign and return to CBSSG@dft.gov.uk a declaration, to be received as soon as possible after the end of the COVID-19 outbreak, in the following terms:

“To the best of our knowledge and belief, and having carried out appropriate investigations and checks, in our opinion, in all significant respects, the conditions attached to COVID-19 Bus Services Support Grant for Local Transport Authorities 2020-21 have been complied with”.
3. At the end of the CBSSG period, LTAs will be required to provide DfT, and publish on their websites, information on the services that the grant was used to support, with DfT to provide a template in due course. This will include:
 - Bus services supported, including the financial contribution
 - Kilometres operated
 - Base line data of the above from 2019 calendar year at pre COVID-19 levels
4. DfT reserves the right to amend the information being requested from LTAs.
5. DfT reserves the right to use this information to inform the broader Government response to the COVID-19 outbreak.
6. If a local transport authority fails to comply with any of the conditions and requirements of the grant, the Minister may by notification in writing to the authority, require the repayment of the whole or any part of the grant.
7. Any sum notified by the Minister under paragraph 6 shall immediately become repayable to the Minister.
8. The Greater Manchester Combined Authority (including Transport for Greater Manchester) is also subject to the commercial bus operator COVID-19 Bus Services Support Grant Terms and Conditions for the devolved commercial bus operator component of COVID-19 Bus Services Support Grant they receive directly from DfT.