



Department  
for Transport

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To Local Transport Authority Transport Officers

14 August 2020

via email

Dear colleague,

### **COVID-19 – Tendered Bus Service Provision**

On 8 August 2020, the Secretary of State for Transport announced that an additional £27.3 million a week will be provided to continue to support bus services from 4 August 2020. I am writing to you now with an update on how a portion of the COVID-19 Bus Service Support Grant (CBSSG) Restart funding will be allocated to LTAs to support tendered services.

#### **LTA CBSSG Restart scheme**

LTA CBSSG Restart funding 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.

An online survey will be issued shortly requesting information on the amount of LTA CBSSG Restart funding used by LTAs from 9 June to 3 August, and on the LTA CBSSG Restart funding required by LTAs on an 8-weekly basis from 4 August onwards, based on the list of allowable uses which are provided alongside this letter. The survey questions are also provided alongside this letter. The survey asks for estimated funding requirements from the LTA CBSSG Restart scheme until January 2021 but, given the notice period for termination of the funding, this does not necessarily mean that the funding will be provided until January 2021. Instead, we are collecting this information now to enable for more efficient provision of LTA CBSSG Restart funding in future periods. The survey is due by 17:00 on 1 September.

This funding will be subject to grant conditions and a memorandum of understanding as per the LTA CBSSG Restart funding from 9 June to 3 August. The grant conditions and memorandum of understanding will be issued alongside the funding allocations in due course following the survey returns from LTAs.

#### **Restart costs, PPE costs, and safe operating costs for tendered service only operators**

Operators who only provide tendered services will be able to claim reasonable restart costs, PPE costs, and safe operating costs from 4 August onwards. Further information, including a form for operators to complete, will be provided in due course.

#### **Commercial CBSSG Restart funding**

The Commercial CBSSG Restart terms and conditions have been amended and will take effect from 21 August. The main changes are summarised below.

Operators are required to agree with their LTA which commercial services are required, to ensure that services continue to meet local needs. This should include consideration that CBSSG Restart funding is used to meet demand by reprioritising service provision through the day, and on key routes, where required. Bus operators now need to provide evidence of consultation undertaken with LTAs to date, or agreements where possible, ahead of schools and colleges reopening in September to DfT by 1 September by completing the form provided at Annex A of the CBSSG Restart terms and conditions (and as detailed in paragraph 7 of the terms and conditions). This form includes a section for LTAs to include information on whether service levels have been agreed, and if not, on what basis they will be agreed, in line with the CBSSG Restart terms and conditions.

A section on commercial school and college services has been added to clarify how CBSSG Restart funding can also support the return to education in September, in addition to the new LTAs grant allocations from the Department for Education to procure additional vehicles for dedicated school and college services. The first step is for bus operators to work with the relevant LTAs to identify the need for any additional vehicles to be procured by the LTAs with their grant allocations. In exceptional circumstances, where a bus operator identifies a need above and beyond what could have been reasonably assessed in consultation with the LTAs, the bus operator can meet that need and claim CBSSG Restart funding until such time that provision of the additional vehicles is agreed with the relevant LTAs using their new funding. In such cases, the bus operator must notify DfT, copying the relevant LTAs. (paragraphs 14 to 20 of the terms and conditions)

Other main changes from the previous CBSSG Restart terms and conditions include:

- The CBSSG Restart scheme will be an ongoing, rolling package of funding, without a pre-defined end date. The Government has the right to review and end the funding at any point, at which point an 8-week notice period will begin (paragraphs 3 and 67);
- Operators need to continue to work towards increasing service levels and capacity prior to September 2020, and not make significant reductions in operational headcounts, prior to the end of this funding package. Operators will seek to manage costs over the duration of the CBSSG Restart scheme (paragraphs 11 and 12 of the terms and conditions); and
- New terms for de-minimis payment claims from DfT and LTAs (paragraph 37 of the terms and conditions).

I would encourage you to read these updates to the revised terms and conditions for full details. The terms and conditions are provided alongside this letter.

### **LTA CBSSG Restart Underspend**

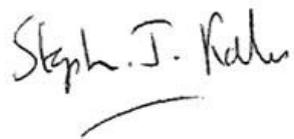
If your LTA did not use its entire LTA CBSSG Restart allocation over the period 9 June 2020 – 3 August 2020, the memorandum of understanding for the funding requires that any underspend be returned to DfT. LTAs in this position will be contacted by officials following the LTA CBSSG Restart survey due date to arrange repayments.

### **Other Public Sector Support**

DfT remains grateful to those authorities that have continued to maintain payment levels to bus and coach operators (for tendered services, concessionary fares and home to school transport) at the levels before the downturn in service provision or patronage. The budget for the commercial and LTA CBSSG Restart schemes have been calculated on the basis that this funding will continue at previous levels.

We are happy to answer your questions about the LTA CBSSG Restart scheme. Please email the team at [cbssg@dft.gov.uk](mailto:cbssg@dft.gov.uk).

Yours faithfully,

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  
Director of Local Transport