

<https://www.gov.uk/government/speeches/local-transport-update-financial-support-for-bus-and-light-rail-services>

Government will provide over £150 million, as a final COVID-19 support package, to help local transport authorities and operators run services.

From: Department for Transport and The Rt Hon Grant Shapps MP

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Since the beginning of the pandemic, the government has provided unprecedented financial support to the bus and light rail sectors, in England outside London. Through the emergency COVID-19 funding packages, the government ensured the immediate impacts of the pandemic on bus and light rail networks were mitigated, ensuring services kept running to enable access to jobs, education and healthcare. In the recovery period, the latest packages, the £226.5 million Bus Recovery Grant (BRG) and the £56 million Light Rail and Tram Recovery Grant (LRTRG), due to end in April 2022, have supported the sector following the re-opening of the economy and the lifting of social distancing guidelines. We have also provided a further £29 million uplift to the BRG, to mitigate the impact of Omicron on patronage over winter.

As the sector continues to deal with the ongoing effects of the pandemic and the emergence of new travel patterns, the financial challenges faced by the bus and light rail sector remain. The department recognises the importance local transport services have to the people and economies of the areas they serve and understands that the removal of funding now would create a 'cliff edge' with the prospect of overnight reductions in services. Such an outcome would undermine our aspirations set out in the National bus strategy and Levelling up white papers to improve transport connectivity.

I can therefore announce that we will provide over £150 million in further financial support to the local transport sector. This will fund bus operators and local authorities responsible for bus and light rail services from April until October and is the final COVID-19 support package the government will provide to the sector. The funding will assist local transport authorities and operators in running services as they develop new, effective, financially sustainable networks that cater for the needs of the local public and their local areas after the pandemic.

This package of funding shows our commitment to the development of effective financial sustainability plans, taking into account user needs. It will maximise public confidence in local transport, whilst aligning with our aims from the national bus strategy, to deliver better bus services.

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