



Department
for Transport

From the Secretary of State
The Rt. Hon. Grant Shapps

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To all MPs in England outside of London

Our Ref:
Your Ref:

1 March 2022

Dear Colleague,

BUS AND LIGHT RAIL COVID-19 FUNDING FROM APRIL 2022

As you will know, throughout the pandemic, the government has provided over £2bn in Covid-19 funding packages to support the bus and light rail sector in England, outside London. Through the emergency packages, the government mitigated some of the immediate impacts of the pandemic ensuring services kept running and people could access jobs, education, and healthcare.

Currently the government is administering its latest funding packages, the £226.5m Bus Recovery Grant and the £56m Light Rail and Tram Recovery Grant, designed to support the sector in the recovery period to help social and economic growth. We have also provided a further £29m uplift to the Bus Recovery Grant, to mitigate the impact of Omicron on patronage over Winter.

I am aware, as I am sure you are, that demand for local transport has changed following the pandemic, with significant structural changes to travel patterns and a 'new normal' slowly emerging. Local transport authorities, as well as bus and light rail operators, must adapt to this change in a positive manner. This transition, to provide effective networks for local transport users in 2022 that are financially self-sustainable, should be managed to ensure passengers are not left isolated by chaotic, unplanned service reductions, which a 'no funding' scenario would bring about.

It is for this reason that I am pleased to announce that over £150m in financial support will be provided to the local transport sector. The funding will support bus operators and local authorities responsible for bus and light rail services from April until October. This support will help local transport providers run services as they develop new, effective, financially sustainable networks that cater for the needs of the local public after the pandemic. This package will be the last Covid-19 settlement the government provides to the sector.

Local transport, at its core, is a public service, delivering benefits to the people and economies of the regions they serve and is a vital engine for local economic growth and delivering our levelling up agenda. It is important to ensure the new networks are financially sustainable, suitable for passengers and fit for the future. My officials will continue to engage with Local Transport Authorities and operators to support them with this funding package and in meeting the ambitions of the National Bus Strategy. Therefore, it is our intention that because of the financial certainty this package provides, local transport authorities and operators will be able to engage with passengers and adapt networks to better meet the needs of passengers and the ambitions of the National Bus Strategy once funding ends.

Yours ever,

A handwritten signature in black ink, appearing to read 'Grant Shapps', written in a cursive style.

Rt Hon Grant Shapps MP

SECRETARY OF STATE FOR TRANSPORT