

# Local leaders to receive £4.7 billion to transform transport across the North and Midlands

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The government says millions of people in the North and the Midlands will benefit from better public transport, reduced congestion and upgraded local bus and railway stations thanks to the new £4.7 billion Local Transport Fund announced on Monday (26 February).

Prime Minister Rishi Sunak and Transport Secretary Mark Harper have confirmed that the North will receive £2.5 billion and the Midlands will receive £2.2 billion from April 2025 to improve local transport connections.

The government says this investment – announced as part of Network North – will deliver an unprecedented long-term funding uplift across the North and Midlands over seven years.

The release adds that over the seven years as a whole this funding will be on average at least nine times more than these local authorities currently receive through the local integrated transport block which is the current mechanism for funding local transport improvements in their areas.

The Local Transport Fund will be made available from 2025 to give local authorities enough time to

develop their funding plans and prepare to hit the ground running to ensure they are delivered as soon as possible.

It comes as the Prime Minister is set to chair a Cabinet meeting in Yorkshire on Monday (February 26) where he is expected to call on ministers and MPs to hold local authorities to account to ensure the funding is used appropriately and that the voices of local people are heard when decisions are made on where this funding goes and how this funding is spent.

Prime Minister Rishi Sunak said: “We have a clear plan to level up our country with greater transport links that people need and deliver the right long term change for a brighter future.

“Through reallocating HS2 funding, we’re not only investing billions of pounds directly back into our smaller cities, towns and rural areas across the North and Midlands, but we are also empowering their local leaders to invest in the transport projects that matter most to their communities – this is levelling up in action.

“The Local Transport Fund will deliver a new era of transport connectivity. This unprecedented investment will benefit more people, in more places, more quickly than HS2 ever would have done, and comes alongside the billions of pound worth of funding we’ve already invested into our roads, buses and local transport services across the country.”

The government says this investment will give local authorities long term certainty to invest in transformative and ambitious transport improvements from 2025 through to 2032 including:

- building new roads and improving junctions
- installing or expanding mass transit systems
- improving roads by filling in potholes and better street lighting for personal safety
- improving journey times for car and bus users by tackling congestion
- increasing the number of EV chargepoints
- refurbishing bus and rail stations
- improving our streets so they are safer to walk children to school and increasing accessibility for all

To ensure local authorities can make the most of this funding, the department will publish advice for local councils and transport authorities to help them develop plans to improve local transport infrastructure in their areas.

Councils will work with local MPs and will be held to account by the government as well as their communities to make sure the money is spent promptly and effectively. Local councils will be expected to publish their delivery plans for which projects they wish to invest in.

The funding comes as **devolution deals now cover nearly 34 million, or 60 per cent of the English population** – up from 41 per cent since the first major levelling up plan two years ago, as the government continues to empower local leaders.

Transport Secretary Mark Harper said: “Today’s £4.7 billion investment is truly game-changing for the smaller cities, towns, and rural communities across the North and the Midlands and is only possible because this government has a plan to improve local transport and is willing to take tough decisions like reallocating funding from the second phase of HS2.

“This funding boost will make a real difference to millions of people, empowering local authorities to drive economic growth, transform communities, and improve the daily transport connections that people rely on for years to come.”

Today’s funding is directed to the North and Midlands because the majority of HS2 savings are specifically from those regions. The Local Transport Fund is also specifically for communities in the North and Midlands which are outside City Regions which receive City Region Sustainable Transport Settlements (CRSTS).

The new funding allocations means neighbouring authorities who were not eligible for CRSTS can now drive forward similar infrastructure improvements, and all local authorities in the North and Midlands will now have long-term settlements from Network North to boost local transport.

The North East is separately receiving £3.7 billion from CRSTS from now until 2032, which includes an uplift of more than £1 billion from Network North, boosting local transport across the Tees Valley and the North East.

Lord Patrick McLoughlin, Chair of Transport for the North (TfN), said: “We welcome this funding for our local transport areas as a sign of progress towards transforming the north to a more inclusive, sustainable and better-connected region. By having greater clarity on the funding that’s available, and consolidating funding streams, it helps remove inertia and accelerates delivery on the ground.

“TfN look forward to working with government and local leaders, because we know that the travelling public will get better results the more locally the decisions are made on how those services should be provided.

Maria Machancoses, Chief Executive of Midlands Connect, said: “This funding represents a significant investment in our region’s infrastructure. The Midlands contributes more than £90 billion to the UK economy, and to boost that even more, we need reliable transport networks and investment in new technology.

“We welcome this announcement and the improvements it will bring for our communities and businesses across the Midlands, and we will continue to work with government and support our local authorities, to ensure these vital Network North transport upgrades are delivered.”

This government says its investment demonstrates its commitment to reinvest all of the £19.8 billion from the Northern leg of HS2 in the North and all of the £9.6 billion from the Midlands leg in the Midlands, while the £6.5 billion saved through the new approach at Euston will be spread across every other region in the country.

As part of Network North, it says it has also committed to delivering the Midlands Rail Hub by increasing

investment to £1.75 billion to improve journey times, capacity and frequency of services across the East and West Midlands. We will also enable the West Yorkshire Mayor to take forward a £2.5 billion mass-transit metro in West Yorkshire.

The release says it has committed £12 billion towards better connecting Manchester to Liverpool. This would allow the delivery of Northern Powerhouse Rail as previously planned, including high-speed lines. But the government says it will work with local leaders to agree whether they wish to suggest other ways to achieve the objectives with that £12 billion.

£100 million will also be shared across the North and Midlands to support the development and rollout of contactless and smart ticketing, supporting seamless travel by enabling contactless or smartcard payment.

Darren Caplan, Railway Industry Association Chief Executive, said: "Any investment in integrated transport networks is to be welcomed. However, the alternative Government plan for HS2 Phase 2 from Birmingham to Manchester does not consider the transport system in the long-term or address growing congestion and unreliable journeys in the North-South corridor between major cities, including on the West Coast Mainline.

"The Railway Industry Association and member suppliers will welcome the proposals should they move promptly and provided most of the £5bn allocation is spent on rail schemes. There is genuine concern, however, that Network North project business cases and timescales will mean that few rail schemes will be progressed any time soon.

"Recent analysis in the RIA-commissioned Steer report found that rail passenger numbers could double by 2050 while the UK population is projected to grow by 10% in the next decade. With Network North not delivering the scale of strategic capacity required by UK transport and rail networks in the future, the current plan risks holding back the country's economy and connectivity in the future."

Responding to the announcement of new £4.7 billion Local Transport Fund, Ben Curtis from charity Campaign for Better Transport said: "Re-allocating HS2 money to other public transport projects is welcome, but we are disappointed to see funding transferred from a sustainable rail scheme to high carbon, low-return road schemes. Time and time again, research has proven that investing in public transport over road schemes delivers the greatest return for the taxpayer, whatever metric is used."