

Redirected HS2 funding set to improve bus services across the North and Midlands

October 23, 2023



Transport Secretary Mark Harper has announced £150 million new funding for local transport authorities in the North and the Midlands over the next financial year.

It follows the Prime Minister's [speech on 4 October 2023](#), in which he announced, from the savings made by cancelling HS2 phase 2, that the government will channel additional funding into better buses across the North and the Midlands.

This is the first tranche of £1 billion in new funding to improve bus services: £770 million for the North and nearly £230 million for the Midlands. This funding is in addition to the £1.1 billion for Bus Service Improvement Plans (BSIPs) announced in 2022 and 2023, and the £300 million to protect and enhance bus services through Bus Service Operators Grant plus (BSOG+) and Bus Service Improvement Plan plus (BSIP+) announced in May.

Mark Harper said: "The £150 million committed today is from redirected HS2 funding, part of our new £36 billion Network North plan which will improve the daily transport connections that matter most to people, benefitting more people, in more places, more quickly."

“We are giving this funding directly to local authorities, so that they can work in partnership with bus operators to decide how best to use it to deliver better services that meet the needs of each local area. This new funding can be used to reintroduce evening services to support the night-time economy, cheaper fares through ticket price caps, increase service frequency meaning less waiting time for passengers, or introduce new routes to connect previously unconnected areas. We estimate that the £150 million we are confirming today is enough to support up to 25 million miles of new bus services.”

Further details and [anticipated allocations for next year's funds](#) will be published today for individual local transport authorities, and details of the remainder of this £1 billion new investment will be announced in due course.

The Transport Secretary added: “Our support for the bus sector and passengers alike does not end there. The [£2 bus fare cap](#) has already made a huge difference, holding down prices and helping protect the bus market as it recovers. First launched for 3 months, the scheme has proven hugely popular and was extended until 31 October 2023, to be followed by a £2.50 cap until November 2024, with £335 million committed to deliver these caps, save passengers money and grow the economy. In England, outside London, bus fares last year fell 7.4%, whereas in Scotland, Wales and London, where the buses are devolved, fares increased by 10.3%, 6.3% and 6% respectively.

“Again, using the savings from HS2, we will extend the £2 fare right across England until the end of December 2024. This means the government has committed nearly £600 million to cap bus fares. With over 140 bus operators currently running more than 5,000 routes in the scheme, maintaining the cap at £2 will ensure passengers all over the country can continue to save significant sums of their regular travel costs until 2025 and help encourage more people to get on board buses.

“Finally, our support for buses includes community transport too. Community transport offers transport for people who have difficulty using, or no access to, regular bus services or other public transport. Funding until June 2023 supported community transport operators during the COVID-19 pandemic by paying operators the same level of the BSOG as they received pre-COVID, regardless of services run. This has allowed operators to run services that might otherwise have been cancelled.

“I am also announcing today that the government will continue to provide [increased financial support to these community transport operators](#) to help protect these key services by uplifting their bus service operator grant claims by 60%. This significant support will be available to operators for claims from 1 July 2023 to the end of March 2025, matching the duration of the BSOG+ support scheme. This enhanced funding comes as part of the government's nearly £260 million annual BSOG to support bus services in England outside of London. BSOG also includes up to £213 million for commercial bus operators and, for the tenth year, £42 million for local authorities.

“Taken together, this is one of the biggest ever packages of support for buses and bus users we have put in place – vital support for our most used public transport.”