



Department  
for Transport

Iain Stewart MP  
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From the Secretary of State  
**The Rt Hon Mark Harper MP**

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17 February 2023

Dear Iain,

### **Extension to the Bus Recovery Grant and £2 Bus Fare Cap**

I am writing to you in your capacity as Chair of the Transport Select Committee to inform you about the steps the Government is taking today to help ensure the provision of bus services throughout England outside of London.

As you will know, when we published the National Bus Strategy in 2021, we set out a bold vision for bus services across England backed by a £3bn investment – the largest Government investment provided for buses in a generation. We also promised in the Levelling Up White Paper to bring English bus services closer to London standards. Our vision in the National Bus Strategy, supporting and working with the sector, is to make bus services more frequent, more reliable, easier to understand and use, better co-ordinated and cheaper.

In the current climate, where patronage on buses has stabilised but remains around 85-90% of pre-pandemic levels, we know that the bus sector continues to face a number of challenges that are resulting in reductions to services in some parts of the country.

The Government has already provided £2bn in emergency and recovery funding since March 2020 to mitigate the impacts of the pandemic, and in August last year we announced a further extension to the Bus Recovery Grant until March 2023 to continue to protect services.

It is clear, however, that without further support for the bus sector once the Bus Recovery Grant ends on 31 March, there could be significant further reductions to bus services throughout England. The Government has therefore announced today that we will be extending the Bus Recovery Grant for a further three months at a cost of up to £80m to continue supporting our vital local bus services until 30 June 2023. This takes our total emergency and recovery funding for the sector to over £2bn since March 2020. We will now work at pace with bus operators and Local Transport Authorities to confirm the arrangements for the extension and confirm their funding allocations.

This extension will prevent the loss of local bus services for the millions of people who rely on them to live, work and travel. The Department for Transport has been engaging with bus operators and Local Transport Authorities on this issue, and the extension we have announced today means that we will continue to protect bus services while we work with the sector on the challenges they face with changing travel patterns since the pandemic and delivering the National Bus Strategy.

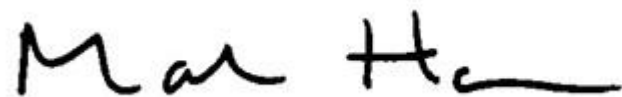
We are also currently investing £60m to help over 140 bus operators cap their single fares at £2 on more than 4,600 routes in England outside London from 1 January to 31 March. This scheme was introduced to help people save on their regular travel costs, and to help boost patronage on buses. The scheme is showing early signs of increased bus use, with an independent survey of 1,000 people from passenger watchdog Transport Focus showing 7% of people saying they are using the bus more. We have therefore announced today our intention to invest up to £75m to also extend the £2 Bus Fare Cap for a further 3 months until 30 June 2023. Participation in the scheme from operators is voluntary, and as such we will now work with the operators to re-confirm their participation for this extended period. The scheme has been successful in many areas of the country, making bus travel more affordable to new and existing customers.

The £155m additional funding to extend the Bus Recovery Grant and the £2 Bus Fare Cap we have announced today demonstrates this Government's continued commitment to supporting local bus services and working closely with bus operators and Local Transport Authorities to deliver our ambition for everyone, everywhere to have access to affordable and reliable bus services.

I intend to write a Dear Colleagues letter to MPs informing them of this announcement.

I will place a copy of this letter in the libraries of both Houses.

Yours sincerely,

A handwritten signature in black ink that reads "Mark Harper". The signature is written in a cursive, slightly informal style.

**The Rt Hon Mark Harper MP**

**SECRETARY OF STATE FOR TRANSPORT**