

# Dear Colleague on extending the fare cap

23 October 2023

Dear Colleague,

£2 Fare Cap extension & support for Community Transport Operators  
Extending the £2 Bus Fare Cap

I write regarding the Government's announcement today, confirming additional support for bus users as we extend the £2 bus fare cap until the end of 2024 and increase the funding available for Community Transport Operators. Buses are the most popular form of public transport in our country, playing a vital part in levelling up.

On 1 January, the Government introduced the £2 bus fare cap as part of our Help for Households to help passengers save on their travel costs at a time of increased cost of living. First launched for three months, the scheme has proven hugely popular and was extended until 31 October, and was planned 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, the local bus fares index decreased by 7.4% between June 2022 and June 2023, whereas in Scotland, Wales and London, where the buses are devolved, fares increased by 10.3%, 6.3% and 6.0%, respectively.

I am pleased to confirm that 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 invested nearly £600 million in capping bus fares. With over 140 bus operators 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 greater bus usage. My officials are working with bus operators to confirm their continued participation in the scheme from 1 November, and further updates will be provided on GOV.UK in due course.

Supporting Community Transport Operators

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 Bus Service Operators Grant 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 (including in London) for claims from 1 July 2023 to the end of March 2025. This enhanced funding is part of Government's annual Bus Service Operators

Grant payments to support bus services in England outside of London, which includes up to £213 million for commercial bus operators and £42 million for Local Authorities.

I hope you will agree that the measures we have confirmed today will make a real difference to some of the most vulnerable in our society, helping people get around more easily and for less. This Government remains determined that people should have access to affordable and reliable bus services, and this funding will help us progress these aims as we continue to deliver on our commitments in the National Bus Strategy.

I look forward to keeping you updated as we continue to deliver on the vision for better bus services for passengers across England.

Yours sincerely,

The Rt Hon Mark Harper MP  
SECRETARY OF STATE FOR TRANSPORT