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# **25/26 Bus Service Improvement Plan Grant EDTCE Scrutiny**

Date of meeting: 25 June 2025

Lead director/officer: Daniel Pearman

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## Useful information

- Ward(s) affected: All Wards
- Report author: Daniel Pearman
- Author contact details: 0116 454 3061
- Report version number: 01

### 1. Purpose of Report

- 1.1 To provide details of the Department for Transport 25/26 Bus Service Improvement Plan (BSIP) and Bus Service Operators Grant (BSOG) to members of the commission.
- 1.2 To outline the intended approach for the deployment of funds related to BSIP and BSOG.

### 2. Background

- 2.1 Leicester's Bus Service Improvement Plan 2024-2036 serves as the strategic framework for the investment and expansion of passenger transport across the city and underpins the work of the Leicester Buses Partnership. The plan is available on the Leicester Buses website:

<https://static1.squarespace.com/static/61e96a60fcd80d05b81c5cbb/t/66aa5c370c974f763a72ef2b/1722440770094/Leicester+Buses+Bus+Service+Improvement+Plan+2024.pdf>.

This website also details achievements against the plans to date.

- 2.2 In recent years government has made available grants under the BSIP umbrella to allow authorities to direct funding towards maintaining and improving their bus network.
- 2.3 For 25/26 Leicester City Council has been awarded £9.453m from the Department for Transport's Bus Service Improvement Plan (BSIP) grant. This is comprised of £5.166m capital and £4.092m revenue.
- 2.4 Further funding is available under the Bus Service Operators Grant (£100,287) and BSIP Capability (£94,000) for the 25/26 financial year. These are expected annual awards, and fund the resourcing and staffing of the city council's passenger transport service.
- 2.5 In addition, the Department for Transport has approved the carryover of £1.4m in revenue from the 24/25 BSIP grant.
- 2.6 A further funding announcement for future years is expected in the Autumn.

### **3. Funding Restrictions**

#### **3.1 The allocated funding must:**

- i Be fully spent by April 2026 unless there is explicit prior approval from the Department
- ii Deliver projects that are to the primary benefit of passenger transport or passenger transport users.
- iii Deliver projects that may be found with the authority's published Bus Service Improvement Plan

### **4. Considerations**

4.1 The annual nature of these grants, and the lack of clarity on ongoing funding, has prevented forward planning and significantly constrained the projects we are able to deliver. The time available, and level of funding available, is insufficient to deliver projects with lengthy lead in times.

4.2 There continues to be significant operator interest in the electrification of their fleets, and there is the opportunity to secure matched funding accordingly.

### **5. Proposed 2025/26 Programme**

#### **5.1 A programme has been developed that prioritises:**

- i Areas where there is the opportunity to secure private sector (whether operator or third party) investment, either directly or via in-kind revenue commitment
- ii Deliverability against the March 2026 spend deadline.
- iii Opportunities to deploy capital investment to lasting benefit, particularly in revenue-saving or passenger growth areas
- iv Those areas where it is likely that continuation funding will be made available, or where withdrawal of funding in the future will not be overly disruptive or damaging to the network
- v Those areas that are likely to improve the integration measures noted within the BSIP as part of our Enhanced Partnership approach with operators; namely network development, a common fare structure, common information platforms, and a common fleet and brand.
- vi Improving the ability for users to access the network
- vii Where research has shown targeted subsidy and investment has led to long term or permanent passenger growth.

#### **5.2 We are therefore proposing a programme that:**

- i Operates a local grant scheme for the purchase of up to 48 electric buses, that mirrors the national DfT programme (the Zero-Emission Bus Regional Areas – ZEBRA – scheme)

- ii Continues the same level of support for services such as the Orbital, Hop!, and Park and Ride.
- iii Maintains the current Real Time Information Estate
- iv Provides targeted support to increase frequency on key Mainline and Greenline routes
- v Undertakes additional branding, marketing, and promotional work across the Leicester flexi area.
- vi Provides additional, printed, timetable information at select bus stops
- vii Supports the development of future programmes
- viii Supports the staff resource required to deliver on passenger transport

5.3 The proposed programme allows for the potential of up to £23m investment, including matched funding from commercial bus operators, maximising opportunities whilst there is appetite and capacity to deliver.

5.4 Other measures are deliverable by the March 2026 deadline, but may also be expanded should future funding become available or there are amendments required following the passing of the Bus Services (No. 2) Bill

## **6. Future Programme**

6.1 The future programme is highly dependent on the level of funding awarded by government, and whether this continues to be provided annually or if there is a level of multi-year commitment. Information is expected following the Chancellor's Spending Review Statement

## **7. Financial, Legal, Equalities, Climate Emergency, and Other Implications**

### **7.1 Financial Implications**

The report details the DfT grants available in 25/26 and their intended use, both revenue and capital, for expenditure on bus-related measures. The total amount includes £1.4m brought forward from 24/25. The current-year grants have a spend deadline of 31/03/26 unless prior approval is obtained from DfT to carry over amounts to 26/27.

Signed: Jade Draper, Principal Accountant

Dated: 10/06/2025

### **7.2 Legal Implications**

There appears to be no legal implications to the contents of the report other than the potential for the loss of funding if the funding conditions have not been met and an extension to the deadlines is not permitted. For information, while local authorities have no statutory duty to provide bus services, they do have a responsibility to secure adequate public transport, which may include subsidising commercially unviable routes or services. The Bus Services Act 2017 and subsequent legislation have given local

authorities more tools to improve bus services. This includes the potential to franchise services, which allows them to set standards for routes, timetables, and fares.

Signed: Zoe Iliffe, Principal Lawyer (Property Highways & Planning)

Dated: 16/6/25

### 7.3 Equalities Implications

Under the Equality Act 2010, public authorities have a Public Sector Equality Duty (PSED) which means that, in carrying out their functions, they have a statutory duty to pay due regard to the need to eliminate unlawful discrimination, harassment and victimisation and any other conduct prohibited by the Act, to advance equality of opportunity between people who share a protected characteristic and those who don't and to foster good relations between people who share a protected characteristic and those who don't.

Protected Characteristics under the Equality Act 2010 are age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation. The report provides details of the Department for Transport 25/26 Bus Service Improvement Plan.

Bus Service Improvement Plans (BSIPs) are crucial for addressing transport inequalities. BSIPs aim to increase bus use and create a more sustainable and affordable public transport system. By investing in bus services, BSIPs can ensure that all communities have access to reliable and convenient transport, particularly benefiting disadvantaged groups like young people, older people, and those from low-income areas.

Signed: Equalities Officer, Surinder Singh, Ext 37 4148

Dated: 10/06/2025

### 7.4 Climate Emergency Implications

Whilst there are no direct implications from this report which is for information, continued progress of the bus services improvement plan is a key part of the city council's work to reduce carbon emissions from transport

Introducing more electric buses to the network in the current financial year whilst unlocking potential funding for further investment in electrification of the fleet over the next 2 years to complete the transition to a single green network would be a positive step towards net zero by 2030. A modernised bus fleet helps attract new users, and further investment to ensure services remain operational encourages people to make permanent lifestyle changes.

The positive approach to promotion and engagement should increase service uptake and is an important part of the programme.

Signed: Phil Ball, Sustainability Officer, Ext: 372246

Dated: 11/06/2025

7.5 Other Implications

None

8. **Appendices and Other Papers**

None