
Local Transport Funding EDTCE Scrutiny

Date of meeting: 25 June 2025

Lead director/officer: Daniel Pearman

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 members of the commission with details of the government grants made available for transport improvements in the 25/26 financial year.
- 1.2 To advise members of the commission of the projects and programmes these grants will allow us to deliver or support.

2. Summary

- 2.1 Government grants form the majority of funding available to the transport service, across both capital and revenue.
- 2.2 In recent years, grants have been issued via a competitive bidding process – often for specific projects, initiatives, areas of support, or schemes; and have been awarded with strict delivery requirements and timescales attached.
- 2.3 Though the authority has been highly successful, these bids have occupied officer time and made the development and delivery of longer-term plans, programmes, and projects more difficult due to uncertainty and the need to deliver to grant terms and windows.
- 2.4 The current government has indicated a desire to move towards an allocation approach, with more extensive monitoring and compliance requirements replacing initial bidding processes. This has begun with the 25/26 financial year, and we are now in receipt of multiple grants via direct allocation.
- 2.5 There is the expectation that future funding will be issued in the same way, but across multiple years to allow for more developed and resilient delivery pipelines. A verbal update will be provided following the Spending Review announcements of 11th June.
- 2.6 In total, £21.9m of additional funding has been made available to the authority via the following grants:

Grant Name	Capital	Revenue	Total
Active Travel Fund 5 (ATF5)	£655,995.00	£-	£655,995.00
Local Transport Grant (LTG)	£9,520,000.00	£-	£9,520,000.00
Bus Service Improvement Plan (BSIP)	£5,166,372.00	£4,186,933.00	£9,353,305.00
Consolidated Active Travel Fund (CATF)	£1,549,010.00	£453,763.00	£2,002,773.00
Local Transport Resource Grant (LTRG)	£-	£360,000.00	£360,000.00
Bus Service Operators Grant (BSOG)	£-	£100,287.00	£100,287.00
Total:	£16,891,377.00	£5,100,983.00	£21,992,360.00

3. Grant Details

3.1 Each grant has specific terms and intentions attached, which are detailed below. Note the BSIP and BSOG grants are detailed in a separate report to this scrutiny commission.

3.2 Active Travel Fund 5 (ATF5)

i To be spent on the design, consultation, or construction of schemes that enable active travel (walking, cycling, wheeling).

ii Previous uses of the Active Travel Fund have included Rally Park (ATF4), and the Safer, Sustainable, Healthier Neighbourhoods (SSHN) programme.

iii Funding must be spent by March 2026

3.3 Local Transport Grant (LTG)

i Issued solely to authorities in the North and Midlands due to previous commitments from the cancellation of HS2's northern leg.

ii May be spent on a variety of transport projects including maintenance, design, delivery, or construction; cannot be spent on heavy rail or projects affecting the Strategic Road Network.

iii Funding must be spent by March 2026

3.4 Consolidated Active Travel Fund (CATF)

i Replaces the Active Travel Fund (a capital funding stream for scheme delivery) and the Active Travel Capability Fund (a revenue funding stream for officer training/development or behaviour change works) with a singular, unified grant.

ii Must be spent on projects that promote active travel (walking, cycling, wheeling)

iii Funding must be spent by March 2027 but projects must be on site by March 2026

3.5 Local Transport Resource Grant (LTRG)

i Issued to all local highway/local transport authorities in England.

ii To be used to support recruitment, training, and retention of staff in order for authorities to build internal capability and capacity in advance of future funding.

iii Must be spent on training, recruitment, or general costs of staff that are associated with the delivery of transport projects or schemes.

4. Programmes, Schemes, and Projects

- 4.1 To meet the funding requirements for spend within the 2025/2026 financial year, it is proposed to direct funding towards:
- i Projects that are build ready, or there is an opportunity cost associated with further delays
 - ii Existing programmes where there is capacity to expand delivery resource and outcomes
 - iii Maintenance projects that can extend asset life or reduce future revenue costs to the authority
 - iv Design or preparatory work for future schemes
- 4.2 The projects and proposals for each grant is listed below. Projects will be subject to the usual approaches to consultation.
- 4.3 Active Travel Fund 5
- i Deliver the necessary work to replace the temporary features around Knighton Drive and Newstead Road with permanent measures
 - ii Delivery of a rolling pedestrian crossing programme:

Delivery of the three ready to build schemes in Avebury Avenue, St Barnabus Road, and Ethel Road.

Design of the ten highest priority pedestrian crossings from the programme.
- 4.4 Local Transport Grant
- i Invest to save opportunities including an illuminated street sign replacement/removal programme
 - ii Establishment of a neighbourhood improvement fund for local public realm improvements – e.g. trees, signage, street furniture.
 - iii Establishment of a street lighting column replacement programme
 - iv Delivery of the Orwell Drive cycle link, nr Beaumont Leys shopping centre
 - v Delivery of improvement works to the Abbey Gate – Abbey Park underpass and links.
 - vi Refurbishment of the second Soar Lane Bridge
 - vii Funding staff and support for future schemes and projects
 - viii Delivery of additional projects from within the pedestrian crossing programme once designs are available
 - ix Resurfacing and maintenance projects on:

- Melton Road
- Aylestone Road

x Regeneration/housing site access, public realm, and transport improvements:

Ashton Green
 Cultural Quarter
 King Street
 Home Farm Close
 Rosedale Avenue
 Lee Circle

xi City Centre security expansion – Granby Street and Market Approach

4.5 Consolidated Active Travel Fund

- i Undertake design work on future strategic cycle links
- ii Preparation and delivery of Rally Park phase 2 – connection to new school site and northern park access(es)

4.6 Local Transport Resource Grant

- i Fund the necessary officer resource to respond to the publication of the Integrated National Transport Strategy (expected Autumn of this year); including updating our Local Transport Plan and integration work with other documents and strategies.
- ii Fund ongoing staff training in support of Continuing Professional Development including the provision of specific expertise in the field of access and accessibility.

5. **Financial, Legal, Equalities, Climate Emergency, and Other Implications**

5.1 Financial Implications

The report details the DfT grants available in 25/26 and their intended use, both revenue and capital, for expenditure on transport improvements. Of note are the spend deadlines of 31/03/26, except for CATF which has a deadline of 31/3/27 for capital expenditure.

Signed: Jade Draper, Principal Accountant

Dated: 10/06/2025

5.2 Legal Implications

The Council must ensure that it complies with any grant funding conditions otherwise risk losing same. There appears to be no other legal implications arising from the terms of this report.

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

Dated: 16/6/25

5.3 Equalities Implications

The report provides details of the government grants made available for transport improvements in the 25/26 financial year. There are no direct equality implications arising from the report. Transport impacts on an individual's quality of life as an enabler of economic and social inclusion. Better transport makes access to healthcare, jobs, education and training, and community possible.

Signed: Equalities Officer, Surinder Singh, Ext 37 4148

Dated: 10 June 2025

5.4 Climate Emergency Implications

Whilst there are no direct implications from this report which is for information, increasing the proportion of journeys made by active travel - which produces no, or minimal, carbon emissions - is an important part of the council's strategy for working towards a 'climate ready' net zero city.

The replacement of assets within a bulk programme, rather than piecemeal, contributes to a reduction of emissions in 2 key areas: Scope 1, which are the direct emissions from our transport vehicles, and Scope 3, the indirect emissions linked to the supply chain and other activities. This approach reduces emissions over the whole lifetime of the asset

Signed: Phil Ball, Sustainability Officer, Ext: 372246

Dated: 11 June 2025

5.5 Other Implications

None

6. Appendices and Other Papers

None