

CABINET
15 September 2026

**Local Transport Consolidated Funding Settlement – Local Transport
Delivery Plan**

Report by the Director of Environment and Highways

RECOMMENDATION

1. The Cabinet is **RECOMMENDED** to:
 - a) approve the **Local Transport Delivery Plan** and its submission to the Department for Transport, as well as the implementation plan for the Department for Transport's **Local Transport Quantifiable Carbon Guidance**; and
 - b) delegate authority to the **Director of Environment & Highways**, in consultation with the **Cabinet Member for Transport**, to amend the **Local Transport Delivery Plan** as per the 'Operation of the Delegation' noted herein (46-49).

Executive Summary

2. Oxfordshire County Council (the Council) has received a Local Transport Consolidated Funding Settlement letter from the Department for Transport (DfT) commissioning the Council to produce a Local Transport Delivery Plan (LTDP), identifying how the funding will be prioritised and spent.
3. In March 2026, the Council submitted a draft LTDP to the DfT, detailing all spend for 2026/27, as well as an outline plan up to 2029/30. DfT have undertaken a high-level review of the initial LTDP, assessed compliance with conditions in the Memorandum of Understanding (MoU) and provided some general observations to support the development of the refined LTDP. The DfT have also provided further guidance on the required quarterly reporting activities associated with the LTDP.
4. The Council's refined LTDP provides details of Revenue allocation up to 2028/29 and Capital allocations up to 2029/30. The Delivery Plan must be submitted to the DfT via their new Data Portal by Friday, 30 October 2026. It is anticipated that the LTDP will need to be published in October/November, with annual updates as a minimum and republishing where significant changes to the LTDP have been put forward and agreed with the DfT.

5. As part of statutory guidance for Local Transport Plans published in April 2026¹, the Council must submit a plan for implementing the Department for Transport (DfT)'s Local Transport Quantifiable Carbon Guidance (LTQCG) by October 2026, see Annex B, as part of the Council's Local Transport Delivery Plan (LTDP) submission. LTQCG sets out how whole life carbon assessment should be incorporated into transport decision-making processes, including Cabinet decisions, and establishes approaches for assessing, monitoring and reporting the carbon impacts of transport interventions against area-based emissions projections to 2050. Local Transport Authorities will be required to report these impacts to DfT as an outcome measure for funded schemes. The Council has undertaken a high-level climate impact assessment of the LTDP proposals, see Annex C, and is working closely with DfT on implementation arrangements and support requirements. In parallel, the Council is developing decision-making guidance, aligned with LTQCG and Policy 27 of the Local Transport and Connectivity Plan, to provide a practical framework for assessing the significance of transport interventions against local carbon budgets at both project and portfolio level.
6. This report sets out a recommended approach to the grant allocation and identifies the proposed programme to submit to the DfT.

Context

7. Based on the 2025 Spending Review settlement and subsequent Ministerial decisions, the DfT has published their allocations for Oxfordshire County Council **totalling £245.5m** for 2026/27 to 2029/30. This consists of **£223.2m Capital Departmental Expenditure Limit (CDEL)** covering 2026/27 - 2029/30 and **£22.3m Resource Departmental Expenditure Limit (RDEL)** covering 2026/27 - 2028/29.

Table 1: Allocations, by year and spending category, in thousands (£000s)

	2026/27	2027/28	2028/29	2029/30
<i>Capital (CDEL)</i>	45,966.5	52,821.6	58,072.3	66,297.9
<i>Revenue (RDEL)</i>	7,682.6	7,330.0	7,330.0	
Total	53,649.1	60,151.6	65,402.3	66,297.9

8. The DfT have issued a formal Grant Determination Letter and a Memorandum of Understanding (MoU) for the Local Transport Consolidated Funding Settlement, which the Council have signed and returned.
9. Grant funding will be received quarterly, with revenue funding allocations running until 2028/29 and capital allocations running until 2029/30.
10. The Local Transport Consolidated Funding Settlement creates more flexibility and choice for authorities by consolidating the following funding streams into an Integrated Transport Fund (ITF) from 2026/27:

¹ [Local transport plans - GOV.UK](https://www.gov.uk/government/publications/local-transport-plans)

- Devolved Bus Service Operators Grant
 - City Region Sustainable Transport Settlement/Transport for City Region settlement
 - Local Transport Grant (RDEL and CDEL)
 - Highway Maintenance (CDEL)
 - Active Travel Fund (RDEL and CDEL)
 - LA Bus Grant (CDEL)
 - Local Electric Vehicle Infrastructure (RDEL)
11. The settlement retains a separate ringfenced Bus Services Fund (BSF), previously referred to as the Local Authority Bus Grant (RDEL). This combines grants previously referred to as Bus Service Improvement Plan (BSIP) and Bus Service Operators Grant (BSOG) funding which must be spent on bus outcomes.
 12. The Council must protect spend in certain areas which are competency based and are reflected in the DfT's underlying calculations for the Local Transport Consolidated Funding Settlement. The Council must meet outcome targets and maintain or improve the Council's Government-defined ratings for increased settlements. Maintaining the budgets for Highway Maintenance (compliance with best practice) and Active Travel (recently upgraded to capability rating 3) will help ensure that the Council receives the incentive funding element of the grant from the DfT.
 13. In certain incentive funding areas, the funding amount has increased as the Council has improved their rating. In other areas where there is overall Government nationwide impact the Council has seen a reduction. These spend calculations within each service area have been contextualised below:

a) Bus Grant:

- (1) The revenue bus figure (LA Bus Grant RDEL) for 2026/27 shows a 9% increase, compared to 2025/26. This is largely accounted for by the ongoing revenue support for enhanced bus services, so will restrict some planning for projects that the Council was seeking to support around education, training and publicity.
- (2) The capital allocation for bus services (LA Bus Grant CDEL) for 2026/27 is 40% lower than in 2025/26, although it is broadly consistent with average funding levels in earlier years. Given annual increases in real-term costs, this reduction means that some bus-related projects will not proceed unless alternative funding sources are secured. In recent years, the Council has been able to make substantial investments in measures such as traffic signal priority, real-time passenger information, corridor infrastructure improvements, network decarbonisation and the development of future schemes. While some limited investment across these areas will still be possible, the level of funding will constrain both the scale and pace of delivery.

- b) Highways Maintenance: The Highways capital figure is as expected; however, funding levels remain constrained and are being partially mitigated through additional corporate borrowing agreed by Council in February as part of the 2025/26 Budget and Medium Term Financial Strategy to 2027/28. This was originally earmarked for 2025/26 and 2026/27, but it is now spread across future years to 2028/29 to maintain current budget levels when the grant and borrowing are combined.
- c) Active Travel: Active travel capital and revenue figures align with expectations as a result of the Council's recently increased capability level rating to 3.

Purpose of the Local Transport Consolidated Funding Settlement

- 14. The DfT has consolidated all local transport funding grants for all Local Transport Authorities (LTAs) outside of Integrated Settlement areas. The consolidated funding approach gives councils greater flexibility to allocate funding across programmes more effectively and efficiently, supporting delivery of the priorities set out in their Local Transport Plans and maximising overall benefits. As such, the Council will be able to make the strategic decisions that best support the corporate vision to make Oxfordshire a greener, fairer and healthier county. This includes local network priorities, alignment with wider place-based and local/regional objectives (growth, spatial, environmental and social) and having the freedom to accelerate projects that are most beneficial.
- 15. Funding received from the DfT under the Local Transport Consolidated Funding Settlement is categorised as follows:
 - a) The Integrated Transport Fund (ITF) is intended to be used to deliver a wide range of local transport outcomes.
 - b) The Bus Services Fund (BSF) should only be used to support outcomes for bus passengers/services.
 - c) For Mayoral Strategic Authorities (MSAs) with an elected mayor in place, the Mayoral Transport Fund (MTF) is a flexible fund that combines the ITF and BSF.
- 16. If a Mayoral Strategic Authority is established for the Thames Valley, the ITF and BSF will be combined into one pot and become the responsibility of the mayor for establishing delivery of priorities. Certain funds which will be used to deliver specific schemes/outputs (namely Major Road Network, Levelling Up Fund and Structures Fund) are not part of the MTF/ITF/BSF. Neither is the transport element of the resource funding paid via the Local Government Finance Settlement (LGFS).

Development and content of the 'Local Transport Delivery Plan'

- 17. The Local Transport Delivery Plan (LTDP) has been developed to align with the Council's ambitions in the Local Transport and Connectivity Plan (LTCP), referred to by the DfT as the Local Transport Plan (LTP), and its supporting strategies. It also supports delivery of the DfT's Local Transport Outcomes

Framework Key Performance Indicators through the following key themes and outcomes:

- Environment
 - Health
 - Healthy Place Shaping
 - Productivity
 - Connectivity
 - Inclusivity
18. The Council's current capital and revenue programmes already assume a level of DfT grant funding. Given the continuing shortfall in central government funding for highway and transport services, a significant level of corporate funding is also required to support delivery.
 19. Where programmes already rely on grant funding, or where corporately funded programmes and schemes align with the grant conditions, they have been included in the LTDP where there is the greatest certainty of delivery.
 20. The proposal therefore covers ongoing programmes, including Bus Services and Highway Maintenance, alongside revenue-funded Active Travel and Local Transport requirements. These are established priorities that would have drawn on this funding whether provided through annual allocations or through a multi-year settlement.
 21. Existing walking, wheeling and cycling routes have been considered alongside Local Cycling and Walking Infrastructure Plan (LCWIP) priorities and the Strategic Active Travel Network (SATN) to determine high-priority schemes that can also contribute to the development of a wider active travel network that will connect to public transport interchanges, major employment hubs and areas of significant planned growth. It is considered that this approach and the development of a connected network of routes will be beneficial in working towards countywide LTCP targets as well as assist in strengthening Oxfordshire County Council's capability rating with Active Travel England. The proposed schemes to be funded under LTDP will build on work undertaken in previous funding rounds and seeks to connect existing networks in Oxford, Abingdon, Didcot as well as providing improved access to Didcot and Radley rail stations while utilising Housing Infrastructure Fund and Section 106 (S106) funded schemes to provide links to the Harwell Campus, Milton Park and Culham Science Campus.
 22. Funding has also been prioritised for routes in the centre of Bicester. These will connect previously delivered works in the town and provide continuous routes both north-south and east-west. Schemes in other areas of the county, including Banbury, will be delivered using other funding during this period, including s106 allocations.
 23. A proportion of funding has been prioritised for the School Streets programme and countywide minor works such as new crossings, barrier removal and safety improvements providing flexibility within the programme to react to emerging

issues. In the final year of the LTDP programme, cycle network wayfinding has also been prioritised to provide signage across the emerging network.

24. Schemes have been selected based on continued operation of existing programmes and perceived importance in improving the sustainable transport offer, as well as their deliverability within the time and budgets allowed. The Highways Maintenance programme and how to utilise the Local Electric Vehicle Infrastructure Grant (LEVI) effectively have also been considered.
25. Other schemes not included in the LTDP were considered but rejected because they were not a priority and/or could not be delivered within the available time and budget. The Local Transport Consolidated Funding Settlement is one of several funding sources. Other Council schemes will continue to be progressed through optioneering and design, or through to construction, using other funding sources.
26. Due to constraints within the funding previously known as Local Authority Bus Grant allocations, the requirement for the Bus Enhanced Partnership Plus delivery will now be funded through the broader Integrated Transport Fund (ITF) allocation, demonstrating its flexibility.
27. The Vision Zero Programme, and associated Accessibility and Road Safety Programme, will also be funded through ITF. This is a key priority, supporting the aim of achieving zero, or as close to zero as possible, road fatalities and life-changing injuries by 2050.
28. There are also several key revenue requirements from the DfT included in the LTDP, namely Your Bus Journey Survey, Quantified Carbon Assessment(s) and updates to key policies and strategies. We have also included allocations for Transport Modelling, Monitoring and Evaluation which will go towards improving an understanding of impacts on the transport network and the benefits of schemes in certain locations.
29. A summary of the LTDP for the October submission to DfT is included as Annex A.

Corporate Policies and Priorities

30. The LTDP has been developed in accordance with a range of Council policies, primarily the County Council Strategic Plan, the LTCP, and its supporting strategies.
31. The Council's 2025 to 2028 Strategic Plan commits to continue to roll out the LTCP. The LTCP sets a vision for an inclusive and safe net zero Oxfordshire transport system that enables all parts of the County to thrive. It will tackle inequality, be better for health, wellbeing and social inclusivity and have zero road fatalities or serious injuries. It will also enhance the county's natural and historic environment and enable the county to be one of the world's leading innovation economies. The Council's LTCP sets out how to achieve this by

reducing the need to travel by private car use through making walking, cycling, public and shared transport the natural first choice.

32. The Council's Strategic Plan also commits to make it easier to travel by train, bus and bike by building mobility hubs across Oxfordshire. These are places where different types of transport come together, making it simple to switch between them. In rural areas, we will create quiet lanes / greenways to make walking, cycling and horse riding safer and more enjoyable.
33. Consequently, the LTDP is aligned with and directly supports the Council's priorities for fostering an inclusive, integrated, and sustainable transportation network, contributing to making Oxfordshire a greener, fairer, and healthier county.

Financial Implications

34. There are no direct financial implications for the Council arising from this report. Any consequential spend arising from the schemes/programmes listed within the LTDP will be funded through grant in accordance with the grant conditions.
35. The Local Transport Consolidated Funding Settlement, which includes ITF and BSF, of £245.5m for 2026/27 to 2029/30 will continue to be paid in quarterly tranches as a consolidated payment under Section 31 of the Local Government Act 2003, contingent on the production of the Council's LTDP, and the completion of quarterly reporting back to DfT on progress and spend.
36. A summary of the LTDP is included at Annex A and sets out the proposed use of this funding. Scheme and programme figures are best-estimate budgets at this stage; however, overall programme expenditure will be managed within the available funding envelope.
37. The delivery of the capital elements of the funding will be managed through the Capital Governance framework.
38. The proposal aims to broadly maintain programming and spending in accordance with the DfT's underlying calculations for the Local Transport Consolidated Funding Settlement, e.g. Highways Maintenance, Active Travel, LEVI Capability etc. It is important to note, however, that the consolidated funding under the Integrated Transport Fund (ITF), allows allocations to be directed towards the Council's priority schemes and programmes, regardless of transport mode or scheme type, provided that these measures continue to deliver across the range of outcomes within the DfT Outcomes Framework.
39. The DfT continue to expect baseline bus and highways maintenance resource funding budgets from other sources to be maintained.
40. The 30th of October 2026 deadline is to submit the LTDP to the DfT to allow plans to be received and reviewed ahead of further quarterly payments to the Council beyond that date, aligning with the multi-year settlement. If plans are

received later, this will likely delay payment of the grant, putting existing schemes and proposed schemes at risk.

41. As was the case in 2025/26, a portion of the Highways Maintenance Funding Allocation included in this grant will be designated as incentive funding. This funding will be subject to the Authority demonstrating they comply with best practice in highways maintenance, for example, by spending all the Department's capital grant on highways maintenance and adopting more preventative maintenance.

Legal Implications

42. The adoption of the Local Transport Delivery Plan (LTDP) and submission to the DfT (recommendation 1 (a)) are in accordance with the Council's powers under the Transport Act 2000 and related powers including under the Highways Act 1980 and the Road Traffic Regulation Act 1984.
43. Each of the schemes/programmes within the LTDP will be further considered at the point of implementation and will be proposed and, as appropriate, delivered in compliance with the applicable statutory framework relevant to that scheme/proposal.
44. The delegation at recommendation 1 (b) for the use of the Local Transport Consolidated Funding Settlement allocation and implementation of **the projects and programmes outlined** within Annex A is likely to require a need for funding agreements to be drafted to both satisfy the Council's legal requirements, as well as any terms and conditions associated with the funding which will require legal input at that time.
45. There is an intention that individual projects within the Local Transport Delivery Plan which may require legal support will be considered on a case-by-case basis and contracts/grants awarded in line with the Council's current procurement process and use of the direct award provisions available to local authorities through legislation.

Operation of the Delegation

46. The delegation at recommendation 1(b) is intended to provide flexibility in the use of the Local Transport Consolidated Funding Settlement and its allocation against the schemes and programmes set out in the Local Transport Delivery Plan.
47. This flexibility is required to manage uncertainty arising during scheme and programme development and delivery. Where a scheme/programme allocated funding through the LTDP becomes undeliverable within the available funding envelope and/or funding window, the Director of Environment and Highways, in consultation with the Cabinet Member for Transport, may amend schemes, programmes and funding allocations within the LTDP.

48. This will help to:
- avoid delays in reallocating and spending the Local Transport Consolidated Funding;
 - ensure funding remains aligned to deliverable schemes and programmes; and
 - support achievement of the benefit outcomes set out in the DfT's Outcomes Framework.
49. Changes will be reported to the DfT through updates to its Data Portal. As required by DfT, the LTDP will be published annually for transparency. Where changes are significant, particularly for high-value schemes or programmes, the DfT requires that the LTDP be republished outside of the normal annual cycle.

Staff Implications

50. Staff resources to implement, monitor and report the progress of the Local Transport Delivery Plan will either be met through existing resources or funded through the specific programmes or schemes themselves. Where necessary, the proposal is to use the Local Transport Consolidated Funding Settlement for several existing and new posts.

Equality & Inclusion Implications

51. The DfT have requested that authorities must role model inclusive policy making and embed active consideration of accessibility within the development and delivery of policies funded through their consolidated funding settlement.
52. Section 112 of the Transport Act 2000 (as amended) specifically requires authorities to have regard to the transport needs of *“disabled people within the meaning of the Equality Act 2010 and of persons who are elderly or who have mobility problems”* when developing and implementing policies included in their Local Transport Plan.
53. An Equalities Impact Assessment (EqIA) has been completed in the development of the LTDP taking into consideration the broader programme. Based on the EqIA the LTDP it is expected to have a positive impact on individuals and communities more broadly. As appropriate, EqIAs will be conducted in relation to each of the schemes/programmes within the LTDP as these are proposed.
54. An EqIA for the Local Transport Delivery Plan has been included as Annex D.
55. A desktop Health Impact Assessment for the LTDP and associated schemes will also be conducted. This will note the impact of the delivery plan on health outcomes and supporting the commitment to being a Marmot County.

Local Government Reorganisation Implications

56. The Local Transport Consolidated Funding Settlement currently agreed with Oxfordshire County Council (OCC) provides revenue funding for the period 2026/27 to 2028/29 and capital funding for the period 2026/27 to 2029/30. As the funding agreement is currently held by OCC, arrangements for the management, allocation and administration of funding beyond the authority's abolition on 31 March 2028 will need to be agreed through discussions with the Department for Transport (DfT), the Ministry of Housing, Communities and Local Government (MHCLG), the Shadow Authorities and the successor councils.
57. Local Government Reorganisation will require a managed transition to ensure continuity of transport services, programme delivery and investment planning. Transport functions, programmes, assets, contracts, grant agreements, budgets, systems and staff will form part of the wider disaggregation and transfer arrangements being developed through the Oxfordshire LGR implementation programme. The implications for funded posts, service responsibilities and organisational capacity will need to be identified, communicated and managed appropriately as responsibilities transfer to successor authorities.
58. The current programme has been developed to support OCC's agreed strategic priorities. From 2028/29, future programme priorities, investment decisions and delivery responsibilities will be determined by the successor authorities through the statutory governance and decision-making arrangements established as part of the LGR implementation process. This may result in changes to the prioritisation, scope or timing of future schemes and programmes.
59. Current capital proposals have been structured, where practicable, to achieve defined outputs by March 2028, enabling projects either to conclude, pause at an appropriate control point, or transition into subsequent development and delivery phases under successor authority arrangements. Particular consideration will be required for ongoing contracts, grant agreements, capital schemes and multi-year delivery programmes that extend across the transition period to ensure contractual, financial and operational continuity.
60. Early engagement with DfT, MHCLG, the Shadow Authorities and successor councils will be essential to determine future service responsibilities, funding arrangements, governance structures and programme management arrangements. DfT will also need to consider future funding allocations and administrative arrangements for successor authorities following reorganisation, including any changes required to existing allocation methodologies including the use of competency-based ratings for new councils.
61. Failure to establish clear transitional arrangements in advance of March 2028 could result in uncertainty regarding funding, governance and delivery

responsibilities, as well as programme delays, loss of delivery capacity, contractual risks and disruption to transport services and medium-term infrastructure investment across Oxfordshire.

62. Detailed transition arrangements will be developed and implemented through the formal Oxfordshire Local Government Reorganisation programme, working collaboratively with DfT, MHCLG, the Shadow Authorities and successor councils. This will include consideration of future funding arrangements, governance structures, service responsibilities, staffing implications, contractual commitments, programme priorities and delivery responsibilities to support an orderly and effective transition beyond March 2028.

Sustainability Implications

63. DfT published statutory guidance for Local Transport Plans (LTPs) in April 2026 outlining the carbon reporting requirements of Local Transport Authorities (LTAs). The statutory guidance establishes that all LTAs must develop and implement plans to introduce quantitative whole life carbon as one of many criteria in LTA's decision-making processes. LTAs must also monitor and report to DfT the carbon impact of transport interventions against a 2050 area-based carbon emissions forecast. These carbon forecasts to 2050 have been established as outcome indicators of the LTDP funding. To achieve this, LTAs must use DfT's Local Transport Quantifiable Carbon Guidance (LTQCG) to provide the DfT with carbon metrics for their proposed programme of interventions.
64. The LTQCG, published by the DfT in August 2025, requires that whole life carbon assessments (qualitative and quantitative) must be applied to transport intervention decision making and planning, including schemes already in the Capital pipeline. This aligns with Policy 27 of the Local Transport and Connectivity Plan – Embodied Carbon.
65. The DfT have requested that a detailed qualitative update relating to the adoption plans for the Quantifiable Carbon Guidance should be provided for the LTDP final submission in October 2026. This update is included in this submission in Annex B in the form of a Local Transport Quantifiable Carbon Guidance implementation plan which outlines implementation actions starting in July 2026 and culminating in fiscal year 2027/28.
66. Ahead of the full implementation of this plan, a Climate Impact Assessment (CIA) of the proposals included in the LTDP has been completed and presented in Annex C of this document. As the LTQCG implementation plan progresses, this initial CIA will be reviewed with quantitative assessments resulting from adoption of the guidance.

Risk Management

67. The principal risks associated with the LTDP are:

- a) delayed approval of the LTDP may place the identified funding at risk and prevent the payment of associated contracts/grants.
- b) there may be insufficient interest in the opportunities to be tendered to be able to provide the required outcomes, or prices may be unaffordable.
- c) complex capital projects could be delayed and/or not completed, due to resource, cost or programme challenges.
- d) a number of projects are still subject to various approvals (Traffic Regulation Order and other consultations, procurement, etc.).
- e) potential for withdrawal of funding before end of parliamentary period.
- f) Local Government Reorganisation may create uncertainty regarding future funding arrangements, governance responsibilities, contractual commitments and programme delivery beyond March 2028, potentially affecting the continuity of transport services, infrastructure investment and organisational capacity.

68. These risks can be mitigated by:

- a) being dynamic at the scheme level but ensuring the overall outcome of the programme is maintained.
- b) taking the proposed approach of prioritising the continuation of existing revenue and capital projects, which have already been established.
- c) providing a sufficient mobilisation period both for tender returns and for the period between award and contract start date, to maximise the level of potential interest.
- d) using existing contractual arrangements or using established frameworks.
- e) robustly monitoring costs throughout the life of the LTDP and adjusting projects, if required.
- f) Develop and implement detailed transition arrangements through the Oxfordshire LGR implementation programme, working with DfT, MHCLG, the Shadow Authorities and successor councils to establish future funding arrangements, governance structures, service responsibilities, staffing arrangements, contractual management processes and programme priorities in advance of vesting day.

Individual project managers will be responsible for identifying and mitigating against any risks for their schemes.

Consultations

69. Several schemes will need to undergo the standard processes for scheme development and public consultations, particularly larger schemes. This will provide opportunities for further stakeholder and public review and input.
70. The Council uses best endeavours to consult on transport policy and interventions, when possible, within available timescales, where substantial changes may be made or where there is more than one option available.

PAUL FERMER
Director of Environment and Highways

Annexes

- A: Local Transport Delivery Plan – Summary – Oct 2026
- B: Local Transport Quantifiable Carbon Guidance Implementation Plan
- C: Climate Impact Assessment – LTDP 2026-2030
- D: Equalities Impact Assessment – LTDP 2026-2030

Background papers:

[Oxfordshire Strategic Plan 2025-2028](#)

[Oxfordshire Local Transport and Connectivity Plan](#)

[Oxfordshire Budget and Business Planning 2026/27 - 2030/31](#)

Contact Officer: Ben Smith
Strategic Transport Manager

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