

CABINET
17 March 2026

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

Report by Director of Environment and Highways

RECOMMENDATION

1. The Cabinet Member is **RECOMMENDED** to:
 - a) **approve the Local Transport Delivery Plan and its submission to the Department for Transport; and**
 - b) **delegate authority to the Director of Environment & Highways, in consultation with the Cabinet Member for Transport Management, to make changes to specific schemes and projects within the agreed programmes outlined in the Local Transport Delivery Plan.**

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. The Council is required to submit a draft of the LTDP (Annex 1) with all spending for 2026/27 and an outline plan to 2029/30, by 20 March 2026. The Council's refined, final LTDP to 2029/30 should be submitted to the Department by 18 September 2026. There is also a requirement to publish the LTDP in September 2026, with annual updates as a minimum and prompt amendments/updates where significant changes have been put forward and agreed with the DfT.
4. The DfT also require the Council to report plans for developing forecast carbon emissions estimates of their LTDP as an outcome framework indicator and to use whole life carbon assessments in transport intervention decision making. Both tasks must follow DfT's Local Transport Quantifiable Carbon Guidance published in August 2025. Further details on reporting, including how to use the guidance to report against carbon indicators, will be made available later in 2026.
5. This report sets out a recommended approach to the grant allocation and identifies the proposed programme to submit to the Department for Transport.

Context

6. Based on the 2025 Spending Review settlement and subsequent Ministerial decisions, the DfT has published their allocations for Oxfordshire County Council **totalling £244.8m** for 2026/27 to 2029/30. This consists of **£223,158,391 Capital Departmental Expenditure Limit (CDEL)** (covering 2026/27 - 2029/30) and **£21,664,992 Resource Departmental Expenditure Limit (RDEL)** (covering 2026/27 - 2028/29). This multi-year allocation differs from the annual allocations typically received to date.

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

	2026/27	2027/28	2028/29	2029/30
CDEL	45,966.5	52,821.6	58,072.3	66,298.0
RDEL	7,221.7	7,221.7	7,221.7	
Total	53,188.2	60,043.3	65,294.0	66,298.0

7. The DfT will issue a formal Grant Determination Letter and a Memorandum of Understanding (MoU) for consolidated funding ahead of the next financial year for the Council to sign and return to receive the funding allocation. Grant funding will be received quarterly, with revenue funding allocations running until 2028/29 and capital allocations running until 2029/30.
8. The Local Transport Consolidated Funding Settlement creates more flexibility and choice for authorities by consolidating the following funding streams into an Integrated Transport Fund from 2026/27:
- 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)
9. The settlement also keeps a Bus Services Fund separate (Previously LA Bus Grant (RDEL)). This combines Bus Service Improvement Plan (BSIP) and Bus Service Operators Grant (BSOG) funding and has to explicitly be spent on bus outcomes.
10. The Table below shows the specific breakdown of how the Local Transport Consolidated Funding Settlement is built up:

Table 2: Allocations, by year and fund type, in thousands (£000s)

		2026/27	2027/28	2028/29	2029/30
Active Travel	CDEL	4,085.1	4,085.1	4,085.1	4,085.1
Active Travel	RDEL	1,281.7	1,281.7	1,281.7	
Highways Maintenance (HM)	CDEL	34,635.0	40,185.0	43,430.0	49,650.0
LA Bus Grant (LABG)	CDEL	3,247.0	3,312.3	3,377.6	3,442.8
LA Bus Grant (LABG)	RDEL	5,132.3	5,132.3	5,132.3	
Local Electric Vehicle Infrastructure Grant (LEVI)	RDEL	216.9	216.9	216.9	
Local Transport Grant (LTG)	CDEL	3,999.4	5,239.2	7,179.6	9,120.0
Local Transport Grant (LTG)	RDEL	590.7	590.7	590.7	
Total		53,188.2	60,043.3	65,294.0	66,298.0

11. The DfT have also assumed that particularly for 2026/27, the programmes and schemes identified within the LTDP will already be within the Council's committed programme.
12. The Council needs to protect spend in some areas to ensure it maintains its government rating. 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 some areas the funding amount has increased and in other areas 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 figure for bus (LA Bus Grant CDEL) for 2026/27 is 40% less than in 2025/26 aligning similar to average funding in previous years. Although alignment with this reduced funding (as real terms costs have increased each year) figure will result in a number of bus-related projects not being taken forwards, unless alternative funding sources can be identified. 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 (HM CDEL) is as expected; however, funding levels remain constrained and are being partially mitigated through additional corporate borrowing identified through the capital priorities process in February 2025. This was originally earmarked for 2025/26 & 2026/27 but 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

- 14. The purpose of consolidation is to give councils flexibility to use funding more effectively and efficiently across programmes and packages of spend to deliver the priorities set out in their Local Transport Plans. 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.
 - 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.
- 15. To help achieve this, the DfT has consolidated all local transport funding grants for all Local Transport Authorities (LTAs) outside of Integrated Settlement areas.
- 16. Ahead of the inaugural election of a mayor, MSAs will receive two pots: an ITF and a BSF. Once a mayor is in place, the MSA will receive a single MTF. All other LTAs will receive the ITF and BSF.
- 17. 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'

- 18. The Local Transport Delivery Plan (LTDP) produced is aligned with the Council's ambitions of the Local Transport & Connectivity Plan (LTCP), known more commonly to the DfT as the Local Transport Plan (LTP), and its supporting strategies, delivering outcomes through the key themes of:

- Environment
 - Health
 - Healthy Place Shaping
 - Productivity
 - Connectivity
 - Inclusivity
19. For the purposes of the development of the Council's first LTDP for the DfT allocations of funding have been maintained as per previous years grant types to achieve a fair, balanced programme and towards meeting the outcomes required through the DfT's Outcomes Framework.
 20. The Council's current capital and revenue funding programme already assumes a certain level of grant funding from the DfT, and due to the current deficiency of funding from central government to deliver highway and transport services, a significant amount of corporate funding is utilised to deliver these.
 21. Due to the overall funding pressures of the Council, where there has been an assumption of grant funding to deliver the programme and/or where there is alignment of corporately funded programmes or schemes with the grant conditions, these programmes and associated schemes have been identified to be part of the LTDP, where they have greatest certainty of delivery.
 22. Ongoing, existing programmes of work such as Bus Services and Highway Maintenance, as well as a number of revenue funded Active Travel and Local Transport requirements are therefore covered by this funding proposal. These are existing priorities, which would have looked to use this funding whether received as annual allocations or as part of a four-year funding package.
 23. Where the council has more flexibility with regards to Integrated Transport Fund capital funding proposals for 2026/27, the key focus has been on schemes that are well established in these areas and in delivery, including:
 - A40 Eynsham Grade Separated Junction
 - Ambrosden to Bicester Active Travel Scheme phase 2/3
 - Cycle and Micromobility Parking
 - East Oxford Active Neighbourhood
 - Middleton Stoney Road Active Travel Scheme
 - Oxford Traffic Filters
 - St Giles and Broad Street Improvements
 24. These schemes are fully funded other than Ambrosden to Bicester Active Travel Scheme (Phase 3) and Middleton Stoney Road Active Travel Scheme, which will use ITF funding to increase the scope of the schemes and deliver improved outcomes.
 25. These schemes are already within the council's capital programme and have been through a prioritisation process. . Because these are already well

established the allocations against these schemes are expected to fully utilised in the 2026/27 financial year.

26. Schemes were 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. A summary of the proposed funding allocations by Mode can be seen in the table below:

Funding allocations – Bus Service Fund (BSF):

Programme / Scheme Mode	26/27 Revenue	Future Years Revenue (27-29)	26/27 Capital	Future Years Capital (27-30)	Total
Bus	£5,132,300	£10,264,600	N/A	N/A	£15,396,900

Funding allocations – Integrated Transport Fund (ITF):

Programme / Scheme Mode	26/27 Revenue	Future Years Revenue (27-29)	26/27 Capital	Future Years Capital (27-30)	Total
Active Travel	£1,281,700	£2,563,400	£4,085,100	£12,255,300	£20,182,000
Bus	N/A	N/A	£3,247,000	£16,132,700	£19,380,000
Electric Vehicles & Infrastructure	£216,900	£433,800	£0	£0	£651,700
Multimodal	£0	£0	£38,634,400	£148,803,800	£187,438,200
'Back office'	£590,700	£1,181,340	£0	£0	£1,773,000
Total	£2,089,300	£4,178,600	£45,966,500	£177,191,800	£229,426,200

27. Other schemes not included in the LTDP were considered but rejected on the basis that they were not a priority and/or not deliverable within the time and budgets allowed. The Local Transport Consolidated Funding Settlement is only one funding source and there are other Council schemes that will either progress through to construction, require additional funding requirements being sought or be further developed through the optioneering and design process.
28. 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 allocation, demonstrating its flexibility.
29. There are also some 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.
30. The LTDP will be further refined with regards to the allocations of future years funding i.e. 2027-2030, with the final LTDP submitted to the DfT on 18 September 2026.
31. The summary of the LTDP is contained in Annex 2. This also outlines that, in some instances, Council funding (including S106, CIL and Corporate Resources) and other grant funding is being supplemented by DfT funding.

Corporate Policies and Priorities

32. 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.
33. 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.
34. 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. They also offer better facilities like sheltered waiting areas and bike storage. In rural areas, we will create quiet lanes / greenways to make walking, cycling and horse riding safer and more enjoyable.
35. 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

36. The LTCP fund allocation of £244.8m for 2026/27 to 2029/30 will be paid in quarterly tranches as a consolidated payment under Section 31 of the Local Government Act 2003, following the production of the Council's LTDP, required by the DfT by 20 March 2026.
37. The LTDP in Annex 1 shows how this funding is proposed to be spent. Figures provided for each scheme/programme are best estimate budgets at this stage, however the overall spending for the programmes will be managed so as not to exceed available funds.
38. The summary of the LTDP is contained in Annex 2. This also outlines that, in some instances, Council funding (including S106, CIL and Corporate Resources) and other grant funding is being supplemented by DfT funding.
39. The current proposal aims to maintain programming and spending in accordance with the allocation types previously defined under Table 2. 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.

40. The DfT continue to expect baseline bus and highways maintenance resource funding budgets from other sources to be maintained.
41. The 20 March 2026 deadline is to submit a draft to the DfT to allow plans to be received and reviewed ahead of funding being paid out as early as possible in the new financial year. If plans are received later, this will likely delay payment of the grant, putting existing schemes and proposed projects at risk.
42. 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.

Comments checked by:

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Legal Implications

43. The adoption of the Local Transport Delivery Plan 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.
44. Each of the schemes/programmes in Annex 1 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.
45. The delegation at recommendation 1 (b) for the use of the Local Transport allocation and implementation of **the projects and programmes outlined** within the Local Transport Delivery Plan 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.
46. 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.

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Staff Implications

47. 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 for some existing and new posts.

Equality & Inclusion Implications

48. 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.
49. 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.
50. 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, EqIA will be carried out in relation each of the schemes/programmes in Annex 1 as these are proposed.
51. An EqIA for the Local Transport Delivery Plan has been included as Annex 3.
52. A desktop Health Impact Assessment for the LTDP and associated schemes will also be carried out.

Sustainability Implications

53. The DfT require the Council to report on the forecast carbon emissions estimates of their LTDP as an outcome framework indicator. To achieve this, places must use the Quantifiable Carbon Guidance to provide the DfT with carbon metrics for their proposed programme of interventions.
54. The Local Transport Quantifiable Carbon Guidance, published by the DfT in August 2025 suggests that whole life carbon assessments (qualitative and quantitative) should 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.

55. The DfT have requested that a qualitative update relating to the adoption plans for the Quantifiable Carbon Guidance should be provided for both LTDP initial submission in March and the final submission in September; however, less detail will be expected for March. Further detail will be provided by the DfT on carbon reporting expectations going forward alongside reporting requirements.
56. A Climate Impact Assessment (CIA) has been completed in the development of the LTDP taking into consideration the broader programme and the follow up recommendations of CIAs previously completed on specific projects and programmes included in the LTDP.
57. A CIA for the Local Transport Delivery Plan is included as Annex 4.

Risk Management

58. The principal risks associated with the LTDP are:
- delayed approval of the LTDP may place the identified funding at risk, and prevent the award of associated contracts/grants
 - there may be insufficient interest in the opportunities to be tendered to be able to provide the required outcomes, or prices may be unaffordable
 - complex capital projects could be delayed and/or not completed, due to resource, cost or programme challenges
 - some projects are still subject to various approvals (Traffic Regulation Order and other consultations, procurement, etc)
 - potential for withdrawal of funding before end of parliamentary period
 - business continuity challenges through transition period of Local Government Reorganisation
59. These risks can be mitigated by:
- being dynamic at the scheme level but ensuring the overall outcome of the programme is maintained
 - taking the proposed approach of prioritising the continuation of existing revenue and capital projects, which have already been established
 - 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
 - utilising existing contractual arrangements or using established frameworks

- providing sufficient communications support to effectively convey the benefits of the proposals to the public, including co-production where appropriate
- robustly monitoring costs throughout the life of the LTDP and making adjustments to projects, if required

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

Consultations

61. Some 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.

62. 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

Annexures

Annex 1: OCC's Local Transport Delivery Plan 2026 – 2030 (DfT template)

Annex 2: OCC's Local Transport Delivery Plan – Summary by Mode

Annex 3: LTDP Equalities Impact Assessment (EqIA)

Annex 4: LTDP Climate Impact Assessment (CIA)

Background papers:

[Oxfordshire Strategic Plan 2025-2028](#)

[Oxfordshire Local Transport and Connectivity Plan](#)

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

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[March 2026]