

| Greater Lincolnshire Combined County Authority (GLCCA) Greater Lincolnshire Transport Board | |
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| Date of meeting: | 12 November 2025 |
| Report title: | Local Transport Funding |
| Report of: | Lee Sirdifield, Chief Operating Officer, GLCCA |
| Classification: | This report is open |
| Contact officer: | <i>Debbie Simpson Interim73 Officer</i> Debbie.Simpson@greaterlincolnshire-cca.gov.uk |
| Purpose of the report: | 1) To approve the Local Transport Resource Funding for financial year 2025/2026 2) To approve the approach and principles of Local Transport Funding allocation for financial year 2026/2027. |
| Key decision | Yes |
| Voting Arrangements: | Simple majority to include the Mayor. Non Constituent Members are not entitled to vote on this matter. |
| Report has been considered by: | Overview and Scrutiny on 5 th November |
| Recommendation(s): That the Transport Board 1) Approves the 2025/2026 allocation of Local Transport Resource Funding to the Authority and the Constituent Authorities (Paragraph 9) 2) Approves the approach and principles for the allocation of Local Transport Grant and Local Transport Resource in 2026/27. | |

REPORT CONTENT

Information

- 1 Greater Lincolnshire Combined County Authority (GLCCA) has assumed the role of Local Transport Authority for Greater Lincolnshire and the transition of functions is currently being assessed and considered by the Authority and local partners. The GLCCA Regulations 2025 conferred various powers and functions on the authority to manage transport related funds. These powers enable the Authority to allocate, distribute and oversee the effective use of funds for regional transport initiatives, ensuring coordinated investment and improved transport services across the area.
- 2 The Department for Transport is providing funding to local transport authorities under Section 31 of the Local Government Act 2003. This includes the subject of this report, the Local Transport Resource funding, as well as the Local Transport Grant (capital funding from the Integrated Transport Block and the new Local Transport Grant).
- 3 It was agreed at the Transport Board on 4th June 2025, that the following funds would be passported to the constituent authorities for financial year 2025/2026 and proposals would be developed for future years.

Table 1

| 2025/26 Funds | LCC (£000) | NELC (£000) | NLC (£000) | Total (£000) |
|----------------------------|------------|-------------|------------|--------------|
| Active Travel | 1,562 | 345 | 319 | 2,226 |
| BSIP | 11,868 | 3,733 | 2,908 | 18,509 |
| Maintenance Block | 44,207 | 6,541 | 3,059 | 53,807 |
| New Fund (Pothole) | 16,235 | 2,364 | 1,068 | 19,667 |
| Integrated Transport Block | 3,337 | 1,490 | 1,168 | 5,995 |
| Total | | | | 100,204 |

- 4 This report therefore sets out how officers from GLCCA, LCC, NELC and NLC have worked together to determine the allocation for the Local Transport Resource Fund for 2025/26 and proposals for 26/27 for the Local Transport Grant.

Local Transport Resource Funding 2025/26

- 5 Local Transport Resource Funding has been confirmed by DFT for the current year 2025/26. The funding is paid to the Authority as the Strategic Transport Authority. The funding is also projected for the next three years (subject to the availability of funding).

Table 2:

| Local Transport Resource Funding | Amount |
|----------------------------------|------------|
| 2025/26 confirmed | £1,063,000 |

| | |
|--------------|-------------------|
| 2026/27 | £1,063,000 |
| 2027/28 | £2,259,000 |
| 2028/29 | £2,263,000 |
| Total | £6,648,000 |

6 Local Transport Resource Funding is annual grant that enables Local Transport Authorities to build their capability and capacity to deliver ambitious transport schemes and to develop and update the Local Transport Plan.

7 Local Transport Authorities can use this funding to:

- Develop local delivery plans, including evidence gathering and transport analysis, and to update their Local Transport Plan.
- Fund scheme development of individual projects, for example those funded by the 2025/26 Local Transport Grant and Integrated Transport Block allocations and ongoing programme management.
- Allow local transport authorities to recruit and retain the transport expertise required.

Any remaining revenue funds can be used on other local transport projects that require resource funding and underpin delivery of the Local Transport Plan.

8 The Authority worked with the constituent authorities to develop a programme of proposed expenditure for the Authority in 2025/26. The proposal is that the Authority will retain approximately £423,120 of this funding to progress the development of the Local Transport Plan, transition, preparation, development of the national mayoral group on rural transport and an intra authority legal agreement during 2025/26. The balance will be passported across to the constituent authorities using the formula developed by DFT, which considers the population of the area (70% of the allocation), and an equal split and minimum floor (30% of the allocation). This results in the following proposed allocation of resource funding in 2025/26:

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| Authority | Local Transport Resource Funding £ |
|------------------|---|
| GLCCA | 423,722 (revised Figure) |
| LCC | 367,796 |
| NELC | 133,634 |
| NLC | 137,848 |
| | £1,063,000 |

10 The fund will be expended in compliance with the conditions, and this will be overseen by the Chief Operating Officer and the S73, to ensure full and appropriate use of allocated funding. Where the funds are passported, Assurance that expenditure is compliant with the conditions is to be confirmed by the Chief Executive and Chief Internal Auditor of each of the recipient authorities.

Future Local Transport Resource Funding 2026/27

11 It is necessary for the Authority to establish clear principles for the management and distribution of transport funding allocations in future financial periods. Resource funding provides a capacity to enable development of a pipeline of major capital schemes for delivery in future years. Accordingly, the Authority

and the three Constituent Councils will need to commission additional scheme development and business case work utilising the revenue funding to ensure ideas are assessed against feasibility and then sufficient design work is undertaken to enable realistic cost estimates to be provided as well as deliverability concerns addressed.

- 12 Resource funding will therefore be used to enable option appraisal, assess evidence of scheme impacts, intervention prioritisation and meeting emerging Local Transport Plan objectives as agreed in the June 25 Transport Board. The new Greater Lincolnshire Local Transport Plan is currently being developed.
- 13 Some of this work needs to start imminently so the opportunity for Greater Lincolnshire to maximise the value of future funding allocations is not missed or the delivery timeframe for schemes not unduly delayed. Additionally, it is recognised that the proposed transfer of functions to the Authority, in areas such as national lead on Rural Transport, full development of a Local Transport Plan, and increasing assurance, and securing external funding may be funded through the Local Transport Resource Funding.
- 14 It is recognised that constituent local authorities must undertake forward planning to effectively deliver transport initiatives aligned with priorities. To facilitate this, early confirmation of funding allocations is essential. Timely decisions regarding available resources will enable authorities to initiate scheme development, undertake feasibility assessments, and ensure alignment with the emerging Greater Lincolnshire Local Transport Plan.
- 15 The proposed principles for the allocation of Local Transport Resource Funding in 2026/27 in Table 2 above are therefore:
 - It is retained by the Authority in the first instance
 - Through the annual budget process, budget setting and approval, the Authority will agree the allocation balancing the need between developing resource at the authority and mayoral priorities, and discussions with Constituent Councils
 - It will incorporate transparency, fairness, and equity in the allocation of funding
 - The principles will be reviewed each year as the Authority develops and transport functions transition to the Authority over a period of time.

Future Local Transport Grant in 2026/27

Moved from table one to here

| | | | | |
|------------------------------|---------------|--------------|--------------|---------------|
| Local Transport Grant | 14,059 | 6,124 | 5,164 | 25,347 |
|------------------------------|---------------|--------------|--------------|---------------|

- 16 The Local Transport Grant is a national government grant allocated to local places to improve and maintain the local transport networks.
- 17 Amended para The Authority is in the process of developing a single local transport plan, and is establishing Transport for Greater Lincolnshire as an advisory group. These initiatives will bring forward a number of new delivery opportunities some of which could be implemented in 2026/27. To enable this, some funding needs to be earmarked for emerging mayoral priorities. The

proposal is that this is 5% of the Local Transport Grant (£1.300,000) The combined authority will work closely with the constituent authorities to develop proposals. For a proposal to be taken forward, it would be considered by the Transport Board, as appropriate.

18 It is proposed that the Local Transport Grant for 2026/27 highlighted in Table 1 above, will be considered against the following principles.

19 **Proposed Principles for the Allocation of the Local Transport Fund (2026/27)**

- Amended para
- The Fund will be initially retained by the Authority.
- The Authority will seek proposals from the three Highway Authorities for schemes aligned with the priorities of the emerging Greater Lincolnshire Local Transport Plan. These priorities include reducing transport emissions, improving connectivity, enhancing journey satisfaction, and supporting improved air quality, with consideration given to impact and deliverability.
- Proposals will seek information on strategic fit, deliverability and DFT assurance.
- To support the delivery of mayoral transport regional priorities 5% of the Local Transport Grant will be retained by the GLCCA. If not allocated, this will be reallocated.
- Expenditure approvals will be incorporated into the annual budget setting and approval process, scheduled for December each year
- Multi-year programmes will be supported to ensure continuity and long-term planning.
- The funds will be granted to the constituent authorities and assurance agreed with the S73. The fund will be expended in compliance with the conditions, and this will be overseen by the Chief Operating Officer and the S73, to ensure full and appropriate use of allocated funding.
- Progress reports on the programme will be brought to the Transport Board to ensure to ensure transparency and accountability

20 New para. The Authority is developing a guidance note to ensure a consistent appraisal process and provide assurance that proposed schemes align with emerging priorities and funding conditions. The guidance will outline a basic level of checks, which can be expanded depending on the scheme's complexity, risk, and cost. Areas considered will include strategic fit, financial assurance, deliverability, monitoring and reporting arrangements. These arrangements will be reflected in the Local Assurance Framework

21 For future years, and once the Greater Lincolnshire Local Transport Plan is in place, the Authority will work with the constituent authorities to fully develop its funding criteria, and pipeline.

Alternative options considered

22 The alternatives considered were full allocation of funding by the authority, or full retention by the Constituent Authorities. The recommendation within the paper reflects the combined approach being developed by Greater Lincolnshire

and the stage of maturity for the Combined Authority and the development of a full Local Transport Plan. Other options were therefore not considered suitable.

Reasons for the recommendation

- 23 The recommendation within the paper has been discussed through Officers working group and sets out an approach to allocating revenue funding in year, and capital grant for 2026/27.

IMPLICATIONS, ADVICE AND GUIDANCE

Public sector equality duty implications

- 24 No specific implications were identified in the preparation of this report.

Legal implications / comments

- 25 Legal support will be required in relation to drafting and considering the relevant funding agreements.

Finance and resource implications / comments

- 26 Transport grants are subject to the terms and conditions established by the Department for Transport and any relevant funding agreements. Recipients of these funds will be required to formally certificate that funds will be used solely for the purposes intended, and that appropriate financial records and supporting evidence are maintained to demonstrate compliance. The Combined Authority will retain oversight of the use of these funds and
- **Certify that funds are used appropriately** and only for their intended purpose
 - **Ensure proposals** are consistent with approved financial plans and allocations
 - **Ensure transparency and Accountability** through clear documentation and reporting
 - **Allow audits or inspections** to verify proper use of funds including periodic monitoring and reporting.

Any misuse of funds or failure to comply with conditions may result in recovery of funding, and such obligations will be clearly communicated to recipients.

On this basis, and having reviewed the proposed arrangements, I am satisfied that the process meets the Authorities financial governance and accountability requirements, and that controls will mitigate financial and reputational risks.

Greater Lincolnshire policy / comments

- 27 The proposals within this paper are in line with proposals considered by other CCA's at this point in their development.

Consultation and Engagement

- 28 A working group of officers have developed the proposal and briefed their members ahead of the Transport Board.

DOCUMENT INFORMATION

Appendices included with this report - None

Background Papers used in the preparation of this report

The following background papers within Section 100D of the Local Government Act 1972 were used in the preparation of this report.

| Background Paper | Where it can be viewed |
|-------------------------|---|
| | https://www.gov.uk/government/publications/local-transport-grant-allocations/resource-allocations-2026-to-2027-and-2028-to-2029 |
| | Capital allocations: 2025 to 2026 - GOV.UK |