

MEMORANDUM OF UNDERSTANDING

Between

Department for Transport

-and-

Bournemouth, Christchurch and Poole Unitary Authority

1. Purpose

- 1.1. This Memorandum of Understanding (“MoU”) sets out the terms, principles and practices that will apply to the working relationship between the Department for Transport (“the Department”) and Bournemouth, Christchurch and Poole Unitary Authority (“the Authority”)(collectively “the Parties”) regarding the administration and delivery of their local transport programme using the Integrated Transport Fund and Bus Services Fund. This MOU applies to the financial years (‘FY’) 2026/27 to 2028/29 (and to 2029/30 for CDEL). A glossary of terms and acronyms can be found at Annex A.
- 1.2. This MoU covers a new, consolidated approach to local transport funding. This is a new way of working and the Parties will need to collaborate to make this approach a success. Implementation of the MoU is a shared endeavour between the Parties. Both the Department and the Authority have mutual responsibilities to ensure compliance and successful delivery, and both must commit to problem-solving and collaboration. While this MoU sets out the escalation path the Department can take to drive delivery of local transport outcomes (including clawback and reduction of future funding), the first step will always be working with local authorities to understand what support the Department can provide to help delivery. Any additional measures will only be taken once other routes are exhausted.
- 1.3. This MoU will be reissued annually and updated on an ad hoc basis as and when required (e.g., if additional funds are included in the Integrated Transport Fund and Bus Services Fund at a later date).
- 1.4. This MoU covers the following points (corresponding paragraph numbers in brackets): Background (2), Purpose of Funding (3), Financial Arrangements (4), Local Transport Delivery Plan (5), Monitoring and Reporting (6), Support and Improvement Measures (7), Quantifiable Carbon Guidance (8), Evaluation (9), Retained Schemes (10), Accessible and Inclusive Local transport (11), Modal Conditions (12: *Bus (12.1), Highways Maintenance (12.2), Active Travel (12.3), Local Electric Vehicle Infrastructure Capability Funding (12.4), Rail (12.5)*), Branding and Communication (13), Compliance (14), Fraud Awareness and Prevention (15), Compliance with MoU (16), Legal Enforcement (17). A glossary of acronyms can be found at Annex A and the Local Transport Outcomes Framework is at Annex B.

2. Background

On 19 December 2025, Jessica Matthew, Director of Local Transport, Planning and Housing, Department for Transport (“the Senior Responsible Officer”) sent a settlement letter confirming the local transport settlement for the Local Transport Authority across the funding period. RDEL is committed over a three year funding period (2026/27 to 2028/29) and CDEL is committed over a four year funding period (2026/27 to 2029/30).

- 2.1. This MoU covers the funding commitments from DfT and the delivery, financial expenditure, reporting and evaluation, communication and branding expectations between the Parties. It should be followed alongside the funding guidance and expectations that were set out in the Senior Responsible Officer letter.
- 2.2. The Integrated Transport Fund consolidates the following formula-based local transport grants:
 - 2.2.1. Highways Maintenance (CDEL)
 - 2.2.2. Active Travel (RDEL and CDEL)
 - 2.2.3. Local Electric Vehicle Infrastructure (LEVI) Capability Funding (RDEL)
 - 2.2.4. Local Transport Grant (RDEL and CDEL)
 - 2.2.5. LA Bus Grant (CDEL)
- 2.3. The Bus Services Fund consists of the LA Bus Grant (RDEL), plus: any Bus Service Operators Grant devolved under the powers of the Bus Services Act 2025; and any further dedicated local authority resource funding for buses (such as Bus Franchise Support funding).

3. Purpose of Funding

- 3.1. The purpose of consolidation is to give the Authority flexibility to use funding more effectively and efficiently across programmes and packages of spend to deliver the priorities set out in the Local Transport Outcomes Framework (Annex B) and in line with their Local Transport Plan.
- 3.2. The Department expects the **Integrated Transport Fund** to be spent on local transport outcomes, including infrastructure projects across all modes (including for highways maintenance, active travel, bus, light rail and electric vehicle charging infrastructure) and multi-modal schemes; behaviour change programmes, and to build the Authority's capacity and capability to develop and deliver the Authority's local transport investment and policies.
- 3.3. The Department expects the **Bus Services Fund** to fund services and schemes where the majority of benefits accrue to bus passengers. For example, this would not cover roads schemes which increase network capacity with only a tangential or subsidiary benefit to bus services.
- 3.4. The Integrated Transport Fund and the Bus Services Fund are two distinct consolidated funds and the Authority cannot move funding between the two.
- 3.5. The Authority is permitted to use the Integrated Transport Fund for a wide range of local transport schemes – subject to the conditions set out by the Department in this MoU and in line with guidance provided in the SRO letter. This includes rail and ferry schemes where there are local benefits, but in some cases will be subject to further engagement or retention by the Department.
- 3.6. The ITF and BSF are additional to – and not a substitute for – the Authority's existing baseline transport budget funded by locally raised revenues or public transport funding allocations from other Government Departments, including via the Local Government Finance Settlement (LGFS). For example, the consolidated funding in MTF/ITF/BSF must not be used to meet statutory English National Concessionary Scheme duties / requirements. We continue to expect baseline bus and highways maintenance resource funding budgets from other sources to be maintained.
- 3.7. DfT Ministers will set measurable priority outcomes through the Local Transport Outcome Framework. Funding should be allocated to enable the Authority to meet

these outcomes balanced with delivering local priorities aligned to the Local Transport Plan.

- 3.8.** In addition to the Local Transport Outcome Framework, the Authority is expected to follow relevant national guidance in the course of scheme development and implementation e.g. LTN 1/20 on Cycle Infrastructure Design and LTN 1/24 on Bus User Priority, the Manual for Streets, DfT Inclusive Mobility, guidance on Floating Bus Stops and, where appropriate, the Connectivity Tool. The Authority should work with Active Travel England (ATE) to ensure appropriate design assurance of all schemes that impact walking, wheeling and cycling, including cross-modal schemes.
- 3.9.** The Authority should also consider the detail in forthcoming national strategies – e.g. the Integrated National Transport Strategy, Local Transport Plan guidance, Cycling and Walking Investment Strategy 3, the Road Safety Strategy and the cross-government strategy addressing violence against women and girls – when planning and delivering interventions.

3.10. FUNDING ALLOCATIONS

3.10.1. Based on the 2025 Spending Review settlement and subsequent Ministerial decisions, published allocations for Bournemouth, Christchurch and Poole Unitary Authority total £89,272,878 in funding from the Department for Transport for 2026/27 to 2028/29 (2029/30 for CDEL) which consists of

3.10.1.1. RDEL: £11,565,252 (2026/27 - 2028/29)

3.10.1.2. CDEL: £77,707,626 (2026/27 - 2029/30)

Table 1: Allocations, by year and spending category (£)

	2026/27	2027/28	2028/29	2029/30
CDEL	16,377,430	18,093,532	20,211,065	23,025,599
RDEL	3,855,084	3,855,084	3,855,084	*

* Will be determined at future Spending Reviews

- 3.10.2. Bournemouth, Christchurch and Poole Unitary Authority has been allocated a total ITF of: £81,409,497
- 3.10.3. Bournemouth, Christchurch and Poole Unitary Authority has been allocated a total BSF of: £7,863,381
- 3.10.4. Below is a breakdown of how this figure has been calculated. The Authority has flexibility to spend this funding to meet Local Transport Outcomes, but these allocations are provided as a guide. Please note that Highways Maintenance Block Funding is subject to an incentive element and the LA Bus Grant element includes funding to participate in the Your Bus Journey survey in addition to specific Capacity and Capability funding for buses. The Capacity and Capability element of the LA Bus Grant is intended to support resource costs to deliver bus outcomes, including covering the resource costs of reporting on bus and compliance with the bus-specific requirements of MoU (see paragraph 12.1). Active Travel funding also has an incentive element outside of this grant and allocations may be uplifted. Additional incentive elements may be added in the future.

Table 2: Allocations, by year and fund type, (£)

Bus Services Fund								
	2026/27		2027/28		2028/29		2029/30	
	RDEL	CDEL	RDEL	CDEL	RDEL	CDEL	RDEL*	CDEL
LA Bus Grant**	2,621,127		2,621,127		2,621,127			
Integrated Transport Fund								
LA Bus Grant		3,018,821		3,079,501		3,140,180		3,200,860
Highways Maintenance Baseline		5,735,000		6,412,000		7,118,000		8,484,000
Highways Maintenance Incentive		2,028,000		2,732,000		2,742,000		2,789,000
Active Travel Fund	705,869	2,249,725	705,869	2,249,725	705,869	2,249,725		2,249,725
Local Electric Vehicle Infrastructure (LEVI) Capability Fund	152,930		152,930		152,930			
Local Transport Grant	375,158	3,345,884	375,158	3,620,306	375,158	4,961,160		6,302,014
Total	3,855,084	16,377,430	3,855,084	18,093,532	3,855,084	20,211,065		23,025,599

* Will be determined at future Spending Reviews

**The LA Bus Grant includes funding to support Capacity and Capability and to participate in the Your Bus Journey (YBJ) survey.

Table 3: Allocations included in the LA Bus Grant (£)

	2026/27	2027/28	2028/29

Funding to cover LTA participation in YBJ	66,638	72,260	74,066
LA Bus Grant – Capacity and Capability component	94,000	94,000	94,000

3.11. Funding is conditional on the submission to the Department of:

3.11.1. A Local Transport Delivery Plan – as commissioned by the Senior Responsible Officer on 19 December 2025. The Local Transport Delivery Plan must set out how the Authority will use the consolidated funding to achieve progress against the indicators in the Local Transport Outcome Framework over the funding period, with details of schemes and interventions or programmes and packages of expenditure. See Section 5 of this MoU for further details.

3.11.2. Written confirmation from the Chief Finance Officer (sometimes known as the Section 151 officer or Section 73 officer) that:

3.11.2.1. the Local Transport Delivery Plan represents value for money (VfM); complies with the LTA's statutory requirements including to have due regard to the Public Sector Equalities Duty; and that they will continue to monitor this and comply with the Department's requirements. A declaration is included in the template which should be returned in line with the timeframes in Paragraph 5;

3.11.2.2. they consider the funding has been allocated and used for the purposes set out in this MoU. This should be received by the Department no later than 30 September 2030 and be set out in the following terms: "To the best of our knowledge and belief, and having carried out appropriate investigations and checks, in our opinion, in all significant respects, the conditions attached to the ITF and BSF have been complied with."

3.12. Whilst noting the points at para 1.2, the Department reserves the right to require the repayment of the whole or any part of the grant and/or reduce, suspend or withhold future grant payments, or put additional conditions on funding if:

3.12.1. Scheme delivery does not progress as set out in the Local Transport Delivery Plan; Transport Outcomes are not being met; conditions of this MoU are not met; or excessive funding is carried forward into future financial year.

3.12.2. Scheme delivery does not progress as set out in documentation relating to other grants awarded or provisionally awarded by the Department to the Authority.

3.13. Should the Authority remove completed capital schemes funded by the Integrated Transport Fund prematurely or without proper evidence, the Department retains the right to require repayment of the commensurate part of the grant and/or reduce, suspend or withhold future grant payments.

3.14. The Department reserves the right to require the repayment of the whole or any part of the grant and/or reduce, suspend or withhold future grant payments, or put additional conditions on funding from/to the recipient authority or any authority which takes on transport functions from the recipient authority, i.e. new Strategic Authorities or reorganised Local Authorities.

4. Financial arrangements

4.1. The funding will be paid each quarter as consolidated payments under Section 31 of the Local Government Act. While this grant is non-ringfenced, there is an expectation that this funding is solely used for the purposes outlined in this MoU.

- 4.2.** The Department expects spending to largely reflect the funding profile at paragraph 3.10.1 but the Authority has some discretion to move funding between financial years where necessary to ensure value for money or respond to local circumstances. The Authority should actively manage their portfolio to mitigate against needing to reprofile between years and comply with the Memorandum of Understanding. CDEL spend must remain within the overall funding period: 2026/27-2029/30. RDEL spend must be contractually committed by the end of the funding period: 2026/27-2028/29.
- 4.3.** Excessive carry-forward of unspent funds is discouraged. If delivery does not progress as planned or significant amounts remain unspent, the Department reserves the right to intervene, which could include reducing future allocations or recovering funding. The Authority should plan carefully and, where appropriate, apply a degree of overprogramming to ensure full use of available resources within the period. Any instances where funding is expected to be used beyond the funding period (such as project/programme evaluation) must be discussed and agreed with the Department (LT.PLANS@dft.gov.uk). In the absence of agreement, surplus will be expected to be returned to the Department.
- 4.4.** The Authority should ensure the schemes and measures in their programmes are affordable, deliverable, and offer value for money, as assessed by the Chief Finance Officer and in line with local accountability and assurance processes. Further information on value for money can be found in the HMT Green Book supplementary guidance [here](#).
- 4.5.** The Authority accepts responsibility for meeting any costs over and above the Department's funding set out in this MoU, including potential cost overruns and the underwriting of any funding contributions expected from third parties.
- 4.6.** The Authority is responsible for ensuring it has appropriate governance in place to oversee consolidated funding, and to ensure Local Accountability Frameworks / Local Assurance Frameworks (if required) are in place and functioning effectively.
- 4.7.** The Authority is expected to identify and pursue opportunities for local funding contribution where these can support the delivery of its capital investment programme and improve affordability, particularly considering the beneficiaries of investment and where the authority is pursuing larger scale capital schemes. This will be monitored through reporting. Any local contributions should be fully additional to any grant funding allocated by the Department, and any other Government funding.
- 4.8.** A legacy programme for bus funding will be established, which will cover any funding allocated through the 2025-26 LA Bus Grant, plus any funding allocated under phases 1, 2 or 3 of the BSIP that has not been spent by March 2026 and which the Department has approved through a Project Adjustment Request. This legacy programme is independent of this consolidated funding settlement and is subject to the 2025-26 MoU agreed with the Department.
- 4.9.** There are different incentive arrangements for different transport modes, reflecting their different purposes and characteristics.
- 4.9.1.** Highways Maintenance: 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. Given funding is paid to the Authority, which in some cases is not the LHA, it is the LTA's responsibility to ensure constituent LHAs adhere to requirements to get their full allocation. Once

Highways Maintenance specific reporting migrates onto the portal, it will be the LTA's responsibility to report on highways via the new data portal (see paragraph 6.2).

- 4.9.1.1. In all four years, at least 25% of the annual incentive funding will be dependent on LHAs publishing transparency reports. All incentive funding will be withheld if reports are not published. The Department will set out further details on the requirements for transparency reports for future years in due course.
 - 4.9.1.2. In 2026/27, 50% of the incentive funding will be subject to LHA's performance. Further details on the performance-based measure will be confirmed in due course.
 - 4.9.1.3. In the later years of the funding period, further performance-based metrics may be considered as part of the incentive funding. The Department will set out more details on these in due course.
- 4.9.2. Active Travel: Local Authority Active Travel Capability Ratings will remain central to funding allocations for active travel. Active Travel England (ATE) has reserved some funding, outside of this grant, to uplift authority allocations in response to future increases in capability and performance. For LTAs who increase their capability ratings in 2027/28, we plan to recognise this in Active Travel funding allocations in the following years. This will be paid as part of the quarterly grant payment.

5. Local Transport Delivery Plan

- 5.1. In December 2025, the Department commissioned the Authority to complete a Local Transport Delivery Plan (LTDP). The Authority must submit a detailed draft of the LTDP with all spending for 2026/27 and an outline plan to 2029/30, by 20 March 2026. The Authority's final LTDP to 2029/30 should be submitted to the Department by 18 September 2026, although the Department recognises that details of the later years' plan may change and continue to develop in future. The final LTDP submitted in September should include yearly profiles. Following feedback from local authorities, the Department will reissue the LTDP template and any additional guidance that could support the Authority in planning and delivery. The Authority must publish a LTDP for transparency, or a list of schemes and milestones if the full LTDP contains commercially sensitive information, with annual updates on progress and any changes, and submit a weblink to the Department before further funding can be released.
- 5.2. The LTDP template includes guidance on how the Authority should define a 'scheme'.
- 5.3. The Authority shall ensure that each scheme included in the LTDP is assigned a clear, concise, and easily identifiable name.
- 5.4. The Authority shall provide a clear and comprehensive description of each scheme, including an outline of the expected benefits and intended outcomes.
- 5.5. The Authority shall specify the milestones for each scheme, as appropriate, within the LTDP.
- 5.6. The Authority shall provide expected scheme costs for each scheme listed in the LTDP.
- 5.7. The Authority shall assign an appropriate Scheme Category to each scheme, in line with the defined funding framework.

- 5.8.** The Authority must ensure that all allocated funding is fully accounted for within the LTDP and subsequent reporting (including both the Bus Services Fund and Integrated Transport Fund).

6. Monitoring and Reporting

- 6.1.** Grant payments will be subject to the Authority participating in data reporting and evaluation, and providing the Department for Transport, and its nominated partners (e.g. external contractors), with periodic data submissions.
- 6.2.** The Authority will submit monitoring reports to the Department on a regular basis through a single online data portal (see 6.3 for further reporting on active travel schemes), providing updates on progress against the Local Transport Outcome Framework and the Authority's delivery plan. This will include:
- 6.2.1. A quarterly programme level update on progress, financial expenditure including local contribution, risks and any changes to the programme. Alongside this, an update on progress against the Authority's delivery plan, including scheme milestones and spend profiles.
 - 6.2.2. A 6 monthly update on progress against outcome indicators (data to be provided by the Department for indicators where national datasets exist), and modal outputs.
 - 6.2.3. An annual update on scheme value for money.
 - 6.2.4. Additional reporting will be required on any retained schemes.
- 6.3.** The Authority should continue to provide information on active travel schemes, including within cross-modal schemes, through the ATE on-boarding service. This will enable the delivery of compliant schemes, which will be tracked through the ATE Update Your Capital Schemes (UYCS) online service (see 12.4.6).
- 6.4.** For the 2026/27 financial year, the highways maintenance transparency reports will not be delivered through the online data portal. Instead, the Department will issue separate communications to authorities setting out the requirements, formats and timelines for submission and publishing of reports. It is the Department's intention that these reports will utilise the online data portal in future years, and any changes to reporting arrangements will be communicated to authorities in advance.
- 6.5.** The Department will periodically review the reporting arrangements during the funding period to ensure they provide proportionate oversight, alongside the development of measures to support delivery.

7. Support and Improvement Measures:

- 7.1.** The Department may provide additional support or take specific actions where there are concerns over the Authority's delivery of the outcomes in the Local Transport Outcome Framework, noting the principle set out at para 1.2. The Department will need to consider both anticipated issues and actual delivery concerns. The Department will review the indicators and interim metrics, such as spend, progress of the Local Transport Delivery Plan and modal outputs, to assess if help is needed to improve transport outcomes. This may include support across individual transport modes, larger or multi-modal transport projects, and wider support in adhering to the conditions of this MOU. In cases where support has been offered but concerns around transport outcomes and/or MOU compliance remain, the department may

take further action, which could ultimately result in either claw-back of funding or reducing future funding allocations.

- 7.2. The Authority will collaborate with the Department, who reserve the right to seek further assurances on delivery. This could include engagement with SRO, Chief Finance Officer (or equivalent) and Project/Modal Leads; attendance at project boards; and/or review of specified procurement, financial and decision-making evidence on request. The Department shall assist the Authority where possible, and the Parties will work together to satisfy these requirements.

8. Quantifiable Carbon Guidance

- 8.1. The Authority is required to report on the forecast carbon emissions estimates of their Local Transport Delivery Plan as an outcome indicator. To achieve this, places must use the Quantifiable Carbon Guidance (QCG) to provide the Department with carbon metrics for their proposed portfolio of interventions. Long-term, these metrics must be provided for all quantified schemes and the portfolio as a whole and include the methods and tools, assumptions, caveats, and justifications for the approaches taken to calculate them to enable informed scrutiny of the supplied metrics.
- 8.2. The process of embedding QCG methodologies for carbon analysis and quantitative reporting should be initiated promptly. However, the Department acknowledges that this will take time depending on the available resource. As such, for the initial reporting milestones (FY26/27), the department expects, as a minimum, qualitative updates outlining how places are planning to onboard QCG and develop robust carbon emission estimates. After this, authorities should begin detailed quantitative reporting and all elements outlined in paragraph 8.1 should be reported against. By the end of the spending review period the Department expects that all places will be using QCG and quantitatively reporting on the estimated carbon emissions of the projects within their delivery plans. The Department will review submitted reports to ensure areas are taking a consistent approach to reporting and to help address any capacity and capability issues that emerge.
- 8.3. Further guidance on the data portal that will be used to capture this reporting will be issued in due course. We are aware that this is the first use of QCG in reporting, and as such are keen to work with you to understand any challenges in putting this into practice, and ways the department can support LTAs.

9. Evaluation

- 9.1. The Department will be procuring a national evaluator for the programme level evaluation of its devolved funding. As well as undertaking its own evaluations of its schemes, the Authority is required to continue to collaborate fully with the national evaluator. This will include submitting the required data in a consistent format, agreed between the contractor appointed to deliver the national evaluation, the Department, the Authority and other MSAs as part of the development of the national Monitoring and Evaluation framework.
- 9.2. Authorities must evaluate retained schemes in line with the DfT Local Authority Major Schemes Benefits Management and Evaluation Framework (2025). Monitoring and evaluation plans for all retained schemes must be reviewed by DfT. M&E plans are to be sent to local.evaluation@dft.gov.uk.
- 9.3. The Department will publish all evaluation reports in accordance with the Government Social Research: publication protocol for transparency and accountability.

10. Retained Schemes

- 10.1.** The Authority is accountable for the delivery of schemes within its settlement budgets and maintains responsibility for managing locally any development and delivery costs. The Authority is responsible for undertaking assurance for all schemes in line with local frameworks and national guidance. Whilst most schemes supported by this funding are expected to be small to medium in scale, the Authority may choose to support larger, more ambitious schemes where these align with local priorities. Schemes may be “retained” and require additional DfT engagement and approval before these can be implemented. Funding should not be spent on these schemes until they have been approved by the Department. This includes schemes which:
- 10.1.1. Have a total cost of £50m, or greater; or
 - 10.1.2. Interact with or impact the national rail or strategic roads network; or
 - 10.1.3. Are novel, contentious, or repercussive (including where there is value for money concerns); or
 - 10.1.4. Require significant funding beyond the confirmed funding period.
- 10.2.** The Authority must identify any schemes meeting these criteria in their Local Transport Delivery Plans, but final decisions on scheme retention will be taken by the Department and will consider risk and complexity. Governance and approvals for schemes is intended to be proportionate and will vary depending on the value, mode and complexity of schemes. This may result in the imposition of specific funding approval conditions, or scheme specific MOU, where this is felt necessary. In some instances, schemes may also require HM Treasury approval.
- 10.3.** To improve transparency and local scrutiny, the Authority is expected to publish business cases for any individual scheme with a total cost of £50m or greater. The Authority is expected to follow published government business case and Green Book guidance when developing retained schemes, including not progressing activities beyond the current business case stage prior to departmental approval of a business case. Any exceptions should be discussed and agreed with the Department. If the Authority fails to comply, all options will be considered, including retrieval of funding.
- 10.4.** Should investments have impacts on the National Rail or Strategic Road networks, the Authority must obtain Departmental approval. Given the potential impacts on these networks, the Authority should engage appropriately with relevant national organisations and service operators, where applicable, as schemes are developed to ensure any issues are resolved. This includes identifying interdependencies with other planned enhancements and clarifying how ongoing operational costs will be funded. Where schemes are retained solely for integration considerations, investment decisions will remain delegated to the LTA. Nationally significant infrastructure projects crossing multiple boundaries would not typically be supported through this funding. No further Departmental funding will be provided, including capital, operational and maintenance costs. Schemes are developed at the Authorities’ risk.
- 10.5.** The Authority may choose to use funding to support projects which are already in development or delivery under other funding programmes, such as the Major Road Network, Levelling Up Fund, Consolidated Active Travel Fund, and Structures Fund. In such cases, the Authority must comply with existing governance and guidance for those funding programmes, including value for money requirements, change control, any local/non HMG/third-party funding contributions, and reporting obligations. The

Department does not anticipate supporting the Strategic Road Network with this funding, and any relevant schemes will need to be discussed with the Department and National Highways.

11. Accessible and Inclusive Local transport

- 11.1.** The Authority must comply with statutory obligations under the Equality Act 2010, including the duty to make “reasonable adjustments” and the Public Sector Equality Duty.
- 11.2.** 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. In particular, they must:
 - 11.2.1. Align their processes with the government’s Transport Accessibility Charter, once published;
 - 11.2.2. Appoint or identify a specific senior officer responsible for overseeing the development and delivery of policies consistent with inclusion principles, and who is equipped to challenge potential omissions at the highest levels within governance structures, so that the importance of accessibility is understood, valued and implemented within all projects;
 - 11.2.3. Appoint or Identify an “Accessibility Group” to advise officers and elected officials on the transport and mobility needs of disabled people, to support authorities to deliver policy which is responsive to the needs of disabled transport users;
 - 11.2.4. Remunerate disabled people for their input on projects where consolidated funding is used;
 - 11.2.5. Co-produce policy, infrastructure and service change initiatives funded from consolidated funding with disabled people and organisations representing them – utilising a true ‘co-design’ model from the start;
 - 11.2.6. Implement an appropriate training programme (and refresh cycle) for disability and accessibility equality, with completion mandatory as part of continued professional development for relevant professionals involved in commissioning, developing and delivering projects which use consolidated funding, and require relevant contractor staff to be trained to an equivalent level;
 - 11.2.7. Agree infrastructure and service designs supported by consolidated funding only where they comply with government guidance on accessibility, or where there is a strong, evidenced and adequately mitigated reason for departing from it, such as to enhance accessibility beyond minimum expectations;
 - 11.2.8. Adopt a “whole or end to end journey” approach to transport design, enabling inclusive door-to-door journeys by disabled people, and considering the interaction between transport modes, streetscapes and the wider built environment;
 - 11.2.9. Assess equalities impacts throughout the policy development and delivery lifecycle, and reflect such consideration in Equality Impact Assessments for individual projects, which must be made available to the Secretary of State upon request;
 - 11.2.10. Embed inclusive design and delivery principles within procurement activity, holding contractors to the same standards as the authority itself;

- 11.2.11. Promote continued review of legislation, regulation and guidance as it relates to disability and accessibility so that relevant processes are informed by the latest information, best practice and standards.
- 11.2.12. Promote a culture of openness with disabled transport users about changes to facilities and services, keeping them informed of both plans and progress in implementing them, and to support them to continue travelling with confidence.

12. Modal Funding Conditions

12.1. Bus

- 12.1.1. The Authority must have published an up-to-date Bus Service Improvement Plan (BSIP). This may be published as an Enhanced Partnership Plan or as a chapter or annex to the Local Transport Plan, or as a standalone document. For the 2026/27 financial year, a BSIP published in 2024 may be considered to meet this requirement. The Department expects that the schemes and programmes included within the Local Transport Delivery Plan align with the pipeline identified in its Bus Service Improvement Plan.
- 12.1.2. The Authority must either have an Enhanced Partnership (EP) which meets certain minimum standards or a franchising scheme in place, or be in the statutory process of franchising. On 29 January 2026, a Review of Enhanced Partnerships was published and sets out details of the minimum standards EPs are expected to meet and the timetable for doing so - [Review of Enhanced Partnerships: report](#). The Authority is expected to take timely action to meet these standards. The Department expects all EPs to meet these standards by March 2027 to receive 2027/28 bus grant funding.
- 12.1.3. The Authority will maintain a commitment in its Enhanced Partnership or franchising scheme to work with operators to promote the England National Travel Concessionary Scheme (ENCTS). It will proactively inform local residents about scheme eligibility and ensure that the application process is easily useable by applicants with a range of access needs. The Authority will be asked to provide annual evidence of actions they have taken to achieve this.
- 12.1.4. Demand responsive transport (DRT) services, provided under this funding, that are replacing other services should offer free travel to ENCTS passholders between 09:30 to 23:00 on weekdays, and at all times on Saturdays, Sundays and bank holidays. Where new services are being introduced using this funding, some form of concession should be offered to ENCTS passholders during which the ENCTS pass would be valid on local fixed route services. Where DRT is planned, clear arrangements shall be in place to ensure a high standard of integration with other services and a clear timeline for delivery, with particular regard to elements such as continuity of service, accessibility, safety and fare levels.
- 12.1.5. The Authority must participate annually in the Transport Focus Your Bus Journey survey from April 2026. Transport Focus is an executive non-departmental public body sponsored by the Department for Transport. Participation is a condition of funding. The Department for Transport has taken a policy decision to set up an agreement with Transport Focus through a Service Level Agreement. DfT considers that this arrangement does not constitute a public procurement exercise under the applicable procurement rules, because the survey forms part of Transport Focus's statutory functions and DfT is not procuring services on behalf of LTAs.. To enable Local Transport Authorities to work with Transport Focus to develop bespoke questions or increase sample

sizes beyond the minimum expectations set by the Department for Transport, funding to cover participation costs is included within the settlement, allowing each Local Transport Authority to agree terms directly. Please note that any bespoke requirements may incur additional costs.

- 12.1.6. Excluding the circumstances set out in paragraph 12.1.5, the Authority should satisfy itself that commercial tender competitions are conducted in accordance with the relevant legal framework and that where a local transport authority provides direct grant funding to a community transport operator, that local transport authority ensures that those grants comply with the UK's subsidy control obligations. A guidance note on this issue can be found [here](#).
- 12.1.7. The Authority should also consider the extent to which de minimis payments can deliver their objectives as a flexible and cost-effective use of the Bus Services Fund in making direct awards to operators.
- 12.1.8. The Authority may use its bus funding to enter into local agreements with operators to set a single fare cap below that set by the £3 National Bus Fare Cap scheme (NBFC), if the Authority deems this to be their priority and it is affordable and value for money. The £3 NBFC will continue to at least March 2027. The Authority should collaborate with the Department to avoid double-funding of operators and ensure efficient use of public funds.
- 12.1.9. The Bus Services Act 2025 requires LTAs to consult upon and publish a Bus Network Accessibility Plan setting out their assessment of, and plans to improve, provision to enable persons with disabilities to travel on buses independently, and in safety and reasonable comfort. The Department aims to publish guidance on developing Bus Network Accessibility Plans in sufficient time to support authorities to prepare, consult on and publish the first iterations of them. The Department encourages LTAs to make provision in their Local Transport Delivery Plan for costs (revenue and capital) associated with implementing their Bus Network Accessibility Plans and the new design guidance.
- 12.1.10. Where the Integrated Transport Fund includes a budget for Bus Franchising Support, this is subject to the terms agreed in the Expression of Interest submitted by the Authority and subsequent correspondence from the Department with further details.
- 12.1.11. This includes the expectation that the Authority will work with the Department to actively share franchising materials and contribute to the Department's central knowledge base of case studies and best practice.
- 12.1.12. Capital funding may be used to purchase vehicles and on-board equipment, and to support bus operators to purchase zero emission buses (ZEBs) and/or associated infrastructure where this represents value for money. Capital funding should not replace commercial investment that is the usual responsibility of bus operators. It should not be used to cover a funding shortfall or cost overrun on an existing DfT-funded ZEBRA project, where responsibility for additional costs would normally sit with a bus operator. To assist authorities in establishing the value for money of any ZEB investment, a Greener Bus Tool has been developed and is available at [Gov.uk](#). A further Total Cost of Ownership model is under development to assist LTAs in determining an appropriate level of subsidy to bus operators.

12.2. Highways Maintenance

- 12.2.1. If the Authority is not the Local Highway Authority, you should ensure that your constituent Local Highways Authorities can carry out their responsibilities under section 41 of the Highways Act 1980 to maintain the highways network in their area. Given funding will be consolidated, we encourage LTAs to integrate maintenance and enhancement plans in a joined-up programme across LHAs.
- 12.2.2. The Department allocates capital funding to local transport authorities so that they can most effectively spend this funding on maintaining their respective network, based upon their local knowledge, circumstances and priorities.
- 12.2.3. The Department strongly advocates a risk-based, whole life-cycle asset management approach to highways maintenance programmes. This considers all parts of the highways network, such as carriageways, footways, cycleways, bridges and lighting columns.
- 12.2.4. It is up to the respective highway authority how best to spend this funding to fulfil their statutory duty under section 41 of the Highways Act 1980.

12.3. Active Travel

- 12.3.1. Active Travel England will support authorities to increase capability and address skill gaps to ensure a consistent approach to safety and accessibility for walking, wheeling and cycling, in line with the English Devolution White Paper, and enable delivery of the third Cycling and Walking Investment Strategy (CWIS3). The government will confirm the vision and objectives for CWIS3 shortly and how local transport authorities are expected to contribute to deliver the strategy over 2025 to 2030.
- 12.3.2. All capital schemes that impact people walking, wheeling and cycling, including cross-modal schemes, should meet relevant design guidance (see paragraph 3.9). Authorities should assess existing floating bus stop designs against statutory guidance [Floating bus stops provision and design - GOV.UK](#) and implement appropriate remediation action. Local transport authorities are recommended to request design assurance from Active Travel England (ATE) at: [Request design assurance for an active travel scheme - GOV.UK](#).
- 12.3.3. The Authority should ensure adequate consultation with a range of user groups impacted by proposed capital schemes and use [ATE scheme design and review tools - GOV.UK](#) to assure the quality of schemes and work with ATE to address any issues identified.
- 12.3.4. For capital schemes authorities should submit scheme designs to ATE for appropriate design assurance and work with ATE to resolve any design shortcomings that are identified. Where there is an established Design Review Panel (DRP) in place schemes should instead be reviewed through the DRP process to resolve any design shortcomings. Authorities without local DRPs are encouraged to engage with ATE to create them. In the event the scheme is not constructed to appropriate standards, this may affect your authority's capability rating and may reduce any future grant allocations.
- 12.3.5. Authorities should request post-construction completion inspections of capital schemes through ATE's design assurance portal [Request design assurance for an active travel scheme - GOV.UK](#).
- 12.3.6. Authorities should provide information on active travel schemes, including within cross-modal schemes, through the ATE on-boarding service, this will enable delivery of compliant schemes will be tracked through the ATE Update Your Capital Schemes (UYCS) online service.

- 12.3.7. Active travel allocations also include revenue funding that can be used for capability building (network and early scheme design, consultation, data collection and officer/member training) and community-focussed behaviour change, comms, training and engagement activities. Core Bikeability training grant will continue to be provided separately by the Bikeability Trust on behalf of Active Travel England.
- 12.3.8. Authorities have previously been provided with ATE Monitoring and Evaluation Guidance for both Active Travel Fund (ATF) [Active Travel Fund monitoring and evaluation - GOV.UK](#) and the Capability Fund (revenue) setting out expectations for local M&E.

12.4. Local Electric Vehicle Infrastructure Capability Funding

- 12.4.1. Local Electric Vehicle Infrastructure (LEVI) Capability Funding included in your consolidated funding has been provided to achieve the following objectives:
 - 12.4.1.1. Increase the capacity and effectiveness of local transport authorities to produce and deliver on an electric vehicle infrastructure strategy. Local Transport Authorities are expected to have a published up-to-date EV Infrastructure Strategy which should include their policy on cross-pavement charging solutions. EV Infrastructure Strategies may be published as a standalone document or as a chapter or annex to the Local Transport Plan.
 - 12.4.1.2. To ensure local transport authorities are equipped to access and deliver value for money for public capital funding, including LEVI capital and Electric Vehicle Pavement Channels Grant (EVPCG) funding, and maximise private sector funding - delivering business models and technologies that meet the changing needs of local residents, including accessibility and inclusivity needs.
 - 12.4.1.3. To help establish a lasting legacy of capacity and effectiveness within local transport authorities across England, to ensure local charging needs are considered and met in the context of the 2030 phase out of petrol and diesel cars and vans, and wider net zero needs.
- 12.4.2. Authorities should utilise the funding for the following purposes:
 - 12.4.2.1. Salary and overheads of staff working to support the planning and delivery of local EV charging infrastructure
 - 12.4.2.1.1. This could include a specific dedicated full-time role(s) or where the resource is spread across the duties of different roles.
 - 12.4.2.1.2. The recruitment of roles to ensure additional staff are available to undertake work.
 - 12.4.2.1.3. The training of new and existing staff to boost their capabilities on EV infrastructure planning and delivery.
 - 12.4.2.1.4. The LEVI Support Body will provide training and workshops for local authorities to support the required skillsets.
- 12.4.3. Project planning for strategy and delivery workstreams to support the planning and delivery of local EV charging infrastructure including:
 - 12.4.3.1. The development of an EV infrastructure strategy. Local Transport Authorities are expected to have a published, up-to-date EV Infrastructure Strategy. This should include their policy on cross-pavement charging

solutions. EV Infrastructure Strategies may be published as a standalone document or as a chapter or annex to the Local Transport Plan.

- 12.4.3.2. The planning and delivery of LEVI capital funded chargepoints, EVCPG funded pavement channels and wider chargepoint and cross pavement rollout.
- 12.4.4. Internal and external engagement and coordination.
 - 12.4.4.1. This could include stakeholder engagement and public consultation activities relating to EV infrastructure charging strategy development and the planning and delivery of local EV infrastructure including cross pavement solutions.
 - 12.4.4.2. To develop best practice, we recommend engagement with neighbouring and adjacent local authorities.
- 12.4.5. Funding external consultants for discrete pieces of work in exceptional circumstances:
 - 12.4.5.1. The Department encourages the use of the funding to support the Authority to develop their longer-term in-house capabilities. Use of consultants may only be funded in exceptional circumstances.
 - 12.4.5.2. The expectation is that in these instances the Authority already has sufficient internal resource, and the use of an external consultant would result in a step change in chargepoint rollout.
 - 12.4.5.3. If the Authority requires the work of consultants, we would expect some element of knowledge transfer as part of the consultancy process.
- 12.4.6. Commissioning other work to build the evidence base for priority locations for EV infrastructure deployment.
 - 12.4.6.1. In cases where the Authority is satisfied with their internal resource, funding should be used on wider capability to support EV infrastructure, including cross pavement solutions, in their area.
 - 12.4.6.2. Authorities are responsible for managing their own carbon footprint and should be mindful of their carbon impact as a result of following EV strategies and resource being used to install EV infrastructure projects.
- 12.4.7. We anticipate the following activities to be enabled through the funding:
 - 12.4.7.1. Producing a chargepoint EV infrastructure strategy, including a corresponding chargepoint delivery plan which also covers cross pavement solutions
 - 12.4.7.2. Reporting on chargepoint infrastructure delivery, and demonstrating an appropriate increase in charging infrastructure in line with indicators in the Local Transport Outcome Framework.
 - 12.4.7.3. Engaging with the LEVI capital scheme including tendering (as required) and delivering a local charging network supported by LEVI and, if applicable, EVCPG capital funding.
 - 12.4.7.4. Establishing internal and external governance networks (e.g. with internal teams, but also across other LAs, communities, businesses and District Network Operators (DNOs)).
 - 12.4.7.5. Engaging with the chargepoint and cross pavement solutions market, and maximising private sector funding.

12.5. Rail

- 12.5.1. This funding can be used to support rail schemes where there are clear local benefits and alignment to the Local Transport Outcome Framework. This may include:
- 12.5.1.1. Station/station area improvements and public transport integration
 - 12.5.1.2. Contributions ("top-up") to existing rail schemes which are funded through other sources
 - 12.5.1.3. Developing feasibility studies for rail projects
 - 12.5.1.4. Other non-track schemes which might impact on the national network
- 12.5.2. The Department does not expect this funding to be used for:
- 12.5.2.1. Nationally significant infrastructure projects e.g. a new railway line.
 - 12.5.2.2. Schemes requiring ongoing operational subsidy or additional government funding.
 - 12.5.2.3. Schemes that are not supported by Network Rail.
- 12.5.3. All rail schemes must be identified in the Authority's Local Transport Delivery Plan, and LTAs should engage early and regularly with DfT Rail Services Group, Great British Railways, Network Rail, and relevant Train Operating Companies to ensure that integration considerations are promptly addressed.
- 12.5.4. Any rail schemes which meet the retained scheme criteria will be subject to additional engagement with the Department.

13. Branding and Communication

- 13.1.** To recognise the role played by government funding, the Authority must use the 'Funded by UK Government' logo on products and materials funded by DfT, for example, on vehicles (including buses), signage, construction site hoardings, websites promoting funded projects, services or fares, public-facing printed material, and press releases or media announcements.
- 13.2.** Practicalities of how the logo can be applied on specific schemes (such as cycleways) can be discussed with DfT – with the Branding Manual first published by the Cabinet Office in November 2022 and available at <https://gcs.civilservice.gov.uk/guidance/marketing/branding-guidelines/> including any subsequent updates.
- 13.3.** Media announcements and releases must also prominently acknowledge the role played by funding and offer the government the opportunity in good time to include a comment.
- 13.4.** Where a launch or media event is planned for a project or programme, DfT must be engaged early during planning, and given the opportunity to consider whether there should be ministerial involvement.
- 13.5.** The Authority is expected to cease use of the Funded by UK Government logo on demand if directed to do so by the Department.
- 13.6.** Failure to adhere to branding requirements may result in funding being reduced or reclaimed.

14. Compliance

- 14.1. The Authority will comply with all applicable procurement laws when procuring goods and services in connection with the funding and the Department shall not be liable for the Authority's failure to comply with its obligations under any applicable procurement laws.
- 14.2. The Authority will ensure that its use of the funding complies with all relevant laws and the UK's international obligations. The DfT will not be liable for the authority's failure to comply with relevant laws and obligations including, but not limited to, procurement and subsidy control legislation.
- 14.3. The Authority will maintain appropriate records of compliance with the relevant subsidy control regime and will take all reasonable steps to assist the Department to comply with the same and respond to any proceedings or investigation(s) into the use of the funding by any relevant court or tribunal of relevant jurisdiction or regulatory body.
- 14.4. The Authority acknowledges and represents that the funding is being awarded on the basis that the use of the grant will not affect trade in goods and electricity between Northern Ireland and the European Union and shall ensure that the funding is not used in a way that affects any such trade.
- 14.5. The Secretary of State may require repayment of any of the grant already paid, together with interest from the date of payment, if the Secretary of State is required to do so as a result of a decision of a court, tribunal or independent body or authority of competent jurisdiction.
- 14.6. The Authority will ensure it complies with the 2010 Equality Act and the Public Sector Equality Duty. This includes considering impacts of spending decisions on groups sharing protected characteristics during the design process and in the monitoring and evaluation stage.

15. Fraud Awareness and Prevention

- 15.1. The Authority will ensure a robust counter-fraud culture by:
 - 15.1.1. Mandating fraud awareness training for all employees.
 - 15.1.2. Having, implementing and monitoring policies and procedures regarding conflicts of interest, gifts and hospitality.
 - 15.1.3. Having governance, processes and controls in place to reduce the likelihood of fraud, including the use of Fraud Risk Assessments (FRAs) as good practice for identifying and managing fraud risks
 - 15.1.4. Raising awareness of obligations placed upon employees in relation to the countering of fraud.
 - 15.1.5. Raising awareness amongst employees of the consequences of committing fraud.
 - 15.1.6. Having clear fraud reporting routes / whistleblowing policies and investigatory processes in place.

16. Compliance with the MoU

- 16.1. The Parties to this MoU are responsible for ensuring that they have the necessary systems and appropriate resources in place within their respective organisations to comply fully with the requirements of this MoU.

17. Legal Enforcement

17.1. This MoU is not legally enforceable. It describes the understanding between both parties for the use of funding specified in paragraph 3 of this agreement.

Signed on Behalf of the Authority:

Signed on Behalf of the Department:

A handwritten signature in blue ink, appearing to read 'M. Filmer', with a long horizontal stroke extending to the right.

Name: Matthew Filmer

Name:

Annex A – Glossary of Acronyms and Definitions

Acronym	Definition
ATE	Active Travel England
BSF	Bus Services Fund
BSIP	Bus Service Improvement Plans
C&C	Capacity & Capability
CDEL	Capital Departmental Expenditure Limits – ‘capital funding’
CR	Capability Rating – authorities active travel capability ratings
CRSTS	City Region Sustainable Transport Settlement
CWIS	Cycling and Walking Investment Strategy
DfT	Department for Transport
DNO	District Network Operators
DRP	Design Review Panel
DRT	Demand Responsive Transport
ENCTS	England National Travel Concessionary Scheme
EP	Enhanced Partnership
EVPCG	Electric Vehicle Pavement Channels Grant
INTS	Integrated National Transport Strategy
ITF	Integrated Transport Fund
LABG	Local Authority Bus Grant
LA BSOG	Local Authority Bus Service Operators Grant
LEVI	Local Electric Vehicle Infrastructure
LGFS	Local Government Finance Settlement
LHA	Local Highway Authority
LTA	Local Transport Authority
LTN	Local Transport Note
LTP	Local Transport Plan
LTDP	Local Transport Delivery Plan
MHCLG	Ministry for Housing, Communities and Local Government
MoU	Memorandum of Understanding
MSA	Mayoral Strategic Authority
MTF	Mayoral Transport Fund
PSED	Public Sector Equality Duty
QCG	Quantifiable Carbon Guidance
RDEL	Resource Departmental Expenditure Limits – ‘resource funding’

SRO	Senior Responsible Owner
UYCS	Update Your Capital Schemes – ATE's online reporting service
VAWG	Violence Against Women and Girls
VfM	Value for Money
YBJ	Your Bus Journey
ZEB	Zero Emission Bus
ZEBRA	Zero Emission Bus Regional Area scheme

Annex B – Local Transport Outcomes Framework

Communities are better connected by healthier, safer and greener transport that meets the needs of all users and drives growth	
Indicator	Data Source
1. % mode share of trips made by public transport	DfT Mobile Network Data Modelling
2. Public transport, walking and cycling connectivity score to key destinations (education, leisure and community, health, shopping, residential and workplaces)	DfT Connectivity Tool
3. Bus patronage – disaggregated by: 4. Passenger journeys b. Elderly and concessionary passenger journeys	DfT Annual Bus Statistics
4. Bus punctuality, reliability and speed: 5. % of buses departing from stops no more than one minute early and no more than five minutes fifty-nine seconds late across all routes b. % of bus journey km cancelled c. % change in average bus speeds	DfT Bus Open Data Service / Local data
5. Bus passenger satisfaction (inc. on personal security and accessibility): a. % total of all bus passengers very or fairly satisfied with bus journey b. % satisfaction of passengers with personal security on the bus c. % total of disabled passengers very or fairly satisfied with bus journey d. % satisfaction of passengers with real-time information at the bus stop.	Transport Focus – Your Bus Journey
6. Bus accessibility: 7. % of local buses meeting all accessibility standards b. % of local buses with audio-visual announcements	DfT Annual Bus Statistics
7. Vehicle miles on local bus services	DfT Annual Bus Statistics
8. Tram / Light rail patronage (millions of passenger journeys) – [where applicable]	DfT Light Rail and Tram Statistics
9. Miles of compliant new / improved active travel network delivered	LTA Reporting through Active Travel Update Your Capital Scheme
10. Percentage of adults who engaged in active travel at least twice in the last 28 days.	Sports England
11. Active travel capability rating	DfT Assessment

12. Local highways capability rating	DfT Assessment
<p>13. Local authority managed roads where maintenance should be considered (categorised as red):</p> <p>14. A roads and Motorways</p> <p>b. B + C roads</p> <p>c. Unclassified roads</p> <p><i>NB. This will need to be updated mid-SR to reflect changes to the Road Condition Statistics.</i></p>	DfT Road Condition Statistics
<p>15. Number of road casualties – disaggregated by:</p> <p>a. The total killed or seriously injured (KSI)</p> <p>b. KSIs aged 16 years old and under.</p> <p>c. KSIs of pedestrians and pedal cyclists</p>	DfT Road Casualties statistic
16. Number of Nitrogen Dioxide (NO ₂) roadside monitoring sites in exceedance of the annual statutory concentration limit	Local Authority Monitoring Data and DEFRA National Monitoring Network
17. Estimated annual transport carbon impacts up to 2050, disaggregated by (a) user emissions, (b) infrastructure carbon emissions	LTA Reporting (using Local Transport Quantifiable Carbon Guidance)
18. % of the bus fleet that is zero tailpipe emission	DfT Annual Bus Statistics (subject to finalising methodology)
19. Number of publicly accessible Electric Vehicle Supply Equipment per 100,000 population	DfT Electric Vehicle Public Charging Infrastructure Statistics
20. Provision of Electric Vehicle charging sockets and pavement channels on LA land	LTA Reporting
<p>21. Transport capital programme reporting:</p> <p>a. The number of schemes in development / delivery / completed.</p> <p>b. The percentage of capital spend in development / delivery / completed.</p>	LTA Reporting

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