

# Brighton & Hove City Council

## Cabinet

## Agenda Item 147

**Subject:** Local Authority Bus Grant Delivery Plan 2026-27

**Date of meeting:** Thursday, 19 March 2026

**Report of:** Cabinet Member for Transport & City Infrastructure

**Lead Officer:** Corporate Director - Operations

**Contact Officer:** Alison McManamon

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**Ward(s) affected:** (All Wards);

**Key Decision:** Yes

**Reason(s) Key:** Expenditure which is, or the making of savings which are, significant having regard to the expenditure of the City Council's budget, namely above £1,000,000 and is significant in terms of its effects on communities living or working in an area comprising two or more electoral divisions (wards).

### For general release

#### 1. Purpose of the report and policy context

1.1 This Cabinet report outlines the current proposed Delivery Plan for the 26/27 Local Authority Bus Grant (LABG) from the Department for Transport (DfT) (formerly Bus Service Improvement Plan or BSIP). It proposes how the £5.752m in revenue and £3.259m in capital funding is allocated for 2026-27 and responds to BHCC's BSIP and BSIP Refresh (2024) objectives.

1.2 The draft plan looks to respond to priorities of BHCC residents and align LABG investment with BHCC's Administration Priorities (2025-2027):

1. A City to Be Proud Of: Reliable, affordable buses make it easier for everyone to get around and enjoy the city.
2. A Fair and Inclusive City: Affordable, frequent and accessible bus services help everyone take part in city life.
3. A Healthy City That Helps People to Thrive: Good bus services cut car trips, improve air quality and support safer, more active travel.
4. A Responsive and Learning Council with Well-Run Services: Using data, customer insight and strong partnerships ensures funding improves services where it matters most.

#### 2. Recommendations

Cabinet agrees that:

- 2.1 the £5.752m in revenue and £3.259m in 2026/27 LABG funding is allocated as set out in **Table 2**.

2.2 the Corporate Director City Operations is granted delegated authority to adjust, cancel or re-instate the allocations set out in **Table 2** as the Corporate Director may consider necessary or appropriate from time to time provided that any allocations remain as permitted by any conditions attached to the LABG.

### 3. Context and background information

3.1 Since 2022, BHCC have received approximately £37m in BSIP and LABG funding. This funding has been used across a multitude of capital and revenue projects to improve bus services and infrastructure across Brighton and Hove. There have been many successes that have resulted from this initiative, including improved bus priority, bus stop accessibility, and network resilience, as well as introducing new express services, supporting higher frequency and better reliability on existing routes, and making bus fares more affordable. Collectively, these improvements have helped to ensure more equitable access to reliable, affordable, and inclusive transport across Brighton & Hove, supporting greater equality for all residents.

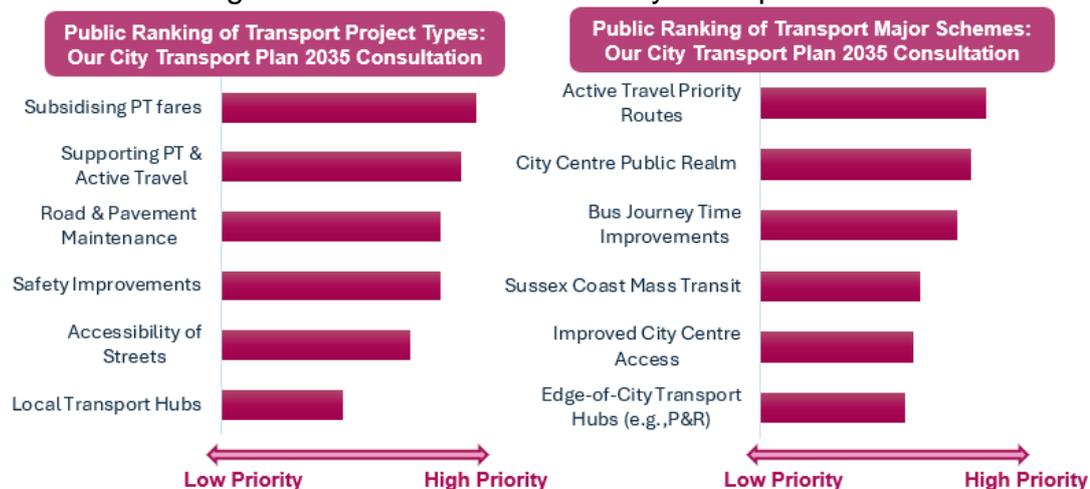
3.2 In December 2025, the Department for Transport (DfT) confirmed that BHCC would receive further funding under LABG, comprising three years of revenue and four years of capital funding, to support the continued delivery of BHCC’s BSIP/LABG targets. Building on the initiatives taken to date, the direction for the new funding will have a particular emphasis on improving bus services and keeping fares affordable. Release of the grant funding for FY2026-27 is contingent on submission of a costed Delivery Plan by 20 March 2026 to DfT (although ideally agreed sooner because the BHCC Delivery Plan needs to be combined with the Sussex Delivery Plans for submission).

3.3 Table 1 below outlines the LABG allocations from the current financial year through 2029-30. The “Total Revenue Budget” is less than the “Total Revenue Allocation” because the Bus Service Operators Grant (BSOG) and Bus Capacity Grant are combined and ringfenced within the Total Revenue Allocation under the new Consolidated Funding arrangement. Therefore, the effective budget for BSIP/LABG projects is listed under Total Revenue Budget. While allocations have been published by the DfT for the next three years (four years for capital), the current report focuses on the Delivery Plan for the 2026/27 LABG allocations only.

**Table 1: LABG allocations for BHCC**

LABG Funding	Allocations (£)				
	25/26	26/27	27/28	28/29	29/30
Total Revenue Allocation (LABG)	£6,054,440	£5,751,718	£5,751,718	£5,751,718	TBC
• Bus Service Operators Grant (BSOG) <i>Paid from LABG revenue total</i>	£172,990	£172,990	£172,990	£172,990	TBC
• Bus Capacity Grant (C&C) <i>Paid from LABG revenue total</i>	£94,000	£94,000	£94,000	£94,000	TBC
<b>Total Revenue Budget</b>	<b>£5,787,450</b>	<b>£5,484,728</b>	<b>£5,484,728</b>	<b>£5,484,728</b>	<b>TBC</b>
<b>Total Capital Budget</b>	<b>£3,225,177</b>	<b>£3,259,219</b>	<b>£3,324,731</b>	<b>£3,390,243</b>	<b>£3,455,755</b>

3.4 **Figure 1** shows the top ranked priorities for public transport users, as assessed through the consultation on Our City Transport Plan 2035.



**Figure 1: Project and scheme priority rankings from Our City Transport Plan 2035**

3.5 **Table 2** sets out how the council will allocate its LABG funding for 2026/27.

3.6 **Table 2: BHCC’s LABG Draft Delivery Plan for FY2026-27**

Local Authority Bus Grant (LABG) Outline Delivery Plan		26/27	
Revenue Schemes	Category	Revenue	Capital
Customer services extended opening hours*	Supported Services	£80,000	
Support for Breeze, route 21, socially necessary services (routes 16, 47, 52, 37/37B)*	Supported Services	£3,285,000	
Service improvements (routes 17, 273), reliability enhancement for on time performance (routes 23, 24, 26, 46, 27)*	Supported Services	£760,000	
Fare offers (TBC)*	Fare offers	£750,728	
BHCC costs (data collection, bus stop suspension study...)*	BHCC costs	£384,000	
Capital Schemes	Category	Revenue	Capital
On bus camera traffic violation enforcement	Enforcement		£500,000
Bus stop accessibility and routes to bus stops (upgrading stops to include dropped kerbs, ramps, better layout)*	Stop improvement	£45,000	£500,000
Continued funding support for express bus services*	Supported Services		£500,000
Corridor strengthening for key bus routes (Lewes Road, Eastern Road, Upper Rock Gardens)*	Corridor improvement		£950,000
Strategic mobility hubs (including Park and Ride)	P&R		£150,000
Route analysis/corridor study actions	Bus priority	£70,000	£500,000
Preston Circus / London Road bus corridor study. Junction review and redesign, incl. junction modelling, detailed design, consultation, signals work.	Bus priority	£40,000	
Feasibility study of B123 Falmer Rd / Warren Rd junction (implementation contingent on outcomes of Rottingdean study)	Bus priority / corridor improvements	£70,000	
		26/27	
		Revenue	Capital
<b>Scheme estimate</b>		£5,434,728	£3,100,000
<b>LABG Allocation</b>		£5,484,728	£3,259,219
<i>Contingency</i>		£0	£159,219

- 3.7 This Delivery Plan builds on the strong progress made to date, ensuring a seamless transition into the next tranche of funding. It maintains support for projects that continue to deliver value for residents and align with council priorities, with ongoing initiatives indicated by an asterisk (\*). The Delivery Plan has been carefully developed to meet the objectives of Our City Transport Plan and to help deliver the BHCC's Administration Priorities.
- 3.8 This report focuses on the proposed allocation of LABG funding but is aligned with the wider capital transport programme of works funded by both council borrowing and grant funds (funding sources include capital Local Transport Grant, Maintenance Block funding and Active Travel funding).

#### **4. Analysis and consideration of alternative options**

- 4.1 There are restrictions on what the LABG allocations should be spent on. They must be spent on measures that are primarily for the benefit of bus users and services. They should not, for example, be spent on concessionary fares, or reactive maintenance such as filling in potholes.
- 4.2 This report proposes directing a majority of LABG revenue funding to supporting service frequency and reliability, including for socially and economically necessary services. There are smaller allocations to support extended customer service opening hours for operators, internal BHCC costs (including staff costs, monitoring, surveys, and smaller projects), and support for capital projects (e.g. feasibility design work) where there is a risk that the capital element may not materialise. The remainder available is allocated for customer fare offers.
- 4.3 An alternative option could be to allocate more funding for fare offers. However, this would need to come from other programmes which have also been identified as priorities, including the supported services. The proposed allocations seek to achieve an appropriate balance between all of the priorities identified and deliver against each of the objectives of the BSIP and Our City Transport Plan 2035.
- 4.4 The LABG capital programme proposes directing funding to reliability enhancements (on bus camera traffic violation enforcement will contribute to these objectives), accessible bus stops, continued funding support for express bus services, corridor strengthening for key bus routes, and strategic mobility hubs (including park and ride). There are also bus priority programmes kicking off, some of which will take longer to achieve capital spend (Preston Circus / London Road bus corridor, B123 Falmer Rd / Warren Rd junction) and other route analysis/corridor study actions that will be more actionable and achieve quick wins.
- 4.5 An alternative option could be to allocate more funding for bus priority measures. However, it is recognised that BHCC have been an early adopter of bus lanes and many of the more easily achievable bus priority measures have already been implemented. The proposed allocations seek to achieve

an appropriate balance between what is realistically achievable, and the priorities identified in the BSIP / BSIP Refresh and Our City Transport Plan 2035.

## **5. Community engagement and consultation**

- 5.1 The 2026/27 LABG Delivery Plan reflects the objectives of the BSIP Refresh (2024) and Our City Transport Plan 2035, which was agreed by Cabinet in December 2025 and was subject to a public consultation which provided information on the priorities for residents. The 2026/27 Draft LABG Delivery Plan was also issued for stakeholder engagement from 28 November 2025 until 9 January 2026 and has been further developed in response to this engagement.
- 5.2 Before delivering transport improvement schemes, the Lead Cabinet Member is fully briefed, the schemes are subject to public consultation and, if necessary, statutory consultation through the Traffic Regulation Order Process.

## **6. Financial implications**

- 6.1 The overall level of new funding available for 2026/27 is a 5% decrease on what was awarded in 2025/26. The funding is set to remain at the same amount for future years. The announcement of a multi-year allocations will assist with longer-term planning, although this is subject to how funding will be allocated through the Mayoral Combined Authority.
- 6.2 For a number of years there has been a carry forward of revenue grant across financial years that has allowed a greater allocation of funds for fare reductions. These carry forward funds are expected to be at between £0.600m to £0.700m for 2026/27, effectively topping the 2026/27 grant up to between £1.350m and £1.450m.
- 6.3 By comparison the revenue carry forward into 2025/26 was £6.964m, all of which is expected to be drawn down during 2025/26.
- 6.4 Future years' LABG revenue and capital programmes will require cabinet approval and will be reported at future meetings.
- 6.5 Alternative options have been set out which would require a review of the budget allocation, any overspend on the grant allocations for all works outlined in the report would be required to be funded by the council's GF budgets, adding pressures to the 2026/27 financial position.

Name of finance officer consulted: David Wilder  
(04/03/2026)

Date consulted

## **7. Legal implications**

- 7.1 The Council must ensure that its LABG Programme aligns with its strategic priorities, which is the case in this instance. Funds allocated must also align

with any permitted purposes specified in any conditions attached to the LABG. There are no other direct legal implications associated with approving the LABG funding allocations but any relevant legal implications that may arise on individual schemes will need to be considered when brought forward for implementation.

Name of lawyer consulted: David Fairfield Date consulted: 17/02/2026

## **8. Risk implications**

- 8.1 This report directly supports actions set out to manage the council's corporate risk (SR38) 'Failure to take effective action to increase our cities resilience to climate change, improve biodiversity and transition to net zero' and (SR40) 'Failure to maintain a clean and safe city'.

## **9. Equalities implications**

- 9.1 This report is aligned with the Brighton & Hove Accessible City Strategy 2023-2028, reflecting the council's commitment to improving accessibility across the transport network. Enhancing the ease, safety, and inclusivity of travel is a central objective of both the Strategy and this programme of work, ensuring that the city's transport system better supports residents with diverse needs.
- 9.2 An Equalities Impact Assessment (EqIA) was undertaken on the original BSIP programme. Since then, the programme has evolved through several iterations, particularly in relation to fare initiatives. As a result, an updated EqIA focussed on the changes to BSIP/LABG-funded fare offers is currently being prepared, in consultation with a range of local groups, to ensure impacts on different communities are fully understood.
- 9.3 Since their introduction in 2023, the BSIP/LABG-funded fare offers have delivered a wide range of discounts across Under-19 tickets, Short and Medium Hop fares, CitySAVER products, Tap-on Tap-off payments, student fares, and other ticket types. These measures have generated approximately £10.8 million in customer savings since 2023, including around £3.9 million specifically benefiting U19 users since 2024 – representing substantial support for people on lower incomes, children, and young people. Although funding for fare offers is more limited within the FY26–27 Delivery Plan, BHCC remains committed to directing available resources toward those most in need to ensure the greatest social value. The reduced funding compared with previous years will require changes to the current fare offers, and while these changes may affect residents on low incomes who could be facing additional financial pressures, it is important to note that mandatory concessionary travel, selected LABG-funded initiatives, and commercially provided concessions will continue to be available.
- 9.4 Beyond fare offers, the BSIP/LABG programme delivers significant equalities benefits by improving the reliability, speed, and accessibility of Brighton & Hove's bus network. Measures such as red routes, enhanced bus priority, and carriageway reinforcement help cut journey times and

improve punctuality, supporting residents who rely most on public transport – particularly low income households, disabled passengers, older people, students, and those without access to a car. These improvements support BSIP objectives to make bus travel more affordable, accessible, and sustainable for all. In addition, infrastructure upgrades including smoother pavements, more accessible bus stops, improved shelters, and better real time information directly help disabled people, older residents, and parents with prams by making the network safer and easier to use. Safety-focussed changes such as simplified layouts and better lit, more accessible stopping points further support the BSIP goal of enhancing safety for women and girls.

- 9.5 The Better Buses For All BSIP scheme aims to address the accessibility, safety and inclusivity barriers identified across the city’s bus network, ensuring future improvements are shaped by lived experience. It proposes evidence-based actions to standardise best practice across all operators, including enhancing infrastructure, staff training, information provision and customer experience. Currently a youth-led campaign to improve safety for women and girls on public transport is being developed collaboratively with bus and rail operators, which will further support the BSIP ambition to deliver a more reliable, inclusive and equitable network for all residents.
- 9.6 Finally, investment in service frequency, reliability, and new express routes strengthens connectivity for underserved communities and ensures better access to employment, education, healthcare, and green spaces. These improvements particularly benefit areas such as Whitehawk, Moulsecoomb, Hangleton, and others, helping to reduce transport-related inequalities by linking communities to essential services and opportunities. Through these measures, the BSIP/LABG programme contributes to a more inclusive and equitable transport system across the city.
- 9.7 Individual programmes and projects will undertake their own Equalities Impact Assessments as required.

## **10. Sustainability implications**

- 10.1 The capital programme focusses on measures to contribute towards a more sustainable public transport system by reducing the impacts of transport on the environment and encouraging sustainable mode uptake, as well as providing a network that is more resilient to the effects of climate change.

## **11. Health and Wellbeing Implications:**

- 11.1 This programme directly supports the new physical activity strategy 2024-2034 which aims to get more people travelling actively by creating transport conditions that make active lifestyles easier and more accessible. By encouraging a shift away from private car use through more affordable fares, improved reliability, and expanded services, the LABG programme helps shape safer, cleaner streets that are essential for walking, cycling and wheeling. Enhancements to socially necessary routes and accessible bus stops improve access to parks, leisure centres, community facilities and the

seafront, supporting the strategy's goal of reducing inequalities and helping less active groups reach opportunities to move more.

## **Other Implications**

### **12. Procurement implications**

- 12.1 Procurement will be addressed at individual programme or project level. Some of the projects can be addressed by the Highways services Framework, the other projects will have to be procured directly.

### **13. Crime & disorder implications:**

None identified.

### **14. Conclusion**

- 14.1 The LABG funding has been allocated to help deliver the council's priorities and aligns with the key objectives of the Bus Service Improvement Plan and 2024 Refresh as well as the newly adopted Our City Transport Plan.