

7 January 2025

**Title:** Active Travel Capability Fund 2024/2025  
**Report of:** Jonathan Bailes, Head of Transport Programmes  
**Portfolio:** Transport

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## Report Summary

The Active Travel Capability Fund is a revenue fund provided by Active Travel England to provide resources to develop infrastructure plans alongside community engagement and training initiatives. This revenue grant enables Local Transport Authorities to enable walking, wheeling and cycling in their areas.

The purpose of this report is to request the Chief Executive, in line with agreed delegations, approve, allocate and agree Grant Funding Agreements (GFA) totalling £1,406,713 of revenue funding as provided by the Active Travel Capability Fund.

## Recommendations

The Chief Executive is recommended to approve:

1. £1,406,713 of Active Travel Capability (revenue) funding across the seven local authorities and the North East Combined Authority.

Following approval, GFAs will be provided to the seven Local Authorities for signing and sealing. The GFA will then be provided to the Statutory Officer for signature prior to sealing.

## A. Context

### 1. Background

- 1.1 In March 2024, £1,406,713 of revenue funding for 2024/2025 to be spent by October 2025, was allocated to the North East region by Active Travel England (ATE) through the Active Travel Capability Fund.
- 1.2 The level of funding is dictated by the region's prescribed capability rating and is intended to increase resources to deliver infrastructure plans and deliver community-based engagement that increases the proportion of people walking, wheeling and cycling in line with ATE's objectives.

### 2. Current position

- 2.1 Calls for funding were invited from all seven eligible Local Authorities with an assessment undertaken to ensure that the propositions were eligible in line with grant conditions. Owing to overprogramming proportionate reductions were undertaken to all categories to bring spending in line with the available budget.

## B. Impact on North East Combined Authority Objectives

The use of Capability Fund will support the region in delivering on the ambition to improve and promote active travel as described in the Portfolio Plans agreed by Cabinet in July 2024. Activity undertaken utilising Capability Funding will also impact the following objectives of the North East CA:

A Greener North East – active travel projects will be designed to ensure we have attractive and safe routes to walk, wheel and cycle on. The delivery of training will support communities instilling confidence and awareness to make such journeys.

A Connected North East – Active travel projects will improve connections within and between communities across the region. The regional Design Review panel, facilitated by Capability Funding will ensure we deliver the highest quality improvements.

A successful North East: Projects will recognise the importance of places and spaces to the culture and success of the North East with a range of public realm improvements supported, events in the community and coastal and rural connections.

**C. Key risks**

The key risk associated with this decision is ensuring expenditure within timescales afforded by the Active Travel Capability Fund. In order to mitigate this risk, the North East CA will work collaboratively with Local Authorities to monitor progress against timescales. Delivery of activity supported by Capability Funding will be subject to a governance structure that supports the identification and early warning signs of potential delay. Significant delays will be escalated to the Active Travel sub-group and the Strategic Heads of Transport group for consideration of remedial actions to ensure the project is delivered on time.

**D. Financial and other resources implications**

The table included below shows the forecast expenditure of Active Travel Capability Funding:

	2024/25	2025/26	Total
Revenue	£351,678.25	£1,055,034.75	<b>£1,406,713</b>
Costs			
Total	£351,678.25	£1,055,034.75	<b>£1,406,713</b>

The profile shows an estimated 25% of the revenue costs being expended in 2024/25 with the remaining 75% in 2025/26 by the October deadline. This will be fully qualified in Grant Funding Agreement forecasts and thereafter monitored in line with project assurance. The full grant has been received from Active Travel England as section 31 grant and has been receipted within the North East CA’s account.

Funding is proposed to be apportioned to Local Authorities via Grant Funding Agreements in line with the below, following the submission of Local Authority proposals for expenditure:

Local Authority	Capability Fund 2024/2025 Allocation
Durham	£272,500
Gateshead	£130,000
Newcastle	£139,000
Northumberland	£110,713
North Tyneside	£187,000

South Tyneside	£179,000
Sunderland	£200,000
Regional	£188,500
<b>Total</b>	<b>£1,406,713</b>

## **E. Legal implications**

The use of revenue funding to Local Authorities is not considered to be subsidy as previously advised by the North East CA's legal service providers. In addition, grant funding agreements will be provided to all authorities to disburse grant funding. Where grant is retained for regional use by the North East CA, associated contracts will be in place for the onward use of funding.

As the funding was received by the previous North East Combined Authority on behalf of the North East Joint Transport Committee, Item 6 of the May 2024 North East CA cabinet confirmed that the formal decisions which the former North East Combined Authority and the former North of Tyne Combined Authority made are to be treated as decisions of the Authority. This includes where authorities have made decisions, but these have yet to be fully implemented prior to the abolition of the former authorities and the creation of the new Authority.

At its meeting on 30 July 2024, Decision C24/7/24 North East Combined Authority Strategic Portfolio Plans, North East CA Cabinet also delegated authority to the Chief Executive to progress subsequent business cases and make investment decisions associated with the activity described within the Strategic Portfolio Plans, in consultation with the Mayor and relevant Portfolio Holder, subject to the thresholds which are included within the adopted Single Assurance Framework. This included the following: 'Investment approvals over £1 million and up to and including £5 million are approved by the Chief Executive, in consultation with the Finance and Investment Board, Section 73 Officer and Monitoring Officer, under the Cabinet approved delegated authority'.

## **F. Equalities implications**

The North East CA follows the [Public Sector Equality duty](#) and this report has due regard to the need to achieve the objectives set out under s149 of the Equality Act 2010. In June 2024 the North East CA adopted equality objectives to reflect the different roles of the Combined Authority as an employer, a commissioner and deliverer of services, and a civic leader.

## **G. Consultation and engagement**

Throughout the development of the Active Travel strategy significant consultation took place with a range of stakeholders to define the priorities for investment.

The investment proposal is fully aligned with delivering the Active Travel Strategy which was reaffirmed in the consultation draft Mayor's Local Transport Plan at the September 2024 Cabinet.

All local authorities have been engaged and have submitted their requests for funding via the Active Travel sub-group. Proposals within this report have been considered by Heads of Transport, Technical Officers Group and Finance and Investment Board.

## **H. Appendices**

None

**I. Background papers**

The Active Travel Strategy is available on the North East Combined Authority website [BActive Travel Strategy \(northeast-ca.gov.uk\)](https://www.northeast-ca.gov.uk/active-travel-strategy)

**J. Contact officers**

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**K. Glossary**

ATE – Active Travel England  
GFA – Grant Funding Agreement  
North East CA – North East Combined Authority

**L. Sign-off**

1) Cabinet Member: Yes	2) Director/Head of Service: Yes	3) Director of Finance and Investment: Yes	4) Monitoring Officer: Yes
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