

Report to: **Partnership Board –Transport for the South East**

Date of meeting: **22 July 2021**

By: **Lead Officer, Transport for the South East**

Title of report: **Financial Update and Budget for 2021/22**

Purpose of report: **To update on the budget position for Transport for the South East and agree the Annual Report and Business Plan**

RECOMMENDATIONS:

The members of the Partnership Board are recommended to:

- (1) Agree the year end budget report for 2020/21;**
- (2) Agree the budget proposal for 2021/22;**
- (3) Note the current financial position for 2021/22 to the end of June 2021; and**
- (4) Agree the final annual report and business plan for 2021/22.**

1. Overview

1.1 The purpose of this report is to update the Partnership Board on the revenue budget for Transport for the South East (TfSE).

1.2 The paper provides the year end budget report for 2020/21, a proposed budget for 2021/22, including an update on the grant agreement with the Department for Transport (DfT), and a financial update to the end of June 2021.

1.3 The paper also presents the draft annual report for 2020/21 and the draft business plan 2021/2022, which will be published on the TfSE website following agreement by the Partnership Board.

2. 2020/21 – end of year budget report

2.1 Appendix 1 sets out the final budget position for 2020/21. There are some key points:

- Salary costs were largely as forecast. The DfT grant funding enabled the recruitment of two fixed term posts for a period of two years. These posts were recruited late in 2020/21 and the costs were lower than anticipated in the financial year. However, the funding has been ringfenced within the TfSE reserves and will be carried forward to cover the fixed term contracts for the remaining 20 months.
- Several of the technical programme work streams commenced in 2020/21 but will not conclude until 2021/22. This includes three area studies, the future

mobility strategy and the freight, logistics and gateways strategy. All these workstreams have been commissioned and the variance will be carried forward and allocated in the 2021/22 budget.

- Spend against operational expenses and other activities, such as events, were lower than originally budgeted due to the impact of the Covid-19 pandemic. This led to cost savings in the core budget and just over £63,000 was carried forward.

2.2 The total expenditure for 2020/21 was £1,154,970. In addition to this, £974,354 is committed on the technical programme, including three area studies, the future mobility strategy work and the freight and logistics study. This is reflected in the 2021/22 budget proposal, along with other committed spending.

2.3 East Sussex County Council, as the accountable body for TfSE, will provide s151 sign off for the final accounts for the local authority for 2020/21 later this summer.

3. 2021/22 budget proposal

3.1 At the January 2021 meeting of the Partnership Board, it was agreed that constituent authorities would continue to provide financial contributions to TfSE at the same level as previous years. This valuable funding, totalling just under £500,000, enables TfSE to fund the core secretariat. It also offers leverage against the DfT grant funding.

3.2. In March 2021, the DfT confirmed that TfSE had been awarded a further grant of £1.225 million. This is incredibly welcome news and will enable TfSE to progress with the planned technical work programme and to progress with the Strategic Investment Plan (SIP). It takes the total amount of DfT investment to over £4 million over a five-year financial year period.

3.3 As a result of the confirmation of grant funding, a draft budget has been produced for Board approval (Appendix 2). The budget also considers the carry forward of committed funding from the previous financial year, as well as reserves, to give an operating budget of £3.223 million.

3.4 The main elements of proposed expenditure relate to delivering the technical programme, supporting delivery of the Strategic Investment Plan and staffing costs.

3.5 The technical programme budget includes the previously agreed funding for three area studies and the freight, logistics and international gateways study, as well as new funding for the two final area studies (South East and South West area studies). The grant will also support the development of the SIP and activity on the public consultation exercise. The 2021/22 grant makes provision to support ongoing work on thematic studies and this will likely be used to continue work on freight and logistics.

3.6 The budget also makes provision for operational costs and communications and engagement activities, including events, website development and stakeholder management tools. A proportion of funding is allocated for work associated with the

ongoing development of TfSE. This will be used to develop the TfSE operational model and governance structures, which will need consideration as the organisations moves towards the implementation of the SIP.

3.7 Work has already commenced against the technical programme for 2021/22, with activity to date focused on work streams that commenced in the previous financial year. Appendix 3 sets out the budget position at the end of June 2021, including forecasts for year end. Workstreams that are due to start later in 2021, including the SIP, will carry forward into the next financial year as committed funding.

4. Annual Report and Business Plan

4.1 In line with previous years, we have produced both a retrospective annual report and a forward-looking business plan at the start of the new financial year. It was intended that these would be signed off at the postponed April board meeting to coincide with the start of the new financial year.

4.2 The Annual Report 2020-21 (attached as Appendix 4) provides clarity around Transport for the South East's structure, role, vision and purpose alongside a summary of our achievements in 2020-21, as well as information on our governance, finances and the team.

4.3 The Business Plan 2021-22 (attached as Appendix 5) is a shorter, more focused document setting out our work programme priorities for the coming year and clear objectives against which we will measure our success.

4.4 Both documents are included as appendices to this paper – though members are asked to note that these have been designed as digital documents to be viewed online. They will be hosted on the TfSE website and shared proactively with stakeholders as part of our communications and engagement activity.

5. Conclusions and recommendations

5.1 Members of the Partnership Board are recommended to agree the end of year budget position for 2020/21 and the proposed budget for 2021/22, including the financial position at the end of quarter one.

5.2 Members are asked to agree the Annual Report 2020/21 and the Business Plan 2021/22 for publication on the TfSE website.

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Lead Officer

Transport for the South East

Contact officer: Rachel Ford

Tel. 07763 579818

Email: rachel.ford@eastsussex.gov.uk

Agenda Item 8 – Appendix 1

TfSE Final Year End Position – 2020/2021

INCOME	Budget	Actual	Notes
Local Contributions	382,000	382,000	Two LAs paid in previous year
DfT Grant	1,225,000	1,225,000	
Reserves	263,887	263,887	
Carry forward	226,399	226,399	
Committed funding	557,725	557,725	
TOTAL INCOME	2,655,011	2,655,011	
EXPENDITURE			
Staffing			
Core Policy Team	530,000	525,653	
Additional team resource	240,000	22,314	Variance to be ringfenced to cover costs for two year FTC
Technical Programme			
Transport Strategy	53,000	53,812	
Covid-19 Scenarios	30,000	29,725	
SEELUM & Carbon Assessment	70,000	70,000	

Area Studies - Tranche 1 (Outer Orbital)	350,000	174,308	Variance committed for next year
Area Studies - Tranche 2 (2 studies)	700,000	82,958	Variance committed for next year
Future Mobility Strategy	110,000	87,921	Variance committed for next year
Freight scoping work	23,175	23,175	
Freight and Logistics Strategy	125,000	0	TBC following procurement Variance committed for next year
Data & Modelling development	15,000	8,945	N.B Awaiting refund – will be £5,000
SIP Brief	15,000	0	
Project view	12,000	12,000	
Other strategy costs	40,000	21,760	
Sub national Transport Body Proposal	40,000	7,008	
Operational Expenses	15,000	7,296	
Communications/ Engagement			
Events	20,000	5,190	
Advertising and publicity	10,000	9,760	
Website	5,000	5,990	
Stakeholder Database	6,000	6,000	
Media Subscriptions	2,500	1,155	

Reserves	243,336	462,304	£217,215 ringfenced for additional team resource
TOTAL EXPENDITURE	2,655,011	1,617,274	
C/F Technical Programme Expenditure for 21-22		974,354	
Carry forward for non-technical work	0	63,385	Carry forward for staffing costs shortfall / operational costs

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TfSE – Budget 2021/22

INCOME	
Local Contributions	£498,000
DfT Grant	£1,225,000
Reserves	£462,304
Carry forward	£63,385
Committed funding	£974,354
TOTAL INCOME	£3,223,043
EXPENDITURE	
Staffing	
Core Policy Team	£555,000
Additional team resource	£120,000
Technical Programme	
Transport Strategy	£50,000
Area Studies - Outer Orbital	£315,692
Area Studies - Inner Orbital	£273,764
Area Studies - South Central	£273,279
Area Studies - South West Radial	£315,000
Area Studies - South East Radial	£315,000
Strategic Investment Plan	£160,000
SIP consultation	£20,000
Thematic Studies	£75,000
Future Mobility	£22,629
Freight and Logistics Strategy	£125,000
Analytical Framework	£125,000
Other costs	£7,000
TfSE Future Role	£30,000
Operational Expenses	£35,000
Communications/ Engagement	
Events	£20,000
Advertising and publicity	£25,000
Website	£10,000
Stakeholder Database	£7,000
Media Subscriptions	£2,500
Reserves	£341,179
TOTAL EXPENDITURE	£3,223,043

Appendix 3: TfSE Budget position at the end of June 2021

INCOME	Budget	YTD	Forecast	Notes
Local Contributions	498,000	498,000	498,000	
DfT Grant	1,225,000		1,225,000	
Reserves	462,304	462,304	462,304	
Carry forward	63,385	63,385	63,385	
Committed funding	974,354	974,354	974,354	
TOTAL INCOME	3,223,043	1,998,043	3,223,043	
EXPENDITURE				
Staffing				
Core Policy Team	555,000	134,125	532,838	Reduced forecast to reflect staff vacancies
Additional team resource	120,000	22,677	120,000	
Technical Programme				
Transport Strategy	50,000		50,000	
Area Studies - Outer Orbital	315,692	47,410	315,692	
Area Studies - Inner Orbital	273,764	32,050	273,764	
Area Studies - South Central	273,279	31,302	273,279	
Area Studies - South West Radial	315,000	20,704	315,000	
Area Studies - South East Radial	315,000		315,000	
Strategic Investment Plan	160,000		60,000	Variance will be committed and carried forward to next financial year
SIP consultation	20,000		10,000	Variance will be committed and carried forward to next financial year
Thematic Studies	75,000		50,000	Variance will be committed and carried forward to next financial year
Future Mobility	22,629	14,830	22,629	
Freight and Logistics Strategy	125,000		125,000	
Analytical Framework	125,000		75,000	
Other costs	7,000	700	7,000	
TfSE Future Role	30,000		30,000	
Operational Expenses	35,000	1,235	35,000	
Communications/ Engagement				
Events	20,000	1,063	20,000	
Advertising and publicity	25,000	4,360	25,000	
Website	10,000	14	10,000	
Stakeholder Database	7,000		7,000	
Media Subscriptions	2,500	73	2,500	
Carry forward for Tech programme/committed funding			185,000	
Carry forward (non-technical)			22,162	
Reserves	341,179		341,179	£97,000 ringfenced for DfT funded fixed term posts
TOTAL EXPENDITURE	3,223,043	310,543	3,223,043	

Annual Report 2020-21

April 2021



Chairman's welcome

We entered this year amid an unprecedented public health crisis which has fundamentally changed the fabric of everyday life in this country. Clearly there are many hurdles which still need to be overcome but, at the time of writing, I am hopeful that a return to better times is not far away.

As our region's voice for strategic transport, Transport for the South East's challenge over the last year has been to understand and anticipate what this 'new normal' might look like when it arrives, what it could mean for our communities and businesses and how it should influence our transport investment priorities for the years to come.

This has not been an easy task. There are challenges and opportunities ahead and many things which remain unknown.

Our economy will likely take many years to heal and the impacts of the pandemic will be felt hardest in our most deprived communities. Changes to the way we work will alter the South East's relationship with London and have big impacts on how, when and why we travel in our

communities. New technology has shown the possibilities for bringing people together when travel isn't possible or desirable. A new-found – or long-lost – appreciation for our town and city centres as places for people rather than vehicles has emerged.

All these issues and many more – not least the need to drastically cut carbon emissions – will need to be considered as we develop our partnership's plans for the future of transport in our region. I'm pleased to say that, together, we have risen to that challenge.

The publication of our transport strategy in summer 2020 was the culmination of a two-year process working with stakeholders across the region to define the South East of the future and how better transport can help us get there.

As a result, we now have a transport strategy in place which carries real weight and influence with government and will shape government decisions about where, when and how to invest in our region.



The next step, which is now well under way, is to decide together which specific schemes, policies and initiatives we want to form the basis of our strategic investment plan – a thirty-year blueprint for investment which we want to deliver with government and partners like Network Rail and Highways England and which we intend to publish for consultation in 2022.

I am convinced that the case for investment in the South East remains as strong as ever. We add more to the UK economy than any region outside London. Our transport network and international gateways connect people and goods across the UK, Europe and the rest of the world. Our businesses – from global giants to dynamic SMEs – drive innovation and growth across the UK.

That's why it's so important that Transport for the South East continues its journey as a strong and empowered champion for investment in our region, working in partnership locally, regionally and nationally to deliver our shared vision for a better future.

I wish to thank all our partners and stakeholders who have worked with us over the last year. The fact that we have remained on track during these unprecedented times is testament to your ongoing commitment and support.

I would like to thank Department for Transport ministers for their time and energy, and for the ongoing funding for our work programme. The relationship between Transport for the South East and DfT continues to go from strength to strength; that it has done so during such a difficult period only serves to underline the strong foundations on which it is built.

Finally, I would like to thank my fellow board members, a number of whom have been with us from the start, for their continued support for and dedication to our cause. It has been a pleasure to work with you and to see first-hand how transport can bring people together from across the political spectrum to get behind a positive vision for the future.

I look forward to continuing to work with our partners across the South East over the next

12 months to build on this year's successes, helping secure our region's economic future and improving prosperity, opportunity and quality of life for everyone who lives and works here.



Cllr Keith Glazier
Chair, Transport for the South East

Lead officer's foreword

Despite the considerable personal and professional challenges presented by Covid-19, Transport for the South East has worked tirelessly with partners from across the South East to deliver on our priorities and keep our programme on track.

The biggest milestone of the year was the publication in July 2020 of our thirty-year transport strategy – followed in the autumn by confirmation that Department for Transport will have regard to our strategy in developing new policy.

Building on the transport strategy, we have started work on a series of area and thematic studies to determine what schemes and initiatives might form the basis of our strategic investment plan for the region.

We have developed the tools we need to assess the impact of proposed transport investment

on our region's trajectory to zero-net carbon and shed new light on the scale of the transport emissions challenge.

We have strengthened relationships with the rail industry as we work more closely together on future plans for our region's railways and continued to work with partners nationally and within the South East on making better and more sustainable use of our roads.



We have worked with local planning authorities to decrease the gap that exists between transport and wider land-use planning, demonstrating the value we can add through cross-regional data sharing.

We have identified areas where the South East's leading universities can help us advance our work, beginning what we hope will be a growing programme of collaboration with researchers and academics.

And, crucially, we have helped our partners understand the potential impacts of Covid-19, making sure our region's plans for the future are as robust as possible and focused on supporting economic recovery and sustainable growth.

These remain uncertain times and we must all look ahead with an element of caution. But I am optimistic about what lies ahead – not least the prospect of being able to share our proposed strategic investment plan for the South East in just over 12 months' time.

Between now and then, Transport for the South East will continue to focus on what we do best

– using the strength of our partnership to speak with one voice and be a trusted partner at a regional and national level.

I am incredibly proud of the Transport for the South East team and for all the work they have put in over the last twelve months – particularly by the way they dealt with the switch to remote working which has been in place for more than a year now.

Amid the upheaval and uncertainty, they recognised an opportunity to do things differently, using technology to dramatically improve and increase our reach with stakeholders and to put them at the heart of our work programme.

We couldn't have achieved what we have without the support and hard work of so many of our partners, in particular the members of the Senior Officer Group, Transport Forum and our growing number of stakeholder forums, many of whom support our work in addition to the demands of their day jobs.

So, thank you to everyone who has played a part, big or small, in where we have got to

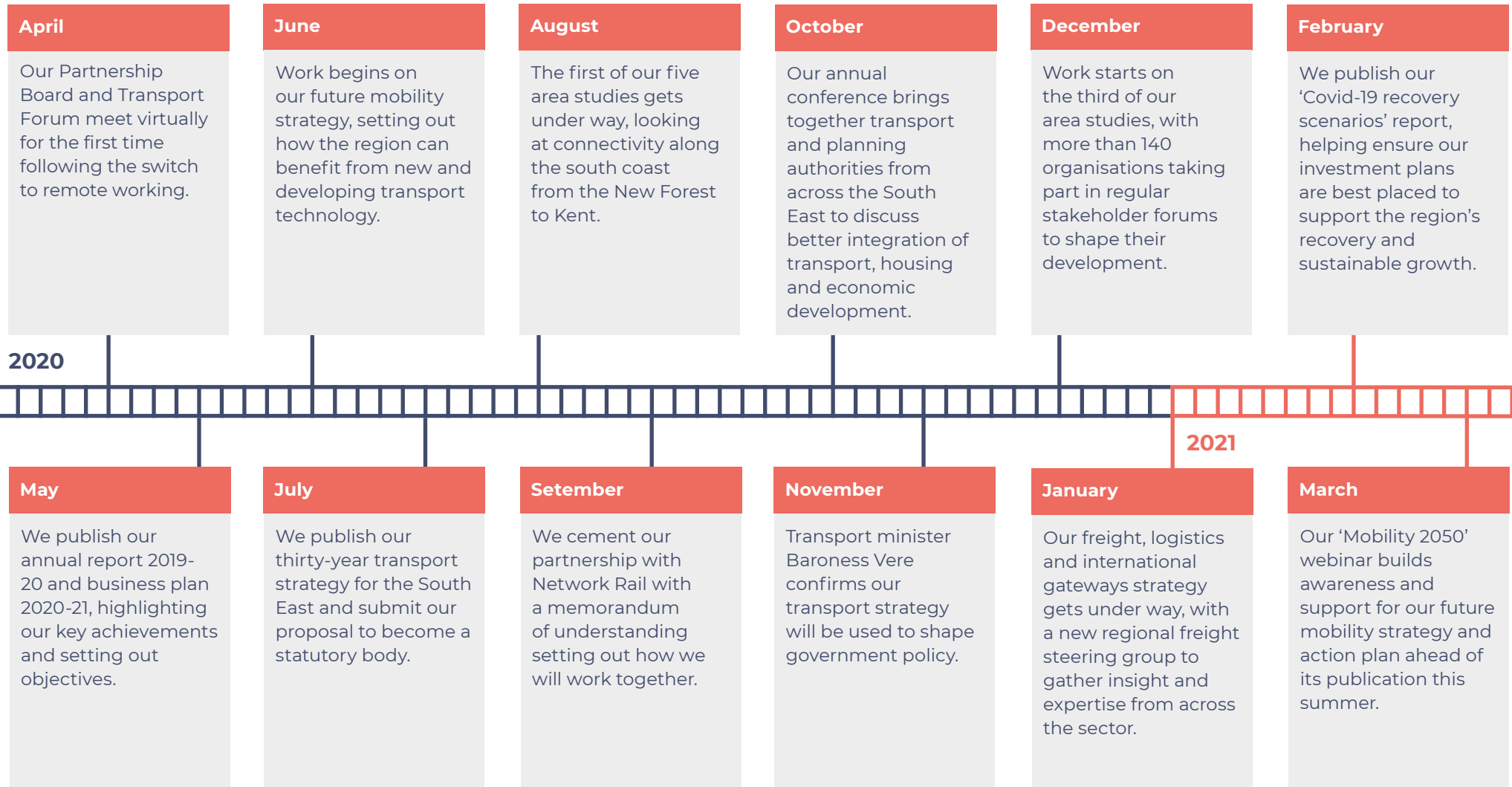
at this juncture. There is much to do but we find ourselves in a strong position to make a real difference.



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Lead officer, Transport for the South East

Our year in focus



About Transport for the South East

Transport for the South East is a unique partnership for our region, bringing together local authorities, local enterprise partnerships and transport providers to speak with one voice on the South East's strategic transport priorities.

Our region – covering Berkshire, Kent, Hampshire, Isle of Wight, Surrey, East Sussex and West Sussex – is the second most productive in the country behind London. It is home to 7.5 million residents and more than 350,000 businesses and is our nation's key international gateway for people and goods. It boasts world-leading universities and research institutes, diverse towns and cities and stunning coasts and countryside. It is a great place to live, work, study, visit and do business.

Our focus is on ensuring that the South East is best placed to recover from the effects of Covid-19 so this success story can continue. In the longer term, we want to achieve our shared vision of a better, more prosperous, net-zero carbon South East with a sustainable transport network at its heart.



What we do

By operating strategically across the South East on transport issues – a role that no other organisation has undertaken until now – we're able to directly influence how, where and when money is invested in our region's transport networks.

We don't replicate the work of local transport authorities; we work with them to ensure that the plans we put forward reflect the needs and priorities of the communities they represent.

At the heart of Transport for the South East's work programme is our landmark thirty-year transport strategy. It sets out how, with the right investment, we can grow the South East's economy, boost jobs and opportunity, improve quality of life and hit net-zero carbon emissions by 2050 at the latest.

To make that vision a reality, we're working with partners and stakeholders to develop our strategic investment plan – a blueprint for investment which we intend to publish for consultation in 2022.

We know that delivering this plan and solving the big challenges we face – things like decarbonisation, modal shift, improving air quality and increasing access to jobs, training and education – will require more than just partnership working. That's why we want to formalise our role as the South East's voice for strategic transport with the tools we need to make a real difference.



How we are structured

We have a robust governance structure which provides leadership, accountability, expertise and oversight of the Transport for the South East programme. It also gives our partners and stakeholders the ability to guide and influence our work at all levels.

The **Partnership Board** is our principal decision making forum. It brings together elected members from our constituent authorities alongside representatives of local enterprise partnerships (LEPs), district and borough authorities, protected landscapes and the independent chair of the Transport Forum (see below). Network Rail, Highways England and Transport for London also attend the board as non-voting members, providing valuable additional insight and expertise. Find out more about our board on p25.

The board receives input and advice from two key forums: the **Senior Officer Group**, comprising local authority transport officers and other partner representatives; and the **Transport Forum**, which brings together a wider group of stakeholders including passenger groups, environmental groups, active travel campaigners, transport operators, universities, ports and airports.

Transport for the South East's technical work programme, stakeholder engagement and communications activities are carried out by the **Programme Management Office**. Find out more about our team on p27.

Member and officer sub-groups provide additional advice, focus and insight on key issues. These include working groups on our transport strategy, area studies, governance reform and communications and stakeholder engagement.





How we are funded

Transport for the South East operates a mixed funding model. Operational and staff costs are funded by contributions from local transport authorities, while our technical programme relies on grant funding from the Department for Transport.

This approach reflects our commitment to delivering best value for our partners and taxpayers.

Find out more about our funding and finances on p23.

Our partners



Our transport strategy for the South East

This year, we published our thirty-year transport strategy for our region. It sets out how strategic investment can boost economic growth, improve quality of life and hit net-zero carbon emissions by 2050 at the latest.

Developed in partnership with our constituent authorities and stakeholders, the strategy sets out a thirty-year framework to guide decisions about where, when and how money is invested in the South East's transport network.

The strategy is clear that 'business as usual' is not a sustainable way forward here in the South East. For this reason, we have adopted a different approach to traditional transport strategies – setting out a vision for the future we want and how transport investment can help us achieve it, rather than endlessly chasing forecast growth in demand for transport (particularly on our roads).

Our transport strategy was submitted to government in July 2020 alongside our proposal for Transport for the South East to be granted statutory status as a sub-national transport body.

While government decided not to take forward our request for statutory status at this time, ministers confirmed that Department for Transport officials would have regard to the strategy when developing government policy. This means future transport policy will reflect the needs and priorities of people here in the South East.

"The South East now has a transport strategy which carries real weight and influence and will shape government decisions about where, when and how to invest in our region."

Cllr Keith Glazier, chair of Transport for the South East

"The government has an ambitious view of where transport is going, and it matches the scale of ambition in Transport for the South East's strategy."

Baroness Vere, minister of state, Department for Transport



Towards a strategic investment plan for the South East

To make our vision for the South East a reality, we're working with partners across the region to determine what the South East's priority transport schemes, initiatives and policies should be.

We are doing this through a series of area and thematic studies, led by our team of transport strategy managers. Each study is investigating the issues, challenges and opportunities identified in our transport strategy in more detail and will identify a shortlist of interventions to make life better for people, for businesses and for the environment.

The five area study geographies are based around the most important economic corridors in our region. These corridors connect our biggest towns and cities and international gateways and are where the greatest opportunities for sustainable economic growth exist.

To support this work, we carried out two additional pieces of research looking at the potential impacts of Covid-19 on our region's economy and transport network, and our region's trajectory to net-zero carbon. These will help ensure that the priorities put forward in our area and thematic studies are future proofed to drive sustainable economic recovery and growth.

Together, the outcomes of these studies will form the basis of our strategic investment plan – a blueprint for investment which we want to deliver with government and national bodies like Network Rail and Highways England. We intend to publish our strategic investment plan for public consultation in the first half of 2022.

Area studies

The grant funding we received from Department for Transport for 2020-21 enabled us to accelerate elements of our technical work programme. This means we have been able to progress three of our five area studies and both our thematic studies.

Working in partnership with stakeholders is central to our approach to these pieces of work, with stakeholder forums for each study bringing together a diverse range of views and voices including local government, transport operators, environmental groups, active travel campaigners and many more.

Outer orbital area study

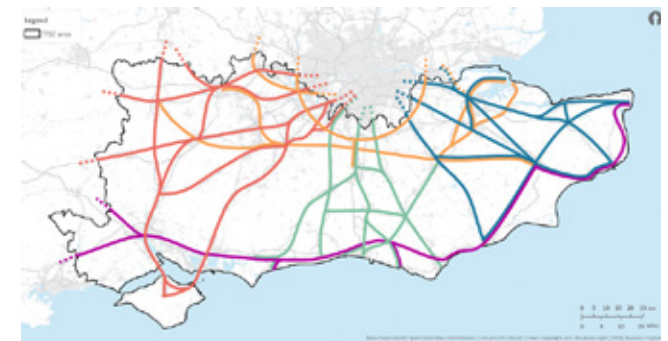
The first of our area studies to begin was the outer orbital, looking at connectivity along the south coast from the New Forest to East Kent. This area includes some of the biggest and most dynamic conurbations in the South East but faces challenges around deprivation in some coastal communities – many of which suffer from poor transport connectivity. Work on this study started in early autumn 2020 and is due to be complete in autumn 2021.

Inner orbital area study

The inner orbital area encompasses the strategic cross-regional routes around the southern outskirts of London, including the M25 and the roads serving Heathrow and Gatwick airports. There are big variations in wealth and prosperity in this area, with north Surrey and Berkshire among the most prosperous places in the South East and parts of north Kent among the most deprived. Work on this study started in late 2020 and is due to be complete by the end of 2021.

South central radial area study

The south central radial area encompasses the London-Gatwick corridor in the north, which then fans out in the south to connect much of the Sussex coastline to the capital. This area includes the Sussex coast conurbation, which is home to nearly half a million people, plus Britain's second busiest airport at Gatwick and the ports of Newhaven and Shoreham. Work on this study also started in late 2020 and is due to be complete by the end of 2021.



Thematic studies

Future mobility

Our transport strategy recommended the creation of a specific strategy and action plan for future mobility, ensuring our region is best placed to take advantage of new and developing transport technology.

Work started in June 2020, overseen by a cross-industry future mobility steering group who will also monitor the delivery of the action plan following its publication in summer 2021. We shared the emerging findings of our work at our 'Mobility 2050' online event in March 2021, which brought together current and future partners and innovators to discuss how we can drive this agenda forward together.

Freight, logistics and international gateways

Our transport strategy also highlighted the need for a specific strategy focusing on freight and logistics in our region as well as the opportunities to develop better connections to our ports, airports and international rail links.

The South East is the UK's principal international gateway for people and goods; this work will be critical in identifying how we can support local, regional and national economic recovery and future sustainable growth. Work on the strategy started in January 2021 and is due to be complete by the end of 2021.



Decarbonisation

Across the South East, our local authority partners are putting in place local transport plans to increase walking and cycling, support the move away from fossil fuels and reshape communities around the needs of people, not vehicles.

Our role as Transport for the South East is to make sure that the investment priorities we put forward in our strategic investment plan support this local investment and enable us to achieve our shared goal of a net zero carbon future by 2050 at the latest.

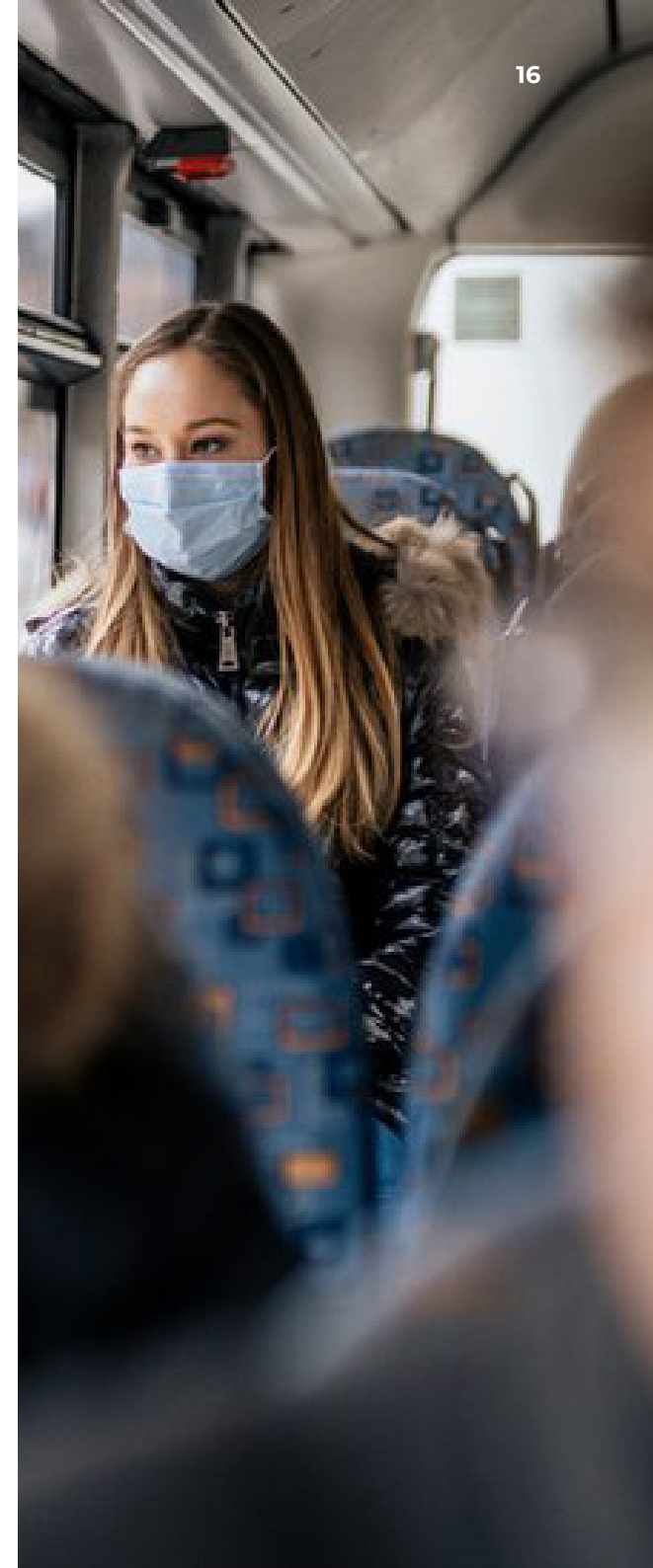
To do that, we have carried out a carbon assessment of the region's transport network, enabling us to 'baseline' the South East's transport carbon emissions and develop a trajectory to net-zero. This piece of work also included a new data tool to enable us to assess how far along that trajectory proposed schemes and initiatives will take us.

Covid-19 recovery

To better understand the potential impacts of Covid-19 on people and businesses in the South East, we carried out a study looking at a range of possible scenarios and how they could affect our economy and transport network.

By modelling different ways in which the UK might emerge from lockdown and other measures, we've gained some hugely important insights on how transport investment can best be targeted to help the South East's economy recover and grow.

The study concluded, among other things, that inequality in the South East will increase as a result of the pandemic with those in deprived areas likely to be hardest hit. It also concluded that the South East will need to adapt to a new relationship with London as changes to employment and working patterns affect where, when and how people travel in our region.





A railway fit for the future

People and business in the South East rely on rail more than any region outside London. We've been working with industry partners to plan a rail network that meets the needs of everyone in our region and supports a sustainable recovery.

A better railway in the South East will play a huge part in achieving the vision at the heart of our transport strategy.

This year we have continued to strengthen our relationship with Network Rail, delivering a joined-up programme of work in the South East to plan a better rail network for people and businesses.

We have worked closely with Network Rail and other industry partners to understand the impacts of Covid-19 on our transport network. All areas of the rail industry – from infrastructure owners and train operators to rolling stock owners and innovators – have fed into our area and thematic studies.

We have also been actively involved with Network Rail's programme of strategic studies including those covering the Sussex Coastway, Solent, Paddington to Reading, and North and East Kent areas, plus a joint strategic study involving Network Rail and Highways England looking at connectivity between the Solent and the Midlands.

Our work with Network Rail has been underpinned by a Memorandum of Understanding signed by our two organisations in summer 2020, setting out collaboration in five key areas:

- Facilitating modal shift to rail
- Achieving carbon 2050 targets
- Efficiently aligning taxpayer-funded resources
- Working openly and in good faith
- Better integrated land use planning through partnership working at local, regional and national level

We have continued to support the development of major enhancement schemes, such as the proposed Croydon remodelling, and are working with Network Rail and local authority partners to support the development of a strategic outline business case for improvements in coastal Kent and East Sussex. This could make use of capacity on High Speed 1 to provide journey time and connectivity improvements to boost economic growth in some of our area's most deprived communities.

Our work on rail extends beyond our relationship with Network Rail. The industry is represented on our Transport Forum by a range of partners including the Rail Delivery Group, train operators and freight groups with passengers represented by Transport Focus and a number of rail user groups.

The Covid-19 pandemic has already led to a significant change in the rail franchising system, effectively bringing it to an end. It remains unclear what further structural change will come and what role sub-national transport bodies like Transport for the South East will have – but we are ready to play our part in ensuring our region's railway delivers for the South East's people and businesses.



Investing in our region's roads

We have continued to make the case for investment in priority schemes to cut congestion, boost active travel, support new housing and drive economic growth.

Major Road Network

Transport for the South East played a key role in the formation of the Major Road Network (MRN) in our area. The MRN was established by government to support a dedicated national investment programme for the country's busiest and most economically important local authority 'A' roads.

In 2019-20, we submitted the South East's priority schemes for these roads on behalf of our partner authorities for consideration as part of a £3.5bn investment programme during 2020-25. This included a number of larger schemes (c.£50m+) known as Large Local Majors (LLM).

Our focus this last year was on working with our partners and Department for Transport to ensure that investment goes where it is needed most – especially during what we know are challenging times for government finances.

We were delighted that one of our priority schemes – Hampshire County Council's project to renew and improve the Redbridge Causeway – received the required funding from Department for Transport in February 2021 for the work to go ahead.

Redbridge Causeway carries roughly 60,000 vehicles a day between Southampton and the New Forest waterside area. The bridges provide important access for local businesses and hauliers to the Port of Southampton and provide the only direct access for pedestrians and cyclists across the River Test.

Hampshire County Council's scheme will see damaged concrete repaired and the structures' stabilities improved. Department for Transport will provide £13.4m for the work, with the remaining £2.4m being paid by the council.

The investment means more significant works in the future – which would cause greater disruption and delay for road users and pedestrians – can be avoided.

"Redbridge Causeway is a key link between the Port of Southampton and the western side of Southampton Water – an essential route not only for the local economy but also for import and export business affecting the whole of the country."

Councillor Rob Humby, deputy leader of Hampshire County Council and Transport for the South East board member

Highways England and the Strategic Road Network

We have continued to work collaboratively with Highways England to ensure that improvements to the Strategic Road Network and Major Road Network are planned in a way which delivers maximum benefit to our region. This joint working is reflected in the next Roads Investment Strategy (RIS2) which was published in March 2020 and includes a strong role for sub-national transport bodies.

Three of the 16 priority schemes we submitted for consideration as part of RIS2 have been approved for consideration in the 2020-25 period. A further eight were identified as 'pipeline' schemes to be developed for consideration as part of the 2025-30 funding window. We will work with our constituent authorities and Highways England to ensure RIS2 schemes are delivered and pipeline schemes are in the strongest position for inclusion in the RIS3 programme.



Strengthening our relationships

Partnership working is at the heart of what we do. This year we embraced the switch to remote working to our benefit, using digital engagement tools to strengthen existing relationships and build new ones with a wide and growing group of stakeholders.

Our Communications & Stakeholder Engagement team are responsible for this workstream. They ensure our partners and wider stakeholders play a meaningful part in the development of our technical work, provide them with regular news, updates and events and make sure we identify and build mutually beneficial relationships with people and organisations who share our vision for the future.

Moving our entire engagement programme online as a result of the pandemic has enabled us to meet with more people than ever before – something which has served to underline the important role that digital connectivity can play as part of an integrated investment approach.

One of our key areas of focus over the last 12 months has been improving links with district and borough authorities, which have responsibility for planning new housing. As

part of this, we hosted a digital conference in October 2020 for local government officers focusing on how we can better integrate the way we plan transport, housing and wider economic development in our region. We used the event to demonstrate our 'Project View' digital data mapping tool, which we hope to roll out later in 2021 and which will support local government planners across the region to understand the impacts of planned development on transport and other key infrastructure.

Our area is home to world-class teaching and research institutes with specialisms in areas relevant to our transport strategy. We've worked closely with university leaders across the South East who have shown a strong appetite for collaboration. Together, we have started to develop opportunities for innovative research which might help us deliver our strategy.

We have also continued to work with the private sector to better understand the role it could play in delivering our strategic investment plan, helping to limit the costs of future investment to the taxpayer and improve the deliverability of our proposals.

Transport for the South East is one of seven sub-national transport bodies in England. We work together on issues which transcend administrative and regional boundaries, including freight, decarbonisation and rural mobility and are exploring opportunities to share best practice and deliver efficiencies in our collective work.

Consultations

Ensuring the South East's collective voice is heard on key issues is one of the many ways we add value to our partners and the people and businesses they represent. We do this by responding to consultations on a range of issues, schemes and policy proposals.

This year, we have provided responses to the following consultations and calls for evidence:

- 'Planning for the Future' White Paper (Ministry of Housing, Communities & Local Government)
- Legalising rental e-scooter trials (DfT)
- Freeports (DfT)
- Future of transport regulatory review (DfT)
- Ending the sale of new petrol, diesel and hybrid cars and vans (DfT)
- Transport Decarbonisation Plan (DfT)
- Future of Transport: Rural strategy (DfT)
- The role that central government has in making a success of devolution in England (Devolution All-Party Parliamentary Group)
- Lower Thames Crossing (Highways England)
- Unblocking the Croydon bottleneck (Network Rail)
- Major transport infrastructure projects: appraisal and delivery (Transport Select Committee)
- Zero-emissions vehicles and road pricing (Transport Select Committee)

We have also responded to a number of consultations from our constituent authorities to inform the development of local transport plans and strategies.

Finance

Transport for the South East is funded by contributions from our constituent authorities and grant funding from the Department for Transport. This mixed approach to funding reflects our commitment to delivering best value for our partners and taxpayers.

Type of authority	Contribution per year	Total
County councils East Sussex, Hampshire, Kent, Surrey, West Sussex	£58,000	£290,000
Unitary authorities Brighton & Hove, Isle of Wight, Medway, Portsmouth, Southampton	£30,000	£150,000
Other partner authorities Berkshire Local Transport Body	£58,000 (shared between member authorities)	£58,000
Total		£498,000

Where our income comes from

Funding from our 16 local transport authorities, which for 2020-21 amounted to just under £500,000, is used to support our operational and staff costs. The approach for calculating contributions was developed with members and reflects the relative sizes of different member authorities. The formula has remained unchanged for the last three years.

Despite entering 2020-21 without a funding settlement in place from the Department for Transport, we were ultimately able to secure £1.225m in grant funding to support the delivery of our technical programme. This level of funding enabled us to accelerate elements of our work, bringing forward the commissioning of additional area and thematic studies.

Our total income for 2020-21 was £2.655m. This included committed funding and carry forward from 2019-20 and reserves.

How we spent our money

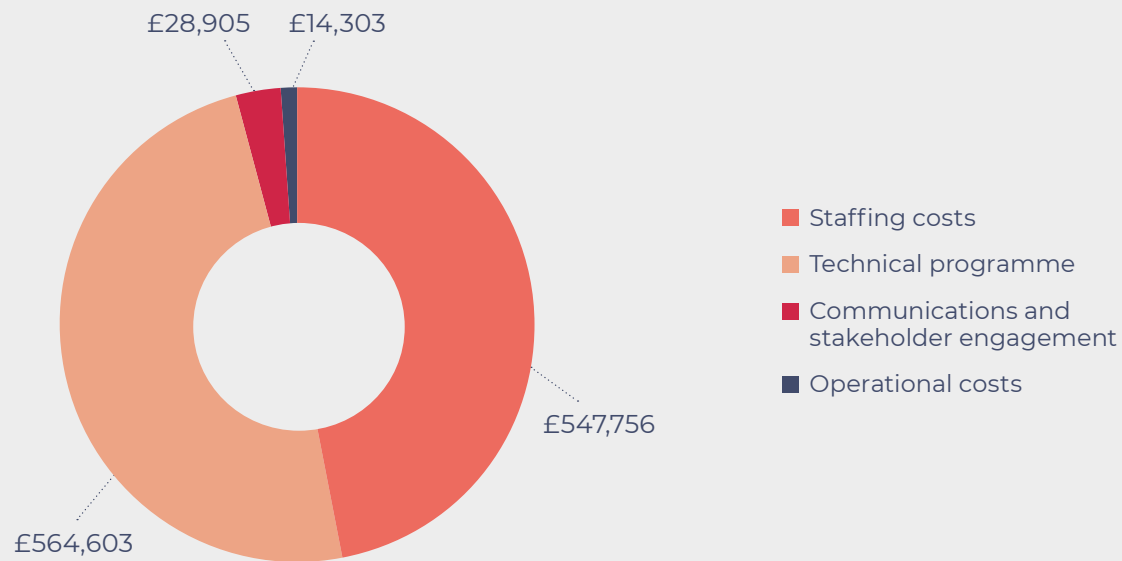


Figure 1: The above expenditure does not include c.£950,000 of expenditure which was committed in 2021-22 to deliver elements of our technical programme which will complete in 2021-22. This will be included in our accounts for 2021-22.

Accountable body

As part of Transport for the South East's establishment in 2017 it was agreed that East Sussex County Council would act as the organisation's accountable body.

During the last four years, Transport for the South East's processes and procedures have followed those of the accountable body. In addition, the Section 151 Officer at East Sussex County Council has financial oversight of Transport for the South East's budget, ensuring effective review of governance over financial decisions.

Our board

The Partnership Board is our principal decision-making forum. It comprises a mix of representatives from the public and private sectors including local authorities, business groups, protected landscapes and national delivery partners.

The board meets four times a year. Meetings are open to the public and the agenda, papers and minutes of each meeting are published on our website.



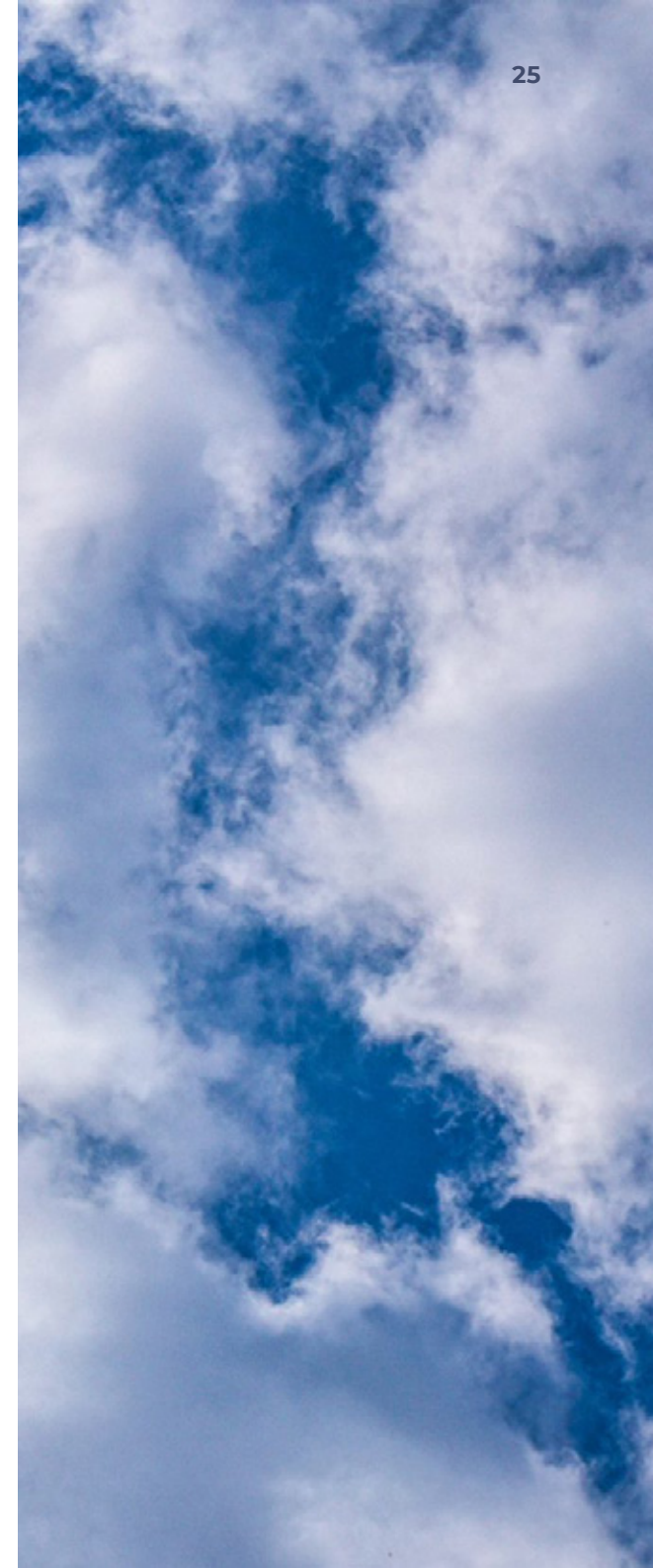
CHAIR – Cllr Keith Glazier

Keith has been leader of East Sussex County Council since 2013 and a councillor since 1997. Employment, business, regeneration and infrastructure have always been among his political priorities and he previously ran his own heating and plumbing business. He also represents East Sussex on the South East Local Enterprise Partnership.



DEPUTY CHAIR – Cllr Tony Page

Tony is deputy leader of Reading Borough Council, where he has been a councillor since 1973, and represents the Berkshire Local Transport Body on our board. He chaired Reading Buses for almost 20 years and has worked on several government and Local Government Association transport policy bodies. He is vice chairman of South East England Councils.



Cllr Michael Payne**Kent County Council**

Cabinet Member for Highways and Transport

Cllr Roger Elkins**West Sussex County Council**

Cabinet Member for Highways and Infrastructure

Cllr Amy Heley**Brighton & Hove City Council**

Chair of the Environment, Transport and Sustainability Committee

Cllr Ian Ward**Isle of Wight Council**

Cabinet Member for Infrastructure and Transport

Cllr Steve Leggett**Southampton City Council**

Cabinet Member for Green City and Place

Cllr Lynne Stagg**Portsmouth City Council**

Cabinet Member for Traffic and Transportation

Cllr Rob Humby**Hampshire County Council**

Deputy Leader

Cllr Colin Kemp**Surrey County Council**

Deputy Leader

Cllr Alan Jarrett**Medway Council**

Leader

Geoff French**Transport Forum**

Independent Chair

Ross McNally**LEP representative**

Enterprise M3 LEP

Martin Harris**LEP representative**

Coast to Capital LEP

Ian Philips**Protected landscapes representative**

Chair, South Downs National Park Authority

Cllr David Monk**District & borough authorities representative**

Leader, Folkestone & Hythe District Council

Cllr Dan Humphreys**District & borough authorities representative**

Leader, Worthing Borough Council

John Halsall**Network Rail (non-voting member)**

Managing Director, Southern Region

Richard Leonard**Highways England (non-voting member)**

Head of Network Development

Alex Williams**Transport for London (non-voting member)**

Director of City Planning

Our team

Transport for the South East has a small secretariat of 9.8 full-time equivalent employees.

This dedicated officer support enables us to deliver the core functions of a sub-national transport body set out by government – principally the delivery of our technical work programme and associated communications and stakeholder engagement activity.

The team works closely with and draws additional support from officers from our constituent authorities and LEPs via officer working groups. This approach to partnership working ensures Transport for the South East provides best value to our partners and taxpayers.

Diversity and inclusion

We have underlined our commitment to diversity and inclusion by signing up to the Chartered Institute for Highways and Transportation (CIHT) Diversity & Inclusion Charter.

The charter has been signed by more than 60 organisations across the public and private sectors and commits us achieving best practice in our approaches to recruitment, retention and career progression.

“A clear and unequivocal commitment to diversity and inclusion will help us to better reflect the communities we serve. It will help us to attract and retain the best talent, work better with our partners and add real value to people and businesses across the South East.”

**Rupert Clubb, lead officer for
Transport for the South East**



Looking ahead

Our work in 2021-22 is focused around four key priorities. Together, we will...

- **Complete our programme of area and thematic studies** – the building blocks of our strategic investment plan.
- **Create our strategic investment plan** setting out a prioritised programme of investment ready for public consultation in spring/summer 2022.
- **Develop a clear and compelling vision for the future role of Transport for the South East** with the tools to deliver the investment set out in our plan.
- **Make the case to government for a multi-year financial settlement** in the upcoming Spending Review, enabling us to plan and deliver our work more efficiently and effectively.



tfse@eastsussex.gov.uk

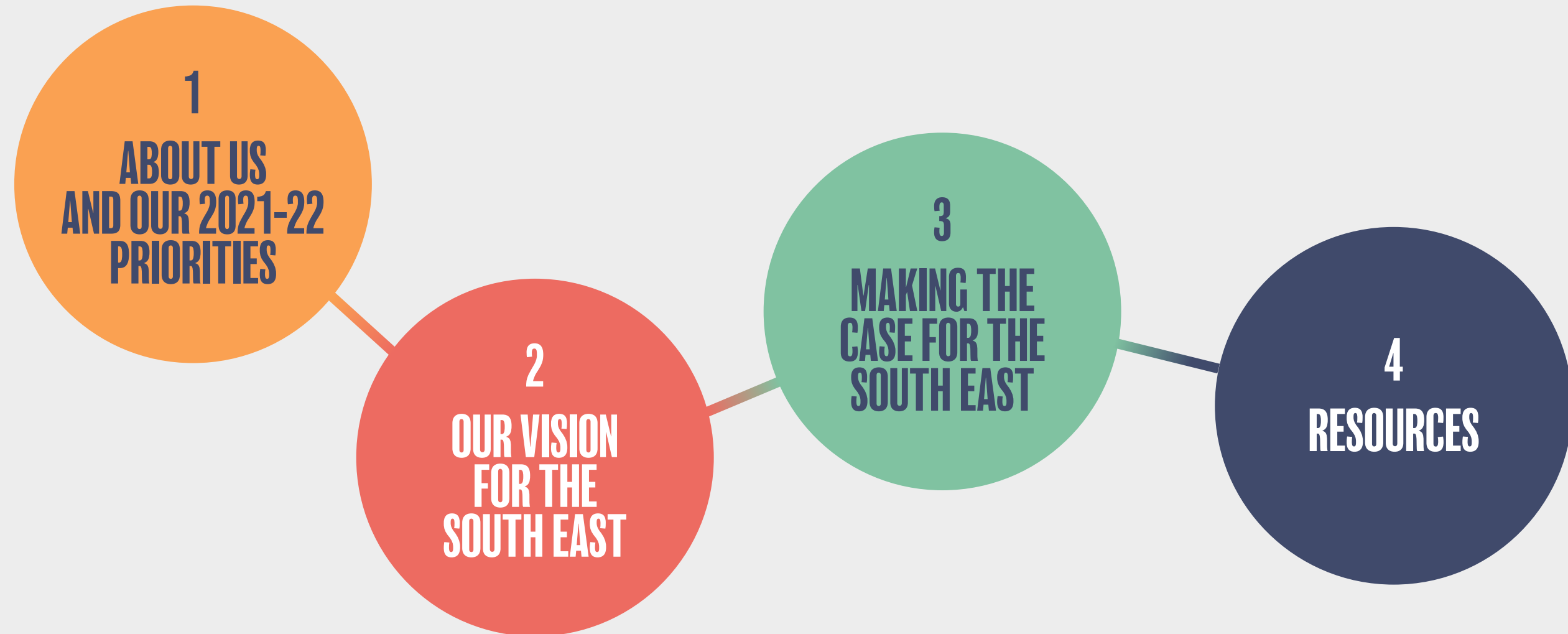
Transport for the South East



THE PATH AHEAD

**BUSINESS
PLAN 2021-22**

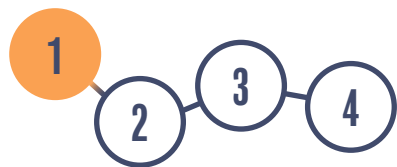
CONTENTS



1

ABOUT US AND OUR 2021-22 PRIORITIES





ABOUT US



Transport for the South East is a unique partnership for our region, bringing together local authorities, local enterprise partnerships, transport providers and other stakeholders to speak with one voice on the South East's strategic transport needs.

Our area – covering Berkshire, Kent, Hampshire, the Isle of Wight, Surrey, East Sussex and West Sussex – is the second most economically productive in the country behind London.

It is home to 7.5 million residents and more than 300,000 businesses and is our nation's key international gateway for people and goods. It boasts world-leading universities and research institutes, diverse towns and cities and stunning coasts and countryside. It is a great place to live, work, study, visit and do business.

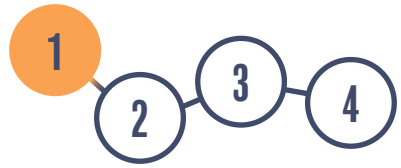
Our focus is on ensuring that the South East is best placed to recover from the effects of Covid-19 so this success story can continue. In the longer term, we want to achieve our shared vision of a better, more prosperous, net-zero carbon South East with a sustainable transport network at its heart.

We don't replicate the work of local transport authorities – we work with them to ensure that the plans we put forward reflect the needs and priorities of the communities they represent.

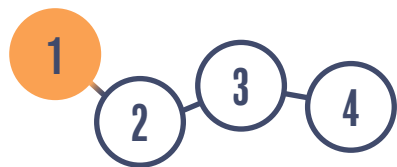
At the heart of Transport for the South East's work programme is our landmark thirty-year transport strategy, published in 2020. It sets out how, with the right investment, we can grow the South East's economy, boost jobs and opportunity, improve quality of life and hit net-zero carbon emissions by 2050 at the latest.

To make that vision a reality, we're now working with partners and stakeholders to develop our strategic investment plan – a blueprint for transformational investment which we want to deliver with partners like Network Rail and Highways England.

Our focus this year is on developing that plan ready for public consultation in summer 2022, and to put in place the financial, legal and political framework to enable us to deliver that investment and transform our region.

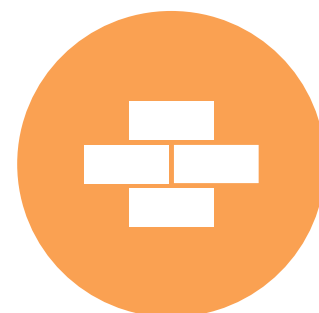


**By speaking with one voice,
our partnership can
influence how, where and
when investment takes
place in the South East's
transport network.**



OUR 2021-22 PRIORITIES

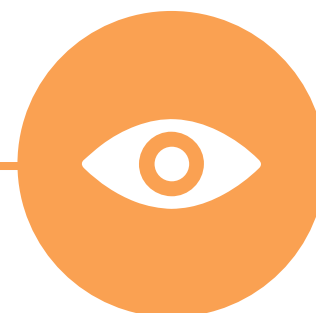
Our work in 2021-22 is focused around four key priorities. Together, we will...



Complete our programme of area and thematic studies which form the principal building blocks of our strategic investment plan.



Develop our strategic investment plan ready for public consultation in summer 2022.



Agree a clear and compelling vision for the future role of Transport for the South East including the tools we need to deliver our investment plan.



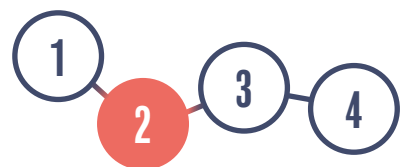
Secure a multi-year financial settlement from government, enabling us to work more efficiently and effectively and deliver best value for our partners and taxpayers.

Alongside these key priorities, we'll continue to work closely with government and partners in the road and rail sectors to support investment in our region and ensure the South East's voice is heard.

2

OUR VISION FOR THE SOUTH EAST





AREA AND THEMATIC STUDIES



To make our vision for the South East a reality, we're working with partners across the region to determine what the South East's priority transport schemes, initiatives and policies should be.

We are doing this through a series of area and thematic studies, led by our team of transport strategy managers. Each study is investigating the issues, challenges and opportunities identified in our transport strategy in more detail and will identify packages of interventions to make life better for people, for businesses and for the environment.

Our five area studies are based around the most important economic corridors in our region. These corridors connect our biggest towns and cities and international gateways and are where the greatest opportunities for sustainable economic growth exist.

We will also this year publish strategies on future mobility and freight, logistics and international gateways.

Together, the outcomes of these pieces of work will form the basis of our strategic investment plan – a blueprint for investment which we want to deliver with government and national bodies like Network Rail and Highways England.



Area studies

Partnership working is central to our approach to these studies, with stakeholder forums for each study bringing together a diverse range of views and voices including from local government, transport operators, environmental groups, active travel campaigners and many more.

The grant funding we received from Department for Transport for 2021-22 will enable us to carry out our final two area studies, looking at radial mobility – i.e. movements along the key transport corridors between the coast and the capital (and beyond) – in the south east and south west quadrants of our geography.



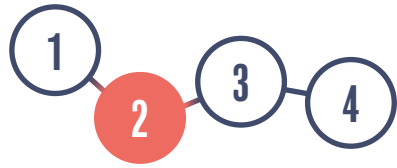
Future mobility strategy

Through an innovative, place-based approach, this work will help local authorities and others in our region make evidence-based decisions about how best to prioritise investment in new and emerging transport technology.



Freight, logistics and international gateways strategy

The South East is the UK's principal international gateway for people and goods. This work will be critical in identifying how we can support the freight sector, deliver local, regional and national economic recovery and drive sustainable growth.



DEVELOPING OUR STRATEGIC INVESTMENT PLAN

Our strategic investment plan is Transport for the South East's blueprint for investment in a better, more sustainable transport network. It's being developed in partnership with stakeholders – and we'll be giving people across the region the opportunity to have their say on the plan.

This year, we will develop our draft strategic investment plan for public consultation. It will set out, for the first time, a comprehensive picture of the investment needed in our region to unlock sustainable economic growth, improve quality of life and deliver our net zero carbon commitment.

The plan won't just set out what needs to happen and why – but also where, when and how the investment will be delivered, and the funding levels needed to make it happen.

It will be built around a series of investment packages focusing on distinct parts of our region. These investment packages will comprise a variety of complementary interventions which, when delivered as a whole, deliver benefits that are more than the sum of their parts.

We'll also set out the role Transport for the South and our partners will play in delivering this investment and the powers and responsibilities we will need to make it happen.

And we won't be relying solely on the taxpayer to deliver our plan. We will set out a range of funding and financing options, including new and innovative ways to harness third party investment.

Have your say

Our plan is being developed in partnership, building on the unparalleled local insight and understanding of stakeholders across the region. But we're not stopping there.

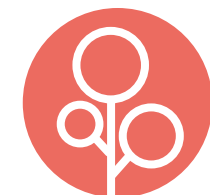
We'll be giving everyone in the South East the chance to have their say on our plan as part of a three-month public consultation in summer 2022, with the final strategic investment plan published in early 2023.



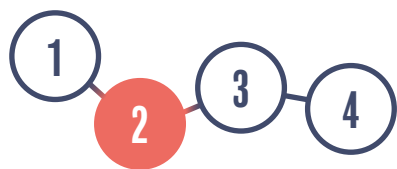
1. Sustainable economic growth



2. Improve quality of life



3. Net zero carbon commitment



A PARTNERSHIP FIT FOR THE FUTURE

Delivering our strategic investment plan and turning our collective vision for the South East into reality will require more than just partnership working. This year, we will agree proposals to ensure a stronger voice for the South East with the powers and capabilities we need to deliver for our region.



In the summer of 2020, Transport for the South East submitted a proposal to become a statutory sub-national transport body (STB) to the Secretary of State for Transport, alongside the submission of our thirty-year transport strategy.

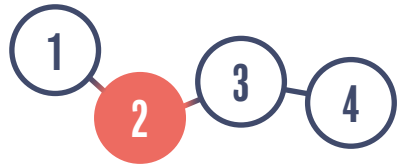
This proposal set out a clear strategic and economic case for a statutory STB for the South East, arguing that statutory status would put our partnership in a stronger position to deliver our transport strategy and realise our vision for a better, more productive and more sustainable South East.

It set out the specific powers and responsibilities our partners wanted to see devolved from the national level, giving Transport for the South East the ability to directly inform and influence government investment decisions – and also to deliver that investment more efficiently and effectively on the ground.

The transport secretary decided not to progress with our request – however, our board and our partners remain clear that getting the right tools from Government will be critical to ensuring the South East receives the strategic transport investment it so desperately needs.

We are working with our partners and our board to develop proposals for the next stage of Transport for the South East's development, focused on supporting the delivery of our strategic investment plan. This will look at issues including, but not limited to:

- **Our organisational structure and governance**
- **Our operational model**
- **Our people and capabilities**
- **The case for statutory status**



SECURING A MULTI-YEAR FUNDING SETTLEMENT

For our partnership to succeed, we need long-term, secure funding. We will make the case to government for a multi-year funding settlement in the upcoming spending review, enabling us to plan and deliver our work more effectively and giving confidence to partners and suppliers.

Transport for the South East operates a mixed funding model. Staff and operational costs are funded by contributions from local transport authorities, while our technical programme relies on grant funding from the Department for Transport.

This approach, coupled with our commitment to partnership working, has enabled our lean and efficient team to deliver against agreed priorities while providing best value to our partners, government and taxpayers.

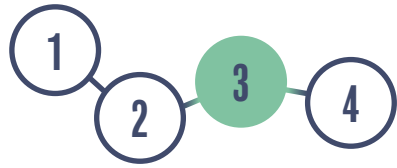
As we move towards the publication of our strategic investment plan and a shift in focus from planning and strategy development to delivery, there is a strong case for a more formalised, multi-year financial commitment to the work of Transport for the South East from government.

The upcoming spending review planned for autumn 2021 provides the opportunity for us to make this case to ministers at DfT and HM Treasury.

3

MAKING THE CASE FOR THE SOUTH EAST





DRIVING SUSTAINABLE INVESTMENT IN OUR ROADS

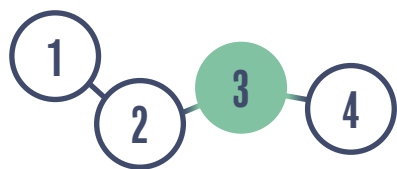
We will continue working with our partners to make the strongest possible case for investment in our road network to support sustainable economic recovery and growth.

That means schemes which unlock new housing and employment opportunities, provide improved walking, cycling and public transport infrastructure, help reduce congestion and improve air quality and make our streets safer for everyone.

Working with the Department for Transport and Highways England, we will support the development and delivery of the RIS2 programme for 2020-25 and help shape the next five-year funding programme to ensure that investment in the Strategic Road Network supports our vision for the South East.

We will also continue to support the progress of regional priority Major Road Network (MRN) and Large Local Major (LLM) schemes, part of a £650m package submitted to government by Transport for the South East.





PLANNING A BETTER RAILWAY

People and businesses in the South East rely on rail more than in any other region outside London. Our focus this year is on working with partners to encourage passengers back onto the network and ensuring a strong voice for our region as part of a reformed industry structure.

The publication of the Williams-Shapps Plan for Rail in May 2021 was the start of a period of significant transformation for the rail industry, moving us decisively away from the franchising system of old and towards a more integrated and passenger focused railway.

It promises to bring together track and train – something Transport for the South East called for in our submission to the Williams Review – and make it easier to integrate rail into a joined-up regional transport system.

This year, we will continue to work closely with Network Rail, train operators, passenger groups and other rail industry partners as we develop our strategic investment plan, ensuring that the needs of infrastructure owners, operators and – above all – passengers are considered as we develop our strategic investment plan.

“The needs of passengers in Basingstoke and Brighton are very different from those in Bradford or Birmingham. It’s vital that the new rail industry structure includes a strong regional voice to shape the decisions that affect people and businesses here in the South East.”

Cllr Keith Glazier
Chair, Transport for the South East

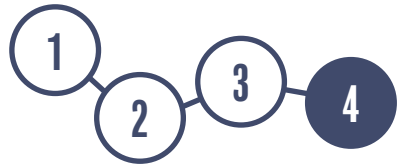
We will continue to support the progression of proposed rail enhancement schemes, including significant capacity and performance improvement schemes centred on East Croydon and Woking and potential connectivity and journey time improvements in coastal Kent and East Sussex via High Speed 1.

And we will work with government and rail industry partners to ensure that the new industry structure proposed for the South East is best placed to deliver for local people and businesses.

4

RESOURCES





Transport for the South East operates a mixed funding model. Operational and staff costs are funded by contributions from local transport authorities, while our technical programme relies on grant funding from the Department for Transport. This approach reflects our commitment to delivering best value for our partners and taxpayers.

Where our income comes from

Funding from our 16 local transport authorities, which for 2021-22 amounts to just under £500,000, is used to support our operational and staff costs. The approach for calculating contributions was developed with members and reflects the relative sizes of different member authorities. The formula has remained unchanged for the last four years.

In addition, we have secured grant funding from the Department for Transport for 2021-22 totalling £1.225m to support the delivery of our technical programme. This will enable us to complete our area and thematic studies and develop our strategic investment plan ready for public consultation while continuing to deliver our programme of communications and stakeholder engagement activities.

Our total income for 2021-22 is £3,223,043. This includes committed funding and carry-forward from 2021 as well as reserves.

Income

Local contributions	£498,000
Department for Transport grant	£1,225,000
Reserves	£462,304
Carry forward	£63,385
Committed funding	£974,354
Total income	£3,223,043

Expenditure

Staffing	£675,000
Technical programme	£2,077,364
Future organisation and role	£30,000
Operational expenses	£35,000
Communications and engagement	£64,500
Reserves	£341,179
Total expenditure	£3,223,043

Our team

Transport for the South East has a small secretariat of 9.8 full-time equivalent employees.

This dedicated officer support enables us to deliver the core functions of a sub-national transport body set out by government – principally the delivery of our technical work programme and associated communications and stakeholder engagement activity.

The team works closely with and draws additional support from officers from our constituent authorities and LEPs via officer working groups. This approach to partnership working ensures Transport for the South East provides best value to our partners and taxpayers.

LOOKING TO THE FUTURE



The last year has presented unprecedented challenges that nobody could have predicted. Across the South East, people and businesses have seen their lives and livelihoods affected by a global pandemic. The way we live, work and travel has changed – irreversibly for some, less so for others.

Our challenge over the next twelve months is to work out how transport investment can respond to these changes to support economic recovery and sustainable growth, not just next year but for the next thirty years.

The strategic investment plan we will publish for consultation next summer is our blueprint for a better connected, more productive, more sustainable, healthier and happier future for our region.

These are challenging times for everyone – for the South East's 7.5m people, for its 300,000 businesses, for our local partners and for government, which faces huge pressure on its ability to fund the investment that we know can make a real difference to people's lives.

That's why it's so important that Transport for the South East continues its journey as a strong and empowered champion for investment in our region, working in partnership locally, regionally and nationally to deliver our shared vision for a better future.

Cllr Keith Glazier

Chair, Transport for the South East

