

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

Date of meeting: **29 January 2024**

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

Title of report: **Financial Update – Quarter 3**

Purpose of report: **To update on the budget position for Transport for the South East**

RECOMMENDATIONS:

The members of the Partnership Board are recommended to:

- (1) Note the current financial position for 2022/23 to the end of December 2023, including the forecasts for end of year spend;**
 - (2) Note that the business plan for 2023/24 has now been submitted to the DfT.**
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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 an update on the financial position for 2023/24 to the end of December 2023 (quarter 3), including forecasts for the projected spend at the end of the financial year.

1.3 The paper also provides an update on the business plan for 2024/25.

2. Quarter 3 – Budget Update

2.1 Appendix 1 sets out the spend position to the end of December 2023 against the revised agreed budget for 2023/24.

2.2 The main elements of expenditure to date relate to delivering the technical programme, including delivery of the Strategic Investment Plan, developing the analytical framework, thematic studies and staffing costs. Expenditure to date is just under £1.5m with just over £700k on the technical programme.

2.3 Staffing costs are as expected following the successful recruitment of the full complement of staff.

2.4 Spend on the technical work programme had been slower than anticipated but is significantly increasing now that the technical call off contract is in place and technical work is being commissioned. The current forecast highlights that just over £1.8m is likely to be spent on the technical programme by the end of March 2024. The forecast will be reviewed monthly as the financial year end approaches and reported to the Board at the May 2024 meeting.

2.5 The budget also makes provision for operational costs and communications and engagement activities, including events, website development and stakeholder management tools. Spend to date on these budget lines is just over £50k, with just under £100k underspend anticipated from communications and governance budget lines. This is due to a decision not to produce any significant quantities of printed documents, and less requirement than anticipated for expert legal advice relating to TfSE governance.

2.6 At present, there is £700k of technical programme spend that is expected to be carried forward to 2024/25. This is a significant reduction on previous years carry forward (£2m), aided by having indicative funding allocations for future years which has enabled better planning of resources, although not receiving final funding confirmation until July 2023 has still meant some workstreams started later than anticipated and as a result will not fully complete within this financial year. £226k of the carry forward is already committed for workstreams that are underway but span across into next financial year. The remaining technical programme carry forward (£475k) has been ringfenced for specific activities in the budget plan for next financial year, whilst the £100k carry forward from the operational and communications budgets has been allocated in the development of the 2023/24 budget reported to the Board in December 2023.

3. Grant funding bid for 2024/25

3.1 The DfT provided a multi-year indicative funding allocation in March 2022. This was intended to be used for business planning purposes and the department have confirmed that STBs should use this as the basis for business planning for 2024/25.

3.2 The indicative allocation for TfSE is £2.24m, and this figure together with the forecast carry forward described above have been used to develop the business plan for 2024/25.

3.3 At an extraordinary meeting on 18 December 2023, the Partnership Board approved the TfSE Business Plan for 2024/25 and this has now been submitted to the DfT.

4. Conclusions and recommendations

4.1 The Partnership Board are recommended note the financial position to the end of December 2023/24 and the end of year forecast.

4.2 The Partnership Board are also recommended to note that following their approval at the extraordinary meeting on 18 December 2023 the TfSE Business Plan for 2024/25 has been submitted to the DfT.

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Appendix 1 – TfSE budget position at Q3 2023/24

Q3 Budget Monitoring - 2023/24

	Budget	Q3 Actual YTD	Forecast	Carry forward	
EXPENDITURE					
Salaries (including on-costs)	1,110,000	727,863	1,110,000		
Training	7,000	5,231	7,000		
STAFFING	1,117,000	733,094	1,117,000	0	
Transport Strategy	300,000	60,475	280,779	19,221	*
SIP implementation	350,000	71,118	311,697	38,303	
Analytical framework	323,700	141,382	322,500	1,200	
Future mobility	168,455	18,455	28,455	140,000	
Active travel	100,000	25,800	51,000	49,000	
Decarbonisation	207,000	107,000	139,997	67,003	
Freight	162,832	40,893	129,716	33,116	*
Bus Back Better	143,336	99,277	95,343	47,993	
Electric Vehicle Infrastructure	150,000	28,990	85,773	64,227	
Project View and PV2	50,000	970	46,155	3,845	
Centre of Excellence	450,000	45,260	275,805	174,195	*
Other costs/technical support	68,000	8,626	8,000	60,000	
C/F for committed workstreams	63,000	55,410	59,340	3,660	
TECHNICAL PROGRAMME	2,536,323	703,656	1,834,560	701,763	**
Events	40,000	23,676	40,000	0	
Communications	50,000	2,506	20,000	30,000	
Publications	30,000	0	0	30,000	
Website	15,000	492	15,000	0	
Stakeholder Database	7,000	918	7,000	0	
Media Subscriptions	2,500	1,075	2,500	0	
COMMUNICATIONS/ENGAGEMENT	144,500	28,667	84,500	60,000	
TfSE Governance	45,000	0	10,000	35,000	
Operational Expenses	50,000	23,602	50,000	0	
OTHER	95,000	23,602	60,000	35,000	
TOTAL EXPENDITURE	3,892,823	1,489,019	3,096,060	796,763	
FUNDING					
Local Contributions	498,000	497,997	498,000		
DfT Grant	1,725,000	1,725,000	1,725,000		
Carry Forward	2,076,553	2,076,553	2,076,553		
TOTAL FUNDING	4,299,553	4,299,550	4,299,553		
CARRY FORWARD					
TfSE Reserve	406,730				

Notes

* indicates committed carry forward

** £226,532 of carry forward is already committed for workstreams that span into next financial year.

