

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

Date of meeting: **29 January 2024**

By: **Chair of the Audit and Governance Committee**

Title of report: **Audit and Governance Committee Update**

Purpose of report: **To provide an update on the Audit and Governance Committee**

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**RECOMMENDATIONS:**

- (1) The members of the Partnership Board are recommended to note the discussions and actions arising at the meeting of the Audit and Governance Committee;**
- (2) Members are also asked to agree the Strategic Risk Register.**

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**1. Overview**

1.1 As previously agreed by the Board, Transport for the South East (TfSE) has established an Audit and Governance Committee. This recognises the increasing responsibilities that TfSE holds for fiscal management of government grant funding.

1.2 The Committee recently met on Thursday 11 January 2024. This report provides a summary of the discussions and actions to take forward.

**2. Audit and Governance Committee**

2.1 At the Thursday 11 January 2024 meeting, the Audit and Governance Committee reviewed value for money reports prepared by officers following actions from the previous meeting. Two reports were considered: one setting out the procurement process TfSE follows and the second how TfSE delivers value for partners. The reports were welcomed, with the Committee requesting that further work be included within the value for partners document, including a fiscal assessment on the financial savings TfSE helps Local Authorities to make and the outputs TfSE and Local Authorities aim to deliver. In addition, the Committee asked officers to use the Business Plan to focus on where TfSE adds value and use the Annual Report to measure how much investment there is in the south east, compared to other parts of the country. Officers will develop the value for money document and report to the Committee at their next meeting on 9 April 2024 with a view to this being presented to the Board at the 13 May meeting.

2.2 The Committee also reviewed a report detailing the impact of inflation on projects and how this is impacting Local Authorities. The Committee noted that the report gave a good overview and asked for further information to be included on contractor/supply chain availability, market confidence, value for money on scheme investments and opportunities for avoiding duplication for Local Authorities. The

report will be further developed and shared with the Committee at their next meeting on 9 April 2024.

2.3 The Committee reviewed the outline to the Annual Report 23/24, agreeing its structure. The Committee also agreed that the Annual Report 23/24 will be presented to the Board as a standalone item at the 13 May 2024 meeting.

2.4 The Committee reviewed the finance position to the end of Q3, they also noted the draft budget for 24/25 which was established as part of the Business Plan submitted to the DfT at the end of December 2023.

2.5 The Committee heard the progress of the Transport Forum, noting that the first digital engagement will be recorded in February, the Advisory Panel is being established and the first face to face meeting will take place Thursday 11 April 2023. Committee members are invited to attend.

### **3. Strategic Risk Register**

3.1 The Committee reviewed the Strategic Risk Register which has been maintained by TfSE since its inception in 2017. The risk register is used for quarterly reporting purposes to the Department for Transport (DfT) and for internal management processes.

3.2 It was agreed in the terms of reference for the Audit and Governance Committee that they should have oversight and that the Partnership Board should consider the risk register on a bi-annual basis.

3.3 The risk register is focused on strategic risks facing the organisation and includes some high-level risks.

3.4 The risk register is updated on a quarterly basis and has been reviewed by the Committee and is attached as Appendix 1.

3.5 The risk register contains four risks that have a high probability and impact after mitigation activity. Nine risks remain medium probability and impact after mitigation. The mitigation measures for these are reviewed regularly.

### **4. Conclusions and Recommendations**

4.1 The Partnership Board are recommended to note the discussions at the meeting of the Audit and Governance Committee.

4.2 Members are also asked to agree the Strategic Risk Register.

**Councillor Joy Dennis**  
**Chair**  
**Audit and Governance Committee**  
**Transport for the South East**

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# Risk Register

## Programme Overview

### January 2024



#	Risk Description	Score if no action taken (1-4)		Lxl =	Mitigating action	Score post action (1-4)			Owner	Review date	Escalation route
		Likelihood	Impact	Risk score		Likelihood	Impact	Risk score			
2	Government policy around STBs is uncertain, particularly in light of national changes.	2	4	8	Continue to monitor developments. Work with other STBs to produce a strategy for potential national changes.	1	4	4	All	Ongoing	SOG
3	Local MPs do not support TfSE and its strategy.	2	4	8	Regular MP briefings to be scheduled. Members of Partnership Board to undertake engagement activities on regular basis.	2	3	6	DB	Ongoing	PB
4	Maintaining the TfSE partnership without statutory status.	3	3	9	Ongoing engagement with Leaders. Secure indicative funding for future years to demonstrate DfT commitment to TfSE.	2	3	6	RC	Ongoing	PB
6	Wider stakeholders do not recognise value of TfSE.	2	3	6	Use appropriate stakeholder forums as a route to engage stakeholders. Communications Strategy to be implemented.	1	2	2	DB/JMS	Ongoing	SOG
8	Reduced funding in 2024/25 may impact on work programme as set out in Business Plan.	4	4	16	Adjust work programme to reflect revised grant allocation. Business Plan for 24/25 has included examples of what TfSE can deliver with less / more funding received with our grant.	2	3	6	All	Ongoing	PB
9	Focus on levelling up directs investment away from the South East. Grouping of London & SE not an accurate representation.	4	4	16	Continue to make the case for investment in the South East. We will monitor distribution of project funding across STB regions	4	3	12	SOG/ Secretariat	Ongoing	PB
10	Levelling Up & Regeneration bill received royal ascent in October 2023. Provisions of Act may have implications for TfSE's activities	2	4	8	Briefing to be prepared on potential impact impact TfSE activities and any actions required.	2	3	6	RC	Ongoing	PB

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		Likelihood	Impact	Risk score		Likelihood	Impact	Risk score			
11	Retaining staff in TfSE and plans to replace staff if the need arises.	2	2	4	Ensure succession planning is in place. Regular supervisions with staff, opportunities for further development and training. Advertising roles in key publications. Making roles region-wide and flexible approach to working. Using recruitment consultants as and when appropriate.	2	1	2	SV / MV & KW	Winter 2024	PB
12	Procurement unable to respond to adhoc needs from TfSE	1	3	3	Develop forward plan with procurement for future work. Majority of work will go through the technical call off contract.	1	2	2	Secretariat	Ongoing	PB
13	Constituent authorities do not support the SIP delivery plan.	2	4	8	Continued engagement with SIP delivery partners.	1	4	4	SV	Mar-24	SOG
14	Additional work is identified that has not been accounted for in the budget.	4	2	8	Prioritisation process to be put in place. Small contingency allocated in budget.	2	2	4	MV / SV & KW	Mar-24	TSWG
15	Challenge to infrastructure investment proposals from stakeholders.	3	4	12	Robust evidence and processes to demonstrate approach. Exploring how to unlock private investment through our Funding & Finance Working group	2	4	10	SV/JMS/ KW	Mar-24	SOG
16	Frequent changes in government policies and priorities in the run up to a general election lead to uncertainty in long-term transport planning and infrastructure investment for the South East region. This results in suboptimal outcomes, wasted resources, and inability to meet strategic goals.	4	4	16	Maintain open and regular communication with DfT to get early insight into emerging policies and priorities. Develop scenario plans for policies and priorities. Discussions with senior officers through Senior Officers Group for appropriate actions	4	3	12	RC	Oct-24	SOG
17	Local Contributions are not secured from constituent authorities for 2024 onwards.	3	3	9	Early agreement at Partnership Board. SOG members advised to work into operational budgets. Certainty from DfT re: ongoing grant. Business Plan 24/25 submitted Dec 2023 Officers are completing some work on value for money, demonstrating how TfSE delivers value for partners.	2	3	6	KW / Secretariat	Apr-24	SOG / PB

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		Likelihood	Impact	Risk score		Likelihood	Impact	Risk score			
18	Managing the 24/25 Budget to ensure the DfT grant and carry forward from 23/24 is fully spent	3	3	9	Effective budget monitoring on a monthly basis and demonstrate TfSE's performance to DfT through regular review meetings and annual report.	2	3	6	KW	Ongoing	SOG / PB
19	Transport Forum members engagement with the new proposal	2	3	6	Members will receive their first digital engagement in February. The first face to face meeting will take place April 2024. Advisory Panel pulling together the thematic groups will meet quarterly throughout the year in advance of Board meetings. Engagement Manager will ensure feedback is captured and monitored	2	2	4	JL & JMS	Ongoing	PB
20	TfSE members are not prepared to be scheme promoters to larger schemes with large risks. This could lead to failing to deliver the TfSE transport strategy.	4	4	16	Report on the impact of inflation on schemes, we will use the report to continue discussions with DfT and advocate for a resolution. Officers will explore private sector funding for schemes through the funding and finance meetings. Centre of Excellence work will support early scheme development. Continue development of the common analytical framework with other STRs	4	3	12	RC	Ongoing	PB
21	The dissolution of Local Enterprise Partnerships (LEPs) in March 2023 leaves a gap in business representation within the Transport for the South East governance structure.	3	3	9	Identify alternative options for business representation on the Partnership Board. Lead Officer to prepare a report for the Partnership Board with possible options.	1	1	2	RC	Jul-24	PB

# Annual report – 2023-24

## 1. Chair's welcome

- The Chair's reflection on the year we've faced and the importance of Transport for the South-East going forward.

## 2. Lead Officer's foreword

- The Lead Officer's reflections on the achievements of Transport for the South East and how we are developing and maturing as an organisation to grow our impact.

## 3. About Transport for the South East

- A brief summary of Transport for the South East's structure, our membership, and our funding.

## 4. Year in review

- A timeline of Transport for the South-East's most significant achievements over the previous year.

## 5. State of the south east

- An informative update on the state of the region, with statistics on economic changes, and information about investment decisions that have been announced.

## 6. Delivering our Strategic Investment Plan

- An update on our delivery action plan, schemes which are in development, and progress on the analytical framework and other tools.

## 7. Developing our Transport Strategy

- An update on our Transport Strategy Refresh and its next steps.

## 8. Supporting Local Authority Partners

- An update on our Regional Centre of Excellence and the other support we have provided to Local Authorities.

## 9. Strengthening our relationships

- An update on how we've strengthened our communications and engagement work, and built deeper relationships with other STBs and delivery bodies.

## 10. Consultation responses

- An update on how we've responded to government and parliamentary consultations in the previous year.

## 11. Finances

- A high-level update on our income and expenditure, with more detailed accounts attached in the appendix.

## 12. Our governance

- An update on our Partnership Board and our other governance structures, including our Advisory Panel, Thematic Groups and Forum.

## 13. Our team

- An update on our team and how we are developing as an organisation to deliver more value for partners.

## Appendix 1 – Financial Accounts