

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

Date of meeting: **22 July 2024**

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

Title of report: **Financial Update**

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

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***RECOMMENDATIONS:***

**The members of the Partnership Board are recommended to:**

- (1) Agree the final budget for 2024/25, including budget adjustments to the three identified workstreams, following the DfT grant settlement.**
- (2) Note the financial update to the end of June 2024.**

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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) for 2024/25, following Department for Transport (DfT) funding. This report also provides an update on the financial position to the end of June 2024.

**2. Agree the final budget for 2024/25**

2.1 Members of the Partnership Board agreed the 2024/25 Business Plan at their extraordinary meeting in December 2023. This plan was based on the financial planning assumptions set out in a letter from the then Transport Minister, Baroness Vere.

2.2 Members agreed to receive a final draft budget at the May 2024 Board Meeting. Both the Business Plan and the final draft budget were based on an assumed DfT grant allocation of £2.24m for 2024/25. At this time, we had not received our funding allocation and the Board agreed the draft budget and noted if the grant award differed from the planning assumptions that the Audit and Governance Committee should consider the revised budget.

2.3 In addition, the approval of the budget cannot be delegated and subject to the consideration by Audit and Governance Committee the Board are asked to consider and agree the changes and the subsequent revised budget.

2.4 DfT have now signed off our Business Plan for 2024/25 and commended the work TfSE has done in helping to progress the delivery of a number of Government objectives for the South East. In this letter, they awarded us a grant allocation of £2.065m. This was a £340k increase on our 2023/24 budget, and the largest increase given to any Sub-National Transport Body.

2.5 However, this funding allocation was £175k less than we had profiled for in the draft budget that Members signed off in May 2024/25. As a result of this, we need to make £175k of reductions in our final budget, as set out in Appendix 1.

2.6 It is recommended to adjust the budget allocation for three workstreams detailed below:

- SIP implementation - £50k – this will result in one less scheme being able to be supported with scheme development funding
- Freight - £65k – the timescale for the freight awareness work will have to be extended
- Electric Vehicle Infrastructure - £60k - further development of the EVCI Locate tool will not now proceed.

2.7 This balanced approach means that all these workstreams can still be progressed. It also means that we can protect the budgets for three areas of work that DfT asked us to focus on, in the letter that they sent us awarding funding:

- Maintaining the Transport strategy.
- Provide Government with advice on prioritising investment.
- Developing the Centre of Excellence to provide tailored support to Local Transport Authorities in the region.

2.8 The final budget includes reductions previously made in the communications and engagement budget, which was already reduced on 2023/24's budget. This remains an important workstream following the General Election. The final budget also maintains reserves of just over £406k to ensure that TfSE is in a position to meet its liabilities in 2024/25.

### **3. Financial update to the end of June 2024**

3.1 Appendix 2 sets out the spend position to the end of June 2024 against the Final Budget for 2024/25.

3.2 Spend on staffing costs, technical programme and communications and engagement were as expected in April, May, and June.

3.3 In the absence of a DfT funding decision, we would have had to slow down work on our technical programme from July. However, as we have now received the DfT grant allocation, we are able to continue all our work at pace.

## **4 Conclusions and Recommendations**

4.1 The Partnership Board are recommended to agree the final budget for 2024/25 and note the financial position at the end of June.

**RUPERT CLUBB**

**Chief Officer**

**Transport for the South East**

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## Appendix 1 – Final TfSE Budget for 2024/25

	Final Budget	Change on Draft Budget – Agreed May 2024
<b>EXPENDITURE</b>		
Salaries (including on-costs)	1,300,000	▶ No change
Training	20,000	▶ No change
<b>STAFFING</b>	<b>1,320,000</b>	<b>▶ No change</b>
Transport Strategy	500,000	▶ No change
SIP implementation	615,000	▼ 50,000
Analytical framework	395,000	▶ No change
Future mobility	40,000	▶ No change
Active travel	56,000	▶ No change
Decarbonisation	55,000	▶ No change
Freight	185,000	▼ 65,000
Electric Vehicle Infrastructure	130,000	▼ 60,000
Centre of Excellence	260,000	▶ No change
Other costs/technical support	200,000	▶ No change
<b>TECHNICAL PROGRAMME</b>	<b>2,436,000</b>	<b>▼ 175,000</b>
Events	41,000	▶ No change
Communications*	17,500	▶ No change
Publications	5,000	▶ No change
Website	21,000	▶ No change
Stakeholder Database	18,000	▶ No change
<b>COMMUNICATIONS/ENGAGEMENT</b>	<b>102,500</b>	<b>▶ No change</b>
TfSE Governance	10,000	▶ No change
Operational Expenses	52,110	▶ No change
<b>OTHER</b>	<b>62,110</b>	<b>▶ No change</b>
<b>TOTAL EXPENDITURE</b>	<b>3,920,610</b>	<b>▼ 175,000</b>
<b>FUNDING</b>		
Local Contributions	440,000	▶ No change
DfT Grant	2,065,000	▼ 175,000
Carry Forward	1,357,610	▶ No change
<b>TOTAL FUNDING</b>	<b>3,862,610</b>	<b>▼ 175,000</b>

### CARRY FORWARD

**TfSE Reserve** **406,730**

\* This budget line combines Communications, which was allocated 15,000 and Media Subscriptions, which was allocated 2,500 in the Final Draft Budget that was agreed in May.

## Appendix 2 – TfSE budget position at end June 2024/25

	Budget	Actual YTD Spend – End June 2024
<b>EXPENDITURE</b>		
Salaries (including on-costs)	1,300,000	180,231
Training	20,000	625
<b>STAFFING</b>	<b>1,320,000</b>	<b>271,166</b>
Transport Strategy	500,000	51,664
SIP implementation	615,000	17,745
Analytical framework	395,000	17,063
Future mobility	40,000	0
Active travel	56,000	18,988
Decarbonisation	55,000	0
Freight	185,000	19,765
Electric Vehicle Infrastructure	130,000	35,928
Centre of Excellence	260,000	55,584
Other costs/technical support	200,000	32,344
<b>TECHNICAL PROGRAMME</b>	<b>2,436,000</b>	<b>249,081</b>
Events	41,000	4,552
Communications	17,500	178
Publications	5,000	250
Website	21,000	3,301
Stakeholder Database	18,000	0
<b>COMMUNICATIONS/ENGAGEMENT</b>	<b>102,500</b>	<b>8,281</b>
TfSE Governance	10,000	0
Operational Expenses	52,110	4,392
<b>OTHER</b>	<b>62,110</b>	<b>4,392</b>
<b>TOTAL EXPENDITURE</b>	<b>3,920,610</b>	<b>532,919</b>

### FUNDING

Local Contributions	440,000
DfT Grant	2,065,000
Carry Forward	1,357,610
<b>TOTAL FUNDING</b>	<b>3,862,610</b>

### CARRY FORWARD

TfSE Reserve	406,730
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