

Report to: Partnership Board –Transport for the South East

Date of meeting: 28 October 2024

By: Chief Officer, Transport for the South East

Title of report: Financial Update

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

RECOMMENDATION:

The members of the Partnership Board are recommended to note the current financial position for 2024/25 to the end of September 2024.

1. Overview

1.1 The purpose of this report is to update the Partnership Board on Transport for the South East's (TfSE) financial position for 2024/25 to the end of September 2024.

2. Financial Position to the end of September

2.1 **Appendix 1** sets out the spend position to the end of September 2024 (end of Quarter 2) against the final Business Plan for 2024/25 that the Board signed off in July.

2.2 As forecasted in the final Business Plan, we plan to spend our full budget, apart from our earmarked reserve, on delivering our technical programme this Financial Year. In doing so, we aim to reduce our carry forward for the next Financial Year to as low as possible.

2.3 Spend against each budget line does not track equitably across the Financial Year. As invoices are paid on completion of work, spend on the technical programme and communications and engagement will increase in the second half of the Financial Year.

3. Technical Programme Spend

3.1 Our technical programme spend is slightly behind schedule. We expect spend to pick up substantially in Quarters 3 and 4, as technical work is completed. An update on spend against budget lines is provided below.

3.2 Transport Strategy – As set out in the report on the refresh of the transport strategy work is progressing well with the draft strategy due to be agreed at a special meeting of

the Partnership Board on the 9 December. This will be following by a three month public consultation exercise which will finish in early March. Work will then commence on a consultation report which will identify any changes needed to the draft strategy.

3.3 SIP Implementation – Following approval of the seven new Scheme Development schemes supported this year, work is now well underway to ensure appropriate legal agreements are in place with the benefitting authorities, and to finalise the scope and commission the support work.

3.4 Analytical Framework – The first phase of the South East Highways Assignment Model (SEHAM) development has been commissioned and work is underway. The regional travel survey for the TfSE area has been commissioned, with fieldwork planned for late autumn/early winter 2024. Options are currently being investigated for filling the various data gaps that have been identified, with a view to procuring the preferred solution in late 2024/early 2025.

3.5 Future Mobility – As set out in previous Board Paper we are unable to take forward the work on the Mode Propensity Tool due to the lack of robust data on travel patterns. The budget that was available for this work (£40K) has therefore been used to help pay for the Regional Travel Survey as this will provide the robust data that will be needed to build the tool.

3.6 Active Travel and Decarbonisation – Spend against these budget lines is on track, and work is being delivered, in line with the Business Plan.

3.7 Freight – As set out in the Technical Programme Progress report, work is in progress on the studies into the level of warehousing provision in the TfSE area and the potential to transfer freight traffic from road to short sea shipping. Work has now commenced on the development of a freight awareness programme for local transport authorities and also a study of the potential demand for increased intermodal transfer of freight between road and rail networks across the TfSE area.

3.8 Electric Vehicle Infrastructure – As set out in the Technical Programme Progress report, work is nearing completion on the study to produce forecasts of the demand for publicly available charging infrastructure resulting from the electrification of vehicle fleets. A follow-on study looking to identify the opportunity to establish commercially viable charging infrastructure to service the needs of vehicle fleets is due to commence in November 2024 for completion by March 2025.

3.9 Centre of Excellence – Spend on the Centre of Excellence is ahead of schedule, as the majority of the budget went to developing the Centre of Excellence platform, which was completed in June 2024.

3.10 Other Costs/Technical Support – Spend on this budget line is progressing as planned.

4. Other Spend

4.1 Salaries and training – Salaries spend is on track. Our budget covers us for potential in-year cost increases, such as increases to pension costs, or employer national insurance. Spend on training is behind schedule, so we will work with staff to ensure this offer is being correctly utilised.

4.2 Events – Spend on events is behind schedule. This is because we did not host our annual Connecting the South East Event in 2024. If we book a Connecting the South East in for 2025, this will increase spend. Our move to in-person Partnership Board meetings will also increase spend.

4.3 Communications – Spend on communications has been low, as we halted communications activity in the pre-election period. We expect spend to pick up significantly, as we implement our Communications Plan for the upcoming Transport Strategy Consultation.

4.4 Publications – Spend on publications has also been low but we expect this to increase to support work on the Transport Strategy Consultation.

4.5 Website – Spend on the website is as expected. We are currently refreshing our website, which should spend the entirety of this budget.

4.6 Stakeholder Database – Spend is as expected. We are billed for our stakeholder database in January each year.

4.7 Governance – Although we have not incurred any spend at this point, we may wish to spend this funding on supporting the Next Steps for TfSE work, depending on what happens with this.

4.8 Operational Expenses – Operational Expenses is behind schedule. This was also impacted by the pre-election period, which cancelled several in-person events and meetings. We expect this to pick up as activity increases in Quarters 3 and 4.

5. End of Year Forecast

5.1 The current forecast outturn to the year end is £3,925,607, against the budget of £3,925,607. Members will wish to note the carry forward for 2025/26 is currently forecast to outturn at £0.

5.2 We will continue to review spend against each budget line, to make sure our forecasts are correct. We will review each budget line and provide Members with an update following Quarter 3 at the January Board meeting. If we forecast an underspend against any budget line, we will bring a recommendation to the January Partnership Board, to suggest where this spend should be reallocated.

6. This year's Carry Forward

6.1 In the Finance Update for the July Partnership Board, we reported that our technical programme carry forward from 2023/24 was £1,357,610. The final figure was £1,362,607, as our final spend in 2023/24 was £4,997 less than projected. This additional carry forward of £4,997 has been reflected in this year's budget for other costs/technical support in Appendix 1.

7. Audit and Governance Committee

7.1 We were unable to present a full breakdown of spend against each budget line for the Audit and Governance Committee, due to issues with reconciliation. This has been addressed, and the figures are provided in full for this paper.

8. Conclusions and recommendations

8.1 The Partnership Board is recommended to note the financial position to the end of September 2024.

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Transport for the South East

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Appendix 1 – TfSE budget position at end of September 2024/25

	Budget	Actual YTD Spend	Forecast Spend
EXPENDITURE			
Salaries (including on-costs)	1,300,000	524,243	1,300,000
Training	20,000	875	20,000
STAFFING	1,320,000	525,118	1,320,000
Transport Strategy	500,000	197,398	500,000
SIP implementation	615,000	46,837	615,000
Analytical framework	395,000	28,978	395,000
Future mobility	40,000	0	40,000
Active travel	56,000	26,938	56,000
Decarbonisation	55,000	15,000	55,000
Freight	185,000	30,350	185,000
Electric Vehicle Infrastructure	130,000	50,082	130,000
Centre of Excellence	260,000	177,350	260,000
Other costs/technical support	204,997	90,951	204,997
TECHNICAL PROGRAMME	2,440,997	663,884	2,440,997
Events	41,000	15,406	41,000
Communications	17,500	504	17,500
Publications	5,000	250	5,000
Website	21,000	7,036	21,000
Stakeholder Database	18,000	0	18,000
COMMUNICATIONS/ENGAGEMENT	102,500	23,196	102,500
TfSE Governance	10,000	0	10,000
Operational Expenses	52,110	10,353	52,110
OTHER	62,110	10,353	62,110
TOTAL EXPENDITURE	3,925,607	1,222,551	3,925,607

FUNDING

Local Contributions	498,000
DfT Grant	2,065,000
Carry Forward	1,362,607
TOTAL FUNDING EXCLUDING RESERVE	3,925,607

TfSE Reserve	406,730
TOTAL FUNDING INCLUDING RESERVE	4,332,337