

Report to: Partnership Board –Transport for the South East

Date of meeting: 17 March 2025

By: Chief Officer, Transport for the South East

Title of report: Scheme Development Support 2025-26

Purpose of report: To agree the schemes that will receive scheme development support funding in 2025-26

RECOMMENDATIONS:

The members of the Partnership Board are recommended to:

- 1) Comment on the progress and approach to Local Authority Scheme Development work; and
 - 2) Agree which schemes are to receive development support in 2025-26 (as set out in Table 1).
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1. Introduction

1.1 This report sets out Transport for the South East's (TfSE) proposals for allocating scheme development funding in the financial year 2025-26 to support the delivery of schemes within the Strategic Investment Plan (SIP).

2. Background

2.1 Over the past two financial years, the TfSE budget has included an allocation to support early-stage scheme development work. This workstream supports our local transport authorities (LTA) and other delivery partners to progress scheme development through either a feasibility study or Strategic Outline Business Case (SOBC) stage in circumstances where they are unable to fund or resource the work themselves.

2.2 The TfSE budget for 2025/26 includes a funding allocation for further scheme development work. The level of funding that has been allocated is £150,000. The amount of funding available in 2025/26 is less than in previous years, which means we will be able to support fewer schemes.

3. Approach to identifying schemes

3.1 The criteria for assessing a scheme's eligibility remained unchanged from previous years. These criteria are:

- The scheme is named in the SIP.
- Funding is for a feasibility study or SOBC.
- Maximum funding allocation of £100,000.

3.2 Following feedback from both the Partnership Board and our local transport authorities and reflecting that the amount of funding available is reduced for 2025/26, the approach to identifying which specific schemes should receive the funding has been different to that used previously. However, we have maintained a collaborative, light touch approach, working with constituent authorities through Transport Strategy Working Group (TSWG) and Senior Officer Group (SOG).

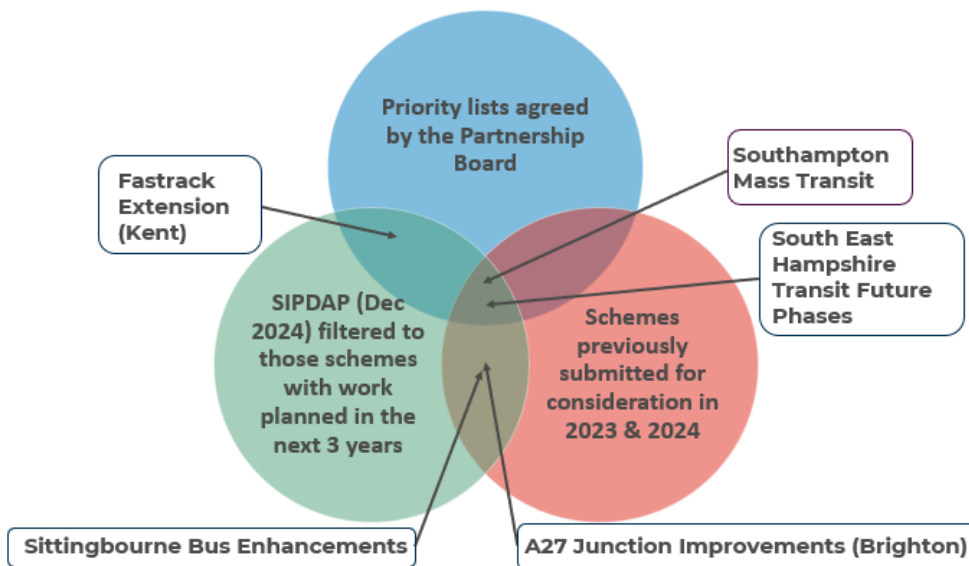
3.3 At their meeting in October 2024, the Partnership Board agreed four lists of short-term priority schemes for the TFSE area that were subsequently submitted to the DfT. Additionally, through the Strategic Investment Plan Delivery Action Plan (SIP DAP) updates, we have gained a good understanding of which schemes are due to progress in the next three years. Discussions at TSWG and SOG indicated support for an approach where the limited funding available should be directed towards those schemes that were included on the priority lists, for which an expression of interest for support funding had previously been submitted, and for which scheme development work had been identified as being required in the next three years.

3.4 Three lists of schemes that met the eligibility criteria were prepared as follows:

- The priority lists agreed by the Partnership Board.
- Schemes previously submitted for consideration in 2023 & 2024 that have not already progressed.
- The updated SIPDAP (Dec 2024) filtered to those schemes with work planned in the next 3 years, that are of high priority (but excluding active travel).

3.5 A shortlist of five schemes was then compiled consisting of those that appeared on more than one of the three lists above. This is illustrated in Figure 1 below. In terms of the highest priorities to receive development support funding, the South East Hampshire Rapid Transit scheme and Southampton Mass Transit scheme both feature in all three lists. The Fastrack Extension (Kent) is considered to be a higher priority than the Sittingbourne Bus Enhancements and A27 Brighton Junction Improvements as it was included in the lists of short term priorities submitted to DfT.

Figure 1 – Venn Diagram of Schemes Prioritised for Development Support 2025-26



4. Allocation of development funding

4.1 The draft TfSE budget for 2025/26 approved by the Partnership Board at their meeting in January 2025, contained a provisional allocation of £150,000 towards scheme development funding. This amount is now confirmed following confirmation of the funding that TfSE will receive from DfT.

4.2 A table showing the shortlisted schemes, along with their anticipated draw on development funding is shown below. With £150,000 available, it is proposed that development funding is allocated to South East Hampshire Rapid Transit and Southampton Mass Transit for 2025/26.

Table 1 – Proposed allocation of funding to schemes.

Scheme name	Development Funding ask	Allocated funding in 2025/26
South East Hampshire Rapid Transit	£50,000	Yes
Southampton Mass Transit	£100,000	Yes
Fastrack Extension (Kent)	£50,000	No
A27 Brighton Junction Improvements	£100,000	No
Sittingbourne Bus Enhancements	£100,000	No

4.4 The actual scheme funding allocations remain provisional until estimates for undertaking the scheme development work are sought and agreed. The programme needs to retain a certain amount of flexibility, should the final ask alter from current assumptions, and the other shortlisted schemes could be reconsidered should either the funding position, or the final scheme ask, change.

4.7 Each LTA in receipt of funding will be required to complete a grant agreement. Where funding is to be provided for work to be completed by the LTA directly, the accompanying grant agreement will require a clause to assure work is procured in alignment with each authorities' own procurement standing orders. Funds will only be

released incrementally following provision of evidence that agreed project milestones have been reached.

4.3 In previous years it has proved difficult to complete the development work within the financial year, due to late confirmation of DfT funding and then subsequent approval of the schemes that are to receive funding support. With the earlier funding settlement received this year, the Partnership Board are asked to approve the two schemes prioritised through the process set out above, in order to initiate legal and grant agreement work early so that the development work can begin at the start of the next financial year.

5. Conclusions and Recommendation

5.1 The TfSE budget for 2025/26 includes an allocation to provide further scheme development support to our LTA's and delivery partners. Work has been carried out with TSWG and SOG to identify a shortlist of potential schemes that align with TfSE priorities and that can be progressed.

5.2 With the early confirmation of DfT funding, Partnership Board Members are recommended to approve the two schemes (as set out in Table 1) to receive development support in 2025-26.

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