

Agenda Item 12

Report to: Partnership Board –Transport for the South East

Date of meeting: 21 July 2025

By: Chair of 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

RECOMMENDATION:

The members of the Partnership Board are recommended to comment on the discussions and actions arising at the meeting of the Audit and Governance Committee.

1. Introduction

1.1 The Audit and Governance Committee met on Tuesday 8 July 2025. This report provides a summary of the discussions and actions to take forward.

2. Centre of Excellence Annual Report and Work Plan

2.1 The Committee received an update on the Centre of Excellence Annual Report, which covered qualitative feedback through surveys, outcomes of the capability survey, and value for money. The Committee also heard the proposal for the 25/26 budget allocation for the Centre of Excellence. The eight priority areas were discussed, alongside their goals, learning outcome, impact, and target audience. It was noted that the work plan represented good value for money, and would be presented at the 21 July Partnership Board.

2.2 The Committee agreed to advise the Board to approve the Centre of Excellence Work Plan for 2025/26 and the eight priority support packages identified, and noted the progress in developing and delivering the Centre of Excellence as set out in the Annual Report.

3. Annual Report 2024/25

3.1 The Committee reviewed the Annual Report 2024/25 and provided feedback on changes, which have been made on the version that is presented to Partnership Board. The Committee agreed the Annual Report 2024/25 and advised the Board to publish it on the Transport for the South East website.

4. Finance

4.1 The Committee reviewed TfSE's final budget for 2025/26 and the position to the end of May 2025, as the financial position to the end of June was not available at the time of the meeting.

4.2 The Committee discussed the forecast confidence ratings that officers have outlined and sought assurance on planned spend on budgets for salaries, governance, and operational expenses. After a discussion, the Committee agreed these budgets were correct but agreed to continue to monitor these budget lines at upcoming Committee meetings, to see whether savings can be made.

5. Strategic Risk Register

5.1 The Committee reviewed TfSE's Strategic Risk Register 2025/26, attached at Appendix 1, prior to presentation to the Board.

5.2 The Committee noted that no new risks have been identified, since the risk register was last reviewed by the Committee in February, and no changes have been made to risk scores.

5.3 The Committee noted that the risk around TfSE's funding for 2025/26 was closed, as TfSE has received its funding allocation for this year.

5.4 The Committee requested changes to the narrative for six risks, which are highlighted on the risk register.

- **Risk 6 – TfSE - Value**

TfSE's Communications and Engagement Plan 2025/26 has been updated, with a strengthened focus on public affairs, given the expected changes to TfSE's constituent authorities, as a result of devolution and local government re-organisation.

- **Risk 18 – 25/26 Budget**

This risk has been updated to reflect the 25/26 Budget, rather than the 24/25 Budget.

- **Risk 19 – Transport Forum - engagement**

New text: Members had two sessions of digital three in person events in 2024/25. Further events will be planned for 2025/26, to help meet TfSE's Business Plan and engage a wide range of stakeholders across the region.

- **Risk 21 – LEPs Dissolution**

New text: The Business Advisory Group are hosting their inaugural Business Summit on 9 July, bringing together a wider group of business stakeholders from across the South East, to tackle three top transport-related challenges (access to international connectivity, rural mobility, energy availability)

- **Risk 22 – Transport Policies**

New text: The recent Spending Review focused investment in the North and Midlands, although it did announce funding for the Lower Thames Crossing. TfSE will continue to engage with Government to make the case for funding transport investment in the South East, particularly through private finance and funding.

- **Risk 34 – Devolution affects legislative framework underpinning TfSE and affects buy-in from stakeholders**

New text: Furthermore, following the creation of Mayors, stakeholders may lose buy-in for TfSE and its work, as focus shifts to Mayoral Authorities.

New mitigation text: We will stay live to any changes and make sure that we engage with Local Authorities and Mayoral Authorities, once they form, to ensure we fulfil the functions that they want us to deliver, on their behalf.

5.5 The Committee recommended the Strategic Risk Register be presented to Partnership Board for its approval.

6. Update on TfSE Internal Audit

6.1 The Committee heard that TfSE have commissioned its accountable body, East Sussex County Council, to conduct an internal audit of TfSE's governance, procurement and supplier management processes. The Committee will receive this report, following the conclusion of this work.

7. Conclusions and Recommendations

7.1 The Partnership Board is recommended to note the discussions and actions arising at the recent meeting of the Audit and Governance Committee.

Councillor Joy Dennis

Chair

Audit and Governance Committee

Transport for the South East

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Risk Register

Programme Overview

July 2025



#	Risk Description	Score if no action taken (1-5)		Lxl =	Mitigating action	Score post action (1-5)			Owner	Review date	Escalation route
		Impact	Probability	Risk score		Impact	Probability				
2	Government Policy - STBs Government policy around STBs is uncertain, particularly in light of other changes to government policy.	4	4	16	Continue to monitor developments. Work with other STBs to produce a strategy for potential changes to government policy.	1	2	2	Rupert Clubb	Ongoing	SOG
3	MP Engagement Local MPs do not support TfSE and its strategy.	3	3	9	Following the general election, TfSE received 50 new MPs. Attended Liberal Democrat conference, 0 Lib Dem MPs pre election, now have 18. Scheduling meetings with all new MPs	2	2	4	Keir Wilkins	Ongoing	PB
4	TfSE - Statutory Status Maintaining the TfSE partnership without statutory status.	2	3	6	Ongoing engagement with Leaders. Secure indicative funding for future years to demonstrate DfT commitment to TfSE.	2	1	2	Rupert Clubb	Ongoing	PB
6	TfSE - Value Wider stakeholders do not recognise value of TfSE.	2	2	4	Use appropriate stakeholder forums as a route to engage stakeholders. Communication and Engagement Plan 2024/25 has been implemented. TfSE's Communications and Engagement Plan 2025/26 has been updated, with a strengthened focus on public affairs, given the expected changes to TfSE's constituent authorities, as a result of devolution and local government re-organisation.	1	2	2	Keir Wilkins	Ongoing	SOG
9	Regional Inequality Focus on regional inequality 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 continue to monitor distribution of project funding across STB regions as part of our value for money work within our Annual Report.	4	3	12	Keir Wilkins	Ongoing	PB
11	TfSE Staff - Retention 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	Rupert Clubb	Ongoing	PB

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12	Procurement Procurement unable to respond to adhoc needs from TfSE	1	2	2	Develop forward plan with procurement for future work. Majority of work will go through the technical call off contract. Technical Call off Contract will be in place until July 2026.	1	1	1	Keir Wilkins	Ongoing	PB
13	SIP Delivery Plan Constituent authorities do not support the SIP delivery plan.	2	2	4	Continued engagement with SIP delivery partners.	1	2	2	Sarah Valentine	Ongoing	SOG
15	Infrastructure Investment proposals - challenges 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	8	Keir Wilkins	Ongoing	SOG
18	25/26 Budget Managing the 25/26 Budget to ensure the DfT grant and carry forward from 24/25 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	2	4	Keir Wilkins	Ongoing	SOG / PB
19	Transport Forum - engagement Transport Forum members engagement with the new structure	2	3	6	Members had two sessions of digital three in person events in 2024/25. Further events will be planned for 2025/26, to help meet TfSE's Business Plan and engage a wide range of stakeholders across the region. The Advisory Panel have met before the two recent board meetings, a forward programme is to be created for them to remain focussed. Engagement Manager is reviewing the membership of the group and preparing a refresh.	2	2	4	Jaimie McSorley	Ongoing	PB
20	Scheme Promoters 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. Working with DfT to better understand cost overrun risk. 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 STBs.	4	3	12	Rupert Clubb	Ongoing	PB

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21	LEPs Dissolution 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	4	12	The Business Advisory Group (BAG) have now met twice, a terms of reference has been agreed and an agreed format of an agenda to ensure the business voice is heard at each meeting to feed back into the Partnership Board. The Business Advisory Group are hosting their inaugural Business Summit on 9 July, bringing together a wider group of business stakeholders from across the South East, to tackle three top transport-related challenges (access to international connectivity, rural mobility, energy availability) Partnership Board can assess the efficacy of the new BAG and Business Summit in capturing the business voice and whether any changes are needed.	1	1	2	Keir Wilkins	Jul-24	PB
22	Transport Policies Shifts in transport policies and funding allocations, meaning investment in the South East is paused or cancelled.	5	4	20	Maintain open and regular communication with DfT to ensure we are informed about any potential policy changes. The recent Spending Review focused investment in the North and Midlands, although it did announce funding for the Lower Thames Crossing. TfSE will continue to engage with Government to make the case for funding transport investment in the South East, particularly through private finance and funding.	4	3	12	Rupert Clubb	Ongoing	PB
23	Delays in government policy direction. There could be delays in decision-making processes that could impact the timely implementation of our work programme.	4	4	16	Ensure we maintain open communication with local authorities, stakeholders and the public to manage any expectations and address any concerns promptly. Ensure we are building in flexible timelines within our work in the programme.	4	3	12	Rupert Clubb	Ongoing	PB
24	Transport Strategy Refresh - Constituent Authorities Support Constituent Authorities do not support the Transport Strategy Refresh and does not agree to support the 'missions'.	4	4	16	Changes to local government control mean that the Transport Strategy Refresh will need the sign-off of different stakeholders than the original Transport Strategy. The Transport Strategy Task and Finish Group have now met four times. The Partnership Board have signed off the Strategy at their meeting in December, and it was formally launched on 10th December and is out for consultation for 12 weeks. A number of face to face support surgeries are being scheduled in around the TfSE area.	4	2	8	Mark Valleley	Dec-25	PB

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25	Transport Strategy Refresh - Central Government Support Central government does not support the Transport Strategy Refresh and does not sign off the 'missions'. The new government means that the Transport Strategy Refresh needs the sign-off of a different Government than the original Transport Strategy.	4	3	12	The Transport Strategy will align with the emerging Integrated National Transport Strategy. Ensure we continue to engage with DfT officials, and engage with new Ministers following the election. Session took place in October with DfT policy leads on the Transport Strategy Refresh.	4	2	8	Mark Valleley	Dec-25	PB
26	Local Contributions Constituent authorities are not able to pay Local Contributions from 2025 onwards.	5	4	20	Early agreement at Partnership Board. SOG members advised to work into operational budgets. October Board meeting, the Board agreed that the level of contribution would remain as it was in previous years recognising the pressures local authorities are facing. Officers produced work on demonstrating how TfSE delivers value for partners.	4	2	8	Keir Wilkins	Ongoing	SOG / PB
27	South East Devolution The lack of devolution in the South East means that the South East does not receive the same level of policy focus as the North and Devolved Administrations. The South East has no representation in groups such as the Council of Regions and Nations.	4	4	16	Transport for the South East will engage with DfT Ministers and Officials to ensure the South East and Local Authorities in the South East remain high on the Government's agenda. The devolution white paper was published in December, consultations are now live, TfSE need to consider if they wish to respond to these.	3	2	6	Keir Wilkins	Ongoing	SOG / PB
28	Rail Reform The impacts of the Government's plans for rail reform are uncertain. TfSE's role may need to develop to provide strategic advice and democratic accountability to a new Great British Railways body.	4	2	8	TfSE will continue to monitor Government plans and continue to engage with DfT, Network Rail and Great British Railways as plans develop. TfSE will explore options for playing a bigger role in rail, as part of next year's Business Plan. The Railways bill consultation went live on 18 February which TfSE will be responding too.	4	1	4	Keir Wilkins	Ongoing	SOG / PB

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29	Storage of Data Consistency of data across TfSE geography. Plans if there was a loss of our key operational data and reliance on the ESCC data architecture	4	4	16	The analytical team are developing a data management plan. Clear documentation on any work produced by TfSE and what our data sources are. Backup of databases, with considerations to be made if we moved away from a particular software. Data architecture is being developed.	2	2	4	Sarah Valentine	Ongoing	SOG / PB
30	Use of Data Potential breach of GDPR or breach of data licences, which could result in prosecution/fines	4	4	16	Ensure proper governance in using our data. GDPR register to be completed and reviewed quarterly by the TfSE GDPR officer. Data catalogue to contain the licencing details for each item. TfSE officers (and consultants) to be made aware of and adhere to the constraints set out.	2	1	2	Sarah Valentine	Ongoing	SOG / PB
32	National Planning Policy Reform Uncertainty on the impacts of National Planning Policy Reform and the Planning and Infrastructure Bill. The NPPF reforms could add extra requirements for housebuilding onto Local Authorities, without adequate transport funding, or a mechanism for raising revenues from housebuilding.	4	4	16	TfSE recently responded to the open consultation on the NPPF. Following the consultation, the NPPF was revised on 12 December 2024. It set out the government's planning policies for England and how these are expected to be applied. TfSE will continue to monitor government plans and continue to engage with MHCLG and DfT, as the government continues to develop their policy on planning.	4	3	12	Rupert Clubb	Ongoing	SOG / PB
33	Devolution Delays Delivery The Devolution White Paper was published on 16 December. Many Local Authorities in the TfSE area have made proposals for devolution, but it will take some time for devolution to take effect and Local Authorities may take on powers in phases. Whilst these changes are worked through, there is a risk that the implementation of transport improvements delays delivery.	5	4	20	TfSE will continue to monitor any Government updates and plans. TfSE notes the devolution priority programme and the current consultations for proposed Combined authority geographies across the region. TfSE provides continuity during this period of change and transition.	3	2	6	Rupert Clubb	Ongoing	PB

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Risk Register - COMPLETED

Programme Overview

January 2025

Risk Number	Risk Description	Score if no action taken (1-5)		LxI =	Mitigating action	Score post action (1-5)		LxI =	Owner	Review date
		Likelihood	Impact	Risk score		Likelihood	Impact	Risk score		
	Stakeholders are not fully engaged in SIP development	3	4	12	Stakeholder and Communication Plan developed at start of process. Consultation plan implemented	2	3	6	LDT	Mar-23
	Ability to scale up quickly in year one to deliver sizable technical programme	4	4	16	Revised recruitment process planned for autumn. Utilise temporary resource to deliver against key projects in technical and analytical teams	2	4	8	RF	Autumn 2022
	Funding for analytical framework and Centre of Excellence not released in financial year	2	4	8	Work with DfT to develop proposals and draw down part of the funding to continue background research	1	4	4	RF	Autumn 2022

Technical team resource is insufficient to deliver additional work streams.	3	4	12	Review recruitment process and utilise temporary resource.	2	4	8	MV/ SV/ RF	Autumn 2023
Programme Manager is vacant, post could remain vacant a significant length of time.	4	4	16	Interviews will be taking place October 2023	3	4	12	RC	Oct-23
Managing 23/24 budget to ensure DfT Grant allocation and carry forward from 2022/23 is fully spent.	4	4	16	Effective budget monitoring on a monthly basis and demonstrate TfSE's performance to DfT through regular review meetings and annual report.	3	4	12	MV & SV	Ongoing
Transport Forum members become disengaged.	2	4	8	Transport Forum review.	1	3	3	JL	Ongoing
Local Contributions are not secured from constituent authorities for 2023 onwards.	2	4	8	Early agreement at Partnership Board. SOG members advised to work into operational budgets. Certainty from DfT re: ongoing grant.	2	3	6	SV / Secretariat	Jan-24
Levelling Up & Regeneration bill received royal ascent in October 2023. Provisions of Act may have implications for TfSE's activities	3	3	9	Briefing to be prepared on potential impact impact TfSE activities and any actions required.	2	2	4	RC	Ongoing

	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	<p>Maintain open and regular communication with DfT to get early insight into emerging policies and priorities.</p> <p>Develop scenario plans for policies and priorities.</p> <p>Discussions with senior officers through Senior Officers Group for appropriate actions</p>	4	3	12	RC	Oct-24
	Local Contributions are not secured from constituent authorities for 2024 onwards.	4	3	12	<p>Early agreement at Partnership Board. SOG members advised to work into operational budgets.</p> <p>Certainty from DfT grant allocation received May 2024, £200k reduction.</p> <p>Officers produced work on demonstrating how TfSE delivers value for partners.</p>	3	2	6	KW / Secretariat	Ongoing

	Additional work is identified that has not been accounted for in the budget.	3	2	6	Prioritisation process to be put in place. Small contingency allocated in budget.	2	2	4	TfSE Management Team	Ongoing
32	National Planning Policy Reform Uncertainty on the National Planning Policy Reform white paper contents which could add extra requirements for housebuilding onto Local Authorities, without adequate transport funding, or a mechanism for raising revenues from housebuilding	4	4	16	TfSE will continue to monitor Government plans and continue to engage with DfT. TfSE recently responded to the open consultation on the NPPF.	4	3	12	Chief Officer	Ongoing
8	Reduced Funding for future years Reduced funding in 2024/25 may impact on work programme as set out in Business Plan.	4	3	12	£200k reduction from the ask set out within the Business Plan for 2024/25. Agreed amended work plan delivering against this.	2	2	4	Keir Wilkins	Ongoing