

Agenda Item 13

Report to: Partnership Board –Transport for the South East

Date of meeting: 21 July 2025

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:

- (1) Note the final budget for 2025/26, following the final carry forward figure for 2024/25; and
 - (2) Note the financial update to the end of Quarter 1 2025/26.
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1. Overview

1.1 The purpose of this report is to update the Partnership Board on the final budget for Transport for the South East (TfSE) for 2025/26, following the final carry forward figure for 2024/25. This report also provides an update on the financial position to the end of May 2025.

2. Background

2.1 In March, the Partnership Board agreed TfSE's Business Plan for 2025/26, which set out how funding will be allocated to each of TfSE's technical work areas for the year ahead.

2.2 TfSE's Business Plan allocates DfT funding, local authority contributions, and our carry forward from the 2024/25 Financial Year.

2.3 At the time of the March Partnership Board, the financial year had not yet finished, so we could only forecast our carry forward figure at the end of 2024/25. Now that we have the final carry forward figure for 2024/25, we can set out the final budget for 2025/26.

3. Final budget for 2025/26

3.1 **Appendix 1** sets out our final budget for 2025/26, now that we have our final end of year figures for 2024/25.

3.2 Our final budget for 2025/26 is £4,304,052, based on DfT funding of £2,161,666, Local Contributions of £498,000, a Technical Programme Carry Forward of £1,237,656, and a Carry Forward for TfSE's reserve of £406,730

4. End of year figures for 2024/25

4.1 The end of year figures for 2024/25 are set out in full in **Appendix 2**.

4.2 In March, we forecast that our technical programme carry forward would be £1,106,054. £317,435 of this was uncommitted carry forward, based on savings that TfSE had made, which the Board re-allocated to new technical work at the Partnership Board in January. The other £788,619 of this forecast was committed carry forward, which is for technical work that is underway that will be completed in early 2025/26.

4.3 March's Partnership Board paper outlined where this committed carry forward came from. The bulk of this was committed carry forward is due to Strategic Investment Plan (SIP) implementation, Analytical framework, Freight and the Transport Strategy:

- Spend on SIP implementation was lower than expected because of delays in scheme development support work getting underway, but all work has now commenced and should be invoiced soon.
- Spend on the Analytical Framework was lower than expected as work on building the South East Highways Assignment Model (SEHAM) was more complex than initially profiled, but will be finished early in 2025/26. The procurement of mobile network data will also be finished in early 2025/26.
- Spend on the Transport Strategy was as expected. A small carry forward was planned into 2025/26, because the Transport Strategy is a project that spans multiple financial years.
- Spend on Freight was lower than expected, but work on warehousing and waterborne freight are approaching completion and will be invoiced imminently.

4.4 At the end of the Financial Year, the final carry forward figure was £1,237,656, £131,602 higher than forecast:

- £41,745 of this is because of additional income, as Southampton City Council made a £41,745 contribution to scheme development work, which is committed to be spent in 2025/26.
- £86,666 of the variance from the forecast was on salary costs, where we are waiting for an invoice from DfT to pay for a secondment that we had been expecting to receive in March.

4.5 Other than these two variances, our forecasts were accurate, and our forecast budget was only £3,191 away from our final position.

4.6 This additional £89,857 carry forward has been allocated to the salaries budget for 2025/26, to ensure the budget can pay for the invoice from DfT, which we are expecting to receive imminently. This is a one-off payment for a two-year secondment, which started in the 2023/24 Financial Year and continued into 2025/26. Our headcount is not increasing, and we continue to structure ourselves as efficiently as possible.

5. Financial Position to the end of Quarter 1 2025/26

5.1 **Appendix 3** sets out our financial position to the end of Quarter 1 2025-26, against our final budget. In April, May and June, TfSE spent £490,458 across all budget lines.

5.2 While salary spend is as expected, spend on the technical programme is lower than forecast at £225,665. This is because TfSE's accountable body, East Sussex County Council, changed finance systems from SAP to Oracle, and as the new system has been rolled out, this transition has delayed making payments. However, technical work has progressed as normal, and invoices are ready to be paid, so expenditure should get back on track in the coming months.

5.3 This Financial Year, following a request from TfSE's Audit and Governance Committee, TfSE have added a Forecast Confidence rating to our regular financial reports. This gives each budget line a confidence rating from 1-5, representing officers' confidence in meeting our financial forecast for that budget line (5 = virtually certain, 1= highly uncertain)

5.4 At present, all our budget lines are forecast to spend all their budgets, as budget lines have been profiled based on our experience of previous years, and each budget line has a strong work plan for the expenditure to take place.

5.5 We are most confident about meeting our forecast on the Transport Strategy, which is marked as 'Virtually Certain', as work is well underway, and we started this year with only £120,737, of a larger, multi-year budget, left to spend. Expenditure on Future mobility and Active Travel is marked as 'Uncertain', as TfSE's work plans in these areas may develop, to align with the missions identified in the Transport Strategy. We are currently undertaking work to identify how TfSE and its partner can best support the delivery of the Transport Strategy missions.

5.6 Our forecast on salaries is marked as 'Moderately Likely', as in the process of the Financial Year some staff may leave their posts, and it can take time to fill these posts. Similarly, our Other Costs and Technical Support forecast is also marked as 'Moderately Likely', as this budget is available for additional work within the Financial Year, e.g. the Department for Transport ask TfSE to undertake some work at short notice.

6. Conclusions and Recommendations

6.1 Partnership Board are recommended to note the final budget for 2025/26 and note the position to the end of Quarter 1 2025/26.

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Chief Officer

Transport for the South East

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Appendix 1 – Final TfSE Budget for 2025/26

	Budget
EXPENDITURE	
Salaries (including on-costs)	1,319,857
Training	20,000
STAFFING	1,339,857
Transport Strategy	120,737
SIP Refresh	98,000
SIP implementation	482,473
Analytical framework	546,984
Future mobility	40,000
Active travel	45,000
Decarbonisation	40,000
Freight	185,758
Rail	75,000
Electric Vehicle Infrastructure	129,319
Centre of Excellence	251,759
Private Financing	104,435
Other costs/technical support	150,000
TECHNICAL PROGRAMME	2,269,465
Events	40,000
Communication (and Media Subscriptions)	14,000
Publications	5,000
Website	21,000
Stakeholder Database	18,000
COMMUNICATIONS/ENGAGEMENT	98,000
TfSE Governance	25,000
Operational Expenses	75,000
OTHER	100,000
TOTAL EXPENDITURE	3,807,322
 MONEY HELD BACK FOR TFSE RESERVE	 496,730
TOTAL BUDGET INCLUDING RESERVE	4,304,052
 FUNDING	
Local Contributions	498,000
DfT Grant	2,161,666
Carry Forward	1,237,656
TOTAL FUNDING EXCLUDING RESERVE	3,897,322
 Carry Forward for TfSE Reserve	 406,730
TOTAL FUNDING INCLUDING RESERVE	4,304,052

Appendix 2 – Year-End Budget for 2024/25

EXPENDITURE FOR 2024/25	Budget	Expenditure	Carry Forward
Salaries (including on-costs)	1,300,000	1,051,659	248,341
Training	20,000	1,754	18,246
STAFFING	1,320,000	1,053,413	266,587
Transport Strategy	500,000	419,263	80,737
SIP implementation	656,745	324,272	332,473
Analytical framework	395,000	161,349	233,651
Future mobility	40,000	0	40,000
Active travel	56,000	13,750	42,250
Decarbonisation	55,000	15,000	40,000
Freight	185,000	130,885	54,115
Electric Vehicle Infrastructure	130,000	86,421	43,579
Centre of Excellence	260,000	269,177	-9,177
Other costs/technical support	204,997	171,254	33,743
TECHNICAL PROGRAMME	2,482,742	1,591,370	891,372
Events	41,000	40,057	943
Communications	17,500	730	16,770
Publications	5,000	1,469	3,531
Website	21,000	10,302	10,698
Stakeholder Database	18,000	8,925	9,075
COMMUNICATIONS/ENGAGEMENT	102,500	61,483	41,017
TfSE Governance	10,000	0	10,000
Operational Expenses	52,110	23,431	28,679
OTHER	62,110	23,431	38,679
TOTAL EXPENDITURE	3,967,352	2,729,696	1,237,656

FUNDING

Local Contributions	498,000
DfT Grant	2,065,000
Carry Forward	1,362,607
Other Income*	41,745

TOTAL FUNDING	3,967,352
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TfSE Reserve	406,730
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TOTAL FUNDING INCLUDING RESERVE	4,374,082
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Appendix 3 – TfSE Budget Position at end Q1 2025/26

	Budget	Actual YTD	Forecast	Forecast Confidence (1-5)
EXPENDITURE				
Salaries (including on-costs)	1,319,857	259,994	1,319,857	3
Training	20,000	0	20,000	4
STAFFING	1,339,857	259,994	1,339,857	4
Transport Strategy	120,737	34,630	120,737	5
SIP Refresh	98,000	670	98,000	4
SIP implementation	482,473	72,016	482,473	4
Analytical framework	546,984	54,118	546,984	4
Future mobility	40,000	0	40,000	2
Active travel	45,000	0	45,000	2
Decarbonisation	40,000	0	40,000	4
Freight	185,758	29,398	185,758	4
Rail	75,000	4,960	75,000	4
Electric Vehicle Infrastructure	129,319	19,714	129,319	4
Centre of Excellence	251,759	0	251,759	4
Private Financing	104,435	0	104,435	4
Other costs/technical support	150,000	10,159	150,000	3
TECHNICAL PROGRAMME	2,269,465	225,665	2,269,465	4
Events	40,000	3,419	40,000	4
Communication (and Media Subscriptions)	14,000	0	14,000	4
Publications	5,000	0	5,000	4
Website	21,000	305	21,000	4
Stakeholder Database	18,000	0	18,000	4
COMMUNICATIONS/ENGAGEMENT	98,000	3,724	98,000	4
TfSE Governance	25,000	0	25,000	4
Operational Expenses	75,000	1,075	75,000	4
OTHER	100,000	1,075	100,000	4
TOTAL EXPENDITURE	3,807,322	490,458	3,807,322	4

MONEY HELD BACK FOR TFSE RESERVE 496,730

TOTAL BUDGET INCLUDING RESERVE 4,304,052

FUNDING

Local Contributions	498,000
DfT Grant	2,161,666
Carry Forward	1,237,656
TOTAL FUNDING EXCLUDING RESERVE	3,897,322

Carry Forward for TfSE Reserve 406,730

TOTAL FUNDING INCLUDING RESERVE **4,304,052**

Confidence Ratings

5	VIRTUALLY CERTAIN
4	HIGLY LIKELY
3	MODERATELY LIKELY
2	UNCERTAIN
1	HIGHLY UNCERTAIN