

Report to: Partnership Board –Transport for the South East

Date of meeting: 27 October 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 note TfSE's financial position to the end of Quarter 2 2025/26.

1. Overview

1.1 The purpose of this report is to update the Partnership Board on TfSE's financial position to the end of Quarter 2 2025/26.

2. Background

2.1 The Board agreed TfSE's final budget and Business Plan for 2025/26 in July, which sets out how funding is allocated to each of TfSE's technical work areas for the year ahead. This report sets out our progress in spending money against each budget line and forecasts our outturn to the end of the Financial Year.

3. Summary of our Financial Position budget for 2025/26

3.1 **Appendix 1** sets out our financial position to the end of September 2025. In the five months from April to September, TfSE spent £988,127 across all budget lines.

3.2 This is in line with our expectations at the start of the year. We only pay for work on completion, so expenditure on the technical programme will increase as the financial year progresses.

3.3 As we have scoped work in the Business Plan, we now have a more informed forecast on our outturn to the end of the Financial Year. Our forecast expenditure is now £3,234,041, against a budget of £3,807,322. This paper breaks down the forecast for each expenditure line in the budget.

4. Staffing Costs

4.1 Staffing expenditure is in line with expectations. Our forecast expenditure to the end of the year is £1,195,000. The forecast confidence rating has increased from a 3 to a 4, as staff, who are employed by our accountable body East Sussex County Council, have now received the Council's pay award for the year ahead. There is a small risk of exceeding this forecast if pension and taxation changes are announced in the October

Budget, but changes should take effect in the 2026/27 Financial Year. We could underspend against the forecast if any members of staff leave their posts, depending on whether we decide to replace them and how long recruitment takes.

5. Technical Programme Costs

5.1 We still forecast to spend £120,737 on the Transport Strategy. However, the confidence rating has decreased from a 5 to a 4, because there is a chance of a small underspend, because of work that was forecasted that is no longer needed. The forecast for the Strategic Investment Plan (SIP) Refresh is £98,144 after scoping.

5.2 Forecast expenditure on SIP Implementation has decreased from £482,473 to £405,138. This is because £60,000 of funding had been allocated for work supporting National Highways to develop strategic cases for pipeline schemes and this has now been de-prioritised following the latest Road Investment Strategy (RIS) settlement. Less funding than was budgeted for to support Kent-Gatwick Strategic Outline Business Case development is likely to be needed because we expect to receive third party contributions to this work. The forecast confidence rating stays at a 4, because there is a chance that additional funding is needed to develop this business case, and a risk that the scheme development work may not fully complete this financial year.

5.3 Forecast expenditure on the Analytical Framework has decreased from £546,948 to £513,833, as a small amount of the work plan is expected to be delivered in 2026/27.

5.4 Forecast expenditure on Future Mobility and Active Travel has decreased to £0, as instead of developing further strategies in these areas, work will be delivered through the Centre of Excellence, tailored to the requests of Local Authority officers. The confidence rating has increased from a 4 to a 5.

5.5 As work has been scoped with suppliers, we have revised forecast expenditure: decarbonisation has decreased from £40,000 to £25,000; freight has decreased from £185,758 to £155,561 and rail has increased from £75,000 to £83,463. For each of these budget lines, the forecast confidence remains as a 4.

5.6 Forecast expenditure on Electric Vehicle Infrastructure has decreased from £129,319 to £123,002. The forecast confidence rating has decreased from a 4 to a 3, as Midlands Connect have pulled out of a piece of planned joint work, which we will now have to re-frame. We are also changing the scope of the work on cross pavement charging solutions.

5.7 The end of year forecast for the Centre of Excellence has decreased from £251,759 to £200,765, as we have now scoped the costs of delivering the Centre of Excellence Work Plan, that the Board signed off in July. Although we have only spent £3,500 to the end of September, the forecast confidence rating remains as 4, as we have a number of work areas already underway. We expect £61,765 will have been spent by the end of November.

5.8 The end of year forecast for Private Financing has decreased from £104,435 to £50,000, as we are reframing and refocusing the brief for that work, following feedback from TfSE's Funding and Finance Working Group. The forecast confidence rating has

decreased from a 4 to a 3, as this new scope of work will need to be approved by the group, before we proceed.

5.9 The end of year forecast for Other Costs and Technical Support is £114,118, leaving £35,882 for further additional work, should it be required.

6. Other Costs

6.1 End of year forecasts have been completed for TfSE's communication and engagement programme, governance and operational costs. Communication costs are slightly higher, as we've scoped costs for engaging with key partners on TfSE's work. The forecast for operational expenses has also decreased as TfSE do not need to pay towards office costs, as previously projected.

7. Conclusions and Recommendations

7.1 The Partnership Board are recommended to note the financial position to the end of Quarter 2 2025/26.

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Transport for the South East

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Appendix 1 – TfSE Budget Position at end September 2025

	Budget	Actual YTD	Forecast	Forecast Confidence (1-5)	
EXPENDITURE					
Salaries (including on-costs)	1,319,857	507,042	1,195,000	4	▲ 1
Training	20,000	0	10,000	4	
STAFFING	1,339,857	507,042	1,205,000	4	
Transport Strategy	120,737	78,152	120,737	4	▼ 1
SIP Refresh	98,000	0	98,144	4	
SIP implementation	482,473	154,783	405,138	4	
Analytical framework	546,984	72,842	513,833	3	▼ 1
Future mobility	40,000	0	0	5	▲ 1
Active travel	45,000	0	0	5	▲ 1
Decarbonisation	40,000	3,116	25,000	4	
Freight	185,758	49,494	155,561	4	
Rail	75,000	5,702	83,463	4	
Electric Vehicle Infrastructure	129,319	37,593	123,002	3	▼ 1
Centre of Excellence	251,759	3,500	200,765	4	
Private Financing	104,435	0	50,000	3	▼ 1
Other costs/technical support	150,000	52,196	114,118	3	
TECHNICAL PROGRAMME	2,269,465	457,378	1,889,761	4	
Events	40,000	17,325	40,000	4	
Communication (and Media Subscriptions)	14,000	100	24,280	4	
Publications	5,000	0	5,000	4	
Website	21,000	305	10,000	4	
Stakeholder Database	18,000	0	10,000	4	
COMMUNICATIONS/ENGAGEMENT	98,000	17,730	89,280	4	
TfSE Governance	25,000	0	25,000	4	
Operational Expenses	75,000	5,388	25,000	4	
OTHER	100,000	5,388	50,000	4	
TOTAL EXPENDITURE	3,807,322	988,127	3,234,041	4	
MONEY HELD BACK FOR TFSE RESERVE	496,730				
TOTAL BUDGET INCLUDING RESERVE	4,304,052				
FUNDING FOR 2025/26					
Local Contributions	498,000			5	VIRTUALLY CERTAIN
DfT Grant	2,161,666				
Technical Programme Carry Forward from 2024/25	1,237,656			4	HIGLY LIKELY
TOTAL FUNDING EXCLUDING RESERVE	3,897,322				
Carry Forward for TfSE Reserve from 2024/25	406,730			3	MODERATELY LIKELY
TOTAL FUNDING EXCLUDING RESERVE	4,304,052				
				2	UNCERTAIN
				1	HIGHLY UNCERTAIN