

Agenda Item 6

Report to: Partnership Board –Transport for the South East

Date of meeting: 2 February 2026

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 Friday 16 January 2026. This report provides a summary of the discussions and actions to take forward.

2. Business Plan 2026/27

2.1 The Committee were informed that the TfSE Business Plan submission to DfT on 8 December 2025 was still awaiting a response from government. Once received, TfSE will inform the Audit and Governance Committee.

3. Finance update

3.1 The Committee were provided with an update on the financial position to the end of December 2025, alongside the forecasted total spend for 2025/26, and confidence ratings.

3.2 The Committee signed off the finance figures and forecasts to be presented to the Board.

4. Strategic Risk Register

4.1 The Committee reviewed TfSE's risk register, which was amended and updated based on feedback from Members. Notably, three actions were marked as completed:

- Risk 21 – dissolution of LEPs – TfSE's Business Advisory group established and working well, capturing the business voice and feedback into the work of TfSE and Partnership Board.
- Risk 24 – Transport Strategy refresh & constituent authority support – The Strategy was approved and adopted by TfSE's Partnership Board in October 2025.
- Risk 36 – Multiyear funding settlement – TfSE now has certainty of our funding position in future years from government.

4.2 A number of risks were updated to reflect increased uncertainties around devolution and local government reorganisation, including stakeholders recognising the value of TfSE, regional inequalities in government funding, and TfSE's staff retention. Changes are highlighted in yellow in **Appendix 1**.

4.3 Following a discussion at the meeting, Risk 22 was updated to reflect the particular challenges for the delivery of MRN schemes, as Local Authorities cannot progress these, without knowing their future organisational and financial position.

4.4 The risk register will be submitted to the Department for Transport following the Partnership Board, as part of TfSE's regularly quarterly reporting.

5. Conclusions and recommendation

5.1 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

Contact Officer: Keir Wilkins

Email: Keir.Wilkins@transportforthesoutheast.org.uk

Risk Register

Programme Overview

January 2026



#	Risk Description	Score if no action taken (1-5)		LxI = Risk score	Mitigating action	Score post action (1-5)		Owner	Review date	Escalation route	
		Impact	Probability			Impact	Probability				
2	Government Policy - STBs Government policy around STBs is uncertain, particularly in light of other changes to government policy.	4	5	20	The Government has now announced STB funding for the remainder of the Spending Review and has been clear that STBs should be locally funded in the future. There is still uncertainty about what funding will be available to TfSE in 2026/27 and what the Government wants TfSE to focus on delivering in this transition year. TfSE will continue to engage with the Government and other STBs to gain more clarity and guidance.	3	5	15	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. TfSE have reached out to all new MPs with information about TfSE, what our Strategic Investment Plan means in their constituency, and to schedule introductory meetings.	2	2	4	Keir Wilkins	Ongoing	PB
4	TfSE - Statutory Status Maintaining the TfSE partnership without statutory status.	2	3	6	Ongoing engagement with local leaders, who will determine TfSE's funding, role and status in the future.	2	1	2	Rupert Clubb	Ongoing	PB
6	TfSE - Value Wider stakeholders do not recognise value of TfSE. This risk is particularly heightened given the fact that devolution and local government reorganisation will potentially lead new administrations, with new stakeholders, who may have less awareness about the role TfSE play.	4	4	16	Continue to deliver TfSE's Communications and Engagement Plan for 2025/26. Make use of stakeholder forums and other forms of engagement with stakeholders, with a particular focus on reaching stakeholders from new Local Authorities, as they are established. Develop a prospectus for new and existing Local Authorities, setting out what TfSE's role is and how we can help them to deliver their objectives.	2	4	8	Keir Wilkins	Ongoing	SOG

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		Impact	Probability			Impact	Probability				
9	Regional Inequality Focus on regional inequality directs investment away from the South East. The grouping of 'London & South East' does not accurately represent the state of transport funding in the TfSE region. Devolution and Local Government Reorganisation may exacerbate this risk, as stakeholders are distracted by delivering these changes, instead of making the case for infrastructure.	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 arise. This risk is heightened given the uncertainty about the future status and funding for TfSE.	4	4	16	Recruitment is currently paused, in light of the DfT funding announcement. Plans for future staffing structures will be considered at an appropriate time, following local leaders' steer on the future status of TfSE. Management will support staff through this transition, through regular updates and supervisions, to keep staff updated on the current state of play and maximise staff capability.	3	3	9	Rupert Clubb	Ongoing	PB
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.	3	2	6	Continued engagement with SIP delivery partners. Extensive engagement with partners is currently taking place, as we are going through the process to refresh the SIP, and secure approval for this.	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

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18	TfSE Budget - 25/26 and 26-27 Managing the 25/26 Budget to ensure the DfT grant and carry forward from 24/25 is spent to deliver TfSE's Business Plan. Manage uncertainty around TfSE's Budget Position for 26/27, including on-going commitments and expenses, as we await certainty of funding from the DfT.	4	4	16	Effective budget monitoring on a monthly basis and demonstrate TfSE's performance to DfT through regular review meetings and annual report. Forecast end of year position for 25/26 and scenario plan impacts of different budgets for 26/27.	3	3	9	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. TfSE have also supported Local Authorities with DfT's recent MRN ask. TfSE convened meetings of all scheme and have undertaken analysis using data and modelling tools we have. This work has been well received by Local Authority partners, as we have helped to evidence shared challenges across schemes. TfSE's Centre of Excellence and Analytical Framework will support early scheme development, and we are supporting a number of Local Authority business cases through delivery of this year's Business Plan.	4	3	12	Rupert Clubb	Ongoing	PB

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21	<p>LEPs Dissolution</p> <p>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.</p>	3	4	12	<p>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.</p> <p>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)</p> <p>Partnership Board can assess the efficacy of the new BAG and Business Summit in capturing the business voice and whether any changes are needed.</p>	4	4	2	Keir Wilkins	Mar-26	PB
22	<p>Government policies affect delivery of transport investment</p> <p>Shifts in government policies and funding allocations, meaning investment in the South East is paused or cancelled. While three year Local Transport Grant settlements have given Local Authorities certainty, this has been offset by continued uncertainty around devolution and LGR, so overall this has not been as stabilising as expected.</p> <p>This uncertainty is having a particularly damaging effect on MRN schemes, as Local Authorities cannot progress these, without knowing their future organisational and financial position.</p>	5	4	20	<p>Maintain open and regular communication with DfT to ensure we are informed about any potential policy changes.</p> <p>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.</p> <p>TfSE to liaise with Local Authorities to explore how it can further support them on MRN issues.</p>	4	3	12	Rupert Clubb	Ongoing	PB
23	<p>Delays in government policy direction</p> <p>There could be delays in decision-making processes that could impact the timely implementation of our work programme.</p>	4	4	16	<p>Ensure we maintain open communication with local authorities, stakeholders and the public to manage any expectations and address any concerns promptly.</p> <p>Ensure we are building in flexible timelines within our work in the programme.</p>	4	3	12	Rupert Clubb	Ongoing	PB

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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	The Transport Strategy is going to the Partnership Board for final approval and adoption in October 2025. TfSE has had extensive engagement with Local Authority partners, to ensure the Transport Strategy is taken through all Local Authority governance processes as required.	4	2	8	Mark Valleley	Dec-25	PB
25	Transport Strategy Refresh - Central Government Support Central Government does not support the Transport Strategy Refresh, or the strategy's missions. The Government does not need to approve the Transport Strategy, as it represents the region's advice to Government. However, it is important that the Government thinks it is credible advice, that aligns to and helps them deliver their missions.	4	3	12	Following the adoption of the Transport Strategy, TfSE's Chair, Cllr Glazier, sent it to the Transport Secretary. We are yet to hear back from the Transport Secretary, but the strategy was also shared with DfT officials, and feedback was positive, that TfSE's Transport Strategy is aligned to the Government's approach.	4	2	8	Mark Valleley	Mar-26	PB
26	Local Contributions Constituent authorities are not able to pay Local Contributions from 2025 onwards. This is especially uncertain, as new authorities form, who have not yet received funding, or been able to set budgets.	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 English Devolution and Community Empowerment Bill has now been published and sets out the Government's policy. There is potential for two Mayoral Strategic Authorities to be established in the TfSE region in 2026/27, and TfSE can support these areas, and our other Local Authorities through our Centre of Excellence and Analytical Framework.	4	4	16	Keir Wilkins	Ongoing	SOG / PB

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28	<p>Rail Reform</p> <p>The impacts of the Government's plans for rail reform are uncertain.</p> <p>TfSE's role may need to develop to provide strategic advice and democratic accountability to a new Great British Railways body.</p> <p>Rail reform could distract from the needs of the South East, with a number of rail interventions identified in TfSE's Strategic Investment Plan not currently moving forward.</p>	4	2	8	<p>TfSE will continue to monitor Government plans and continue to engage with DfT, Network Rail and Great British Railways as plans develop.</p> <p>TfSE will explore options for playing a bigger role in rail, as part of next year's Business Plan.</p> <p>The Railways bill consultation went live on 18 February which TfSE responded to.</p>	4	1	4	Rupert Clubb	Ongoing	SOG / PB
29	<p>Storage of Data</p> <p>Consistency of data across TfSE geography. Plans if there was a loss of our key operational data and reliance on the ESCC data architecture</p>	3	3	9	<p>The analytical team are developing a data management plan. Clear documentation on any work produced by TfSE and what our data sources are.</p> <p>Backup of databases, with considerations to be made if we moved away from a particular software.</p> <p>Data architecture is being developed.</p>	2	2	4	Sarah Valentine	Ongoing	SOG / PB
30	<p>Use of Data</p> <p>Potential breach of GDPR or breach of data licences, which could result in prosecution/fines</p>	3	3	9	<p>Ensure proper governance in using our data. GDPR register to be completed and reviewed quarterly by the TfSE GDPR officer.</p> <p>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.</p>	2	1	2	Sarah Valentine	Ongoing	SOG / PB
32	<p>National Planning Policy Reform</p> <p>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.</p>	4	4	16	<p>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.</p> <p>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.</p>	4	3	12	Rupert Clubb	Ongoing	SOG / PB

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33	<p>Devolution Delays Delivery</p> <p>The English Devolution and Community Empowerment Bill has been published.</p> <p>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.</p> <p>Whilst these changes are worked through, there is a risk that the implementation of transport improvements delays delivery.</p>	5	4	20	<p>TfSE will continue to monitor any Government updates and plans.</p> <p>TfSE notes the devolution priority programme and the current consultations for proposed Combined authority geographies across the region.</p> <p>TfSE provides continuity during this period of change and transition.</p>	4	4	16	Rupert Clubb	Ongoing	PB
34	<p>Devolution affects legislative framework underpinning TfSE</p> <p>STBs are underpinned in legislation by the Local Transport Act, as amended by Cities and Devolution act 2016. The English Devolution Bill could amend the section of this legislation that sets out the role of STBs. However, the text for the Bill has been published, and is in its final stages of approval, so this risk is reduced.</p>	4	2	8	<p>TfSE will continue to work with the 6 other STBs who together with TfSE make up the 7 STBs for England.</p> <p>TfSE will continue engagement with DfT officials and monitor any Government updates and plans. We will stay live to any changes and make sure that we engage with Local Authorities to fulfil the role that they want us to play.</p> <p>TfSE's Chair met with the Transport Secretary, to set out the role that TfSE play on behalf of our Members, and we will ask DfT Ministers to set this out in writing.</p>	3	1	3	Rupert Clubb	Ongoing	PB
35	<p>Governance</p> <p>As Local Government Reorganisation and Devolution take effect, any changes to TfSE's constituent authorities would mean that our Constitution and Inter Authority Agreements would need to be amended.</p>	3	5	15	<p>TfSE Officers will work with Local Authorities ensuring engagement is timely in order to make the changes to the constitution and inter authority agreement in a timely manner to ensure the governance of TfSE is correct.</p> <p>Changes should be easy to implement, once they are needed.</p>	1	5	5	Rupert Clubb	Ongoing	PB / SOG
36	<p>Spending Review</p> <p>Without TfSE having a multiyear funding settlement it means it is difficult to plan a forward programme of support to our Local Authorities and work is delayed, because of stop-start funding.</p>	4	5	20	<p>TfSE have now received a letter from DfT outlining their position for funding TfSE over this Spending Review period. TfSE funding will now be a matter for local leaders, following the transition year of 2026/27. TfSE will engage with local leaders to understand their position on TfSE's future status.</p>	3	5	15	Rupert Clubb	Ongoing	PB / SOG

Risk Register - COMPLETED

Programme Overview

January 2025

Risk Number	Risk Description	Score if no action taken (1-5)		LxI = Risk score	Mitigating action	Score post action (1-5)		LxI = Risk score	Owner	Review date
		Likelihood	Impact			Likelihood	Impact			
	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	Maintain open and regular communication with DfT to get early insight into emerging policies and priorities. Develop scenario plans for policies and priorities. Discussions with senior officers through Senior Officers Group for appropriate actions	4	3	12	RC	Oct-24
	Local Contributions are not secured from constituent authorities for 2024 onwards.	4	3	12	Early agreement at Partnership Board. SOG members advised to work into operational budgets. Certainty from DfT grant allocation received May 2024, £200k reduction. Officers produced work on demonstrating how TfSE delivers value for partners.	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	<p>National Planning Policy Reform</p> <p>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</p>	4	4	16	<p>TfSE will continue to monitor Government plans and continue to engage with DfT.</p> <p>TfSE recently responded to the open consultation on the NPPF.</p>	4	3	12	Chief Officer	Ongoing
8	<p>Reduced Funding for future years</p> <p>Reduced funding in 2024/25 may impact on work programme as set out in Business Plan.</p>	4	3	12	<p>£200k reduction from the ask set out within the Business Plan for 2024/25.</p> <p>Agreed amended work plan delivering against this.</p>	2	2	4	Keir Wilkins	Ongoing

21	<p>LEPs Dissolution</p> <p>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.</p>	3	4	12	<p>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.</p> <p>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)</p> <p>Partnership Board can</p>	1	1	2	Keir Wilkins	Mar-26
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24	<p>Transport Strategy Refresh - Constituent Authorities Support</p> <p>Constituent Authorities do not support the Transport Strategy Refresh and does not agree to support the 'missions'.</p>	4	4	16	<p>The Transport Strategy is going to the Partnership Board for final approval and adoption in October 2025.</p> <p>TfSE has had extensive engagement with Local Authority partners, to ensure the Transport Strategy is taken through all Local Authority governance processes as required.</p>	4	2	8	Mark Valley	Dec-25
36	<p>Spending Review</p> <p>Without TfSE having a multiyear funding settlement it means it is difficult to plan a forward programme of support to our Local Authorities and work is delayed, because of stop-start funding.</p>	4	5	20	<p>TfSE have now received a letter from DfT outlining their position for funding TfSE over this Spending Review period. TfSE funding will now be a matter for local leaders, following the transition year of 2026/27. TfSE will engage with local leaders to understand their position on TfSE's future status.</p>	3	5	15	Rupert Clubb	Ongoing