

Agenda Item 7

Report to: Partnership Board –Transport for the South East

Date of meeting: 2 February 2026

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 3 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 3 2025/26.

2. Background

2.1 The Board agreed TfSE's final Business Plan for 2025/26 in July 2025. This Business Plan set 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 Our financial position to the end of Quarter 3 2025/26 is set out in **Appendix 1**. In the nine months from April to the end of December, TfSE spent £1,555,119.

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 At the end of Quarter 3, our updated forecast expenditure is now £3,209,032, against a budget of £3,807,322. This paper breaks down the forecast for each expenditure line in the budget. The confidence rating for many forecasts has increased, as we gain more certainty about the cost of work to the end of the financial year.

4. Staffing Costs

4.1 Staffing expenditure is in line with expectations. Our forecast expenditure to the end of the year is £1,236,862. The forecast confidence rating has increased from a 4 to a 5, 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. We also have certainty

on pension and taxation costs to the end of the financial year, following the October Budget. We could still underspend against the forecast if any members of staff leave their posts between now and the end of March.

5. Technical Programme Costs

5.1 The final forecast spend on the Transport Strategy is £99,405. This has decreased from £120,737, as we will no longer host a bespoke event to launch the Transport Strategy.

5.2 Forecast expenditure on SIP Implementation remains steady at £401,704. Any underspend will be committed carry forward, as work is already underway, and any work that is not finished in 2025/26 will be finished early in the 2026/27 Financial Year.

5.3 Forecast expenditure on the Analytical Framework has decreased from £513,833 to £465,327, our forward work plan for 2025/26 has been finalised. As with SIP Implementation, any underspend will be committed carry forward and will be spent early in 2026/27. The forecast confidence rating has increased from a 3 to a 4, as we have greater clarity on when expenditure will be made.

5.4 Forecast expenditure for Future Mobility and Active Travel is unchanged at £0.

5.5 Forecast expenditure for Decarbonisation, Freight, Rail, Electric Vehicle Infrastructure, and Centre of Excellence have been updated as we now have costs for all planned work from suppliers. All changes are minor and are the forecasts are in-line with the forecasts that the Board received at the end of Quarter 2.

5.6 Forecast expenditure Private Financing remains at £50,000. However, the forecast confidence rating has decreased from a 3 to a 2, as TfSE's Funding and Finance Group gave feedback on how the work should be delivered to maximise its impact. A new scope for the work will be approved by TfSE's Funding and Finance Group in January, meaning work may be completed after the end of this Financial Year.

5.7 The end of year forecast for Other Costs and Technical Support has decreased to £99,118, leaving £50,882 for further additional work, should it be required.

6. Communications, Engagement and Other Costs

6.1 End of year forecasts for Communications, Engagement, and Other Costs are as forecast at the end of Quarter 3. Costs for the website and stakeholder database are billed for a whole year, in Quarter 4. Although Communication spend has been low so far this year, we expect expenditure to increase to the forecast, to support delivery of the SIP Refresh. There will also be expenditure on TfSE Governance on work that has been undertaken on the future status of TfSE.

7. Conclusions and Recommendations

7.1 The Partnership Board are recommended to note the financial position to the end of Quarter 3 2025/26.

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Chief Officer

Transport for the South East

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Appendix 1 – TfSE Budget Position at end December 2025

	Budget	Actual YTD	Year End Forecast	Forecast Confidence (1-5)
EXPENDITURE				
Salaries (including on-costs)	1,319,857	681,196	1,231,862	5
Training	20,000	759	5,000	4
STAFFING	1,339,857	681,955	1,236,862	4
Transport Strategy	120,737	97,975	99,405	4
SIP Refresh	98,000	52,287	98,045	4
SIP implementation	482,473	228,275	401,704	4
Analytical framework	546,984	129,498	465,327	4
Future mobility	40,000	0	0	5
Active travel	45,000	0	0	5
Decarbonisation	40,000	3,116	23,640	4
Freight	185,758	72,875	156,935	4
Rail	75,000	66,957	111,503	4
Electric Vehicle Infrastructure	129,319	41,874	125,842	4
Centre of Excellence	251,759	56,065	201,371	4
Private Financing	104,435	0	50,000	2
Other costs/technical support	150,000	78,477	99,118	4
TECHNICAL PROGRAMME	2,269,465	827,399	1,832,890	4
Events	40,000	24,344	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	4,537	10,000	4
COMMUNICATIONS/ENGAGEMENT	98,000	29,286	89,280	4
TfSE Governance	25,000	0	25,000	4
Operational Expenses	75,000	16,479	25,000	4
OTHER	100,000	16,479	50,000	4
TOTAL EXPENDITURE	3,807,322	1,555,119	3,209,032	4
MONEY HELD BACK FOR TfSE RESERVE	496,730		Confidence Ratings	
TOTAL BUDGET INCLUDING RESERVE	4,304,052			
FUNDING FOR 2025/26			5	VIRTUALLY CERTAIN
Local Contributions	498,000			
DfT Grant	2,161,666		4	HIGLY LIKELY
Technical Programme Carry Forward from 2024/25	1,237,656			
TOTAL FUNDING EXCLUDING RESERVE	3,897,322		3	MODERATELY LIKELY
Carry Forward for TfSE Reserve from 2024/25	406,730			
TOTAL FUNDING INCLUDING RESERVE	4,304,052		2	UNCERTAIN
			1	HIGHLY UNCERTAIN