

Report to: Partnership Board –Transport for the South East

Date of meeting: 19 March 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 February 2026 and the final end of year forecasts for 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 January 2026 and the final end of year forecasts for 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 to the end of January 2026

3.1 Our financial position to the end of February 2026 is set out in **Appendix 1**. In the nine months from April to the end of February, TfSE spent £2,216,009.

3.2 This is in line with our expectations at the start of the year. We only pay for work on completion, so the rate of expenditure has increased as the financial year progresses.

4. End of Year Forecasts

4.1 At the end of February 2026, our updated forecast expenditure is now £2,922,977, against a budget of £3,807,322. This is £286,055 less than forecast at the previous Board meeting. As we are closer to the end of the year and have final invoices from suppliers, the confidence rating has increased, with most budget line forecasts now virtually certain. This paper outlines how the forecast has evolved.

4.2 Forecasts for staffing costs remain unchanged at £1,231,862. However, the confidence rating has decreased from a ‘5’ to a ‘4’, as we are still waiting on an invoice from DfT for a member of staff on secondment. This cost may need to be accrued, if the invoice is received late.

4.3 Across the technical programme, the Forecast confidence rating has risen to a '5', or virtually certain, as for most budget lines we have final invoices in from suppliers. However, as work has been scoped, forecast expenditure on the technical programme has decreased from £1,832,890 to £1,588,589.

4.4 The forecast on SIP Implementation has decreased from £401,704 to £343,854. This is due to additional contributions from Local Authorities that were not accounted for in previous forecasts.

4.5 The Analytical Framework forecast has decreased from £465,327 to £391,618, as TfSE's modelling and analysis work has been re-scoped to ensure all work can be completed in 2026/27, in light of the DfT's recent funding decision.

4.6 The Centre of Excellence forecast has decreased by £50,000, as work that was scheduled to be completed in March will now be completed from April-June, meaning the Centre of Excellence continues to support officers during this time.

4.7 The private finance forecast has also changed from £50,000 to £10,000, as work has been rescoped with TfSE's Funding and Finance Group, to ensure it adds maximum value in terms of developing the evidence base for a future Strategic Outline Business Case for the A27/M27 corridor. This work will now be completed by October 2026.

4.8 Forecast expenditure on communications and engagement has decreased from £89,280 to £62,526. This is due to efficiency savings across our communications and engagement programme, including bringing a number of products in-house to be developed by our comms team.

4.9 The forecast on governance costs has reduced from £25,000 to £10,000, as we have the final cost for work that suppliers did with Board Members on TfSE's future status and funding. No other governance work is projected in 2025/26, meaning the forecast confidence rating has increased from a '4' to a '5'. The forecast for operational expenses remains steady at £25,000.

5. Conclusions and Recommendations

5.1 The Partnership Board are recommended to note the financial position to the end of February 2026 and the final end of year forecasts for 2025/26.

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Appendix 1 – TfSE Budget Position at end February 2026

	Budget	Actual YTD	Year End Forecast	Forecast Confidence (1-5)	
EXPENDITURE					
Salaries (including on-costs)	1,319,857	907,133	1,231,862	4	▼ 1
Training	20,000	6,444	5,000	4	
STAFFING	1,339,857	913,577	1,236,862	4	
Transport Strategy	120,737	97,975	97,975	5	▲ 1
SIP Refresh	98,000	107,602	121,425	5	▲ 1
SIP implementation	482,473	305,568	343,854	4	
Analytical framework	546,984	198,033	391,618	4	
Future mobility	40,000	0	0	5	
Active travel	45,000	0	0	5	
Decarbonisation	40,000	14,000	24,000	4	
Freight	185,758	107,300	121,438	4	
Rail	75,000	78,298	79,062	5	▲ 1
Electric Vehicle Infrastructure	129,319	116,775	131,744	5	▲ 1
Centre of Excellence	251,759	93,700	153,355	4	
Private Financing	104,435	0	10,000	4	
Other costs/technical support	150,000	100,298	114,118	5	▲ 1
TECHNICAL PROGRAMME	2,269,465	1,219,549	1,588,589	4	
Events	40,000	47,426	47,426	5	▲ 1
Communication (and Media Subscriptions)	14,000	100	100	5	
Publications	5,000	0	0	5	
Website	21,000	4,842	5,000	4	
Stakeholder Database	18,000	9,371	10,000	4	
COMMUNICATIONS/ENGAGEMENT	98,000	61,739	62,526	4	
TfSE Governance	25,000	0	10,000	5	▲ 1
Operational Expenses	75,000	21,144	25,000	4	
OTHER	100,000	21,144	35,000	4	
TOTAL EXPENDITURE	3,807,322	2,216,009	2,922,977	4	

MONEY HELD BACK FOR TFSE RESERVE 496,730

TOTAL BUDGET INCLUDING RESERVE 4,304,052

Confidence Ratings

FUNDING FOR 2025/26

Local Contributions 498,000

DfT Grant 2,161,666

Technical Programme Carry Forward from 2024/25 1,237,656

TOTAL FUNDING EXCLUDING RESERVE **3,897,322**

Carry Forward for TfSE Reserve from 2024/25 406,730

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

5 VIRTUALLY CERTAIN

4 HIGHLY LIKELY

3 MODERATELY LIKELY

2 UNCERTAIN

1 HIGHLY UNCERTAIN