

Business Plan

2026/27



Contents

<i>About us</i>	03
<i>Strategic Priorities</i>	04
<i>Our Region</i>	05
<i>Challenges to Economic Growth</i>	07
<i>Current Position</i>	08
<i>Future Funding</i>	10
<i>2026/27 Budget and Expenditure Proposal</i>	13
<i>Conclusion</i>	15
<i>Appendix</i>	16

About Us

Transport for the South East (TfSE) is the Sub-national Transport Body (STB) for the South East of England, established in 2017. It brings together 16 local transport authorities, district and borough councils, protected landscapes, business representatives, and national agencies such as Network Rail, National Highways and Transport for London. This partnership is designed to address the strategic transport needs of the region, which covers a diverse area including major urban centres, rural communities, and coastal towns. The South East is a key driver of the UK economy and serves as a major international gateway for people and goods.

Mission and Vision

TfSE's mission is to grow the South East's economy by delivering a safe, sustainable, and integrated transport system. The organisation aims to improve the quality of life for residents, visitors, and businesses, while preserving the region's unique and diverse environment. By 2050, TfSE envisages the South East as the world's leading region for sustainable economic growth, with a clean, safe, and seamless transport system that better connects lives and businesses, supports job creation, and protects the environment.

What Does TfSE Do?

TfSE plays a strategic role in shaping transport policy and investment across the region. Its main responsibilities include:

- **Strategic Planning:** Developing evidence-based strategies and plans, such as the Transport Strategy and Strategic Investment Plan (SIP), which set out priorities for transport infrastructure investment and guide future development.
- **Partnership and Collaboration:** Working closely with local authorities, transport providers, businesses, and stakeholders to ensure that funding and strategic decisions are informed by local knowledge and priorities.
- **Centre of Excellence:** Building the capability of local transport authorities, sharing best practice, and supporting the development of evidence-led transport schemes.
- **Policy Alignment:** Ensuring close alignment between local and national government, acting as a 'golden thread' that connects local transport plans with national investment strategies.
- **Driving Investment:** Speaking with one voice on the region's transport priorities to make a strong case to government for the investment needed to boost the South East's economy and improve connectivity.

Strategic Priorities

TfSE's work is guided by five key missions:



Strategic Connectivity:

Improving links across local, regional, and national networks, especially by public transport, to support economic growth.



Resilience:

Ensuring the transport system can adapt and respond to change, offering reliable journeys and managing risks.



Inclusion and Integration:

Making transport more accessible and better connected for everyone, tackling social exclusion.



Decarbonisation:

Supporting the transition to alternative fuels and promoting sustainable travel.

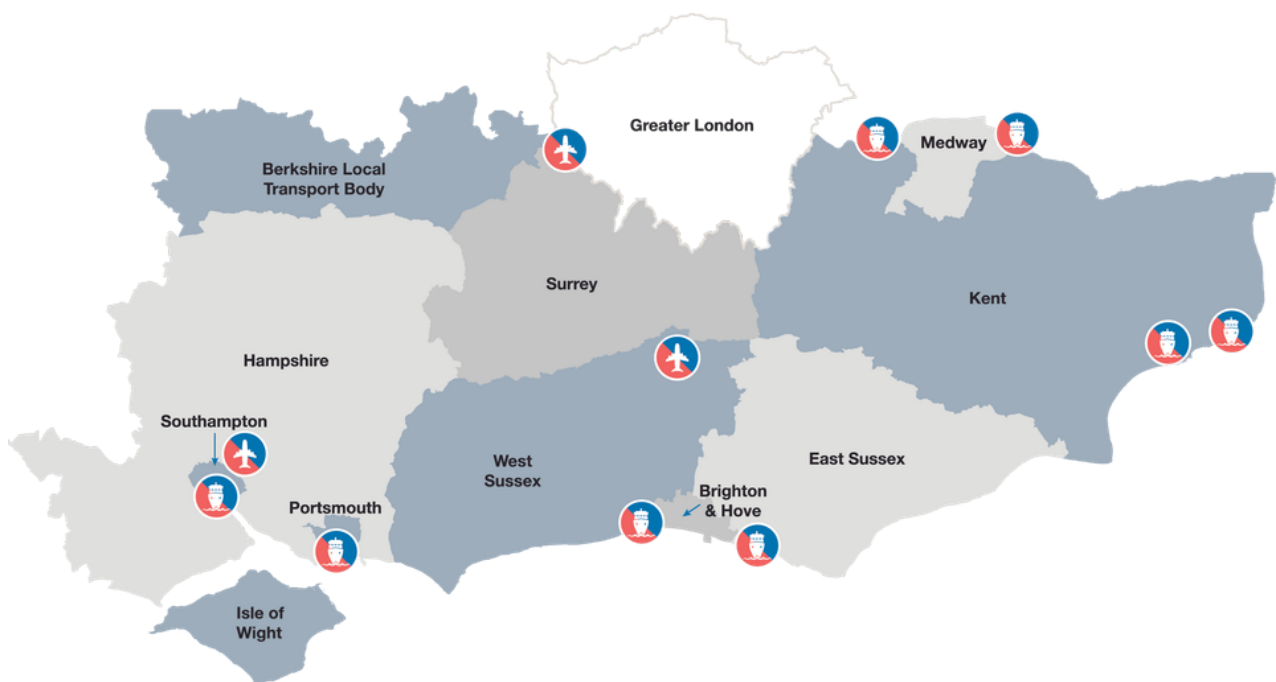


Sustainable Growth:

Enabling prosperity through well-planned, low-carbon development.

Our Region

The Transport for the South East (TfSE) region covers a large and diverse area of southern England, including major urban centres, rural communities, and coastal towns. TfSE is a partnership of 16 upper-tier local transport authorities: Brighton & Hove, East Sussex, Hampshire, Isle of Wight, Kent, Medway, Portsmouth, Southampton, Surrey, West Sussex, and the six Berkshire authorities (West Berkshire, Reading, Slough, Wokingham, Bracknell Forest, Windsor & Maidenhead). These local authorities work alongside district and borough councils, protected landscapes, business representatives, and national agencies such as National Highways, Network Rail and Transport for London. TfSE provides strategic leadership, aligning local and national transport priorities, and acts as a 'golden thread' connecting local transport plans with national investment strategies. The governance model is collaborative, with constituent authorities and partners shaping policy, investment, and delivery through the TfSE Partnership Board and thematic working groups.



The region is home to over 7.8 million residents and around 350,000 businesses, making it one of the UK's most populous and economically significant areas. The population is diverse, with vibrant cities, university towns, and rural communities. The South East contributes approximately £228 billion in gross value added (GVA) to the UK economy, with ambitions to boost this to £300 billion by 2050.

Recent regional travel surveys show varied travel behaviours across the 16 local transport authorities, with differences in car ownership, public transport use, and active travel. The region's population is projected to grow by 16% over the next 25 years, increasing demand for housing, jobs, and transport services.

Transport Connectivity

TfSE is a national and global hub for connectivity and commerce. The region hosts the UK's two largest airports, Heathrow and Gatwick, which together handle millions of passengers and freight annually. It includes some of the busiest motorways (M25, M3, M4, M23) and vital railway connections linking London, the rest of Britain, and mainland Europe. Several of the UK's busiest seaports, such as Dover and Southampton, are located here, making the South East the primary international gateway for people and goods.

While connections into London are generally strong, many orbital and east-west corridors are poorly served. It is often faster to travel between South Coast towns via London than directly along the coast, which limits agglomeration benefits and economic growth in coastal communities. Some areas, especially those served by branch lines or secondary corridors, have significant connectivity gaps. International gateways also face challenges, such as limited public transport access beyond London and vulnerability to delays at key ports.



Challenges to Economic Growth

Despite its strengths, the TfSE region faces several challenges:

-  **Poor Strategic Connectivity:** Orbital and east-west transport links are underdeveloped, hindering economic growth outside London-centric corridors.
-  **Reliance on Private Cars:** High car dependency makes it difficult to reduce carbon emissions and congestion, especially in areas with limited public transport options.
-  **Freight and Logistics:** The region's ports account for 15%¹ of all UK freight volumes, but there is a shortage of intermodal rail freight interchanges, limiting the shift from road to rail and constraining the government's railfreight growth targets.
-  **Asset Condition and Maintenance:** Highway assets are growing due to development, but funding for maintenance is not keeping pace, especially on lower-classified roads.
-  **Decarbonisation and Resilience:** The need to decarbonise transport and make the network resilient to climate change and extreme weather is urgent. TfSE's £45 billion investment plan aims to address these issues, but delivery requires integrated approaches across institutional and sectoral boundaries.
-  **Socio-Economic Disparities:** While the region is prosperous overall, there are pockets of deprivation and social exclusion. Levelling up access to opportunities, improving safety, and supporting inclusive growth are key priorities.

The TfSE region is a dynamic, economically vital area with complex governance, diverse demographics, and significant transport assets. Its challenges—strategic connectivity gaps, car dependency, freight bottlenecks, infrastructure maintenance, and the need for decarbonisation—are being addressed through collaborative leadership, evidence-led strategies, and ambitious investment plans. TfSE's vision is to create a region that leads in sustainable, net-zero carbon growth, offering the highest quality of life for all.

Current Position

TfSE has operated a mixed funding model since 2017. Initially funded by local transport authority contributions and then subsequently supported by the DfT through section 31 grant. However, the DfT has stated dedicated funding for STBs will end in March 2027 with limited transitional funding made available in 2026/27 to support the move towards new collaboration models.

Since this announcement we have worked with our board and in particular our local authority members to determine a sustainable operating model when funding ceases in 2027. The board have stressed the importance of the transition funding in order to secure the tools, products and workstreams to enable a future body to take on these products to support local authorities either as an evolved TfSE or alternative body/bodies.

All local authorities agree with the principles for pan-regional collaboration and support a continued role for TfSE. TfSE should work to ensure the ambitions of the Transport Strategy are reflected in the policies and programmes of government and its arm's length bodies, as well as the work of other delivery partners. Almost all areas of work currently delivered by TfSE are 'valued' (i.e. local authorities have a degree of willingness to pay) and are thought to be best delivered at a regional scale.

Board members highest priority areas include:

- Regional Transport Strategy development;
- Strategic rail planning and case-making;
- Freight planning and research;
- Network resilience research and knowledge sharing;
- Identifying and evidencing investment priorities;
- Providing data free of charge/reduced cost for local and regional use, including the Regional Evidence Base;
- Advocacy – amplifying local voices to government;
- Providing pan-regional governance;
- Enhancing capability through the Centre of Excellence; and
- Potential to deploy/share staff resources.

All authorities want to continue to support TfSE and identified that TfSE could provide support and consistency through a period of significant change for local government.

There is recognition that TfSE also needs to evolve, noting local authorities are 'evolving' as a result of Local Government Reform and Devolution agendas.

Local authorities were confident or very supportive of providing contributions in line with today's levels. However, without additional funding, including from local authorities, it will not be possible to deliver fully on all areas of work that are valued and best delivered regionally.

Some of our local authorities consider it possible they could provide higher levels of funding (up to two times current levels) or would strongly advocate for the emerging Mayoral Strategic Authorities to provide higher levels of funding - typically, larger authorities were most likely/willing to contribute more.

Some noted that there is new additional Local Transport Grant revenue funding from the DfT and a small proportion of this could cover existing and additional costs to continue receiving higher levels of benefit from TfSE – this would be much better to finding funding from other local funding sources /taxes.

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Generally, there are high levels of support for seeking private sector sponsorship and developing a 'subscription model' for bulk buying (e.g. data) to get economies of scale, and/or for accessing higher value services (e.g. model access, time from subject matter experts).

There was a recognition that for one-off costs, that this could be factored into business planning as additional (e.g. renewing the Regional Transport Strategy, a model upgrade).



Future Funding

Local authority core funding

Options aligned to this include:

- increase local authority contributions (without match);
- increase local authority contributions (only with match);
- seek funding from local highway authorities under MSAs.

Local authorities have flexibility to use new Local Transport Grant for regional collaboration, however they also face their own pressures. Given the structural changes of both devolution and local government reorganisation the Board is of the view that they cannot agree a budget or commit a budget pressure for an authority that is not yet established. In other words, the Board consider they are not able to set a budget for 2027/28 given the significant level of change and uncertainty.

Subscription model funding

Aspects of TfSE's offer are and could be of benefit to some but not all authorities or are larger one-off tasks (e.g. Regional Travel Survey). For those authorities that benefit or for 'one off' larger commissions, a subscription model option could include access to:

- analytical frameworks;
- data and analysis/insights;
- training;
- expert/technical advice;
- project/programme management;
- procurement framework access;
- collective buying (e.g. data, EVCI).

The success of a subscription model is dependent on an adequate level of core funding.

'Third party' funding

The DfT has indicated that it would be acceptable for STBs to seek funding from 'third parties'.

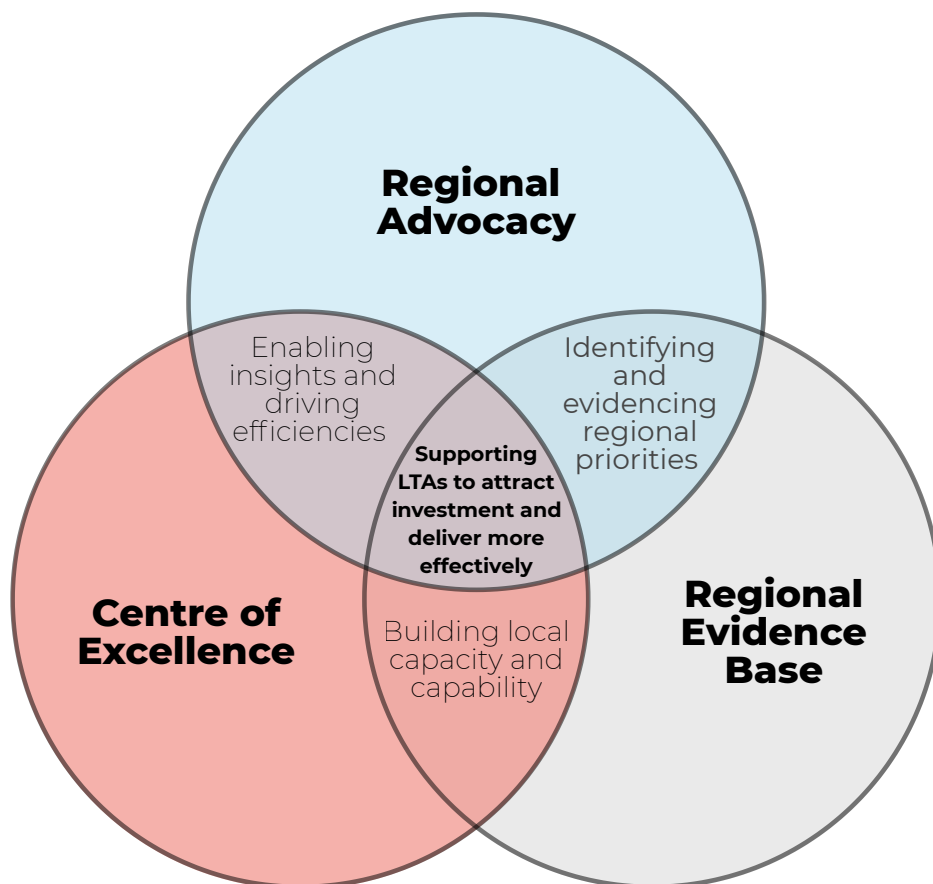
Options include:

- private sector funding – access to forums, conference subscription, webinars
- funding bids (e.g. for innovation)

Proposed future arrangements

The general consensus of the Board is they support the work of TfSE and wish to see TfSE continue in some shape or form, recognising the importance of the regional evidence base, the regional advocacy and the importance of the Centre of excellence. Given lower levels of funding the future operating model builds on the areas the board considers adds value, specialising in three principal areas:

- One Voice – Regional Advocacy
- Developing and maintaining a Regional Evidence Base for the benefit of all partners
- Enhancing capability across the region through the Centre of Excellence



These areas will encompass a smaller team of dedicated staff, a technical programme to support the goals of TfSE, and a focused engagement programme to maximise the partnership's collective aspirations.

Regional Advocacy

- Continued development and enhancement of the Strategic Investment Plan.
- Business case development for the highest priority infrastructure needs and advocating for inclusion into national funding programmes.
- Communication and engagement across the region, including operators and businesses, with other regions, and with government departments and agencies.

Regional Evidence Base

- Purchasing data and its analysis cost effectively (e.g. Mobile Network Data, Regional Travel Survey).
- Development and maintenance of the analytical framework to support better case-making, as well as supporting existing and new authorities with Local Transport Plans, Local Plans/Spatial Development Strategies, and Local Growth Plans (e.g. SEELUM, SEHAM).
- Focused areas of research with localised outputs to support all LTAs in the development of their own local policies (e.g. EV fleet charging forecasts, freight warehousing study).

Centre of Excellence

- Tailored capability training for officers (e.g. business case development, economic appraisal, transport strategy development, Regional Travel Survey).
- Knowledge sharing through webinars (e.g. innovation in transport modelling, transport evidence bases and assessments for Local Plans, Integrated Sustainability Assessment, use of AI).
- Access to specialist expertise to support and advise (e.g. strategic modelling procurement advice, economic appraisal surgeries).

TfSE are perfectly positioned to provide support to local transport authorities during this time of significant change - supporting the DfT in achieving their ambitions.



2026/27 Budget and Expenditure Proposal

The 2026/27 proposal seeks to propel TfSE into a ready state ensuring the products, tools and support are ready to be adopted either by a continuing TfSE or provided to local transport authorities should a sustainable operating model be unachievable.

The detailed programme and rationale are contained in Appendix 1.

The TfSE board agreed the budget proposals and programme at their November meeting. This seeks £1.5m transition support from the DfT. It provides for a reduction in the overall staff complement and includes use of the forecast carry over. Members have indicated the continuation of their existing level of contribution and in doing so the board note that local authorities face unprecedented budget pressure, notably through demand for social care and SEND provision.

This proposal includes further work to explore the potential role of subscription model as part of any post March 2027 operating model. Any future proposals will be brought back to the Board for consideration.

The 2026/27 budget and expenditure are detailed over the page.



Budget and expenditure 2026/27

ITEM	BUDGET
Salaries (including on-costs)	£783,000
Training	£10,000
Staffing	£793,000
SIP Refresh	£37,000
Priorisation Tool Update	£7,500
Rail Governance	£70,000
Funding and Financing	£75,000
Regional Advocacy	£189,500
Model Development	£989,500
Data Management	£183,000
EVCI Programme	£100,000
Freight Programme	£100,000
Regional Evidence Base	£1,372,500
Project Management	£10,000
Freight Planning	£47,500
Scheme & Business case development	£60,000
Capability Support	£140,000
Centre of Excellence	£257,500
Other Technical Work	£90,000
Technical Programme	£1,909,500
Events	£25,000
Communications	£2,000
Website	£8,000
Stakeholder database	£10,000
Communications and Engagement	£45,000
TfSE Governance	£35,000
Operational Expenses	£30,000
Transfer to Reserve	£124,676
Other Expenditure	£189,676
Total Expenditure	£2,937,176

FUNDING	
Local Contributions	£498,000
DfT Grant	£1,500,000
Carry Forward	£939,176
Total Funding	£2,937,176
TfSE Reserve	£621,406
Total Funding Including Reserve	£3,558,582

Conclusion

TfSE stands at a pivotal moment. As dedicated central government funding is set to end in March 2027, the organisation and its partners have proactively explored sustainable models to ensure continued regional collaboration and leadership in transport strategy.

There is strong consensus among local authorities and stakeholders that TfSE's work, particularly in regional advocacy, evidence provision, and capability building, remains highly valued and best delivered at a regional scale. However, the ability to maintain the full breadth of current activities will depend on securing new funding streams, including increased local contributions, private sector support, and innovative subscription models.

The proposed future arrangements focus on three core pillars:



Regional Advocacy

Speaking with one voice to influence national policy and investment.



Regional Evidence Base

Providing robust data, models, and analysis to underpin local and regional decision-making.



Centre of Excellence

Building local capacity and sharing best practice across the region.

TfSE's collaborative approach, strategic leadership, and commitment to evidence-led investment are crucial for addressing the South East's transport challenges and supporting economic growth. The continued success of TfSE will depend on the willingness of partners to invest in shared priorities and adapt to a changing funding landscape, ensuring the region remains a national and international leader in sustainable transport.

Appendix 1

Technical work programme for 2026/27

Regional Advocacy			
- Continued development and enhancement of the Strategic Infrastructure Plan. Business case development for the highest priority infrastructure needs and advocating for inclusion into national funding programmes. Communication and engagement across the region, including operators and businesses, with other regions, and with government departments and agencies.			
Workstream	Deliverables	Rationale and Benefits	£
Strategic Investment Plan (SIP) -completion and digital presentation - Provide strategic advice to the Secretary of State on regional investment priorities, based on robust evidence and stakeholder engagement aligned with government objectives.	- Final SIP deliverables - Updated MP/Mayor area factsheets - Updated digital StoryMap	Completes the refreshed SIP with a final document and communications materials, enabling the region and its partners to clearly articulate transport priorities and communicate them effectively. Fact sheets enable MPs and Mayors to understand and articulate transport priorities set out in the SIP.	£37,000
Delivery Action Plan/Strategic Prioritisation Tool update - Manage and monitor delivery of SIP schemes, maintain SIP as a live document, and provide agile strategic advice to the Secretary of State, Great British Railways, National Highways, and Network Rail on regional investment priorities.	- Update Prioritisation Tool to reflect refreshed SIP schemes - Establish a framework for annual - SIP updates to keep it a live document.	Updates the Delivery Action Plan (DAP) and Prioritisation Tool following the SIP refresh. The DAP tracks scheme progress, ensures efficient resource use, and supports annual monitoring of SIP delivery. The Prioritisation Tool enables rapid responses to calls for priority schemes. Together, they help TfSE and partners collaborate effectively on national programme delivery.	£7,500

Appendix 1

Regional Advocacy continued			
Workstream	Deliverables	Rationale and Benefits	£
Rail governance - this workstream provides strategic advice to the Secretary of State, Great British Railways on the investment priorities for the region, built on a focussed evidence base and effective stakeholder engagement.	• Administer Wider South East Rail Partnership, develop Rail Plan • Deliver TfSE Rail Strategy • Lead first/last mile rail integration study.	Provides a single regional view of rail priorities, reducing duplication and offering clear, evidence based investment cases. Creates a forum for mayors and local authorities to align priorities with national programmes and strengthen funding bids. Supports operators and infrastructure partners by improving first/last mile connectivity to boost demand and optimise existing assets	£70,000
Funding and financing - this workstream identifies and evaluates new mechanisms to fund transport infrastructure projects	Development of a high level financial model and assessment of alternative funding and financing approaches for the A27/M27 corridor.	Provides an early understanding of the potential affordability and deliverability of the corridor programme, reducing uncertainty around future investment requirements. The work will help identify credible funding and financing approaches, inform discussions with government and potential investors, and support progression towards Strategic Outline Business Case development.	£75,000

Appendix 1

Regional Evidence Base			
• Purchasing data and its analysis cost effectively (e.g. Mobile Network Data, Regional Travel Survey). • Development and maintenance of the analytical framework to support better case making, as well as supporting existing and new authorities with Local Transport Plans, Local Plans/Spatial Development Strategies, and Local Growth Plans (e.g. SEELUM, SEHAM). • Focused areas of research with localised outputs to support all LTAs in the development of their own local policies (e.g. EV fleet charging forecasts, freight warehousing study).			
Workstream	Deliverables	Rationale and Benefits	£
Analytical Framework -Provide strategic advice to the Secretary of State on regional investment priorities, based on robust evidence and stakeholder engagement aligned with government objectives.	• Completed TfSE Analytical Framework • Consistent and up to date regional evidence base	Maintain robust evidence base to support TfSE's work and regional advocacy; provide shared data, models and tools for technical analysis and local planning, delivering economies of scale and accelerating development for emerging MSAs.	See break-down below
SEHAM Model Rebase - this work completes the development of a highways assignment model for the south east	• Maintain South East Highway Assignment Model (SEHAM) and update base year from 2019 to 2024 • Manage Regional Interventions Log • Develop future year forecasting models.	Complete development of SEHAM for the TfSE area, providing consistent impact assessment and future forecasting to support local transport plans, spatial strategies and scenario testing. Enables coordinated use by local authorities and MSAs and supports National Highways' model refresh.	£604,500
Public Transport Model - this work builds a transport model for the region.	Podaris analytical platform to test public transport schemes.	Podaris will provide the primary analytical platform for strategic analysis and modelling, also providing a regional collaboration platform. It will also supply the required public transport data inputs, such as journey times and costs, to other components of the analytical framework.	£62,500

Appendix 1

Regional Evidence Base – <i>continued</i>			
Workstream	Deliverables	Rationale and Benefits	£
Variable Demand Model - this work builds a variable demand model for the region	Develop regional variable demand model.	Delivers a tool to estimate the impact of interventions on travel behaviour including trip frequency, mode choice and destination choice, supporting policy testing and integration of network models across all transport modes.	£222,500
SEELUM Update - this work updates the previously developed SEELUM model with outputs from regional models described above making it more robust for use in strategy and plan development	Updated South East Economy and Land Use Model (SEELUM).	Enhances SEELUM, the region's only interactive land use and transport model, by integrating it with other transport models for greater robustness. Supports TfSE and provides local authorities and MCAs with a key tool for developing spatial strategies and local transport plans.	£100,000
Data Management - this workstream is essential to support the analytical framework	- TfSE SQL database - Visualisation & communication tool 2026 regional travel survey	The SQL database provides a modern, future proof foundation for the entire analytical framework, acting as a hub to store survey data and to link models and tools with their inputs and outputs. A visualisation and communication tool sits on top of the database, enabling us to share insights, and potentially data with our partners.	£183,000

Appendix 1

Regional Evidence Base – <i>continued</i>			
Workstream	Deliverables	Rationale and Benefits	£
EV Programme - Provide regional leadership, evidence, tools, and partnerships to help local authorities deliver a coherent EV charging network for private and commercial fleets across the South East.	• Update EVCI Visualiser Tool • Undertake phase 2 of the on-street charging solutions study	Provides DfT and regional stakeholders with a consistent, data driven view of the South East's electrification challenge to target investment for maximum public value. Equips mayors and local authorities with robust evidence on viability, constraints and fleet demand.	£100,000
Freight Programme - Strengthen regional freight planning by evidencing future needs, promoting modal shift to rail, and guiding authorities on warehousing, lorry parking, and decarbonisation infrastructure.	• Develop Freight Fuel Infrastructure Strategy • Develop guidance for local freight plans, consolidation hubs, and logistics management	Will provide clearer understanding of infrastructure needs for supply of alternative fuels, refuelling locations and energy implications, together with practical guidance to support future planning and investment decisions.	£100,000

Appendix 1

Centre of Excellence			
• Tailored capability training for officers (e.g. business case development, economic appraisal, transport strategy development, Regional Travel Survey). • Knowledge sharing through webinars (e.g. innovation in transport modelling, transport evidence bases and assessments for Local Plans, Integrated Sustainability Assessment, use of AI). • Access to specialist expertise to support and advise (e.g. strategic modelling procurement advice, economic appraisal surgeries).			
Workstream	Deliverables	Rationale and Benefits	£
Project management – ensure a coordinated and manageable programme	Development and execution of a 2026/27 SME Support Plan.	Provides a clear, evidence-led programme of support aligned with identified capability gaps and stakeholder priorities. Enables investment to be targeted effectively, strengthen professional capability across the region and ensure a coordinated and a manageable programme.	£10,000
Freight Planning - strengthen the region's capacity to plan, manage and decarbonise freight activity	• Administer Wider South East Freight Forum • Develop Freight Awareness Training Programme	Enable LTAs and fleet operators to share evidence, build confidence and overcome barriers to charging infrastructure delivery; enhance local capability, promote a consistent regional approach and accelerate targeted investment.	£47,500

Appendix 1

Centre of Excellence – <i>continued</i>			
Workstream	Deliverables	Rationale and Benefits	£
Scheme and Business Case Development - build local capacity to develop schemes and business cases, by providing practical support to local authorities.	• Provide access to the TfSE analytical framework • Support efficient procurement through TfSE contracts and subject matter expertise • Offer technical advisory and regional support • Deliver training and upskilling for officers • Develop a pipeline of schemes	Improves regional capability for scheme and business case development, saving time and supporting greater regional investment.	£60,000
Capability Support - this workstream aims to deliver measurable capability and capacity improvements across the region	• Delivery of a programme of SME led support including webinars, roundtables, forums, training events, panels and research resources aligned to identified capability gaps and partner priorities • Commission additional specialist support in response to emerging needs and policy developments	Provides local transport authorities with access to specialist expertise, practical learning and peer support in priority areas including policy development, stakeholder engagement, evidence-based scheme development and freight decarbonisation. This will help strengthen professional capability, improve the quality of transport planning and support more effective delivery of local and regional transport priorities.	£140,000