

Agenda Item 08

Report to: Partnership Board –Transport for the South East

Date of meeting: 19 October

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

RECOMMENDATIONS:

The Members of the Partnership Board are recommended to:

- (1) Note the financial update to end of September 2026.**
 - (2) Note the forecast position for the end of Financial Year 2026/27.**
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1. Introduction

- 1.1 The purpose of this report is to update the Partnership Board on TfSE's Q2 financial position to the end of September 2026.
- 1.2 The paper provides the Q2 financial position and end of year forecast for 2026/27.

2. Background

- 2.1 The Board agreed TfSE's final Business Plan for 2026/27 in July 2026. 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.
- 2.2 TfSE's Business Plan allocates DfT funding, local authority contributions, and our carry forward from the 2025/26 Financial Year.

3. Financial position update to end of Quarter 2 (September) 2026

- 3.1 Our financial position to the end of September 2026 is set out in Appendix 1. In the six months from April to the end of September, TfSE spent £1,196,469 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 we move further into the financial year. This is further highlighted in **Appendix 2** showing that the

value of technical programme work that has been commissioned from the 2026/2027 business plan is £1,567,225, with £342,500 yet to be commissioned.

3.3 At the end of September, our updated forecast expenditure is £2,787,401 against a budget of £2,937,176. 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 with a current expenditure of £429,405. The end of the year forecast is £783,000, and the confidence rating is currently a '4'. This is because staff, who are employed by our accountable body East Sussex County Council, have not yet received the Council's pay award for the year ahead.

5. Technical Programme Costs

5.1 At the end of September, the current expenditure is £629,178 against a budget of £1,909,500.

5.2 As we approach Q2, the confidence rating of the below Technical Programme lines has changed from '4' to '5'; SIP Refresh, Prioritisation Tool Update, Funding and Financing, Model Development, Centre of Excellence Project Management. This is due to the projects involved in these budget lines being commissioned or nearing completion.

6 Communications, Engagement and Other Costs

6.1 The current expenditure for the Communications and Engagement budget is £1,696 against the end of year forecast of £45,000. The confidence rating has changed from '4' to '3' as TfSE continues to understand the engagement needs of Local Government Reorganisation and TfSE's future status.

6.2 The current expenditure for the Governance and Operational Expenses budget is £11,123, against the end of year forecast of £65,000. The confidence rating is currently '4' as work continues on TfSE future status and funding model scoping.

7 Conclusions and Recommendations

7.1 The Partnership Board are recommended to note the Q2 financial position for 2026/27, and the forecast position to the end of Financial Year 2026/27.

RUPERT CLUBB
Chief Officer
Transport for the South East

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Appendix 1 –Budget Position at end September (Q2) 2026

ITEM	BUDGET	ACTUAL YTD	26/27 FORECAST	27/28 FORECAST	Confidence Rating
Salaries (including on-costs)	£783,000	£429,405	£783,000	£0	4
Training	£10,000	£391	£10,000	£0	4
STAFFING	£793,000	£429,796	£793,000	£0	4
SIP Refresh	£37,000	£37,225	£37,225	£0	5
Prioritisation Tool Update	£7,500	£7,252	£7,500	£0	5
Rail Governance	£70,000	£2,237	£70,000	£0	4
Funding and Financing	£75,000	£45,000	£75,000	£0	5
Regional Advocacy	£189,500	£91,714	£189,725	£0	4
Model Development	£989,500	£385,252	£839,500	£150,000	5
Data Management	£183,000	£2,938	£183,000	£0	4
EVCI Programme	£100,000	£2,791	£100,000	£0	4
Freight Programme	£100,000	£29,995	£100,000	£0	4
Regional Evidence Base	£1,372,500	£420,976	£1,222,500	£150,000	4
Project Management	£10,000	£4,150	£10,000	£0	5
Freight Planning	£47,500	£22,820	£47,500	£0	4
Scheme & Business case development	£60,000	£27,500	£60,000	£0	4
Capability Support	£140,000	£15,000	£140,000	£0	4
Centre of Excellence	£257,500	£69,470	£257,500	£0	4
Other Technical Work	£90,000	£47,018	£90,000	£0	4
TECHNICAL PROGRAMME	£1,909,500	£629,178	£1,759,725	£150,000	4
Events	£25,000	£1,370	£25,000	£0	3
Communications	£2,000	£0	£2,000	£0	3
Website	£8,000	£326	£8,000	£0	4
Stakeholder database	£10,000	£0	£10,000	£0	4
COMMUNICATIONS /ENGAGEMENT	£45,000	£1,696	£45,000	£0	3
TfSE Governance	£35,000	£3,967	£35,000	£0	4
Operational Expenses	£30,000	£7,156	£30,000	£0	4
Transfer to Reserve	£124,676	£124,676	£124,676	£0	5
OTHER EXPENDITURE	£189,676	£135,799	£189,676	£0	4
TOTAL EXPENDITURE	£2,937,176	£1,196,469	£2,787,401	£150,000	4

FUNDING		
Local Contributions	£498,000	£498,000
DfT Grant	£1,500,000	£750,000
Carry Forward	£939,176	£939,176
Project Contributions	£47,600	£42,600
TOTAL FUNDING	£2,984,776	£2,229,776
TfSE Reserve	£621,406	£621,406

TOTAL FUNDING INCLUDING RESERVE	£3,606,182	£2,851,182
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**Confidence
Ratings**

5	VIRTUALLY CERTAIN
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4	HIGHLY CERTAIN
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3	MODERATELY LIKELY
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2	UNCERTAIN
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1	HIGHLY UNCERTAIN
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Appendix 2 - 2026/2027 Technical Programme Commission Value

Item	Budget	Commission Value	To Be Commissioned
<i>SIP Refresh</i>	£37,000	£37,225	£0
<i>Prioritisation Tool Update</i>	£7,500	£7,500	£0
<i>Rail Governance</i>	£70,000	£45,000	£25,000
<i>Funding and Financing</i>	£75,000	£75,000	£0
Regional Advocacy	£189,500	£164,725	£25,000
<i>Model Development</i>	£989,500	£880,000	£109,500
<i>Data Management</i>	£183,000	£0	£183,000
<i>EVCI Programme</i>	£100,000	£85,000	£15,000
<i>Freight Programme</i>	£100,000	£100,000	£0
Regional Evidence Base	£1,372,500	£1,065,000	£307,500
<i>Project Management</i>	£10,000	£10,000	£0
<i>Freight Planning</i>	£47,500	£37,500	£10,000
<i>Scheme & Business Case Development</i>	£60,000	£60,000	£0
<i>Capability Support</i>	£140,000	£140,000	£0
Centre of Excellence	£257,500	£247,500	£10,000
<i>Other Technical Work</i>	£90,000	£90,000	£0
TOTAL	£1,909,500	£1,567,225	£342,500