

Report to: **Partnership Board –Transport for the South East**

Date of meeting: **26 September 2022**

By: **Lead 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 current financial position for 2022/23 to the end of August 2022;**
- 2) **Note the update on grant funding from the Department for Transport; and**
- 3) **Note the progress on the recruitment of additional staffing resource.**

1. Overview

1.1 The purpose of this report is to update the Partnership Board on the revenue budget for Transport for the South East (TfSE).

1.2 The paper provides an update on the financial position for 2022/23 to the end of August 2022 and sets the forecasts for the end of the financial year. It also provides an update on the grant funding agreement from the Department for Transport and the recruitment process for TfSE.

2. Budget Update

2.1 Following the announcement that the Department for Transport (DfT) would award grant funding totalling £1.725m for 2022/23, members of the Partnership Board agreed the budget for 2022/23 at the May 2022 meeting. The budget sets out plans to deliver an ambitious technical programme, including completion of the strategic investment plan and commencing work on additional thematic studies and the analytical framework. The budget also includes staffing costs and support costs, including communications and engagement activities and operational costs.

2.2 Appendix 1 sets out the spend position to the end of August 2022 against the agreed budget. This also sets out the current forecast to the end of the financial year.

2.3 The main elements of expenditure to date relate to delivering the technical programme, including the wrap up of the Area Studies and supporting delivery of the Strategic Investment Plan consultation, and staffing costs.

3. DfT Grant Funding

3.1 As set out in the indicative grant letter from the DfT (March 2022), TfSE was awarded £1.725m for financial year 2022/23. The letter was clear that the grant funding would be released upon receipt of the TfSE Business Plan. The Board approved the Business Plan at the May 2022 meeting and it was subsequently submitted to DfT.

3.2 DfT have reviewed the Business Plan and have confirmed the release of £1.175m of the grant funding. The balance of a further £250,000 for the proposed Centre of Excellence and £300,000 for the analytical framework are likely to be released following further discussions with the DfT. This is to allow sufficient time for TfSE to develop the plans for these work streams and to liaise with the department to ensure that there is no duplication of effort with existing DfT projects. Work to progress both of these work streams is underway and progress reports are provided in separate Board papers.

3.3 The DfT grant agreement states that if TfSE is unable to progress these work streams in this financial year, the £550,000 funding would be released to support other projects and the delivery of DfT priorities.

4. Staffing Update

4.1 As outlined to the Partnership Board in May 2022, the expanded technical programme means that it will be necessary to ensure that the appropriate level of resource is available. Following agreement of the budget and noting the indicative funding allocations for 2023/24 and 2024/25, the Lead Officer commenced work on establishing a staffing complement to put in place the capacity and capability to deliver the work programme.

4.2 The first round of recruitment took place in May 2022. As a result of this, Sarah Valentine has been appointed to the newly created role of Head of Analysis and Appraisal.

4.3 Due to a number of external factors, particularly challenges facing recruitment and the tight labour market, it was difficult to fill the other positions. As a result, a further round of recruitment is currently underway and has been supported by a recruitment agency. Interviews for the posts will be taking place in the next few weeks and it is hoped that the additional posts will join the team in winter 2022.

4.4 A temporary resource has been brought in to support the delivery of the technical programme for the next six months and will focus on the implementation of the future mobility and freight strategies.

5. Conclusions and recommendations

5.1 The Partnership Board are recommended note the financial position to the end of May 2022.

5.2 Members are asked to note the position on recruitment for additional resource to support the expanded technical programme.

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Appendix 1: TfSE Budget update – end of August 2022

	Budget	Actual YTD	Forecast	Notes
EXPENDITURE				
Salaries (including on-costs)	850,000	260,952	850,000	
STAFFING	850,000	260,952	850,000	
Transport Strategy	80,000	0	80,000	
Area Studies	563,407	444,728	563,407	
Strategic Investment Plan	147,293	69,581	147,293	
SIP consultation	40,000	19,000	40,000	
SIP publication	30,000	0	30,000	
Thematic studies	200,000	0	200,000	
Decarbonisation Pathways	41,400	23,500	41,400	
BBB - analytics	12,590	12,590	12,590	
Project View	20,000	0	20,000	
Future Mobility	24,000	13,585	24,000	
Freight and Logistics	55,350	16,350	55,350	
Analytical Framework	300,000	0	300,000	Funding to be released following further discussions with DfT
EV Charging Strategy	100,000	0	100,000	
Bus Back Better	300,000	0	300,000	
Local Capacity and Capability	300,000	19,860	300,000	
Supporting DfT priorities	530,000	0	530,000	
Other costs	30,000	8,650	30,000	
Centre of Excellence Development	250,000	0	250,000	Funding to be released following further discussions with DfT
TECHNICAL PROGRAMME	3,024,040	627,844	3,024,040	
Events	30,000	9,454	20,000	
Communications	40,000	0	30,000	
Website	10,000	50	6,000	
Stakeholder Database	6,000	0	6,000	
Media Subscriptions	2,500	340	2,500	
COMMUNICATIONS/ENGAGEMENT	88,500	9,844	64,500	
TfSE Governance	45,000	0	30,000	
Operational expenses	25,000	17,930	25,000	
OTHER	70,000	17,930	55,000	
TOTAL EXPENDITURE	4,032,540	916,570	3,993,540	
FUNDING				
22/23 Contributions	498,000	488,333	498,000	
DfT Grant	1,725,000	1,175,000	1,725,000	This grant is currently reduced by £550k to £1.175m. A further £550k will be released following further discussions with DfT.
Brought Forward From 21/22	2,170,792	2,170,792	2,170,792	
TOTAL FUNDING	4,393,792	3,834,125	4,393,792	
CARRY FORWARD				
TfSE Reserve	361,252		400,252	