

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

Date of meeting: **23 January 2023**

By: **Lead Officer, Transport for the South East**

Title of report: **Financial Update – Quarter 3**

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 December 2022, including the forecasts for end of year spend;**
 - (2) Note the position on funding discussions with the Department for Transport for 2023/24;**
 - (3) Note that work has commenced on the business plan and annual report for 2023/24.**
-

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 December 2022, including forecasts for the projected spend at the end of the financial year.

1.3 The paper also provides an update on the discussions with the Department for Transport on grant funding for 2023/24.

2. Quarter 3 – Budget Update

2.1 Appendix 1 sets out the spend position to the end of December 2022 against the agreed budget.

2.2 The main elements of expenditure relate to delivering the technical programme, supporting delivery of the Strategic Investment Plan and staffing costs. Expenditure to date is just over £1.4m.

2.3 Staffing costs are slightly lower than expected at just under £500k. This is due to delays in recruiting the full complement of staff.

2.4 To date, the main technical programme expenditure has focused on the strategic investment plan and the additional work streams from the DfT, including local capacity, electric vehicle charging infrastructure strategy and bus back better. To date more than £900k has been spent, with further spend expected against ongoing activities by the end of the financial year. The current forecast highlights that just over £1.8m is likely to be spent on the technical programme by the end of March 2022. The forecast will be continually reviewed as the financial year end approaches and reported to the Board at the March 2023 meeting.

2.5 The Partnership Board has previously been updated on discussions with the DfT around the funding for the centre of excellence and common analytical framework projects. TfSE included provision for both work streams in the 2022/23 business case but were asked by DfT to pause the work to enable the department to consider the approach STBs should take. It was initially proposed that the funding would roll forward into 23/24 to be drawn down as part of the funding settlement for next financial year. However, DfT have recently confirmed that they expect the funding to be released this financial year. As such, the budget has been updated to reflect this funding in the income line and TfSE will continue to work with DfT to ensure the evidence is provided to support the release of the funding to TfSE by the end of March 2023.

2.6 The budget also makes provision for operational costs and communications and engagement activities, including events, website development and stakeholder management tools.

2.7 At present, there is just under £1.2m of technical programme spend that is expected to be carried forward to 2023/24. This includes the funding for centre of excellence and the analytical framework that is not expected to be made available to TfSE until March 2023. The vast majority of the carry forward will be for existing work streams and will be ringfenced for specific activities in the budget for next financial year. Up until this point, our funding settlements have been provided in-year which has been difficult to plan for. Now that we have been allocated indicative funding settlements for future years, we expect the level of carry forward to reduce in the next financial year. There is a small amount of non-committed carry forward which will be allocated in the development of the 2023/24 budget and will be reported to the Board in March 2023.

3. Grant funding bid for 2023/24

3.1 The DfT provided a multi-year indicative funding allocation in March 2022. This was intended to be used for business planning purposes and the department have confirmed that STBs should use their settlements as the basis for business planning for 2023/24.

3.2 The indicative allocation for TfSE is £2.065m. The funding is not yet confirmed and TfSE will be required to submit a business plan to DfT as part of the funding discussions. Appendix 2 includes a draft high level budget for how this allocation will be used in 2023/34.

3.3 Following the Autumn Statement the detail of funding allocations within the Department is undergoing review. The detail of this will take some time for the department of work through and we remain in dialogue with the DfT about any potential changes. In the event that STBs are asked to take account of any budget reductions, we will report back to the Board in March 2023.

4. Business Plan and Annual Report

4.1 In line with previous years, it is intended that TfSE will publish both a retrospective annual report and a forward-looking business plan at the start of the new financial year. Final drafts of both documents will be provided for Partnership Board approval at the next meeting in March 2023. The documents are being designed in 'digital first' format; they will be hosted on the TfSE website and shared proactively with stakeholders as part of our communications and engagement activity.

4.2 The **Annual Report 2022-23** provides clarity around Transport for the South East's structure, role, vision and purpose alongside a summary of achievements in 2022-23, as well as information on governance structures, finances and the team. Success will be measured against the objectives set out in last year's Business Plan. A summary outline of the Annual Report 2022-23 is attached as Appendix 3.

4.3 The **Business Plan 2023-24** will be a focused document setting out TfSE's work programme for the coming year and clear objectives. Although the final budget is awaiting confirmation, there are clear priority areas for Transport for the South East for 2022-23. These are:

- Submitting our Strategic Investment Plan for the South East to Government and begin delivery;
- Develop and implement our regional centre of excellence;
- Continue to support the DfT's priorities including; Electric Vehicle Infrastructure Strategy, Local Capability, Bus Back Better Support and Transport Decarbonisation;
- Develop our analytical framework and monitoring and evaluation approach;
- Work with partners to support work on LTPs, BSIPs, LCWIPs
- Enhancing our governance, including the implementation of our audit and governance committee.
- Providing advice to Ministers on prioritising transport investment

4.4 An outline structure for the Business Plan 2023-24 is attached as Appendix 4.

5. Conclusions and recommendations

5.1 The Partnership Board are recommended note the financial position to the end of December 2022/23 and the end of year forecast.

5.2 Members are asked to note the current position on grant funding for 2023/24. Members are also asked to note the proposed approach to the development of the Annual Report and Business Plan.

RUPERT CLUBB
Lead Officer
Transport for the South East

Contact officer: Rachel Ford
Tel. 07763 579818
Email: rachel.ford@eastsussex.gov.uk

Appendix 1: TfSE finance update – end of Quarter 3

	Budget	Actual YTD	Forecast
EXPENDITURE			
Salaries (including on-costs)	850,000	495,661	773,027
STAFFING	850,000	495,661	773,027
Transport Strategy	80,000	10,000	20,000
Area Studies	563,407	449,528	563,407
Strategic Investment Plan	147,293	107,827	128,485
SIP consultation	40,000	24,000	24,000
SIP publication	30,000	0	22,000
Thematic studies	200,000	0	66,144
Decarbonisation Pathways	41,400	30,450	30,450
BBB - analytics	12,590	12,590	12,590
Project View	20,000	0	20,000
Future Mobility	24,000	20,129	20,129
Freight and Logistics	55,350	49,597	55,350
Analytical Framework	300,000	8,000	20,000
EV Charging Strategy	100,000	25,000	50,000
Bus Back Better	300,000	76,321	300,000
Local Capacity and Capability	300,000	57,663	300,000
Supporting DfT priorities	530,000	14,015	137,015
Other costs	30,000	22,685	30,000
Centre of Excellence Development	250,000	0	40,000
TECHNICAL PROGRAMME	3,024,040	907,805	1,839,570
Events	30,000	10,946	15,000
Communications	40,000	0	30,000
Website	10,000	542	6,000
Stakeholder Database	6,000	0	7,000
Media Subscriptions	2,500	1,692	2,500
COMMUNICATIONS/ENGAGEMENT	88,500	13,180	60,500
TfSE Governance	45,000	0	30,000
Operational expenses	25,000	24,345	26,000
OTHER	70,000	24,345	56,000
TOTAL EXPENDITURE	4,032,540	1,440,991	2,729,097
FUNDING			
22/23 Contributions	498,000	497,999	498,000
DfT Grant	1,725,000	1,175,000	1,725,000
Brought Forward From 21/22	2,170,792	2,170,792	2,170,792
TOTAL FUNDING	4,393,792	3,843,791	4,393,792
CARRY FORWARD			
TfSE Reserve	361,252		361,252
Funding Carried Forward			1,303,443

Appendix 2: Proposed Draft Budget 2023/24

EXPENDITURE	2023/24
STAFFING	1,261,000
Transport Strategy	100,000
Thematic studies	200,000
Project View	12,000
Analytical Framework	300,000
Supporting DfT priorities	200,000
Centre of Excellence	250,000
Other costs	30,000
TECHNICAL PROGRAMME	1,092,000
Events	35,000
Communications	40,000
Website	10,000
Stakeholder Database	7,000
Media Subscriptions	2,500
COMMUNICATIONS/ ENGAGEMENT	94,500
TfSE Governance	45,000
Operational Expenses	30,000
OTHER	75,000
TOTAL EXPENDITURE	2,522,500
FUNDING	
Local Contributions	498,000
DfT Grant	2,065,000
c/f Tech Programme	0
c/f Non Tech	0
TOTAL INCOME	2,563,000
TfSE Reserve	
c/f	355,344
Add to Reserve	40,500
	395,844

N.B. Carry forward for technical programme to be confirmed in final budget presented to the Partnership Board in March 2023.

Annual report

1. Chairman's welcome

- Climate change, cost of living, changes in central Government
- Successes; SIP, EV forum, launch of the FLAGS strategy, inaugural STB conference, two HoC events, relaunch of the future mobility forum, expanding the TfSE team as we move to delivery of the SIP, EV strategy
- Next steps – SIP delivery, monitoring and evaluation
- Thanks to partners, DfT, Board Members

2. Lead Officers Foreword

- Reflect on last 12 months
- Looking ahead – delivering the SIP/SIP launch event, TfSE team
- Thanks

3. Year in focus

May – Freight, Logistics and Gateways strategy launched / STB conference

June – Launched public consultation on the SIP

July – Connecting the South East event / FM forum relaunch

Sept – First EV Forum

Nov – PB approval revised draft of the SIP (pending minor amends)

Dec – Launch of BBB packages of support

March – Published the first draft of the EV strategy / Final approval of the SIP / Submit SIP to Government

4. About TfSE

5. Developing our Strategic Investment Plan

- Update on conclusion of area studies
- Developing the Strategic Investment Plan
- Consultation
- Developing the delivery plan
- Submission to Government

6. Collaborating to build a better future

2022 has seen collaboration across many workstreams whether working closely with other STBs and the DfT or with wider organisations and key players through our forums and working groups.

Future Mobility Strategy

- FM forum relaunched in July – more detail to be added on current activities

Freight, Logistics Gateways strategy

- Launched at ITT Hub, relaunched the freight forum
- Alt fuels strategy (EEH and Transport East)
- Lorry parking strategy

Electric Vehicle Charging Infrastructure Strategy

- Successfully launched EV forum
- Published EV Strategy

Bus Back Better

- 11 packages of support
- Working with EEH and Transport East

Decarbonisation

- Decarb pathway report published
- Decarb forum continues
- Working with EEH and Transport East on Decarbonisation Assessment tool

Project View

- New data sets added (SIP data, local plan data refresh) expanding capabilities within the software as a result of feedback from LTA users

7. Investing in our region's transport

This section will cover funding coming into the region and in particular money that has been awarded to constituent authorities in support of the following:

- MRN scheme investment
- BSIP's
- Rail
- Active Travel

8. Strengthening our relationships (comms and engagement activity)

- Chair's engagement sessions
- Universities
- Districts and Boroughs
- MP reception
- Private sector groups
- Environment groups, special interest groups

- STBs – STB conference

9. Finance

- Multi-year funding proposal
- Four additional work streams

10. Our Board

11. Our Team

12. Looking ahead

Priorities as in Business plan for 2023-24

Business plan

1. About us

2. 2023-24 priorities

- i. Begin delivery of our strategic investment plan
- ii. Deliver four workstreams to support the DfT's priorities including; Electric Vehicle Infrastructure Strategy, Local Capability, Bus Back Better Support and Transport Decarbonisation.
- iii. Develop and implement a Centre of Excellence for the South East

3. Delivering our strategic investment plan

- SIP delivery plan
- Analytical framework
- Monitoring and evaluation

4. Moving faster and further: driving forward our work in key thematic areas

- Bus back better
- Local capability (ref CofE)
- EV infrastructure
- Freight
- Future mobility

5. Decarbonisation

- Recognise climate emergency
- Ongoing decarb forum
- Decarb pathway report
- Working with EEH and Transport East on a Decarbonisation Assessment tool

6. Centre of Excellence

- Working with LA's and DfT to assess what support is out there, what is required, identify/develop examples of best practice
- Collaboration and knowledge sharing
- Developing a virtual platform to support the CofE and host documents

7. Driving sustainable investment in our region's transport network

Reference how we have/are working to strengthen relationships and supporting work on LTPs, BSIPs, LCWIPs.

- Supporting investment in active travel – build better relationships with Active Travel England
- Investing in buses and railways
- Investing in our roads

8. Resources

- Income - Update from last year following financial settlement
- Our budget
- Our team – expanding to support implementation of the SIP

9. Looking to the future – from Cllr Glazier

- Round up on submission of SIP to Govt
- Building relationships with operators to deliver on the SIP
- Monitoring and evaluation
- Reference climate change, need to do more to encourage modal shift to more sustainable modes
- Cost of living crisis and impact on people's travel choices