

BERKSHIRE LOCAL TRANSPORT BODY (BLTB)

REPORT TO: BLTB

DATE: 14 November 2019

CONTACT OFFICER: Josie Wragg, Chief Executive Slough Borough Council,
lead Chief Executive to the BLTB

PART I

Item 10: Transport for the South East – Subscription Report Update

Purpose of Report

1. At your meeting in November 2017, you agreed to pay a subscription to Transport for the South East (TfSE) of £20,000 for 2017/18 and £58,000 for 2018/19, both amounts to be split 6 ways between the constituent authorities.
2. In its role as accountable body for the Berkshire Local Transport Body, Slough BC collects contributions from BLTB members and passes the subscriptions to East Sussex County Council, the accountable body for TfSE.
3. While TfSE continues to progress its plans to become a statutory body, we believe it prudent at this stage for the BLTB to agree renewal of further subscriptions on an annual basis.

Recommendation

4. You are recommended to:
 - 4.1. Agree to a renewed annual BLTB subscription of £58,000 for TfSE to cover the period 2019/20, with the amount to be split 6 ways between the constituent authorities.

Other Implications

Financial

5. Funding of £500k has been secured for TfSE from the Department for Transport for 2019/20.
6. The TfSE Shadow Partnership Board has agreed in principle to a funding model for 2019/20, which retains the same level of local contribution as the previous year and will bring in a further £498,000 of funding to support the operation of Transport for the South East. The approach for calculating contributions has been developed in a pragmatic manner with members and reflects the sizes of different member authorities.

Type of authority	Proposed level of contribution per year	Total
County councils (East Sussex, Hampshire, Kent, Surrey, West Sussex)	£58,000	£290,000
Unitary authorities (Brighton and Hove, Isle of Wight, Medway, Portsmouth, Southampton)	£30,000	£150,000
Other partner authorities (Berkshire Local Transport Body)	£58,000 (shared between partner organisations)	£58,000
Total		£498,000

Risk Management

7. In November 2015, the DfT published [proposals as part of its devolution agenda](#)¹ to establish sub-national transport bodies on a statutory basis. It gave [Transport for the North](#)² and [Midlands Connect](#)³ as examples.
8. The risk for the Thames Valley Berkshire area is that by not engaging with the government's policy to promote sub-national transport bodies, it will be harder to fund infrastructure proposals that are significant at the sub-national scale.
9. The risk associated with participating in these arrangements is that time, resources and energy will be devoted to the new arrangements which fail to deliver any tangible benefits.
10. At the March 2017 meeting you agreed that the BLTB should join the new arrangements, as opposed to the six individual unitary authorities, as a response to these risks. The logic of the proposal is that the six unitary councils have a shared interest at the sub-national scale, and that our participation can be safely streamlined through joint participation.
11. Having agreed to join the organisation, it is appropriate to contribute to its costs.

¹ <https://www.gov.uk/government/news/regions-to-be-offered-legal-powers-to-transform-transport>

² <http://www.transportforthenorth.com/>

³ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/482247/midlands-engine-for-growth.pdf

Human Rights Act and Other Legal Implications

12. [Section 21\(1\) of the Cities and Local Government Devolution Act 2016](#)⁴ amended Part 5 of the Local Transport Act 2008 as follows,
 “The Secretary of State may by regulations establish a sub-national transport body for any area in England outside Greater London.”
The Act goes on to describe further the regulations for a sub-national transport body should be made.
13. Slough Borough Council will provide legal support for the BLTB should any questions arise on the application of this enabling legislation to the arrangements for the proposed Transport for the South East.

Supporting Information

14. Attached at Appendix 1 of this report is the budget report that was agreed by the TfSE Shadow Board on 10 December 2018.
15. You will note that the report anticipated a further financial contribution of £1m from the DfT for 2019/20. In June 2019 TfSE were informed that a £500k grant would be allocated by DfT. As a result, TfSE recognised that it would not be possible to undertake the original corridor studies programme within the revised budget. A revised budget to take account of this update still allows TfSE to deliver area studies that add considerable value to the evidence base for the draft Transport Strategy and also allows all other agreed activities to proceed.

Conclusion

16. The Shadow Board for ‘Transport for the South East’ continues to progress towards statutory status and plans to re-submit its bid to government after the current draft Transport Strategy is fully agreed, post consultation.

Background Papers

17. Correspondence between LEPs and briefing notes supplied by the TfSE shadow project team.

⁴ <http://www.legislation.gov.uk/ukpga/2016/1/section/21/enacted>

Appendix 1

To: **Shadow Partnership Board –Transport for the South East**

Date: **10 December 2018**

Title of report: **Budget monitoring and financial update**

Purpose of report: **To update on the budget position for Transport for the South East**

Recommendations

The Shadow Partnership Board is recommended to:

- 1) Note the forecast revenue budget currently projected for the 2018/19 financial year;
- 2) Note the forecast expenditure for 2019/20; and
- 3) Agree to set a local contribution, subject to individual constituent authority budget setting, of £58k for county authorities and £30k for individual unitary authorities for the 2019/20 financial year.

1. Financial Overview

- 1.1 The purpose of this report is to update the Shadow Partnership Board on the revenue budget for Transport for the South East (TfSE).
- 1.2 TfSE's income budget for 2018/19 is currently £1,496,000 and projected expenditure is £648,000. This includes grant funding of £1m from the Department for Transport (DfT) in 2018/19.

2. Key Issues

- 2.1 In May 2018 the DfT provided £1m in grant funding to support development of the Transport Strategy. This was timely and welcome and has allowed TfSE to commence development of the Transport Strategy. In order to complete the Transport Strategy, TfSE will require a further grant contribution from the DfT and are working with the DfT to explore options to maintain the pace of development.
- 2.2 In parallel, TfSE are working with the DfT as they shape their input to the next comprehensive spending review. It is important to ensure TfSE is recognised as part of the spending review and the aim is to secure some core funding over the spending review period.
- 2.3 It is evident that DfT wish to see local contributions forming part of TfSE's approach to funding and welcome the local contributions made to date. The local contribution has enabled TfSE to fund a small staffing complement to progress both the Transport Strategy and the development of the Proposal to Government to achieve statutory status.

2.4 Currently constituent authorities have paid a contribution for 2018/19 financial year of £58k for county authorities and £30k for individual unitary authorities. It is proposed to continue this into the 2019/20 financial year and for the amounts to stay the same.

2.5 The table below outlines the income and expenditure for the current year and what is forecast for 2019/20.

	Prior year actuals		
Item		2018-19 forecast	2019-20 forecast
Carry forward		£284,210 ⁵	£1,074,543
LTA Contributions	£276,000	£438,000 ⁶	£498,000
Dft Grant	£100,000	£1,000,000	£0
Total income	£376,000	£1,722,210	£1,572,543
<u>Expenditure</u>			
Salary Costs	£0	£175,442	£486,552
Transport Strategy	£79,110	£386,725	£395,404
Proposal to Government	£0	£30,000	£30,000
Communications	£2,081	£35,000	£35,000
Travel	£292	£2,500	£2,500
Meeting Expenses	£8,667	£10,000	£10,000
Training	£974	£1,000	£1,000
Transport Forum Expenses	£666	£7,000	£7,000
Total expenditure	£91,790	£647,667	£967,456
Balance	£284,210	£1,074,543	£605,087

⁵ Includes Surrey contribution for 2018-19 which was received in 2017-18

⁶ Excludes Surrey contribution for 2018-19 which was received in 2017-18

3. Conclusions and recommendations

- 3.1 It is recommended that the Board note the revenue budget forecasts and welcome the financial contributions made by both the constituent authorities and the DfT.
- 3.2 It is also recommended that the Board proposes to their respective Councils to continue with their contributions on the basis of the recommendations above.

**Rupert Clubb
Lead Officer
Transport for the South East**