

## MEETING OF THE BERKSHIRE LOCAL TRANSPORT BODY (BLTB) – THURSDAY 11 NOVEMBER 2021

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

### **Item 9: Transport for the South East – Subscription Report Update**

#### ***Purpose of Report***

1. Per your meeting in November 2020, you agreed to renew the annual subscription to Transport for the South East (TfSE) of £58,000 for 2020/21, with the amount 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. TfSE is now focused on delivering a Strategic Investment Plan (SIP) for its geography. The SIP will form the final part of the transport strategy, bringing together the outputs from the TfSE area studies and thematic studies, to become the blueprint for investment in the south east for the next 30 years. The SIP will make the case to decision makers, primarily the DfT but also Treasury, but will also be easily understood by a range of audiences including residents and businesses.

The SIP will set out where, when, and under what conditions packages of schemes, interventions and wider policy initiatives should be implemented to deliver the transport strategy and achieve the vision for 2050. The document will need to promote the south east and demonstrate the benefits of continued investment in the region. In part this is about levelling up communities within the south east but also, crucially, to demonstrate that levelling up in the south east will have benefits to the whole country.

The SIP will be published for consultation in June 2022, with the final SIP agreed by the TfSE Board in March 2023.

#### ***Recommendation***

4. You are recommended to agree to a renewed annual BLTB subscription of £58,000 for TfSE to cover the period 2021/22, with the amount to be split 6 ways between the constituent authorities.

#### ***Other Implications***

##### *Financial*

5. TfSE will be submitting an ambitious multi-year funding proposal to the Government. This will enable TfSE to continue the delivery of the technical programme and to implement the SIP.

#### ***6. The Spending Review 2021***

A three-year spending review was launched on 7 September 2021, with a closing date for departmental bids to be submitted to the Treasury by 13 September 2021. The Spending Review was announced on 27 October 2021, alongside the Autumn Budget.

7. As part of its departmental bid, the DfT is hoping to secure funding to support the seven STBs in England. The details of the DfT's proposals for STBs will be clarified following the publication of the Spending Review in October, and STBs are required to submit competitive bids for funding to the DfT as part of this process.
8. STB bids to the department will need to set out how the STB will support the delivery of the DfT's priorities. It is likely STBs will be required to provide a local contribution, which the sixteen constituent authorities in the TfSE geography already undertake.
9. Following agreement by the Partnership Board, TfSE has submitted a multi-year funding bid to the department. Although it remains unclear whether multi-year funding will be available to STBs, it is important to make the case for longer term funding settlements to ensure that there is certainty over the technical work programme as TfSE progresses into delivery of the strategic investment plan (SIP). The bid will be focused on the delivery of the core functions of an STB, particularly the technical programme and the implementation of the SIP in 2023/24 and 2024/25.
10. Central to the TfSE proposal is the need to bring forward credible and affordable long-term proposals. The submission sets out how we will use the certainty provided by a multi-year funding settlement to accelerate delivery, speed up processes and realise efficiencies.
11. The submission to government can be found [here](#). The key elements of the bid are:
  - TfSE Ambition** – building on the 2050 vision in the transport strategy, the bid sets out what TfSE would like to achieve through the delivery of its strategic investment plan.
  - TfSE achievements** – TfSE has consistently delivered against its agreed objectives and priorities, as well as working flexibly to respond to emerging policy and changing circumstances, e.g., Covid-19 pandemic, Bus Back Better research, etc. This section of the bid highlights our achievements over the last three years and the benefits this has delivered.
  - Supporting delivery of DfT priorities** – the work undertaken by TfSE has aligned closely with DfT priorities. This is reflected in the warm welcome that the TfSE transport strategy has received from the department and TfSE continues to ensure that it is well positioned to inform and deliver against departmental priorities, such as decarbonisation, Bus Back Better and EV infrastructure.
  - Our funding requirements** – this section of the submission sets out the financial ask over the three-year period. The bid mainly focuses on the continued delivery of the technical programme and moves into the delivery of schemes included in the SIP in the final two years of the bid. The technical programme includes work on an analytical and assurance framework to support the development of business cases for SIP schemes, additional work on thematic areas (such as future mobility, freight, rural and rail) and the ongoing implementation of the four new work streams that STBs have been asked to lead by DfT (see below). The additional work included with the implementation of the SIP and the four new workstreams does mean that there will be potential implications on the capacity within TfSE to deliver. As such the bid does include provision for additional staff, with the intention that any new posts would be funded through DfT funding and the TfSE Board would be informed of any future staffing proposals.
12. The multi-year funding proposal is ambitious and will cement TfSE's role as a strategic leader with the ability to implement the transport strategy. The proposal has been developed to ensure that

TfSE has the tools to deliver against challenging workstreams, such as decarbonisation, local capability and capacity, as well as moving the organisation in a direction to implement the strategic investment plan through the required business cases and scheme development. The proposal will enable TfSE to move faster and further than previously, delivering benefits to local authorities, residents, the DfT and the national economy.

13. Additional STB priorities – funding bid

The Department for Transport has written to all STBs in England to request that they prepare non-competitive funding bids for four new areas of work:

**Decarbonisation** – helping the Department and local authorities to implement the commitments made in the Transport Decarbonisation Plan.

**Buses** – helping local authorities to deliver on the commitments in Bus Back Better and develop an effective intra-regional bus network.

**EV Infrastructure Strategy** – assisting local authorities in the rollout of EV infrastructure, potentially through regional strategies.

**Local Authority Capability** – playing a role in building capability within resource constrained local authorities, to help them in the planning and delivery of local transport.

14. The four areas reflect DfT priorities and STBs will be expected to work with local authorities on the delivery of the proposals. STBs were given 6 weeks to bid and were asked to keep proposals brief (1-2 pages per workstream), covering an overview of the aims of the project, the methodology that will be followed and a timeline of work. The work must commence this financial year, but delivery can roll over into 2022/23.

15. The Department guidance stated that joint bids from STBs will be welcomed for appropriate workstreams, and TfSE has been working closely with all six STBs to develop the most appropriate mix of delivery methods.

16. TfSE submitted its proposals to the DfT on 20 October 2021 and expects to hear back from the DfT within the next few weeks so that each of the workstreams can be mobilised prior to the end of the financial year.

17. The TfSE Board have not yet considered the local authority contributions for 2022/23 yet – this will happen in early 2022, but officer level discussions have indicated that the amounts are likely to remain unchanged.

18. 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
<b>Total</b>		<b>£498,000</b>

### Risk Management

19. In November 2015, the DfT published [proposals as part of its devolution agenda](#)<sup>1</sup> to establish sub-national transport bodies on a statutory basis. It gave [Transport for the North](#)<sup>2</sup> and [Midlands Connect](#)<sup>3</sup> as examples, although TfN remains the only STB to be afforded statutory status.
20. 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. Indeed, the Department for Transport has asked STBs to lead on the prioritisation for schemes to be included the Major Roads Network and Roads Investment Strategy. This role for STBs is expected to continue and engagement from local authorities in the development of the SIP will be critical.
21. 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.
22. At the March 2017 meeting you agreed that the BLTB should join the new arrangements, as opposed to the six individual unitary authorities, as 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.
23. Having agreed to join the organisation, it is appropriate to contribute to its costs.

### Human Rights Act and Other Legal Implications

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

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

<sup>3</sup> [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/482247/midlands-engine-for-growth.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/482247/midlands-engine-for-growth.pdf)

24. [Section 21\(1\) of the Cities and Local Government Devolution Act 2016](#)<sup>4</sup> 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.

25. 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**

26. Attached at Appendix 1 of this report is the budget report that was agreed by the TfSE Shadow Board on 21 October 2021.
27. At the July 2021 meeting of the TfSE Partnership Board, the budget for financial year 2021/22 was signed off by the Board. This was based upon the £1.225m grant funding agreement from DfT and the £500,000 local contributions. The budget also considered the carry forward of committed funding from the previous financial year, as well as reserves, to give an operating budget of £3.223m.

### **Conclusion**

28. The Shadow Board for ‘Transport for the South East’ will now focus on delivering a Strategic Investment Plan (SIP) for its geography. The SIP will form the final part of the transport strategy, bringing together the outputs from the TfSE area studies and thematic studies, to become the blueprint for investment in the south east for the next 30 years.

### **Background Papers**

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

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

## **Appendix 1**

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

Date of meeting: 18 October 2021

By: Lead Officer, Transport for the South East

### **Title of report: Financial Update – Quarter 2**

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

#### **RECOMMENDATION:**

The members of the Partnership Board are recommended to note the current financial position for 2021/22 to the end of September 2021.

#### **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) at the end of September 2021.

#### **2. Quarter 2 – Budget Update**

2.1 At the July 2021 meeting of the Partnership Board, the budget for financial year 2021/22 was signed off by the Board. This was based upon the £1.225m grant funding agreement from DfT and the £500,000 local contributions. The budget also considered the carry forward of committed funding from the previous financial year, as well as reserves, to give an operating budget of £3.223m.

2.2 The main elements of proposed expenditure relate to delivering the technical programme, supporting delivery of the Strategic Investment Plan and staffing costs.

Expenditure to date is just under £800,000 and is presented in Appendix 1.

2.3 Staffing costs are slightly lower than expected at £306,605. This is due to vacancies within the team, specifically the communications manager (now filled) and strategy manager posts. The end of year forecast has been revised to reflect the lower costs.

2.4 To date, the main technical programme expenditure has focused on the five area studies, future mobility strategy and the freight, logistics and international gateways study. To date more than £471,000 has been spent, with the programme on track to spend approximately £1.8m by the end of March 2022.

2.5 The budget also makes provision for operational costs and communications and engagement activities, including events, website development and stakeholder management tools. The spend in these areas is currently lower than anticipated but will increase in the second half of the year with increased communication and engagement activity associated with the SIP, a return to face-to-face meetings, commitment to event attendance later in the year and the publication of the annual report.

#### **3. Conclusions and recommendations**

3.1 Members of the Partnership Board are recommended to note the financial position at the end of quarter two.

**RUPERT CLUBB**

**Lead Officer**

**Transport for the South East**

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**Appendix 1: End of September 2021 budget position**

**Budget YTD Forecast Notes**

	<b>Budget</b>	<b>YTD</b>	<b>Forecast</b>	<b>Notes</b>
<b>INCOME</b>				
Local Contributions	498,000	498,000	498,000	
DfT Grant	1,225,000	1,225,000	1,225,000	
Reserves	462,304	462,304	462,304	
Carry forward	63,385	63,385	63,385	
Committed funding	974,354	974,354	974,354	
<b>TOTAL INCOME</b>	<b>3,223,043</b>	<b>3,223,043</b>	<b>3,223,043</b>	
<b>EXPENDITURE</b>				
<b>Staffing</b>				
Core Policy Team	555,000	261,109	532,838	Reduced forecast to reflect staff vacancies
Additional team resource	120,000	45,496	120,000	
<b>Technical Programme</b>				
Transport Strategy	50,000		50,000	
Area Studies - Outer Orbital	315,692	119,852	315,692	
Area Studies - Inner Orbital	273,764	83,011	273,764	
Area Studies - South Central	273,279	107,030	273,279	
Area Studies - South West Radial	315,000	49,273	315,000	

Area Studies - South East Radial	315,000	51,130	315,000	
Strategic Investment Plan	160,000	0	60,000	Variance will be committed and carried forward to next financial year
SIP consultation	20,000	0	10,000	Variance will be committed and carried forward to next financial year
Thematic Studies	75,000	0	50,000	Variance will be committed and carried forward to next financial year
Future Mobility	22,629	26,842	22,629	
Freight and Logistics Strategy	125,000	37,505	125,000	
Analytical Framework	125,000	0	75,000	
Other costs	7,000	-3,244	7,000	
<b>TfSE Future Role</b>	30,000	10,000	30,000	
<b>Operational Expenses</b>	35,000	2,404	20,000	
<b>Communications/Engagement</b>				
Events	20,000	1,063	10,000	
Advertising and publicity	25,000	6,520	25,000	
Website	10,000	14	10,000	
Stakeholder Database	7,000		7,000	
Media Subscriptions	2,500	666	2,500	
Carry forward for Tech programme/committed funding			195,000	
Carry forward (non-technical)			37,162	
<b>Reserves</b>	341,179		341,179	£97,000 ringfenced for DfT funded fixed term posts
<b>TOTAL EXPENDITURE</b>	<b>3,223,043</b>	<b>798,671</b>	<b>3,223,043</b>	