



Strategic Transport Leadership Board

30 September 2022

Agenda Item 3: Mid-Year Business Management Update

Recommendations:

It is recommended that the Board:

- a) Notes the income, staffing and 2021/22 tail updates.***
- b) Approves the revised budget estimates for the DfT Funded Work Programme 2022/23 as the agreed budget for the remainder of the financial year.***
- c) Agrees that in-person Board meetings (two of five in the year) should be rotated to locations within the region***

1. Purpose of report

- 1.1. This paper sets out the mid-year corporate position for 2022/23. This includes staffing and budget updates.

2. Key points to note

- 2.1. At this mid-year point, EEH is forecast to finish the financial year within the current overall funding envelope.
- 2.2. As agreed with this Board in May 2022, permanent headcount has been increased to eight. This is a result of DfT agreement that a proportion of their funds could be used on staff costs where they are supporting programme delivery. Savings have been achieved from our initial assumptions through minor restructuring and staggered recruitment during the year.
- 2.3. Minor changes to the proportion of spend across the strategy, policy and evidence programme is proposed, remaining in the same overall funding envelope with 16% preserved for scheme prioritisation and development, as agreed by the Board.

3. Context

- 3.1. EEH's funding envelope for 2022/23 includes: a bring-forward of funds based on delivery/completions of projects commissioned during the previous financial year; local contributions; DfT grants; and a contribution from the East West Main Line Partnership (reflecting the secretariat and business management functions that EEH provide to the East West Main Line Partnership).
- 3.2. The work programme and associated budget for the financial year 2022/23 is on track. Programmes are underway, in commissioning or currently being planned for commencement in quarters 3 and 4 of the year.

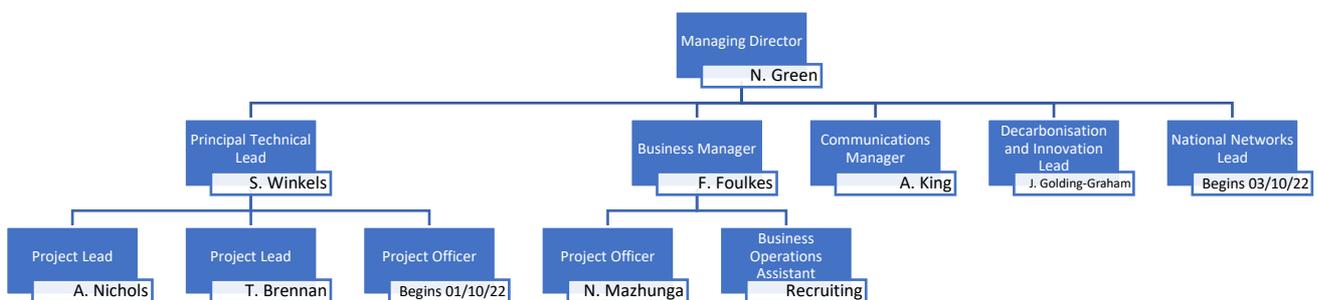
3.3. There are some savings showing in the mid-year budget, primarily against the business unit's operational costs: this is due to minor restructuring of roles and staggered recruitment during the year. Despite staff vacancies, the business unit has managed to maintain programme delivery as a result of staff operating flexibly and taking on additional tasks. There have also been some limited programme savings following DfT supporting EEH to bring some tasks in house that would otherwise require consultancy support.

4. Income

- 4.1. Following the Board's agreement to uplift local contributions towards EEH, the revised budget is £441,420. Year to date, £324,880 has been received or committed by partners.
- 4.2. In August, Department for Transport confirmed EEH's settlement for 2022/23 as £1,350,000. This has been released in full to EEH and we are grateful to Buckinghamshire Council in their capacity as accountable body for their support.

5. Staffing and Operational Expenditure

- 5.1. The overall operational spend was originally budgeted to be £874,837 plus £400,000 in reserves. The bulk of this is staffing costs.
- 5.2. The operational year end forecast spend has been revised down to £803,650 plus £400,000 in reserves. Our initial staffing assumptions were made based on all posts being filled at the beginning of the financial year – it is proposed that the savings are rolled forward into the next financial year to provide a slight buffer to likely pay increases.
- 5.3. Following the successful appointment of Naomi Green as the new managing director of EEH, a slight restructuring of the team has occurred to ensure reporting lines are clear and a progression pathway within the technical team.
- 5.4. With the news of three-year indicative funding from DfT and agreement that their funding could be used for a proportion of staffing costs, the number of permanent posts within EEH has increased to eight – providing greater stability for technical team members.
- 5.5. We continue to have a quasi-secondment arrangement with Oxfordshire County Council for our innovation & decarbonisation lead; and a fixed term contract for a project officer (as the post is majority funded by the East West Mainline Partnership).



6. 2021/22 Tail

- 6.1. EEH entered FY2022/23 with a tail of work committed as a result of constraints in staffing and the receipt of significant in-year funding. These commitments totalled £1,216,741, which included the majority of the in-year funding received (£500,000).
- 6.2. The table below lays out the list of projects included in the 2021/22 Tail and In-Year funded schemes.

Project	Commentary
Regional Evidence Base	This project has completed and is closed.
First Mile Last Mile Tool	This project has completed – we are awaiting final invoicing.
Connectivity Studies Tranche 1 and Modelling	This project has been extended, with an expected completion date in December 2022. Final invoices due in Q4.
Connectivity Studies Tranche 2	This project has been extended, with an expected completion date in March 2023.
Alternative Fuels	This project is in progress – invoicing is likely to be at project completion in October 2022.
Future of Roads	This project is in progress, with an expected completion date in March 2023.
Regional Bus Study	This project has completed and is closed.
EWR Narrative	This project is in progress. We continue pursue the agreed contribution from East West Railway Company as co-funders (£22,112.50).
EWR Modelling	This project is in progress.
Varsity Way	This project is approaching completion – we are awaiting final invoicing.
Active Travel Phase 2	This project is in progress, with an expected completion date of January 2023.
Regional Client-Side Capability	This project is in progress, with an expected completion of phase one by March 2023.
Decarbonisation Playbook	This project is in progress.
Mobility Hubs	This project is in progress, with an expected completion date of October 2022.
Decarbonisation Pathways	This project has completed and is closed.

- 6.3. In addition, officer time is being used to support in-year funded projects on Electric Vehicles (joint with Transport East) and BSIP support (joint with Transport for South East and Transport East).

7. DfT Funded Work Programme 2022/23

- 7.1. Given that the DfT funding did not arrive until August, limited commissioned activity has been possible for the 2022/23 programme. The team have, however, used the time to scope the projects within the agreed work streams, and phased the commissioning dates to enable funds to be fully committed in-year.

7.2. The table below lays out the high-level budget for each work stream, including programme staff costs and a programme management overlay, as agreed with the DfT. The second column provides a revised estimated budget for each work stream following further scoping by the EEH team. The commentary is a proposed altering of budget lines compared to the percentage allocation agreed by the Board at the beginning of the financial year.

Work Stream	Budget	Estimate	Variance	Commentary
Regional Evidence Base	£270,000 20%	£252,500 18.7%	−£17,500 1.3%	It is proposed that this saving of £17,500 is used for additional modelling requirements for the Connectivity Studies.
Planning for Net Zero	£155,000 11.5%	£155,000 11.5%	-	
Improving Strategic Connectivity	£580,000 43%	£601,250 44.5%	+£21,250 1.5%	Original estimate for Connectivity Studies commissioning was £142,500 per study in tranche 3. This has been revised to £145,000 per study. Further modelling requirements have been identified for the connectivity studies programme, resulting in a further £19,250 being allocated to this budget.
Connectivity and Integration	£65,000 4.8%	£61,250 4.5%	−£3,750 0.3%	It is proposed that the estimated saving of £3,750 is used to enable the increase in the Connectivity Studies budgets.
Innovation	£60,000 4%	£60,000 4%	-	
Scheme Prioritisation and Development	£220,000 16%	£220,000 16%	-	
TOTAL	£1,350,000	£1,350,000	-	

8. Non-DfT Funded Activity

8.1. Officer time is also being used to support East West Main Line Partnership funded projects of business advocacy for East West Rail and the link to Aylesbury.

9. Governance and Meeting Update

9.1. At the most recent Transport Officer Group (TOG) meeting, it was agreed that a 6-month trial would be undertaken to hold monthly meetings with Transport Officers. This decision reflects the extent of engagement between EEH and local authority partners and is intended to reduce pressure on staff time for our local authority partners.

9.2. The Best Western Buckingham Hotel is closing its meeting rooms from 25 September 2022. An alternative venue for our December Board meeting and future in-person meetings, is being planned. It is proposed that we retain the ratio of two in-person to three virtual meetings within the year; and that the location of the in-person meeting is rotated within the region.

Fiona Foulkes
Business Unit Manager
September 2022