

Strategic Transport Leadership Board

9 June 2023

Item 4: Full Year (2022/23) Business Management Update

Recommendations:

It is recommended that the Board:

- a) Agrees the year-end financial and corporate position**
- b) Notes the financial commitments carried forward into 2023/24**
- c) Agrees to increase the permanent head-count figure of EEH to 10 FTE by year end**
- d) Agree the draft annual report for 2022/23 as set out in annex 2.**

1. Purpose of Report

- 1.1. This paper sets out the full-year corporate position for 2022/23. This includes staffing and budget updates. The full budget can be found in annex 1.

2. Key points to note

- 2.1. EEH finished the financial year 2022/23 in a strong financial position. The programme has been delivered (or commissioned) within the overall funding envelope allocated, with minor changes to the proportions of spend as agreed by the Board in September 2022.
- 2.2. EEH's financial and programme delivery for the 2022/23 has been reported to, and received approval from, DfT.
- 2.3. The balance (income less actual and committed expenditure) to carry into 2023/24 is £245,603. Included in this figure is a further financial payment from DfT which, while paid in 2022/23, was always intended to be delivered in 2023/24.
- 2.4. It is proposed that EEH remains a small, agile unit. To build resilience and ensure development opportunities within the team, including for staff at the earlier career stages, it is proposed that the permanent head-count figure is increased to 10FTE by year end.
- 2.5. An annual report has been prepared, which provides information on EEH work in the last financial year, with a focus this year on what EEH does to add value to its local partners.

3. 2022/2023 Income

- 3.1. In the financial year 2022/23 local contributions were made by our partner authorities totalling £440,490. These have been received in full and have been utilised to pay for staffing, communications (including conference and business advocacy publications) and to unlock the DfT settlement as a demonstrable commitment to the EEH team and programme. The Board agreed the local contributions for the upcoming financial year in May 2023.
- 3.2. The Department for Transport granted EEH a settlement of £1,350,000 for the 2022/23 work programme, which was received in full in August 2022.

- 3.3. An additional £150,000 was also received from DfT in March 2023 to support the continuation of our centre of excellence ambitions.
- 3.4. Additionally, EEH received a contribution of £30,000 from the East West Main Line Partnership to cover costs of secretariat and business management functions.
- 3.5. Due to the increased workload from our success in securing in-year funding alongside staffing constraints, EEH entered 2022/23 with a significant tail of programme commitments (£1,203,557), which included the majority of in-year funding received in 2021/22 (£500,000). Of these monies, 73% has now been successfully spent within 2022/23, with the remainder also fully committed. The timeline for spend is in line with DfT requirements.

4. DfT Funded Work Programme 2022/23

- 4.1. In May 2022, the DfT funded work programme for 2022/23 was agreed by the Board. This programme formed of multiple work-streams under two main areas: strategy, policy and evidence; and scheme prioritisation and development.
- 4.2. Strategy, Policy and Evidence is made up of six key themes:
 - Regional Evidence Base – the team is currently in the process of upgrading the EEH evidence base, designed to meet the needs of our local partners and able to integrate additional data sources where this supports wider regional priorities.
 - Planning for Net Zero – the team has been focused on developing a tool outlining the scale of emissions from transport, where they are occurring and the journeys that are causing them, which will be able to be used by local authorities to determine their quantifiable carbon reductions within the upcoming local transport plans. Alongside this, the team has undertaken work to understand the potential for alternative fuelling infrastructure for the freight and logistics sector, and work with Transport East to develop a tool for planning electric vehicle charging infrastructure.
 - Improving Strategic Connectivity – two connectivity studies have been completed with a further three studies underway. Alongside the East West Main Line Partnership, EEH has been influential in advocating for the delivery of East West Rail. In addition, this year saw the publication of our regional bus study; work progress on our freight action plan; and continued engagement on rail reform and strategy as well as the government’s road investment strategy.
 - Connectivity and Integration – guidance on developing business cases for mobility hubs, particularly in more rural areas, has been produced.
 - Innovation – a study looking to quantify the possible benefits of smart junction technologies to maximise use of the existing highway network has been commissioned.
 - Regional Priorities – this was a new budget line added during the year to reflect increased skills work and our centre of excellence aspirations. This was used to deliver our value proposition and skills sprint projects. In 2023/24, this key theme will form a third programme element – reflective of our commitment to our aspiration to create a centre of excellence for major early-stage scheme development in the region, with a particular focus on developing the strategic narrative for transport infrastructure schemes at pre-SOBC stage, as well as our emerging thought leadership on the skills agenda (utilising EEH as a microcosm for wider England) and to cement our support for our partner authorities with the government’s upcoming local transport plan development requirements.
- 4.3. Scheme prioritisation and development has been predominantly focused on our investment pipeline prioritisation work, drawing on recommendations across our strategy, policy and evidence work from previous years.
- 4.4. Despite the DfT funding not arriving until August, the team successfully commissioned £1,142,562 of the programme in year, which was split across the two programme elements:

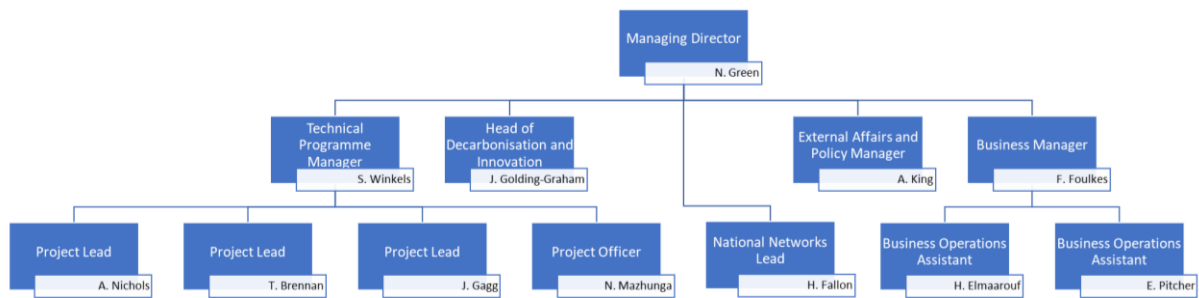


	Q3 Budget Forecast	Year end spend & committed
Strategy, Policy and Evidence	£996,637	£1,010,562
Scheme Prioritisation and Development	£134,000	£132,000
TOTAL Commissioning Value	£1,100,637	£1,142,562

4.5. There also remains £223,000 to carry forward into the future financial year (including £150,000 in-year funding). These funds will be used to support the 2023/24 programme from both a staff and commissioning perspective.

5. Staffing

- 5.1. The EEH business unit is a small, agile team formed of 12 people, on a mixture of contract types.
- 5.2. 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 8 full-time equivalent (FTE) – providing greater stability for technical team members.
- 5.3. Supplementing these permanent posts are two FTE secondments from Oxfordshire County Council (OCC); one FTE consultant from Waterman Aspen and two FTE fixed-term contract team members (backfilling other roles).



- 5.4. Every EEH team member undertakes a proportion of directly programme-related work. In 2022/23, it was agreed that some permanent staffing costs could be offset against the DfT programme grant for the first time where this direct link could be demonstrated.
- 5.5. Officer time has also been used to support other in-year funded projects on electric vehicles (jointly with Transport East); BSIP support (jointly with Transport for South East and Transport East); and the Oxford to Cambridge Connectivity: Roads Study (jointly with DfT and National Highways).
- 5.6. It is an aspiration that there continues to be fluidity between the technical and business operations roles to deliver the EEH work programme, which will result in greater development opportunities and resilience across the business unit. This aligns to the DfT's expectation that greater numbers of new entrants and junior staff should be recruited to sub-national transport bodies over the business planning period. To enable this, it is proposed that the permanent headcount is increased up to 10 FTE during 2023/24. EEH is able to accommodate the implications two further permanent posts (in terms of current costs and any future wind-up costs, should they be required) within our existing budget and reserves respectively.

6. Non-DfT Funded Activity

- 6.1. Officer time was also used to support East West Main Line Partnership funded project of business advocacy for East West Rail.



- 6.2. EEH's 'communications' work is funded through local authority contributions. This includes work relating to political engagement, events, document design, EEH's website, newsletter, media and social media.
- 6.3. During 2022/23 EEH's engagement activity grew, including through stronger working with and membership of All Party Parliamentary Groups (such as East of England All-Party Parliamentary Group). The 2022 annual conference in Milton Keynes was our most well-attended so far, attracting more than 200 delegates.
- 6.4. The communications team have also strengthened their in-house copy writing and production through creation of brochures such business advocacy for East West Rail and the case for investment in Ely junction "Keeping Trade on Track" (see item on freight). Developing the bulk of the work on these brochures in house has brought significant cost savings to the business unit.
- 6.5. In line with the emerging thought leadership on the skills agenda, focusing particularly on transport planning and strategy, in March EEH facilitated a roundtable, co-hosted by DfT, and well attended by representatives from local authorities, professional bodies, private sector and academia to discuss our joint approach to the transport skills challenge. We are grateful for the continued support of the Board to form a third programme element for the next financial year focusing on skills and capabilities, which will stand alongside our two technical-led programme elements: strategy, policy and evidence; and scheme prioritisation and development.

7. Annual report

- 7.1. A draft annual report has been produced. It provides a high-level summary of the work progressed by EEH during 2022/23, and also looks ahead to 2023/24.
- 7.2. This year's report has a particular emphasis on the support EEH provides to local authorities. It includes in its annex a table of tools developed for partners. There is also a page for each local authority showcasing our work with them – this responds to a recommendation from our independent review.
- 7.3. The draft annual report is in annex 2.

Fiona Foulkes
Business Manager
June 2023

Annex 1 – EEH 2022/23 – End of Year Budget

INCOME		2022/23 Income
Carry Forward from 21/22	£1,203,447	
Local Contributions	£440,490	
DfT Grants	£2,000,000	Includes additional £150,000 in-year for centre of excellence ambitions, which has been carried forward in full.
Additional Contributions	£42,000	Contribution from East West Mainline Partnership towards EWR narrative project and secretariat costs
TOTAL	£3,685,937	
NON-PROGRAMME EXPENDITURE		2022/23 Spend and Committed
Staffing	£646,131	Includes pension, NI and other staff costs such as training
Operational Expenditure	£62,434	Includes office costs, service charges, conferences, meetings, document production and website.
Reserve	£400,000	Reserve held at £400,000 each year.
SUB-TOTAL	£1,108,564	
DfT 22/23 PROGRAMME EXPENDITURE		2022/23 Spend and Committed
Programme Staff	£159,163	Programme-specific staff expenditure
Regional Evidence Base	£126,168	Projects include: regional evidence base refresh; transport strategy monitoring; places of strategic importance and GIS mapping of active travel routes. Underspend of £17,344 – of which £5,000 due to dependency on supplier decision re first mile last mile tool platform. Uncommitted roll over: £15,000 for first mile last mile tool and CAF readiness.
Planning for Net Zero	£234,000	Projects include: national travel survey study and the required change control for the decarbonisation playbook. Budget line increased through change control by £70,750 due to additional commitments on shared project with TfSE and Transport East, for which a proportion of the overall budget will be recovered in the next financial year.
Improving Strategic Connectivity	£410,734	Projects include: connectivity studies; rail strategic objectives; ticketing engagement – public opinion survey; freight action plan and rail freight growth target



		Underspend of £74,141, of which £20,000 as unable to progress various bus projects due to dependencies on in-year joint BSIP project and Project Coral. Uncommitted roll over: £40,000 for bus business case; public transport pricing; and ticketing readiness/bus back office projects.
Connectivity and Integration	£15,000	Projects include: pathfinder mobility hubs Underspend of £11,500, of which £10,000 as unable to progress rural connectivity project due to delay of publication of DfT future of rural strategy.
Innovation	£20,000	Projects include: smart corridors Underspend of £23,000. Roll over: £18,000 pump-prime for collaborative bid submission (carried forward as no suitable bids identified in-year 22/23)
Regional Priorities	£29,000	Projects include: value proposition and skills sprint. Underspend of £25,500. Roll over: £150,000 of in-year income.
Scheme Prioritisation and Development	£132,000	Projects include: investment pipeline and exploration of land value capture opportunities. Budget line increased through change control by £13,000, as project brought forward into this FY using underspend from regional priorities.
SUB-TOTAL	£1,142,563	
TAIL 21/22 PROGRAMME EXPENDITURE	2022/23 Spend and Committed	
Supporting the Heartland Region	£586,070	Carried forward into 2022/23: £594,921 Projects delivered: connectivity studies tranche 1; regional evidence base year 3/3; FMLM tool In Progress/Ongoing: connectivity studies tranche 2; regional client-side capability
Decarbonisation of the Transport System	£319,407	Carried forward into 2022/23: £347,313 Projects delivered: alternative fuels; decarbonisation pathways In Progress/Ongoing: decarbonisation playbook
Improving Strategic Connectivity in Support of Planned Growth	£159,430	Carried forward into 2022/23: £154,925 Projects delivered: east west rail narrative and modelling; regional bus study In Progress/Ongoing: consideration for the purpose and function of roads
Improving local connectivity	£124,661	Carried forward into 2022/23: £124,895 Projects delivered: setting the strategic case for mobility hubs; exploring the strategic case for the Varsity Way

		In Progress/Ongoing: regional active travel study phase 2
SUB-TOTAL	£1,189,208	Carried forward into 2022/23: £1,203,557
	Actual Spend	
TOTAL EXPENDITURE	£1,923,623	Actual + Committed: £3,440,335
Commitments to carry forward into 2023/24: £1,516,579		
Of this, £1,116,579 is programme tail commitments and £400,000 is held in reserve.		
Balance to carry into 2023/24: £245,603		
Of this, £223,000 is uncommitted rollover (including £150,000 in-year funding) for which defined decision points have been identified within work-streams to determine the best use of the monies.		