



Active
Travel
England

Active Travel England: Annual report and accounts 2022/2023

For the period 1 August 2022 to 31 March 2023



Presented to Parliament pursuant to Section 7
of the Government Resources and Accounts
Act 2000

Ordered by the House of Commons to be
printed on 5 June 2023

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Active Travel England **Annual Report and Accounts** 2022–23

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Accounts presented to the House of Commons pursuant to
Section 6(4) of the Government Resources and Accounts Act
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Annual Report presented to the House of Commons
by Command of His Majesty

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5 June 2023

Active Travel England

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Introduction from National Active Travel Commissioner and Chair

// Delivering the change that will improve people's daily lives nationwide."



Active Travel England is one of – if not the – the most exciting agencies within national

government. Our remit is simple on the face of it. We enable people to have the freedom of choice to walk, wheel or cycle for everyday trips.

A simple mission but one that impacts so many of the issues our society is facing today including the cost-of-living crisis, the obesity pandemic, the local high street economy, air quality – the list goes on.

And even more, it's about the daily benefits that result in more people getting from A to B under their own steam. Our mission is about giving kids transport independence, unshackling parents from the school run and giving families an option to go from a two car family to a one car family, saving thousands.

We're now established and we're getting on with the job. 2022/23 was about putting the building blocks in place to deliver – lacing up our shoes and oiling our wheels. Now we're getting out there, up and running and riding towards delivering the change that will improve people's daily lives nationwide.

Chris Boardman
National Active Travel
Commissioner

Chief Executive's Foreword



Active Travel England formally came into being in August 2022. I am proud of what the team, and our sponsors in the Department for Transport, have achieved so far.

We have recruited over half of our planned workforce, opened our headquarters in York, and managed a design assessment and bidding process for £200m of active travel scheme funding.

In addition, we have managed programmes to help our local authority and other partners activate cycling and walking on new infrastructure programmes, ensuring they are delivered effectively. And we have been busy preparing for our statutory consultee status in the planning system which will come into force in June 2023.

In March, we published the first ever Local Authority Capability Ratings for active travel in England and have continued to support local authorities in delivering high quality infrastructure across a growing range of government funded programmes.

We have made the first steps in developing our strategic relationships, starting to establish working arrangements with National Highways and laying the groundwork for future collaboration with Mayoral Combined Authorities and indeed all transport authorities in the country.

The collaboration we announced with the Alan Turing Institute will improve how active travel projects are delivered, by enabling us to use data more effectively.

These achievements have allowed us to make our mark within the Department for Transport and elsewhere in government. We are already starting to progress our more formal involvement in other funds such as the Levelling Up Fund and City Region Sustainable Transport Settlements.

Much of our focus is on getting to know the people across the country who are going to help us achieve our objectives. We have met hundreds of council officers and planners through our regional roadshows, and, through our video materials, we are starting to help local authorities to promote some of the great local examples of great new walking and cycling infrastructure in their area.

Sitting firmly behind our delivery functions, we have established the corporate functions and operating framework needed to be an executive agency – a new organisation built from scratch.

Our strategic priorities are at the core of our delivery. We want to create an environment where making everyday trips by walking, wheeling or cycling is safe, easy and attractive and our organisation is now set up to enable this at a national level.

Danny Williams
CEO



Performance Report

Performance Overview

Who we are and what we do

Active Travel England was established in August 2022 to meet the vision set out by national government for half of all journeys in towns and cities to be walked, wheeled or cycled by 2030.

Working alongside local authorities, we are delivering the government's mission to make walking, wheeling and cycling a safe and attractive choice for everyday trips.

To support delivery of our vision and achieve the government's mission, we set out four strategic priorities for 2022/23 to 2023/24. These are to:

1. Invest in and improve standards for active travel schemes across the country.
2. Integrate active travel in the planning system.
3. Focus on inclusivity and accessibility, giving people from all walks of life the opportunity to try active travel.
4. Transform how data and analysis is used in active travel planning.



**Our vision is:
For everyone in the country
to have an attractive and
safe choice to walk, wheel
or ride**



How Active Travel England is structured

Active Travel England (ATE) is headed up by the National Active Travel Commissioner, Chris Boardman, who is also the appointed Chair of the Board. Our Chief Executive Officer provides the operational leadership for the organisation, supported by our core directorates.



Inspections

Our inspectorate is focused on increasing the capability of local authorities through the provision of support, training and technical expertise. We inspect final schemes, but our focus is on early intervention to ensure quality and safety is designed into projects.

Planning and Development

Our statutory consultee function is overseen by the planning and development directorate. Working closely with Local Planning Authorities (LPAs), the development management casework team reviews and provides recommendations on the planning applications within our remit. This is complemented by the planning policy and strategy team, who work with LPAs, developers, the Department for Levelling Up, Homes and Communities (DLUHC) and others involved in the planning system to effectively embed active travel in new developments at the earliest possible stage.

Data and Analysis

The data and analysis team provides data analysis, modelling and tools to support all of ATE's strategic priorities. The analysis team focusses on modelling and visualising data to provide insight into national strategies and policies required to meet government objectives for active travel, while the data and digital team uses data science and software development techniques to deliver the tools, data visualisations and software that transport authorities need to ensure cost effective investment.

Operations

The operations directorate is led by the Chief Operating Officer and provides the support that enables the organisation to be a success. Providing all corporate support, operations ensures that the organisation can run effectively and efficiently. The Investment team also forms part of the operations directorate, designing and managing the essential funding support to build active travel schemes and activate their use.

Sponsorship

As an executive agency of the Department for Transport, we report to the Secretary of State for Transport as responsible Minister. This relationship is managed through our sponsor team, who we regularly engage with to report progress made on our priorities.

Financial Review

ATE's primary financial activity is the provision of grants to local authorities and delivery partners. In 2022/23 ATE awarded £254m in grants, equating to 99% of our total expenditure. As key functions grow in future years our expenditure on staff and other non-staff activities will grow as a proportion of our budget.

Performance analysis 2022/23

Our Inspectorate is made up of experts in scheme design and delivery. They provide essential assurances over designs and final scheme delivery, working to reduce the amount of critical safety issues within the design of active travel infrastructure and ensuring these schemes can integrate seamlessly with other modes of transport.

The team hit the ground running and in October, with the support of our delivery partner, WSP, they started work to assess key funding streams where active travel was a significant element. ATE assessed all active travel proposals (25% of applications) included in the second Levelling Up Fund to assess the quality of the bids and to ensure that only high-quality schemes were funded.

Since August, we have worked closely with local authorities to review the design and delivery of 107 projects funded through previous active travel funds. Supporting local authorities to design out critical safety issues is key to the effective delivery of transport infrastructure. We have supported local authorities funded through previous funding rounds (such as Active Travel Fund 3) in improving scheme design and provided £37.4m of funding in 22/23 to enable authorities to address these issues and increase compliance with minimum design standards.

Poor design in major new developments can reduce the transport choices available to people, removing opportunities from those who want to walk, wheel or cycle. Our role as a statutory consultee ensures that we are able to build good active travel design into developments at the earliest possible stage, thereby reducing the need for upgrades to major junctions or corrective action at a later date.

We have worked closely with DLUHC, which is responsible for the Development Management Procedure Order (DMPO) – the legislation that sets out statutory consultees in the planning system - and with other government stakeholders to ensure we set our thresholds at an appropriate level and have the frameworks in place to play a full and active role within the system. We carried out a pilot ending in November 2022 working with 25 local authorities and assessing 43

developments to test our processes and to ensure they will be fit for purpose. Following this pilot, we ran a stakeholder survey with 80% of respondents stating that they agreed or strongly agreed that ATE should have a role in the planning system.

We secured statutory consultee status on 13 February 2023. This will come into effect from 1 June 2023 and will result in ATE considering around 3,100 planning applications a year, which equates to around 60% of new housing units.

To introduce local authorities and developers to our new role, we delivered 10 local roadshows across all regions in England, which attracted over 400 attendees in total. We will continue to work with developers to profile and promote good schemes, while also working with authorities to adopt consistent standards.

Thresholds



150
residential
units

7,500
sqm of
floorspace

Development carried out on a site having an area of

5 hectares or more



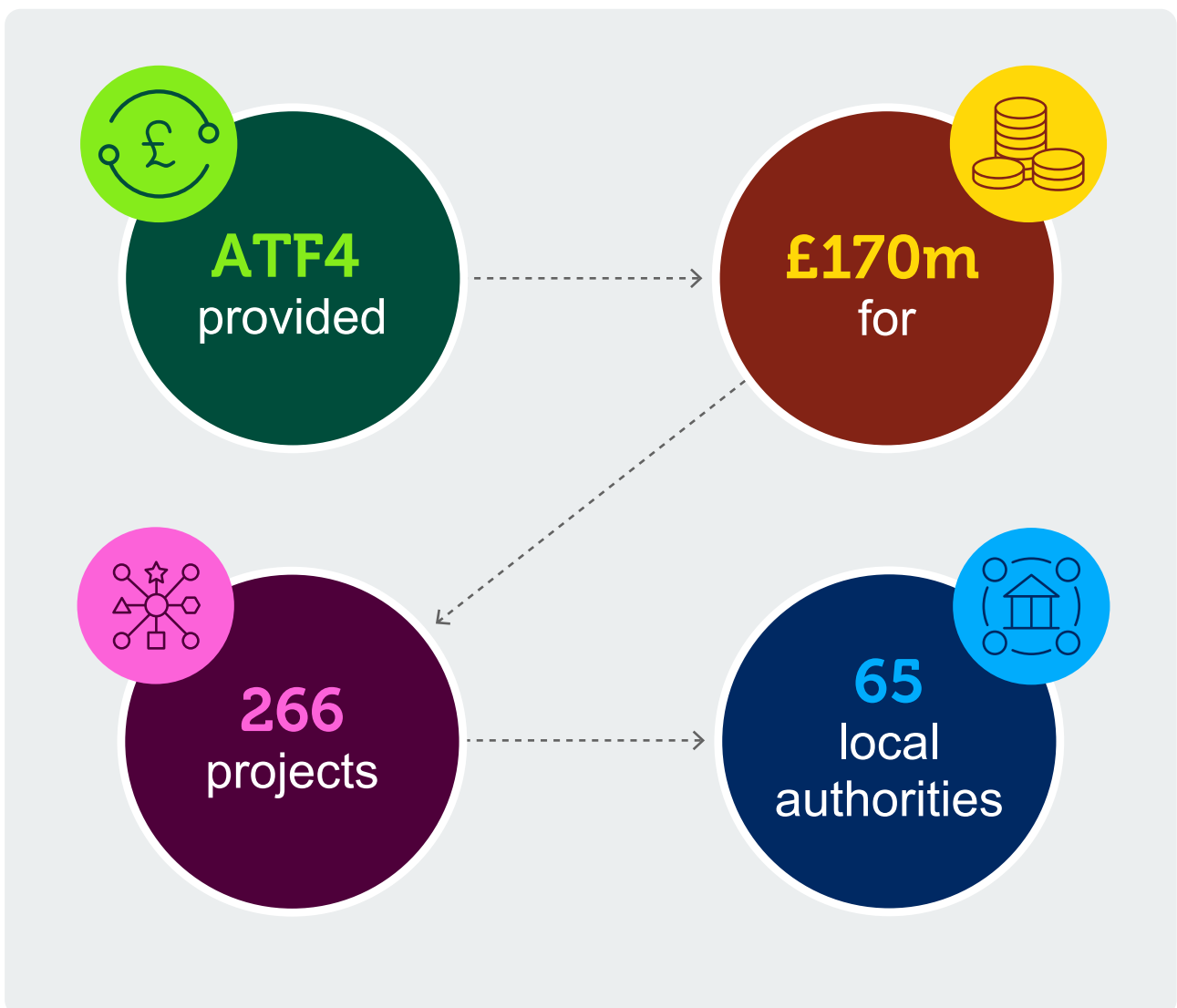




We provide direct funding to local authorities to build active travel infrastructure, increase capability and deliver more opportunities for people to walk, wheel or cycle for local trips. In October 2022, we launched the Capability Fund - the first of its kind to be managed end to end by us. This was soon followed by the Active Travel Fund 4 (ATF4) in January 2023. These schemes marked a step change in how funding to local authorities is allocated, using an assessment of capability to apply financial weightings that reward successful past delivery and capability. This approach means that

we can target resources to the areas that will deliver better outcomes, while also ensuring that we support those who want to improve.

ATF4 has provided £170m to local authorities to enable them to build 266 active travel infrastructure projects. The 2022/23 Capability Fund provided £32.9m to local authorities to boost capability in developing high-quality infrastructure - for example, by increasing planning and design skills. It has also funded activation initiatives, such as those that focus on safer walking and cycling routes to work and school.



// Active Travel reduces the risk of dying early by 30%

– Source: Public Health England, 2019

“Active travel is the single biggest health intervention that this government is making.”

– Sir Chris Whitty, Chief Medical Officer and Active Travel England Expert Adviser

Learning to cycle at a young age provides the skills and confidence to make cycling a safe and viable choice for local journeys to school and, later, for commuting and other journeys. We have been working closely with the Bikeability Trust to deliver the government-owned Bikeability training programme in schools across England. The project, which aims to deliver the manifesto commitment for all children to be offered cycle training, received £19.7m¹ in funding in 22/23, with over 400,000 school children trained in the same period.

In August, we worked with DfT to take forward the cycling and walking on prescription pilot, awarding £12.7m of funding to 11 local authorities. These schemes will test different approaches for improving health and wellbeing through cycling and walking measures and inform further work in this area, reflecting the wider impact cycling and walking has on a range of physical and mental health conditions.

¹ Management of the Bikeability grant transferred to ATE on 1st August. £11.2m was paid by Department for Transport before this date, with £8.5m paid by ATE.



Transforming how data and analysis is used is a bold commitment, but this is what we aspire to do. We want to ensure that we are combining, visualising and analysing data in a way that means local authorities can plan effective and integrated interventions. We have started this journey through our collaboration with the Alan Turing Institute, working with world class experts to create new software and understand how data science techniques can be used to support local authorities in their delivery of active travel schemes. In March 2023 we piloted the Active Travel Infrastructure Platform (ATIP) alongside the Active Travel Fund 4, meaning, for the first time, we were able to start mapping out schemes across all local authorities.

As we move into 2023/24 this information will be paired with existing data sources, such as OpenStreetMap, to create innovative solutions that can help local authorities deliver schemes that are strongly evidence-based and best placed to deliver maximum benefits for residents.

Combining and using data to drive resource allocation, including both financial and non-financial support, is essential to meeting the government's ambitions for active travel. In March 2023, we published the local authority active travel capability ratings, which, for the first time, assessed transport authorities on their capability to deliver active travel schemes. This ratings system is used to drive funding allocations, the types of scheme that local authorities should focus on and the support provided by all areas of ATE

The ratings focus primarily on three areas:

- local leadership
- plans
- delivery record

The ratings allow us to track performance over time and to target the right type of resources to increase effectiveness so that maximum value for money is achieved. The next assessment will be carried out in Summer 2023.



Corporate functions

Since being established in August 2022, the operations team has focused on creating the essential frameworks and foundations to deliver on the government's vision, achieve our strategic priorities and make ATE a success.

Starting an agency from the ground up comes with many challenges, and we have had to prioritise our resources effectively to ensure that we can achieve excellence in our key areas. Our initial focus was to recruit our workforce to add to the team of professionals that transferred in from the Department for Transport on 1 August 2022. As of 31 March, we had recruited and onboarded 54% of our total FTE with 36% of roles being in live recruitment.

Supporting the government's location strategy, we established our permanent location in York, formally opening our office in February 2023. This marked a milestone in the establishment of the agency, giving our teams their own workspace in which to collaborate both internally and with key stakeholders.

We have complemented our workforce by developing the governance arrangements needed for the agency to operate and manage its resources. We have established the Board, ExCo and their sub-committees to ensure that they can operate effectively and with appropriate reporting lines and support. The progress made in bringing our governance framework to life has aligned us to the Corporate

Governance Code for Central Government Departments: Code of Good Practice.

Working in collaboration with our sponsor team, we have developed the reporting lines, flow of information and sponsorship arrangements that can support appropriate challenge, drive innovation and improve performance. This has also supported standard performance reporting that is used to report progress against key milestones to Ministers, our Board, ExCo and our sponsors, creating one version of truth and a commonly shared view of progress.

As we scale up ATE to our full planned workforce, we are confident these functions will give ATE the foundation to succeed. We are committed to reviewing our structure regularly to ensure it meets our strategic objectives and key risks are monitored and successfully mitigated.

Our people

As the newest executive agency of the Department of Transport, we are heavily invested in making Active Travel England a great place to work and have recruited at scale since we were formally established in August 2022.

Our approach to recruitment is underpinned by our commitment to diversity and inclusion within our workforce and complies with current employment legislation, the Civil Service Management Code and the Civil Service Commission Recruitment Principles.

Our success is dependent on ensuring that we have a diverse representation of people with the right balance of Behaviours, Strengths, Ability, Experience and Technical skills and knowledge to help us shape and deliver our business objectives. Attracting and recruiting the right people requires an understanding of our current and future business needs, an understanding of the key requirements to carry out each job and an ability to make selection decisions based on merit and fair and open competition.

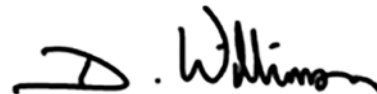
Hybrid working means our people work flexibly, achieving a good work-life balance, while utilising public transport links to meet regularly face-to-face. It also means we are positioned nationally to maximise engagement with our stakeholders across England. We have key staff based in York in addition to a regionally dispersed team to support and engage with local authorities. We also have small proportion of London-based staff who transferred from our parent organisation, Department for Transport.

Active Travel England recognises that fully representative trade unions are essential for promoting good employee relations and effective consultation and/or negotiations on terms and conditions of employment. We will progress activities to ensure that Active Travel England staff are fully recognised by FDA, Public and Commercial Services (PCS) and Prospect and work within the Department Employee Relations Framework.

We proactively surveyed staff as part of the annual Civil Service People Survey 2022 as an independent organisation unit within the Department for Transport. The results from this survey have provided us with a baseline upon which to build our people practices. Our Employee Engagement Index of 64% will be our opening benchmark against other similar Civil Service organisations as well as the Department for Transport. We recognise that our workforce was small - around 25% of our overall workforce at that time - however, we have used the key themes derived from the results to forge our People Strategy themes of Talent, Leadership and Culture.

Sustainability report

We are committed to operating in a sustainable way, minimising the carbon impact of the organisation and supporting the government's net zero requirements. We have begun monitoring the impact of our organisation including the energy usage of our estate and travel choices. We are committed to publishing these from next year so we can track how we meet our commitment.



Danny Williams,

Chief Executive and Accounting Officer

– 31 May 2023

Accountability report

Directors' report

This accountability report is produced to comply with the requirements of the Companies Act 2006, adjusted for the public sector context as required by the HM Treasury Financial Reporting Manual 2022-23. It should be read in conjunction with the Governance statement, the Remuneration Report and the Performance Report.

Members of the Board

Full disclosure of the serving directors is available in the Governance Statement on pages 23-27.

Directorships

Directors are required to disclose any other business interests in the register of interests that may conflict with their responsibilities. As of 31 March 2023 non-executive directors have declared interests held which may conflict with their management responsibilities. No other interests held by the management board are deemed to conflict with their management responsibilities.

Board Member	Name of company or organisation	Position held	Type of interest	Other relevant information
Isabelle Clement	Wheels for Wellbeing	Director and CEO	Employee	Wheels for Wellbeing received grant funding from ATE

Statement of Accounting Officer's Responsibilities

Under the Government Resources and Accounts Act 2000, HM Treasury has directed Active Travel England to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of our comprehensive net expenditure, statement of financial position, and cash flows for the financial year.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the Government Financial Reporting Manual and in particular to:

- observe the Accounts Direction issued by His Majesty's Treasury, including the relevant accounting and disclosure requirements and suitable accounting policies, on a consistent basis
- make judgements and estimates on a reasonable basis
- state whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the Financial Statements
- prepare the Financial Statements on a going concern basis



- confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable and take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable.

The Accounting Officer confirms as required that, as far as they are aware, there is no relevant audit information of which the entity's auditors are unaware, and the Accounting Officer has taken all the steps that he ought to have taken to make himself aware of any relevant audit information and to establish that the entity's auditors are aware of that information.

The designation of Accounting Officer was transferred to the Active Travel England Chief Executive from Department for Transport in 2022. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the agency's assets, are set out in Managing Public Money published by His Majesty's Treasury.

Governance statement

Introduction

Our governance statement describes how our Board and its supporting structures work and how they have established in the agency's first eight months of operation. It provides an overview and assessment of effectiveness of how the agency has been established and managed. This includes key internal controls, risk management and accountabilities.

The agency's governance framework is designed to comply with the guidance laid down in HM Treasury Corporate Governance in Central Government Departments: Code of Good Practice 2017.

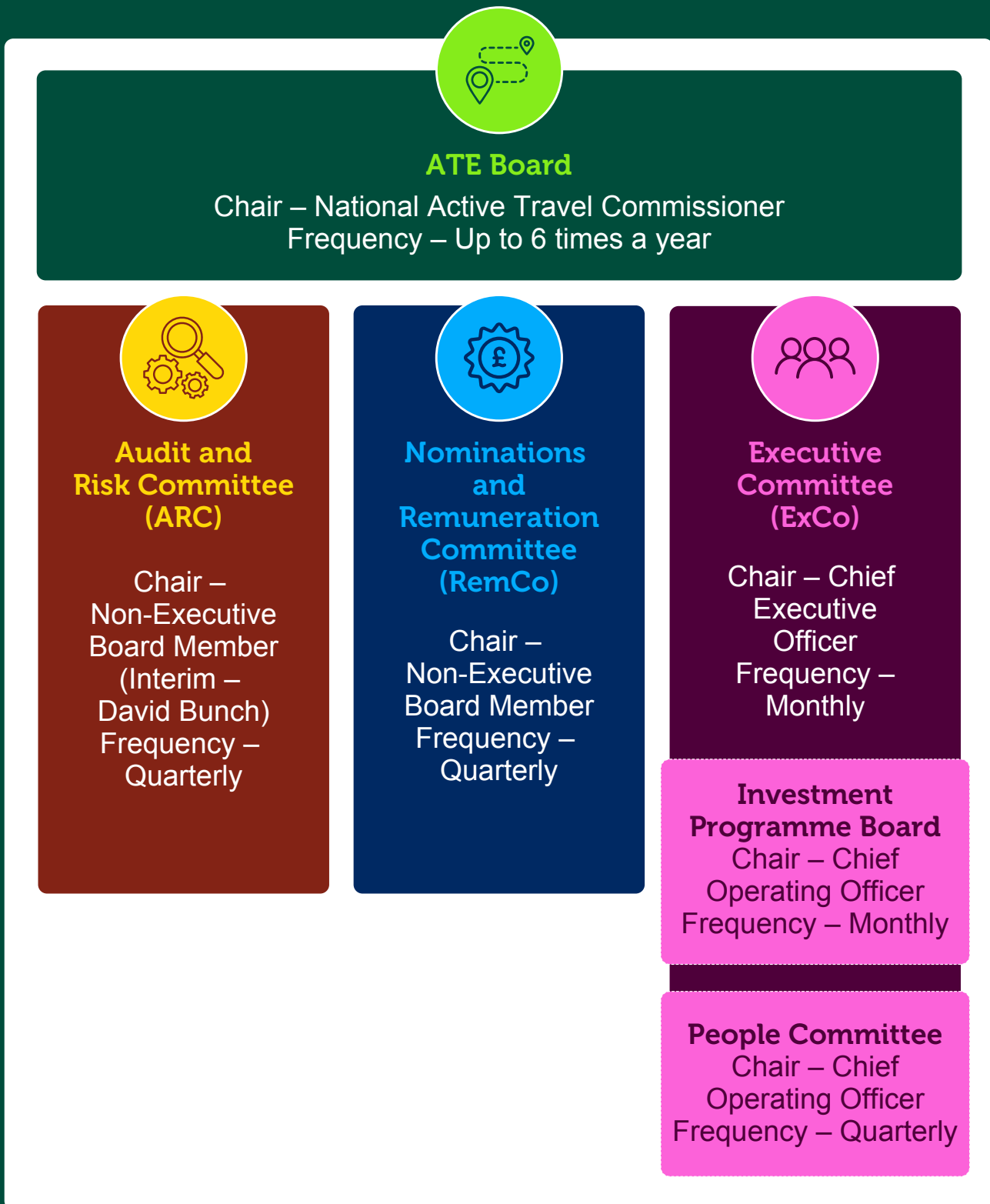
The Chief Executive Officer, as the Accounting Officer of the agency, is personally responsible to and accountable to Parliament for the organisation of, and the quality of management within the agency, including its use of public money and the stewardship of its assets. They are accountable to the Secretary of State for Transport for ATE's performance in accordance with the Framework Document, which sets out the accountability and key relationships between us and the Department.

During 2022-23 ATE was sponsored by the Department for Transport (DfT) Roads and Local transport Group (RLG). This is managed through formal quarterly performance reviews, which review ATE's performance regarding its objectives and KPIs, consider any key risks, review financial performance and discuss any major live or emerging issues.



Governance framework

The agencies' high-level management structure is set out below:



The Board

Our Board provides the collective strategic and operational leadership of the agency, bringing together the Commissioner, CEO and senior members of the executive leadership team with non-executives from outside government. Its purpose is to provide advice on ATE's strategy, monitor performance and advise on significant risks. The Board is provided with relevant, high-quality information prior to each meeting to enable it to fulfil its role effectively.

The Board does not decide policy or exercise the powers of Ministers. Policy matters are decided by Ministers on advice from officials, with most of the overarching policy developed by DfT. The Board gives strategic focus by advising on

the operational implications and effectiveness of policy proposals. It operates by delegating several of its responsibilities to sub-committees.

The Board met once in March 2023. Prior to this ATE operate an interim board which included four non-remunerated members and met twice during the financial year. Key oversight was provided by the interim board, with the Executive Committee providing scrutiny of ATEs control environment, risk management, performance and strategy.

All members of the Board and its Sub-committees are subject to the Code of Conduct for Board Members of Public Bodies.

Profile of board members

Chris Boardman



National Active Travel Commissioner and Chair of the Board

Chris was appointed as National Active Travel Commissioner in June 2022 by the Transport Secretary. Prior to this Chris was Transport Commissioner for Greater Manchester and the first ever Greater Manchester Cycling & Walking Commissioner. A former professional cyclist, Chris won a gold medal in the individual pursuit at the 1992 Barcelona Olympic Games. Chris launched his own range of bikes, BOARDMAN Bikes, in 2007 and is the company's chairman. Chris is also Chair of Sport England and a prominent broadcaster for BBC and ITV.

**David
Bunch**



Non-Executive Director and Interim Non-Executive Chair of the Audit and Risk Assurance Committee

David has over 20 years of operational experience building, running and leading a variety of Mobility related businesses across Europe, North America and South Africa combined with extensive board level experience.

David was appointed Chairman of Shell UK Ltd and now has corporate responsibilities across the UK where he is tasked with driving the net zero agenda and supporting an orderly energy transition. David is building on his recent experience establishing the UK's largest public electric charging vehicle network and is leading initiatives in the development of carbon capture and sequestration, renewable power generation and electric mobility.

David is a passionate advocate of the benefits of clean mobility and in his spare time enjoys, hiking, cycling and astronomy with his family.

**Karen
Agbabiaka**



Non-Executive Director

Karen is a chief officer for a local authority, responsible for strategic management and transformation of the highway and transportation department following intervention by the Secretary of State.

Karen has over 30 years of experience gained in local government and the private sector in the UK and internationally, particularly in the areas of Highways, Transportation, Energy, Environment industries, and is renowned for her technical knowledge, strategic direction and implementation of government initiatives.

**Isabelle
Clement**



Non-Executive Director

Isabelle has had a long career as a charity CEO and senior officer. For the past 11 years, Isabelle has been CEO of Wheels for Wellbeing, an award-winning charity, based in London, which supports disabled people to discover or rediscover cycling. Established in 2007, the charity provides cycling opportunities in South London; it has also become the UK-wide campaigning voice of disabled people who cycle.

Isabelle is also one of the founder trustees of Disability Advice Service Lambeth (dasl), the voice of disabled people in the London Borough of Lambeth.

**Phil
Jones**



Non-Executive Director

Phil is a Chartered Engineer with over 40 years' experience. He founded Phil Jones Associates in 2003, which now provides services in transport planning, engineering and placemaking; and employs around 130 staff based in eight offices. His experience includes preparing transport strategies for major developments and leading street improvement in villages, towns and cities.

**Danny
Williams**



Chief Executive Officer

Danny Williams started as CEO of Active Travel England in August 2022.

Danny has spent over 25 years leading media businesses, including scaling a start-up and developing large and high-performing teams within global corporations.

He was a member of the Mayor of London's 'Roads Task Force' and has been named by the Evening Standard as one of the top 1,000 most influential Londoners for several years running.

In his spare time, Danny's passion project has been advocating for change in how villages, towns and cities approach walking and cycling.

**Louise
Wilkinson**



Chief Operating Officer

Louise started as Chief Operating Officer of Active Travel England in August 2022.

Louise spent the first part of her career working with local authorities, supporting delivery partners to reduce crime and improve community safety.

She first entered the civil service in 2012, when she joined the Department for Transport's strategic finance team. She has worked in a number of roles across the finance profession, most recently at the Cabinet Office, where she led on the transformation of finance and wider corporate services.

Audit, Risk & Assurance Committee

The Audit and Risk Committee's (ARC) role is to support the Board and Accounting Officer by providing an independent view of the agency's financial, risk and control arrangements and to review and make recommendations on the approval of the accounts. The committee will target those areas it considers the greatest risk, scrutinise decision making processes and provide assurance over ATE's risks management framework. In addition, it will oversee the internal and external audit programmes. The Committee met once in the 2022/23 financial year.

Nominations and Remuneration Committee

The Committee will meet annually and is responsible for ensuring satisfactory systems for developing leadership and identifying high potential individuals, alongside scrutinising the incentive structure and succession planning for the board and senior leadership. It will advise the Board of its findings, for formal consideration of its recommendations. The committee did not meet in the 2022/23 financial year.



Executive Committee

ExCo is the senior leadership of the agency and steers ATE's vision and objectives within the overall context set by Ministers and considering steers from the Board. It maintains a strategic oversight, and provides scrutiny of risks, plans, policies and delivery commitments and performance. The Committee sets the leadership expectations, culture and tone for ATE, and makes collective decisions on corporate issues to facilitate the smooth running of the organisation. Productivity and efficiency are at the heart of delivery decisions; the Committee scrutinises decisions through a productivity and efficiency lens to ensure the asks of the committee are contributing to ATE's Business Plan and offer value for money. This includes challenging the status quo on delivery to ensure continuous improvement.

During the 2022/23 financial year as the agency established itself, regular attendees included the CEO, Chief Operating Officer, Directors and Head of teams. This Committee undertook a Review of Effectiveness in April 23.

Investment Programme Board (IPB)

The IPB is a sub-committee of ExCo and reports to it on a regular basis. A major proportion of ATE's operational delivery is undertaken by third parties. IPB is responsible for the management of this programme of investments. In addition, the IPB will scrutinise and make recommendations to ExCo on investment decisions for new schemes and change control for existing schemes within ATE's delegation and as set out in the terms of reference.

People Committee

The People Committee is a sub-committee of ExCo. It acts with delegated authority on behalf of ExCo for people-related issues focusing on grades 6 and below.

The Committee aims to channel all the key people issues that have ATE-wide implications into one forum, escalating to ExCo as appropriate. It provides leadership on diversity and inclusion, recruitment and retention, the health and wellbeing of staff and the effective implementation of ATE's people strategy, ensuring a consistent approach across the organisation.

Board and Committee Attendance

The attendance at Board meetings from August 2022 was as follows:

Board Member	ATE Board	ATE Audit and Risk Committee (ARC)	ATE Executive Committee (ExCo)
Chris Boardman	1/1	N/A	N/A
David Bunch	1/1	1/1	N/A
Karen Agbabiaka	1/1	N/A	N/A
Isabelle Clement	1/1	1/1	N/A
Phil Jones	1/1	N/A	N/A
Danny Williams	1/1	1/1	7/7
Louise Wilkinson	1/1	1/1	7/7

Board effectiveness

The Chair of the board was appointed from the 1 August 2022, with remaining Non-Executive Directors appointed from 1 March 2023. They will meet regularly with the Commissioner who will assess their performance to ensure we gain greatest value from their external perspectives and experience. The Board will undertake an annual self-assessment of its performance and capability, agreeing an annual action plan to respond to its conclusions. In addition, the Board will periodically seek assurance from an independent external assessor that the results of its annual self-assessment present a fair and accurate reflection of its performance and capability.

The Chief Executive agrees specific targets and success criteria with each Executive Team member at the start of each year and reviews progress against these with them regularly.

Managing our risks

A new risk policy was signed off by the first meeting of the ARC in March 2023. This policy defines our approach to risk identification, management and escalation and outlines the tools we will use to effectively manage our risks.

The risk policy aligns with the direction set out in DfT policy and considers updates to the HMT Orange Book. It is also compliant with the Financial Reporting Council's Corporate Governance Code.

ATE employs the three lines of defence model and each individual directorate maintains their own risk register. These risks are tiered with key risks reported to ExCo on a regular basis. All risks are reviewed on a quarterly basis, as a minimum, to ensure they are appropriately addressed, and the overall effectiveness of our risk management framework is overseen by the ARC.

Shared services

Arvato Bertelsmann are the current service providers of back office shared services for DfT and various arms-length bodies including ATE. Contract management and service performance are managed by a DfT programme team who also provide a level of assurance that Shared Services Arvato (SSA) are meeting their contractual obligations.

Financial and Commercial Control

ATE was delegated a budget and set a plan to deliver against this at the start of its reporting year. Performance is monitored against this plan on a monthly basis by the finance team and is reported to the ExCo. During the year financial performance including risks and opportunities were considered and reviewed. Our Finance Team undertake a series of regular monthly checks to ensure the accuracy of the financial records.

Our procurement activity is undertaken by DfT commercial staff on our behalf. We have adopted their policies and delegated approvals ensuring our procurement is compliant with legislation and Cabinet Office controls.



Management Assurance

The Chief Operating Officer completes the DfT-led Management Assurance report on the full range of delegations, policies and procedures laid down by the agency and the Department, and the adequacy of the arrangements within the agency. This is approved by the Accounting Officer before submission to DfT. Following submission of the 2022/23 assurance report, the Chief Operating Officer has agreed a set of remedial actions to focus improvements as the agency continues to grow.

Fraud, bribery and whistleblowing

In our first year of existence we have adopted from DfT policies for anti-corruption, bribery and fraud and whistleblowing. We are committed to managing this risk and require all staff to act honestly and with integrity.

We will agree our Counter Fraud action plan early in 2023/24. Supported by the Government Internal Audit Agency and the Public Sector Fraud Authority guidance we will look to evolve our policies to ensure they meet the needs of us as an agency.

Internal audit

Our internal audit services are provided by GIAA, an Executive Agency of HM Treasury. The team operate to agreed Public Sector Internal Audit Standards and comply with procedures and standards set by the GIAA.

Internal audit provide independent and objective judgements and impartial, unbiased advice and opinion on the adequacy and effectiveness of our framework of governance, risk management and control. Recommendations are made and actions agreed by management to make improvements, address identified areas of risk or to enhance controls.

The internal audit team have engaged with management on the set-up of the organisation and undertaken work in 2022/23. This has included the delivery of an advisory review focusing on the grants management process. This reviewed governance and risk management arrangements in place for the award and monitoring of grants. Management are taking forward the action plan of suggested improvements.

A full risk-based audit plan has been agreed by the Audit and Risk Committee for 2023/24.

Remuneration and Staff Report

This section provides details on our remuneration policy, benefits and staff numbers that Parliament considers key to accountability.



Remuneration Policy

The remuneration of Senior Civil Servants (SCS) is set by the Prime Minister following independent advice from the Senior Salaries Review Body. The review body takes account of the evidence it receives about wider economic considerations and the affordability of its recommendations. Further information about the work of the review body can be found at Office of Manpower Economics.

We have our own remuneration committee in line with board best practice, chaired by a non- Executive Director. Further details can be found within the Governance Statement.

Service Contracts

Civil Service appointments are made in accordance with the Civil Service Commissioners' Recruitment Code. It requires appointments to be based on fair and open competition but also includes the circumstances when appointments may otherwise be made. Unless otherwise stated below, the officials covered by this report hold appointments that are open-ended.

Early termination, other than for misconduct, would result in the individual receiving compensation as set out in the Civil Service Compensation Scheme. The standard period of notice to be given by directors is three months.

Remuneration (including salary) and pension entitlements (audited)

The following sections provide details of the remuneration and pension interests of the most senior officials, including board members and directors of the agency.

Single total figure of remuneration (audited)

	Salary £000	Bonus Payment £000	Pension benefits £000	Total remuneration £000
Name	2022-23	2022-23	2022-23	2022-23
Executive directors of the ATE Board				
Danny Williams CEO¹	80-85 (125-130 FYE)		0-5	33
Louise Wilkinson COO¹	50-55 (75-80 FYE)		0-5	20
Non-executive directors of the ATE Board				
David Bunch²	0-5 (5-10 FYE)		-	-
Karen Agbabiaka²	0-5 (5-10 FYE)		-	-
Isabelle Clement²	0-5 (5- 10 FYE)		-	-
Phil Jones²	0-5 (5-10 FYE)		-	-
Chair of the ATE Board				
Chris Boardman¹	55-60 (80-85 FYE)		-	-

¹ Appointed 1 August 2022.

² Appointed 1 March 2023.

Salary

'Salary' includes gross salary, overtime, reserved rights to London weighting or London allowances, recruitment and retention allowances, and any other allowance to the extent that it is subject to UK taxation. This report is based on accrued payments made by the agency and thus recorded in these accounts.

Benefits in kind

The monetary value of benefits in kind covers any benefits provided by the agency and treated by HM Revenue and Customs as a taxable emolument.

During the year to 31 March 2023, no benefits in kind were paid to staff, or non-executive directors.

Bonuses

For Senior Civil Servants, bonuses are based on performance levels attained, and are made as part of the appraisal process. Bonuses are paid in arrears and relate to the performance in the previous year, in which it is payable to the individual. Bonuses in 2022-23 will be reported in 2023-24. Senior Civil Servants are also eligible to be nominated for 'In-year' awards, which are awarded quarterly to the maximum value of £2,000.

Fair pay disclosures (audited)

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the median, 25th percentile and 75th percentile remuneration of the organisation's workforce.

Total pay and benefits includes salary, allowances, performance pay or bonuses payable and benefits in kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions. Figures are shown in the table below.

The banded remuneration of the highest paid executive board member in ATE, in the financial year 2022-23, was £125,000-130,000. This was 2.54 times the median full-time equivalent remuneration of the workforce, which was £50,238. Being ATE's first year of operation, no changes in median remuneration are applicable.

The ratios are calculated by taking the midpoint of the banded remuneration of the highest paid director and calculating the ratio between this and the lower quartile, median and upper quartile remuneration of ATE's staff. This ratio is based on the full-time equivalent staff of ATE at the end of March on an annualised basis.

In 2022-23, one employee received remuneration in excess of the highest paid director. Full-time equivalent remuneration ranged from £8,000 to £138,000¹.

¹ Highest remuneration band reflects annualised contingent labour.



Fair pay disclosures		2022-23
Remuneration banding for the highest paid individual (salary and allowances) (£000)		125-130
Percentage change from the previous financial year for the highest paid individual		N/a
25th percentile	Total pay and benefits (£)	39,428
	Pay ratio	3.23
Median	Total pay and benefits (£)	50,238
	Pay ratio	2.54
75th percentile	Total pay and benefits (£)	63,496
	Pay ratio	2.01
Average percentage change in salary and allowances from the previous financial year for all employees (excluding the highest paid individual)		N/a

Pension entitlements (audited)

The figures given below have been supplied by My Civil Service Pension (MyCSP), the pension administrator for the agency staff.

	Accrued pension at 31 March 2023 and related lump sum	Real increase in pension and related lump sum at pension age	CETV ¹ at 31 March 2023	CETV ¹ at 31 March 2022	Real increase in CETV ¹
Name	£000	£000	£000	£000	£000
Danny Williams	0-5	0-2.5	24	1	17
Louise Wilkinson	15-20	0-2.5	161	150	8

¹ CETV = Cash Equivalent Transfer Value

CETV figures are calculated using the guidance on discount rates for calculating unfunded public service pension contribution rates that was extant at 31 March 2023. HM Treasury published updated guidance on 27 April 2023; this guidance will be used in the calculation of 2023-24 CETV figures

Civil Service Pensions

Pension benefits are provided through the Civil Service pension arrangements. From 1 April 2015 a new pension scheme for civil servants was introduced – the Civil Servants and Others Pension Scheme (CSOPS) or alpha, which provides benefits on a career average basis with a pension age from age 65 or State Pension age (whichever is later). From that date all newly appointed civil servants and the majority of those already in service joined alpha. Before that date, civil servants participated in the Principal

Civil Service Pension Scheme (PCSPS). The PCSPS has four sections: three providing benefits on a final salary basis (classic, premium or classic plus) with a normal pension age of 60, one providing benefits on a whole career basis (nuvos) with a normal pension age of 65.

These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under classic, premium, classic plus, nuvos and alpha are increased annually in line with Pensions Increase legislation. Existing members of the PCSPS who



were within 10 years of their normal pension age on 1 April 2012 remained in the PCSPS after 1 April 2015.

Those who were between 10 years and 13 years and five months from their normal pension age on 1 April 2012 switch into alpha sometime between 1 June 2015 and 1 February 2022.

Because the government plans to remove discrimination identified by the courts in the way that the 2015 pension reforms were introduced for some members, it is expected that, in due course, eligible members with relevant service between 1 April 2015 and 31 March 2022 may be entitled to different pension benefits in relation to that period (and this may affect the CETV shown in this report – see above).

All members who switch to alpha have their PCSPS benefits 'banked', with those with earlier benefits in one of the final salary sections of the PCSPS having those benefits based on their final salary when they leave alpha. (The pension figures quoted for officials show pension earned in PCSPS or alpha – as appropriate. Where the official has benefits in both the PCSPS and alpha the figure quoted is the combined value of their benefits in the two schemes.) Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a defined contribution (money purchase) pension with an employer contribution (Partnership Pension account).

Employee contributions are salary-related and range between 4.6%

and 8.05% for members of classic, premium, classic plus, nuvos and alpha. Benefits in classic accrue at the rate of 1/80th of final pensionable earnings for each year of service.

In addition, a lump sum equivalent to three years' initial pension is payable on retirement. For premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum.

Classic plus is essentially a hybrid, with benefits for service before 1 October 2002 calculated broadly as per classic and benefits for service from October 2002 worked out as in premium. In nuvos a member builds up a pension based on their pensionable earnings during their period of scheme membership.

At the end of the scheme year (31 March) the member's earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and the accrued pension is uprated in line with Pensions Increase legislation.

Benefits in alpha build up in a similar way to nuvos, except that the accrual rate is 2.32%. In all cases members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004.

The Partnership Pension account is an occupational defined contribution pension arrangement which is part of the Legal & General Mastertrust. The employer makes a basic contribution of between 8% and 14.75% (depending on the age of the member). The employee does not have to contribute, but where they do make contributions, the employer

will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.5% of pensionable salary to cover the cost of centrally provided risk benefit cover (death-in-service and ill-health retirement).

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over pension age. Pension age is 60 for members of classic, premium and classic plus, 65 for members of nuvos, and the higher of 65 or State Pension Age for members of alpha. (The pension figures quoted for officials show pension earned in PCSPS or alpha – as appropriate. Where the official has benefits in both the PCSPS and alpha the figure quoted is the combined value of their benefits in the two schemes but note that part of that pension may be payable from different ages.) Further details about the civil service pension arrangements can be found at the website: www.civilservicepensionscheme.org.uk.

Cash Equivalent Transfer Values

A CETV is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or an arrangement to secure pension

benefits in another pension scheme or an arrangement when the member leaves a scheme and chooses to transfer the pension benefits they have accrued in their former scheme.

The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

The figures include the value of any pension benefit in another scheme or arrangement, which the member has transferred to the civil service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own cost.

CETVs are calculated in accordance with the Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax, which may be due when pension benefits are taken.

The real increase in CETV

The real increase in CETV reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation or contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.



Staff numbers and related costs report

Staff costs comprise (audited)

2022-23	Permanent Staff	Temporary Staff	Total
	£000	£000	£000
Wages and salaries	1,148	109	1,257
Social security costs	135	-	135
Pension costs	293	-	293
Total Costs	1,576	109	1,685

The Principal Civil Service Pension Scheme (PCSPS) and the Civil Servants and Others Pension Scheme (CSOPS), known as “alpha”, are unfunded multi-employer defined benefit schemes but we are unable to identify ATE’s share of the underlying assets and liabilities. The scheme actuary valued the PCSPS as at 31 March 2016. Details can be found in the Accounts of the Cabinet Office: Civil Superannuation. (www.civilservicepensionscheme.org.uk/about-us/resource-accounts/).

For 2022-23, employer’s contributions of £0.293 million were payable to the PCSPS at one of four rates in the range 26.6% to 30.3% of pensionable pay, based on salary bands. The scheme’s actuary reviews employer contributions every four years following a full scheme valuation.

The contribution rates are set to meet the cost of the benefits accruing during 2022-23 to be paid when the member retires and not the benefits paid during this period to existing pensioners.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. There are currently no employees with partnership pension schemes.



Average staff numbers (audited)

The average number of full-time equivalent staff employed during the year ending 31 March 2023 is as follows:

2022-23	Permanent Staff	Temporary Staff	Total
Directly employed	31	-	31
Others	-	3	3
Total	31	3	34

Staff composition

The breakdown of staff composition, by gender, of the average staff employed in the year ending 31 March 2023 is as follows:

2022-23	Male	Female	Total
Senior civil servant	3	1	4
All other staff	21	9	30
Total Staff	24	10	34

Staff turnover

The overall staff turnover rate for the year ending 31 March 2023 was 24%.²

Sickness absence

Over the 2022-23 financial year, the sickness absence rates were on average 0.3%.

² The turnover figure reflects the in-year departure of seconded staff who helped to establish the agency, and have been replaced by permanent appointments.

Staff policies

We value equality and diversity in employment. We are committed to developing an organisation in which fairness and equality of opportunity are central to our business and working relationships.

All our staff and job applicants have the right to be treated equally and fairly in all aspects of employment including recruitment, promotion and training, regardless of their sex, gender identity, disability, marital status, race, colour, ethnic or national origin, sexual orientation, age, religion or belief, employment status, working patterns, caring responsibility and trade union membership, union office or trade union activities.

We want all staff to be treated with dignity and respect and it is as important that our staff believe they are being treated equally and fairly. We are working towards creating and maintaining a workplace environment, which is free from abuse, offensive behaviour, harassment, bullying, prejudice, discrimination and victimisation.

We value having a diverse workforce and we are committed to recruiting, retaining and promoting the best available people. The agency's business success is dependent upon harnessing all the talents that its staff bring and recognises that the organisation needs to be flexible to allow everyone to make the best

contribution they can, by training, development and advancement.

Central to this is aligning to DfT's group diversity, inclusion and wellbeing strategy, closely aligned to the Civil Service diversity and inclusion strategy objectives;

- representing the communities we serve – recruiting from a diverse pool that reflects the various communities we serve and providing opportunities to progress locally
- being confidently inclusive – fostering a healthy and supportive culture where colleagues feel confident bringing the full range of their background, experiences and skills to work
- maximising potential for all – creating an empowering environment where everyone feels a sense of connection with the DfT and sees opportunities to thrive and develop their careers
- building a transport network that works for everyone – making our transport system safer, more inclusive and better for all users

Consultancy expenditure

In 2022/23 we spent £350,124 on consultancy and advice services. This was made up of one contract to provide technical consultancy to support our inspectorate function.

Agency and off-payroll engagements

We provide information about appointments of consultants or staff that last longer than six months and where the individuals earn more than £245 per day, where we pay by invoice rather than through the payroll.

Between 1 August 2022 and 31 March 2023, ATE engaged one staff on an interim basis via an agency. All existing off-payroll engagements, as reported below, have been subject to a risk-based assessment as to whether assurance is required that the individual pays the right amount of tax and, where necessary, that assurance has been sought.

During 2022-23, there were no off-payroll engagements of board members and/or senior officials with significant financial responsibility and there were no engagements of off-payroll workers where the status was disputed under provisions in the off-payroll legislation.

Exit packages (audited)

During 2022-23, there were no exit packages paid out.



Trade Union facility time

We had no employees who were trade union officials in the reporting year.

Off-payroll engagements

Highly paid off-payroll worker engagements as at 31 March 2023, earning £245 per day or greater

Number of existing engagements as of 31 March 2023	1
Of which:	
Number that have existed for less than one year	1
Number that have existed for between one and two years	-
Number that have existed for between two and three years	-
Number that have existed for between three and four years	-
Number that have existed for four or more years	-

All highly paid off-payroll workers engaged at any point during the year ended 31 March 2023, earning £245 per day or greater

Number of temporary off-payroll workers engaged during the year ended 31 March 2023	1
Of which:	
Not subject to off-payroll legislation	1
Subject to off-payroll legislation and determined as in-scope of IR35	-
Subject to off-payroll legislation and determined as out-of-scope of IR35	-
Number of engagements reassessed for compliance or assurance purposes during the year	-
Of which:	
Number of engagements that saw a change to IR35 status following review	-

Parliamentary Accountability and Audit Report

Regularity of expenditure

We have complied with the regularity of expenditure requirements as set out in HM Treasury guidance.

Losses and special payments

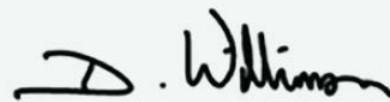
There were no losses, special payments or exit packages that are required to be disclosed per HM Treasury Guidance

Fees and charges

We do not set any fees or charges.

Remote contingent liabilities

There are no remote contingent liabilities.



Danny Williams,

Chief Executive and Accounting Officer

– 31 May 2023



The Certificate and Report of the Comptroller and Auditor General to the House of Commons

Opinion on financial statements

I certify that I have audited the financial statements of Active Travel England for the period ended 31 March 2023 under the Government Resources and Accounts Act 2000.

The financial statements comprise: Active Travel England's;

- Statement of Financial Position as at 31 March 2023;
- Statement of Comprehensive Net Expenditure, Statement of Cash Flows and Statement of Changes in Taxpayers' Equity for the period then ended; and
- the related notes including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and UK adopted international accounting standards.

In my opinion, the financial statements:

- give a true and fair view of the state of Active Travel England's affairs as at 31 March 2023 and its net expenditure for the period then ended; and
- have been properly prepared in accordance with the Government Resources and Accounts Act 2000 and HM Treasury directions issued thereunder.

Opinion on regularity

In my opinion, in all material respects, the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs UK), applicable law and Practice Note 10 Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom (2022). My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my certificate.

Those standards require me and my staff to comply with the Financial Reporting Council's Revised Ethical Standard 2019. I am independent of Active Travel England in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that Active Travel England's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on Active Travel England's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the Accounting Officer with respect to going concern are described in the relevant sections of this certificate.

The going concern basis of accounting for Active Travel England is adopted in consideration of the requirements set out in HM Treasury's Government Financial Reporting Manual, which requires entities to adopt the going concern basis of accounting in the preparation of the financial statements where it is anticipated that the services which they provide will continue into the future.

Other information

The other information comprises information included in the Annual Report, but does not include the financial statements and my auditor's certificate and report thereon. The Accounting Officer is responsible for the other information.

My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my certificate, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

In my opinion the part of the Remuneration and Staff Report to be audited has been properly prepared in accordance with HM Treasury directions made under the Government Resources and Accounts Act 2000.

In my opinion, based on the work undertaken in the course of the audit:

- the parts of the Accountability Report subject to audit have been properly prepared in accordance with HM Treasury directions made under the Government Resources and Accounts Act 2000;

- the information given in the Performance and Accountability Reports for the period for which the financial statements are prepared is consistent with the financial statements and is in accordance with the applicable legal requirements.

Matters on which I report by exception

In the light of the knowledge and understanding of Active Travel England and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance and Accountability Report.

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- Adequate accounting records have not been kept by Active Travel England or returns adequate for my audit have not been received from branches not visited by my staff; or
- I have not received all of the information and explanations I require for my audit; or
- the financial statements and the parts of the Accountability Report subject to audit are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by HM Treasury's Government Financial Reporting Manual have not been made or parts of the Remuneration and Staff Report to be audited is not in agreement

with the accounting records and returns; or

- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Responsibilities of the Accounting Officer for the financial statements

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Chief Executive as Accounting Officer is responsible for:

- maintaining proper accounting records;
- providing the C&AG with access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- providing the C&AG with additional information and explanations needed for his audit;
- providing the C&AG with unrestricted access to persons within Active Travel England from whom the auditor determines it necessary to obtain audit evidence;
- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error;

- ensuring that the financial statements give a true and fair view and are prepared in accordance with HM Treasury directions made under the Government Resources and Accounts Act 2000;
- ensuring that the annual report, which includes the Remuneration and Staff Report, is prepared in accordance with HM Treasury directions made under the Government Resources and Accounts Act 2000; and
- assessing Active Travel England's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer anticipates that the services provided by Active Travel England will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the Government Resources and Accounts Act 2000.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a certificate that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was considered capable of detecting non-compliance with laws and regulations, including fraud

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulations, including fraud. The extent to which my procedures are capable of detecting non-compliance with laws and regulations, including fraud is detailed below.

Identifying and assessing potential risks related to non-compliance with laws and regulations, including fraud

In identifying and assessing risks of material misstatement in respect of non-compliance with laws and regulations, including fraud, I:

- considered the nature of the sector, control environment and operational performance including the design of Active Travel England's accounting policies.
- inquired of management, the internal audit function and those charged with governance, including obtaining and reviewing supporting documentation relating to Active Travel England's policies and procedures on:

- identifying, evaluating and complying with laws and regulations;
 - detecting and responding to the risks of fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including Active Travel England's controls relating to Active Travel England's compliance with the Government Resources and Accounts Act 2000 and Managing Public Money;
- inquired of management, internal audit and those charged with governance whether:
 - they were aware of any instances of non-compliance with laws and regulations;
 - they had knowledge of any actual, suspected, or alleged fraud,
 - discussed with the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within Active Travel England for fraud and identified the greatest potential for fraud in the following areas: posting of unusual journals, complex transactions and bias in management estimates. In common with all audits under ISAs (UK), I am required to perform specific procedures to respond to the risk of management override.

I obtained an understanding of Active Travel England's framework of authority and other legal and regulatory frameworks in which Active Travel England operates. I focused on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of Active Travel England. The key laws and regulations I considered in this context included Government Resources and Accounts Act 2000, Managing Public Money, employment law and tax legislation.

Audit response to identified risk

To respond to the identified risks resulting from the above procedures:

- I reviewed the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- I enquired of management and the Audit and Risk Committee concerning actual and potential litigation and claims;
- I reviewed minutes of meetings of those charged with governance and the Board; and internal audit reports;
- in addressing the risk of fraud through management override of controls, I tested the appropriateness of journal entries and other adjustments; assessed whether the judgements on estimates are indicative of a potential bias; and evaluated

the business rationale of any significant transactions that are unusual or outside the normal course of business; and

I also communicated relevant identified laws and regulations and potential risks of fraud to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of my certificate.

Other auditor's responsibilities

I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control I identify during my audit.

Report

I have no observations to make on these financial statements.

Gareth Davies
Comptroller and Auditor General

National Audit Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP

31 May 2023



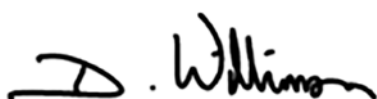
Financial Statements

Statement of Comprehensive Net Expenditure

For the period from 1 August 2022 to 31 March 2023	Note	2022-23 £000
Staff costs	2.1	1,685
Purchase of goods and services	2.2	1,097
Grants	2.3	254,189
Depreciation charges	2.4	26
Total operating expenditure		256,997
Net operating expenditure		256,997
Finance expense	2.5	4
Net expenditure for the period		257,001
Comprehensive net expenditure for the period		257,001

Statement of Financial Position

As at 31 March 2023	Note	2022-23 £000
Non-current assets		
Right-of-use-assets	3	355
Total non-current assets		355
Current assets		
Trade and other receivables	4	7,658
Total current assets		7,658
Total assets		8,013
Current liabilities		
Trade and other payables	5	6,041
Lease liabilities	6	73
Total current liabilities		6,114
Total assets less current liabilities		1,899
Non-current liabilities		
Lease liabilities	6	283
Total non-current liabilities		283
Total assets less total liabilities		1,616
Taxpayer's equity and other reserves:		
General fund		1,616
Total equity		1,616



Danny Williams, Chief Executive
and Accounting Officer – 31 May 2023

Statement of Cash Flows

For the period ending 31 March 2023

	Note	2022-23 £000
Cash flows from operating activities		
Net operating expenditure	SOCNE	(257,001)
Adjustments for non-cash transactions ¹		258,618
(Increase)/decrease in trade and other receivables	4	(7,658)
Increase/(decrease) in trade and other payables and borrowings	5	6,041
Net cash outflow from operating activities		-
Cash flows from investing activities		
Net cash outflow from investing activities		-
Cash flows from financing activities		
Net financing		-
Net increase in cash and cash equivalents in the period before adjustment for receipts and payments to the Consolidated Fund		-
Payments of amounts due to the Consolidated Fund		-
Net increase/(decrease) in cash and cash equivalents in the period after adjustment for receipts and payments to the Consolidated Fund		-
Cash and cash equivalents at the beginning of the period		-
Cash and cash equivalents at the end of the period		-

¹ ATE does not hold any cash and is fully funded by DfT through Deemed Supply funding.

Statement of Changes in Taxpayers' Equity

For the period ending 31 March 2023

	Note	General Fund £000	Total Reserves £000
Balance at 1 August 2022		-	-
Non-cash charges – auditor's remuneration	2.2	(56)	(56)
Net operating expenditure	SOCNE	257,001	257,001
Balance as adjusted by income and expense for 2022-23		256,945	256,945
Net Parliamentary Funding – deemed		(258,561)	(258,561)
Balance at 31 March 2023		1,616	1,616

The notes on pages 57 to 69 form part of these accounts.

Notes to the Accounts

1. Statement of accounting policies

1.1 Basis of preparation

The financial statements have been prepared in accordance with the 2022-23 Government Financial Reporting Manual (FReM) issued by HM Treasury. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector. Where the FReM permits a choice, the accounting policy which has been judged to be the most appropriate to the particular circumstances of ATE for the purpose of giving a true and fair view has been selected. The particular policies adopted by ATE are described below. They have been

applied consistently in dealing with items that are considered material to the accounts.

The statements cover the period 1 August 2022 to 31 March 2023 and have been prepared in accordance with a direction given by HM Treasury in pursuance of Section 7(2) of the Government Resources and Accounts Act 2000.

1.2 Accounting convention

These accounts are prepared under the historical cost convention, modified to account for the revaluation of non-current assets, where material, at their value to the business by reference as applicable to their current costs, replacement costs or indices. There has been no revaluation of property, plant

and equipment in the period due to the short life of these assets. ATE was created on 1 August 2022. The accounts therefore have no opening balances or prior year comparatives

The financial statements are presented in pounds sterling and all values are rounded to the nearest thousand pounds (£'000). The functional currency of ATE is pounds sterling.

1.3 Segmental Reporting

ATE operates as a single operating segment and therefore the segmental reporting requirements as set out by the FReM are not required.

1.4 Financing and going concern

The accounts for ATE have been prepared on the basis that ATE is a going concern. In preparing the financial statements, the Board has considered the agency's overall financial position against the requirements of International Accounting Standard (IAS) 1. In the context of entities in the public sector, the anticipated continuation of a service in the future is normally sufficient evidence of going concern. The financial statements should be prepared on a going concern basis unless there are plans for, or no realistic alternative other than, the dissolution of ATE without the transfer of its services to another entity within the public sector. The Board is confident that while ATE does not hold its own cash it is directly funded from DfT and the board is confident it will continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the

accounts and consequently have prepared the accounts on a going concern basis.

1.5 Depreciation

Assets with a determinable useful economic life are depreciated at rates calculated to write-off the assets over their expected useful economic lives on a straight-line basis from the month that the asset is brought into use. The asset categories and estimated useful lives are as follows:

Asset Class	Asset Useful Life
Furniture and Fittings	2 to 10 years
Plant and Machinery	3 to 25 years
Information Technology and Office Equipment	3 to 10 years

1.6 Leases

1.6.1 Scope and classification

In accordance with IFRS 16 Leases, contracts, or parts of a contract that convey the right to use an asset in exchange for consideration are accounted for as leases. The FReM expands the scope of IFRS 16 to include arrangements with nil consideration.

Contracts for services are evaluated to determine whether they convey the right to control the use of an identified asset, as represented by rights both to obtain substantially all the economic benefits from that asset and to direct its use. In such cases, the relevant part is treated as a lease.

ATE excludes contracts for low-value items, defined as items costing less than £5,000 when new, provided they are not highly dependent on or integrated with other items; and contracts with a term shorter than twelve months (comprising the non-cancellable period together with any extension options that ATE is reasonably certain to exercise and any termination options that ATE is reasonably certain not to exercise).

1.6.2 Initial recognition

At the commencement of a lease ATE recognises a right-of-use asset and a lease liability.

The lease liability is measured as the payments for the remaining lease term, excluding value added tax, discounted either by the rate implicit in the lease, or, where this cannot be determined, by ATE's incremental cost of borrowing. The payments included in the liability are those that are fixed or in-substance fixed, excluding charges arising, for example, from future rent reviews or changes in an index. For ATE, the incremental cost of borrowing is the rate advised annually by HM Treasury (3.51% for 2023).

The right-of-use asset is measured at the value of the liability, adjusted for: any payments made before the commencement date; lease incentives received; incremental costs of obtaining the lease; and any disposal costs, which will be required to be paid at the end of the lease. However, where the lease requires nominal consideration (a type of arrangement often described as a "peppercorn" lease), the FReM

requires that the asset be measured at its current value in existing use.

1.6.3 Subsequent measurement

The asset is subsequently measured using the fair value model. ATE considers that the cost model is a reasonable proxy for the fair value model for leases of items other than land and property, and for leases of land and property with regular rent reviews.

The liability is adjusted for the accrual of interest, repayments, reassessments and modifications. Reassessments and modifications are measured by re-discounting the revised cash flows; the impact is reflected in the liability and either in the asset valuation or expenditure.

1.6.4 Lease expenditure

Expenditure includes interest, straight-line depreciation, any asset impairments and any change in variable lease payments not included in the measurement of the liability during the period in which the triggering event occurred. Lease payments reduce the lease liability. Rental payments for leases of low-value items or for those shorter than twelve months are expensed.



1.6.5 Estimates and judgements

For embedded leases, ATE determines the amounts to be recognised as the right-of-use asset and lease liability based on the stand-alone price of the lease and non-lease component or components. This determination reflects the prices for leases of the underlying asset, where these are observable; otherwise ATE use other observable data, including the fair values of similar assets, or prices of contracts for similar non-lease components.

The FReM requires that right-of-use assets held under “peppercorn” leases should be measured at existing use value. These leases include historic, long-term leases as well as more recent arrangements. To identify such leases, ATE has distinguished consideration that is nominal from consideration that is low, but proportionate to the asset’s value (for example, the lease of a small area of land with few alternative uses). This distinction reflects, so far as possible, recent, observable market arrangements for comparable assets (for example, current rentals); otherwise, based on ATE’s own arrangements.

Where, for peppercorn leases, existing use value is required, this is calculated using market value rentals provided by external property consultants, over the lease term. Market value rentals will be provided on a yearly basis.

1.7 Other payables

These are financial liabilities mostly comprising trade payables and accruals. They are recognised initially at fair value, typically the transaction price. Thereafter, where the time value of money is material, they are held at amortised cost, and derecognised on settlement.

1.8 Grants payable

Grants payable are recognised when the event or activity that gives entitlement occurs, such as milestones within the grant agreement being reached. Unringfenced grants are recognised on the occurrence of such other event giving rise to entitlement and when ATE has judged that control of funding has been lost.

Where an intermediary acts as agent in distributing grant on behalf of the agency, grants payable are recognised when the grant recipient becomes entitled to the grant. Any cash paid over ahead of that entitlement will be recognised as a receivable. Where grants cover multiple years ATE has assessed against IAS37 and will recognise a liability if there is a valid expectation that ATE will make the payment.

1.9 Pensions

Our staff are covered by the provisions of the Principal Civil Service Pension Scheme (PCSPS) and Civil Servants and Others Pension Scheme (CSOPS) as described in the Remuneration and Staff Report. Defined benefit schemes are unfunded. ATE recognises the expected cost of these elements on a systematic and rational basis over the period during which it benefits from employees' services by payment to the PCSPS and CSOPS of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the PCSPS/CSOPS. In respect of the defined contribution elements of the Schemes, we recognise the contributions payable for the year..

1.10 Value added tax

ATE is not separately registered for Value Added Tax (VAT) and VAT collected or paid is accounted for centrally by the DfT (Department for Transport). These accounts include irrecoverable VAT where applicable.

1.11 Use of Estimates and Judgements

The preparation of the financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies. The recognition policy of grants is a key area of judgement for management, and in particular in what accounting period expenditure should be recognised.

1.12 Adoption of new and revised standards

IFRS 17 Insurance Contracts becomes effective for accounting periods commencing on, or after, 1 January 2023. Adoption in central government is likely to be deferred, so it should be included in the 2025-26 FReM. The standard covers all enforceable arrangements under which an entity accepts a non-financial risk from a third party, with the option to exclude arrangements whose primary purpose is the provision of services for a fixed fee, which may be accounted for under IFRS 15. It requires an expected present value approach to measuring insurance liabilities, with an incremental amount to reflect the cost of uncertainty. ATE does not have any such arrangements.

ATE does not expect any other new, or revised standard, or interpretation to have a material impact.

2. Operating expenditure

2.1 Staff costs

2022-23	Permanent Staff £000	Temporary staff £000	Total £000
Wages and salaries	1,148	109	1,257
Social security costs	35	-	135
Other pension costs	293	-	293
Total	1,576	109	1,685

2.2 Purchase of goods and services

2022-23	£000
Accommodation	50
Professional services	54
Consultancy	350
Information and communications technology	14
Support services	380
Travel and subsistence	36
Publicity	29
External auditor's remuneration and expenses	56
Other costs	128
Total	1,097

2.3 Grants

2022-23	£000
Active Travel Fund	207,640
Bikeability Training Programme	8,452
Capability Fund	32,910
Social Prescribing Pilot	5,011
Other	176
Total	254,189
of which:	
Capital	199,939
Resource	54,250
Total	254,189

3. Right-of-use-assets

2022-23	Land and buildings	Plant and equipment	Total
	£000	£000	£000
Cost or valuation			
At 1 August 2022	-	-	-
Additions	371	10	381
At 31 March 2023	371	10	381
Depreciation			
At 1 August 2022	-	-	-
Charged in year	26	-	26
At 31 March 2023	26	-	26
Carrying amount at 31 March 2023	345	10	355

4. Trade and other receivables

2022-23	£000
Amounts falling due within one year:	
Other receivables ¹	7,532
Prepayments	126
Total	7,658

¹ Includes cash held by 3rd parties to settle claims for future grant payments.

5. Trade and other payables

2022-23	£000
Amounts falling due within one year:	
Trade payables	159
Accruals	5,882
Total	6,041





6. Lease liabilities

ATE has two leases. The first lease relates to its York headquarters office space, which commenced in November 2022 for a term of five-years. The second relates to a plotter printer, which commenced in February 2023 for a term of three-years.

In accordance with IFRS 16, ATE recognises right-of-use assets and corresponding lease liabilities.

2022-23	Land and building	Property, plant and equipment	Total
	£000	£000	£000
At 1 August 2022	-	-	-
Additions	371	10	381
Interest	4	-	4
Payments	(28)	(1)	(29)
At 31 March 2023	347	9	356
Current portion	70	3	73
Non-current portion	277	6	283
At 31 March 2023	347	9	356

The leases have been discounted using the HM Treasury interest rate of 3.51%.

Obligations under Leases

2022-23	Land and building	Property, plant and equipment	Total
	£000	£000	£000
Obligations			
Not later than one year	81	3	84
Later than one year and not later than five years	293	7	300
Later than five years	-	-	-
	374	10	384
Less interest element	(27)	(1)	(28)
Present value of obligations	347	9	356

Amounts recognised in the Statement of Comprehensive Net Expenditure

2022-23	£000
Depreciation	26
Interest expense	4
Lease service charge expense	44
Lease VAT expense	6
Total	80



7. Financial instruments

Fair values

The carrying values of financial assets and liabilities at 31 March 2023 are considered to represent fair value. This is due to the short-term nature of the financial instruments held and carrying values of lease liabilities being based on the present value of future lease payments.

Credit risk

Credit risk is the risk of suffering financial loss, should any customers or counterparties fail to fulfil their contractual obligations. Some customers and counterparties are other public sector organisations. There is no credit risk from these organisations.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. As our cash requirements are met through funding from HM Treasury via DfT, exposure to liquidity risk is minimal.

Market risk

Market risk arises when changes in market price, such as foreign exchange rates, interest rates and equity prices, will affect their income of the value of its holding financial instruments. ATE has limited exposure to risks arising from such nature, and therefore the risk is minimal.

8. Capital and other commitments

Other financial commitments

2022-23	£000
Not later than one year	125
Later than one year and not later than five years	125
Later than five years	-
Total	250

The commitments relate to a cloud-based planning case management solution.

9. Related parties

ATE is an executive agency sponsored by the Roads and Local Group (RLG) within DfT. The DfT is regarded as a related party. One of our NEDs holds a management position at a charity we have also provided grant funding to, Wheels for Wellbeing is also considered a related party. We apply the requirements of the FReM in respect of disclosure of related party transactions with Government and other related entities including our parent.

During the year, there were both material and minor transactions between ATE and DfT, including the provision of supply funding (£258,561m) and the supply of corporate service support (£0.416m). We also provide a grant to Wheels for Wellbeing (£0.075m), with no payables or receivables recognised at 31 March 23.

Board member remuneration is disclosed in the Remuneration and Staff Report. There are no other material transactions between our related parties and the agency during the year.

10. Events after reporting period

There have been no events since the balance sheet date that impact on the understanding of these financial statements.

IAS 10 requires ATE to disclose the date on which the accounts are authorised for issue. This is the date that the Comptroller and Auditor General signs the certificate.





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