

TAYSIDE AND CENTRAL SCOTLAND TRANSPORT PARTNERSHIP

18 DECEMBER 2018

2019/20 CORE REVENUE BUDGET

JOINT REPORT BY DIRECTOR AND TREASURER

This report seeks the Partnership's approval of a proposed 2019/20 Core Revenue Budget.

1 RECOMMENDATIONS

1.1 That the Partnership :-

- (i) approves the proposed 2019/20 Core Revenue Budget as detailed in the Appendix to the report;
- (ii) requests that partner Councils make provision for their proposed respective funding contributions within their 2019/20 Revenue Budgets; and
- (iii) agrees to receive a report with a finalised 2019/20 Core Revenue Budget and proposed 2019/20 Regional Transport Strategy Revenue Programme Budget at its next meeting.

2 BACKGROUND

- 2.1 The Partnership's approved 2018/19 Core Revenue Budget of £466,708 is funded from an allocation of £358,048 from Scottish Government Grant-in-Aid plus amounts totalling £103,020 requisitioned from the four partner Councils, based upon an agreed funding formula, £3,410 deferred income and £2,230 of other income.
- 2.2 At the time of writing confirmation of the Draft Scottish Government Budget for 2019/20 and the anticipated level of Grant-in-Aid funding to be provided next year to Regional Transport Partnerships is awaited. The Draft Scottish Government Budget for 2019/20 is due to be published during week commencing 10 December 2018.

3 DISCUSSION

- 3.1 Core budget expenditure is regularly monitored and reviewed to identify budget pressures and any scope for effecting year on year and in-year efficiencies or other savings.

- 3.2 A proposed 2019/20 Core Budget, which seeks to maintain the Partnership's capacity and capability to fulfil its various statutory duties and responsibilities during the coming year, is detailed in the Appendix with further explanation provided below.

Staff Costs

- 3.3 The proposed budget for 2019/20 makes provision for the staffing structure approved by the Partnership at its meeting on 12 September 2017 (Report RTP/P4/17 refers) with all posts now filled. Allowance has also been made for a general inflationary salary increase in line with an assumed 3% local authority pay award for 2019/20.
- 3.4 Allowance for the assumed inflationary pay award and incremental salary progression, generates an overall increase of £15,014 compared with 2018/19 costs.
- 3.5 It is proposed that this additional cost is met in full by an additional allocation from Scottish Government Grant-in-Aid towards Core costs.
- 3.6 As in previous years the proposed staffing budget makes no provision for any recovery of staff time or other costs associated with Tactran staff supporting related partnership initiatives such as City Deals and other activity.
- 3.7 The proposed budget for Training/Conferences is maintained at the 2018/19 level, which is the minimum considered necessary to support continuing professional input and development.

Property Costs

- 3.8 The lease on the Partnership's Headquarters accommodation was renewed in November 2015 and extended for a further 6 years until November 2021 (Report RTP/15/39 refers). The revised lease provided for an annual rental of £13,400/annum until 19 November 2018, with a mid-term review for the remaining 3 years of the lease due then. The mid-term review has been undertaken and it has been agreed to continue with an annual rent of £13,400/annum until November 2021. The proposed budget reflects this continuation of the current annual rental throughout 2019/20.
- 3.9 Proactive monitoring and management of energy usage and costs in previous years has contained expenditure within a reduced budget of £4,800 since 2016/17. Water, gas and electricity contracts have been renegotiated generating a predicted saving of £110/annum in 2019/20.
- 3.10 The proposed budgets for Cleaning and Maintenance were reduced by 20% and 50% respectively in 2016/17 and reduced by a similar percentage in 2017/18. It is proposed that these budgets be maintained in 2019/20.

Supplies and Services

- 3.11 As a result of savings implemented over previous years the budget for Office Consumables is now at the minimum required for operational purposes. The budget for Insurances (property and professional indemnity) will be determined by market rates, however there is expected to be a decrease of £340/annum compared to 2018/19.
- 3.12 The Communications budget was reduced by approximately 14% in 2018/19 and it is considered to now be at the minimum requirement. Likewise it is proposed to maintain the Information Technology budget at 2018/19 level.
- 3.13 The budgets for Hospitality and Miscellaneous Board Expenses were reduced by 12.5% and 33% respectively in 2016/17 and have been maintained at this level since. They are now considered to be at the minimum required for operational needs and purposes and it is proposed to maintain at this level in 2019/20.

Transport Costs

- 3.14 The Travel & Subsistence and Public Transport budgets have been progressively reduced by 33% over previous years and are at the minimum required to accommodate essential travel necessary to fulfil the Partnership's various statutory roles and duties.
- 3.15 The proposed 2019/20 budget seeks to contain Transport Costs within 2011/12 budget limits through sustainable working practices, such as tele- and video-conferencing, where appropriate, and active management of work-related travel in accordance with the Partnership's approved Staff Travel Plan and Public Sector Climate Change Duties and associated reporting. However, it is proposed to reduce Travel and Subsistence by £500/annum and increase Public Transport by this amount reflecting an increase in Public Transport use by staff.

Third Party Payments

- 3.16 It is proposed that Third Party payments for Financial, Secretariat, Legal, Information Technology and Human Resources support services are held at 2018/19 levels. External Audit fees are also expected to be held at or below 2018/19 levels. Other Third Party Payments include payments to payroll for transactions. These have increased in part due to Tactran having its full complement of staff in place and it is necessary to increase provision for this by £450/annum in 2019/20.

Income

- 3.17 As indicated in 2.2 above, confirmation of the level of Scottish Government Grant-in-Aid funding for 2019/20 is awaited. The Partnership's allocation of RTP Grant-in-Aid has been maintained at £522,750/annum since 2013/14. The proposed budget provides for an increased Grant-in-Aid allocation of £376,472 towards Core costs in 2018/19, due to increased staff costs as discussed in paragraphs 3.3 to 3.7 above.
- 3.18 Council contributions towards the Partnership's Core costs have reduced from £220,000 in 2009/10 to £103,020 in 2015/16 and have been maintained at that level. The proposed 2019/20 Budget requests maintenance of Council contributions at 2015/16 levels for a fifth year.
- 3.19 Income of £2,230/annum is generated from accommodating and supporting an officer working under the auspices of the Society of Chief Officers of Transportation in Scotland (SCOTS) within the Partnership's offices.
- 3.20 Council and Government Budget processes are ongoing and will only finally be confirmed around mid-February 2019.

2018/19 RTS Revenue Programme

- 3.21 As indicated above, confirmation of the level of Scottish Government Grant-in-Aid for 2019/20 is awaited. A proposed RTS Revenue Budget and Programme for 2019/20, based on confirmed Grant-in-Aid funding and Council contributions towards Core operating costs, will be reported to the Partnership's next meeting in March 2019.

4 CONSULTATIONS

- 4.1 The proposed 2019/20 Core Revenue Budget and associated Council contributions will be the subject of consultation with partner Councils prior to reporting on a finalised Core and RTS Revenue Programme Budget to the Partnership meeting in March 2019.

5 RESOURCE IMPLICATIONS

- 5.1 The main resource implications are addressed within the report.

6 EQUALITIES IMPLICATIONS

- 6.1 This report has no direct equalities implications.

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Director

Scott Walker
Treasurer

Report prepared by Tom Flanagan. For further information contact email tomflanagan@tactran.gov.uk or telephone 01738 475775.

NOTE

Background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 (and not containing confidential or exempt information) were relied on to a material extent in preparing this Report:

Report to Partnership RTP/15/39, 2015/16 Revenue Budget and Monitoring, 8 December 2015

Report to Partnership RTP/P4/17 (EXEMPT), Partnership Staffing, 12 September 2017

	2018/19 Approved Budget £	2019/20 Proposed Budget £
<u>Income</u>		
Scottish Government Grant Revenue Received	358,048	376,472
Deferred Income	3,410	0
Angus Council	23,595	23,595
Dundee City Council	29,265	29,265
Perth & Kinross Council	31,210	31,210
Stirling Council	18,950	18,950
Other Income	2,230	2,230
	<u>466,708</u>	<u>481,722</u>
<u>Expenditure</u>		
<u>Staff Costs</u>		
Salary GP	297,162	308,842
Salary Supn	50,518	52,503
Salary NI	32,933	34,282
Training/Conferences	1,200	1,200
Subscriptions	330	330
	<u>382,143</u>	<u>397,157</u>
<u>Property Costs</u>		
Energy	4,800	4,690
Cleaning	1,600	1,600
Maintenance	500	500
Rent	13,400	13,400
	<u>20,300</u>	<u>20,190</u>
<u>Supplies and Services</u>		
Office Consumables	4,125	4,125
Communications	3,000	3,000
Insurance	6,140	5,800
Information Technology	200	200
Hospitality	700	700
Board Expenses - misc.	1,000	1,000
	<u>15,165</u>	<u>14,825</u>
<u>Transport Costs</u>		
Travel and Subsistence	2,000	1,500
Public Transport	2,200	2,700
Expenses - Board Members	1,000	1,000
	<u>5,200</u>	<u>5,200</u>
<u>Third Party Payments</u>		
Audit Fees External	9,900	9,900
PKC Finance Service	14,000	14,000
PKC Secretariat Service	8,000	8,000
PKC Legal Services	3,000	3,000
PKC IT Services	8,250	8,250
Other Third Party Payments	750	1,200
	<u>43,900</u>	<u>44,350</u>
Gross Expenditure	<u>466,708</u>	<u>481,722</u>
Net Expenditure	-	-