

TAYSIDE AND CENTRAL SCOTLAND TRANSPORT PARTNERSHIP**17 DECEMBER 2019****2020/21 CORE REVENUE BUDGET****JOINT REPORT BY DIRECTOR AND TREASURER**

This report seeks the Partnership's approval of a proposed 2020/21 Core Revenue Budget.

1 RECOMMENDATIONS

1.1 That the Partnership :-

- (i) approves the proposed 2020/21 Core Revenue Budget as detailed in Appendix A to the report;
- (ii) requests that partner Councils make provision for their proposed respective funding contributions within their 2020/21 Revenue Budgets; and
- (iii) agrees to receive a report with a finalised 2020/21 Core Revenue Budget and proposed 2020/21 Regional Transport Strategy Revenue Programme Budget at its next meeting.

2 BACKGROUND

- 2.1 The Partnership's approved 2019/20 Core Revenue Budget of £489,397 is funded from an allocation of £384,147 from Scottish Government Grant-in-Aid plus amounts totalling £103,020 requisitioned from the four partner Councils, based upon an agreed funding formula and £2,230 of other income.
- 2.2 At the time of writing confirmation of the Draft Scottish Government Budget for 2020/21 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 2020/21 was scheduled to be published on 12 December 2019. However, due to the UK General Election and the cancellation of the UK Government budget it has been confirmed that the Scottish Budget 2020/21 will be published after Christmas. A new date is to be agreed with the Scottish Finance Committee as soon as possible, however, the timing remains unknown and may potentially impact upon finalising Tactran's Core Revenue and draft Regional Transport Strategy Budgets for financial year 2020/21.

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 2020/21 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 Appendix A with further explanation provided below.

Staff Costs

- 3.3 The proposed budget for 2020/21 makes provision for the staffing structure approved by the Partnership at its meeting on 12 September 2017 (Report RTP/P4/17 refers). Allowance has also been made for a general inflationary salary increase in line with an assumed 3% local authority pay award for 2020/21.
- 3.4 As reported in the Director's Report to this meeting, Graeme Brown, Strategy Officer (Sustainable Transport) commenced shared paternity leave on 27 November 2019 for an 8 month period. Over this period it has been agreed Graeme will work up to 20 days as Shared Parental Leave In Touch (SPLIT Days).
- 3.5 Allowance for shared paternity leave, the assumed inflationary pay award and incremental salary progression, generates an overall decrease of £837 when compared with 2019/20 costs.
- 3.6 As in previous years it is proposed that Staff Costs are met in full from Scottish Government Grant-in-Aid towards Core costs.
- 3.7 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.
- 3.8 The proposed budget for Training/Conferences is maintained at the 2019/20 level, which is the minimum considered necessary to support continuing professional input and development.

Property Costs

- 3.9 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 with a mid-term review on 19 November 2018, for the remaining 3 years of the lease. The mid-term review reached an agreement 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 2020/21.

- 3.10 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 and was further reduced to £4,290 in 2019/20. It is proposed that the Energy budget be maintained at this level in 2020/21.
- 3.11 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 at the 2019/20 level.

Supplies and Services

- 3.12 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 it is expected to be maintained at the 2019/20 level.
- 3.13 The Communications budget was reduced by approximately 14% in 2018/19 and it is considered to now be near the minimum requirement. It is proposed to reduce this by a further £500 to £2,500 reflecting the anticipated 2019/20 outturn for this budget heading.
- 3.14 It is necessary to increase the Information Technology budget for 2020/21 to £2,200 due to an ongoing increase in costs for Office 365 licences.
- 3.15 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 2020/21.

Transport Costs

- 3.16 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.
- 3.17 The proposed 2020/21 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.

Third Party Payments

- 3.18 It is proposed that Third Party payments for Financial, Secretariat, Legal, Information Technology and Human Resources support services are held at 2019/20 levels. External Audit fees are also expected to be held at or below 2019/20 levels.

- 3.19 As noted in Paragraph 3.4 above the Strategy Officer (Sustainable Transport), Graeme Brown, commenced shared paternity leave on 27 November for 8 months. Merry Scott Consulting has been awarded a contract providing cover for up to two days per week until end of July 2020. This has resulted in a projected increase of £9,750 in Other Third Party Payments, with a further £500 required for the 2020/21 Pension Report. Other Third Party Payments also include payments to payroll for transactions. Overall it is proposed to increase the budget for Third Party Payments by £10,250.

Income

- 3.20 As indicated in 2.2 above, confirmation of the level of Scottish Government Grant-in-Aid funding for 2020/21 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 £395,060 towards Core costs in 2020/21.
- 3.21 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 this level. The proposed 2020/21 Budget requests that constituent Council's maintain their respective contributions at 2015/16 levels for a further year.
- 3.22 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.
- 3.23 As noted in paragraph 2.2 above the Government Budget process has been delayed due to the UK General Election. This is expected to have an impact on timing of the Council Budget process, with mid-February 2020 likely to be the earliest timescale for confirmation.

2020/21 RTS Revenue Programme

- 3.24 As indicated above, confirmation of the level of Scottish Government Grant-in-Aid for 2020/21 is awaited. A proposed RTS Revenue Budget and Programme for 2020/21, 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 or June 2020, depending upon the timing of the Scottish Government and local authority budget setting process.

4 CONSULTATIONS

- 4.1 The proposed 2020/21 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 or June 2020.

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

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Treasurer

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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

	2019/20 Approved Budget £	2020/21 Proposed Budget £
<u>Income</u>		
Scottish Gov Grant Revenue	384,147	395,060
Deferred Income	0	0
Council Req's Revenue	103,020	103,020
Interest Received	0	0
Other Income	2,230	2,230
	<u>489,397</u>	<u>500,310</u>
<u>Expenditure</u>		
<u>Staff Costs</u>		
Salary GP	313,869	312,966
Salary Supn	53,358	53,954
Salary NI	34,975	34,445
Training/Conferences	1,200	1,200
Subscriptions	330	330
	<u>403,732</u>	<u>402,895</u>
<u>Property Costs</u>		
Energy	4,290	4,290
Cleaning	2,000	2,000
Maintenance	500	500
Rent	13,400	13,400
	<u>20,190</u>	<u>20,190</u>
<u>Supplies and Services</u>		
Office Consumables	4,125	4,125
Communications	3,000	2,500
Insurance	5,800	5,800
Information Technology	200	2,200
Hospitality	700	700
Board Expenses - misc.	1,000	1,000
	<u>14,825</u>	<u>16,325</u>
<u>Transport Costs</u>		
Travel and Subsistence	1,800	1,800
Public Transport	3,500	3,500
Expenses - Board Members	1,000	1,000
	<u>6,300</u>	<u>6,300</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	1,200	11,450
	<u>44,350</u>	<u>54,600</u>
Gross Expenditure	<u>489,397</u>	<u>500,310</u>
Net Expenditure	-	-