

## TAYSIDE AND CENTRAL SCOTLAND TRANSPORT PARTNERSHIP

15 DECEMBER 2020

## 2021/22 CORE REVENUE BUDGET

## JOINT REPORT BY DIRECTOR AND TREASURER

This report seeks the Partnership's approval of a proposed 2021/22 Core Revenue Budget.

**1 RECOMMENDATIONS**

1.1 That the Partnership:

- (i) approves the proposed 2021/22 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 2021/22 Revenue Budgets; and
- (iii) agrees to receive a report with a finalised 2021/22 Core Revenue Budget and proposed 2021/22 Regional Transport Strategy Revenue Programme Budget at its next meeting.

**2 BACKGROUND**

- 2.1 The Partnership's approved 2020/21 Core Revenue Budget of £483,150 is funded from an allocation of £377,900 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 Confirmation of the Draft Scottish Government Budget for 2021/22 and the anticipated level of Grant-in-Aid funding to be provided next year to Regional Transport Partnerships is anticipated to be published on 28 January 2021.

**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 The Covid-19 pandemic has had a significant impact on Tactran's Core Budget for 2020/21, with staff working from home since mid-March 2020 and meetings taking place on-line rather in person. This has resulted in adjustments to the year-end projections for Property, Supplies and Services and Transport costs with the assumption that the existing working arrangements continue until 31 March 2021. To assist the setting of the Core Budget for 2021/22, it has been assumed that staff will return to the office in April 2021 and Core revenue costs

will remain in line with the approved 2020/21 Tactran Core Budget. The only exception to this relates to Staff Costs and Third Party Payments, as described below.

- 3.3 The UK and Scottish Government response to the Covid-19 pandemic remains fluid and the Partnership will be notified of any change to the assumptions noted in Section 3.2 at the Board meeting in March 2021.
- 3.4 A proposed 2021/22 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

- 3.5 The proposed budget for 2021/22 makes provision for the staffing structure approved by the Partnership at its meeting on 12 September 2017 (Report RTP/P4/17 refers) and amended following retirement of Administrative Assistant in March 2021. Allowance has also been made for a general inflationary salary increase in line with an assumed 3% local authority pay award for 2021/22. The staff costs also provide for up to £7,000 relocation allowance for the Partnership Director, which will be funded from earmarked reserves, as detailed in the separate 2020/21 Budget and Monitoring Report to be considered by the Partnership at this meeting.
- 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 2020/21 approved Core Budget 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 £13,490/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 £13,490/annum until November 2021. Consideration will need to be given as to the Partnership's Headquarters accommodation beyond November 2021. However, in the meantime, it is considered prudent that the proposed budget reflects the continuation of the current annual rental throughout 2021/22.

- 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 and maintained at this level in 2020/21. It is proposed that the Energy budget be maintained at this level in 2021/22.
- 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 and have since been maintained at this level. It is proposed that these budgets be maintained at the 2020/21 approved Core Budget 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) is determined by market rates and requires a £1,300 increase to the budget for 2020/21.
- 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 maintain this at £2,500 reflecting the 2020/21 approved Core Budget heading.
- 3.14 It is necessary to maintain the Information Technology budget for 2021/22 to £2,200 due to ongoing 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 2021/22.

#### 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 2021/22 budget seeks to contain Transport Costs at 2020/21 approved Core Budget levels.

#### 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 2020/21 levels. External Audit fees are also expected to be held at 2020/21 levels.

- 3.19 As noted in paragraph 3.2 above, it is expected that third party costs will reduce significantly compared to 2020/21. This budget was increased in 2020/21 to meet the cost of external consultancy to cover the vacant Strategy Officer (Sustainable Transport) post. The Strategy Officer post is now filled and the budget for Staff Costs has been adjusted accordingly.
- 3.20 The Third Party Payments for 2021/22 include an allowance for the annual pension report and monthly payroll transactions. Overall it is proposed to reduce the budget for Third Party Payments to £1,800.

### Income

- 3.21 As indicated in 2.2 above, confirmation of the level of Scottish Government Grant-in-Aid funding for 2021/22 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 £382,858 towards Core costs in 2021/22.
- 3.22 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 2021/22 Budget requests that constituent Council's maintain their respective contributions at 2015/16 levels for a further year.
- 3.23 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.

### **2021/22 RTS Revenue Programme**

- 3.24 As indicated above, confirmation of the level of Scottish Government Grant-in-Aid for 2021/22 is awaited. A proposed RTS Revenue Budget and Programme for 2021/22, 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 2021.

## **4 CONSULTATIONS**

- 4.1 The proposed 2021/22 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 2021.

## **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.

**Mark Speed**  
**Director**

**Scott Walker**  
**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

## Appendix A

	2020/21 Approved Budget £	2020/21 Projected Outturn £	2021/22 Proposed Budget £
<b><u>Income</u></b>			
Scottish Gov Grant Revenue	377,900	377,900	382,858
Council Req's Revenue	103,020	103,020	103,020
Interest Received	0	200	0
Other Income	2,230	2,230	2,230
<b>Total Income</b>	<b><u>483,150</u></b>	<b><u>483,350</u></b>	<b><u>488,108</u></b>
<b><u>Expenditure</u></b>			
<b><u>Staff Costs</u></b>			
Salary GP	300,849	282,912	316,509
Salary Supn	49,930	47,942	52,617
Salary NI	33,306	32,301	35,477
Training/Conferences	1,200	500	1,200
Subscriptions	330	330	330
	<b><u>385,615</u></b>	<b><u>363,985</u></b>	<b><u>406,133</u></b>
<b><u>Property Costs</u></b>			
Energy	4,290	2,665	4,290
Cleaning	2,000	1,400	2,000
Maintenance	500	500	500
Rent	13,400	13,400	13,490
	<b><u>20,190</u></b>	<b><u>17,965</u></b>	<b><u>20,280</u></b>
<b><u>Supplies and Services</u></b>			
Office Consumables	4,125	4,125	4,125
Communications	2,500	2,500	2,500
Insurance	5,800	5,800	7,100
Information Technology	2,200	2,200	2,200
Hospitality	700	0	700
Board Expenses - misc.	500	0	500
	<b><u>15,825</u></b>	<b><u>14,625</u></b>	<b><u>17,125</u></b>
<b><u>Transport Costs</u></b>			
Travel and Subsistence	1,500	500	1,500
Public Transport	2,800	0	2,800
Expenses - Board Members	500	0	500
	<b><u>4,800</u></b>	<b><u>500</u></b>	<b><u>4,800</u></b>
<b><u>Third Party Payments</u></b>			
Audit Fees External	11,720	11,720	11,720
PKC Finance Service	14,000	14,000	14,000
PKC Secretariat Service	8,000	8,000	8,000
PKC Legal Services	3,000	3,000	3,000
PKC IT Services	8,250	8,250	8,250
Other Third Party Payments	11,750	18,395	1,800
	<b><u>56,720</u></b>	<b><u>63,365</u></b>	<b><u>46,770</u></b>
<b>Total Expenditure</b>	<b><u>483,150</u></b>	<b><u>460,440</u></b>	<b><u>495,108</u></b>
<b>Net Income / (Expenditure)</b>	<b>0</b>	<b>22,910</b>	<b>(7,000)</b>
Funding from / (to) Reserves		(22,910)	7,000
<b>Total Net Income / (Expenditure)</b>	<b><u>0</u></b>	<b><u>0</u></b>	<b><u>0</u></b>