

TAYSIDE AND CENTRAL SCOTLAND TRANSPORT PARTNERSHIP

14 DECEMBER 2021

2022/23 CORE REVENUE BUDGET

JOINT REPORT BY DIRECTOR AND TREASURER

This report seeks the Partnership's approval of a proposed 2022/23 Core Revenue Budget.

1 RECOMMENDATIONS

1.1 That the Partnership:

- (i) approves the proposed 2022/23 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 2022/23 Revenue Budgets; and
- (iii) agrees to receive a report with a finalised 2022/23 Core Revenue Budget and proposed 2022/23 Regional Transport Strategy Revenue Programme Budget at its next meeting.

2 BACKGROUND

- 2.1 The Partnership's approved 2021/22 Core Revenue Budget of £369,390 is funded from an allocation of £266,370 from Scottish Government Grant-in-Aid plus amounts totalling £103,020 requisitioned from the four partner Councils, based upon an agreed funding formula.
- 2.2 Confirmation of the Draft Scottish Government Budget for 2022/23 and the anticipated level of Grant-in-Aid funding to be provided next year to Regional Transport Partnerships is anticipated to be published on 20 December 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 2021/22, with staff continuing to work 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 2022. To assist the setting of the Core Budget for 2022/23, it has been assumed that staff will return to the office in April 2022 and Core revenue

costs will remain in line with the approved 2021/22 Tactran Core Budget. The only exception to this relates to Staff Costs, 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 2022.
- 3.4 A proposed 2022/23 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 During 2021/22 there was a significant saving in Staff Costs following a period of vacancy within the post of Strategy Officer (Strategic Connectivity). This post has now been filled and the proposed budget for 2022/23 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.
- 3.6 Allowance has also been made for a general inflationary salary increase in line with an assumed 3% local authority pay award for 2022/23. However, in order to avoid the staff cost budget potentially being overinflated, the COSLA pay offer at the time of preparing this report has been used to establish the base 2021/22 staff cost budget for roll forward into 2022/23. The staff costs also provide for up to £7,000 relocation allowance each for the Partnership Director and Strategy Officer (Strategic Connectivity), which will be funded from earmarked reserves, as detailed in the separate 2021/22 Budget and Monitoring Report to be considered by the Partnership at this meeting.
- 3.7 As in previous years it is proposed that Staff Costs are met in full from Scottish Government Grant-in-Aid towards Core costs.
- 3.8 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.
- 3.9 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

- 3.10 The lease on the Partnership's Headquarters accommodation was renewed in November 2021 for a further 4 years until November 2025 (Report RTP/21/16 refers). The new lease maintained an annual rental of £13,490/annum with a break clause after 2 years with the same terms and conditions. This allows flexibility to review office accommodation in the next 2 years as the working patterns following Covid-19 will be better understood.

- 3.11 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. It is proposed that the Energy budget be maintained at this level in 2022/23.
- 3.12 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 2021/22 approved Core Budget level.

Supplies and Services

- 3.13 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 is maintained at the budget for 2021/22.
- 3.14 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 2021/22 approved Core Budget heading.
- 3.15 It is necessary to maintain the Information Technology budget for 2022/23 at £2,200 due to ongoing costs for Office 365 licences.
- 3.16 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 2022/23.

Transport Costs

- 3.17 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.
- 3.18 The proposed 2022/23 budget seeks to contain Transport Costs at 2021/22 approved Core Budget levels.

Third Party Payments

- 3.19 It is proposed that Third Party payments for Financial, Secretariat, Legal, Information Technology and Human Resources support services are held at 2021/22 levels. External Audit fees are also expected to be held at 2021/22 levels.

- 3.20 The Third Party Payments for 2022/23 include an allowance for the annual pension report and monthly payroll transactions. It is proposed to maintain the budget for Third Party Payments at £1,800.

Income

- 3.21 As indicated in 2.2 above, confirmation of the level of Scottish Government Grant-in-Aid funding for 2022/23 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 £391,741 towards Core costs in 2022/23.
- 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 2022/23 Budget requests that constituent Council's maintain their respective contributions at 2015/16 levels for a further year.

2022/23 RTS Revenue Programme

- 3.23 As indicated above, confirmation of the level of Scottish Government Grant-in-Aid for 2022/23 is awaited. A proposed RTS Revenue Budget and Programme for 2022/23, 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 2022.

4 CONSULTATIONS

- 4.1 The proposed 2022/23 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 2022.

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 Mark Speed. For further information contact email markspeed@tactran.gov.uk or call 07919 698611.

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

Report to Partnership RTP/21/16, Directors' Report, 15 June 2021

	2021/22 Approved Budget £	2021/22 Projected Outturn £	2022/23 Proposed Budget £
<u>Income</u>			
Scottish Gov Grant Revenue	369,390	369,390	391,741
Council Req's Revenue	103,020	103,020	103,020
Interest Received	-	-	-
	<u>472,410</u>	<u>472,410</u>	<u>494,761</u>
<u>Expenditure</u>			
<u>Staff Costs</u>			
Salary GP	300,201	286,201	325,131
Salary Supn	48,655	48,655	52,892
Salary NI	32,829	32,829	35,613
Training/Conferences	1,200	1,200	1,200
Subscriptions	330	330	330
	<u>383,215</u>	<u>369,215</u>	<u>415,166</u>
<u>Property Costs</u>			
Energy	4,290	2,290	4,290
Cleaning	2,000	2,000	2,000
Maintenance	500	5,500	500
Rent	13,490	13,490	13,490
	<u>20,280</u>	<u>23,280</u>	<u>20,280</u>
<u>Supplies and Services</u>			
Office Consumables	4,125	2,125	4,125
Communications	2,500	2,500	2,500
Insurance	7,100	7,100	7,100
Information Technology	2,200	2,200	2,200
Hospitality	700	-	700
Board Expenses - misc.	500	500	500
	<u>17,125</u>	<u>14,425</u>	<u>17,125</u>
<u>Transport Costs</u>			
Travel and Subsistence	1,500	500	1,500
Public Transport	2,800	500	2,800
Expenses - Board Members	500	500	500
	<u>4,800</u>	<u>1,500</u>	<u>4,800</u>
<u>Third Party Payments</u>			
Audit Fees External	16,340	16,340	16,340
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	1,800	1,800	1,800
	<u>51,390</u>	<u>51,390</u>	<u>51,390</u>
Gross Expenditure	<u>476,810</u>	<u>459,810</u>	<u>508,761</u>
Net Income/(Expenditure)	(4,400)	12,600	(14,000)
Opening Core Reserves	21,486	21,486	34,086
Transfer to/(from) Earmarked Reserve	(7,000)	14,000	(14,000)
Transfer to/(from) General Reserve	2,600	(1,400)	-
Closing Core Reserves	17,086	34,086	20,086