

## TAYSIDE AND CENTRAL SCOTLAND TRANSPORT PARTNERSHIP

14 MARCH 2023

## 2023/24 BUDGET AND PROGRAMME

## JOINT REPORT BY DIRECTOR AND TREASURER

Purpose

This report updates the Partnership on Scottish Government and partner Council contributions towards the Partnership's 2023/24 Revenue Budget and seeks approval of a 2023/24 Core Revenue Budget and proposed 2023/24 RTS Revenue and Capital Programmes.

Summary

The Partnership approved a provisional 2023/24 Core budget at its meeting on 13 December 2022. Since then there has been a reduction in Staff pay costs of £6,026 and Training/Conferences and Subscriptions have increased by £870. There has also been a reduction in Audit costs, leaving a general reserve of £26,000, 4.9% of gross core expenditure.

The RTS Revenue Programme budget is currently projected to be £151,971, subject to confirmation of final 2022/23 expenditure. This has been allocated to a number of budget headings to provide for maintaining momentum on existing RTS commitments and projects and anticipated emerging priorities over the coming year.

**1 RECOMMENDATIONS**

## 1.1 That the Partnership:

- (i) notes partner Councils' requested Revenue contributions towards the 2023/24 Core Budget;
- (ii) notes the anticipated award of Scottish Government Grant in Aid of up to £522,750 in 2023/24;
- (iii) approves the 2023/24 Core Budget as detailed in Appendix A;
- (iv) approves an initial 2023/24 RTS Revenue Programme budget as detailed in sections 3.8 – 3.37 of the report and agrees to consider approval of a finalised 2023/24 Programme at the Partnership's next meeting on 13 June 2023; and
- (v) notes the potential 2023/24 Capital Income and agrees to receive a further update at its next meeting.

## 2 BACKGROUND

- 2.1 At its meeting on 13 December 2022 the Partnership approved a Core Revenue Budget for financial year 2023/24 and agreed to request that constituent Councils make provision for their respective funding contributions within their 2023/24 Revenue Budgets (Report RTP/22/30 refers). At that time the Partnership also noted the anticipated level of Scottish Government Grant-in-Aid funding to be provided for 2023/24 to Regional Transport Partnerships was yet to be published.

## 3 DISCUSSION

### 2023/24 Core Revenue Budget

- 3.1 Tactran has yet to receive confirmation that Grant-in-Aid from Transport Scotland for 2023/24 will remain at previous years' level of up to £522,750, however, it is anticipated that this level of funding will be provided. Partner Councils are in the process of approving their 2023/24 Revenue Budgets. It is understood that all Councils have made provision for contribution of their respective shares of the Partnership's Core operating costs, based upon the 2023/24 Budget approved on 13 December 2022, as follows:

|                         |          |
|-------------------------|----------|
| Angus Council           | £ 23,595 |
| Dundee City Council     | £ 29,265 |
| Perth & Kinross Council | £ 31,210 |
| Stirling Council        | £ 18,950 |

- 3.2 The 2023/24 Core Revenue Budget, as approved on 13 December 2022 is detailed in Appendix A.
- 3.3 The 2023/24 Core Revenue Budget has been updated in line with anticipated expenditure for the year, and the reduction in gross expenditure from the draft budget approved on 13 December 2022 (Report RTP/22/30 refers) is £9,446.
- 3.4 The budget for Staff Costs has reduced by £5,156. The draft budget previously included a provisional six month cost to cover the extension of the post for the Tayside Bus Alliance Project Manager. Transport Scotland has subsequently approved the carry forward of grant funding for the project and this will cover three months of the cost. The £13,026 saving is offset by the carry forward of the £7,000 staff relocation allowance, which is funded from Earmarked Reserves. There are also adjustments which increase the budget lines for Training/Conferences and Subscriptions budgets by £870 in line with known commitments for the new financial year.
- 3.5 The budget for Third Party Payments has reduced by £4,290. The budget for the Audit Scotland fee for 2023/24 has been reduced in line

with the cost for 2022/23, the £4,490 saving being partially offset by a £200 anticipated increase in costs for Other Third Party Payments.

- 3.6 The projected underspend in the 2022/23 Core Revenue Budget will increase the anticipated Reserves balance to £33,000, as reported in the accompanying 2022/23 Budget and Monitoring report. The 2022/23 underspend includes £7,000 for staff relocation costs, which is earmarked in Reserves and the corresponding 2023/24 budget is included within Staff Costs.
- 3.7 Given the uncertainty regarding future pay awards and other inflationary pressures, it is proposed that the Reserves balance is maintained at around 5% of the Core Revenue Budget to mitigate the impact of potential cost variances. The remaining £26,000 general Reserves balance equates to 4.9% of gross expenditure and therefore continues to be in line with the 3% to 5% Reserves target.

### **2023/24 RTS Revenue Programme**

- 3.8 The Regional Transport Strategy (RTS) Revenue Programme is funded from Scottish Government's Grant in Aid allocation, supplemented by any additional contributions identified or secured from other funding sources.
- 3.9 As noted above it is anticipated that Scottish Government will award Grant in Aid of up to £522,750 for 2023/24. This maintains for a further year the annual level of Grant in Aid received since 2012/13.
- 3.10 The 2023/24 Core Budget provides for £422,333 of Scottish Government Grant in Aid being allocated towards Core costs, leaving a balance of £100,417 Grant in Aid available to support RTS implementation.
- 3.11 The £100,417 Grant-in-Aid will be supplemented with currently projected Core Revenue underspend of £12,875 and £38,679 arising from final variances in the 2022/23 Core and Revenue Programme budgets respectively, as discussed in the separate report on 2022/23 Programme and Monitoring. The provisional 2023/24 RTS Programme budget is therefore £151,971 subject to confirmation of final 2022/23 expenditure.

- 3.12 A proposed initial programme allocation of the anticipated budget of £151,971 which provides for maintaining momentum on existing RTS commitments and projects and anticipated emerging priorities over the coming year, is summarised in the table and paragraphs below:

| <b>RTS Project/Strategy</b>          | <b>2023/24 Allocation</b> |
|--------------------------------------|---------------------------|
| Development of RTS and Delivery Plan | £37,000                   |
| Strategic Connectivity               | £12,500                   |
| Health & Transport                   | £12,000                   |
| Active Travel                        | £19,500                   |
| Travel Planning                      | £10,000                   |
| Buses                                | £3,000                    |
| Park & Ride                          | £5,000                    |
| Rail                                 | £3,000                    |
| Freight                              | £5,000                    |
| Travel Information                   | £18,500                   |
| Climate Change                       | £5,000                    |
| Contingency                          | £21,471                   |
| <b>Total</b>                         | <b>£151,971</b>           |

- 3.13 As indicated in the separate report on the 2022/23 budget and programme, this amount will be supplemented by further grant award income of up to £48,553 from the Scottish Government LRDF grant for Tay Cities Park & Choose Strategy.
- 3.14 In addition, it is anticipated that Scottish Government will provide up to £69,230 for maintenance and development of the Travelknowhow Scotland website. Discussions are currently underway regarding setting outcomes and objectives for the next 12 months.
- 3.15 Further opportunities for other income will be pursued throughout 2023/24.

#### Development of RTS and Delivery Plan

- 3.16 The proposed budget of £37,000 allows for annually recurring costs associated with statutory monitoring and reporting on the Regional Transport Strategy and Tactran's Digital Marketing Strategy and Website.
- 3.17 In addition, approximately £21,000 has been carried forward to complete the modelling of RTS scenarios, target setting and graphic works commenced in 2022/23 and a further allowance of £10,000 is proposed for consultancy support in developing the new Regional Transport Strategy.

### Strategic Connectivity

- 3.18 Tactran officers will continue supporting Regional Transport Working Groups and City Deals for the Tay Cities and Stirling & Clackmannanshire city-regions, which it is envisaged the Partnership will have a key role in supporting during the months and years ahead.
- 3.19 The proposed budget of £12,500 makes provision for the Tay Cities Regional Transport Model. The Partnership has previously contributed a total of £155,000 towards the costs of developing the Tay Cities Regional Transport Model in partnership with the Tay Cities Deal Councils and Transport Scotland. It is anticipated that a further £12,500 will be required in 2023/24 to maintain the model.

### Health & Transport

- 3.20 The proposed allocation of £12,000 provides for a recurring allocation towards the annual Safe Drive/Stay Alive road safety campaign in Stirling Council area and the New Driver Scheme in the Tayside area.

### Active Travel

- 3.21 The proposed allocation of £19,500 includes provision for continued full year costs towards appointment of an officer in partnership with Cycling Scotland.

### Travel Planning

- 3.22 The proposed allocation of £10,000 allows for recurring costs for development and maintenance of regional and local Liftshare websites.
- 3.23 As outlined above it is anticipated that this budget heading will be supplemented by additional Scottish Government grant of up to £69,230 to support continued maintenance and development of the Travelknowhow Scotland travel planning website.

### Buses

- 3.24 The proposed allocation of £3,000 provides for maintenance and potential development of the regional Thistle Assistance Card.

### Park & Ride

- 3.25 Tactran is continuing to progress Local Rail Development Fund (LRDF) appraisals which include consideration of Park & Ride/Multi-modal Hubs. In addition, Tactran is continuing to play a significant role in the Tay Cities and Forth Valley Bus Alliances Bus Partnership Fund projects, both of which include an element of developing Park & Ride/Multi-modal Hubs.

- 3.26 Given the significant external funding that has been awarded for Park & Choose/Multi-modal Hubs projects, a limited £5,000 allocation has been provided within the RTS budget, should further support be required.

#### Rail

- 3.27 The proposed allocation of £3,000 provides for ongoing membership by Tactran and partner Councils of the East Coast Mainline Authorities (ECMA) consortium.
- 3.28 As noted in Section 3.13 of this report, the Rail budget will be augmented with £48,553 LRDF grant income to complete the appraisal for Tay Cities Park & Choose Strategy projects.

#### Freight

- 3.29 The proposed allocation of £5,000 allows for continuing support for Stirling and Tayside Timber Transport Group and other freight initiatives such as Lorry Route freight mapping in consultation with the Regional Freight Quality Partnership.

#### Travel Information Strategy

- 3.30 The proposed budget of £18,500 allows for the promotion of active and sustainable transport for Get on the Go social media campaign, supported jointly by Angus, Dundee City and Perth & Kinross Councils, plus continuation of 'social listening' exercise from previous financial year. The budget also allows for a contribution to the MaaS Enable Pilot.
- 3.31 As noted in a separate report to this meeting on the Tactran ENABLE MaaS platform pilot, Tactran is investigating options to allow the continuation of the MaaS ENABLE pilot including submitting a bid to Paths for All Smarter Choices Smarter Places fund, jointly with Sustrans and it is considered that an allocation of £10,000 will be required from Tactran as a contribution to its continuation.

#### Climate Change

- 3.32 The proposed budget of £5,000 provides an allowance to support the continued development and implementation of the Hydrogen Decarbonisation Project and Regional Electric Vehicle Strategy and Delivery Plan, in partnership with all 4 constituent Councils.
- 3.33 In addition, Tactran's Transport Carbon Assessment identifies 6 key priority mitigation areas where Tactran has significant potential to contribute to or support reduction in transport carbon emissions, as follows: low carbon vehicles and infrastructure; eco-driving; Travel Planning; supporting road based public transport; supporting rail improvements; influencing travel demand and behaviour.

- 3.34 Many of these are cross-cutting and the budget allocations under Health and Transport, Active Travel, Travel Planning, Buses and Rail will contribute towards achieving Tactran's Climate Change duties.

#### Contingency

- 3.35 It is proposed that the balance of £21,471, around 14% of budget, is retained as a general RTS Revenue Budget contingency to accommodate other emerging priorities and opportunities that may occur.
- 3.36 Proposals for full allocation of the available RTS Programme Budget for 2023/24, incorporating the final position in relation to underspend from 2022/23 and other anticipated income will be reported to the Partnership's next meeting on 13 June 2023.
- 3.37 The Partnership is asked to approve the indicative 2023/24 RTS Revenue Programme, as detailed above.

#### **2023/24 Capital Income**

##### Active Travel Grant and Regional Active Travel Development Fund

- 3.38 Tactran and Sustrans have been working in partnership to promote and deliver active travel projects in the Tactran region through the Active Travel Grant (ATG) scheme since 2014/15. The ATG has been designed to reflect and support Sustrans' Places for Everyone scheme and associated criteria, and implementation of the Tactran Regional Strategy Refresh 2015-2036, in particular Strategy 5.3 Active Travel. To date the ATG has awarded approximately £1,075,000 grant funding.
- 3.39 In addition, since 2018/19 Transport Scotland has provided £1,500,000 funding directly to Tactran for active travel projects awarded through Regional Active Travel Development Fund.
- 3.40 Transport Scotland has indicated that all Active Travel funding will come directly from Transport Scotland in 2023/24, rather than receiving some funding via Sustrans. As outlined in a separate report to this meeting, discussions are continuing with Transport Scotland to secure funding in 2023/24 and it is anticipated that £600,000 to £650,000 Capital funding will be available to Tactran for Active Travel projects in 2023/24.
- 3.41 In addition to the potential Capital Income set out above for Active Travel, Scottish Government provides continued grant funding to our constituent Councils to implement Cycling, Walking and Safer Routes (CWSR) projects and through Sustrans' Places for Everyone fund.

#### **4 CONSULTATIONS**

- 4.1 The report has been prepared in consultation with the Tactran Regional Transport Liaison Group.

#### **5 RESOURCE IMPLICATIONS**

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

#### **6 EQUALITIES IMPLICATIONS**

- 6.1 This report has been screened for any policy implications in respect of Equality Impact Assessment and no major issues have been identified.

**Mark Speed**  
**Director**

**Scott Walker**  
**Treasurer**

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#### **NOTE**

The following 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.

Reports to Partnership RTP/20/42, 2021/22 Core Revenue Budget and RTP/20/41, 2020/21 Budget and Monitoring, 15 December 2020.

Report to Partnership RTP/21/29, 2022/23 Core Revenue Budget, 14 December 2021

Report to Partnership RTP/22/30, 2023/24 Core Revenue Budget, 13 December 2022



|                                      | <b>Approved<br/>2023/24<br/>Budget<br/>£</b> | <b>Proposed<br/>2023/24<br/>Budget<br/>£</b> |
|--------------------------------------|--|--|
| <b><u>Income</u></b>                 |  |  |
| Scottish Gov Grant Revenue           | 438,779                                      | 422,333                                      |
| Council Req's Revenue                | 103,020                                      | 103,020                                      |
| Interest Received                    | -  | 0  |
|                                      | <b><u>541,799</u></b>                        | <b><u>525,353</u></b>                        |
| <b><u>Expenditure</u></b>            |  |  |
| <b><u>Staff Costs</u></b>            |  |  |
| Salary GP                            | 347,731                                      | 344,533                                      |
| Salary Supn                          | 59,115                                       | 57,381                                       |
| Salary NI                            | 39,828                                       | 38,734                                       |
| Training/Conferences                 | 1,200  | 2,000  |
| Subscriptions                        | 330  | 400  |
|                                      | <b><u>448,204</u></b>                        | <b><u>443,048</u></b>                        |
| <b><u>Property Costs</u></b>         |  |  |
| Energy                               | 4,290  | 4,290  |
| Cleaning                             | 2,000  | 2,000  |
| Maintenance                          | 500  | 500  |
| Rent                                 | 13,490                                       | 13,490                                       |
|                                      | <b><u>20,280</u></b>                         | <b><u>20,280</u></b>                         |
| <b><u>Supplies and Services</u></b>  |  |  |
| Office Consumables                   | 4,125  | 4,125  |
| Communications                       | 2,500  | 2,500  |
| Insurance                            | 7,100  | 7,100  |
| Information Technology               | 2,200  | 2,200  |
| Hospitality                          | 700  | 700  |
| Board Expenses - misc.               | 500  | 500  |
|                                      | <b><u>17,125</u></b>                         | <b><u>17,125</u></b>                         |
| <b><u>Transport Costs</u></b>        |  |  |
| Travel and Subsistence               | 1,500  | 1,500  |
| Public Transport                     | 2,800  | 2,800  |
| Expenses - Board Members             | 500  | 500  |
|                                      | <b><u>4,800</u></b>                          | <b><u>4,800</u></b>                          |
| <b><u>Third Party Payments</u></b>   |  |  |
| Audit Fees External                  | 16,340                                       | 11,850                                       |
| 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           | 1,800  | 2,000  |
|                                      | <b><u>51,390</u></b>                         | <b><u>47,100</u></b>                         |
| Gross Expenditure                    | <b><u>541,799</u></b>                        | <b><u>532,353</u></b>                        |
| Net Income/(Expenditure)             | -  | <b>(7,000)</b>                               |
| Opening Core Reserves                | 18,360                                       | 33,000                                       |
| Transfer to/(from) Earmarked Reserve | -  | <b>(7,000)</b>                               |
| Transfer to/(from) General Reserve   | -  | -  |
| Closing Core Reserves                | 18,360                                       | 26,000                                       |