

TAYSIDE AND CENTRAL SCOTLAND TRANSPORT PARTNERSHIP

12 MARCH 2024

2024/25 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 2024/25 Revenue Budget and seeks approval of a 2024/25 Core Revenue Budget and proposed 2024/25 RTS Revenue.

Summary

The Partnership approved a provisional 2024/25 Core Revenue Budget at its meeting on 12 December 2023. This has been updated with increases in Staff pay costs of £14,982; Property Costs of £4,710; Supplies and Services of £400; and a reduction in Third Party Payments of £475. The forecast Reserves balance is £28,725 which represents 5% of gross core expenditure.

The RTS Revenue Programme budget is currently projected to be £103,856, subject to confirmation of final 2023/24 expenditure. This has been allocated to a number of budget headings to provide for maintaining momentum on 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 2024/25 Core Budget;
- (ii) notes the anticipated award of Scottish Government Grant in Aid of up to £522,750 in 2024/25;
- (iii) approves the 2024/25 Core Budget as detailed in Appendix A;
- (iv) approves an initial 2024/25 RTS Revenue Programme budget as detailed in sections 3.8 – 3.23 of the report and agrees to consider approval of a finalised 2024/25 Programme at the Partnership's next meeting on 11 June 2024; and
- (v) notes the potential 2024/25 Capital Income and agrees to receive a further update at its next meeting.

2 BACKGROUND

- 2.1 At its meeting on 12 December 2023 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 2024/25 Revenue Budgets (Report RTP/23/33 refers). At that time the Partnership also noted the anticipated level of Scottish Government Grant-in-Aid funding to be provided for 2024/25 to Regional Transport Partnerships was yet to be published.

3 DISCUSSION

2024/25 Core Revenue Budget

- 3.1 Tactran has yet to receive confirmation that Grant-in-Aid from Transport Scotland for 2024/25 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 2024/25 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 2024/25 Budget approved on 12 December 2023, as follows:

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

- 3.2 The 2024/25 Core Revenue Budget, as approved on 12 December 2023 is detailed in Appendix A.
- 3.3 The 2024/25 Core Revenue Budget has been updated in line with anticipated expenditure for the year, and the increase in gross expenditure from the draft budget approved on 12 December 2023 (Report RTP/23/33 refers) is £19,617.
- 3.4 The budget for Staff Costs has increased by £14,982. As discussed in the accompanying 2023/24 Budget and Monitoring report, the budget now includes the three-month cost to cover the extension of the post for the Tayside Bus Alliance Project Manager. This will ensure the continuity of work on the Community Bus Fund and Tayside Bus Alliance Bus Priority Corridor proposals. The additional staff cost will be funded from Earmarked Reserves.
- 3.5 The budget for Property Costs has increased by £4,710. This is predominately due to a £4,210 increase in Energy costs, as it is anticipated that these costs will be in line with the forecast for 2023/24. There are also anticipated increases in Cleaning (£500) and Insurance (£400) costs, which are partially offset by a £475 reduction in the anticipated External Audit fee.

- 3.6 The projected underspend in the 2023/24 Core Revenue Budget will increase the anticipated Reserves balance to £33,360, as reported in the accompanying 2023/24 Budget and Monitoring report. The 2024/25 Core Revenue Budget assumes the Budget adjustments noted in Section 3.5, and amounting to £4,635, will be funded from Reserves. The increase in Staff Costs is funded by RTS Earmarked Reserves, which are transferred to the Core Budget Reserves in line with the siting of the post and cost. The estimated Reserves balance will, therefore, reduce to £28,743 which represents 5% of budgeted expenditure.
- 3.7 Given the uncertainty regarding 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.

2024/25 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 2024/25. This maintains for a further year the annual level of Grant in Aid received since 2012/13.
- 3.10 The 2024/25 Core Budget provides for £459,494 of Scottish Government Grant in Aid being allocated towards Core costs, leaving a balance of £78,238 Grant in Aid available to support RTS implementation.
- 3.11 The £78,238 Grant-in-Aid will be supplemented with £25,600 (£40,600 less the £15,000 earmarked Contingency budget) arising from final variances in the 2023/24 Core and Revenue Programme budgets respectively, as discussed in the separate report on 2023/24 Programme and Monitoring. The provisional 2024/25 RTS Programme budget is therefore £103,856 subject to confirmation of final 2023/24 expenditure.
- 3.12 Following approval at a Special Meeting of the Partnership on 30 January 2024 of the final draft RTS for submission to the Minister for Transport, it is proposed to align the 2024/25 RTS Revenue Budget with the final draft RTS Strategic Objectives of Take Climate Action; Improve Health and Wellbeing; Reduce Inequalities; Help Deliver Inclusive and Sustainable Growth.
- 3.13 A proposed initial programme allocation of the anticipated budget of £103,856 which provides for maintaining momentum on draft RTS commitments and projects and anticipated emerging priorities over the coming year, is summarised in the table and paragraphs below:

RTS Project/Strategy	2024/25 Allocation
Development of RTS and Delivery Plan	£18,655
Take Climate Action	£15,000
Improve Health & Wellbeing	£16,000
Reduce Inequalities	£13,800
Help Deliver Inclusive & Sustainable Growth	£21,000
Contingency	£19,401
Total	£103,856

3.14 It is anticipated that this amount will be supplemented by funding contributions from the Tay Cities Local Authorities totalling £12,500 for their contribution to the maintenance and development of the Tay Cities Regional Transport Model.

3.15 Further opportunities for other income will be pursued throughout 2024/25.

Development of RTS and Delivery Plan

3.16 The proposed budget of £18,655 allows for work associated with the Regional Transport Strategy and annually recurring costs for required licences and memberships and Tactran’s Digital Marketing Strategy and Website.

3.17 Approximately £15,000 of this has been allocated to the publication of the RTS, development of the Delivery Plan and other associated work.

Take Climate Action

3.18 £15,000 has been allocated to initiatives to support Climate Action, such as supporting regional Electric Vehicle Infrastructure and Hydrogen Decarbonisation projects and further development of 20% reduction in car km.

Improve Health & Wellbeing

3.19 This allocation supports improvements to Health and Wellbeing by providing funding support towards the annual Safe Drive/Stay Alive road safety campaign in Stirling Council area and the New Driver Scheme in the Tayside area. Funding is also allocated to the Get on the Go social media and digital marketing campaign.

Reduce Inequalities

3.20 This allocation provides for initiatives that support reducing inequalities, such as Liftshare, Thistle Assistance Card App, Bus Alliances and MaaS.

Help Deliver Inclusive and Sustainable Growth

3.21 This proposed allocation provides for ongoing membership by Tactran and partner Councils of the East Coast Mainline Authorities (ECMA) consortium, Freight Quality Partnership and Stirling and Tayside Timber Transport Group support as well as making provision for the Tay Cities Regional Transport Model.

- 3.22 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 2024/25 to maintain the model.

Contingency

- 3.23 It is proposed that the balance of £19,401, around 19% of budget, is retained as a general RTS Revenue Budget contingency to accommodate other emerging priorities and opportunities that may occur.
- 3.24 Proposals for the full allocation of the available RTS Programme Budget for 2024/25, incorporating the final position in relation to underspend from 2023/24 and other anticipated income will be reported to the Partnership's next meeting on 11 June 2024.
- 3.25 The Partnership is asked to approve the indicative 2024/25 RTS Revenue Programme, as detailed above.

2024/25 Active Travel Income

Active Travel Behaviour Change - People and Place Grant Funding

- 3.26 As noted in a separate report to this meeting, it is anticipated that Tactran will receive approximately £1.9m grant funding directly from Transport Scotland in 2024/25 for Active Travel Behaviour Change initiatives with the funding being titled People and Place.
- 3.27 The draft proposals for this funding are outlined in the separate report to this meeting.

Active Travel Infrastructure

- 3.28 In previous years Tactran has been provided with grant funding directly from Transport Scotland for the development and construction of Active Travel infrastructure within the region. This funding is no longer being provided directly to Tactran and discussions are underway with Transport Scotland regarding opportunities for Tactran to either bid for the funding or to be provided with alternative grant funding to develop and design infrastructure in line with Tactran's Regional Active Travel Network. An update on progress with these discussions will be provided at the next Partnership meeting.

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

Report prepared by Niall Gardiner. For further information contact email niallgardiner@tactran.gov.uk or telephone 07919 990370.

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

Report to Partnership RTP/23/33, 2024/25 Core Revenue Budget, 12 December 2023

	2024/25 Approved Budget £	2024/25 Proposed Budget £	2024/25 Movement £
<u>Income</u>			
Scottish Gov Grant Revenue	444,512	444,512	-
Council Req's Revenue	103,020	103,020	-
Interest Received	-	-	-
	<u>547,532</u>	<u>547,532</u>	<u>-</u>
<u>Expenditure</u>			
<u>Staff Costs</u>			
Salary GP	349,565	361,259	11,694
Salary Supn	59,426	61,414	1,988
Salary NI	40,709	42,009	1,300
Training/Conferences	2,000	2,000	-
Subscriptions	400	400	-
	<u>452,100</u>	<u>467,082</u>	<u>14,982</u>
<u>Property Costs</u>			
Energy	4,290	8,500	4,210
Cleaning	2,000	2,500	500
Maintenance	500	500	-
Rent	13,490	13,490	-
Rates	4,942	4,942	-
	<u>25,222</u>	<u>29,932</u>	<u>4,710</u>
<u>Supplies and Services</u>			
Office Consumables	4,125	4,125	-
Communications	2,500	2,500	-
Insurance	7,100	7,500	400
Information Technology	2,200	2,200	-
Hospitality	700	700	-
Board Expenses - misc.	500	500	-
	<u>17,125</u>	<u>17,525</u>	<u>400</u>
<u>Transport Costs</u>			
Travel and Subsistence	1,500	1,500	-
Public Transport	2,800	2,800	-
Expenses - Board Members	500	500	-
	<u>4,800</u>	<u>4,800</u>	<u>-</u>
<u>Third Party Payments</u>			
Audit Fees External	13,035	12,560	(475)
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	2,000	2,000	-
	<u>48,285</u>	<u>47,810</u>	<u>(475)</u>

Gross Expenditure	<u>547,532</u>	<u>567,149</u>	<u>19,617</u>
Net Income/(Expenditure)	-	(19,617)	(19,617)
Opening Core Reserves	28,378	48,360	
Transfer to/(from) Earmarked Reserve	-	(14,982)	
Transfer to/(from) General Reserve	-	(4,635)	
Closing Core Reserves	28,378	28,743	