

TAYSIDE AND CENTRAL SCOTLAND TRANSPORT PARTNERSHIP**20TH FEBRUARY 2007****2006/07 AND 2007/08 CORE REVENUE BUDGET****JOINT REPORT BY TREASURER AND DIRECTOR**

This report updates the Partnership Board on projected Core Revenue Budget expenditure in 2006/07 and seeks the Partnership Board's approval of a proposed Core Revenue Budget for 2007/08.

1 RECOMMENDATIONS

That the Partnership Board :-

- (i) notes current Core Revenue Budget expenditure projections for financial year 2006/07, as detailed in the report and Appendix A;
- (ii) approves a Core Revenue Budget of £450,000 for financial year 2007/08, as detailed in Appendix B;
- (iii) agrees to receive Revenue Budget monitoring reports on a quarterly basis.

2 BACKGROUND

- 2.1 Regional Transport Partnerships' core running costs are currently funded through a combination of Scottish Executive Grant and requisition from constituent Councils. At its meeting on 25th April 2006 the Partnership Board approved a 2006/07 Core Budget of £400,000 (full year), based on receiving 50% Scottish Executive Grant up to a maximum of £200,000, with the remaining £200,000 being funded through requisition from the constituent Councils (Report RTP/06/17 refers). The agreed breakdown of funding contributions between Councils is based on a population formula which is applied by the Scottish Executive in allocating other funding to RTP's, and is detailed in Appendix A.
- 2.2 At its meeting on 19th December 2006 the Partnership Board received an oral report from the Director on projected Revenue expenditure during the current financial year. At that time it had been anticipated that the projected out-turn for the Partnership's core running costs in 2006/07 would be in the order of £130,000.
- 2.3 When reporting on 19th December, it had been anticipated that the 2007/08 Core Revenue Budget would be able to be contained within the same £400,000 provision as for the current year, with equivalent contributions being requested from the Scottish Executive and constituent Councils next year.

3 DISCUSSION

Core Partnership Budget 2006/07

- 3.1 An updated projected out-turn for the current financial year, amounting to £150,000, is detailed in Appendix A. The increase compared with the projection reported in December is largely a result of inclusion of allowance for costs of £12,000 in respect of Board Secretariat support provided by Perth & Kinross Council, which was not previously accounted for, plus greater than anticipated costs associated with Public Liability Insurances for the Partnership Board and officers.
- 3.2 The Partnership has already requisitioned sums equivalent to 50% of the full year contribution from each Council, totalling £100,000. On the basis of the current projected out-turn figure of £150,000, required Council contributions would amount to £75,000, generating unallocated Balances of £25,000. It is proposed that these Balances be carried forward by TACTRAN into 2007/08. The Scottish Executive's contribution this year is likely to be capped at £75,000 (50% of out-turn).

Core Partnership Budget 2007/08

- 3.3 An updated proposed budget for 2007/08, amounting to approximately £450,000, is set out in Appendix B. Whilst this shows a gross increase of £50,000 compared with the initial, indicative budget for 2006/07, the overall net position is equivalent to a £20,000 increase, when Scottish Executive Grant income of £30,000 for Travel Plan Officer salary costs is taken into account (see below).
- 3.4 The proposed 2007/08 Budget is based on the initial TACTRAN Executive staffing establishment approved by the Partnership Board at its meeting on 21st November 2006 (Report RTP/06/36 refers). The proposed budget includes income of £30,000 towards the salary costs of the post of Travel Plan Officer, for which additional specific grant funding has been allocated by the Scottish Executive in 2006/07 and 2007/08.
- 3.5 Premises costs are based on the anticipated running costs of the Partnership Headquarters at Bordeaux House. A number of these are necessarily "best estimates", based on consultation with current occupiers of the building and will be subject to review in light of actual usage. Supplies and services costs are also based on "best estimates" of likely office running costs.
- 3.6 Payments to third parties are based on provisionally agreed sums for support from various parts of Perth & Kinross Council, for ongoing support in relation to finance, payroll, personnel and IT. Service Level Agreements are to be prepared in relation to these support services. In addition a sum of £15,000 has been included on the basis of likely costs notified for External Audit.
- 3.7 Under Board Expenses provision has been made for an ongoing payment of £12,000 to Perth & Kinross Council for Secretariat support, Public Liability Insurance for Board members, plus allowance for Members and other miscellaneous expenses (e.g. hosting joint RTP's meetings etc).

- 3.8 The proposed budget has been constructed on the assumption that Councils will continue to provide existing additional “in kind” support, in the shape of costs of hosting Board meetings, Board Member and officer attendance at Board meetings, plus other time associated with attendance at and input to TACTRAN Management Team, Regional Transport Strategy Steering Group and other officer meetings, as required.
- 3.9 At this still relatively early stage in the Partnership’s development it must be recognised that a number of the Core running costs are liable to adjustment in light of actual operational experience. It is intended that the Partnership Board will receive a quarterly monitoring report on the Revenue Budget during the forthcoming financial year.

4 CONSULTATIONS

- 4.1 This report has been prepared in consultation with Council transportation and finance officers and Scottish Executive officials.

5 RESOURCE IMPLICATIONS

- 5.1 The approved Revenue Budget for 2007/08 will determine the basis of funding contributions from constituent Councils. As is indicated in section 3.2 above, it is proposed that anticipated unallocated Balances of around £25,000 at the end of the current financial year, be carried forward into 2007/08. Of this £10,000 will be offset against proposed Council contributions towards Core costs in 2007/08, resulting in Council contributions next year being held at the same Full Year amounts as for 2006/07, as set out in Appendices A and B.
- 5.2 A request for an increased contribution of £210,000 towards Core costs in 2007/08 has been submitted to the Scottish Executive and a formal response is awaited. Any further developments on this will be reported orally.

John Symon
Treasurer

Eric Guthrie
Director

For further information email ericguthrie@pkc.gov.uk or tel. 01738 476544

NOTE

No 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.