

TAYSIDE AND CENTRAL SCOTLAND TRANSPORT PARTNERSHIP**9 DECEMBER 2008****2009/10 AND 2010/11 CORE REVENUE BUDGET****JOINT REPORT BY TREASURER AND DIRECTOR**

This report seeks the Partnership's approval of a proposed Core Revenue Budget for 2009/10 and 2010/11.

1 RECOMMENDATIONS

- 1.1 That the Partnership :-
- (i) approves a Core Revenue Budget for financial year 2009/10 and indicative Budget for 2010/11, as detailed in the Appendix;
 - (ii) requests that constituent Councils make provision for their respective funding contributions within their 2009/10 and 2010/11 Revenue Budgets; and
 - (iii) receives a report dealing with other elements of the 2009/10 Revenue Budget, as funded by Scottish Government, at its next meeting.

2 BACKGROUND

- 2.1 Regional Transport Partnerships are Revenue funded through a combination of Scottish Government grant and requisitions from constituent Councils. At its meeting on 30 January 2008 the Partnership approved a 2008/09 Core Revenue Budget of £450,000 and indicative Core Revenue Budgets of £470,000 for 2009/10 and £482,000 for 2010/11 (Report RTP/08/04 refers).
- 2.2 On 29 April 2008 the Partnership noted confirmation of award of Scottish Government Revenue Grant of up to £615,000 for financial year 2008/09, which included Government's contribution towards Core running costs (Report RTP/08/09 refers). It is understood that, within the 2007 Comprehensive Spending Review, provision has been made for Scottish Government Revenue Grant to TACTRAN remaining at £615,000 for financial years 2009/10 and 2010/11.
- 2.3 As discussed in a separate report on Travel Plan Strategy and Action Plan, a separate Scottish Government Grant of £104,000 in 2008/09 and £35,000 in 2009/10 has been awarded to progress mainstreaming Travel Planning and other "SMART" measures with Local Authorities and Health Boards. As in previous years £30,000 of this Grant has been incorporated within the Core Revenue Budget to assist in meeting staffing costs associated with employment of the Travel Plan Officer.
- 2.4 As previously reported on 28 October 2008, Core Revenue budget monitoring projects a potential underspend of £27,504 in the current year, based on

commitments to the end of September 2008. The projected underspend relates primarily to slippage associated with delaying appointments to vacancies, pending agreement of the RTS Delivery Plan and associated delivery responsibilities. There are no material variances to the projected 2008/09 outturn position, as reported on 28 October (Report RTP/08/30 refers).

3 DISCUSSION

- 3.1 A proposed Budget for financial year 2009/10 and indicative Budget for 2010/11 is set out in the Appendix. These are based on the indicative budgets approved by the Partnership on 30 January 2008 (Report RTP/08/04 refers). In recognition of the tight nature of the Local Government settlement, various known and anticipated inflationary pressures have been contained within the previously agreed indicative 2009/10 Budget provision of £470,000.
- 3.2 Allowance has been made for Pay Awards estimated at 2.5% per annum for 2009/10 and 2010/11. The 2008/09 staff cost model has been increased by an additional 0.5% to reflect the presumed outcome of the current Local Government pay award at 3%. The inflationary impact of wage costs and other general inflationary increases has been contained through adjustments to a number of expenditure headings within the Supplies and Services element of the Budget.
- 3.3 The main areas of expenditure increase outwith wages are allowances for a scheduled Rent Review due in November 2009 for the Partnership Headquarters at Bordeaux House. The recharge from Perth & Kinross Council for Finance and Secretariat support has increased to reflect the costs of Single Status and pay inflation to the Council. It should be noted that these costs are currently the subject of review as part of negotiation of a formalised Service Level Agreement with Perth & Kinross Council, which will form the basis of a report to a future meeting. To offset this current increase, staff slippage of £4,000 has been allowed for from 2009/10.
- 3.4 It should be noted that there are a number of potential risk areas within the proposed Core Budget. In addition to provision for staff turnover, it is anticipated that Premises and Energy costs can be contained within the proposed budget, based on current usage and known energy cost increases. The provision for Information Technology has been reduced to reflect current support requirements. Perth & Kinross Council IST department has advised that TACTRAN should budget for a five year rolling plan of upgrading/replacing IT hardware and software, which will require to be provided for in the 2012/13 budget process. As mentioned above the original 3-year rental agreement on the Partnership HQ is due for review, in line with market prices, during 2009. In light of the very competitive rate which was negotiated on entry, allowance for a 25% increase has been included within the budget, which may be insufficient depending on market valuations.
- 3.5 As noted in 2.3 above, Scottish Government has indicated that additional Revenue Grant received in respect of Travel Planning will be reduced to £35,000 in 2009/10 and will cease in 2010/11. It is proposed that, in line with previous years, £30,000 of next year's Travel Plan Grant is allocated to meeting staffing costs associated with the post of Travel Plan Officer. Within

financial year 2010/11 it is proposed that these costs are met in full from the overall Scottish Government Revenue Grant of £615,000, which includes Government's contribution to Core costs. A report setting out proposals for utilisation of the remaining element of Scottish Government Revenue Grant, amounting to an anticipated £400,000 in 2009/10 and £358,250 in 2010/11, will be submitted to the Partnership's next meeting.

- 3.6 As indicated in 3.1 above the 2009/10 Core Revenue Budget has been contained within the total of £470,000, as previously indicated to Councils when setting the 2008/09 Core Budget. There is a slight increase in the 2010/11 indicative budget of £1,500 to £483,500, which would be shared between the Scottish Government and constituent Councils.

4 CONSULTATIONS

- 4.1 The proposed 2009/10 Core Revenue Budget has been prepared in consultation with Finance Officers of the constituent Councils and the Chief Officers Liaison Group.

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Director

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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.

**Tactran Core Revenue Budget
2009/2010 & 2010/2011**

	2008/09 Budget £	2009/10 Budget £	2010/11 Budget £
Income			
Scottish Executive Grant Revenue Received	£240,000	£250,000	£256,750
Angus Council	£48,090	£50,380	£51,926
Dundee City Council	£59,640	£62,480	£64,397
Perth and Kinross Council	£63,630	£66,660	£68,705
Stirling Council	£38,640	£40,480	£41,722
	£450,000	£470,000	£483,500
Expenditure			
<u>Staff Costs</u>			
Salary GP	£272,000	£286,000	£296,000
Salary Supn	£51,000	£54,000	£56,000
Salary NI	£22,000	£24,000	£25,000
Staff Slippage	£0	(£4,000)	(£4,000)
Training/Conferences	£6,000	£6,000	£6,000
Subscriptions	£500	£500	£500
	£351,500	£366,500	£379,500
<u>Property Costs</u>			
Rent	£12,000	£15,000	£15,000
Rates	£7,000	£7,000	£7,000
Energy	£6,500	£6,500	£6,500
Cleaning	£2,500	£2,500	£2,500
Maintenance	£1,000	£1,000	£1,000
	£29,000	£32,000	£32,000
<u>Supplies and Services</u>			
Office Consumables	£5,000	£4,000	£4,000
Communications	£6,500	£6,500	£6,500
Information Technology	£2,500	£2,000	£2,000
Insurance	£6,000	£6,500	£7,000
Board Expenses Miscellaneous	£3,000	£2,000	£2,000
Hospitality	£2,000	£1,000	£1,000
	£25,000	£22,000	£22,500
<u>Transport Costs</u>			
Travel and Subsistence	£2,000	£2,000	£2,000
Public Transport	£1,000	£2,000	£2,000
Parking	£2,000	£2,000	£2,000
Expenses - Board Members	£1,000	£1,000	£1,000
	£6,000	£7,000	£7,000
<u>Third Party Payments</u>			
Audit Fees External	£11,000	£11,000	£11,000
PKC Finance Service	£12,000	£14,000	£14,000
PKC Secretariat Service	£12,000	£14,000	£14,000
PKC Other Third Party Payments	£3,500	£3,500	£3,500
	£38,500	£42,500	£42,500
Gross Expenditure	£450,000	£470,000	£483,500
Net Expenditure	£0	£0	£0