

TAYSIDE AND CENTRAL SCOTLAND TRANSPORT PARTNERSHIP**6 DECEMBER 2016****2017/18 CORE REVENUE BUDGET****JOINT REPORT BY DIRECTOR AND TREASURER**

This report seeks the Partnership's approval of a proposed 2017/18 Core Revenue Budget.

1 RECOMMENDATIONS**1.1 That the Partnership :-**

- (i) approves the proposed 2017/18 Core Revenue Budget as detailed in the Appendix to the report;
- (ii) requests that partner Councils make provision for their proposed respective funding contributions within their 2017/18 Revenue Budgets; and
- (iii) agrees to receive a report with a finalised 2017/18 Core Revenue Budget and proposed 2017/18 Revenue Programme Budget at its next meeting.

2 BACKGROUND

- 2.1 The Partnership's approved 2016/17 Core Revenue Budget of £430,965 is funded from an allocation of £325,715 from Scottish Government Grant in Aid plus amounts totalling £103,020 requisitioned from the 4 partner Councils based upon an agreed funding formula, and £2,230 of other income.
- 2.2 At the time of writing confirmation of the Draft Scottish Government Budget for 2017/18 and the anticipated level of Grant in Aid funding to be provided next year to Regional Transport Partnerships is awaited. The Draft Scottish Government Budget for 2017/18 is due to be published during week commencing 12 December 2016.

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. Cumulative recurring efficiency savings totalling approximately 12% have been implemented over previous years.
- 3.2 A proposed 2017/18 Core Budget, which seeks to maintain the Partnership's capacity and capability to fulfil its various statutory duties and responsibilities, is detailed in the Appendix with further explanation provided below.

Staff Costs

- 3.3 The proposed staffing budget for 2017/18 makes provision for the revised interim staffing structure approved by the Partnership at its meeting on 14 June 2016 (Report RTP/P2/16 refers).
- 3.4 As discussed in a separate report, arrangements are in hand to appoint to vacancies arising from the planned retirement of the Strategy Manager in early 2017 and the recent departure of the Travel Plan Officer. Arrangements for replacement of the Partnership Director, who is due to retire in 2017, have been deferred in light of the potential for new regional governance structures to emerge from ongoing development of City Deals. The proposed staffing budget provides for appointment of a successor to the Partnership Director based on the bottom point of the currently approved salary scale. Allowance has been made for a general inflationary increase in line with an assumed 1% local authority pay award for 2017/18. The overall effect is an anticipated net reduction of £15,619 compared with the approved 2016/17 staffing budget.
- 3.5 The proposed budget for Training/Conferences is maintained at the 2016/17 level, which is the minimum considered necessary to support continuing professional input and development.

Property Costs

- 3.6 As noted by the Partnership at its meeting on 8 December 2015 (Report RTP/15/39 refers) the lease on the Partnership's Headquarters accommodation has been extended for a further 6 years until November 2021, at an annual rental of £13,400/annum.
- 3.7 It has been assumed that Business Rates will increase by approximately 5% in 2017/18.
- 3.8 Proactive monitoring and management of energy usage and costs in previous years has contained expenditure within a reduced budget of £4,800 in 2016/17, which it is proposed be maintained in 2017/18. The proposed budgets for Cleaning and Maintenance were reduced by 20% and 50% respectively in 2016/17 and now sit at the minimum required to maintain essential standards and accommodate shared maintenance liabilities which arise from time to time under the terms of the office accommodation lease.

Supplies and Services

- 3.9 As a result of savings implemented over previous years the budgets for Office Consumables and Communications are now at the minimum required for operational purposes.

- 3.10 Investment in equipment over the past 2 years created the potential to reduce the IT budget by 33% in 2016/17 and it is proposed that this be maintained at the current level in 2017/18. During 2016/17 further savings were effected in the budgets for Hospitality (12.5%) and Miscellaneous Board Expenses (33%) and these budgets are also now considered to be at the minimum required for operational needs and purposes.

Transport Costs

- 3.11 The Travel & Subsistence and Public Transport budgets have been reduced by 33% since 2011/12 and are also at the minimum required to accommodate essential travel required to fulfil the Partnership's various statutory roles and duties. The proposed 2017/18 budget once again seeks to contain Travel and Subsistence costs within 2011/12 budget limits through sustainable working practices, such as tele- and video-conferencing where appropriate and active management of work-related travel in accordance with the Partnership's approved Staff Travel Plan.

Third Party Payments

- 3.12 It is proposed that Third Party payments for Financial, Secretariat, Legal, Information Technology and Human Resources support services are held at 2016/17 levels. External Audit fees are also expected to be held at 2016/17 levels.

Income

- 3.13 As indicated in 2.2 above, confirmation of the anticipated level of Scottish Government Grant in Aid funding during 2017/18 is awaited. The Partnership's allocation of Grant in Aid has been maintained at £522,750/annum since 2013/14.
- 3.14 Council contributions towards the Partnership's Core costs have reduced from £220,000 in 2009/10 to £103,020 in the current year. The proposed 2017/18 Budget requests maintenance of Council contributions at 2015/16 levels for a second year.
- 3.15 Income of £2,230/annum is generated from accommodating and supporting an officer working under the auspices of the Society of Chief Officers of Transportation in Scotland (SCOTS) within the Partnership's offices.
- 3.16 Council and Government Budget processes are ongoing and will only finally be confirmed around mid-February 2017.

2017/18 RTS Revenue Programme

- 3.17 As indicated above confirmation of the level of Scottish Government Grant in Aid for 2017/18 is awaited. The proposed 2017/18 Core Budget assumes a reduced allocation of £310,381 from Grant in Aid towards Core costs, with the intention of maximising the balance of confirmed Grant in Aid funding available to support development and delivery of the RTS in 2017/18.
- 3.18 A proposed RTS Revenue Budget and Programme for 2017/18, 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 2017.

4 CONSULTATIONS

- 4.1 The proposed 2017/18 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 2017.

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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Treasurer

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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 Programme and Monitoring, 8 December 2015

Report to Partnership RTP/P2/16, Partnership Staffing, 14 June 2016

Tactran Core Revenue Budget

Income	2016/17 Budget £	Proposed 2017/18 Budget £
Scottish Government Grant Revenue Received	325,715	310,381
Angus Council	23,595	23,595
Dundee City Council	29,265	29,265
Perth and Kinross Council	31,210	31,210
Stirling Council	18,950	18,950
Other Income	2,230	2,230
	<u>430,965</u>	<u>415,631</u>
 Expenditure		
<u>Staff Costs</u>		
Salary GP	262,755	250,815
Salary Supn	44,670	42,640
Salary NI	29,545	27,896
Training/Conferences	1,200	1,200
Subscriptions	330	330
	<u>338,500</u>	<u>322,881</u>
 <u>Property Costs</u>		
Energy	4,800	4,800
Cleaning	2,000	2,000
Maintenance	1,000	1,000
Rent	13,400	13,400
Rates	5,700	5,985
	<u>26,900</u>	<u>27,185</u>
 <u>Supplies and Services</u>		
Office Consumables	4,125	4,125
Communications	3,500	3,500
Insurance	6,140	6,140
Information Technology	1,000	1,000
Hospitality	700	700
Board Expenses - misc.	1,000	1,000
	<u>16,465</u>	<u>16,465</u>
 <u>Transport Costs</u>		
Travel and Subsistence	2,000	2,000
Public Transport	2,200	2,200
Expenses - Board Members	1,000	1,000
	<u>5,200</u>	<u>5,200</u>
 <u>Third Party Payments</u>		
Audit Fees External	9,900	9,900
PKC Finance Service	14,000	14,000
PKC Secretariat Service	8,000	8,000
Other Third Party Payments	12,000	12,000
	<u>43,900</u>	<u>43,900</u>
Gross Expenditure	<u>430,965</u>	<u>415,631</u>
Net Expenditure	<u>0</u>	<u>0</u>