



Report to Solent Transport

Date: 8 October 2014
Report by: Sue Lapham
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Subject: Finance Update

1. Summary

1.1 The following decision is sought that the Joint Committee:

1.1.1 notes the initial forecast for revenue and capital spend in 2014/15; and

1.1.2 authorises the earmarking of the forecast revenue underspend of £125,000 to support the comprehensive update of the Sub-Regional Transport Model.

2. Reason

2.1 To update the Joint Committee on the initial forecast for Solent Transport's 2014/15 budgets.

3. Other Options Considered and Rejected

3.1 Taking no action.

4. **Conflicts of Interest Declared by the Decision Maker or Other Executive Member Consulted – None.**

5. **Dispensation granted by the Conduct Advisory Panel – None.**

6. **Reason for the Matter being dealt with if Urgent – None.**

Approved by: **Date:**
Councillor Seán D T Woodward, Chairman, Solent Transport



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Purpose of the Report

The report presents an early view of the financial position for 2014/15.

Recommendations

That the Joint Committee:

Notes the initial forecast for revenue and capital spend in 2014/15

Authorises the earmarking of the forecast revenue underspend of £125,000 to support the comprehensive update of the Sub-Regional Transport Model.

Introduction

1. The report summarises the initial budget monitoring position for Solent Transport.

Revenue and Capital Budgets 2014/15

2. The 2014/15 revenue and capital budgets including approved carry forwards from 2013/14 are set out in Table 1 below. Initial forecasts have identified potential areas of underspend which could be re-prioritised to support the update of the Sub-Regional Transport Model (SRTM).
3. A key priority for Solent Transport is to undertake a comprehensive update of the Sub-Regional Transport Model and a separate report on this agenda provides an update on the proposals. This is for information at this stage and formal approval to proceed with this project will be sought at a subsequent Joint Committee. The model has been instrumental in securing substantial capital funding for investment projects in the Solent Transport area but the

data underpinning the model now needs to be substantially updated to ensure the model's ongoing value in supporting future investment bids.

4. A sum of £69,000 has been set aside in the 2014/15 revenue budget as a contribution towards this work and it is estimated that a further £125,000 could be re-prioritised in year, as set out below. It should be noted that this funding would not be spent until the project including full funding package has been approved by the Joint Committee.
 - Staff / Finance / Audit – the budget of £170,000 is currently estimated to under spend by £65,000, primarily because of the Solent Transport Manager's job has been vacant for most of 2014/15;
 - Working with External Agencies – No specific work has been identified at this stage for the £20,000 allocated;
 - Support Delivery of Strategic Development Sites – No specific work has been identified at this stage for the £17,000 allocated;
 - Solent Transport Fund Prioritisation – This work is no longer required, as the Solent Transport Fund did not secure any Growth Deal funding, which means the allocated £19,000 is available; and
 - There is £4,000 of funding currently unallocated.

5. This funding of £194,000 would be sufficient to cover anticipated costs in the final quarter of the current financial year but if the project is to be completed a further £258,000 will need to be identified in 2015/16. A number of options exist, including seeking external funding contributions (these were successfully sought when the model was initially set up) and will be incorporated into the 2015/16 budget proposals for consideration by the Committee once the full funding package has been identified and confirmed.

Table 1: 2014/15 Revenue and Capital Budgets

Budget Heading	Budget	Forecast	Variance
	£'000	£'000	£'000
REVENUE			
Better Bus Area Fund (BBAF)	321	321	0
Local Sustainable Transport Fund (LSTF)	2,491	105	0
Staff/Finance/Audit	170	170	(65)
East West study	80	80	0
Sub-Regional Transport Model (SRTM)	69	69	0
Marketing	25	25	0
Work with External Agencies	20	0	(20)
Support for delivery of strategic investment sites	17	0	(17)
Solent Transport Fund prioritisation	19	0	(19)
Unallocated	4	0	(4)
Total revenue	3,216	3,216	(125)
CAPITAL			
BBAF	838	838	0
LSTF	6,766	6,766	0
Total capital	7,604	7,604	0

Section 100 D - Local Government Act 1972 - background papers

The following documents disclose facts or matters on which this report, or an important part of it, is based and has been relied upon to a material extent in the preparation of this report.

NB the list excludes:

1. Published works.
2. Documents which disclose exempt or confidential information as defined in the Act.

TITLE

LOCATION