

Report to the Transport for South Hampshire and Isle of Wight Joint Committee

Date: 27 February 2014

Report by: Tim Turner

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Subject: Transport for South Hampshire and Isle of Wight Joint Committee 2013/14 Budget Update and 2014/15 Proposed Budget

1. Summary

1.1 The following decisions are sought:

That the Joint Committee:

1. Notes the 2013/14 budget position for revenue and capital.
2. Approves the proposed carry forward of the anticipated unspent balance from 2013/14 to 2014/15.
3. Approves the proposed partner revenue contributions for 2014/15.
4. Approves the provisional revenue and capital budgets for 2014/15.

2. Reason

2.1 The purpose of this report is to update the Joint Committee on progress against the revenue and capital budgets for 2013/14 and to propose provisional budgets for 2014/15. The Joint Committee is also asked to confirm the proposed partner contributions for 2014/15

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(s) for the Matter being dealt with if Urgent – None.**

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Approved by: Date:

**Councillor - Chairman
Transport for South Hampshire and Isle of Wight Joint Committee**

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Purpose of the Report

The purpose of this report is to present the Transport for South Hampshire and Isle of Wight (TfSHIoW) Joint Committee with the likely revenue and capital budget outturn for the 2013/14 financial year and to recommend a provisional 2014/15 revenue and capital budget.

Recommendations

That the Joint Committee:

1. Notes the 2013/14 budget position for revenue and capital.
2. Approves the proposed carry forward of the anticipated unspent balances from 2013/14 to 2014/15.
3. Approves the proposed partner revenue contributions for 2014/15.
4. Approves the provisional revenue and capital budgets for 2014/15.

Introduction

1. This report summarises the latest budget monitoring position for the 2013/14 revenue and capital budgets for TfSHIoW. It also proposes a carry forward from both revenue and capital unspent balances to help form part of the 2014/15 budget strategy, and to set a provisional revenue and capital budget for 2014/15.

Revenue Budget 2013/14

2. The latest revenue budget position for TfSHIoW is shown in table 1 below, and reflects the latest update, and the forecast outturn for the end

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of the financial year, compared to the budget approved by the Joint Committee in June 2013.

Table 1

Budget Heading	Original Budget 2013/14 £000	Forecast Outturn 2013/14 £'000	Variation to budget 2013/14 £'000
Better Bus Area Fund (BBAF)	803	733	(70)
Local Sustainable Transport Fund (LSTF)	3,118	2,521	(597)
Staff/Support	170	86	(84)
Sourcing Funding Opportunities	47	0	(47)
Public Transport Delivery Plan	75	60	(15)
Enhancement of Sub Regional Transport Model (SRTM)	60	60	0
Freight Strategy	20	9.5	(10.5)
Funding Strategy	20	0	(20)
Maintain Transport Delivery Plan	60	50.5	(9.5)
Total	4,373	3,520	(853)

3. There has generally been good progress on delivery of LSTF and BBAF programmes in 2013/14, with spends of over 90% and 75% of the budgets achieved. The Department for Transport has agreed that outstanding funding can be carried forward to 2014/15 and added to that year's allocation (if any).
4. Spend in other areas has not been as high as anticipated, due to external factors, including the significant changes to the way future transport funding is secured through Local Growth Deals with Local Enterprise Partnerships (LEPs). This was only announced by Government in Summer 2013 and TfSHIoW has consequently had to prioritise input into the Solent LEP's Strategic Economic Plan ahead of the originally planned work programme. This issue has been exacerbated by a lack of a full complement of staff in the TfSHIoW team, although this is now being addressed.

Capital Budget 2013/14

5. Table 2 below shows the position in relation to the capital budget approved by the committee in June 2013.

Table 2

Budget Heading	Original Budget 2013/14 £000	Forecast Outturn 2013/14 £'000	Variation to budget 2013/14 £'000
BBAF	2,714	2,500	(214)
LSTF	5,785	3,470	(2,315)
Total	8,499	5,970	(2,529)

6. The unspent balance on the LSTF capital budget will be carried forward to 2014/15 and added to that year's allocation, as agreed by the Department for Transport.

Provisional Budget 2014/15

7. Table 3 shows the provisional 2014/15 revenue and capital funding for 2014/15. It is assumed that partner contributions remain the same as 2013/14: (Hampshire County Council - £100,000, Southampton City Council - £50,000, Portsmouth City Council - £50,000, Isle of Wight - £20,000) and the proposed BBAF, LSTF and other budget unspent balances will be carried forward to 2014/15.

Table 3

	Proposed Budget 2014/15 £'000
Revenue Funding	
Core partner contributions	220
BBAF brought forward	50
LSTF brought forward and 2014/15 Allocation	2,544
13/14 Balance Brought Forward (excluding BBAF and LSTF)	186
Total Revenue Funding	3,000
Capital Funding	
BBAF brought forward	233
LSTF brought forward and 2014/15 Allocation	6,331
Total Capital Funding	6,564

Revenue Budget 2014/15

8. The Joint Committee is asked to approve the provisional 2014/15 revenue budget. This will be updated when the final outturn for 2013/14 and the carry forward for 2014/15 is established. Table 4 below shows the detailed budget proposals.
9. The revenue carry forward for the BBAF has been reduced from £70,000 to £50,000, because the Department of Transport has approved the

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transfer of £20,000 from revenue to capital, and this is reflected in the proposed capital allocation for 2014/15.

Table 4

Budget Heading	Proposed Budget £'000
BBAF brought forward	50
LSTF Grant brought forward and 2014/15 Allocation	2,544
Staff / Finance / Audit	170
East West Study	80
Maintain SRTM	60
Solent Transport Marketing	25
Working with External Agencies (including Network Rail, Highways Authority, South Hampshire Bus Operators Association and the marine sector)	20
Support Delivery of Strategic Development Sites	17
Unallocated	34
Total	3,000

Capital Budget 2013/14

10. The 2013/14 capital budget (Table 5 below) is made up of the balance of the Better Bus Award Fund and the LSTF grant allocation. This will be updated when the final outturn for 2013/14 and the carry forward for 2014/15 is established. The LSTF budget has been allocated between Hampshire County Council, Southampton City Council and Portsmouth City Council.

Table 5

Budget Heading	Proposed Budget £'000
BBAF brought forward	233
LSTF brought forward and 2014/15 Allocation	6,331
Total	6,564

Conclusion

11. The latest budget monitoring review has identified unspent balances on the 2013/14 TfSH revenue and capital budgets. It is recommended that these are carried forward to form part of the 2014/15 budget strategy.
12. The report also proposes a provisional 2014/15 revenue and capital budget for TfSH, which the Joint Committee are being asked to approve, subject to the final position on the 2013/14 outturn and consequent carry forward.

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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

None.