

Item 7

Report to Solent Transport

Date: 3 February 2016

Report by: Sue Lapham

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Subject: Budget 2015/16 and 2016/17

1. Summary

1.1 The following decisions are sought:

That the Joint Committee:

- (a) Notes the forecast outturn for the 2015/16 revenue budget.
- (b) Approves the proposed carry forward of the anticipated unspent balance from 2015/16 to 2016/17.
- (c) Approves the provisional partner revenue contributions for 2016/17.
- (d) Approves the provisional revenue budget for 2016/17.
- (e) Notes that sufficient funding to complete the SRTM upgrade has not yet been identified.

2. Reason

2.1 The purpose of this report is to notify the Solent Transport Joint Committee on progress against the revenue budget for 2015/16 and to propose provisional budget for 2016/17. The Joint Committee is also asked to approve the provisional partner contributions for 2016/17.

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.**

Approved by: **Date:**

**Councillor Seán D T Woodward
Chairman
Solent Transport**



Agenda Item 7

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Subject: Budget 2015/16 and 2016/17

Purpose of the Report

The purpose of this report is to present the Solent Transport Joint Committee with the likely revenue budget outturn for the 2015/16 financial year and to recommend a provisional revenue budget for 2016/17.

Recommendations

That the Joint Committee:

- (a) Notes the forecast outturn for the 2015/16 revenue budget.
- (b) Approves the proposed carry forward of the anticipated unspent balance from 2015/16 to 2016/17.
- (c) Approves the provisional partner revenue contributions for 2016/17.
- (d) Approves the provisional revenue budget for 2016/17 based on these contributions.
- (e) Notes that sufficient funding to complete the SRTM upgrade has not yet been identified.

Introduction

1. This report summarises the latest budget monitoring position for the 2015/16 revenue budget for Solent Transport. It also proposes a carry forward from the revenue unspent balance to help form part of the

2016/17 budget strategy, and to set a provisional revenue budget for 2016/17.

Revenue Budget 2015/16

2. The latest revenue budget position for Solent Transport is detailed in table 1 below. This shows the forecast outturn for the end of the financial year compared to the revised budget approved by the Joint Committee in October.

Table 1

Budget Heading	Revised Budget 2015/16 £'000	Forecast Outturn 2015/16 £'000	Variation to budget 2015/16 £'000
REVENUE			
Local Sustainable Transport Fund (LSTF) - Surveys and analysis	36	36	0
Staff/Finance/Audit	152	152	0
Marketing	5	(11)	(16)
Better Bus Area Fund (BBAF)	3	3	0
Enhancement of Sub Regional Transport Model (SRTM)	185	185	0
Solent Go	40	40	0
My Journey	28	28	0
General Studies	20	10	(10)
SRTM Commissions	0	(30)	(30)
Total Revenue	469	413	(56)

3. In the October meeting of the Joint Committee the 2015/16 revenue budget was reported to be on budget. An underspend of £56,000 is now expected. The main reasons for this variance are:

- 2014/15 marketing creditor provision confirmed as no longer required.
- £10,000 underspend on General Studies relating to PUSH Spatial Strategy transport work which is now expected to go ahead in 2016/17.
- Net additional contributions from Sub-Regional Transport Model (SRTM) commissions.

It is proposed that this underspending is carried forward to support the 2016/17 revenue budget.

Provisional Budget 2016/17

4. Table 2 shows the provisional revenue funding for 2016/17 based on the forecast 2015/16 revenue unspent balance being carried forward and core partner contributions remaining the same as in recent years:

- Hampshire County Council £90,000
- Southampton City Council £40,000
- Portsmouth City Council £40,000
- Isle of Wight £20,000

Table 2

	Proposed Budget 2016/17 £'000
Revenue Funding	
Core partner contributions	190
2015/16 Balance Brought Forward	56
Total Revenue Funding	246

5. To date, no other funding to support the completion of the SRTM upgrade has been identified.
6. Solent Transport's bid to the Department for Transport for the Low Emission Bus Scheme has been excluded from table 2. The outcome of this bid is expected to be announced in early 2016.
7. An update on the total revenue funding available for 2016/17 will be provided at the next Joint Committee meeting in June.

Revenue Budget 2016/17

8. Based on the funding currently confirmed, the proposed allocation of the 2016/17 budget is shown in Table 3 and the Joint Committee is asked to approve the provisional 2016/17 revenue budget.

9. There is no longer any requirement to make provision for external audit fees following the implementation of the Audit and Accountability Act 2014 and the Joint Committee's decision on 30 October 2015 to place reliance on the external audit and other systems of internal control within the partner authorities in future.

Table 3

Budget Heading	Proposed Budget 2016/17 £'000
Staff/Finance	148
Marketing	1
Enhancement of Sub Regional Transport Model (SRTM)	48
Solent Go	22
My Journey	17
General Studies	10
Total	246

10. The principal areas of work for Solent Transport staff during 2016/17 will be to:
- to oversee the upgrade of the SRTM;
 - manage the requests for runs of the SRTM from both the public and private sector;
 - contribute specialist technical knowledge to the Solent Strategic Land & Infrastructure Board, the Solent Transport Investment Plan and the Solent Local Enterprise Partnership (LEP) Land, Property and infrastructure Delivery Panel;
 - work with key partners to produce a Solent Public Transport Network Vision
 - provide technical transport support into the PUSH Spatial Strategy Review;
 - work with Network Rail and other rail industry partners to identify rail service enhancements;
 - co-ordinate member authority responses to Government and other national consultations;
 - co-ordinate cross Solent funding bids (e.g. DfT Access Fund);
 - close liaison with the Solent LEP on transport issues;
 - work with the Local Highway Authorities to ensure the delivery of Growth Deal capital schemes;
 - manage the Solent Transport Strategy Working Group ensuring effective liaison and co-ordination with the Department for Transport, Network Rail, Highways England, Solent LEP, South

Hampshire Bus Operators' Association (SHBOA), ferry operators and South West Trains;

- ongoing liaison with partner organisations and engagement with outside bodies to enhance Solent Transport's reputation and deliver more investment to the area;
- assist with the ongoing management of legacy Solent LSTF projects (e.g. Solent Go Smart Card and My Journey travel initiatives);
- work with SHBOA and attend SHBOA Board Meetings;
- review and refresh the Solent Joint Local Transport Plan (LTP) Strategy.

Funding the SRTM Upgrade

11. After allowing for the 2015/16 budget to be fully spent the remaining costs of this project are estimated at £267,000. The proposed budget allocation in Table 3 of £48,000 would leave a shortfall of £219,000. If no funding contributions are identified from external organisations this sum will need to be found from a combination of the revised charging approach for use of the model by non Solent Transport partners and direct funding from the Solent Transport partners.
12. Assuming £50,000 could be met by contributions from SRTM commissions this would leave £169,000 to be met by the partners. Pro-rata to existing contributions this would equate to an additional £80,000 from Hampshire County Council, an additional £35,000 each from Portsmouth and Southampton City Councils and an additional £19,000 from the Isle of Wight Council.

Conclusions

13. The latest budget monitoring review has identified unspent balances on the 2015/16 Solent Transport revenue budgets. It is recommended that these are carried forward to form part of the 2016/17 budget strategy.
14. The report also proposes a provisional 2016/17 revenue budget for Solent Transport, which the Joint Committee is being asked to approve. This is subject to the final position on the 2015/16 outturn and consequent carry forward.
15. The funding currently identified is insufficient to complete the work on the SRTM upgrade and a resolution is urgently required if the work is to progress.

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