

Report to the Transport for South Hampshire Joint Committee

Date: 29 May 2012

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Subject: 2011/12 Budget Update; 2012/13 Budget

Purpose of the Report

This report gives the latest budget position for 2011/12 and proposed 2012/13 budget.

Recommendations

That the Joint Committee:

- 1. Notes the 2011/12 Budget position for revenue and capital.**
- 2. Notes that the draft Statement of Accounts and Annual Governance agreement will be issued via email by the 30 June 2012 for Joint Committee Member approval.**
- 3. Approves the carry forward of the 2011/12 underspend provisionally forecast at £425,000 to the 2012/13 budget.**
- 4. Confirms the partner contributions at 2011/12 levels (Hampshire County Council £100,000, Southampton City Council £50,000, Portsmouth City Council £50,000).**
- 5. Agrees the provisional 2012/13 Budget.**

Introduction

1. This report summarises the latest budget monitoring position for the 2011/12 revenue and capital controlled budgets for Transport for South Hampshire (TfSH). The Statement of Accounts and Annual Governance report will be sent to Joint Committee for approval by 30 June 2012. The report also proposes a 2012/13 budget for TfSH.

Funding 2011/12

2. Table 1 below shows TfSH funding for 2011/12. Since the last report in January 2012 additional income of £24,000 has been secured from external sources.

Table 1

Revenue Funding 2011/12	Adjusted Budget (Jan 12)	Forecast Outturn
	£'000	£'000
Core partner contributions	200	200
Balance b/f from previous year	560	560
Other Sources	5	29
Total Revenue Funding	765	789
Capital Funding 2011/12		
PUSH – Evidence Base	500	500
Total Capital Funding	500	500

Revenue Budget 2011/12

3. Table 2 below shows the adjusted TfSH revenue budget, together with spend to March 2012 and estimated outturn for the year. The available budget has been increased by £24,000 to reflect additional funding secured earlier in the year.

Table 2

Budget Heading	Adjusted Budget £'000	Actual Spend £'000	Forecast Outturn £'000	Variation £'000
Scenario Testing	242	288	288	+46
LSTF Bid	241	0	0	-241
Staff/Finance/Audit	92	76	76	-16
Contingency	24	0	0	-24
Proposed carry forward	190	0	0	-190
Total	789	364	364	-425

4. There are a number of variations comparing the forecast outturn with the adjusted budget resulting in an underspend of £425,000. The main variations are highlighted below.
 - (i) Scenario testing/LSTF bid – expenditure on these two budget items has been combined, allowing additional resources to be diverted into supporting the Local Sustainable Transport Fund (£18 million) and Better Bus Fund (£4.5 million) business case bids. TfSH has been awarded £4.5 million Better Bus Area grant for use in 2012-2014. The outcome of the LSTF bid should be known in June 2012. Overall there is lower expenditure of £195,000 on these budgets. This underspending will be used on modelling and maintenance of the SRTM in 2012/13; and
 - (ii) Staff/support – lower than anticipated staff costs due to staff vacancies.
5. It is recommended that the 2011/12 revenue underspending of £425,000 is carried forward to help form part of the 2012/13 budget strategy.
6. The latest 2011/12 budget forecast is provisional at the stage. The final outturn position will be presented with the Statement of Accounts by 30 June 2012.

Capital Budget 2011/12

7. Table 3 below shows the TfSH capital budget for 2011/12, together with the estimated outturn for the year.

Table 3

Budget Heading	Lead Authority	Budget	Actual Spend £000	Forecast Outturn £'000	Variation £'000
Evidence Base	Hampshire County Council	500	500	500	0
Total		500	500	500	0

8. Spend on TfSH capital schemes is expected to be on budget for 2011/12. It should be noted that Portsmouth City Council has been awarded grant from Partnership for Urban South Hampshire (PUSH) for works in Tipner, however, this grant has been claimed direct from PUSH by the Authority managing the project and therefore does not form part of the TfSH accounts.

Funding 2012/13

9. Table 4 below shows anticipated 2012/13 funding for TfSH. It is assumed that partner contributions remains the same as 2011/12 (Hampshire County Council - £100,000, Southampton City Council - £50,000, Portsmouth City Council - £50,000) and the proposed carry forward of the 2011/12 underspend is agreed (£425,000). It is also hoped that Isle of Wight Council will join TfSH and will make a contribution to be agreed) to the partnership during 2012/13.
10. In addition to this TfSH has been awarded £4.5 million Better Bus Area grant funding which covers 2012/13 (£413,000 revenue, £2,043,000 capital) and 2013/14 (£473,000 revenue and £1,548,000 capital). The 2012/13 provisional budget includes the total Better Bus Area Fund Award but the actual allocation will be between these years. The exact spend profile over the two years is being considered presently.

This gives an updated 2012/13 provisional budget compared to the budget reported to the Joint Committee in January 2012.

Table 4

Revenue Funding 2012/13	Proposed Budget
	£'000
Core partner contributions	200
Balance b/f from previous year	425
Better Bus Area Award Fund	886
Total Revenue Funding	1,511
Capital Funding 2012/13	
Better Bus Area Award Fund	3,591
Total Capital Funding	3,591

Revenue Budget 2012/13

11. The Joint Committee is asked to agree the 2012/13 revenue budget. The budget has been compiled by the Project Director in conjunction with the TfSH senior management board. Table 5 below shows the detailed make up of the proposed budget.

Table 5

Budget Heading	Proposed Budget £'000
Better Bus Area Award Fund	886
Scheme Preparation & Modelling (including maintenance of SRTM)	180
Local Enterprise Partnership advice/ engagement	50
Public Transport Delivery Plan	75
Sourcing funding opportunities & developing bids	100
Establishment of a Local Transport Body	50
Staff / Finance / Audit	170
Total	1,511

Capital Budget 2012/13

12. TfSH has been awarded £3.6 million Better Bus Area award capital grant.

Table 6

Budget Heading	Proposed Budget £'000
Better Bus Area Award Fund	3,591
Total	3,591

Conclusion

13. The budget monitoring update has identified an underspending of £425,000 on the TfSH 2011/12 revenue budget, compared to £190,000 reported at January's Joint Committee. It is recommended this underspend be carried forward to form part of the proposed 2012/13 budget strategy. The 2011/12 capital budget is fully spent.
14. Additional funding streams have been identified since the last budget monitoring review and budgets have been revised accordingly.

15. The report also proposes a 2012/13 revenue budget, which the Joint Committee is asked to approve.
16. The draft Statement of Accounts and Annual Governance statement will be sent direct to the Joint Committee members by 30 June 2012 for approval.

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