

## **Report to the Transport for South Hampshire Joint Committee**

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**Report by:** Rory Fitzgerald, Finance Business Partner,  
Hampshire County Council; Keith Willcox, Head of  
Strategic Transport, Hampshire County Council

**tel:** 01962 847415      **email:** rory.fitzgerald@hants.gov.uk

**Subject:** 2012/13 Budget Update Report

### **Purpose of the Report**

This report gives the latest 2012/13 revenue and capital position for Transport for South Hampshire (TfSH).

### **Recommendations**

#### **That the Joint Committee**

- a) Notes the 2012/13 budget position for revenue and capital.**
- b) Approves the revised budget for 2012/13.**

### **Introduction**

1. This report summaries the latest 2012/13 revenue and capital budget monitoring position for TfSH. It also proposes a revised budget for TfSH following Department for Transport's approval of a £17.839 million Local Sustainable Transport Fund (LSTF) grant over the next three years.

### **Funding**

2. TfSH have also been awarded LSTF grant of £17.839 million. The grant funding is allocated between revenue and capital over the next three years (Table 1).
3. The conditions of the grant are that:
  - (i) capital spend must comply with the regulations in section 11 of the Local Government Act 2003;

- (ii) claims are to be quarterly in arrears and on an accruals basis i.e. we may claim for work done but not paid for (but the work must have been done, not just committed);
- (iii) the grant letter also sets out that “You should work on the basis that any unclaimed funds **cannot** be carried forward into subsequent financial years.”

It will be important for the partners to ensure that progress on these schemes is maintained and work completed in line with plans to minimise the risk of any grant funding being lost.

Table 1

<b>LSTF Grant</b>	<b>12/13 £'000</b>	<b>13/14 £'000</b>	<b>14/15 £'000</b>
Revenue	1,470	2,668	1,947
Capital	3,577	4,161	4,016
<b>Total</b>	<b>5,047</b>	<b>6,829</b>	<b>5,963</b>

4. Table 2 below shows the anticipated funding for TfSH in 2012/13. Since the last Joint Committee meeting in May 2012 the Isle of Wight has joined the Partnership and will be contributing £20,000 in 2012/13. We have also been able to secure some additional income by selling the evidence base model data.

Table 2

<b>Revenue Funding 2012/13</b>	<b>Original Budget £'000</b>	<b>Forecast Outturn £'000</b>	<b>Revised Budget £'000</b>
Partner Contributions	200	220	220
Balance b/f from previous year	425	428	428
Better Bus Award Fund	886	886	886
LSTF Grant	0	1,470	1,470
Other Income	0	50	50
<b>Total Revenue Funding</b>	<b>1,511</b>	<b>3,054</b>	<b>3,054</b>
<b>Capital Funding 2012/13</b>	<b>Original Budget £'000</b>	<b>Forecast Outturn £'000</b>	<b>Revised Budget £'000</b>
Better Bus Award Fund	3,591	3,591	3,591
LSTF Grant	0	3,577	3,577
<b>Total Capital Funding</b>	<b>3,591</b>	<b>7,168</b>	<b>7,168</b>

## Revenue Budget 2012/13

5. The latest revenue budget position for TfSH is shown below in table 3. The budget has been adjusted to match the revised funding forecast for the year. The additional funding available to the Joint Committee relating to sales of data sets and partner contributions has been set against a contingency budget.

Table 3

<b>Budget Heading</b>	<b>Adjusted Budget £'000</b>	<b>Actual Spend £'000</b>	<b>Forecast Outturn £'000</b>	<b>Variation £'000</b>
Better Bus Award Fund	886	3	886	0
Scheme Preparation & Modelling (incl. maintenance of SRTM)	180	61	180	0
Local Enterprise Partnership advice/engagement	50	0	0	-50
Public Transport Delivery Plan	75	0	75	0
Sourcing Funding opportunities and developing bids	100	0	100	0
Establishment of Local Transport Body	50	0	50	0
Staff/Finance/Audit	170	40	120	-50
LSTF Grant	1,470	0	1,470	0
Contingency	73	0	173	+100
<b>Total</b>	<b>3,054</b>	<b>104</b>	<b>3,054</b>	<b>0</b>

6. There are a number of variations against the 2012/13 budget. The main ones are:
- (i) LEP – (-£50k) we are unlikely to require this budget this year. The balance can be transferred to the contingency pot for allocation later in the year or to be carried forward as part of the 13/14 budget strategy;
  - (ii) Staff – (-£50k) vacancy savings on staff support is forecast for 2012/13. It is proposed that this underspend is transferred to the contingency budget for future allocation by the Joint Committee;
  - (iii) Contingency - (+£100k) the contingency now stands at £173,000. This budget will either be allocated later in the year as required, or will be carried forward to be used at part of the 13/14 budget strategy.

7. Although spend is low on budget headings plans are in place to spend the budget:
- (i) Public Transport Delivery Plan - We are awaiting the completion of the Transport Delivery Plan (TDP), prior to commencing work on the Public Transport Delivery Plan as the two need to be consistent. The TDP is programmed for completion and publication in December, so spend on the Public Transport Delivery Plan budget item is expected in the final quarter of this year;
  - (ii) Sourcing Funding Opportunities - The allocation is required to enable TfSH to be ready to bid should funding opportunities present themselves. If they do not, the allocation should be carried over to 2013/14 for the same purpose;
  - (iii) Local Transport Board - We are awaiting advice from central government on the establishment of Local Transport Bodies (LTB) for each Local Enterprise Partnership (LEP) area. This advice is expected in September, at which time TfSH will need to work with the Solent LEP to establish a LTB for the Solent LEP area. The budget is likely to be used at that time;
  - (iv) LSTF/BBAF – plans are in place to fully spend the grant available to the Joint Committee in this financial year.
8. Further modifications may need to be made as and when the Isle of White Council is formally ratified as a full member of TfSH.

### Capital Budget 2012/13

9. Table 4 below shows the adjusted TfSH capital budget for 2012/13, together with the estimated forecast outturn for the year. The adjusted budget and forecast outturn reflect the LSTF capital grant of £3,577,000.

Table 4

<b>Budget Heading</b>	<b>Adjusted Budget £'000</b>	<b>Actual Spend £'000</b>	<b>Forecast Outturn £'000</b>	<b>Variation £'000</b>
Better Bus Award Fund	3,591	249	3,591	0
LSTF Grant	3,577	0	3,577	0
<b>Total</b>	<b>7,168</b>	<b>249</b>	<b>7,168</b>	<b>0</b>

## **Conclusion**

10. Since setting the budget in May additional revenue funding of £1,543,000 has been identified (LSTF grant £1,470,000, IoW partner contribution £20,000 and other income £53,000). In addition LSTF capital grant of £3,577,000 has been secured. The Joint Committee are asked to agree the forecast outturn as the revised budget for 2012/13.

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.