

Report to the Transport for South Hampshire Joint Committee

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Subject: 2012/13 Budget Update; 2013/14 Proposed Budget

Purpose of the Report

The purpose of this report is to present the Transport for South Hampshire (TfSH) Joint Committee with the likely revenue and capital budget outturn for the 2012/13 financial year and to recommend a provisional 2013/14 revenue and capital budget.

Recommendations

That the Joint Committee:

- 1. Notes the 2012/13 budget position for revenue and capital.**
- 2. Approves the proposed carry forward of £919,000 revenue and £1,391,000 capital underspending from 2012/13 to 2013/14.**
- 3. Approves the provisional revenue and capital budgets for 2013/14.**

Introduction

1. This report summarises the latest budget monitoring position for the 2012/13 revenue and capital budgets for TfSH. It also proposes a total carry forward from both revenue and capital of £2,310,000 underspending to help form part of the 2013/14 budget strategy.

Project Delivery

2. Significant progress has been made across TfSH projects to date. Specific focus has been placed on the delivery of grant funding successes from Department for Transport (Local Sustainable Transport Fund - LSTF and Better Bus Area Fund – BBAF).

3. With regard to BBAF, working in partnership with bus operators we have delivered:
 - (i) free on board internet on over 400 buses to date, with over 560 to be fitted in total;
 - (ii) five buses refurbished, with over 130 to be refurbished in total;
 - (iii) next stop audio-visual equipment live on 18 buses, with a further 120 committed for delivery. This project is expected to deliver next stop audio-visual facilities on over 500 buses;
 - (iv) 16 buses fitted with internal LED lighting, with a further 465 buses committed for delivery;
 - (v) a customer service charter has been drafted by First;
 - (vi) the Brockhurst Roundabout project has been expanded to include Cross-Ways junction; and
 - (vii) apprentices have been appointed.

4. Through the TfSH LSTF grant we have delivered:
 - (i) personal Journey Planning to over 3,000 households in Gosport;
 - (ii) public transport improvements at Fareham and Gosport stations including new bus stops, real time information and improved pedestrian wayfinding, linked to the 2nd phase of the successful Bus Rapid Transit (BRT) corridor.

Funding update

5. Since the previous Joint Committee meeting in September 2012 there have been two amendments to the LSTF funding changing the split between revenue and capital and the profile between financial years:
 - (i) the Department for Transport (DfT) has agreed to move £40,000 from revenue to capital in relation to the BBAF;
 - (ii) also, £1,670,000 capital grant relating to Smart Ticketing has been re-profiled from 2012/13 to 2013/14 to match the revised programme schedule.

The adjusted grant profile is set out below in Table 1.

Table 1

LSTF Grant	12/13 £'000	13/14 £'000	14/15 £'000
Revenue	1,470	2,668	1,947
Capital	1,907	5,831	4,016
Total	3,377	8,499	5,963

Table 2 below shows the revised funding available for TfSH in 2012/13.

Table 2

Revenue Funding 2012/13	September £'000	November £'000
Partner Contributions	220	220
Balance from Previous Year	428	428
Better Bus Area Fund	886	846
LSTF Grant	1,470	1,470
Other Income	50	50
Total Revenue Funding	3,054	3,014
Capital Funding 2012/13	September £'000	November £'000
Better Bus Area Fund	3,591	3,631
LSTF Grant	3,577	1,907
Total Capital Funding	7,168	5,538

Revenue Budget 2012/13

6. The latest revenue budget position for TfSH is shown in table 3 below. The budget has been adjusted to reflect the movement of £40,000 BBAF funding from revenue to capital.

Table 3

Budget Heading	Adjusted Budget £'000	Committed £'000	Forecast Outturn £'000	Variation £'000
Better Bus Area Fund	846	345	345	-501
Scheme Preparation and Modelling	180	165	180	0
Public Transport Delivery Plan	75	0	0	-75
Sourcing Funding opportunities and developing bids	100	0	0	-100
Establishment of Local Transport Body	50	0	0	-50
Staff/Finance/Audit	120	60	100	-20
LSTF	1,470	1400	1,470	0
Contingency	173	0	0	-173
Total	3,014	258	2,095	-919
Proposed carry forward to 2013/14	0	0	919	919

7. There are a number of variations against the 2012/13 budget. The main ones are:
- (i) BBAF (-£501,000): £345,000 has been awarded to operators in 2012/13, any unspent funds will be carried forward to 2013/14 in line with the grant guidelines;
 - (ii) Public Transport Delivery Plan (-£75,000): work on this is unlikely to start until 2013/14 following the completion of the Transport Delivery Plan (TDP);
 - (iii) Sourcing Funding Opportunities (-£100,000): it is not envisaged that this budget will be needed in this financial year. It is proposed to carry the allocation forward to 2013/14 to fund any future funding bids;
 - (iv) Establishment of Local Transport Body (-£50,000): support was progressed through existing staff resource rather than external consultants;
 - (v) Contingency (-£173,000): it is proposed that this underspending, along with the others identified above are carried forward to form part of the 2013/14 budget strategy;
8. Overall an underspending of £919,000 has been identified by budget holders. It is proposed that this underspending is carried forward to form part of the 2013/14 budget strategy.

Capital Budget 2012/13

9. Table 4 below shows the adjusted capital budget for 2012/13. Since the last Joint Committee meeting the BBAF budget has been increased by £40,000 following a transfer from the revenue allocation. The LSTF Smart Ticketing capital budget has reduced by £1,670,000 following the DfT's agreement to move the funding to 2013/14 allowing for delays to the works.

Table 4

Budget Heading	Adjusted Budget £'000	Committed £'000	Forecast Outturn £'000	Variation £'000
Better Bus Area Fund	3,631	2,240	2,240	-1,391
LSTF	1,907	1,907	1,907	0
Total	5,538	640	4,147	-1,391

10. The underspending of £1,391,000 on the BBAF will be carried forward to be spent in the following year as part of the 2013/14 budget strategy.

Provisional Budget 2013/14

Funding

11. Table 5 shows the anticipated 2013/14 funding for TfSH. It is assumed that partner contributions remain the same as 2012/13 (Hampshire County Council - £100,000, Southampton City Council - £50,000, Portsmouth City Council - £50,000, Isle of Wight - £20,000) and the proposed BBAF and other budget underspendings will be carried forward to 2013/14. It is also assumed that the LSTF grant for 2013/14 will be £8,499,000 as indicated earlier in the report.

Table 5

Revenue Funding	Proposed Budget 2013/14 £'000
Core partner contributions	220
Better Bus Area Fund b/f	501
Balance from previous year (other)	418
LSTF	2,668
Total Revenue Funding	3,807
Capital Funding	
Better Bus Area Fund b/f	1,391
LSTF	5,831
Total	7,222

Revenue Budget 2013/14

12. The Joint committee are asked to approve the provisional 2013/14 revenue budget. The budget has been prepared by the TfSH senior management board. Table 6 below shows the detailed budget proposals.

Table 6

Budget Heading	Proposed Budget £'000
Better Bus Area Fund	501
LSTF Grant	2,668
Sourcing funding opportunities and developing bids	100
Staff / Finance / Audit	170
LTB business case scrutiny	50
Public Transport Delivery Plan	75
Enhancement of SRTM to include IoW	60
Freight Strategy	20
Funding Strategy to accelerate investment spend	30
Maintaining LSTF interventions beyond 2015	20
Contingency	113
Total	3,807

Capital Budget 2013/14

13. The 2013/14 capital budget (Table 7 below) is made up of the balance of the Better Bus Award Fund and the LSTF grant allocation. The LSTF budget has been allocated between the three Local Authorities (Hampshire County Council, Southampton City Council, Portsmouth City Council).

Table 7

Budget Heading	Proposed Budget £'000
Better Bus Area Fund	1,391
LSTF Grant	5,831
Total	7,222

Conclusion

14. The latest budget monitoring review has identified an underspending of £919,000 on the 2012/13 TfSH revenue budget and £1,391,000 on the TfSH capital budget. It is recommended that this underspend is carried forward to form part of the 2013/14 budget strategy.

15. The report also proposes a 2013/14 revenue and capital budget for TfSH, which the Joint Committee are being asked to approve.

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.