

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

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

### **Purpose of the Report**

The purpose of this report is to present the Transport for South Hampshire Joint Committee with the likely budget outturn for the 2011/12 financial year and to recommend the revenue and capital budgets for 2012/13.

### **Recommendations**

It is recommended that the Joint Committee:

- a) Notes the current forecast for revenue and capital budgets for the 2011/12 financial year compared to the adjusted original budget.
- b) Approves the proposed carry forward of underspends from the 2011/12 revenue budget to 2012/13.
- c) Approves the provisional revenue and capital budgets for 2012/13.

### **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). Figures shown reflect input from budget holders arising from the budget monitoring review carried out during November 2011.

### **Funding 2011/12**

2. Table 1 below shows TfSH funding for 2011/12. Since the budget was set earlier in the year additional income of £5,000 has been secured from external sources.

Table 1

<b>Revenue Funding 2011/12</b>	<b>Original Budget</b>	<b>Adjusted Budget</b>
	<b>£'000</b>	<b>£'000</b>
Core partner contributions	200	200
Balance b/f from previous year	560	560
Other Sources	0	5
<b>Total Revenue Funding</b>	<b>760</b>	<b>765</b>
<b>Capital Funding 2011/12</b>		
PUSH – Evidence Base	500	500
PUSH – Tipner	30	30
<b>Total Capital Funding</b>	<b>530</b>	<b>530</b>

### Revenue Budget 2011/12

3. Table 2 below shows the adjusted TfSH revenue budget, together with the spend as at December 2011 and estimated outturn for the year. The budget has been increased by £5,000 to reflect the additional funding secured earlier in the year.

Table 2

<b>Budget Heading</b>	<b>Adjusted Budget £'000</b>	<b>Actual Spend £'000</b>	<b>Forecast Outturn £'000</b>	<b>Variation £'000</b>
Scenario Testing	415	35	242	-173
Public Transport Strategy	50	0	0	-50
Shared Services	20	0	0	-20
LSTF Bid	75	0	241	+166
Private Sector Engagement	35	0	0	-35
Staff / Finance / Audit	165	69	92	-73
Contingency	5	0	0	-5
<b>Total</b>	<b>765</b>	<b>104</b>	<b>575</b>	<b>-190</b>

4. There are a number of variations comparing the forecast outturn with the adjusted budget resulting in an underspend of £190,000. The main variations are highlighted below:
- (i) Scenario Testing/Local Sustainable Transport Fund (LSTF) bid – The spend profile between these two linked budgets has changed allowing additional resources to be pumped into supporting the Local Sustainable Transport Fund business case bid (£17.85 million). Department for Transport (DfT) will announce a decision on funding in June 2012.

- (ii) Public Transport Strategy/Shared Services/Private Sector Engagement – these budgets are no longer required in this financial year.

Resourcing constraints and the invitation to prepare a Business Case for the LSTF bid has resulted in the Public Transport Strategy not being progressed. It will be taken forward in 2012-13, informed by output of the Long Term Strategic Implementation Plan and the outputs of a report considering options for a wider BRT network and form a delivery programme as opposed to a strategy. Linked to this, opportunities for shared service work in the Public Transport area to realise efficiencies will be taken forward, but it is considered that a budget is not required at this time. TfSH allocated budget for private sector engagement, but this has not been required.

- (iii) Staff / Support – Due to staff vacancies this budget is likely to be significantly underspent in 2011/12.

It is recommended that the 2011/12 revenue underspending of £190,000 is carried forward to help form part of the 2012/13 budget strategy.

### Capital Budget 2011/12

5. 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	396	500	0
Tipner	Portsmouth City Council	30	30	30	0
<b>Total</b>		<b>530</b>	<b>426</b>	<b>530</b>	<b>0</b>

6. Spend on TfSH capital schemes is expected to be on budget for 2011/12.

### Funding 2012/13

7. 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 (£190,000). There is currently no capital funding built into the 2012/13 budget.

Table 4

<b>Revenue Funding 2012/13</b>	<b>Proposed Budget</b>
	<b>£'000</b>
Core partner contributions	200
Balance b/f from previous year	190
Other Sources	0
<b>Total Revenue Funding</b>	<b>390</b>

### Revenue Budget 2012/13

8. The Joint Committee are asked to agree the indicative 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

<b>Budget Heading</b>	<b>Proposed Budget £'000</b>
Evidence Base Modelling	120
Local Enterprise Partnership advice / engagement	30
Public Transport Implementation Plan	50
Sourcing funding opportunities & developing bids	20
Staff / Finance / Audit	170
<b>Total</b>	<b>390</b>

### Conclusion

9. The budget monitoring review has identified an underspending of £190,000 on the TfSH 2011/12 revenue budget. It is being recommended this underspend be carried forward to form part of the proposed 2012/13 budget strategy. The 2011/12 capital budget is on target to be fully spent.
10. Additional funding streams have been identified since the last budget monitoring review and budgets have been revised accordingly.
11. The report also proposes a 2012/13 revenue budget, 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