

## Report to Partnership Meeting 28 June 2016

### FINANCE

#### Revenue Budget Monitoring Report – 1 April 2015 to 31 March 2016

#### SUMMARY

This report sets out the final outturn revenue monitoring position for the year to 31 March 2016.

#### 1. Current Position

- 1.1 The annual budget is as approved at the Board Meeting held on 6 February 2015, subsequently amended for the inclusion of the 2014/15 underspend of £28,152, and the committed but unclaimed portions of the 2014/15 Bus Investment Fund grant and the 2014/15 Sustrans embedded project funding grant. The budget has been increased for additional grants as part of the Community Links Project for both the Ballachulish to Corran Ferry cycle route and the South and North Bridges to the UHI Inverness Campus.
- 1.2 The attached summary statement shows the final outturn financial position for the year ended 31 March 2016. The figures show an underspend of £1,701. The February monitoring statement, reported to the April Board meeting, predicted an underspend of £6,840 at the end of the financial year.

#### 2. Year End Projection

- 2.1 The year to date actual figures represent the transactions for the year ended 31 March 2016 and are in line with management expectations. The audit of the annual accounts is about to commence, and the underspend is unlikely to change.
- 2.2 Board Members will note that based on the financial performance to date, the provisional outturn shows an overall underspend of £1,701.

#### 3. Major Issues and Variances

- 3.1 Included in miscellaneous income are contributions from Highland Council's Carbon Clever budget totalling £127,923 towards Real Time Bus Stop Displays, Electric Bus Charging Points and the Inverness Airport (Dalcross) Railway Station project; two contributions of £11,733 each from Transport Scotland and Comhairle nan Eilean Siar towards project costs in respect of the Barra/Glasgow flight rotations; £24,877 of grant funding from the Forestry Commission for the

Branchliner project; contribution of £5,282 from Comhairle nan Eilean Siar towards the Ferry Availability Study; £2,000 from Highlands & Islands Airports Ltd towards the cost of relocating a bus shelter at the airport; and £800 from ZetTrans as a contribution towards the SCDI survey on Scottish Islands Air Services. The remainder of the income is from Scottish Council for Development and Industry recovering shared meeting rooms and kitchen costs.

- 3.2 Expenditure incurred on the East Inverness Bus Improvement Corridor Project and Hi-Travel Project are to be funded by grants from Transport Scotland, and matching grant income is included in the income section of the monitoring statement. The full uptake of both grants will be complete in 2016/17. There has been no spend in 2015/16 on the Community Links Project, North Bridge, UHI Inverness Campus. The grant funding for the project will be carried forward to 2016/17.
- 3.3 Grants due from Sustrans have been carried forward to 2016/17, and the resultant underspend in active travel is shown under Programme Costs.
- 3.4 The underspend in staff costs is due to a staff member taking approved unpaid leave, and another is currently on maternity leave.
- 3.5 Collectively staff & members/advisers travel and subsistence cumulatively are overspent by £2,308. The increase in costs reflects the increase in staff numbers, and the increased activity on project work throughout the year. However, it should be noted that expenditure is down on the previous year by more than £3,000.
- 3.6 Partnership/consultation meeting costs are overspent by £1,436. Hitrans hosted a Regional Transport Partnership Chairs' meeting this year and this was the principal reason for the overspend.
- 3.7 Property costs are overspent by £8,549. The baseline budget should have been uplifted, comparable to last year's outturn position. However, after analysis, £2,847 of Ardross Terrace costs relates to the previous financial year. The costs are in respect of shared heating & lighting (£1,717), and a shared service charge (£1,130). The overspend is covered by an underspend in staff costs.
- 3.8 Administration costs overspent by £4,923 overspent at the end of the financial year. The overspend is due to the replacement/renewal of IT equipment in line with the policy to update equipment on a 3 year cycle as outlined in the Business Plan. The baseline budget remained the same as in previous years, and will be reviewed in light of the final outturn position. The overspend is covered by an underspend in staff costs.
- 3.9 Costs associated with the SPARA 2020 European project will be carried forward and recovered through a grant claim to be submitted in 2016. Income received for SPARA 2020 relates to the claim for costs in respect of the preliminary scoping project undertaken by Hitrans.
- 3.10 Finance and administrative services comprises audit fee and charges from Councils for the provision of financial, personnel, legal and administrative services. The underspend is attributed to Highland Council for the cost of financial services.

3.11 Current legislation in respect of Regional Transport Partnerships does not allow them to retain reserves, however there is scope to carry forward small underspends on committed expenditure but not incurred at the end of the financial year. This will allow HITRANS to meet its legal obligation of breaking even for 2015/16.

#### **4. Recommendation**

4.1 Board Members are asked to approve the above information as well as the attached schedule showing the final outturn revenue monitoring position for the year to 31 March 2016.

**Report by:** Mike Mitchell  
**Designation:** Partnership Treasurer  
**Date:** 14<sup>th</sup> June 2016

<b>HITRANS - SUMMARY</b>					
<b>STATEMENT OF REVENUE OUTTURNS:</b>			<b>31ST MARCH 2016 - FINAL</b>		
<b>2014/2015</b>		<b>2015/2016</b>			
<b>ACTUAL</b>	<b>BUDGET</b>	<b>ANNUAL</b>		<b>ACTUAL</b>	<b>(OVER) /</b>
	<b>HEADINGS</b>	<b>BUDGET</b>		<b>TO DATE</b>	<b>UNDER</b>
	<b>INCOME</b>				
(£200,000)	Councils	(£200,000)		(£200,000)	£0
(£200,000)	Scottish Government - Match Funding	(£200,000)		(£200,000)	£0
(£322,750)	Scottish Government - Regional Transport Strategy	(£322,750)		(£322,750)	£0
(£5,000)	Grants - Sustrans	(£195,000)		(£100,000)	(£95,000)
(£42,053)	Other Misc Income	£0		(£186,607)	£186,607
(£147,107)	START Project	£0		£0	£0
(£377,817)	Bus Investment Fund	(£247,949)		(£132,020)	(£115,929)
	<b>Community Links Projects</b>				
(£150,000)	NCN78 Ballachulish to Corran Ferry	(£500,000)		(£500,000)	£0
£0	North Bridge, UHI Inverness Campus	(£610,000)		£0	(£610,000)
£0	South Bridge, UHI Inverness Campus	(£255,000)		(£255,000)	£0
(£28,489)	Hi-Travel Project	(£300,000)		(£240,926)	(£59,074)
£0	Food Port Project	£0		(£13,840)	£13,840
£0	SPARA 2020 Project	£0		(£4,490)	£4,490
£0	Interest on Revenue Balances	£0		(£302)	£302
(£20,320)	2014/15 Surplus	(£28,152)		(£28,152)	£0
<b>(£1,493,536)</b>		<b>(£2,858,851)</b>		<b>(£2,184,087)</b>	<b>(£674,764)</b>
	<b>DIRECT RUNNING COSTS</b>				
£96,060	Director	£98,000		£97,900	£100
£118,823	Partnership Managers	£122,000		£121,091	£909
£57,310	Office Managers	£59,000		£53,518	£5,482
£34,790	Active Travel Project Officer	£38,000		£32,991	£5,009
£41,423	Staff & Members/Advisers Travel and Subsistence	£36,000		£38,308	(£2,308)
£13,043	Partnership/Consultation Meetings	£12,000		£13,436	(£1,436)
£21,819	Office Costs - Property	£16,000		£24,549	(£8,549)
£22,966	Office Costs - Administration	£20,000		£24,923	(£4,923)
<b>£406,234</b>		<b>£401,000</b>		<b>£406,716</b>	<b>(£5,716)</b>
	<b>PROGRAMME COSTS</b>				
£13,996	Publicity	£10,000		£8,704	£1,296
£393,696	Research & Strategy Development	£263,902		£426,681	(£162,779)
£5,054	Active Travel - Sustrans Project Work	£195,000		£119,694	£75,306
£6,934	Public Transport Officer	£36,000		£35,261	£739
£377,817	East Inverness Bus Improvement Corridor Project	£247,949		£132,020	£115,929
	<b>Community Links Projects</b>				
£150,000	NCN78 Ballachulish to Corran Ferry	£500,000		£500,000	£0
£0	North Bridge, UHI Inverness Campus	£610,000		£0	£610,000
£0	South Bridge, UHI Inverness Campus	£255,000		£255,000	£0
£28,489	Hi-Travel Project	£300,000		£240,926	£59,074
£6,490	Giant Puffin Project	£0		£0	£0
£37,788	Food Port Project	£0		£0	£0
£0	SPARA 2020 Project	£0		£19,692	(£19,692)
£1,522	Interest on Revenue Balances	£0		£0	£0
<b>£1,021,786</b>		<b>£2,417,851</b>		<b>£1,737,978</b>	<b>£679,873</b>
<b>£37,364</b>	<b>Finance and Administrative Services</b>	<b>£40,000</b>		<b>£37,692</b>	<b>£2,308</b>
<b>£1,465,384</b>	<b>TOTAL COSTS</b>	<b>£2,858,851</b>		<b>£2,182,386</b>	<b>£676,465</b>
<b>(£28,152)</b>	<b>(UNDER) / OVERSPEND</b>	<b>£0</b>		<b>(£1,701)</b>	<b>£1,701</b>