

Report to Partnership Meeting of 2 June 2015

FINANCE

Revenue Budget Monitoring Report – 1 April 2014 to 31 March 2015

Report by Partnership Treasurer

SUMMARY

This report sets out the final outturn revenue monitoring position for the year to 31 March 2015.

1. Current Position

- 1.1 The annual budget is as approved at the Board Meeting held on 7 February 2014, subsequently amended for the inclusion of the 2013/14 underspend of £20,320, and the committed but unclaimed portion of the 2013/14 Bus Investment Fund grant.
- 1.2 The attached summary statement shows the final outturn financial position for the year ended 31 March 2015. The figures show an underspend of £15,997, which equates to 0.1% of the total budget. The February monitoring statement, reported to the April Board meeting, predicted the overall budget to be balanced 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 2015 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 £15,997.

3. Major Issues and Variances

- 3.1 Included in miscellaneous income are two contributions of £12,000 each from Highlands and Islands Enterprise and Comhairle nan Eilean Siar towards project work costs in respect of the Barra/Glasgow flight rotations. Also, there is a sum of £13,995 recovering 50% of costs from Transport Scotland in respect of Theo Van Stratum's time, and a sum of £2,630 for the Abellio rail franchise launch. The remainder of the income is from the 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, Hi-Travel Project and Community Links Project are to be funded by grants from Transport Scotland, and matching grant income is included in the income section of the monitoring statement.

- 3.3 Grants due from SUSTRANS have been carried forward to 2015/16, and the resultant underspend in active travel is shown under Programme Costs.
- 3.4 The START grant income has been used to offset final expenditure on both European projects, Giant Puffin and Food Port, and the overspends on the research & strategy development budget and Direct Running Costs.
- 3.5 Collectively staff & members/advisers travel and subsistence cumulatively are overspent by £5,423. The increase in costs reflects the increase in staff numbers, and the increased activity on project work throughout the year. The 2015/16 budget will have to be adjusted to take account of the increased workload.
- 3.6 Partnership/consultation meeting costs are overspent by £1,043. The Board held meetings in Lochmaddy in April, and Oban in November, resulting in increased costs.
- 3.7 Property and office administration costs are overspent by £10,570. The budget for property costs did not allow for an increase in rental charges at Ardross Terrace due to utilisation of further office space. The increase in administration costs reflects the increase in staff numbers. The 2015/16 budget will have to be adjusted to take account of the increased workload.
- 3.8 Finance and administrative services comprises audit fee and charges from Councils for the provision of financial, personnel, legal and administrative services. The underspend is mainly attributed to Highland Council for the cost of financial services.
- 3.9 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 2014/15.

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 2015.

Designation: Partnership Treasurer

Date: 1st June 2015

Author: Mike Mitchell, Finance Manager, Highland Council

HITRANS - SUMMARY					
STATEMENT OF REVENUE OUTTURNS:			31ST MARCH 2015 - FINAL		
2013/2014		2014/2015			
ACTUAL	BUDGET HEADINGS	ANNUAL BUDGET		ACTUAL TO DATE	(OVER) / UNDER
	INCOME				
(£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
(£94,795)	Grants - SUSTRANS	(£100,000)		(£5,000)	(£95,000)
(£15,401)	Other Misc Income	£0		(£42,053)	£42,053
£0	START Project	£0		(£147,107)	£147,107
(£74,234)	Bus Investment Fund	(£445,766)		(£417,262)	(£28,504)
£0	Community Links Project	£0		(£150,000)	£150,000
£0	Hi-Travel	£0		(£40,969)	£40,969
(£53,211)	Giant Puffin Project	£0		£0	£0
(£194,281)	Food Port Project	£0		£0	£0
(£59,362)	2012/13 Surplus	(£20,320)		(£20,320)	£0
(£1,214,034)		(£1,288,836)		(£1,545,461)	£256,625
	DIRECT RUNNING COSTS				
£95,153	Director	£96,000		£96,060	(£60)
£116,132	Partnership Managers	£118,000		£118,823	(£823)
£56,828	Office Managers	£58,000		£57,310	£690
£15,898	Active Travel Project Officer	£35,000		£34,790	£210
£0	Public Transport Officer	£6,957		£6,934	£23
£30,952	Staff & Members/Advisers Travel and Subsistence	£36,000		£41,423	(£5,423)
£10,937	Partnership/Consultation Meetings	£12,000		£13,043	(£1,043)
£17,918	Office Costs - Property	£16,000		£21,819	(£5,819)
£25,512	Office Costs - Admin	£20,000		£24,751	(£4,751)
£369,330		£397,957		£414,953	(£16,996)
	PROGRAMME COSTS				
£9,803	Publicity	£10,000		£13,996	(£3,996)
£263,253	Research & Strategy Development	£295,113		£429,066	(£133,953)
£94,795	Active Travel - SUSTRANS Project Work	£100,000		£5,054	£94,946
£74,234	East Inverness Bus Improvement Corridor Project	£445,766		£417,262	£28,504
£0	Hi-Travel	£0		£40,969	(£40,969)
£0	Community Links Project	£0		£150,000	(£150,000)
£56,151	Giant Puffin Project	£0		£6,490	(£6,490)
£288,562	Food Port Project	£0		£12,788	(£12,788)
£153	Interest on Revenue Balances	£0		£1,522	(£1,522)
£786,951		£850,879		£1,077,147	(£226,268)
£37,433	Finance and Administrative Services	£40,000		£37,364	£2,636
£1,193,714	TOTAL COSTS	£1,288,836		£1,529,464	(£240,628)
(£20,320)	(UNDER) / OVERSPEND	£0		(£15,997)	£15,997