

Item:

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Report to Partnership Meeting 7 February 2014

FINANCE

REVENUE BUDGET PROPOSAL 2014 - 2015

1. Annex 1 shows the budget that is being recommended for approval for the next financial year covering the Partnership's running costs and research and strategy development programme costs, and the income from Partner Councils and the Scottish Government to cover these costs.

Income

2. **Councils** – The funding formula for Council contributions was agreed by the Partnership in July 2006. This is based 50% on voting weight and 50% on population share. The population figures have been updated to take account of the 2012 position as shown in the General Register Office for Scotland. The amended percentage share of income to be contributed by each Council is:

Council	Voting Share	Population share	Total
Argyll and Bute	6.25%	7.05%	13.3%
CnES	6.25%	3.15%	9.4%
Highland	18.75%	26.7%	45.45%
Moray	12.5%	10.65%	23.15%
Orkney	6.25%	2.45%	8.7%
	50%	50%	100%

3. The Scottish Government has at officer level indicated that the RTP budget line in their proposed Scottish Budget for 2014/15 will remain at the 2011/12 to 2013/14 level of £522,750. As Scottish Government core grant (£200,000) has remained the same, the proposal is not to increase Constituent Authorities contributions. This will allow the Partnership to continue to achieve the Government's annual efficiency target, for 2014/15 proposed as 3%.
4. As part of Transport Scotland's Bus Investment Fund (BIF) of £4.2m, HITRANS, in partnership with Highland Council and Stagecoach, were successful in a bid securing £0.700m from the (BIF) for the East Inverness Bus Improvement Corridor project. The project will deliver improvements to bus networks in Inverness totaling £2.7m. The sum of £0.155m, included in the proposed budget, is year 2 of the 3 year funding programme.
5. Sustrans continue to support active travel work, with a further £0.100m grant award for 2014/15.

Expenditure

6. The commitments on the 2014/15 budget are:

- **Employees** – The salaries, pension contributions and employers national insurance contributions for the Partnership Director, 2 Programme Managers, 2 Office Managers and Active Travel Project Officer totalling £307,000 are included under running costs of the Partnership. In line with Scottish Local Authorities, allowance has been made for a 1% increase in basic salary costs. After allowing for the increase, there is a reduction of £10,000 on that of the previous year. The estimated budget for the Active Travel Project Officer's post in 2013/14 was set too high.
- **Members/Advisors Travel & Subsistence** budget has increased by £1,000 to £10,000 to reflect the 2014/15 programme of Board meetings.
- **Research and Strategy Development** budget has increased by £214,000 to £536,750 as a result of the BIF and SUSTRANS grant awards, reduction in salaries, and an increase in members/advisors travel and subsistence budgets.
- **All other Budget Headings** have been set at 2013/14 levels, and are achievable given the spending patterns currently prevailing for the 2013/14 financial year.

Commitments comprise £977,750

7. Board Members are asked to approve the above information as well as the following Annex.

Report by: Mike Mitchell
Designation: Partnership Treasurer
Date: 29th January 2014

Annex 1

Budget Heading	Budget 2013/14	Budget 2014/15 Recommendation
Income		
Argyll and Bute	£28,700	£26,600
CnES	£18,900	£18,800
Highland	£88,800	£90,900
Moray	£46,400	£46,300
Orkney	£17,200	£17,400
Scottish Government - Core	£200,000	£200,000
Scottish Government – Non-core	£322,750	£322,750
SUSTRANS	£50,000	£100,000
Bus Investment Fund	£0	£155,000
Total Income	£772,750	£977,750
Running Costs		
Director	£96,000	£96,000
Programme Managers	£118,000	£118,000
Office Managers	£58,000	£58,000
Active Travel Project Officer	£45,000	£35,000
Staff Travelling and Subsistence	£26,000	£26,000
Members/Advisors Travel/Subsistence	£9,000	£10,000
Partnership/Consultation Meetings	£12,000	£12,000
Office Costs - Property	£16,000	£16,000
Office Costs - Administration	£20,000	£20,000
	£400,000	£391,000
Programme Costs		
Publicity	£10,000	£10,000
Research and Strategy Development	£322,750	£536,750
	£332,750	£546,750
Finance/HR/Legal/Admin		
CnEs	£8,000	£8,000
Highland	£21,500	£21,500
External Audit	£10,500	£10,500
	£40,000	£40,000
Total Costs	£772,750	£977,750