

Item:
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Report to Partnership Meeting 6 February 2015

FINANCE

REVENUE BUDGET PROPOSAL 2015 - 2016

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 2015/16 will remain at the 2011/12 to 2014/15 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 2015/16 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 £0.180m, included in the proposed budget, is year 3 of the 3 year funding programme.

5. As part of the BIF announced in November 2014, HITRANS was successful in securing £0.300m from BIF for its ITravel project. The project was developed in partnership with the constituent Local Authorities, and will establish a new post with the responsibility for co-ordinating the provision of public transport information across the HITRANS area. The sum of £0.150m, included in the proposed budget, is year 1 of the 2 year funding programme.
6. Sustrans continue to support active travel work, with a further £0.100m grant award for 2015/16.
7. As part of the Community Link awards announced in 2014/15, HITRANS was successful in its application for match funding of £0.610m towards the walking and cycling element for the active travel bridge, part of the new Inverness College Campus.

Expenditure

1. The commitments on the 2015/16 budget are:
 - **Employees** – The salaries, pension contributions and employers national insurance contributions for the Partnership Director, 2 Programme Managers, 2 Office Managers, Active Travel Project Officer and Public Transport Officer totalling £353,000 are included under running costs of the Partnership. In line with Scottish Local Authorities salaries provision, allowance has been made for a 1% increase in basic salary costs.
 - **Research and Strategy Development** budget has increased by £739,000 to £1,275,750 as a result of the BIF and Sustrans grant awards, and an increase in salary budgets.
 - **All other Budget Headings** have been set at 2014/15 levels, and are achievable given the spending patterns currently prevailing for the 2014/15 financial year.

Commitments comprise £1,762,750

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

Report by: Mike Mitchell
Designation: Partnership Treasurer
Date: 28th January 2015

Annex 1

Budget Heading	Budget 2014/15	Budget 2015/16 Recommendation
Income		
Argyll and Bute	£26,600	£26,600
CnES	£18,800	£18,800
Highland	£90,900	£90,900
Moray	£46,300	£46,300
Orkney	£17,400	£17,400
Scottish Government - Core	£200,000	£200,000
Scottish Government – Non-core	£322,750	£322,750
SUSTRANS – Active Travel	£100,000	£100,000
SUSTRANS – Community Links	£0	£610,000
Bus Investment Fund – East Inverness	£155,000	£180,000
Bus Investment Fund – Information Project	£0	£150,000
Total Income	£977,750	£1,762,750
Running Costs		
Director	£96,000	£98,000
Programme Managers	£118,000	£122,000
Office Managers	£58,000	£59,000
Active Travel Project Officer	£35,000	£38,000
Public Transport Officer	£0	£36,000
Staff/Members/Advisors Travel/Subsistence	£36,000	£36,000
Partnership/Consultation Meetings	£12,000	£12,000
Office Costs - Property	£16,000	£16,000
Office Costs - Administration	£20,000	£20,000
	£391,000	£437,000
Programme Costs		
Publicity	£10,000	£10,000
Research and Strategy Development	£536,750	£1,275,750
	£546,750	£1,285,750
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	£977,750	£1,762,750