

Item:  
**4**



## Report to Partnership Meeting of 8 February 2019

### FINANCE

#### REVENUE BUDGET PROPOSAL 2019 - 2020

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 2017 position as shown in the General Register Office for Scotland. The percentage share of income to be contributed by each Council is:

<b>Council</b>	<b>Voting Share</b>	<b>Population share</b>	<b>Total</b>
Argyll and Bute	6.25%	6.85%	13.1%
CnES	6.25%	3.05%	9.3%
Highland	18.75%	26.7%	45.45%
Moray	12.5%	10.9%	23.4%
Orkney	6.25%	2.5%	8.75%
	50%	50%	100%

3. The Scottish Government has at officer level indicated that the RTP budget line in their proposed Scottish Budget for 2019/20 will remain at the 2011/12 to 2018/19 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 2019/20 proposed as 3%.
4. Sustrans continue to support active travel work, with a further £0.100m grant award for 2019/20.
5. Transport Scotland, through their regional active travel grant of £133,400, continues to support active travel work in 2019/20.

## Expenditure

1. The commitments on the 2019/20 budget are:

- **Staff Salary Costs** – The salaries, pension contributions, employers national insurance contributions and apprentice levy for the Partnership Director, 2 Programme Managers, Office Manager, Active Travel Project Officer, the Public Transport Officer and Projects and Policy Officer salary costs are included under running costs of the Partnership. In line with Scottish Local Authorities salaries provision, allowance has been made for a 3% increase in basic salary costs. Please note that the budget has been increased to take account of the 2018/19 pay award of 3.5%. The original provision was for a 1.5% increase.
- **Travel, Subsistence and Meeting** costs have been reduced by £4,000 to allow for the change in Partnership staffing focus across the mix between research and strategy development, and the prospect of additional external funding opportunities, both within the United Kingdom and Europe.
- **Research and Strategy Development** budget has reduced by £13,000 to £297,750 to accommodate the increase in salary costs.
- **All other Budget Headings** have been set at 2018/19 levels, and are achievable given the spending patterns currently prevailing for the 2018/19 financial year.

Commitments comprise £822,750

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

**Report by:** Mike Mitchell  
**Designation:** Partnership Treasurer  
**Date:** 5<sup>th</sup> February 2019

## Annex 1

Budget Heading	Budget 2018/19	Budget 2019/20 Recommendation
<b>Income</b>		
Argyll and Bute	£26,500	£26,200
CnES	£18,700	£18,600
Highland	£90,700	£90,900
Moray	£46,700	£46,800
Orkney	£17,400	£17,500
Scottish Government - Core	£200,000	£200,000
Scottish Government – Non-core	£322,750	£322,750
Scottish Government – Green Bus Fund	£127,006	£0
SUSTRANS – Active Travel	£100,000	£100,000
Grants – Press’N’Ride	£115,000	£0
Grants – Regional Active Travel	£0	£133,400
Inverness Station Project	£75,000	£0
<b>Total Income</b>	<b>£1,139,756</b>	<b>£956,150</b>
<b>Running Costs</b>		
Staff Salary Costs	£376,000	£393,000
Staff/Members/Advisors Travel/Subsistence	£34,000	£30,000
Partnership/Consultation Meetings	£10,000	£10,000
Office Costs - Property	£22,000	£22,000
Office Costs - Administration	£20,000	£20,000
	<b>£462,000</b>	<b>£475,000</b>
<b>Programme Costs</b>		
Publicity	£10,000	£10,000
Research and Strategy Development	£310,750	£297,750
Specific Ring-fenced Project Costs	£317,006	£133,400
	<b>£637,756</b>	<b>£441,150</b>
<b>Finance/HR/Legal/Admin</b>		
CnEs	£8,000	£8,000
Highland	£21,500	£21,500
External Audit	£10,500	£10,500
	<b>£40,000</b>	<b>£40,000</b>
<b>Total Costs</b>	<b>£1,139,756</b>	<b>£956,150</b>