

Item:

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Report to Partnership Meeting 5 February 2021

FINANCE

REVENUE BUDGET PROPOSAL 2021 - 2022

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, the Scottish Government and other external agencies 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 2018 position, the most recent published data, has been reviewed and there has been very little change in the population figures, therefore the percentage share of income to be contributed by each Council remains the same and is:

Council	Voting Share	Population share	Total
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 2021/22 will remain at the 2011/12 to 2020/21 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 2021/22 proposed as 3%.
4. Sustrans continue to support active travel work, with a further £0.100m grant award for 2021/22.
5. Transport Scotland, through their regional active travel grant of £267,000, continues to support active travel work in 2021/22.
6. A budget is included to recover all salary costs in relation to European and other project costs.

Expenditure

1. The commitments on the 2021/22 budget are:

- **Staff Salary Costs** – The salaries, pension contributions, employers national insurance contributions and apprentice levy for the Partnership Director, 2 Partnership Managers, Office Manager, Active Travel 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 1% increase in basic salary costs. This is only an assumption as National salary increases are under negotiation and are likely to be protracted this year given the economic uncertainty due to the Covid-19 pandemic.
- **Travel, Subsistence and Meeting** costs have been impacted by Covid-19 resulting in a major estimated underspend of £28,000. Given the ongoing Covid-19 restrictions it is proposed to reduce these budgets to £20,000 for 2021/22. The reduction will be vired to research and strategy development, of which £6,000 will meet the increase in salary costs and £5,000 will go to Administration. Once the restrictions are lifted the budgets will be reviewed and adjusted as required.
- **Administration** costs budget is increased by £5,000 to take account of employing additional staff to meet the increased demand of supporting European and other major project work. An element of the increase will be claimed through grant claims.
- **Research and Strategy Development** budget has increased by £9,000 to £293,750 due the reduction in travel, subsistence and meeting costs.
- A new budget line is now included for **European and Other Project Salary Costs** to meet employing 5 additional staff on term contracts to support the delivery of both European and other major project work. This new line recognizes a budget cost of the 5 additional already in place.
- **All other Budget Headings** have been set at 2020/21 levels, and are achievable given the spending patterns currently prevailing for the 2020/21 financial year.

Commitments comprise £1,277,750

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

Report by: Mike Mitchell
Designation: Partnership Treasurer
Date: 4th February 2021

Annex 1

Budget Heading	Budget 2020/21	Budget 2021/22 Recommendation
Income		
Argyll and Bute	£26,200	£26,200
CnES	£18,600	£18,600
Highland	£90,900	£90,900
Moray	£46,800	£46,800
Orkney	£17,500	£17,500
Scottish Government - Core	£200,000	£200,000
Scottish Government – Non-core	£322,750	£322,750
SUSTRANS – Active Travel	£100,000	£100,000
Grants – Regional Active Travel	£267,000	£267,000
European and Other Project Grants	£0	£188,000
Total Income	£1,089,750	£1,277,750
Running Costs		
Staff Salary Costs	£406,000	£412,000
Staff/Members/Advisors Travel/Subsistence	£28,000	£14,000
Partnership/Consultation Meetings	£12,000	£6,000
Office Costs - Property	£22,000	£22,000
Office Costs - Administration	£20,000	£25,000
	£488,000	£479,000
Programme Costs		
Publicity	£10,000	£10,000
Research and Strategy Development	£284,750	£293,750
Specific Ring-fenced Project Costs	£267,000	£267,000
European and Other Project Salary Costs	£0	£188,000
	£561,750	£758,750
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	£1,089,750	£1,277,750