

DECISION-MAKER:	SOLENT TRANSPORT JOINT COMMITTEE		
SUBJECT:	BUDGET UPDATE 2018/19 AND 2019/20		
DATE OF DECISION:	25 FEBRUARY 2019		
REPORT OF:	ELAIN YOUNGMAN, HAMPSHIRE COUNTY COUNCIL		
<u>CONTACT DETAILS</u>			
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STATEMENT OF CONFIDENTIALITY	
N/A	
BRIEF SUMMARY	
<p>The purpose of this report is to present the Solent Transport Joint Committee with the likely draft Revenue budget outturn for the 2018/19 financial year and to recommend a provisional revenue budget for 2019/20.</p> <p>The Joint Committee is also asked to approve the carry forward of 2018/19 unspent balances and approve provisional partner contributions for 2019/20.</p>	
RECOMMENDATIONS: That the Joint Committee	
(i)	Notes the draft forecast outturn for the 2018/19 revenue budget.
(ii)	Approves the proposed carry forward to 2019/20 of the predicted 2018/19 balance, this includes a proposal to ring-fence this in part to fund the next SRTM upgrade in the early 2020s.
(iii)	Approves the provisional partner revenue contributions for 2018/19.
(iv)	Approves the provisional revenue budget for 2018/19.
REASONS FOR REPORT RECOMMENDATIONS	
1.	To provide the Solent Transport Joint Committee with an update on progress against the 2018/19 revenue budget and to propose a provisional revenue budget for 2019/20.
ALTERNATIVE OPTIONS CONSIDERED AND REJECTED	
2.	Taking no action – rejected.

DETAIL (Including consultation carried out)**3. Introduction**

This report summarises the latest draft financial outturn position for the Solent Transport 2018/19 revenue budget. The report also includes a proposal to carry forward the 2018/19 balance to 2019/20, this is included in the provisional 2019/20 Revenue budget, which is set out in the report for approval by the Joint Committee.

4. 2018/19 Revenue Budget Draft Outturn

The latest revenue budget position for Solent Transport is detailed in table 1 below. This shows the draft forecast outturn for the end of the financial year compared to the budget approved by the Joint Committee in July 2018.

Table 1.

Budget Heading	Budget 2018/19 £'000	Forecast Outturn 2018/19 £'000	Variation to budget 2018/19 £'000
REVENUE			
Staff	144	132	(12)
Finance Support	5	5	0
Solent Go Back Office/Admin	28	28	0
Solent Transport Marketing	2	1	(1)
My Journey & Solent Go Marketing	15	42	27
Studies	68	25	(43)
Enhancement of Sub Regional Transport Model (SRTM)	0	0	0
SRTM Commissions	0	(124)	(124)
Total Revenue	262	109	(153)

- 5.** Staff costs are expected to underspend by £12,000 due to the proportion of the staff budget allocated to Atkins staff resource to assist with the development of the Transport Delivery Plan (TDP) not being spent. As the Transforming Cities Fund (TCF) was announced by DfT early in the 18/19 financial year, a significant proportion of the Solent Transport work was diverted away from the TDP to focus on supporting the two City Region TCF bids and subsequently the two Tranche 1 funding bids. Consequently, the focus on the TDP will now shift into 2019/20.

6. Marketing across Solent Transport, My Journey and Solent Go is expected to deliver a net overspend of £27,000 which is due to meeting the additional costs of new website development for My Journey as the current website is time-expired; the review and renewal of the My Journey brand, and additional costs this year relating to renewal of the Solent Go website.
7. The Sub Regional Transport Model (STRM) commissions incurred consultancy costs of £420,000, these costs were offset by SRTM Commission income generation of £503,000, generating a net surplus of £83,000. Further net income is expected to be generated by commissions currently underway in this financial year which, depending on timescales for completion and invoicing of work, could generate a further £41,000 net surplus in 2018/19 resulting in an overall net surplus in 18/19 of £124,000. If this additional £41,000 is not generated in 2018/19, it will form part of the 2019/20 outturn.
8. Costs incurred for Studies are expected to produce a surplus of £43,000 as a planned use for this funding (a refresh of the 2013 Transport Delivery Plan “Case and Options for Intervention” report, to support refresh of the Transport Delivery Plan) has not incurred any spend due to other Systra work (eg support for Transforming Cities Fund) taking higher priority. The balance of spend on the work being undertaken by University of Southampton (SRTM future upgrades and development options study) work is not anticipated until 2019/20 due to a procurement delay although this study is now underway.
9. Approval is sought in principle from the Joint Committee that the forecast £124,000 surplus from SRTM Commissions is carried forward from 2018/19 as a ring fenced contribution towards the next SRTM upgrade due in the early 2020s carried forward from 2016/17 and 2017/18 of £216,000. This would increase the projected funds available for the SRTM upgrade in 2021 to £340,000.
10. If the final outturn position exceeds the SRTM carry forward as predicted in the draft outturn, the Joint Committee will be asked to approve the carry forward balance currently predicted to be £29,000 as revenue funding in 2018/19 to support future studies projects.
- Revenue budget 2019/20**
11. Table 2 below shows the revenue funding for 2019/20, based on the following assumptions:
- the SRTM projected net surplus from 2016/17 to 2018/19 of £340,000 is carried forward and ring-fenced to fund the next SRTM upgrade
 - core partner revenue contributions remain in line with recent years:
 - Hampshire County Council £90,000
 - Southampton City Council £40,000
 - Portsmouth City Council £40,000
 - Isle of Wight £20,000

Table 2.

	Budget 2019/20
	£'000
Revenue Funding	
Core partner contributions	190
2018/19 balance brought forward	29
Total Revenue Funding	219
Total Capital Funding	0

12. The Joint Committee is asked to approve the provisional partner revenue contributions for 2019/20.

13. An update on the actual revenue funding available for 2019/20 will be provided at the next Joint Committee meeting.

14. ***Revenue Budget 2019/20***

Based on a provisional budget of £219,000 the proposed allocation of the 2019/20 revenue budget is detailed below in table 3 for approval by The Joint Committee

Table 3.

Budget Heading	Budget 2019/20
	£'000
Staff/Finance	147
Solent Go – Back Office/Admin	28
My Journey & Solent Go Marketing	17
Studies	27
Total	219

15. A separate report on the agenda provides further detail regarding the planned activities for 2019/20.

16.	An update on the 2019/20 revenue budget will be provided at the next Joint Committee meeting.
17.	<p>Conclusions</p> <p>The latest Solent Transport budget monitoring review identifies a projected unspent balance of £153,000 against the 2018/19 revenue budget. It is recommended that £124,000 is carried forward and ring-fenced as a contribution towards the next SRTM upgrade and the remaining £29,000 is carried forward to support the 2019/20 revenue budget strategy.</p>
18.	The report also proposes a provisional 2019/20 revenue budget for Solent Transport, which the Joint Committee is being asked to approve, subject to the final 2018/19 position and the subsequent carry forward.

RESOURCE IMPLICATIONS

Capital/Revenue

19.	The proposed Solent Transport partner contributions are identified at paragraph 5 and remain the same as last year.
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Property/Other

20.	N/A - no property considerations associated with this decision
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LEGAL IMPLICATIONS

Statutory power to undertake proposals in the report:

21.	S.111 Local Government Act 1972
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Other Legal Implications:

22.	N/A
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RISK MANAGEMENT IMPLICATIONS

23.	No tangible risks attached to this decision.
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POLICY FRAMEWORK IMPLICATIONS

24.	N/A
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KEY DECISION?	N/A
WARDS/COMMUNITIES AFFECTED:	Affects all parts of Solent area as the four local Highway & Transport Authorities make up Solent Transport.
<u>SUPPORTING DOCUMENTATION</u>	
Appendices	
1.	None

Documents In Members' Rooms

1.	None	
Equality Impact Assessment		
Do the implications/subject of the report require an Equality and Safety Impact Assessment (ESIA) to be carried out.		No
Privacy Impact Assessment		
Do the implications/subject of the report require a Privacy Impact Assessment (PIA) to be carried out.		No
Other Background Documents		
Other Background documents available for inspection at:		
Title of Background Paper(s)		Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)
1.	Finance update (item 7 - 11 October 2017)	