

DECISION-MAKER:		SOLENT TRANSPORT JOINT COMMITTEE			
SUBJECT:		BUDGET UPDATE 2017/18 AND 2018/19			
DATE OF DECISION:		12 JULY 2018			
REPORT OF:		ELAIN YOUNGMAN, HAMPSHIRE COUNTY COUNCIL			
<u>CONTACT DETAILS</u>					
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#### **STATEMENT OF CONFIDENTIALITY**

N/A

#### **BRIEF SUMMARY**

The purpose of this report is to present the Solent Transport Joint Committee with the revenue budget outturn for the 2017/18 financial year and to recommend approval of the revenue budget for 2018/19.

The Joint Committee is also asked to approve the carry forward of 2017/18 unspent balances and approve partner contributions for 2018/19.

#### **RECOMMENDATIONS: That the Joint Committee**

	(i)	Notes the final outturn for the 2017/18 revenue budget.
	(ii)	Approves the carry forward of the 2017/18 balance, including proposals to ring-fence this in part to fund the next SRTM upgrade, to 2018/19.
	(iii)	Approves the partner revenue contributions for 2018/19.
	(iv)	Approves the revenue budget for 2018/19.

#### **REASONS FOR REPORT RECOMMENDATIONS**

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|----|---|
| 1. | To notify the Solent Transport Joint Committee on the final outturn against the revenue budget for 2017/18 and to propose the revenue budget for 2018/19. |
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#### **ALTERNATIVE OPTIONS CONSIDERED AND REJECTED**

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| 2. | Taking no action – rejected. |
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#### **DETAIL (Including consultation carried out)**

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| 3. | <b>Introduction</b><br>This report summarises the final outturn position for the 2017/18 revenue budget for Solent Transport. It also proposes a carry forward of the 2017/18 balance from 2017/18, and sets out the 2018/19 budget for approval. |
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#### 4. Revenue Budget 2017/18 Final Outturn

The final revenue budget position for Solent Transport is detailed in table 1 below. This shows the outturn for the end of the financial year compared to the revised budget approved by the Joint Committee in October 2017.

Table 1.

Budget Heading	Revised Budget 2017/18 £'000	Final Outturn 2017/18 £'000	Variation to budget 2017/18 £'000
<b>REVENUE</b>			
Staff	146	81	(65)
Finance Support	5	5	0
Marketing	1	2	1
Solent Go – Back Office/Admin	28	27	(1)
My Journey & Solent Go Marketing	15	1	(14)
Studies	7	14	7
Enhancement of Sub Regional Transport Model (SRTM)	0	49	49
SRTM Commissions	0	(202)	(202)
<b>Total Revenue</b>	<b>202</b>	<b>(23)</b>	<b>(225)</b>

A saving against the budget of £65,000 occurred on staffing, partially due to a vacancy. This vacancy was filled in January 2018.

A pressure of £7,000 was incurred on studies, following the approval in October for a review of the Solent Go smartcard review and work to refresh the Transport Delivery Plan.

The enhancement of the Sub Regional Transport Model (SRTM) incurred consultancy costs of £49,000. These were offset by income generation from SRTM commissions of £202,000. Commissions in 2017/18 have therefore generated a net surplus of £153,000.

Approval is sought from the Joint Committee that the £153,000 surplus from SRTM Commissions is carried forward from 2017/18 and ring fenced as a contribution towards the next SRTM upgrade due in 2021. This, along with the £63,000 carried forward in 2016/17, would mean that the total available for the next SRTM upgrade would be £216,000.

For the remaining surplus balance of £72,000, approval is sought from the Joint



Committee to carry this forward to 2018/19. This will be carried forward as revenue funding in 2018/19 to support new studies projects.

5. **Revenue budget 2018/19**

Table 2 below shows the revenue funding for 2018/19, based on the following assumptions:

- the net SRTM surplus from 2016/17 & 2017/18 of £216,000 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.

	<b>Budget 2018/19</b>
	<b>£'000</b>
<b>Revenue Funding</b>	
Core partner contributions	190
2017/18 balance brought forward	72
<b>Total Revenue Funding</b>	<b>262</b>
<b>Total Capital Funding</b>	<b>0</b>

The Joint Committee is asked to approve the partner revenue contributions for 2018/19.

6. **Revenue Budget 2018/19**

Based on a revenue budget of £262,000 the proposed allocation of the 2018/19 revenue budget is detailed below in table 3 for approval by the Joint Committee.



7.	Table 3.	
	<b>Budget Heading</b>	<b>Budget 2018/19  £'000</b>
	Staff/Finance	149
	Marketing	2
	Solent Go – Back Office/Admin	28
	My Journey & Solent Go Marketing	15
	Studies	68
	<b>Total</b>	<b>262</b>
	A separate report on the agenda provides further detail regarding the planned activities for 2018/19.	
	<b>Conclusions</b> The Joint Committee is recommended to note the final outturn for 2017/18 as a saving against the revenue budget of £225,000.  It is recommended that £153,000 of this is carried forward and ring-fenced as a contribution towards the next SRTM upgrade and the remaining £72,000 is carried forward to form part of the 2018/19 revenue budget strategy.  It is also recommended that the Joint Committee approves both the 2018/19 revenue budget plan and 2018/19 partner contributions.	
<b>RESOURCE IMPLICATIONS</b>		
<b><u>Capital/Revenue</u></b>		
8.	The proposed Solent Transport partner contributions are identified at paragraph 5 and remain the same as last year.	
<b><u>Property/Other</u></b>		
9.	N/A - no property considerations associated with this decision	
<b>LEGAL IMPLICATIONS</b>		
<b><u>Statutory power to undertake proposals in the report:</u></b>		
10.	N/A	
<b><u>Other Legal Implications:</u></b>		
11.	N/A	
<b>RISK MANAGEMENT IMPLICATIONS</b>		
12.	No tangible risks attached to this decision.	



POLICY FRAMEWORK IMPLICATIONS	
13.	N/A

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

#### **Documents In Members' Rooms**

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