



Report to Solent Transport

Date: 21 March 2017

Report by: Sue Lapham

tel: 01962 847804

email: sue.lapham@hants.gov.uk

Subject: Solent Transport Budget 2016/17 and 2017/18

Purpose of the Report

The purpose of this report is to present the Solent Transport Joint Committee with the likely revenue and capital budget outturns for the 2016/17 financial year and to recommend a provisional revenue budget for 2017/18. The Joint Committee is also asked to approve the carry forward of unspent balances from 2016/17 and approve provisional partner contributions for 2017/18.

Recommendations

That the Joint Committee:

- i) Notes the forecast outturn for the 2016/17 revenue and capital budgets.**
- ii) Approves the proposed carry forward of the anticipated unspent balance, including the proposal to ring-fence this in part to fund the next SRTM upgrade.**
- iii) Approves the provisional partner revenue contributions for 2017/18.**
- iv) Approves the provisional revenue budget for 2017/18.**

Introduction

1. This report summarises the latest budget monitoring position for the 2016/17 revenue and capital budgets for Solent Transport. It also proposes a carry forward from the revenue unspent balance from

2016/17, and sets out a provisional 2017/18 revenue budget for approval.

Revenue Budget 2016/17

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

Table 1

Budget Heading	Original Budget 2016/17 £'000	Forecast Outturn 2016/17 £'000	Variation to budget 2016/17 £'000
REVENUE			
Staff/Finance/Audit	148	143	(5)
Marketing	1	1	0
Enhancement of Sub Regional Transport Model (SRTM)	233	271	38
Solent Go	28	28	0
My Journey & Solent Go Marketing	20	20	0
PUSH Spatial Strategy	10	10	0
SRTM Commissions	0	(114)	(114)
Total Revenue	440	359	(81)

- At the June meeting of the Joint Committee it was noted that the enhancement of the Sub Regional Transport Model (SRTM) relied in part upon income generation from SRTM commissions. Confirmed commissions in 2016/17 are expected to generate a net surplus of £114,000. This surplus will enable the enhancement of the SRTM to be completed in year at a total revenue cost of £271,000, a £38,000 pressure on the original SRTM enhancement budget approved in June.
- Approval is sought from the Joint Committee that the remaining £76,000 surplus from SRTM Commissions is carried forward from 2016/17 and ring-fenced as a contribution towards the next SRTM upgrade due in 2021.
- In addition to the SRTM forecasts, an underspend of £5,000 is expected on staffing due to a G grade vacancy from January 2017. It is proposed that this underspend is carried forward to support the 2017/18 revenue budget.

Capital Budget 2016/17

6. The latest capital budget position for Solent Transport is detailed in table 2 below. This table shows the forecast outturn for the end of the financial year compared to the original budget approved by the Joint Committee in June.

Table 2

Budget Heading	Original Budget 2016/17 £'000	Forecast Outturn 2016/17 £'000	Variation to budget 2016/17 £'000
CAPITAL			
Enhancement of Sub Regional Transport Model (SRTM)	26	26	0
Total	26	26	0

7. Capital expenditure on the SRTM upgrade is expected to be in line with the original budget, funded through a £26,000 contribution from Southampton City Council.

Provisional Budget 2017/18

8. Table 3 below shows the provisional funding for 2017/18, based on the following assumptions:
- the net SRTM surplus of £76,000 in 2016/17 is carried forward and ring-fenced to fund the next SRTM upgrade
 - the £5,000 staffing underspend is carried forward to support the 2017/18 revenue budget
 - 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 3

	Proposed Budget 2017/18 £'000
Revenue Funding	
Core partner contributions	190
16/17 Balance Brought Forward	5
Total Revenue Funding	195
Total Capital Funding	0

9. The Joint Committee is asked to approve the provisional partner revenue contributions for 2017/18.
10. An update on the total revenue funding available for 2017/18 will be provided at the next Joint Committee meeting.

Revenue Budget 2017/18

11. Based on a provisional budget of £195,000 the proposed allocation of the 2017/18 revenue budget is detailed below in table 4 for approval by The Joint Committee.

Table 4

Budget Heading	Proposed Budget 2017/18 £'000
Staff – In post	95
Staff – Current vacancy	51
Finance Support	5
Marketing	1
Solent Go – Back Office/Admin	28
My Journey & Solent Go Marketing	15
Total	195

12. An update on the 2017/18 revenue budget will be provided at the next Joint Committee meeting.

Conclusions

13. The latest budget monitoring review has identified unspent balances on the 2016/17 revenue budget. It is recommended that £76,000 of this is carried forward and ring-fenced as a contribution towards the next SRTM upgrade and the remaining £5,000 is carried forward to form part of the 2017/18 revenue budget strategy.
14. The report also proposes a provisional 2017/18 revenue budget for Solent Transport, which the Joint Committee is being asked to approve. This is subject to the final position on the 2016/17 outturn and consequent carry forward.

Section 100 D - Local Government Act 1972 - background papers

The following documents disclose facts or matters on which this report, or an important part of it, is based and has been relied upon to a material extent in the preparation of this report.

NB the list excludes:

1. Published works.
2. Documents which disclose exempt or confidential information as defined in the Act.

TITLE

LOCATION

None