



Report to Solent Transport

Date: 11 October 2017

Report by: Rebecca Howard

tel: 01962 846799

email: rebecca.howard2@hants.gov.uk

Subject: Finance Update

Purpose of the Report

The purpose of this report is to notify the Solent Transport Joint Committee of the year end position for 2016/17 and to seek approval for the carry forward of underspendings to 2017/18. The Joint Committee is also asked to approve partner revenue contributions for 2017/18 alongside the revised 2017/18 revenue budget, and to note the initial revenue forecasts for 2017/18.

Recommendations

That the Joint Committee:

- (a) Notes the 2016/17 year end budget position.
- (b) Approves the carry forward of balances from 2016/17 to 2017/18.
- (c) Approves the partner revenue contributions for 2017/18.
- (d) Approves the revised 2017/18 revenue budget.
- (e) Notes the initial revenue forecast for 2017/18.

Introduction

1. This report summarises the 2016/17 year end position for Solent Transport and proposes the carry forward of underspendings to 2017/18. The report presents for approval partner revenue contributions for 2017/18 and the revised 2017/18 revenue budget. An initial revenue forecast for 2017/18 is also included.

Revenue Budget and Outturn 2016/17

2. Table 1 below summarises the final revenue outturn for 2016/17 compared to the original budget approved by the Joint Committee in June 2016.

Table 1

Budget Heading	Budget 2016/17	Outturn 2016/17	Variation to budget 2016/17
	£'000	£'000	£'000
REVENUE			
Staff/Finance/Audit	148	143	(5)
Marketing	1	1	0
Enhancement of Sub Regional Transport Model (SRTM)	233	272	39
Solent Go	28	29	1
My Journey & Solent Go marketing	20	13	(7)
PUSH Spatial Strategy	10	9	(1)
SRTM Commissions	0	(101)	(101)
Total	440	365	(75)

3. The final outturn figure at the end of 2016/17 is £365,000 against a total revenue budget of £440,000.
4. In March 2017 an anticipated underspend of £81,000 was reported to the Joint Committee. The main reasons for the £6,000 change in variance include:
- Fewer SRTM Commissions, which came in at £13,000 lower than forecast in March 2017.
 - My Journey & Solent Go Marketing. A £7,000 reimbursement fee due to Southampton City Council that was not required.
5. The Joint Committee is asked to approve the carry forward of £75,000 to 2017/18.

Capital Budget and Outturn 2016/17

6. Table 2 below summarises the final capital outturn for 2016/17 compared to the original budget approved by the Joint Committee in June 2016. The final outturn is equal to the anticipated outturn that was reported in March 2017.

Table 2

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

Funding 2017/18

7. A provisional funding statement for 2017/18 was approved by the Joint Committee in March 2017. This has been updated in Table 3 below to reflect variations in the amount brought forward from 2016/17.
8. The surplus generated in 2016/17 from SRTM Commissions, after deducting the in year pressure on the SRTM upgrade, will be ring-fenced as a contribution towards the next SRTM upgrade due in 2021. Approval for this was granted at the March 2017 meeting of the Joint Committee, hence £63,000 of the £75,000 balance brought forward from 2016/17 has been excluded from Table 3.
9. 2017/18 core partner 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
- The Joint Committee is asked to approve these contributions.

Table 3

Revenue Funding	2017/18 Budget £'000
Core Partner Contributions	190
2016/17 Balance brought forward	12
Total Revenue Funding	202

10. There is no capital funding for 2017/18.

Revenue Budget 2017/18

11. A provisional revenue budget was approved at the March 2017 meeting of the Joint Committee. This has been updated in Table 4 below to reflect the changes to funding brought forward from 2016/17.

Table 4

Budget Heading	2017/18 Budget £'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
Studies	7
Total	202

12. The only change in the budget from March 2017 relates to the £7,000 increase in the balance brought forward from 2016/17. If the revised brought forward balance is approved by the Joint Committee the additional £7,000 will be allocated to the 2017/18 Solent Transport Studies budget.
13. The Joint Committee is asked to approve the 2017/18 revenue budget as set out above.

Initial Revenue Forecast 2017/18

14. Solent Transport is expecting to underspend on core staff salaries in 2017/18 by £51,000 as the result of a vacancy. However this underspend will be offset in part by the following Atkins commissions:
- Transport Delivery Plan refresh – £15,000 Atkins commission. This is the first stage of updating the existing Solent Transport 'Transport Delivery Plan' which dates from 2012. The work will cover committed and anticipated transport schemes in the Solent over a twenty year horizon.
 - Solent Go multi-operator smartcard review - £5,000 Atkins commission. To review the existing Solent Go Smartcard and put forward options for future development, particularly in respect of extending the scheme to include rail services in partnership with the South Western Railway as part of its franchise commitments.

15. All other Solent Transport forecasts for 2017/18 are reported to be in line with the revised budget outlined in Table 4 above. An overall underspend of £31,000 is therefore expected should this budget be approved by the Joint Committee.

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