

Report to Partnership Meeting 3 June 2014

FINANCE

Revenue Budget Monitoring Report – 1 April 2013 to 31 March 2014

SUMMARY

This report sets out the final outturn revenue monitoring position for the year to 31 March 2014.

1. Current Position

- 1.1 The annual budget is as approved at the Board Meeting held on 3 February 2013, subsequently amended for the inclusion of the 2012/13 underspend of £59,294, the budget revision, approved at the August Board meeting, the inclusion of European projects, approved at the November Board meeting, and the 2013/14 portion of the Bus Investment Fund grant (£0.365m) for the East Inverness Bus Improvement Corridor project.
- 1.2 The attached summary statement shows the final outturn financial position for the year ended 31 March 2014. The figures show an underspend of £10,483, which equates to 0.7% of the total budget. The February monitoring statement, reported to the April Board meeting, predicted the overall budget to be balanced at the end of the financial year.

2. Year End Projection

- 2.1 The year to date actual figures represent the transactions for the year ended 31 March 2014 and are in line with management expectations. The audit of the annual accounts is about to commence, and the underspend is unlikely to change.
- 2.2 Board Members will note that based on the financial performance to date, the provisional outturn shows an overall underspend of £10,483.

3. Major Issues and Variances

- 3.1 Included in miscellaneous income are contributions of £7,290 and £1,500 from Highlands and Islands Enterprise and Comhairle nan Eilean Siar towards project work costs in respect of the Skye Air Service feasibility study and the Ferry Availability study respectively. Also, there is a sum of £5,271 recovering 50% of costs from Transport Scotland in respect of Theo Van Stratum's time. The remainder of the income is from 1 Architects for their share of the property costs at Inverness Airport, and recovery of travelling expenses.
- 3.2 Salary costs are underspent by £32,989. The appointment of the Active Travel Project Officer in October has resulted in an underspend as the budget was for a full year's salary costs and was set too high at the outset.

- 3.3 The underspend on salary costs has been used to offset further expenditure on both European projects, Giant Puffin and Food Port, and the Research & Strategy Development budget.
- 3.4 Costs incurred on the East Inverness Bus Improvement Corridor Project will be funded the Bus Investment Fund. Due to the grant award notification, and the close proximity to the end of the financial year, there was insufficient time to utilise the full grant allocation of £365,000 in 2013/14. However, the unspent element is available to carry forward to 2014/15.
- 3.5 The £5,000 underspend on the Sustrans grant award was committed expenditure at 31 March, therefore the grant uptake was for the full amount.
- 3.6 Members and advisers travel and subsistence and partnership/consultation meetings cumulatively are underspent by £5,843. The reduction is due to the rescheduling of meetings throughout the year.
- 3.7 Property and office administration costs are overspent by £7,430. The increased costs were incurred in the relocation of the HITRANS offices from Dalcross to Ardross Terrace in Inverness. The costs are one-off and will be met from the underspend highlighted at 3.6 above and 3.8 below.
- 3.8 Finance and administrative services comprises audit fee and charges from Councils for the provision of financial, personnel, legal and administrative services. The underspend is mainly attributed to Highland Council for the cost of financial services.
- 3.9 Current legislation in respect of Regional Transport Partnerships does not allow them to retain reserves, however there is scope to carry forward small underspends on committed expenditure but not incurred at the end of the financial year. This will allow HITRANS to meet its legal obligation of breaking even for 2013/14.

4. Recommendation

- 4.1 Board Members are asked to approve the above information as well as the attached schedule showing the final outturn revenue monitoring position for the year to 31 March 2014.

Report by: Mike Mitchell
Designation: Partnership Treasurer
Date: 30th May 2014

HITRANS - SUMMARY						
STATEMENT OF REVENUE OUTTURNS:			31ST MARCH 2014 - FINAL			
2012/2013			2013/2014			
ACTUAL	BUDGET HEADINGS	ANNUAL BUDGET		ACTUAL TO DATE		(OVER) / UNDER
	INCOME					
(£200,000)	Councils	(£200,000)		(£200,000)		£0
(£200,000)	Scottish Government - Match Funding	(£200,000)		(£200,000)		£0
(£322,750)	Scottish Government - Regional Transport Strategy	(£322,750)		(£322,750)		£0
(£23,450)	Highland Council - Conon Railway Station	£0		£0		£0
£0	Grants - Sustrans	(£100,000)		(£94,795)		(£5,205)
(£7,867)	Other Misc Income	£0		(£15,401)		£15,401
(£69)	Interest on Revenue Balances	£0		£0		£0
£0	Bus Investment Fund	(£365,000)		(£199,569)		(£165,431)
(£53,048)	Giant Puffin Project	(£71,932)		(£86,211)		£14,279
£0	Food Port Project	(£145,000)		(£194,281)		£49,281
(£20,158)	2012/13 Surplus	(£26,362)		(£26,362)		£0
(£827,342)		(£1,431,044)		(£1,339,369)		(£91,675)
	DIRECT RUNNING COSTS					
£102,491	Director	£96,000		£95,153		£847
£109,985	Partnership Managers	£118,000		£116,132		£1,868
£56,745	Office Managers	£58,000		£56,828		£1,172
£0	Active Travel Project Officer	£45,000		£15,898		£29,102
£24,268	Staff Travelling and Subsistence	£26,000		£26,732		(£732)
£4,880	Members and Advisers Travel and Subsistence	£9,000		£4,220		£4,780
£9,701	Partnership/Consultation Meetings	£12,000		£10,937		£1,063
£14,720	Office Costs - Property	£16,000		£17,918		(£1,918)
£24,110	Office Costs - Admin	£20,000		£25,512		(£5,512)
£346,900		£400,000		£369,330		£30,670
	PROGRAMME COSTS					
£9,041	Publicity	£10,000		£10,762		(£762)
£296,216	Research & Strategy Development	£236,044		£272,131		(£36,087)
£0	Active Travel - Sustrans Project Work	£100,000		£94,795		£5,205
£0	East Inverness Bus Improvement Corridor Project	£365,000		£199,569		£165,431
£25,000	Conon Railway Station Project Work	£0		£0		£0
£8,479	START Project	£0		£0		£0
£44,903	Giant Puffin Project	£60,000		£56,151		£3,849
£0	Food Port Project	£220,000		£288,562		(£68,562)
£0	Interest on Revenue Balances	£0		£153.00		(£153)
£383,639		£991,044		£922,123		£68,921
£37,509	Finance and Administrative Services	£40,000		£37,433		£2,567
£768,048	TOTAL COSTS	£1,431,044		£1,328,886		£102,158
(£59,294)	(UNDER) / OVERSPEND	£0		(£10,483)		£10,483