

Updated Financial Forecast for financial year 2020/21

Committee Strategy & Programmes

Date of meeting 28 August 2020

Date of report 10 August 2020

Report by Assistant Chief Executive

1. Object of report

To provide members with an updated forecast deficit for the current financial year, stating the assumptions made, and to advise of discussions with Transport Scotland regarding continued financial support.

2. Background

Members will be aware that the Partnership approved a balanced budget on 6 March 2020, with an update on the financial implications of the ongoing public health pandemic, provided to the Partnership on 26 June 2020. This balanced budget provided for a net revenue budget of £36.176m, funded by local authority requisitions. In developing the budget, and the Partnership subsequently agreeing, the planned income levels, mainly from subway patronage farebox and related income had been assumed in the region of £22m, with other income streams and cost recoveries totalling in the region of £6.1m.

As discussed at the Partnership meeting in June 2020, the level of income generated by the various SPT services were adversely affected on a significant scale by Covid and the government messages of essential travel only, and discussions were ongoing with Transport Scotland to assist financially. The subway and bus stations are critical components in the regional connectivity map, and as expected both locally and nationally, continued to operate all services during the lockdown period and beyond supporting the national campaign of ensuring that public transport was available for those who needed it, and importantly connecting key strategic sites including the QEUH.

The forecast deficit presented to the Partnership in June 2020 ranged between £12m and £20m dependent upon the recovery assumptions at that time.

Members are reminded that SPT raised the financial concerns as early as the end of March 2020, and following the last Partnership meeting in June 2020, the Scottish Government subsequently announced support of up to £5m covering the period of July 2020 to September 2020, on a grant based approach to cover lost Subway income only.

No support from Scottish Government for the period of April 2020 to June 2020 for any income streams is forthcoming, and as a result an immediate deficit position on that three-month period of approximately £4.5m has been created. This lack of support for the period is clearly disappointing, when compared with other commercial modes which received funding to continue operating. At the time of writing, the financial support offered is only available to the end of September 2020.

Since the announcement of up to £5m of support towards subway operations, and the subsequent lifting of some restrictions, the governments messaging has also changed to

“in order to ease demand on the transport network, we encourage you to access goods, services and activities within your local area as much as possible by walking, wheeling or cycling if you can. Please plan ahead, timing your journey to avoid busy times and please think about your need to use public transport while capacity is constrained”

This messaging clearly has implications for a return of passenger levels and the anticipated farebox during the recovery period. While the initial support was for the 12 weeks to September, SPT is continuing to press Transport Scotland for additional support beyond that period. Continued support is essential if SPT is to continue to deliver transport services to those who need them most.

3. Current Position

Clearly the need to closely monitor SPT’s financial stability is more important now than ever before. However, monitoring and managing this situation at a time of significant disruption and high level of uncertainty on passenger demands is extremely challenging. To put this into context, the level of Subway income and projections changes weekly, as close monitoring of the daily passenger numbers are analysed. Members are reminded that during closedown the level of subway patronage fell by 97% - as a result 4 weekly income levels fell from more than £1m to approximately £20,000. At the time of writing, subway patronage levels have returned to approximately 25% of the pre Covid levels.

As stated previously SPT continued to operate services during the lockdown period and beyond, and therefore the scope for material savings arising from this is limited, without reducing services for the remainder of the financial year. To put the importance of subway and SPT services into context during this difficult period even at demand of 50% subway capacity at this time of reduced public transport capacity would require approx. 750 additional buses to fulfil the demand.

A full review of all expenditure plans and budgets has been undertaken to capture any savings or delayed expenditure as a result of the change in activity during the lockdown period and the slow restart of services. This has included a recruitment freeze on vacant posts, unless no alternative in house provision or expertise is available. There is no doubt that all savings or delayed expenditure has an impact on services and this cannot be under estimated, e.g. the planned spend of £1m in support of the capital plan will undoubtedly impact on constituent councils own delivery assumptions and further work on the delivery of the capital plan is underway. Equally the temporary suspension of MyBus services has created a small underspend in the budget to date but this funding going forward will not be available to support network gaps in the bus market arising as commercial operators withdraw services. Furthermore, a critical and challenging review of tendered bus services costs has identified some savings – however members must be aware that this will undoubtedly impact on the ability to fulfil requests for subsidised supported services.

Savings identified to date need to be sustained across the remainder of the financial year if SPT is to bridge the financial gap. High level savings have been identified as follows:

○ Employee Costs	£840,000
○ Property Costs	£440,000
○ Supplies and Services	£370,000
○ Third Party Payments (including bus services)	£1,900,000
○ Contribution to Capital Plan	£1,000,000
○ TOTAL POTENTIAL REDUCED EXPENDITURE	£4,520,000

A full schedule of potential budget reductions and potential consequences is shown at Appendix 2.

Even if all the savings identified are delivered, this will be insufficient to address the forecast deficit for the remainder of the financial year

Clearly in looking at the financial deficit, a review of all income budgets have been assessed, including advertising, bus station departure charge levels, property rents and ancillary income levels. Assumptions principally around returning patronage levels and areas for reduced expenditure as shown.

The key assumptions built into this range includes:

- Patronage (Subway) – recovery of approx. £4.006m (dependent upon actual income generated) of lost patronage related income for July 2020 – September 2020 from Transport Scotland. This is consistent with the grant claim process to Transport Scotland as announced. In addition, patronage for Q3 is assumed at an average of 25% and Q4 is maximum of 40% of the pre Covid patronage levels. 40% has been utilised as this is consistent with the physical distancing capacity, assumed at this stage to be in place for the remainder of the financial year. These assumptions result in a forecast subway income deficit of £10.5m.
- Bus Departure Income – returning to 90% of normal levels by end of the financial year, reflecting bus service resumption plans and changes in the market. This assumption result in a forecast bus departure income deficit of £365,000.
- Advertising – the forecast income for the financial year was a guaranteed minimum of £1.36m, however the level of income is also closely linked commercially to the level of patronage and bus station footfall. As lockdown took effect, advertising revenue came to a halt, and while there is a limited and slow return of passenger levels it is anticipated that the advertising income will be slow to recover,
- Interest earned – at the time of budget setting an income on revenue balances of £1.4m was assumed. However again the economic impacts on this budget line and reduction of both balances and base rates has resulted in a forecast reduction of £600,000.
- Rentals – while there is some reduction in rentals received, every effort is being made to support tenants, including delaying rentals due to assist with cash flow.

At this stage, assuming the level of savings identified together with the assumption on income noted above, the anticipated forecast deficit is in the range of £7.621m to £10.5m assuming grant recovery from Transport Scotland.

An early notification has been made to Transport Scotland that additional funding supporting SPT during the recovery phase, which is likely to be for the remainder of this financial year, is required to assist with the continued operation of SPT services. These discussions are underway and again similar to Edinburgh Trams, support is being sought consistent with the need to deliver services at a time when public transport is under considerable pressure.

Members are asked to note that other Tram and light rail systems within the UK have received a second tranche of support recognising the need to keep public transport operating at this time, as has bus operators in Scotland recognising the need to support key public transport services

To put the SPT request into context, for information at Appendix 3 is a summary of financial support to other modes in Scotland.

Clearly there are a number of issues and challenges ahead which are affecting the ability to plan with any real certainty:

- How quickly patronage will return, if at all, to pre Covid levels,
- Whether any local lockdowns or second waves will occur and therefore the impact of these both on income levels and the ability to continue operating,
- How bus operators will continue to deliver services which may struggle to be commercially viable post Covid, and sustained pressure on the subsidised bus budget, and
- The impact on future years' ability to deliver services.

Given these uncertainties and the ongoing discussions with Transport Scotland it is proposed at this stage to keep all budget lines under review and present a further report to the next committee cycle with updated projections. It must be stressed again that to bridge the gap in the current year to March 2021 will require financial assistance.

A major consideration for SPT as we enter that phase will be the preparation and update of the long term financial plan, and arrangements for the 2021/2022 budget. In looking ahead at the long term financial plan and re-establishing a level of financial stability, consideration will need to be given to the funding of public transport in the widest sense, as well as the specific role and contribution from the 12 constituent councils. It is worth reminding members at this stage that following the economic crash of 2008/9, subway patronage recovered but it took a period of nearly 10 years to do so. That is the scale of the challenge at this stage – at a time when public transport will be expected to play such an important role in the economic recovery and the contribution to the de carbonisation agenda.

4. Conclusion

There is no doubt that Covid has resulted in significant financial impacts across SPT primarily as a result of vastly reduced farebox and passenger related income streams. At the time of the previous projections the journey out of lockdown and re-opening of the economy were unknown – the projections have now been updated but there still remains a significant number of uncertainties to be able to forecast with any certainty. Furthermore, discussions are continuing with Transport Scotland to secure additional funding, until the end of the current financial year. This reflects the assumption that patronage during and post Covid will be slow to recover as SPT follow the Scottish Government guidance.

5. Committee action

The Committee is recommended to consider this report and to:

- (a) note the forecast outturn at this stage and the level of expenditure required to assist with the deficit;
- (b) note that discussions continue with Transport Scotland over continued financial support for the current financial year, and
- (c) agree that an update on the projections with implications for the 2021/2022 budget are presented to a forthcoming committee.

6. Consequences

Policy consequences	<i>The impact on financial stability will undoubtedly impact on the development and delivery of policy priorities</i>
Legal consequences	<i>A balanced budget was agreed in March 2020</i>
Financial consequences	<i>As detailed in the report</i>
Personnel consequences	<i>Vacancy freeze has been implemented</i>
Equalities consequences	<i>The impact on financial stability will affect the delivery of key policy objectives</i>
Risk consequences	<i>Significant without additional funding</i>

Name Valerie Davidson
Title **Assistant Chief Executive**

Name Gordon MacLennan
Title **Chief Executive**

For further information, please contact Valerie Davidson, Assistant Chief Executive, on 0141 333 3298.



Committee Report by Division

For Year 20/21 Period 4 ending 18-Jul-2020

	Year to Date				Annual Budget			
	Actual	Budget	Variance	Variance %	Projected Outturn	Annual Budget	Variance	Variance %
Chief Executive								
Policy & Strategy Cabinet	126,022	133,222	7,200	5%	445,006	445,806	800	0%
	136,341	140,035	3,695	3%	462,621	468,621	6,000	1%
Total Chief Executive	262,363	273,257	10,894	4%	907,627	914,427	6,800	1%
Operations								
Subway	5,529,365	753,692	(4,775,674)	(634%)	14,264,323	1,351,514	(12,912,809)	(955%)
Bus Operations	4,898,062	5,035,877	137,815	3%	16,051,095	16,462,231	411,137	2%
Projects	177,557	64,335	(113,222)	(176%)	353,378	239,878	(113,500)	(47%)
Health and Safety	49,727	49,999	271	1%	167,403	167,403	-	0%
Customer Standards	175,352	175,343	(9)	(0%)	588,125	585,125	(3,000)	(1%)
Total Operations	10,830,064	6,079,246	(4,750,818)	(78%)	31,424,324	18,806,152	(12,618,172)	(67%)
Business Support								
Finance	387,729	419,829	32,100	8%	1,352,262	1,404,244	51,982	4%
Digital	303,119	337,539	34,420	10%	1,067,648	1,129,897	62,249	6%
Human Resources	94,597	86,665	(7,932)	(9%)	254,114	289,994	35,880	12%
Legal Services	67,974	79,439	11,465	14%	250,552	265,833	15,281	6%
Business Support	65,359	65,826	466	1%	220,349	220,349	-	0%
Elected Members	14,703	18,089	3,385	19%	49,788	58,788	9,000	15%
Contact Centre	126,759	146,955	20,196	14%	482,755	497,455	14,700	3%
Corporate	(35,584)	357,738	393,322	110%	1,372,206	1,166,581	(205,625)	(18%)
Total Business Support	1,024,657	1,512,078	487,421	32%	5,049,675	5,033,141	(16,533)	(0%)
Contribution to Subway Fund	3,207,104	3,207,104	-	0%	10,423,087	10,423,087	-	0%
Contribution to Capital Funded from Revenue	-	307,692	307,692	100%	-	1,000,000	1,000,000	100%
Net Total	15,324,187	11,379,378	(3,944,810)	(35%)	47,804,713	36,176,808	(11,627,905)	(32%)

Estimated Covid Support Grant Claim (July to September)

(4,006,203) - 4,006,203

Projected Deficit for 2020/21 at P4

43,798,511 36,176,808 (7,621,702)



Revenue Monitoring Report

For Year 20/21 Period 4 ending 18-Jul-2020

	Year to Date				Annual Budget				Note
	Actual	Budget	Variance	Variance %	Projected Outturn	Annual Budget	Variance	Variance %	
EXPENDITURE									
Employee Costs									
Salaries	4,942,738	5,196,770	254,032	5%	16,901,714	17,402,028	500,314	3%	1
Overtime	112,251	217,888	105,637	48%	601,840	708,136	106,296	15%	2
Other Employee Costs	1,603,398	1,729,138	125,740	7%	5,541,163	5,774,438	233,275	4%	1
Sub Total Employee Costs	6,658,388	7,143,796	485,408	7%	23,044,717	23,884,602	839,885	4%	
Property Costs									
Electricity	350,855	589,932	239,077	41%	1,679,163	1,917,280	238,117	12%	3
Repairs and Maintenance	32,747	144,000	111,253	77%	340,000	468,000	128,000	27%	4
Property Insurance	86,780	92,308	5,528	6%	300,000	300,000	-	0%	
Other Property Costs	942,988	1,115,115	172,127	15%	3,551,967	3,624,124	72,157	2%	4
Sub Total Property Costs	1,413,369	1,941,355	527,986	27%	5,871,130	6,309,405	438,275	7%	
Supplies & Services	445,874	647,769	201,895	31%	1,733,353	2,105,251	371,898	18%	5
Transport & Plant Costs	7,592	48,631	41,039	84%	110,250	158,050	47,800	30%	
Third Party Payments									
Bus Operator Payments	4,025,725	4,274,311	248,586	6%	12,756,844	13,891,510	1,134,666	8%	6
Communications	17,317	117,385	100,068	85%	280,500	381,500	101,000	26%	4
Other Third Party Payments	1,446,200	1,888,077	441,877	23%	5,459,916	6,136,251	676,334	11%	7
Sub Total Third Party Payments	5,489,242	6,279,773	790,531	13%	18,497,260	20,409,261	1,912,001	9%	
Financing Costs									
Contribution to Subway Fund	3,207,104	3,207,104	-	0%	10,423,087	10,423,087	-	0%	
Contribution to Capital Funded from Revenue	-	307,692	307,692	100%	-	1,000,000	1,000,000	100%	8
Sub Total Financing Costs	3,207,104	3,514,796	307,692	9%	10,423,087	11,423,088	1,000,000	9%	
TOTAL EXPENDITURE	17,221,569	19,576,120	2,354,551	12%	59,679,797	64,289,656	4,609,858	7%	
INCOME									
Subway Income	(530,495)	(6,335,687)	(5,805,192)	92%	(7,390,125)	(22,064,417)	(14,674,292)	67%	9
Bus Operations Income	(470,337)	(845,811)	(375,474)	44%	(1,850,282)	(2,748,886)	(898,604)	33%	10
Agency Fee Income - Councils	(419,155)	(454,475)	(35,321)	8%	(1,457,302)	(1,477,044)	(19,742)	1%	
Interest Received	(341,560)	(430,769)	(89,209)	21%	(800,000)	(1,400,000)	(600,000)	43%	11
Other Income	(135,834)	(130,000)	5,834	(4%)	(377,375)	(422,500)	(45,125)	11%	12
TOTAL INCOME	(1,897,382)	(8,196,743)	(6,299,361)	77%	(11,875,084)	(28,112,847)	(16,237,763)	58%	
Net Total	15,324,187	11,379,378	(3,944,810)	(35%)	47,804,713	36,176,808	(11,627,905)	(32%)	

Estimated Covid Support Grant Claim (July to September)

(4,006,203)	-	4,006,203
-------------	---	-----------

Projected Deficit for 2020/21 at P4

43,798,511	36,176,808	(7,621,702)
------------	------------	-------------

Notes

- Due to vacant posts in the establishment.
- Reduced outturn reflects anticipated workloads and take up of overtime by Subway employees.
- Savings in electricity anticipated in the first quarter of the financial year due to reduced Subway services.
- Outturn reflects detailed review of individual budgets and savings generated in P1 to P4.
- Outturn reflects reduction in the number of Subway tickets purchased due to reduced patronage meaning current stocks are sufficient. Also budget for COP26 no longer required in this financial year. This is partially offset by a reduction anticipated in the capitalisation of the Projects team.
- Underspend reflects projected outturn which will be reported to the next Operations Committee. It is proposed to show this underspend as a saving to assist in balancing the overall SPT budget. This savings is partially offset by reduced funding for services (£109k) included under Bus Operations income.
- Outturn incorporates projected reduced costs in respect of TSSSA for the financial year and a reduced requirement for agency staff to support the Subway infrastructure activities in first quarter of the financial year. Also reduced expenditure anticipated for legal fees and feasibility studies and other areas.
- Due to the current capital position and projected outturn a draw from revenue to fund capital is not required in 2020/21.
- Outturn reflects substantial reduction in patronage due to Covid-19 and includes a prudent estimate of income for the financial year. Also incorporates significant reductions in advertising and zonedcard income. This projection is based on information known at P4 and excludes the projected claim to TS for the COVID support grant for the period July to September.
- Significant income reductions forecast in the areas of departure charges, Buchanan Bus Station facilities and advertising due to Covid-19. This projection is based on information known at P4. It also includes reduced funding for bus services due to the conclusion of previously fully funded contract (see note 6)
- Interest received forecast reduced due to recent reduction in interest rates.
- Incorporates a projected reduction in corporate rental income.



Committee Report by Directorate - Policy & Strategy

For Year 20/21 Period 4 ending 18-Jul-2020

	Year to Date				Annual Budget				Note
	Actual	Budget	Variance	Variance %	Projected Outturn	Annual Budget	Variance	Variance %	
EXPENDITURE									
Employee Costs									
Salaries	96,597	99,744	3,147	3%	334,005	334,005	-	0%	
Other Employee Costs	29,425	30,401	976	3%	101,801	101,801	-	0%	
Sub Total Employee Costs	126,022	130,145	4,123	3%	435,806	435,806	-	0%	
Supplies & Services	-	308	308	100%	700	1,000	300	30%	1
Transport & Plant Costs	-	462	462	100%	1,000	1,500	500	33%	1
Third Party Payments									
Communications	-	2,308	2,308	100%	7,500	7,500	-	0%	
Sub Total Third Party Payments	-	2,308	2,308	100%	7,500	7,500	-	0%	
TOTAL EXPENDITURE	126,022	133,222	7,200	5%	445,006	445,806	800	0%	
Net Total	126,022	133,222	7,200	5%	445,006	445,806	800	0%	

Notes

1. Reduced outturn assumes savings made in P1 to P4 are utilised to offset reduced income within the budget.



Committee Report by Directorate - Cabinet

For Year 20/21 Period 4 ending 18-Jul-2020

	Year to Date				Annual Budget				Note
	Actual	Budget	Variance	Variance %	Projected Outturn	Annual Budget	Variance	Variance %	
EXPENDITURE									
Employee Costs									
Salaries	103,520	103,968	448	0%	348,149	348,149	-	0%	
Other Employee Costs	32,809	32,990	182	1%	110,472	110,472	-	0%	
Sub Total Employee Costs	136,328	136,958	630	0%	458,621	458,621	-	0%	
Supplies & Services	5	1,538	1,533	100%	2,000	5,000	3,000	60%	1
Transport & Plant Costs	7	1,538	1,532	100%	2,000	5,000	3,000	60%	1
TOTAL EXPENDITURE	136,341	140,035	3,695	3%	462,621	468,621	6,000	1%	
Net Total	136,341	140,035	3,695	3%	462,621	468,621	6,000	1%	

Notes

1. Reduced outturn assumes savings made in P1 to P4 are utilised to offset reduced income within the budget.



Committee Report by Directorate - Subway

For Year 20/21 Period 4 ending 18-Jul-2020

	Year to Date				Annual Budget				Note
	Actual	Budget	Variance	Variance %	Projected Outturn	Annual Budget	Variance	Variance %	
EXPENDITURE									
Employee Costs									
Salaries	2,755,025	2,930,148	175,123	6%	9,452,320	9,811,965	359,645	4%	1
Overtime	109,382	195,426	86,044	44%	543,040	635,136	92,096	15%	2
Other Employee Costs	802,558	876,734	74,176	8%	2,755,942	2,935,852	179,910	6%	1
Sub Total Employee Costs	3,666,965	4,002,309	335,344	8%	12,751,302	13,382,953	631,651	5%	
Property Costs									
Electricity	294,638	512,066	217,428	42%	1,449,213	1,664,213	215,000	13%	3
Property Insurance	82,324	84,615	2,291	3%	275,000	275,000	-	0%	
Other Property Costs	528,721	633,593	104,873	17%	2,035,679	2,059,179	23,500	1%	4
Sub Total Property Costs	905,683	1,230,274	324,591	26%	3,759,892	3,998,392	238,500	6%	
Supplies & Services	491,305	628,604	137,299	22%	1,694,265	2,042,962	348,697	17%	5
Transport & Plant Costs	(476)	13,846	14,322	103%	26,800	45,000	18,200	40%	6
Third Party Payments									
Bus Operator Payments	5,875	6,154	279	5%	20,000	20,000	-	0%	
Other Third Party Payments	990,508	1,208,192	217,684	18%	3,402,190	3,926,624	524,435	13%	7
Sub Total Third Party Payments	996,383	1,214,346	217,963	18%	3,422,189	3,946,624	524,435	13%	
TOTAL EXPENDITURE	6,059,861	7,089,379	1,029,518	15%	21,654,448	23,415,931	1,761,483	8%	
INCOME									
Subway Income	(530,495)	(6,335,687)	(5,805,192)	92%	(7,390,125)	(22,064,417)	(14,674,292)	67%	8
TOTAL INCOME	(530,495)	(6,335,687)	(5,805,192)	92%	(7,390,125)	(22,064,417)	(14,674,292)	67%	
Net Total	5,529,365	753,692	(4,775,674)	(634%)	14,264,323	1,351,514	(12,912,809)	(955%)	

Notes

1. Due to vacant posts in the establishment. Incorporates a general freeze on recruiting vacant post until after Christmas.
2. Reduced outturn reflects anticipated workloads and take up of overtime by Subway employees.
3. Savings in electricity in P1 to P4 of the financial year due to reduced Subway services and reduced consumption across Subway stations.
4. Current position due to reduced work activity in the first three periods of the financial year due to COVID-19 restrictions. However outturn incorporates potential for increased cleaning costs.
5. Outturn reflects detailed review of individual budgets and savings generated in P1 to P4. The most significant projected reduction is in relation to Subway ticket costs.
6. Outturn reflects detailed review of individual budgets and savings generated in P1 to P4.
7. Savings anticipated on TSSSA costs for the current financial year (£420k from £876k) and also reduced requirement for agency staff to support the Subway infrastructure activities in first quarter of the financial year.
8. Outturn reflects substantial reduction in patronage due to Covid-19 and includes a prudent estimate of income for the financial year. Also incorporates significant reductions in advertising and zonecard income.
This projection is based on information known at P4 and excludes the projected claim to TS for the COVID support grant for the period July to September.



Committee Report by Directorate - Bus Operations

For Year 20/21 Period 4 ending 18-Jul-2020

	Year to Date				Annual Budget				Note
	Actual	Budget	Variance	Variance %	Projected Outturn	Annual Budget	Variance	Variance %	
EXPENDITURE									
Employee Costs									
Salaries	733,518	750,649	17,132	2%	2,513,642	2,513,642	-	0%	1
Overtime	396	15,538	15,143	97%	37,700	50,500	12,800	25%	
Other Employee Costs	208,924	219,005	10,080	5%	733,364	733,364	-	0%	
Sub Total Employee Costs	942,838	985,192	42,355	4%	3,284,706	3,297,506	12,800	0%	
Property Costs									
Electricity	40,737	64,836	24,099	37%	187,600	210,717	23,117	11%	2
Repairs and Maintenance	31,621	130,154	98,533	76%	308,000	423,000	115,000	27%	
Property Insurance	4,072	4,615	544	12%	15,000	15,000	-	0%	
Other Property Costs	315,942	367,349	51,407	14%	1,198,227	1,193,885	(4,342)	(0%)	
Sub Total Property Costs	392,371	566,954	174,584	31%	1,708,827	1,842,602	133,775	7%	
Supplies & Services	(178)	20,123	20,301	101%	54,900	65,400	10,500	16%	2
Transport & Plant Costs	7,283	25,108	17,825	71%	63,600	81,600	18,000	22%	2
Third Party Payments									
Bus Operator Payments	4,019,850	4,268,157	248,307	6%	12,736,844	13,871,510	1,134,666	8%	3
Communications	-	1,231	1,231	100%	4,000	4,000	-	0%	
Other Third Party Payments	54,005	68,769	14,764	21%	223,500	223,500	-	0%	
Sub Total Third Party Payments	4,073,855	4,338,157	264,302	6%	12,964,344	14,099,010	1,134,666	8%	
TOTAL EXPENDITURE	5,416,168	5,935,534	519,366	9%	18,076,377	19,386,117	1,309,741	7%	
INCOME									
Bus Operations Income	(470,337)	(845,811)	(375,474)	44%	(1,850,282)	(2,748,886)	(898,604)	33%	4
Agency Fee Income - Councils	(47,769)	(53,846)	(6,077)	11%	(175,000)	(175,000)	-	0%	
TOTAL INCOME	(518,106)	(899,657)	(381,551)	42%	(2,025,282)	(2,923,886)	(898,604)	31%	
Net Total	4,898,062	5,035,877	137,815	3%	16,051,095	16,462,231	411,137	2%	

Notes

1. Reduced outturn reflects anticipated workloads and take up of overtime by Bus Operations employees.
2. Outturn reflects detailed review of individual budgets and savings generated in P1 to P4.
3. Underspend reflects projected outturn which will be reported to the next Operations Committee. It is proposed to show this underspend as a saving to assist in balancing the overall SPT budget. This savings is partially offset by reduced funding for services (£109k) included under Bus Operations income.
4. Significant income reductions forecast in the areas of departure charges, Buchanan Bus Station facilities and advertising due to Covid-19. This projection is based on information known at P4. It also includes reduced funding for bus services due the conclusion of previously fully funded contract (see note 3)



Committee Report by Directorate - Projects

For Year 20/21 Period 4 ending 18-Jul-2020

	Year to Date				Annual Budget				Note
	Actual	Budget	Variance	Variance %	Projected Outturn	Annual Budget	Variance	Variance %	
EXPENDITURE									
Employee Costs									
Salaries	236,197	239,010	2,812	1%	800,353	800,353	-	0%	
Other Employee Costs	72,483	73,172	688	1%	245,025	245,025	-	0%	
Sub Total Employee Costs	308,680	312,181	3,501	1%	1,045,378	1,045,378	-	0%	
Supplies & Services	(131,173)	(250,461)	(119,289)	48%	(697,000)	(814,000)	(117,000)	14%	1
Transport & Plant Costs	49	2,615	2,566	98%	5,000	8,500	3,500	41%	
TOTAL EXPENDITURE	177,557	64,335	(113,222)	(176%)	353,378	239,878	(113,500)	(47%)	
Net Total	177,557	64,335	(113,222)	(176%)	353,378	239,878	(113,500)	(47%)	

Notes

1. Outturn reduced as the budgeted level of capitalisation is unlikely to be achieved in the current financial year.



Committee Report by Directorate - Health and Safety

For Year 20/21 Period 4 ending 18-Jul-2020

EXPENDITURE

Employee Costs

Salaries

Other Employee Costs

Sub Total Employee Costs

Supplies & Services

Transport & Plant Costs

TOTAL EXPENDITURE

Net Total

	Year to Date			
	Actual	Budget	Variance	Variance %
Salaries	38,196	38,196	0	0%
Other Employee Costs	11,531	11,557	25	0%
Sub Total Employee Costs	49,727	49,753	25	0%
Supplies & Services	-	185	185	100%
Transport & Plant Costs	-	62	62	100%
TOTAL EXPENDITURE	49,727	49,999	271	1%
Net Total	49,727	49,999	271	1%

	Annual Budget			
	Projected Outturn	Annual Budget	Variance	Variance %
Salaries	127,904	127,904	-	0%
Other Employee Costs	38,699	38,699	-	0%
Sub Total Employee Costs	166,603	166,603	-	0%
Supplies & Services	600	600	-	0%
Transport & Plant Costs	200	200	-	0%
TOTAL EXPENDITURE	167,403	167,403	-	0%
Net Total	167,403	167,403	-	0%



Committee Report by Directorate - Customer Standards

For Year 20/21 Period 4 ending 18-Jul-2020

	Year to Date				Annual Budget				Note
	Actual	Budget	Variance	Variance %	Projected Outturn	Annual Budget	Variance	Variance %	
EXPENDITURE									
Employee Costs									
Salaries	119,305	119,163	(142)	(0%)	399,031	399,031	-	0%	
Overtime	1,779	4,615	2,836	61%	15,000	15,000	-	0%	
Other Employee Costs	35,123	35,565	442	1%	119,094	119,094	-	0%	
Sub Total Employee Costs	156,207	159,343	3,136	2%	533,125	533,125	-	0%	
Supplies & Services	19,118	15,692	(3,426)	(22%)	54,000	51,000	(3,000)	(6%)	1
Transport & Plant Costs	27	308	281	91%	1,000	1,000	-	0%	
TOTAL EXPENDITURE	175,352	175,343	(9)	(0%)	588,125	585,125	(3,000)	(1%)	
Net Total	175,352	175,343	(9)	(0%)	588,125	585,125	(3,000)	(1%)	

Notes

1. Outturn reflects detailed review of individual budgets and includes an increase in costs associated with PPE.



Committee Report by Directorate - Finance

For Year 20/21 Period 4 ending 18-Jul-2020

	Year to Date				Annual Budget				Note
	Actual	Budget	Variance	Variance %	Projected Outturn	Annual Budget	Variance	Variance %	
EXPENDITURE									
Employee Costs									
Salaries	293,003	312,148	19,145	6%	1,012,598	1,045,267	32,669	3%	1
Other Employee Costs	85,867	91,404	5,537	6%	296,864	306,077	9,213	3%	1
Sub Total Employee Costs	378,870	403,552	24,682	6%	1,309,462	1,351,344	41,882	3%	
Supplies & Services	-	9,846	9,846	100%	22,100	32,000	9,900	31%	2
Transport & Plant Costs	-	277	277	100%	700	900	200	22%	2
Third Party Payments									
Other Third Party Payments	8,859	6,154	(2,705)	(44%)	20,000	20,000	-	0%	
Sub Total Third Party Payments	8,859	6,154	(2,705)	(44%)	20,000	20,000	-	0%	
TOTAL EXPENDITURE	387,729	419,829	32,100	8%	1,352,262	1,404,244	51,982	4%	
Net Total	387,729	419,829	32,100	8%	1,352,262	1,404,244	51,982	4%	

Notes

1. Due to vacant posts in the establishment.
2. Outturn reflects detailed review of individual budgets and savings generated in P1 to P4.



Committee Report by Directorate - Digital

For Year 20/21 Period 4 ending 18-Jul-2020

	Year to Date				Annual Budget				Note
	Actual	Budget	Variance	Variance %	Projected Outturn	Annual Budget	Variance	Variance %	
EXPENDITURE									
Employee Costs									
Salaries	235,237	256,325	21,087	8%	811,894	858,336	46,442	5%	1
Overtime	615	923	309	33%	3,000	3,000	-	0%	
Other Employee Costs	66,850	77,214	10,365	13%	244,954	258,561	13,607	5%	1
Sub Total Employee Costs	302,702	334,462	31,761	9%	1,059,848	1,119,897	60,049	5%	
Supplies & Services	418	1,231	813	66%	3,500	4,000	500	13%	
Transport & Plant Costs	-	1,846	1,846	100%	4,300	6,000	1,700	28%	
TOTAL EXPENDITURE	303,119	337,539	34,420	10%	1,067,648	1,129,897	62,249	6%	
Net Total	303,119	337,539	34,420	10%	1,067,648	1,129,897	62,249	6%	

Notes

1. Due to vacant posts in the establishment.
2. Outturn reflects detailed review of individual budgets and savings generated in P1 to P4.



Committee Report by Directorate - Human Resources

For Year 20/21 Period 4 ending 18-Jul-2020

EXPENDITURE

Employee Costs

Salaries
Other Employee Costs

Sub Total Employee Costs

Supplies & Services

TOTAL EXPENDITURE

Net Total

	Year to Date				Annual Budget				Note
	Actual	Budget	Variance	Variance %	Projected Outturn	Annual Budget	Variance	Variance %	
Salaries	59,554	65,112	5,558	9%	190,285	218,036	27,751	13%	1
Other Employee Costs	17,742	19,399	1,657	9%	56,829	64,959	8,130	13%	1
Sub Total Employee Costs	77,296	84,511	7,215	9%	247,114	282,994	35,880	13%	
Supplies & Services	2,801	2,154	(647)	(30%)	7,000	7,000	-	0%	
TOTAL EXPENDITURE	80,097	86,665	6,568	8%	254,114	289,994	35,880	12%	
Net Total	80,097	86,665	6,568	8%	254,114	289,994	35,880	12%	

Notes

1. An employee has been transferred to the Subway establishment.



Committee Report by Directorate - Legal Services

For Year 20/21 Period 4 ending 18-Jul-2020

	Year to Date				Annual Budget				Note
	Actual	Budget	Variance	Variance %	Projected Outturn	Annual Budget	Variance	Variance %	
EXPENDITURE									
Employee Costs									
Salaries	51,542	60,245	8,702	14%	188,787	201,737	12,950	6%	1
Other Employee Costs	15,546	18,317	2,771	15%	58,315	61,246	2,931	5%	1
Sub Total Employee Costs	67,088	78,562	11,473	15%	247,102	262,983	15,881	6%	
Supplies & Services	383	615	232	38%	2,000	2,000	-	0%	
Transport & Plant Costs	-	262	262	100%	850	850	-	0%	
Third Party Payments									
Other Third Party Payments	502	-	(502)		600	-	(600)		2
Sub Total Third Party Payments	502	-	(502)		600	-	(600)		
TOTAL EXPENDITURE	67,974	79,439	11,465	14%	250,552	265,833	15,281	6%	
Net Total	67,974	79,439	11,465	14%	250,552	265,833	15,281	6%	

Notes

1. Due to a vacant post in the establishment.
2. Costs associated with temporary admin/mail room resource.



Committee Report by Directorate - Business Support

For Year 20/21 Period 4 ending 18-Jul-2020

EXPENDITURE

Employee Costs

Salaries

Other Employee Costs

Sub Total Employee Costs

Supplies & Services

Transport & Plant Costs

TOTAL EXPENDITURE

Net Total

	Year to Date			
	Actual	Budget	Variance	Variance %
Salaries	49,708	49,708	(0)	(0%)
Other Employee Costs	15,323	15,348	25	0%
Sub Total Employee Costs	65,031	65,056	25	0%
Supplies & Services	328	615	287	47%
Transport & Plant Costs	-	154	154	100%
TOTAL EXPENDITURE	65,359	65,826	466	1%
Net Total	65,359	65,826	466	1%

	Annual Budget			
	Projected Outturn	Annual Budget	Variance	Variance %
Salaries	166,454	166,454	-	0%
Other Employee Costs	51,395	51,395	-	0%
Sub Total Employee Costs	217,849	217,849	-	0%
Supplies & Services	2,000	2,000	-	0%
Transport & Plant Costs	500	500	-	0%
TOTAL EXPENDITURE	220,349	220,349	-	0%
Net Total	220,349	220,349	-	0%



Committee Report by Directorate - Elected Members

For Year 20/21 Period 4 ending 18-Jul-2020

	Year to Date				Annual Budget				Note
	Actual	Budget	Variance	Variance %	Projected Outturn	Annual Budget	Variance	Variance %	
EXPENDITURE									
Supplies & Services	14,001	15,473	1,472	10%	46,288	50,288	4,000	8%	1
Transport & Plant Costs	702	1,385	683	49%	2,500	4,500	2,000	44%	1
Third Party Payments									
Other Third Party Payments	-	1,231	1,231	100%	1,000	4,000	3,000	75%	1
Sub Total Third Party Payments	-	1,231	1,231	100%	1,000	4,000	3,000	75%	
TOTAL EXPENDITURE	14,703	18,089	3,385	19%	49,788	58,788	9,000	15%	
Net Total	14,703	18,089	3,385	19%	49,788	58,788	9,000	15%	

Notes

1. Outturn reflects detailed review of individual budgets and savings generated in P1 to P4.



Committee Report by Directorate - Contact Centre

For Year 20/21 Period 4 ending 18-Jul-2020

	Year to Date				Annual Budget				Notes
	Actual	Budget	Variance	Variance %	Projected Outturn	Annual Budget	Variance	Variance %	
EXPENDITURE									
Employee Costs									
Salaries	146,528	158,937	12,410	8%	511,363	532,221	20,858	4%	1
Overtime	79	1,385	1,305	94%	3,100	4,500	1,400	31%	2
Other Employee Costs	38,842	42,339	3,497	8%	136,294	141,778	5,484	4%	1
Sub Total Employee Costs	185,449	202,661	17,212	8%	650,757	678,499	27,742	4%	
Supplies & Services	17,972	22,000	4,028	18%	77,500	71,500	(6,000)	(8%)	3
Transport & Plant Costs	-	769	769	100%	1,800	2,500	700	28%	2
Third Party Payments									
Other Third Party Payments	1,686	14,462	12,775	88%	45,000	47,000	2,000	4%	2
Sub Total Third Party Payments	1,686	14,462	12,775	88%	45,000	47,000	2,000	4%	
TOTAL EXPENDITURE	205,107	239,892	34,785	15%	775,057	799,499	24,442	3%	
INCOME									
Agency Fee Income - Councils	(68,348)	(92,937)	(24,589)	26%	(282,302)	(302,044)	(19,742)	7%	4
Other Income	(10,000)	-	10,000		(10,000)	-	10,000		5
TOTAL INCOME	(78,348)	(92,937)	(14,589)	16%	(292,302)	(302,044)	(9,742)	3%	
Net Total	126,759	146,955	20,196	14%	482,755	497,455	14,700	3%	

Notes

1. Due to vacant post in the establishment.
2. Outturn reflects detailed review of individual budgets and savings generated in P1 to P4.
3. Outturn reflects detailed review of individual budgets.
4. Reductions in TCU costs detailed above are offset equally by a reduction in the recovery from Concessionary Travel Scheme
5. Funding received in respect of external work undertaken for Glasgow City Council.



Committee Report by Directorate - Corporate

For Year 20/21 Period 4 ending 18-Jul-2020

	Year to Date				Annual Budget				Note
	Actual	Budget	Variance	Variance %	Projected Outturn	Annual Budget	Variance	Variance %	
EXPENDITURE									
Employee Costs									
Salaries	24,808	13,417	(11,391)	(85%)	44,929	44,929	-	0%	
Other Employee Costs	170,376	185,694	15,318	8%	592,115	606,115	14,000	2%	1
Sub Total Employee Costs	195,183	199,111	3,927	2%	637,044	651,043	14,000	2%	
Property Costs									
Electricity	15,480	13,031	(2,449)	(19%)	42,350	42,350	-	0%	
Repairs and Maintenance	1,126	13,846	12,720	92%	32,000	45,000	13,000	29%	1
Property Insurance	384	3,077	2,693	88%	10,000	10,000	-	0%	
Other Property Costs	98,325	114,173	15,847	14%	318,061	371,061	53,000	14%	1
Sub Total Property Costs	115,316	144,126	28,811	20%	402,411	468,411	66,000	14%	
Supplies & Services	30,893	179,846	148,953	83%	463,500	584,500	121,000	21%	2
Third Party Payments									
Communications	8,817	113,846	105,030	92%	276,500	370,000	93,500	25%	3
Other Third Party Payments	399,139	589,270	190,131	32%	1,760,127	1,915,127	155,000	8%	4
Sub Total Third Party Payments	407,956	703,116	295,160	42%	2,036,627	2,285,127	248,500	11%	
Financing Costs									
Contribution to Subway Fund	3,207,104	3,207,104	-	0%	10,423,087	10,423,087	-	0%	
Contribution to Capital Funded from Revenue	-	307,692	307,692	100%	-	1,000,000	1,000,000	100%	5
Sub Total Financing Costs	3,207,104	3,514,796	307,692	9%	10,423,087	11,423,088	1,000,000	9%	
TOTAL EXPENDITURE	3,956,452	4,740,996	784,544	17%	13,962,669	15,412,169	1,449,500	9%	
INCOME									
Agency Fee Income - Councils	(303,038)	(307,692)	(4,654)	2%	(1,000,000)	(1,000,000)	-	0%	
Interest Received	(341,560)	(430,769)	(89,209)	21%	(800,000)	(1,400,000)	(600,000)	43%	6
Other Income	(125,834)	(130,000)	(4,166)	3%	(367,375)	(422,500)	(55,125)	13%	7
TOTAL INCOME	(770,432)	(868,462)	(98,029)	11%	(2,167,375)	(2,822,500)	(655,125)	23%	
Net Total	3,186,020	3,872,534	686,514	18%	11,795,294	12,589,669	794,375	6%	

Notes

1. Outturn reflects detailed review of individual budgets and savings generated in P1 to P4.
2. Outturn reflects detailed review of individual budgets and savings generated in P1 to P4. Includes savings in training costs and supplies.
3. Outturn reflects detailed review of individual budgets and savings generated in P1 to P4. Includes savings across all areas of external communication expenditure.
4. Outturn reflects detailed review of individual budgets and savings generated in P1 to P4. Includes savings in feasibility studies, consultant fee and legal fees.
5. Due to the current capital position and projected outturn a draw from revenue to fund capital is not required in 2020/21.
6. Interest received forecast reduced due to recent reduction in interest rates.
7. Incorporates a projected reduction in corporate rental income.

Potential Budget Revisions and Impact

1. Employee Costs	£840,000	Vacancy freeze unless technical expertise not available in house. Potential impact on service delivery. Some posts are technical expertise.
2. Property Costs	£440,000	Some savings due to reduced utility supplies, and general repairs. Additional costs for extra cleaning.
3. Supplies/Services	£340,000	Delayed expenditure due to reduced ticket sales and postponement of COP26 into financial year 2021/2022.
4. Third Party Payments	£1,900,000	Significant reduction in subsidised bus costs – SPT financially unable to fill gaps created in the network. Delayed TSSSA costs and third party costs
5. Contribution to Capital	£1,000,000	Likely to be delayed expenditure due to Covid-19 interrupting project allocation.
TOTAL	£4,520,000	

Payments to Transport Operators during Covid-19 – April to November 2020

BUS

Continued payment of NCTS and BSOG: Annual total £260m, pro-rata for April-November: £173m

Bus service enhancement grant June-August: £46.7m

Bus service enhancement grant August-November: £63m

Total: £282.7m

RAIL

Additional Covid-19 support to ScotRail from Transport Scotland for 6month period to September 2020: **£250m**

FERRIES

To the best of our knowledge, no confirmed figure. Cabinet Secretary wrote to UK Government in April 2020 requesting urgent support for passenger ferries and freight operators.

EDINBURGH TRAMS

Transport Scotland support of **up to £4m** for July to September 2020

SUBWAY

Transport Scotland support of **up to £5m** for July to September 2020

Note:

Figures do not include payments from RTPs and local authorities (for supported bus services, school transport, others), "furlough" and other business support Covid-19 grants / loans from UK Government, Strathclyde Concessionary Travel Scheme payments, the Transport Scotland £10m Bus Priority Rapid Deployment Fund for local authorities, £30m Spaces for People active travel funding, and any additional funding for school transport from Scottish Government