

Updated Financial Forecast for financial year 2020/21 as at the end of Period 10

Committee Strategy & Programmes

Date of meeting 19 February 2021

Date of report 3 February 2021

Report by Assistant Chief Executive

1. Object of report

To provide members with an updated financial forecast for the current financial year, stating the assumptions made regarding expenditure and income levels, including the income loss grant from Transport Scotland and to advise of ongoing discussions with Transport Scotland regarding continued financial support.

2. Background

Members are reminded of the financial reporting presented to the Strategy & Programmes Committee of 20 November 2020 ([click here to view report](#)) and subsequent discussion and actions arising from the Partnership meeting of 11 December 2020.

In summary, the Updated Financial Forecast report presented at that time projected a forecast deficit of circa £4.7m, assuming that SPT utilised approximately £7.5m of income loss grant via Transport Scotland, and assumed that expenditure savings of approximately £6m across all services could be delivered.

As reported previously, no support from Scottish Government for the period of April 2020 to June 2020 for any income streams has been forthcoming, and this remains the case. Dialogue between senior officials continues on a weekly basis with Transport Scotland covering operational and financial issues during the continued public health crisis.

Further income loss support grant for the period January to March has now been confirmed by Transport Scotland relating to subway passenger income only and as a result, the level of support for the nine-month period of July 2020 to March 2021 is capped at £12.2m. This level of support reflects the patronage levels provided to Transport Scotland in early December which were forecast prior to the introduction of the current lockdown restrictions announced on 4 January 2021. Members are advised that patronage prior to this lockdown while the Glasgow area was under level 4 restrictions was c.25% of pre Covid levels, although this has subsequently reduced to c.12% following the governments announcements to only make essential journeys during the current lockdown.

The current lockdown came into force on 5 January 2021. The clear message is to stay at home as much as possible and avoid unnecessary travel. Under these restrictions Scottish Government guidance states:

“At present, unless you live in certain island communities:

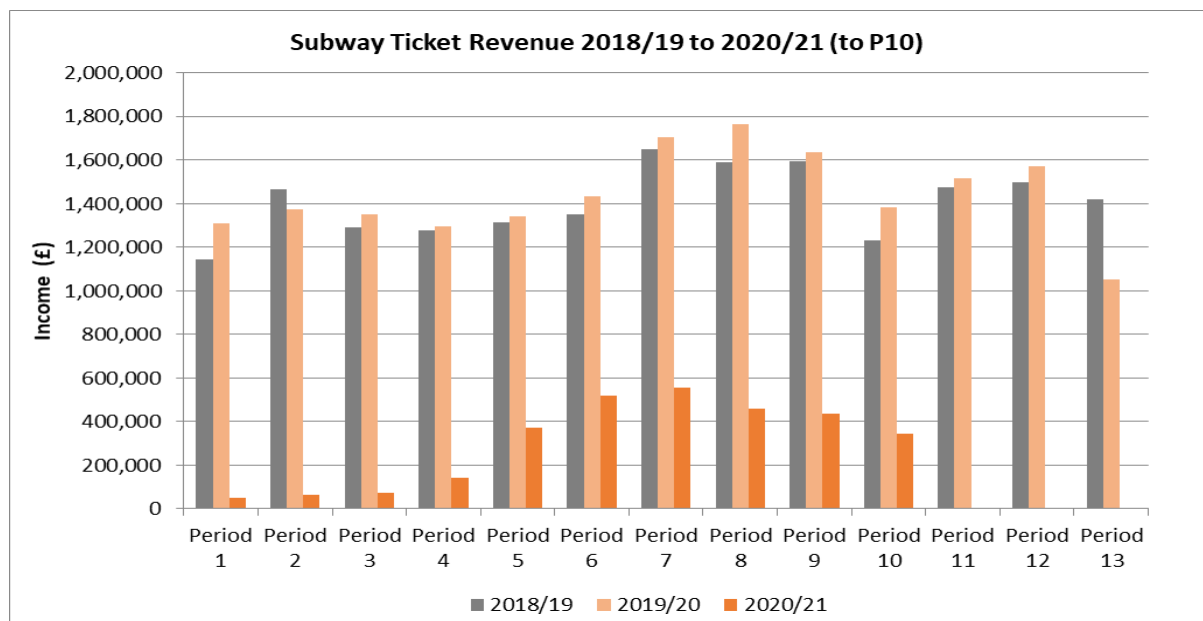
- you must, by law, stay at home unless you have a reasonable excuse*
- if you have to travel for essential purposes, you should follow the guidance on travelling safely*
- you should also keep journeys within the area to an absolute minimum..”*

These new restrictions clearly have impacted upon passenger levels and the anticipated farebox for the remainder of the financial year. While support for July to March has been confirmed, SPT is continuing to highlight to Transport Scotland that additional support for the current financial year of up to £12.2m was based on projected passenger numbers of 25% to 30% of pre Covid levels for the remainder of the financial year. Subsequent changes to restrictions have reduced projected passenger numbers, and it is likely that this cap will be breached.

Beyond this financial year, given the roadmap out of the current restrictions does not have a clear timeline at present, SPT is continuing to press Transport Scotland for additional support into the financial year 2021/22. Continued support is essential if SPT is to continue to deliver a range of transport services, including bus and subway 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 March to June the level of subway patronage fell by 97% - as a result 4 weekly income levels fell from more than £1m to approximately £50,000. While patronage levels have increased after the first lockdown, the highest patronage levels achieved was 35% of pre Covid levels in September and October. Since then patronage numbers have been declining as a result of the new five-level regional restrictions which became effective in November and then lockdown restrictions from January onwards. Until such time as restrictions are eased it is unlikely that patronage levels will get above 12%, and this is now the working assumption for the remainder of the financial year. The graph below highlights the impact on Subway income in 2020/21 in comparison to the last two financial years:



As stated previously, SPT continued to operate services during the lockdown period and will continue to do so, and therefore the scope for material savings arising from this is limited, without reducing services for the remainder of the financial year and beyond. To put the importance of subway and SPT services into context during this difficult period, even at demand of 12% subway capacity at a time of reduced public transport capacity would require approximately 240 additional buses to fulfil the demand.

A full review of all expenditure plans and budgets across SPT has been undertaken to capture any savings or delayed expenditure as a result of the change in activity throughout the financial year and managers have also been challenged to review budgets to achieve in year savings. 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. Significant work since March has been undertaken to shape the provision of SPT bus services including the support of strategic routes as these are a key element in the regional network. Not only has SPT maintained essential services during a time of vastly reduced commercial operations, but has reallocated resources to ensure that strategic gaps are filled. SPT has recognised the reduced demand for MyBus services and has shaped the provision accordingly, with re-directed capacity being used to support local services. Most recently, MyBus services are being utilised to support the Covid vaccination programme where possible. A significant risk, however, remains ahead in the near term in the event that commercial operators withdraw services if government support is reduced or stopped when the emergency funding packages come to an end. Clearly this is a concern as we move into 2021/22.

Work is continuing to drive and deliver on the potential savings previously identified and reported to committee. As we move into the final few periods of the financial year these need to be sustained and current projections based on the position at Period 10 suggest that these are on track. It is crucial that these savings are achieved if SPT is to minimise the financial gap. However, as members would anticipate, the drive for these savings is impacting at a number of levels with a number of vacancies being held back, and as reported to the Operations Committee, a reduction on the expenditure on local bus services, MyBus and third party suppliers were possible. The savings estimates also anticipate that the contribution of £1m to support the capital plan from the revenue budget will not be utilised.

A full schedule of potential budget reductions and potential consequences is shown at Appendix 1. Even if all the savings identified are delivered, this will be insufficient to address the forecast deficit for the remainder of the financial year. However, the deficit has reduced from what was reported to members at the November committee as a result of further savings identified and additional income loss support from Transport Scotland.

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 future patronage levels and areas for reduced expenditure are as shown.

The key assumptions built into this range includes:

- Patronage (Subway) – recovery of maximum Transport Scotland grant of £12.2m (dependent upon actual income generated) of lost patronage related income for July 2020 – March 2021. This is consistent with the grant claim process to Transport Scotland as announced. Initial projections of lost income for the Subway up until March 2021 indicate that maximum grant allocation of £12.2m will not be enough to

cover the lost income for the period July 2020 to March 2021 by approximately £415,000. Further discussions with Transport Scotland are continuing concerning this shortfall and support for the period to March and beyond. In addition, patronage for the last quarter of the financial year is assumed at an average of 12% of pre-Covid levels based on current lockdown restrictions which apply at the time of writing. These assumptions result in a forecast subway income deficit of £17.6m which is partially offset by the loss of income grant of £12.2m.

- Bus Departure Charge Income – assumed bus departures returning to 90% of normal levels by end of the financial year (at 91% in the period to 2 January 2021), reflecting continued grant support from Transport Scotland to maintain service levels until March and also changes in the market. However, if financial support to bus operators from Transport Scotland reduces or ceases beyond March then this could have a negative impact on the number of services and departures from bus stations. These assumptions result in a forecast bus departure income deficit of £422,000.
- 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 was a limited and slow return of passenger levels, that has reduced significantly with the move to Level 4 restrictions and consequently it is anticipated that the advertising income will be slow to recover. The projected deficit for advertising in the current financial year is £1.26m
- 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 £500,000.
- 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. Ongoing dialogue with tenants continues to protect the level of income while at the same time maintaining viable tenants in the longer term. However, the longer the current lockdown remains in place the greater the impact on this income stream including the next financial year, and this has been taken into account in the draft 2021/22 budget.

At this stage, assuming the level of savings identified is delivered together with the assumption on income noted above, the anticipated forecast deficit is in the range of £0.425m to £1m assuming maximum grant recovery of £12.2m from Transport Scotland. The detailed revenue monitoring report at P10 including departmental breakdowns is shown in Appendix 2.

The deficit for the financial year 2020/21 will require to be funded by SPT general reserves.

Transport Scotland have been made aware that additional funding supporting SPT during the current lockdown and recovery phase, which is likely to be for the remainder of this calendar year as restrictions are lifted slowly and gradually, is required to assist with the continued operation of SPT services. These discussions are ongoing 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 continuous support since March, 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.

The issues and challenges ahead previously reported to committee are unchanged at this point and are clearly affecting the ability to plan with any real certainty:

- How quickly patronage will return, if at all, to pre Covid levels;
- When will national lockdown restrictions be relaxed and to what extent, will determine the impact on both 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 a major consideration for SPT is the preparation the 2021/22 budget. Clearly when considering income budgets for 2021/22 and beyond the level of Subway income is likely to be estimated significantly lower than in 2020/21. This will bring significant challenges to SPT to create a balanced budget. A 2021/22 draft budget as well as issues surrounding the current draft can be seen the '*Draft Revenue Budget 2021/22*' being considered at this committee.

It is worth reiterating at this stage that following the economic crash of 2008/09, subway patronage eventually 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.

Due to the success of a recent test case (<https://www.supremecourt.uk/cases/docs/uksc-2020-0177-judgment.pdf>) raised by the Financial Conduct Authority (FCA) against leading insurers it is now relevant to inform the committee that SPT is making a claim for some losses incurred due to the COVID-19 pandemic under its Business Interruption policy. At the start of the pandemic insurers were reluctant to accept liability for losses under Business Interruption policies due to COVID-19 and therefore the FCA raised the test case under the Financial Markets Test Case Scheme on behalf of policy holders. SPT's insurers have intimated that due to the Supreme Court ruling they will now start the claims process. The potential financial effect of the claim has not been incorporated into the projected outturn at this time as there is still considerable uncertainty over the outcome of the claim. The committee will be updated as the claim progresses.

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 when the previous projections reported to the November 2020 Strategy & Programmes Committee were made, there was a small level of optimism that patronage levels would improve at the turn of the year as the vaccine programme was being rolled out and local restrictions would gradually be eased. However, the impact of the new variant and rising case numbers over the festive period, which has resulted in a 2nd national lockdown in less than 12 months means there still remains a significant number of uncertainties to be able to forecast with any certainty.

Additional funding from Transport Scotland has been secured since November's Committee which is extremely welcome and reduces the projected deficit from what was reported in November. However, discussions are continuing with Transport Scotland to secure additional funding beyond the current financial year. This reflects the assumption that

patronage during and post Covid will be slow to recover as SPT and the travelling public follow the Scottish Government guidance.

5. Committee action

The Committee is recommended to consider this report and to note:

- (i) the forecast outturn at this stage and the level of expenditure required to assist with the deficit; and
- (ii) that discussions continue with Transport Scotland over continued financial support for the current financial year to address the projected deficit.

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.

Appendix 1: Projected Budget Savings as at Period 10



Ref	Subjective Heading	Saving	Description
1	Employee Costs	£1,666,000	Vacancy freeze unless technical expertise not available in house. Potential impact on service delivery and project development.
2	Property Costs	£628,000	Net savings due to reduced utility supplies and general repairs, and absorbing additional costs for cleaning.
3	Supplies and Services	£309,000	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. There is also reduced training costs, printing costs and general supplies in the year to date. This is partially offset by a reduction anticipated in the capitalisation of the Projects team and Subway work streams.
4	Transport and Plant	£80,000	Saving represents savings across all departments in travel and subsistence costs.
5	Third Party Payments	£2,781,000	Significant reduction in subsidised bus costs – SPT financially unable to fill gaps created in the network. Also includes reduced costs associated with My Bus services where provision has been matched with demand. Also incorporated are delayed TSSSA costs and reduced expenditure anticipated for legal fees, feasibility studies and other areas.
6	Contribution to Capital	£1,000,000	Likely to be delayed expenditure due to Covid-19 interrupting project progress.
Net forecast saving		£6,464,000	



Committee Report by Division

For Year 20/21 Period 10 ending 02-Jan-2021

	Year to Date				Annual Budget			
	Actual	Budget	Variance	Variance %	Projected Outturn	Annual Budget	Variance	Variance %
Chief Executive								
Policy & Strategy	324,581	338,427	13,846	4%	428,806	445,806	17,000	4%
Cabinet	347,520	355,742	8,222	2%	459,121	468,621	9,500	2%
Total Chief Executive	672,100	694,169	22,069	3%	887,927	914,427	26,500	3%
Operations								
Subway	12,602,836	992,723	(11,610,113)	(1170%)	17,078,110	1,351,514	(15,726,595)	(1164%)
Bus Operations	11,457,953	12,629,724	1,171,771	9%	15,163,641	16,462,231	1,298,590	8%
Projects	388,929	173,727	(215,203)	(124%)	420,378	239,878	(180,500)	(75%)
Health and Safety	126,672	127,051	379	0%	167,403	167,403	-	0%
Customer Standards	435,036	444,746	9,710	2%	577,625	585,125	7,500	1%
Total Operations	25,011,426	14,367,971	(10,643,455)	(74%)	33,407,157	18,806,152	(14,601,005)	(78%)
Business Support								
Finance	968,127	1,066,233	98,106	9%	1,288,744	1,404,244	115,500	8%
Digital	782,683	857,618	74,935	9%	1,036,397	1,129,897	93,500	8%
Human Resources	197,376	220,150	22,774	10%	264,994	289,994	25,000	9%
Legal Services	187,980	201,802	13,822	7%	244,983	265,833	20,850	8%
Business Support	164,744	167,250	2,505	1%	218,749	220,349	1,600	1%
Elected Members	39,829	45,222	5,393	12%	52,788	58,788	6,000	10%
Contact Centre	246,945	375,697	128,753	34%	371,955	497,455	125,500	25%
Corporate	137,183	895,991	758,808	85%	608,706	1,166,581	557,875	48%
Total Business Support	2,724,867	3,829,963	1,105,095	29%	4,087,316	5,033,141	945,825	19%
Contribution to Subway Fund	8,017,760	8,017,760	(0)	(0%)	10,423,087	10,423,087	-	0%
Contribution to Capital Funded from Revenue	-	769,231	769,231	100%	-	1,000,000	1,000,000	100%
Net Total	36,426,154	27,679,093	(8,747,061)	(32%)	48,805,489	36,176,808	(12,628,680)	(35%)
Estimated Covid Support Grant Claim (July to March)	(5,227,365)	-	5,227,365		(12,200,000)	-	12,200,000	
Projected Deficit for 2020/21 at Period 10	31,198,789	27,679,093	(3,519,696)		36,605,489	36,176,808	(428,680)	



Revenue Monitoring Report

For Year 20/21 Period 10 ending 02-Jan-2021

	Year to Date				Annual Budget				Note
	Actual	Budget	Variance	Variance %	Projected Outturn	Annual Budget	Variance	Variance %	
EXPENDITURE									
Employee Costs									
Salaries	12,432,561	13,206,471	773,909	6%	16,424,528	17,402,028	977,500	6%	1
Overtime	318,424	544,720	226,296	42%	457,136	708,136	251,000	35%	2
Other Employee Costs	4,013,120	4,387,620	374,500	9%	5,336,438	5,774,438	438,000	8%	1
Sub Total Employee Costs	16,764,105	18,138,810	1,374,705	8%	22,218,102	23,884,602	1,666,500	7%	
Property Costs									
Electricity	1,206,890	1,474,831	267,941	18%	1,632,280	1,917,280	285,000	15%	3
Repairs and Maintenance	110,317	360,000	249,683	69%	263,000	468,000	205,000	44%	4
Property Insurance	203,330	230,769	27,439	12%	300,000	300,000	-	0%	
Other Property Costs	2,609,312	2,787,788	178,476	6%	3,486,124	3,624,124	138,000	4%	4
Sub Total Property Costs	4,129,848	4,853,388	723,540	15%	5,681,405	6,309,405	628,000	10%	
Supplies & Services	1,392,186	1,619,424	227,238	14%	1,796,500	2,105,251	308,750	15%	5
Transport & Plant Costs	42,468	121,577	79,109	65%	78,250	158,050	79,800	50%	4
Third Party Payments									
Bus Operator Payments	9,297,035	10,685,777	1,388,742	13%	12,169,816	13,891,510	1,721,694	12%	6
Communications	44,408	293,462	249,054	85%	106,500	381,500	275,000	72%	4
Other Third Party Payments	3,896,675	4,720,193	823,518	17%	5,351,851	6,136,251	784,400	13%	7
Sub Total Third Party Payments	13,238,117	15,699,432	2,461,315	16%	17,628,167	20,409,261	2,781,094	14%	
Financing Costs									
Contribution to Subway Fund	8,017,760	8,017,760	(0)	(0%)	10,423,087	10,423,087	-	0%	
Contribution to Capital Funded from Revenue	-	769,231	769,231	100%	-	1,000,000	1,000,000	100%	8
Sub Total Financing Costs	8,017,760	8,786,990	769,230	9%	10,423,087	11,423,088	1,000,000	9%	
TOTAL EXPENDITURE	43,584,485	49,219,621	5,635,136	11%	57,825,511	64,289,656	6,464,144	10%	
INCOME									
Subway Income	(3,620,040)	(16,887,889)	(13,267,849)	79%	(4,455,321)	(22,064,417)	(17,609,095)	80%	9
Bus Operations Income	(1,393,863)	(2,114,528)	(720,664)	34%	(1,850,282)	(2,748,886)	(898,604)	33%	10
Agency Fee Income - Councils	(1,102,131)	(1,136,188)	(34,057)	3%	(1,437,044)	(1,477,044)	(40,000)	3%	
Interest Received	(729,651)	(1,076,923)	(347,272)	32%	(900,000)	(1,400,000)	(500,000)	36%	11
Other Income	(312,645)	(325,000)	(12,355)	4%	(377,375)	(422,500)	(45,125)	11%	12
TOTAL INCOME	(7,158,331)	(21,540,528)	(14,382,197)	67%	(9,020,023)	(28,112,847)	(19,092,825)	68%	
Net Total	36,426,154	27,679,093	(8,747,061)	(32%)	48,805,489	36,176,808	(12,628,680)	(35%)	

Notes

- Due to vacant posts in the establishment and general vacancy freeze.
- Reduced outturn reflects anticipated workloads and take up of overtime by employees.
- Savings in electricity in the first quarter of the financial year due to reduced Subway services.
- Outturn reflects detailed review of individual budgets and potential savings projected to year end.
- 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. There is also reduced training costs, printing costs and general supplies in the year to date. This is partially offset by a reduction anticipated in the capitalisation of the Subway and Projects team.
- Underspend reflects projected outturn reported to the 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 (note 10).
- 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. This is partially offset by agency staff costs to support life extension work on the existing rolling stock fleet.
- 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 zonocard income. This projection is based on information known at P10 and excludes the £5.227m COVID support grant payment from Transport Scotland for July to October.
- 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 P10. The outturn also incorporates a reduced external funding projection for bus services due to the expiration of a fully funded Glasgow City Council 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 10 ending 02-Jan-2021

	Year to Date				Annual Budget				Notes
	Actual	Budget	Variance	Variance %	Projected Outturn	Annual Budget	Variance	Variance %	
EXPENDITURE									
Employee Costs									
Salaries	245,506	253,478	7,972	3%	321,505	334,005	12,500	4%	1
Other Employee Costs	75,004	77,257	2,253	3%	98,801	101,801	3,000	3%	1
Sub Total Employee Costs	320,509	330,735	10,226	3%	420,306	435,806	15,500	4%	
Supplies & Services	315	769	454	59%	500	1,000	500	50%	1
Transport & Plant Costs	-	1,154	1,154	100%	500	1,500	1,000	67%	1
Third Party Payments									
Communications	3,756	5,769	2,013	35%	7,500	7,500	-	0%	
Sub Total Third Party Payments	3,756	5,769	2,013	35%	7,500	7,500	-	0%	
TOTAL EXPENDITURE	324,581	338,427	13,846	4%	428,806	445,806	17,000	4%	
Net Total	324,581	338,427	13,846	4%	428,806	445,806	17,000	4%	

Notes

1. Outturn reflects detailed review of individual budgets and potential savings projected to year end.



Committee Report by Directorate - Cabinet

For Year 20/21 Period 10 ending 02-Jan-2021

	Year to Date				Annual Budget				Note
	Actual	Budget	Variance	Variance %	Projected Outturn	Annual Budget	Variance	Variance %	
EXPENDITURE									
Employee Costs									
Salaries	265,441	264,212	(1,229)	(0%)	348,149	348,149	-	0%	
Other Employee Costs	84,165	83,838	(327)	(0%)	110,472	110,472	-	0%	
Sub Total Employee Costs	349,606	348,050	(1,556)	(0%)	458,621	458,621	-	0%	
Supplies & Services	(2,093)	3,846	5,939	154%	-	5,000	5,000	100%	1
Transport & Plant Costs	7	3,846	3,839	100%	500	5,000	4,500	90%	1
TOTAL EXPENDITURE	347,520	355,742	8,222	2%	459,121	468,621	9,500	2%	
Net Total	347,520	355,742	8,222	2%	459,121	468,621	9,500	2%	

Notes

1. Outturn reflects detailed review of individual budgets and potential savings projected to year end.



Committee Report by Directorate - Subway

For Year 20/21 Period 10 ending 02-Jan-2021

	Year to Date				Annual Budget				Note
	Actual	Budget	Variance	Variance %	Projected Outturn	Annual Budget	Variance	Variance %	
EXPENDITURE									
Employee Costs									
Salaries	6,949,476	7,446,341	496,865	7%	9,211,965	9,811,965	600,000	6%	1
Overtime	310,512	488,566	178,054	36%	435,136	635,136	200,000	31%	2
Other Employee Costs	2,036,942	2,228,030	191,089	9%	2,710,852	2,935,852	225,000	8%	1
Sub Total Employee Costs	9,296,929	10,162,937	866,008	9%	12,357,953	13,382,953	1,025,000	8%	
Property Costs									
Electricity	1,058,646	1,280,164	221,518	17%	1,414,213	1,664,213	250,000	15%	3
Property Insurance	192,599	211,539	18,939	9%	275,000	275,000	-	0%	
Other Property Costs	1,515,942	1,583,984	68,042	4%	2,009,179	2,059,179	50,000	2%	4
Sub Total Property Costs	2,767,187	3,075,686	308,499	10%	3,698,392	3,998,392	300,000	8%	
Supplies & Services	1,488,823	1,571,509	82,686	5%	1,917,962	2,042,962	125,000	6%	5
Transport & Plant Costs	(574)	34,615	35,189	102%	5,000	45,000	40,000	89%	6
Third Party Payments									
Bus Operator Payments	23,707	15,385	(8,322)	(54%)	27,500	20,000	(7,500)	(38%)	7
Other Third Party Payments	2,646,803	3,020,480	373,677	12%	3,526,624	3,926,624	400,000	10%	8
Sub Total Third Party Payments	2,670,510	3,035,865	365,355	12%	3,554,124	3,946,624	392,500	10%	
TOTAL EXPENDITURE	16,222,876	17,880,612	1,657,736	9%	21,533,431	23,415,931	1,882,500	8%	
INCOME									
Subway Income	(3,620,040)	(16,887,889)	(13,267,849)	79%	(4,455,321)	(22,064,417)	(17,609,095)	80%	9
TOTAL INCOME	(3,620,040)	(16,887,889)	(13,267,849)	79%	(4,455,321)	(22,064,417)	(17,609,095)	80%	
Net Total	12,602,836	992,723	(11,610,113)	(1170%)	17,078,110	1,351,514	(15,726,595)	(1164%)	

Notes

1. Due to vacant posts in the establishment. Incorporates a general freeze on recruiting vacant post at present.
2. Reduced outturn reflects anticipated workloads and take up of overtime by Subway employees.
3. Savings in electricity in the year to date 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 and also no requirement for match day regulators. However outturn incorporates potential for increased cleaning costs.
5. Outturn reflects detailed review of individual budgets and potential savings to year end. The most significant projected reduction is in relation to Subway ticket costs. This is partially offset by reduced capitalisation.
6. Outturn reflects detailed review of individual budgets and potential savings to year end.
7. Additional costs in relation to Subway replacement service due to suspended Subway services on 4th and 5th of July.
8. 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. This is partially offset by an increase in agency staff under the maintenance to support life extension work on Subway rolling stock. This workstream commenced in August.
9. 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 zone card income. This projection is based on information known at P10 and excludes the £5.227m COVID support grant payment from Transport Scotland for July to October.



Committee Report by Directorate - Bus Operations

For Year 20/21 Period 10 ending 02-Jan-2021

	Year to Date				Annual Budget				Note
	Actual	Budget	Variance	Variance %	Projected Outturn	Annual Budget	Variance	Variance %	
EXPENDITURE									
Employee Costs									
Salaries	1,839,644	1,907,613	67,969	4%	2,423,642	2,513,642	90,000	4%	1
Overtime	2,074	38,846	36,773	95%	10,500	50,500	40,000	79%	2
Other Employee Costs	525,031	556,553	31,522	6%	698,364	733,364	35,000	5%	1
Sub Total Employee Costs	2,366,748	2,503,012	136,264	5%	3,132,506	3,297,506	165,000	5%	
Property Costs									
Electricity	119,020	162,090	43,070	27%	175,717	210,717	35,000	17%	3
Repairs and Maintenance	106,033	325,385	219,352	67%	248,000	423,000	175,000	41%	3
Property Insurance	10,347	11,539	1,192	10%	15,000	15,000	-	0%	
Other Property Costs	869,917	918,373	48,456	5%	1,158,885	1,193,885	35,000	3%	3
Sub Total Property Costs	1,105,316	1,417,386	312,070	22%	1,597,602	1,842,602	245,000	13%	
Supplies & Services	5,910	50,308	44,397	88%	25,400	65,400	40,000	61%	3
Transport & Plant Costs	42,257	62,769	20,512	33%	63,600	81,600	18,000	22%	3
Third Party Payments									
Bus Operator Payments	9,273,328	10,670,393	1,397,065	13%	12,142,316	13,871,510	1,729,194	12%	4
Communications	-	3,077	3,077	100%	4,000	4,000	-	0%	
Other Third Party Payments	180,334	171,923	(8,411)	(5%)	223,500	223,500	-	0%	
Sub Total Third Party Payments	9,453,662	10,845,393	1,391,731	13%	12,369,816	14,099,010	1,729,194	12%	
TOTAL EXPENDITURE	12,973,894	14,878,867	1,904,974	13%	17,188,923	19,386,117	2,197,194	11%	
INCOME									
Bus Operations Income	(1,393,863)	(2,114,528)	(720,664)	34%	(1,850,282)	(2,748,886)	(898,604)	33%	5
Agency Fee Income - Councils	(122,077)	(134,615)	(12,538)	9%	(175,000)	(175,000)	-	0%	
TOTAL INCOME	(1,515,940)	(2,249,143)	(733,203)	33%	(2,025,282)	(2,923,886)	(898,604)	31%	
Net Total	11,457,953	12,629,724	1,171,771	9%	15,163,641	16,462,231	1,298,590	8%	

Notes

1. Due to vacant posts in the establishment. Incorporates a general freeze on recruiting vacant posts.
2. Reduced outturn reflects anticipated workloads and take up of overtime by Bus Operations employees.
3. Outturn reflects detailed review of individual budgets and potential savings to year end.
4. Underspend reflects projected outturn reported to the recent 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.
5. 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 P10. The outturn also incorporates a reduced external funding projection for bus services due to the expiration of a fully funded Glasgow City Council contract (see note 4).



Committee Report by Directorate - Projects

For Year 20/21 Period 10 ending 02-Jan-2021

	Year to Date				Annual Budget				Note
	Actual	Budget	Variance	Variance %	Projected Outturn	Annual Budget	Variance	Variance %	
EXPENDITURE									
Employee Costs									
Salaries	602,034	607,391	5,357	1%	790,353	800,353	10,000	1%	1
Other Employee Costs	184,761	185,950	1,190	1%	242,525	245,025	2,500	1%	1
Sub Total Employee Costs	786,795	793,342	6,547	1%	1,032,878	1,045,378	12,500	1%	
Supplies & Services	(397,915)	(626,154)	(228,239)	36%	(614,000)	(814,000)	(200,000)	25%	2
Transport & Plant Costs	49	6,539	6,489	99%	1,500	8,500	7,000	82%	1
TOTAL EXPENDITURE	388,929	173,727	(215,203)	(124%)	420,378	239,878	(180,500)	(75%)	
Net Total	388,929	173,727	(215,203)	(124%)	420,378	239,878	(180,500)	(75%)	

Notes

1. Outturn reflects detailed review of individual budgets and potential savings projected to year end.
2. 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 10 ending 02-Jan-2021

	Year to Date				Annual Budget			
	Actual	Budget	Variance	Variance %	Projected Outturn	Annual Budget	Variance	Variance %
EXPENDITURE								
Employee Costs								
Salaries	97,067	97,067	0	0%	127,904	127,904	-	0%
Other Employee Costs	29,309	29,369	60	0%	38,699	38,699	-	0%
Sub Total Employee Costs	126,376	126,436	60	0%	166,603	166,603	-	0%
Supplies & Services	296	462	166	36%	600	600	-	0%
Transport & Plant Costs	-	154	154	100%	200	200	-	0%
TOTAL EXPENDITURE	126,672	127,051	379	0%	167,403	167,403	-	0%
Net Total	126,672	127,051	379	0%	167,403	167,403	-	0%



Committee Report by Directorate - Customer Standards

For Year 20/21 Period 10 ending 02-Jan-2021

	Year to Date				Annual Budget				Note
	Actual	Budget	Variance	Variance %	Projected Outturn	Annual Budget	Variance	Variance %	
EXPENDITURE									
Employee Costs									
Salaries	301,841	302,827	985	0%	399,031	399,031	-	0%	
Overtime	5,126	11,539	6,413	56%	7,500	15,000	7,500	50%	1
Other Employee Costs	89,175	90,381	1,206	1%	119,094	119,094	-	0%	
Sub Total Employee Costs	396,142	404,746	8,604	2%	525,625	533,125	7,500	1%	
Supplies & Services	38,868	39,231	363	1%	51,000	51,000	-	0%	
Transport & Plant Costs	27	769	743	97%	1,000	1,000	-	0%	
TOTAL EXPENDITURE	435,036	444,746	9,710	2%	577,625	585,125	7,500	1%	
Net Total	435,036	444,746	9,710	2%	577,625	585,125	7,500	1%	

Notes

1. Outturn reflects detailed review of individual budgets and potential savings to year end.



Committee Report by Directorate - Finance

For Year 20/21 Period 10 ending 02-Jan-2021

	Year to Date				Annual Budget				Note
	Actual	Budget	Variance	Variance %	Projected Outturn	Annual Budget	Variance	Variance %	
EXPENDITURE									
Employee Costs									
Salaries	734,307	793,257	58,950	7%	970,267	1,045,267	75,000	7%	1
Other Employee Costs	212,155	232,283	20,128	9%	281,077	306,077	25,000	8%	1
Sub Total Employee Costs	946,462	1,025,540	79,078	8%	1,251,344	1,351,344	100,000	7%	
Supplies & Services	664	24,615	23,951	97%	12,000	32,000	20,000	62%	2
Transport & Plant Costs	-	692	692	100%	400	900	500	56%	2
Third Party Payments									
Other Third Party Payments	21,000	15,385	(5,616)	(37%)	25,000	20,000	(5,000)	(25%)	3
Sub Total Third Party Payments	21,000	15,385	(5,616)	(37%)	25,000	20,000	(5,000)	(25%)	
TOTAL EXPENDITURE	968,127	1,066,233	98,106	9%	1,288,744	1,404,244	115,500	8%	
Net Total	968,127	1,066,233	98,106	9%	1,288,744	1,404,244	115,500	8%	

Notes

1. Due to vacant posts in the establishment.
2. Outturn reflects detailed review of individual budgets and potential savings projected to year end.
3. Includes costs associated with ongoing zonocard review.



Committee Report by Directorate - Digital

For Year 20/21 Period 10 ending 02-Jan-2021

	Year to Date				Annual Budget				Note
	Actual	Budget	Variance	Variance %	Projected Outturn	Annual Budget	Variance	Variance %	
EXPENDITURE									
Employee Costs									
Salaries	596,009	651,395	55,386	9%	783,336	858,336	75,000	9%	1
Overtime	634	2,308	1,674	73%	3,000	3,000	-	0%	
Other Employee Costs	171,428	196,223	24,795	13%	226,061	258,561	32,500	13%	1
Sub Total Employee Costs	768,071	849,926	81,855	10%	1,012,397	1,119,897	107,500	10%	
Supplies & Services	220	3,077	2,857	93%	2,000	4,000	2,000	50%	2
Transport & Plant Costs	-	4,615	4,615	100%	2,000	6,000	4,000	67%	2
Third Party Payments									
Other Third Party Payments	14,393	-	(14,393)		20,000	-	(20,000)		3
Sub Total Third Party Payments	14,393	-	(14,393)		20,000	-	(20,000)		
TOTAL EXPENDITURE	782,683	857,618	74,935	9%	1,036,397	1,129,897	93,500	8%	
Net Total	782,683	857,618	74,935	9%	1,036,397	1,129,897	93,500	8%	

Notes

1. Due to vacant posts in the establishment.
2. Outturn reflects detailed review of individual budgets and potential savings projected to year end.
3. Costs associated with maternity cover for Communications team.



Committee Report by Directorate - Human Resources

For Year 20/21 Period 10 ending 02-Jan-2021

	Year to Date				Annual Budget				Note
	Actual	Budget	Variance	Variance %	Projected Outturn	Annual Budget	Variance	Variance %	
EXPENDITURE									
Employee Costs									
Salaries	146,946	165,468	18,522	11%	198,036	218,036	20,000	9%	1
Other Employee Costs	44,561	49,297	4,737	10%	59,959	64,959	5,000	8%	1
Sub Total Employee Costs	191,507	214,766	23,259	11%	257,994	282,994	25,000	9%	
Supplies & Services	5,869	5,385	(485)	(9%)	7,000	7,000	-	0%	
TOTAL EXPENDITURE	197,376	220,150	22,774	10%	264,994	289,994	25,000	9%	
Net Total	197,376	220,150	22,774	10%	264,994	289,994	25,000	9%	

Notes

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



Committee Report by Directorate - Legal Services

For Year 20/21 Period 10 ending 02-Jan-2021

	Year to Date				Annual Budget				Note
	Actual	Budget	Variance	Variance %	Projected Outturn	Annual Budget	Variance	Variance %	
EXPENDITURE									
Employee Costs									
Salaries	143,755	153,099	9,344	6%	186,737	201,737	15,000	7%	1
Other Employee Costs	43,321	46,511	3,190	7%	56,246	61,246	5,000	8%	1
Sub Total Employee Costs	187,076	199,610	12,534	6%	242,983	262,983	20,000	8%	
Supplies & Services	402	1,539	1,137	74%	1,000	2,000	1,000	50%	2
Transport & Plant Costs	-	654	654	100%	400	850	450	53%	2
Third Party Payments									
Other Third Party Payments	502	-	(502)		600	-	(600)		3
Sub Total Third Party Payments	502	-	(502)		600	-	(600)		
TOTAL EXPENDITURE	187,980	201,802	13,822	7%	244,983	265,833	20,850	8%	
Net Total	187,980	201,802	13,822	7%	244,983	265,833	20,850	8%	

Notes

1. Due to a vacant post in the establishment.
2. Outturn reflects detailed review of individual budgets and potential savings projected to year end.
3. Costs associated with temporary admin/mail room resource.



Committee Report by Directorate - Business Support

For Year 20/21 Period 10 ending 02-Jan-2021

	Year to Date				Annual Budget				Note
	Actual	Budget	Variance	Variance %	Projected Outturn	Annual Budget	Variance	Variance %	
EXPENDITURE									
Employee Costs									
Salaries	126,241	126,323	81	0%	166,454	166,454	-	0%	
Other Employee Costs	38,933	39,004	71	0%	51,395	51,395	-	0%	
Sub Total Employee Costs	165,175	165,327	152	0%	217,849	217,849	-	0%	
Supplies & Services	(430)	1,538	1,969	128%	750	2,000	1,250	62%	1
Transport & Plant Costs	-	385	385	100%	150	500	350	70%	1
TOTAL EXPENDITURE	164,744	167,250	2,505	1%	218,749	220,349	1,600	1%	
Net Total	164,744	167,250	2,505	1%	218,749	220,349	1,600	1%	

Notes

1. Outturn reflects detailed review of individual budgets and potential savings projected to year end.



Committee Report by Directorate - Elected Members

For Year 20/21 Period 10 ending 02-Jan-2021

	Year to Date				Annual Budget				Note
	Actual	Budget	Variance	Variance %	Projected Outturn	Annual Budget	Variance	Variance %	
EXPENDITURE									
Supplies & Services	35,527	38,683	3,156	8%	46,288	50,288	4,000	8%	1
Transport & Plant Costs	702	3,462	2,760	80%	2,500	4,500	2,000	44%	1
Third Party Payments									
Other Third Party Payments	3,600	3,077	(523)	(17%)	4,000	4,000	-	0%	
Sub Total Third Party Payments	3,600	3,077	(523)	(17%)	4,000	4,000	-	0%	
TOTAL EXPENDITURE	39,829	45,222	5,393	12%	52,788	58,788	6,000	10%	
Net Total	39,829	45,222	5,393	12%	52,788	58,788	6,000	10%	

Notes

1. Outturn reflects detailed review of individual budgets and projected savings to year end.



Committee Report by Directorate - Contact Centre

For Year 20/21 Period 10 ending 02-Jan-2021

	Year to Date				Annual Budget				Notes
	Actual	Budget	Variance	Variance %	Projected Outturn	Annual Budget	Variance	Variance %	
EXPENDITURE									
Employee Costs									
Salaries	335,151	403,905	68,754	17%	432,221	532,221	100,000	19%	1
Overtime	79	3,462	3,382	98%	1,000	4,500	3,500	78%	2
Other Employee Costs	89,045	107,596	18,551	17%	111,778	141,778	30,000	21%	1
Sub Total Employee Costs	424,275	514,962	90,687	18%	544,999	678,499	133,500	20%	
Supplies & Services	42,719	55,000	12,281	22%	61,500	71,500	10,000	14%	2
Transport & Plant Costs	-	1,923	1,923	100%	500	2,500	2,000	80%	2
Third Party Payments									
Other Third Party Payments	4,157	36,154	31,996	89%	37,000	47,000	10,000	21%	3
Sub Total Third Party Payments	4,157	36,154	31,996	89%	37,000	47,000	10,000	21%	
TOTAL EXPENDITURE	471,152	608,039	136,888	23%	643,999	799,499	155,500	19%	
INCOME									
Agency Fee Income - Councils	(214,207)	(232,342)	(18,135)	8%	(262,044)	(302,044)	(40,000)	13%	4
Other Income	(10,000)	-	10,000		(10,000)	-	10,000		5
TOTAL INCOME	(224,207)	(232,342)	(8,135)	4%	(272,044)	(302,044)	(30,000)	10%	
Net Total	246,945	375,697	128,753	34%	371,955	497,455	125,500	25%	

Notes

1. Due to vacant post in the establishment and includes impact of the recent restructure where some displaced staff have been transferred to corporate.
2. Outturn reflects detailed review of individual budgets and potential savings projected to year end.
3. Current position due to timing issues in respect of expenditure/budget phasing. Outturn reduction reflects projected saving in agency staff.
4. Reductions in Travel Card Unit costs detailed above are offset equally by a reduction in the recovery from the Strathclyde 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 10 ending 02-Jan-2021

	Year to Date				Annual Budget				Note
	Actual	Budget	Variance	Variance %	Projected Outturn	Annual Budget	Variance	Variance %	
EXPENDITURE									
Employee Costs									
Salaries	49,143	34,096	(15,047)	(44%)	64,929	44,929	(20,000)	(45%)	1
Other Employee Costs	389,291	465,327	76,036	16%	531,115	606,115	75,000	12%	2
Sub Total Employee Costs	438,434	499,423	60,989	12%	596,043	651,043	55,000	8%	
Property Costs									
Electricity	29,224	32,577	3,353	10%	42,350	42,350	-	0%	
Repairs and Maintenance	4,284	34,615	30,331	88%	15,000	45,000	30,000	67%	2
Property Insurance	384	7,692	7,308	95%	10,000	10,000	-	0%	
Other Property Costs	223,453	285,432	61,979	22%	318,061	371,061	53,000	14%	2
Sub Total Property Costs	257,345	360,316	102,971	29%	385,411	468,411	83,000	18%	
Supplies & Services	173,012	449,615	276,604	62%	284,500	584,500	300,000	51%	3
Third Party Payments									
Communications	40,651	284,616	243,964	86%	95,000	370,000	275,000	74%	4
Other Third Party Payments	1,025,885	1,473,175	447,290	30%	1,515,127	1,915,127	400,000	21%	5
Sub Total Third Party Payments	1,066,536	1,757,790	691,254	39%	1,610,127	2,285,127	675,000	30%	
Financing Costs									
Contribution to Subway Fund	8,017,760	8,017,760	(0)	(0%)	10,423,087	10,423,087	-	0%	
Contribution to Capital Funded from Revenue	-	769,231	769,231	100%	-	1,000,000	1,000,000	100%	6
Sub Total Financing Costs	8,017,760	8,786,990	769,230	9%	10,423,087	11,423,088	1,000,000	9%	
TOTAL EXPENDITURE	9,953,087	11,854,135	1,901,049	16%	13,299,169	15,412,169	2,113,000	14%	
INCOME									
Agency Fee Income - Councils	(765,848)	(769,231)	(3,383)	0%	(1,000,000)	(1,000,000)	-	0%	
Interest Received	(729,651)	(1,076,923)	(347,272)	32%	(900,000)	(1,400,000)	(500,000)	36%	7
Other Income	(302,645)	(325,000)	(22,355)	7%	(367,375)	(422,500)	(55,125)	13%	8
TOTAL INCOME	(1,798,144)	(2,171,154)	(373,010)	17%	(2,267,375)	(2,822,500)	(555,125)	20%	
Net Total	8,154,943	9,682,981	1,528,039	16%	11,031,794	12,589,669	1,557,875	12%	

Notes

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

Payments to Scottish Transport Operators during Covid-19 – April 2020 to 31 March 2021

BUS

Continued payment of NCTS and BSOG: Annual total £260m, April to March

Bus service enhancement grant June-August: £46.7m

Bus service enhancement grant August-November: £63m

Bus service enhancement grant November-January: £52.6m

Bus service enhancement grant January-31 March: £29m

Total: **£408.3m**

RAIL

Additional Covid-19 support to ScotRail from Transport Scotland up until January 2021: £350m

Additional Covid-19 support to ScotRail from Transport Scotland up until 31 March 2021: £108m

Total: **£458m**

FERRIES

The Cabinet Secretary for Transport, Infrastructure and Connectivity wrote to UK Government in April 2020 requesting urgent support for passenger ferries and freight operators. No outcome is known by SPT at this time.

EDINBURGH TRAMS

Transport Scotland support of up to £8.8m for July to 31 March 2021

SUBWAY

Transport Scotland support of up to £12.2m for July to 31 March 2021

(SPT estimates total operational income losses for the financial year of £18.6m).

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, £39m Spaces for People active travel funding, and any additional funding for school transport from Scottish Government.