



Subsidised bus service contract recommendations : financial implications

Committee Operations

Date of meeting 10 November 2017

Date of report 25 October 2017

Report by Assistant Chief Executive (Business Support)

1. Object of report

To advise the committee of the financial implications of the subsidised bus contract recommendations being considered at the meeting.

2. Background

The opening position prior to the decisions being sought at this meeting is as follows:

2017/18	Expenditure	Income	Net Expenditure
Approved Budget	£12,384,976	(£1,197,076)	£11,187,900
Contractual commitments/forecast to year end	£12,000,909	(£1,086,098)	£10,914,811
Net 2017/18 forecast	£384,067	(£110,978)	£273,089

*Budgeted Income relates to funding received from Councils and other bodies to support specific services including those which operate outwith the SPT area.

The previous positive variance of £255,334 reported to committee (25 August 2017) has increased by £17,755 at the time of writing as a result of actual costs being less than budgeted. Actual costs are reflected following receipt of the 4 weekly returns, which provide details of services operated and income generated.

3. Proposals

Should the committee accept all the recommendations contained within the following papers, the financial implications will be an increase in costs of £52,047 against the current 2017/18 forecast. The net impact is detailed below.

2017/18	Net Approved Budget	Net Projected Outturn	Variance
Subsidised bus services	£11,187,900	£10,966,858	£221,042

As Committee have been previously advised this is a budget which is subject to the vagaries of the commercial market and operator behaviour and is subject to significant fluctuations during each financial year. Such service change notifications from bus operators could swing the budgets into overspend in 2017/18.

4. Committee action

The committee is asked to note the financial implications of the recommendations in the following papers, and give due consideration to this in the course of the decision making. The impact of individual decisions is reported in each paper for consideration.

5. Consequences

Policy consequences	<i>None.</i>
Legal consequences	<i>None.</i>
Financial consequences	<i>As detailed in the report.</i>
Personnel consequences	<i>None.</i>
Equalities consequences	<i>None</i>
Risk consequences	<i>None.</i>

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Name Gordon MacLennan

Title **Assistant Chief Executive
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Title **Chief Executive**

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