



Proposed Revenue Budget for 2018/2019

Date of meeting 2 February 2018

Date of report 26 January 2018

Report by Assistant Chief Executive (Business Support)

1. Object of Report

To present to the Committee a proposed revenue budget for the financial year 2018/2019, outlining the assumptions made in the preparation of the budget, proposals for fees and charges and the proposed local authority requisition. In addition, an outline of the 2019/2020 budget is also presented for noting at this stage.

2. Background

It is normal practice within SPT to present a rolling two-year revenue budget for approval, which is consistent with the principles of SPT's approved long term financial strategy. In line with this approach, the 2018/2019 draft budget was presented and considered by the Partnership as part of the normal scrutiny process in February 2017, with expenditure principles and proposals agreed. However, due to the timing and the continued one-year nature of the 2018/2019 Scottish Government budget in December 2017, there remains insufficient information on the level of funding available beyond the next financial year to consider fully and agree a two-year budget at this stage. The Partnership therefore are again being presented with a 2-year budget but only approval for year 2018/2019 only can be sought until such time as more information on the level of funding for 2019/2020 is known.

The agreement of priorities by the Partnership flows from the setting of the RTS and subsequent RTS Delivery Plan. The outcomes are monitored annually and reported in SPT's Annual Report at a regional level, and cascaded into individual local authority Transport Outcome Reports. The RTS, and therefore future priorities, is currently subject to review and will be considered by the Partnership at various stages throughout the review process.

The Partnership is aware that the long term financial strategy was developed to support and align with the agreed RTS priorities to the level of funding available. At a more detailed level, the specific priorities directly requiring revenue support include the continued funding to socially necessary bus services, support and redirection of funding specifically to the Subway modernisation project and other Subway infrastructure works, and, in light of the reduced general capital funding available, to continue to support transport infrastructure investment across the region, including financial contributions to local authority projects. Critically, and taking account of the funding pressures on all stakeholders, a key theme has been to support region wide capital investment and modernise the Subway without seeking additional requisitions from local authority partners.

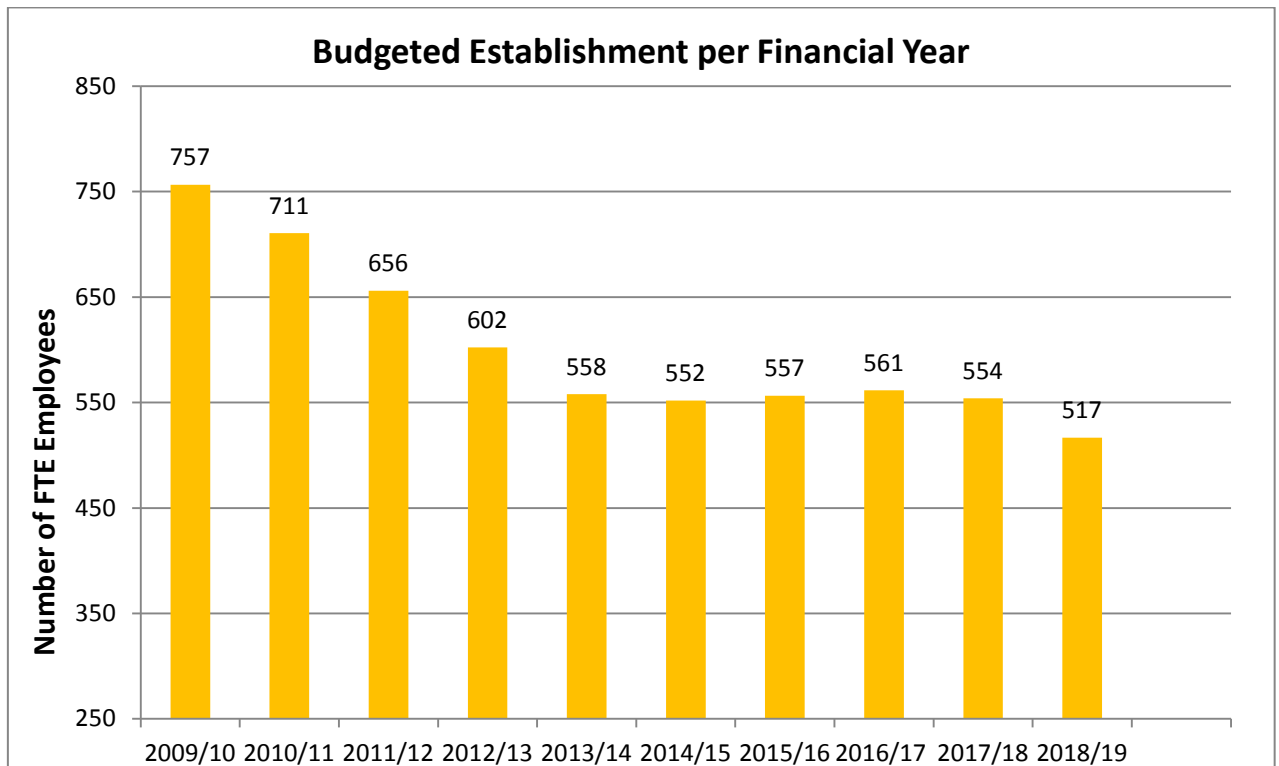
To date, this has been achieved by the ongoing critical review of all SPT activities and how services are delivered. The Partnership Personnel Committee has received and approved a number of organisational structure reviews, which have subsequently resulted in improved and streamlined processes, thus freeing up resources to redirect to areas of

priority outlined above. While seeking to streamline the organisation, a key theme has also been to maintain and where possible improve levels of service with reduced resources.

Given the continued pressures on funding for 2018/2019 and projected into following years, it is essential that this approach continues. To this end the Partnership is recommended to continue their support for this, with the Personnel Committee considering any staff-related implications as they arise. Changes approved at the December 2017 Personnel Committee have been taken account of in preparing the 2018/2019 budget.

The approach outlined above has resulted in the cost characteristics of the organisation changing considerably over the last few years, with a proportionate reduction in employee related costs to other front line delivery costs, e.g. in 2009/2010, 24.38% of the net revenue budget was used to fund support to bus services, while in 2017/2018 this had increased to 32.26%. This level of support will be increased to 34.2% of available resources in 2018/2019 if the budget is approved. Similarly, the level of support to the modernisation and infrastructure project has increased from 22.58% to 29.2% of net revenue budget over the same period.

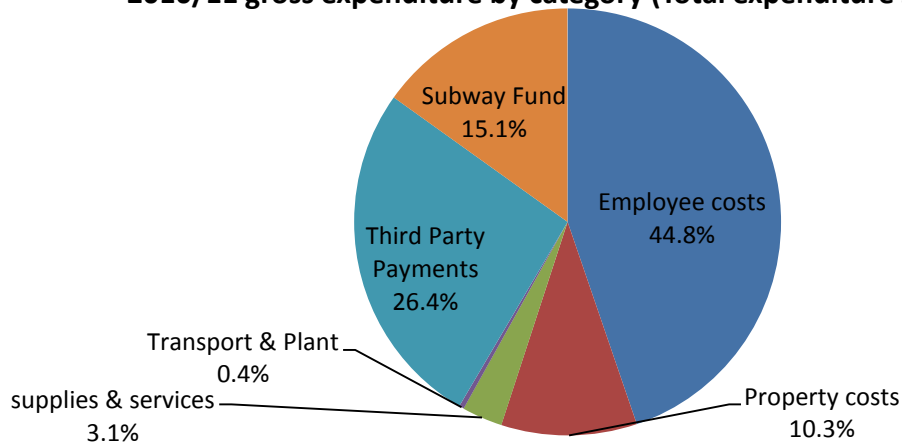
This redirection of resources has only been possible by reducing other expenditure lines and absorbing other cost pressures internally– the table below shows the change in head count over the same period, which has been the main component of the savings generated.



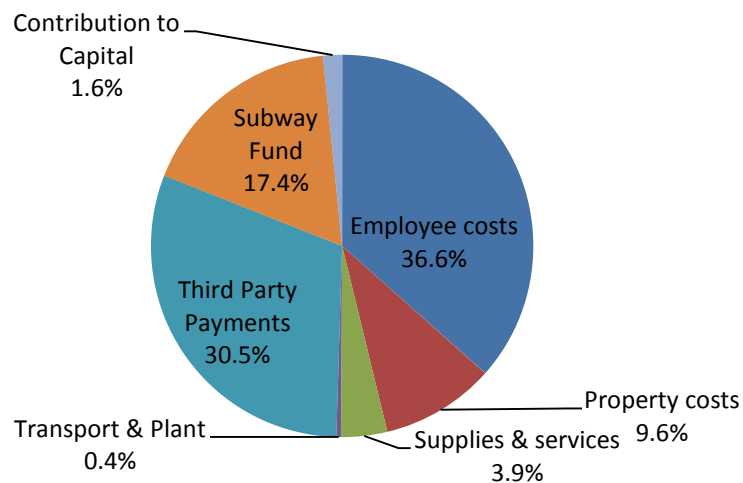
The reduced headcount and the savings generated has only been possible by actively reviewing and modernising internally how we deliver services and what services we deliver. Processes are continually reviewed to ensure consistency with the principles of public administration, but with a focus on the value of process.

The charts below demonstrate pictorially how the distribution of SPT expenditure at gross level has changed over the period. While the budget and requisition levels are shown in cash terms, this masks the level of inflation absorbed over the period – this is estimated to be £6.8m over the same period.

2010/11 gross expenditure by category (Total expenditure £58.828m)



2018/19 gross expenditure by category (Total expenditure £62.046m)



3. Current Position

- 3.1 The Scottish Government has again announced a one-year budget and local government settlement, and while SPT engages with all stakeholders in the preparation of budgets, it does mean that the level of uncertainty over funding in the long term remains. However, given the need to ensure that SPT continues to be managed on a robust but sustainable fashion, considerable work has been undertaken in both scenario planning and in discussion with funders.
- 3.2 These discussions have identified a very high likelihood of funding reductions over the next two financial years, and the expectation that these funding pressures are reflected in all bodies seeking funding support from local authorities.
- 3.3 In light of this and seeking to ensure that the priorities are maintained, a service line review has been undertaken – the results of which are shown in the form of the proposed budget as attached at Appendix 1. The outcome is consistent with the previous budget for 2018/2019 considered by the Partnership, with changes reflecting the current position in terms of staff numbers and contracted costs, and any other organisational change which has been approved during the year.

- 3.4 The level of financial support to bus and my bus services has increased in cash terms despite funding reductions. The other main significant change to highlight is the proposal for revenue support to capital expenditure – this is planned as the level of capital support from government for non-subway related capital expenditure has reduced by £1.032m in 2018/2019, and it is important to continue to support regional wide infrastructure projects delivered by SPT and by local authority partners. The Partnership is asked to approve this contribution to capital recognising the financial support that this will give to local authority partners as part of the capital budget.

In addition, the level of contribution to the subway fund has marginally decreased in 2018/2019. This reduction can be managed within the overall subway modernisation plan. There has been significant increased activity on the project and the subway infrastructure works in the last two financial years, and SPT will bear increased costs during the transition period from the old system to the new system. The marginal decrease in contribution to the fund has been factored into this plan.

- 3.5 Taking all of the above, it is proposed to set a net revenue budget at £36,937,714 (2017/2018 - £37,670,381) a reduction of 2% in net revenue terms. This will be funded via requisition on local authorities, fares, fees and charges and a contribution from Scottish Government.

Proposals for Fares, Fees and Charges

- 3.6 An essential element of any budget setting is the review of fees and charges across SPT services, and as discussed previously with Partnership members any changes take account of market conditions but also the practicality of annual increases on small base fares. This assessment considers all fares and charges applicable to Subway and the standard bus fare schedule.

- 3.7 With regards to Subway, fares are assessed annually to ensure all products remain relevant. It is proposed to amend these as outlined below:

Smart Ticketing (STR)	Current Fare	Proposed Fare	Change
Adult Single	£1.45	£1.50	£0.05
Adult Daily Cap	£2.80	£2.90	£0.10
Child Single	£0.70	£0.75	£0.05
Child Daily Cap	£1.35	£1.45	£0.10
Disposable			
Adult Single	£1.65	£1.70	£0.05
Adult Return	£3.10	£3.20	£0.10
Adult Daily	£4.00	£4.10	£0.10
Child Single	£0.70	£0.75	£0.05
Child Return	£1.35	£1.45	£0.10
Child Daily – new product	N/A	£2.00	New product
Concession Single	£1.00	£1.00	No change
Concession Return	£1.40	£1.40	No change
Season Tickets – Online STR			
Adult 7 day	£13.00	£13.00	No change
Adult 28 day	£50.00	£50.00	No change
Adult 10 week – new product	N/A	£120.00	New product
Adult 6 month	£250.00	£250.00	No change
Adult Annual	£450.00	£450.00	No change
Child 7 day	£6.50	£6.50	No change
Child 28 day	£25.00	£25.00	No change
Child 10 week – new product	N/A	£60.00	New product
Child 6 month	£125.00	£125.00	No change

Child Annual	£225.00	£225.00	No change
Season Tickets (in stations)			
Adult 7 day	£13.00	£14.00	£1.00
Adult 28 day	£50.00	£54.00	£4.00
Adult 6 month	£250.00	£270.00	£20.00
Adult Annual	£450.00	£485.00	£35.00
Child 7 day	£6.50	£7.00	£0.50
Child 28 day	£25.00	£27.00	£2.00
Child 6 month	£125.00	£135.00	£10.00
Child Annual	£225.00	£245.00	£20.00
Park and Ride			
Park and Ride (all day disposable)	£5.20	£5.40	£0.20
Park and Ride (all day STR)	£5.20	£5.40	£0.20
STR parking only - 30 minutes	£0.50	£0.50	No change
STR parking only - 1 hour	£1.00	£1.00	No change
STR parking only - 2 hours	£2.50	£2.50	No change
STR parking only - all day	£5.20	£5.40	£0.20
Parking only - 28 days	£50.00	£52.00	£2.00
Park and Ride - 7 day season ticket	£25.00	£26.00	£1.00
Park and Ride - 28 day season ticket	£95.00	£100.00	£5.00
Park and Ride - 6 month season ticket	£500.00	£525.00	£25.00
Park and Ride - annual season ticket	£900.00	£940.00	£40.00
Lost ticket fee	£3.00	£3.20	£0.20
Overstay day rate	£5.20	£5.40	£0.20
Season add on	£2.40	£2.50	£0.10

3.8 SPT also has a small number of other fares and charges in operation – mainly for services at bus stations, and for applicable fares (known as the standard bus and ferry maximum fare table) on subsidised bus services and MyBus services. This is the maximum increase that operators fulfilling SPT contracts can apply.

3.9 Many operators who operate SPT contracts have made representation that the maximum fare table is currently out of step with the cost of operating services and have requested that SPT consider a review of this. This is also reflected in the increased costs of tendered services for bus and ferry. It is therefore proposed the maximum fare table is increased by 3%, the current rate of inflation for the next financial year, while a review of the fares model is undertaken in more detail.

3.10 Taking account of the above and in light of the significant increased costs relating to the Gourock–Kilcreggan ferry service (Operations Committee 26 January 2018), and the increased subsidy required to continue this service it is proposed to increase the applicable fare from £2.60 to £3.60. Whilst on percentage terms this is greater than would normally be applied, this does take account of the increased tender cost and required subsidy and reduces the subsidy level to a level comparable with other ferry fares across the region and bus subsidy levels in operation.

3.11 With regards to other fees (bus station departure charges, left luggage, toilets etc.) these were increased by 5% in 2017/2018. Given the small value denomination of some of these charges it is difficult to apply an even percentage, and therefore it is proposed not to increase these in the current year but to seek agreement to increase these by 5% in the following financial year to reflect the current market conditions and service costs.

4. Requisition and Government Grant

- 4.1 In addition to the above, it is proposed the net revenue budget is funded by local authority requisitions of £35,900,714, reflecting a 2% reduction in support from constituent councils plus a contribution from Scottish government of £1,037,000, in line with previous years. A similar assumption into 2018/19 has also been reflected at this stage as a planning assumption, although more work and further discussion with all funding bodies is required to agree future year planning assumptions. The 2% reduction has been discussed with all funding partners to ensure that all have a common and shared financial planning assumption and takes account of the affordability to the partners.
- 4.2 The draft budget shown at Appendix 1 and proposed requisition levels at Appendix 2 take account of these proposed fees and charges.

5. Conclusions

- 5.1 The preparation of the 2018/2019 draft budget has been undertaken having consideration to the previously approved budget priorities as well as the affordability of the service plans to all stakeholders. Clearly the level of funding available for revenue support is under pressure with an expectation that there will be a reduced requisition on all funders. However, there remains an expectation that service levels will be maintained, and that SPT will make contributions to the subway modernisation project as agreed as part of the business case, and continue to support local authorities through the capital plan.
- 5.2 As a result, it is necessary for SPT to continue with the ongoing review of service activities and organisational structures to ensure that resources are re-directed wherever possible to the priorities outlined in Para 2. It is also necessary to critically review the level of fares, fees and charges applied.
- 5.3 Taking all of the above including pressures and affordability to partners into consideration, which will result in a cash reduction of 2% applied to each local authority requisition, it is necessary to set a net revenue budget at a level of 2% less than in financial year 2017/2018. This funding reduction will present difficulties in delivering SPT's agreed priorities and will require continued effective management. All councils have been consulted at a Director of Finance level as part of this process, and this level of reduction is believed to be consistent with their own plans.
- 5.4 Given the ongoing financial pressures and expectations as to how the Government's austerity measures will continue to affect funding partners, together with the ongoing review of the Regional Transport Strategy, it is proposed that a more detailed review of the long term financial strategy and supported priorities be undertaken and presented to a future Partnership for consideration.

6. Committee Action

The Committee is recommended to consider the attached draft revenue budget and recommend to the Partnership:

- A net revenue budget for 2018/19 of £36,937,714;
- Requisitions totalling £35,900,714, a 2% reduction on the 2017/18 levels;
- An increase to Fares, Fees and Charges as outlined at paragraphs 3.7 to 3.11; and

- A more detailed review of priorities and the long term financial plan be considered by the Partnership at a future meeting taking account of the Regional Transport Strategy review.

Consequences

Policy consequences	<i>Expenditure plan has been aligned to agreed priorities.</i>
Legal consequences	<i>Required to set a balanced budget.</i>
Financial consequences	<i>As outlined in the report.</i>
Personnel consequences	<i>None directly.</i>
Equalities consequences	<i>None directly.</i>
Risk consequences	<i>Balanced budget dependent on strong financial management.</i>

Name	Valerie Davidson	Name	Gordon MacLennan
Title	Assistant Chief Executive (Business Support)	Title	Chief Executive

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Budget Report by Division

Draft Budget Summary - 2018/19- 2019/20

	Historic Data	Proposed		Draft	
	Budget 2017/18	Budget 2018/19	Variance 17/18 v 18/19	Budget 2019/20	Variance 18/19 v 19/20
Chief Executive					
Cabinet	634,027	654,496	(20,469)	656,345	(1,848)
Total Chief Executive	634,027	654,496	(20,469)	656,345	(1,848)
Operations					
Subway	2,162,385	1,228,362	934,023	2,072,656	(844,294)
Bus Operations	17,280,835	16,737,085	543,750	16,933,536	(196,451)
Projects	1,334,601	1,226,646	107,955	1,235,940	(9,294)
Health and Safety	141,203	149,021	(7,818)	152,414	(3,394)
Customer Standards	558,830	560,159	(1,329)	564,385	(4,226)
Total Operations	21,477,853	19,901,272	1,576,581	20,958,931	(1,057,659)
Business Support					
Finance & Human Resources	1,377,072	1,403,141	(26,069)	1,395,468	7,673
Digital	890,956	930,008	(39,052)	950,876	(20,868)
Legal Services	315,588	465,939	(150,351)	470,973	(5,034)
Business Support	298,614	248,997	49,617	250,749	(1,752)
Elected Members	78,611	68,085	10,526	68,085	-
Corporate	1,591,664	1,476,318	115,345	1,786,337	(310,019)
Total Business Support	4,552,505	4,592,488	(39,982)	4,922,488	(330,000)
Contribution to Subway Fund	11,005,995	10,789,457	216,538	8,681,935	2,107,522
Contribution to Capital Funded from Revenue	-	1,000,000	(1,000,000)	1,000,000	-
Net Total	37,670,381	36,937,714	732,668	36,219,699	718,014



Budget Report by Subjective

Draft Budget Summary - 2018/19- 2019/20

	Historic Data	Proposed		Draft		Notes
	Budget 2017/18	Budget 2018/19	Variance 17/18 v 18/19	Budget 2019/20	Variance 18/19 v 19/20	
EXPENDITURE						
Employee Costs						
1) Salaries	17,292,821	16,747,247	545,573	17,141,307	(394,060)	1. Reduced budget due to restructures in 2016/17 and 2017/18 in bus operations and reduced establishments partially offset by increased costs relating to potential pay award and salary increments 2. Budget reduced in line with 2017/18 projections. 3. Increase due to potential pay award, salary increments and a budget included for potential holiday pay increases. This is partially offset by savings due to restructures in 2016/17 and 2017/18 in bus operations and reduced establishments.
2) Overtime	750,000	668,548	81,452	591,300	77,248	
3) Other Employee Costs	5,150,986	5,276,023	(125,037)	5,398,104	(122,081)	
Sub Total Employee Costs	23,193,807	22,691,818	501,989	23,130,712	(438,894)	
Property Costs						
Electricity	1,568,950	1,557,066	11,885	1,560,531	(3,465)	4. Reduced depot building budget as 2017/18 included provision for stabling shed brickwork repairs.
Repairs and Maintenance	464,925	438,925	26,000	438,925	-	
Property Insurance	600,000	600,000	0	600,000	-	
4) Other Property Costs	3,509,333	3,383,397	125,936	3,341,598	41,799	
Sub Total Property Costs	6,143,209	5,979,387	163,821	5,941,053	38,334	
5) Supplies & Services	2,138,859	2,413,041	(274,182)	2,270,673	142,368	5. Includes budget increases in Subway tickets (new tender), rolling stock supplies (planned workstreams) and reduced capitalisation based on external audit guidance.
6) Transport & Plant Costs	287,400	240,950	46,450	240,950	-	6. Budget reduced in line with 2017/18 projections.
Third Party Payments						
7) Bus Operator Payments	13,349,976	13,090,180	259,796	13,115,832	(25,652)	7. Reduction in budget due to operator subsidy for hospital services finishing in July 2018. These services are fully funded by Glasgow City Council and a corresponding decrease in income can be seen under Bus Income. The underlying bus operator payments budget remains at previous levels, adjusted for inflation forecast.
Communications	356,000	356,000	0	356,000	-	
8) Other Third Party Payments	4,492,100	5,484,796	(992,696)	6,452,307	(967,511)	8. As a result of budget increases in TSSSA new rolling stock contract and consultancy support for the RTS and also Subway quality and safety cases. These are planned costs in accordance with the long term subway modernisation programme.
Sub Total Third Party Payments	18,198,076	18,930,976	(732,900)	19,924,139	(993,162)	
Financing Costs						
9) Contribution to Subway Fund	11,005,995	10,789,457	216,538	8,681,935	2,107,522	9. The increased contribution to the Subway fund will facilitate future capital and revenue spend on Subway Modernisation and the Subway, including Operational Readiness as a whole. It will keep SPT on track for meeting its overall long term funding commitments. 10. Budget added to support delivery of the capital programme against the backdrop of reduced funding in 2018/19.
10) Contribution to Capital Funded from Revenue	-	1,000,000	(1,000,000)	1,000,000	-	
Sub Total Financing Costs	11,005,995	11,789,457	(783,462)	9,681,935	2,107,522	
TOTAL EXPENDITURE	60,967,346	62,045,630	(1,078,284)	61,189,462	856,167	
INCOME						
11) Subway Income	(17,148,000)	(19,678,200)	2,530,200	(19,696,200)	18,000	11. Increased income budgeted based on 2017/18 ticket income projections and increased guaranteed minimum sum from the new advertising contract.
12) Bus Income	(4,119,330)	(3,138,051)	(981,279)	(2,981,898)	(156,153)	12. Reduction in income mainly relates to reduced funding for hospital services (see bus operator payments note) and a budget decrease in sales commission as a result of the closure of BBS travel centre (net saving due to reduction in other costs). This is partially offset by an increased guaranteed minimum sum from the new advertising contract.
Agency Income - Agency Fee	(1,169,634)	(1,171,665)	2,031	(1,171,665)	-	
13) Interest Received	(400,000)	(700,000)	300,000	(700,000)	-	13. Budget increased based on 2018/19 interest rate projections and estimated cash balances for 2018/19.
14) Other Income	(460,000)	(420,000)	(40,000)	(420,000)	-	14. Reduction in SPT's zonecard agency fee recovery as a result of commission from agent sales being allocated direct to the zonecard scheme.
TOTAL INCOME	(23,296,964)	(25,107,916)	1,810,952	(24,969,763)	(138,153)	
Net Total	37,670,381	36,937,714	732,668	36,219,699	718,014	



Budget Report by Directorate - Subway

Draft Budget Summary - 2018/19- 2019/20

	Historic Data	Proposed		Draft		Notes
	Budget 2017/18	Budget 2018/19	Variance 17/18 v 18/19	Budget 2019/20	Variance 18/19 v 19/20	
EXPENDITURE						
Employee Costs						
Salaries	7,872,494	8,272,736	(400,242)	8,311,731	(38,996)	1
Overtime	553,000	569,048	(16,048)	491,800	77,248	
Other Employee Costs	2,226,340	2,381,920	(155,580)	2,398,069	(16,149)	1
Sub Total Employee Costs	10,651,834	11,223,704	(571,870)	11,201,601	22,103	
Property Costs						
Electricity	1,365,000	1,348,806	16,194	1,348,806	-	
Property Insurance	600,000	600,000	0	600,000	-	
Other Property Costs	1,804,629	1,645,470	159,159	1,650,470	(5,000)	2
Sub Total Property Costs	3,769,629	3,594,276	175,353	3,599,276	(5,000)	
Supplies & Services	1,954,470	2,259,357	(304,887)	2,121,244	138,113	3
Transport & Plant Costs	30,000	15,000	15,000	15,000	-	
Third Party Payments						
Bus Operator Payments	20,000	20,000	(0)	20,000	-	
Other Third Party Payments	2,884,452	3,794,225	(909,773)	4,811,736	(1,017,511)	4
Sub Total Third Party Payments	2,904,452	3,814,225	(909,773)	4,831,736	(1,017,511)	
TOTAL EXPENDITURE	19,310,385	20,906,562	(1,596,177)	21,768,856	(862,294)	
INCOME						
Subway Income	(17,148,000)	(19,678,200)	2,530,200	(19,696,200)	18,000	5
TOTAL INCOME	(17,148,000)	(19,678,200)	2,530,200	(19,696,200)	18,000	
Net Total	2,162,385	1,228,362	934,023	2,072,656	(844,294)	

Notes

1. Increased budget incorporates potential pay awards, salary increments and increased establishment for the new rolling stock team.
2. Reduced depot building budget as 2017/18 included provision for stabling shed brickwork.
3. Includes budget increases in Subway tickets (new tender), rolling stock supplies (planned workstreams) and reduced capitalisation for the new rolling stock team based on external audit guidance.
4. As a result of budget increases in TSSSA new rolling stock contract (in line with profile) and consultancy support for Subway quality and safety cases. These are planned costs in accordance with the long term subway modernisation programme.
5. Increased income budgeted based on 2017/18 ticket income projections and increased guaranteed minimum sum from the new advertising contract.



Budget Report by Directorate - Bus Operations

Draft Budget Summary - 2018/19- 2019/20

	Historic Data	Proposed		Draft		Notes
	Budget 2017/18	Budget 2018/19	Variance 17/18 v 18/19	Budget 2019/20	Variance 18/19 v 19/20	
EXPENDITURE						
Employee Costs						
Salaries	4,190,063	3,399,554	790,510	3,419,719	(20,165)	1
Overtime	177,500	81,500	96,000	81,500	-	2
Other Employee Costs	1,094,434	897,073	197,360	901,906	(4,832)	1
Sub Total Employee Costs	5,461,997	4,378,127	1,083,870	4,403,124	(24,998)	
Property Costs						
Electricity	173,950	173,260	690	176,725	(3,465)	
Repairs and Maintenance	398,000	372,000	26,000	372,000	-	3
Other Property Costs	1,231,045	1,241,269	(10,224)	1,225,470	15,799	
Sub Total Property Costs	1,802,995	1,786,529	16,466	1,774,195	12,334	
Supplies & Services	141,900	121,400	20,500	121,400	-	4
Transport & Plant Costs	221,400	191,900	29,500	191,900	-	5
Third Party Payments						
Bus Operator Payments	13,329,976	13,070,180	259,796	13,095,832	(25,652)	6
Communications	5,000	5,000	0	5,000	-	
Other Third Party Payments	299,077	201,000	98,077	201,000	-	7
Sub Total Third Party Payments	13,634,053	13,276,180	357,873	13,301,832	(25,652)	
TOTAL EXPENDITURE	21,262,345	19,754,136	1,508,209	19,792,451	(38,315)	
INCOME						
Bus Income	(3,504,422)	(2,565,386)	(939,036)	(2,407,250)	(158,136)	8
Agency Income - Agency Fee	(477,089)	(451,665)	(25,423)	(451,665)	-	
TOTAL INCOME	(3,981,510)	(3,017,051)	(964,459)	(2,858,915)	(158,136)	
Net Total	17,280,835	16,737,085	543,750	16,933,536	(196,451)	

Notes

- The budget reflects savings generated from the bus restructure. This is partially offset by potential pay awards and salary increments.
- Budget reduced in line with 2017/18 projections.
- Budget reduced in line with 2017/18 projections.
- Savings generated from the closure of BBS travel centre.
- Reduced travel costs associated with the compliance team.
- Reduction in budget due to operator subsidy for hospital services finishing in July 2018. These services are fully funded by Glasgow City Council and a corresponding decrease in income can be seen under note 8. The underlying bus operator payments budget remains at previous levels, adjusted for inflation forecast.
- Budget reduction in maintenance and support costs for a Council funded project that SPT was managing on behalf of GCC in 2017/18. This is fully offset by a reduction in income (see note 8).
- Reduction in income mainly relates to reduced funding for hospital services (see note 6). Also includes reduced project funding from GCC (see note 7) and a budget decrease in sales commission as a result of the closure of BBS travel centre (net saving due to reduction in other costs). This is partially offset by an increased guaranteed minimum sum from the new advertising contract.



Budget Report by Directorate - Projects

Draft Budget Summary - 2018/19- 2019/20

	Historic Data	Proposed		Draft		Notes
	Budget 2017/18	Budget 2018/19	Variance 17/18 v 18/19	Budget 2019/20	Variance 18/19 v 19/20	
EXPENDITURE						
Employee Costs						
Salaries	1,707,234	1,554,216	153,018	1,566,311	(12,095)	1
Overtime	2,500	1,000	1,500	1,000	-	
Other Employee Costs	480,514	444,797	35,717	448,232	(3,436)	1
Sub Total Employee Costs	2,190,247	2,000,012	190,235	2,015,543	(15,531)	
Supplies & Services	(587,792)	(569,202)	(18,591)	(573,456)	4,254	2
Transport & Plant Costs	9,600	8,500	1,100	8,500	-	
Third Party Payments						
Communications	10,000	10,000	(0)	10,000	-	
Other Third Party Payments	20,000	70,000	(50,000)	70,000	-	3
Sub Total Third Party Payments	30,000	80,000	(50,000)	80,000	-	
TOTAL EXPENDITURE	1,642,055	1,519,311	122,744	1,530,587	(11,277)	
INCOME						
Travel Card Unit	(307,454)	(292,665)	(14,789)	(294,648)	1,983	
TOTAL INCOME	(307,454)	(292,665)	(14,789)	(294,648)	1,983	
Net Total	1,334,601	1,226,646	107,955	1,235,940	(9,294)	

Notes

1. Due to a reduction in the budgeted establishment partially offset by potential pay awards and salary increments.
2. Budget reduction in travel card unit supplies offset by overhead costs associated with the travel card unit. These costs are fully recharged to the Concessionary Travel Scheme.
3. Includes costs relating to post office recharges for Concession card processing. These costs are fully recharged to the Concessionary Travel Scheme.



Budget Report by Directorate - Health and Safety

Draft Budget Summary - 2018/19- 2019/20

	Historic Data	Proposed		Draft		Notes
	Budget 2017/18	Budget 2018/19	Variance 17/18 v 18/19	Budget 2019/20	Variance 18/19 v 19/20	
EXPENDITURE						
Employee Costs						
Salaries	108,078	114,213	(6,135)	116,943	(2,730)	1
Other Employee Costs	32,325	34,008	(1,683)	34,672	(664)	1
Sub Total Employee Costs	140,403	148,221	(7,818)	151,614	(3,394)	
Supplies & Services	600	600	(0)	600	-	
Transport & Plant Costs	200	200	(0)	200	-	
TOTAL EXPENDITURE	141,203	149,021	(7,818)	152,414	(3,394)	
Net Total	141,203	149,021	(7,818)	152,414	(3,394)	

Notes

1. Budget increase for potential pay award and salary increments.



Budget Report by Directorate - Customer Standards

Draft Budget Summary - 2018/19- 2019/20

	Historic Data	Proposed		Draft		Notes
	Budget 2017/18	Budget 2018/19	Variance 17/18 v 18/19	Budget 2019/20	Variance 18/19 v 19/20	
EXPENDITURE						
Employee Costs						
Salaries	389,622	386,920	2,702	390,322	(3,402)	1
Overtime	15,000	15,000	0	15,000	-	
Other Employee Costs	114,208	113,239	969	114,063	(824)	
Sub Total Employee Costs	518,830	515,159	3,671	519,385	(4,226)	
Supplies & Services	39,000	44,000	(5,000)	44,000	-	
Transport & Plant Costs	1,000	1,000	(0)	1,000	-	
TOTAL EXPENDITURE	558,830	560,159	(1,329)	564,385	(4,226)	
Net Total	558,830	560,159	(1,329)	564,385	(4,226)	

Notes

1. Reduced post grading partially offset by potential pay award and salary increments increases.



Budget Report by Directorate - Finance & HR

Draft Budget Summary - 2018/19- 2019/20

	Historic Data	Proposed		Draft		Notes
	Budget 2017/18	Budget 2018/19	Variance 17/18 v 18/19	Budget 2019/20	Variance 18/19 v 19/20	
EXPENDITURE						
Employee Costs						
Salaries	1,091,800	1,077,820	13,981	1,071,627	6,193	1
Other Employee Costs	319,202	314,321	4,881	312,841	1,480	1
Sub Total Employee Costs	1,411,002	1,392,141	18,862	1,384,468	7,673	
Supplies & Services	(34,930)	10,000	(44,930)	10,000	-	2
Transport & Plant Costs	1,000	1,000	(0)	1,000	-	
TOTAL EXPENDITURE	1,377,072	1,403,141	(26,069)	1,395,468	7,673	
Net Total	1,377,072	1,403,141	(26,069)	1,395,468	7,673	

Notes

1. Due to a reduction in the budgeted establishment partially offset by potential pay awards and salary increments.
2. Due to a reduction in capitalised salary recoveries as the result of external audit guidance.



Budget Report by Directorate - Digital

Draft Budget Summary - 2018/19- 2019/20

	Historic Data	Proposed		Draft		Notes
	Budget 2017/18	Budget 2018/19	Variance 17/18 v 18/19	Budget 2019/20	Variance 18/19 v 19/20	
EXPENDITURE						
Employee Costs						
Salaries	686,278	712,937	(26,659)	728,914	(15,977)	1
Overtime	2,000	2,000	0	2,000	-	
Other Employee Costs	192,678	205,071	(12,393)	209,962	(4,892)	1
Sub Total Employee Costs	880,956	920,008	(39,052)	940,876	(20,868)	
Supplies & Services	4,000	4,000	0	4,000	-	
Transport & Plant Costs	6,000	6,000	0	6,000	-	
TOTAL EXPENDITURE	890,956	930,008	(39,052)	950,876	(20,868)	
Net Total	890,956	930,008	(39,052)	950,876	(20,868)	

Notes

1. Budget increase for potential pay award and salary increments.



Budget Report by Directorate - Legal Services

Draft Budget Summary - 2018/19- 2019/20

EXPENDITURE

Employee Costs

Salaries 238,946
Other Employee Costs 73,942

Sub Total Employee Costs

Supplies & Services

Transport & Plant Costs

TOTAL EXPENDITURE

Net Total

Historic Data	Proposed		Draft		Notes	
	Budget 2017/18	Budget 2018/19	Variance 17/18 v 18/19	Budget 2019/20		Variance 18/19 v 19/20
Salaries	238,946	353,872	(114,926)	357,749	(3,876)	1
Other Employee Costs	73,942	109,217	(35,275)	110,374	(1,157)	1
Sub Total Employee Costs	312,888	463,089	(150,201)	468,123	(5,034)	
Supplies & Services	2,000	2,000	0	2,000	-	
Transport & Plant Costs	700	850	(150)	850	-	
TOTAL EXPENDITURE	315,588	465,939	(150,351)	470,973	(5,034)	
Net Total	315,588	465,939	(150,351)	470,973	(5,034)	

Notes

1. Increased budget as a result of the transfer of employees from Customer Standards and Business Support to Legal. Also includes a budget increase for potential pay award and salary increments.



Budget Report by Directorate - Business Support

Draft Budget Summary - 2018/19- 2019/20

	Historic Data	Proposed		Draft		Notes
	Budget 2017/18	Budget 2018/19	Variance 17/18 v 18/19	Budget 2019/20	Variance 18/19 v 19/20	
EXPENDITURE						
Employee Costs						
Salaries	229,902	187,182	42,720	188,498	(1,317)	1
Other Employee Costs	64,212	57,315	6,897	57,751	(436)	1
Sub Total Employee Costs	294,114	244,497	49,617	246,249	(1,752)	
Supplies & Services	4,000	4,000	(0)	4,000	-	
Transport & Plant Costs	500	500	(0)	500	-	
TOTAL EXPENDITURE	298,614	248,997	49,617	250,749	(1,752)	
Net Total	298,614	248,997	49,617	250,749	(1,752)	

Notes
 1. Reduced budget due to the transfer of employees to Legal partially offset for potential pay award and salary increments.



Budget Report by Directorate - Elected Members

Draft Budget Summary - 2018/19- 2019/20

	Historic Data	Proposed		Draft		Notes
	Budget 2017/18	Budget 2018/19	Variance 17/18 v 18/19	Budget 2019/20	Variance 18/19 v 19/20	
EXPENDITURE						
Supplies & Services	59,611	58,085	1,526	58,085	-	
Transport & Plant Costs	7,000	6,000	1,000	6,000	-	
Third Party Payments						
Other Third Party Payments	12,000	4,000	8,000	4,000	-	1
Sub Total Third Party Payments	12,000	4,000	8,000	4,000	-	
TOTAL EXPENDITURE	78,611	68,085	10,526	68,085	-	
Net Total	78,611	68,085	10,526	68,085	-	

Notes

1. Budget reduction due to reduced consultancy support to the Partnership in 2018/19.



Budget Report by Directorate - Corporate

Draft Budget Summary - 2018/19- 2019/20

	Historic Data	Proposed		Draft		Notes
	Budget 2017/18	Budget 2018/19	Variance 17/18 v 18/19	Budget 2019/20	Variance 18/19 v 19/20	
EXPENDITURE						
Employee Costs						
Salaries	308,255	201,682	106,573	502,410	(300,728)	1
Other Employee Costs	404,253	565,683	(161,430)	655,973	(90,290)	2
Sub Total Employee Costs	712,508	767,364	(54,857)	1,158,383	(391,019)	
Property Costs						
Electricity	30,000	35,000	(5,000)	35,000	-	
Repairs and Maintenance	66,925	66,925	0	66,925	-	
Other Property Costs	473,660	496,658	(22,998)	465,658	31,000	3
Sub Total Property Costs	570,585	598,583	(27,998)	567,583	31,000	
Supplies & Services	551,000	473,800	77,200	473,800	-	4
Third Party Payments						
Communications	341,000	341,000	(0)	341,000	-	
Other Third Party Payments	1,276,571	1,415,571	(139,000)	1,365,571	50,000	5
Sub Total Third Party Payments	1,617,571	1,756,571	(139,000)	1,706,571	50,000	
Financing Costs						
Contribution to Subway Fund	11,005,995	10,789,457	216,538	8,681,935	2,107,522	6
Contribution to Capital Funded from Revenue	-	1,000,000	(1,000,000)	1,000,000	-	7
Sub Total Financing Costs	11,005,995	11,789,457	(783,462)	9,681,935	2,107,522	
TOTAL EXPENDITURE	14,457,659	15,385,775	(928,117)	13,588,272	1,797,503	
INCOME						
Agency Income - Agency Fee	(1,000,000)	(1,000,000)	(0)	(1,000,000)	-	
Interest Received	(400,000)	(700,000)	300,000	(700,000)	-	8
Other Income	(460,000)	(420,000)	(40,000)	(420,000)	-	9
TOTAL INCOME	(1,860,000)	(2,120,000)	260,000	(2,120,000)	-	
Net Total	12,597,659	13,265,775	(668,117)	11,468,272	1,797,503	

Notes

- Reduction in budget due to potential pay award allocated across individual departments.
- Increase due to budget included for potential holiday pay increases.
- Budget increase as a result of increased property rates.
- Based on savings projected for general supplies and services in 2017/18 and also overhead recovery from the Concessionary Travel Scheme. This is partially offset by an increase to SPT's training budget.
- Increased budget includes provision for consultancy support for the Regional Transport Strategy.
- The increased contribution to the Subway fund will facilitate future capital and revenue spend on Subway Modernisation and the Subway, including Operational Readiness as a whole. It will keep SPT on track for meeting its overall long term funding commitments.
- Budget added to support delivery of the capital programme against the backdrop of reduced funding in 2018/19.
- Budget increased based on 2018/19 interest rate projections and estimated cash balances for 2018/19.
- Reduction in SPT's zonecard agency fee recovery as a result of commission from agent sales being allocated direct to the zonecard scheme.



Proposed Council Requisition - SPT

	Requisition Financial Year 2017/18	Proposed Requisition Financial Year 2018/19
Argyll and Bute	594,183	582,299
East Ayrshire	1,910,639	1,872,426
East Dunbartonshire	1,855,140	1,818,038
East Renfrewshire	1,563,618	1,532,346
Glasgow	9,848,094	9,651,132
Inverclyde	1,448,588	1,419,616
North Ayrshire	2,297,997	2,252,037
North Lanarkshire	5,483,556	5,373,886
Renfrewshire	2,934,480	2,875,791
South Ayrshire	1,766,504	1,731,174
South Lanarkshire	5,321,538	5,215,107
West Dunbartonshire	1,609,042	1,576,861
Total Requisition	36,633,380	35,900,714