



Revenue Monitoring Report as at 29 January 2022, Period 11

Date of meeting 18 March 2022

Date of report 1 March 2022

Report by Treasurer

1. Object of report

To advise members of the committee of revenue expenditure incurred at the end of Period 11 (29 January 2022), including the projected outturn to the end of the current financial year.

2. Background

Members will be aware that the Committee approved a balanced budget for 2021/22 on 12 March 2021. This balanced budget provided for a net revenue budget of £4.039m, funded by local authority requisitions of £4.039m with no draw on reserves anticipated. After the budget was approved the requisition settlement from Councils was confirmed at £4.076m for 2021/22 which was a 0.9% increase compared to 2020/21. The budget was set on the basis of the 2019/20 final outturn, given 2020/21 costs and operator payments were significantly affected by the ongoing Covid pandemic.

3. Current Position

Since the last update to Committee there have been positive signs of recovery with passenger numbers in and around 60% of pre Covid levels between September and early December. However, as a result of the emergence of the new Omicron variant in mid-December and the additional restrictions that followed, the growth in passengers stalled and indeed reduced. More details of this can be seen in the 'Performance and Reimbursement Update on 2021/22 Quarter 1 to Quarter 3 Results' paper at this Committee.

As restrictions are lifted further in the weeks and months ahead and in line with previous trends, it is anticipated that public behaviours will change and public transport usage will increase as people adapt to changed circumstances in terms of routines during the recovery phase of the pandemic. However, anticipated increased passenger numbers are unlikely to have a material impact to the projected outturn for operator reimbursement in 2021/22.

Taking all of the above into consideration, reimbursement to operators for the financial year is projected to be £2.651m, which is a reduction of £1.100m compared to the approved budget. This assumes that current trends in passenger numbers and operator reimbursement seen in the financial year to date will be sustained to the end of the financial year. This would represent an increase in operator reimbursement of £1.687m when compared with 2020/21 when significant restrictions were still in place. In 2019/20 operator reimbursement was £4.328m therefore 2021/22 costs are still significantly below this.

Administration of the scheme and support to card holders has continued throughout the pandemic with no fundamental change to support and or output from the Travel Card Unit.

Therefore, these costs are more in line with budget estimates with only small projected outturn changes under employee costs due to vacant posts in the establishment. These vacancies have recently been filled. Supplies and services, third party payments are also projected to be underspent due a reduction in printing, postage and card administration support costs.

The overall projected outturn position for the financial year can be seen in Appendix 1 with an underspend of £1.150m projected at this stage. Any projected underspend will be factored into the long term sustainability plans for the scheme.

At 31 March 2021, the scheme held reserves of £3.460m. Based on the forecast outturn at P11 there will be an increase to reserves of £1.150m in 2021/22, resulting in a revised reserves balance of £4.610m at the end of the current financial year.

4. Conclusions

The overall projected outturn position for 2021/22 is a forecast underspend of £1.150m resulting in a corresponding increase in scheme reserves.

The impact of increased reserves resulting from reduced passenger numbers and reimbursement to operators in 2020/21 and 2021/22 will give the Scheme a stronger base position to navigate its way out of the pandemic with financial stability in the short term as it makes decisions regarding the long term viability and sustainability of the Scheme.

5. Committee action

The committee is recommended to note the projected outturn position for 2021/22 based on the information available at the end of P11.

6. Consequences

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

Name Neil Wylie

Title Treasurer

For further information, please contact *Stuart Paul, Chief Accountant*, on 0141 333 3382.



Concessionary Travel Revenue Monitoring Report

For Year 21/22 Period 11 ending 29-Jan-2022

	Year to Date				Annual Budget				Notes
	Actual	Budget	Variance	Variance %	Projected Outturn	Annual Budget	Variance	Variance %	
EXPENDITURE									
Employee Costs									
Salaries	127,699	140,469	12,770	9%	151,009	166,009	15,000	9%	1
Overtime	-	846	846	100%	1,000	1,000	-	0%	
Other Employee Costs	34,805	38,286	3,481	9%	40,247	45,247	5,000	11%	1
Sub Total Employee Costs	162,505	179,601	17,097	10%	192,256	212,256	20,000	9%	
Supplies & Services	48,242	52,969	4,727	9%	56,600	62,600	6,000	10%	2
Third Party Payments									
Operator Reimbursement	2,198,297	3,143,154	944,858	30%	2,650,992	3,750,992	1,100,000	29%	3
Other Third Party Payments	29,508	44,000	14,492	33%	32,000	52,000	20,000	38%	4
Sub Total Third Party Payments	2,227,805	3,187,155	959,350	30%	2,682,992	3,802,992	1,120,000	29%	
TOTAL EXPENDITURE	2,438,551	3,419,725	981,174	29%	2,931,848	4,077,848	1,146,000	28%	
INCOME									
Interest Received	(4,899)	(1,692)	3,207	(189%)	(6,000)	(2,000)	4,000	(200%)	5
TOTAL INCOME	(4,899)	(1,692)	3,207	(189%)	(6,000)	(2,000)	4,000	(200%)	
Net Total	2,433,652	3,418,033	984,381	29%	2,925,848	4,075,848	1,150,000	28%	

Notes

1. Due to vacant posts in the current establishment.
2. Based on savings generated to P11 projected until year end.
3. Passenger numbers and reimbursement to operators have increased in comparison to 2020/21. However passenger numbers and consequently operator reimbursement have not fully recovered to pre covid levels
4. Current position due to credit released relating to reduced Post Office card admin costs in 2020/21.
5. Increased income projected due to increased interest rates and higher cash balances.