

FINANCE UPDATE

End of Year (2018/2019) Report

1st March 2019

Please note that the following recommendation/s is/are subject to consideration and determination by the Board before taking effect.

RECOMMENDATION

It is recommended that:

- (a) The board note and approve the financial information as set out in this report

1. Background/Introduction

This is the first Finance Update report on Peninsula Transport's end of year financial position and reflects the fact that the Sub-National Transport body has been in the process of establishing itself and therefore spend to date has been limited.

2. Main Text/Proposal

Financial Contributions

The Parties' Financial Contributions are set out in Table I below which covers the period from the date of establishment (5th November 2018) through to 31st March 2020 and will be reviewed annually from 2020/21 onwards.

Table I: Financial contribution from the Constituent Authorities

| Name of Party | Type of Authority | Population | % cost share | Budget |
|-------------------------|--------------------------|-------------------|---------------------|-----------------|
| Cornwall Council | Unitary | 536,000 | 23.9% | £76,480 |
| Devon County Council | County | 779,000 | 34.7% | £111,040 |
| Plymouth City Council | Unitary | 262,400 | 11.7% | £37,400 |
| Somerset County Council | County | 530,00 | 23.6% | £75,520 |
| Torbay Council | Unitary | 134,400 | 6.0% | £19,200 |
| Total | | 2,241,800 | 100% | £319,640 |

Financial Contribution Profile

The profile over two financial years for each contribution is provided in Table 2.

Table 2: Financial Contribution Profiles for the financial years of 2018/19 and 2019/20.

| Name of Party | Lead Area | Financial Contribution 2018/19 | Financial Contribution 2019/20 | Total Budget |
|-------------------------|--|---------------------------------------|---------------------------------------|---------------------|
| Cornwall Council | Technical Lead | £70,000 | £6,480 | £76,480 |
| Devon County Council | Administrative Lead | £57,000 | £54,040 | £111,040 |
| Plymouth City Council | Financial Lead / Communication & Engagement Lead | £17,400 | £20,000 | £37,400 |
| Somerset County Council | Governance Lead | £30,000 | £45,520 | £75,520 |
| Torbay Council | Technical Support | £19,200 | £0 | £19,200 |
| Total | | £193,600 | £126,040 | £319,640 |

Constituent Authority retained amount

Whilst Peninsula Transport are in shadow form each of the technical leads will retain an amount to undertake the internal activities associated with that work-stream for the financial years of 2018/19 and 2019/20. This will avoid the need for additional bureaucracy and invoicing. The amount and a description of the work is provided in Table 3. It should be noted that these are an estimate and could be subject to change.

Table 3: The Constituent Authority retention payments for leading their technical work area.

| Name of Party | Retained amount | Technical Work Area |
|----------------------|------------------------|--|
| Cornwall Council | £6,480 | Technical Lead objectives To Co-ordinate and facilitate the following activities: <ol style="list-style-type: none"> 1. Production of a Peninsula Transport Leaflet 2. Production of Regional Evidence Base. 3. Production of Regional Connectivity Study. 4. Production of Priority Matrix 5. Prioritisation of schemes exercise 6. Production of final prioritised list of schemes for submission to DfT |
| Devon County Council | £13,000 | Administration Lead Technical work area – <ol style="list-style-type: none"> 1. Co-ordinate and facilitate activities of Peninsula Transport. 2. Provide support to, and deliver, efficient and accessible meetings, documentation and publications. |

| | | |
|-------------------------|----------------|---|
| | | <ol style="list-style-type: none"> 3. Make practical arrangements for the meetings, maintaining a forward plan of agenda items and liaising with the Chair to prepare agendas, and preparing, checking and issuing accurate minutes. 4. Develop and maintain relationships with stakeholders on secretariat issues to improve information exchange and understanding of Peninsula Transport. |
| Plymouth City Council | £54,000 | <p>Communications Objectives</p> <ol style="list-style-type: none"> 1. Build awareness with stakeholders of Peninsula Transport and its purpose 2. Ensure key stakeholders are fully briefed on the work of Peninsula Transport 3. Define a clear set of offers and asks to government for Peninsula Transport and brief key stakeholders on how they can help deliver 4. Engage stakeholders around an emerging sub regional transport plan 5. Campaign for sub regional transport body status <p>Finance Objectives</p> <ol style="list-style-type: none"> 1. To administer the overall finances of the group for the commissioning of work |
| Somerset County Council | £10,000 | <p>Governance and Liaison Objectives</p> <p>To provide overall Governance to Peninsula Transport STB including:</p> <ol style="list-style-type: none"> 1. Produce and update the STB's Terms of Reference 2. Undertake preparatory work as required to move the partnership to statutory body status 3. Provide and update further Governance papers as required 4. Provide advice on procedural matters as need arises 5. Provide training on procedural matters as need arises 6. Liaison with Western Gateway STB |
| Total | £83,480 | |

Anticipated Expenditure and Affordability

The actual expenditure for Peninsula Transport to date has been limited, reflecting the fact that the STB has been in the process of establishing itself. Costs anticipated within this financial year (2018/19)

will be a small contribution towards the technical studies and the establishment of the Peninsula Transport Website.

Officers have made progress in terms of identifying Major Road Network / Large Local Majors schemes. Aecom have been commissioned to provide the Regional Evidence Base and Economic Connectivity Studies and the prioritisation tool is in progress. These items are included in the Forecast expenditure as itemised in Table 4 in the part II report. Please note that there is a low and high cost forecast expenditure (£248,244.49 to £318,244.49) reflecting that this is a new area of work and the potential options available.

It should be noted that STBs in the UK, in addition to those items listed above, are also producing documents setting out further their Strategic Context. It is likely that, in order to compete for national funding, Peninsula Transport will need to consider these items at a future date.

3. Summary/Conclusions/Reasons for Recommendations

Board Members are asked to note that the expenditure currently planned is affordable and within the overall budget of £319,640, although there is very limited flexibility if the cost is towards the high end of the forecast.