

FINANCE UPDATE

Financial Update Report

4 December 2020

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

RECOMMENDATION

It is recommended that:

- (a) The Board note the revised financial information for 2020/21 as set out in this report

1. Background/Introduction

This budget update includes the very welcome funding contribution from the Department for Transport (DfT) of £425,000. All required documentation has been provided to the DfT and approved and the funding has been released to Peninsula Transport. A letter of sincere thanks was sent by the Chair of Peninsula Transport, Councillor Geoff Brown, to the DfT.

This DfT funding, alongside an accrual of £62,523 from 2019/20 and the Local Authority contribution of £159,820, provides a total budget for 20/21 of £647,343 as notified and approved at the last Board meeting.

The Local Authorities have each pledged to maintain their contribution levels in 2021/22 to continue to meet Peninsula Transport's functional, administrative and communications costs. This funding will also deliver the Rural Mobility Study and complete the Regional Transport Strategy.

A response was sent by Peninsula Transport to the Comprehensive Spending Review (CSR) consultation requesting longer-term certainty of funding for Peninsula Transport. It is understood that several Sub-national Transport Bodies (STBs) put in similar responses.

A formal tender is being progressed for the communications activities for both Peninsula Transport and the Peninsula Rail Task Force (PRTF). The tender is being done mindful of the Board's request that the PRTF identity is retained.

2. Main Text/Proposal

Financial Contributions

The Financial Contributions for 2020/21 from Peninsula Transport partnership Local Authorities are set out in table I below.

Table I: Financial contribution from Peninsula Transport Local Authorities

Name of Party	Type of Authority	Population	% cost share	Budget
Cornwall Council	Unitary	536,000	23.9%	£38,240
Devon County Council	County	779,000	34.7%	£55,520
Plymouth City Council	Unitary	262,400	11.7%	£18,700
Somerset County Council	County	530,00	23.6%	£37,760
Torbay Council	Unitary	134,400	6.0%	£9,600

Total		2,241,800	100%	£159,820
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In additional there was an accrual from 2019/20 of £62,523

The DfT contribution adds a further £425,000.

This makes a total budget for 2020/21 of £647,343

Funding Position

The financial contribution from the DfT allows a significant number of the remaining work packages to be completed to progress the Detailed Transport Strategy.

The funding to be provided by the DfT can only be used to produce specified work packages

- Strategic Economic Corridor Studies
- Carbon Transition Strategy
- Technology and Electric Vehicle Strategy
- Rail Strategy
- Freight Study
- International Gateway Study
- Detailed Transport Strategy

Despite being in a much stronger financial position, the total funding of £647,343 is not sufficient to cover all of the above work packages. In additional the partnering authorities place high importance on producing a Rural Mobility Study to be completed in time to form part of the overarching Regional Transport Strategy.

It is also the case that for the foreseeable future Peninsula Transport is required to fund its functional, administrative, and communications costs from local contributions. The partnering authorities have therefore agreed to maintain their annual contributions into next year (2021/22).

It should be noted that although the DfT funding can be used to produce the International Gateway Study, there is currently not sufficient funding overall to support this work package.

All work stream estimates have continued to remain within or under the agreed budget from our technical support and communications organisations.

However longer-term certainty of funding is what is required to allow Peninsula Transport to maintain its function as an STB, speaking with one voice for the region, providing leadership and developing a detailed pipeline of investment priorities within in the region. The Peninsula Transport response to the CSR consultation was based upon this need for longer-term certainty of funding and requested £1.745m over three years up to 2023/24.

Forecast Spend

The functional, administrative and communications costs plus the work packages being progressed provide an anticipated expenditure of £622,292. With a budget of £647,343, that leaves a remaining headroom of £25,051. The risk of over-spend can be controlled by postponing work packages if necessary and utilisation of the headroom, should this be required.

Tender of Communications Activities

Following the decision by the Board in September to approve the formal integration of PRTF within the Peninsula Transport STB (PTSTB), a tender is being progressed for a single communications / PR provider for both PRTF and PTSTB. This is in order to realise the expected financial efficiencies, of combining the two separate PRTF and PTSTB communications activities into a single commission. It will also achieve a better alignment of all strategic transport PR and Communications, ensuring co-ordination across the services.

Plymouth City Council are leading the tender, as the Communications and Engagement Lead Authority, with support from Devon County Council.

The contract will be for the period 01.01.21 – 31.03.22 (15 months).

3. Summary/Conclusions/Reasons for Recommendations

Board Members are asked to note that the budget position is much improved with the funding provided by the DfT and that planned expenditure is affordable and within budget.