

FINANCE

Update Report

4 March 2021

Please note that the following recommendations are 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
- (b) The Board note the budget position for 2021/22

1. Background

In 2020/21 Peninsula Transport received the much-welcomed news of Department for Transport (DfT) financial support of £425k. However, the securing of all the necessary funding to allow the work programme to progress at pace took longer than anticipated. This mean has meant that, although the work packages have been commissioned, some of that work will need to be completed in 2021/22. The funding to complete these work packages will therefore need to be accrued into 2021/22.

2. Main Text/Proposal

Financial Contributions 2020/21

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

Table I: Financial contribution for 2020/21 from 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

In addition there was an accrual from 2019/20 of £62,523

The DfT contribution added a further £425,000.

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

Outturn for 2020/21

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

The confirmation of all necessary funding took longer than initially anticipated which has meant that the following work packages, although commissioned and funded, will need to be completed within 2021/22 (rather than 2020/21):

- Carbon Transition Strategy
- Technology and EV Strategy
- Rail Strategy Phase I
- Freight Strategy

An accrual will be made into next year to cover these work packages.

The budget outturn for 2020/21 is as follows:

- Budget £647,343
- Anticipated expenditure £430,792

There will therefore be an accrual into 2021/22 of £216,551.

The risk of over-spend within 2021/22 is therefore negligible.

Table 2: Outturn for 2020/21

Budget	£647,343
Expenditure	£430,792
Accrual	£216,551

Budget position for approval for 2021/22

The partnering Local Authorities agreed to maintain the same level of funding (£159,820) for 2021/22 but are continuing to seek further external funding to progress the unfunded elements of the work programme and establish a more level playing field nationally with other STBs.

The overall budget for 2021/22 is as follows:

- Local Authority contributions for 2021/22: £159,820 (as per table 1 above)
- Accrual from 2020/21: £216,551

Total budget for 2021/22 is therefore £376,371 (Local Authority contributions plus Accrual).

Costs for 2021/22 are anticipated to be £368,500.

This leaves a remaining anticipated headroom of £7,871.

Table 3: 2021/22 Budget Estimate

Local Authority Contributions 2021/22	£159,820
Accrual from 2021/21	£216,551
Total budget 2021/22	£376,371
Cost estimate 2021/22	£368,500
Headroom (budget minus costs)	£7,871

Work Packages Funded

As per the December 2020 approval by the Board, the following work packages will be progressed:

- Strategic Economic Corridor Studies
- Carbon Transition Strategy
- Technology and Electric Vehicle Strategy
- Rail Strategy Phase I
- Freight Study
- Rural Mobility Study
- Detailed Transport Strategy

It remains the case that there is not enough funding currently to progress the International Gateway Study or the Rail Strategy Phase 2 in time for inclusion in the work for the Detailed Transport Strategy.

3. Summary

Board Members are asked to note that this year's planned expenditure of £430,792 is affordable and within budget.

All Work Packages have been commissioned, however £216,551 of funding will need to be accrued into 2021/22 to complete the programme.

Board Members already agreed their contributions for 2021/22 and the funding of the work packages in December 2020. These positions have not changed, so no decision is required but Board members are asked to note the budget position for 2021/22.

Board members are also asked to note that the headroom of £7,871 for 2021/22 is low and will need to be closely monitored.

Details of the planned expenditure is set out in the part II paper that accompanies this report.