

# FINANCE

## Update Report

2 December 2021

***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 December 2021

### 1. Introduction

In 2020/21 Peninsula Transport received the much welcomed news of Department for Transport (DfT) Financial support of £425,000. However the securing of all the necessary funding to allow the work programme to progress at pace took longer than anticipated. Therefore a significant proportion of the funding to complete these work packages (£416k) was accrued into 2021/22.

A second confirmation was received from the DfT for a further £425,000 of funding in 2021/22. This was clearly excellent news for Peninsula Transport. This DfT funding is to be released in tranches, subject to good progress on producing the detailed regional transport strategy and supporting work packages.

The DfT have requested that an updated and costed programme be prepared for the remainder of the financial year to demonstrate how much of the budget will be spent by March 2022 to ensure it is achievable and to reflect further progress since the last Board in September. This paper provides the budget update that follows the report covering the updated work programme.

### 2. Proposal

#### Financial Contributions 2020/21

As a reminder the Financial Contributions for 2021/22 from Peninsula Transport partnership local authorities are set out in table 1 below.

**Table 1: Financial contribution for 2021/22 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
<b>Total</b>		<b>2,241,800</b>	<b>100%</b>	<b>£159,820</b>

In addition there was an accrual from 2020/21 of £416k

The DfT contribution for 2021/22 provides a further £425,000.

### **This provides a total budget for 2021/22 of £1,000,820**

Based on the revised programme to be submitted to DfT and more detailed scoping of Work Packages to be commenced in 2021/22, the current estimate is £913,440, within the agreed overall budget for 2021/22.

To reduce the risk of losing any DfT funding from 2021/22, Peninsula Transport will need to agree the revised programme of works with the DfT, including how and when the remaining monies of £86,880 will be spent.

For clarity the December 2021 revised budget estimate is set out alongside the previous (September 2021) Financial update.

**Table 2. 2021/22 Revised Budget Estimate for December 2021 (compared to September 2021)**

	<b>December 2021</b>	<b>September 2021</b>
Local Authority Contributions 2021/22	£159,820	£159,820
Accrual from 2021/21	£416,000	£416,000
DfT contribution 2021/22	£425,000	£425,000
<b>Total budget 2021/22</b>	<b>£1,000,820</b>	<b>£1,000,820</b>
<b>Cost estimate 2021/22</b>	<b>£913,440</b>	<b>£805,940</b>
<b><u>Headroom (budget minus cost estimate)</u></b>	<b><u>£86,880</u></b>	<b><u>£194,880</u></b>

### **3. Summary**

Board Members are asked to note that the revised programme cost estimate of £913,440 is affordable and within budget.

The £425,000 contribution from the DfT will be released in tranches and is subject to demonstration of good progress in producing the regional transport strategy and supporting work packages as well as the agreement of detailed scopes for Work Packages not currently underway.

Board Members agreed their contributions for 2021/22 and the funding of the work packages in November 2020. Therefore no decision is required but Board members are asked to note the budget change in December 2021 compared to September 2021.