

### Subsidised bus service contract recommendations : financial implications

**Committee** Operations

**Date of meeting** 04 November 2016

**Date of report** 18 October 2016

#### Report by Assistant Chief Executive (Business Support)

#### 1. Object of report

To advise the committee of the financial implications of the subsidised bus contract recommendations being considered at the meeting.

#### 2. Background

The opening position prior to the decisions being sought at this meeting is as follows:

|  |             |
|--|-------------|
| <b>2016/17</b>                               |             |
| Approved budget                              | £11,187,900 |
| Contractual commitments forecast to year end | £10,691,966 |
| Net 2016/17 forecast                         | (£495,394)  |

The previous positive variance of £492,755 reported to committee (26 August 2016) has increased by £2,639 at the time of writing as a result of actual net costs being less than forecast. Actual costs are reflected following receipt of the 4 weekly returns, which provide details of services operated and income generated.

#### 3. Proposals

Should the committee accept all the recommendations contained within the following papers, the financial implications will be an increase in costs of £29,061 against the current 2016/17 forecast. The net impact is detailed below.

| 2016/17                 | Approved Budget | Projected Outturn | Variance   |
|-------------------------|-----------------|-------------------|------------|
| Subsidised bus services | £11,187,900     | £10,721,027       | (£466,873) |

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As Committee have been previously advised this is a budget which is subject to the vagaries of the commercial market and operator behaviour and is subject to significant fluctuations during each financial year. Such service change notifications from bus operators could swing the budgets into overspend in 2016/17.

## 4. Committee action

The committee is asked to note the financial implications of the recommendations in the following paper, and give due consideration to this in the course of the decision making. The impact of individual decisions is reported in each paper for consideration.

## 5. Consequences

|                         |                                   |
|-------------------------|-----------------------------------|
| Policy consequences     | <i>None.</i>                      |
| Legal consequences      | <i>None.</i>                      |
| Financial consequences  | <i>As detailed in the report.</i> |
| Personnel consequences  | <i>None.</i>                      |
| Equalities consequences | <i>None</i>                       |
| Risk consequences       | <i>None.</i>                      |

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