



### Draft Revenue Budget for 2019/20

**Committee** Strategy and Programmes

**Date of meeting** 08 February 2019

**Date of report** 10 January 2019

#### Report by Assistant Chief Executive

##### 1. Object of report

To present to the Committee a proposed draft revenue budget for the financial year 2019/2020, outlining the assumptions made in the preparation of the budget, proposals for fees and charges and the draft proposed local authority requisition. In addition, an outline of the 2020/2021 budget is also presented for noting at this stage.

##### 2. Background

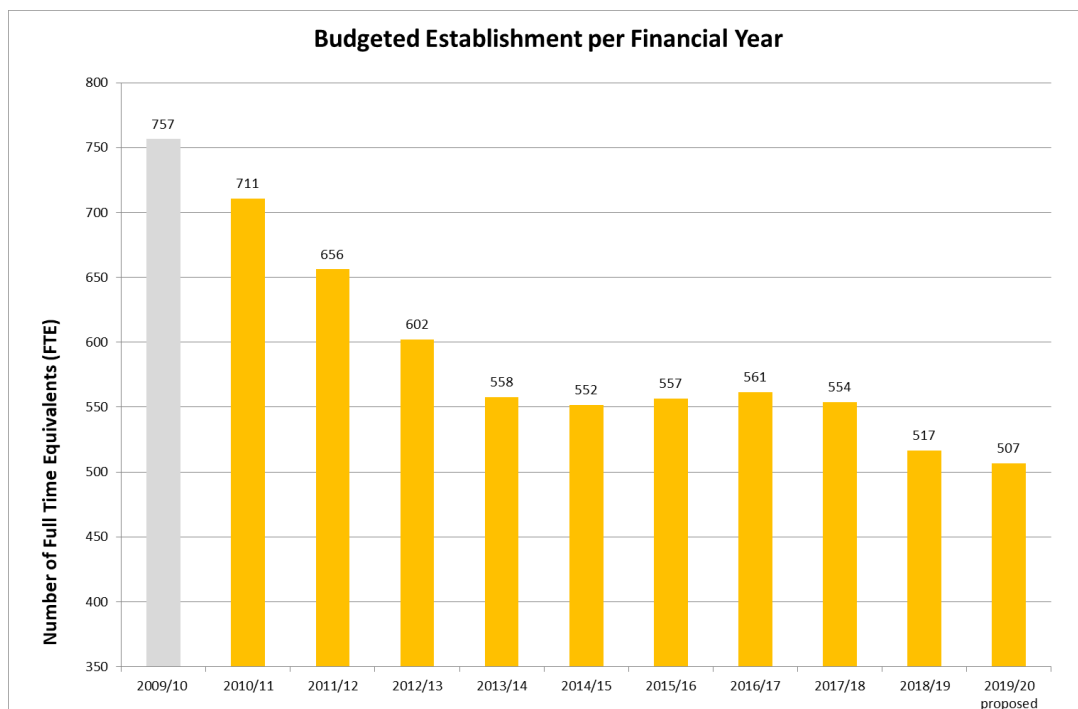
The 2019/20 draft revenue budget was considered by the Strategy and Programmes Committee in February 2018. The budget was in draft form only as SPT's funding is agreed annually and therefore budgets can only be approved a year at a time. The current estimates for 2019/20 have been reviewed and amendments made for staffing changes, operational costs and income where necessary. In addition to the updated budget for 2019/20 a budget has been drafted for 2020/21, but due to the one-year funding constraints the budget is only indicative at this time. The local authorities that fund SPT are sympathetic to the issues that one-year budgeting can cause, however they are also constrained by the fact that they receive a one-year settlement from the Scottish Government.

As in previous years the budget has taken account of SPT's long term financial strategy and also it's aspirations through the Regional Transport Strategy (RTS). The RTS is currently under review as reported to the Strategy and Programmes Committee on 23 November 2018 ([http://www.spt.co.uk/documents/latest/SP231118\\_Agenda8.pdf](http://www.spt.co.uk/documents/latest/SP231118_Agenda8.pdf)). The proposed budget continues to focus on funding socially necessary bus services with ever increasing demand as the commercial market continues to shrink, maintaining the current Subway fleet and associated infrastructure and supporting and allocating funding to the Subway modernisation project. In addition, SPT is keen to invest in new digital solutions for transport information and ticketing and maintain assets such as bus stations to a high standard, all of which puts pressure on revenue resources. The continuing commitment to building the Subway Fund will ensure that SPT can fund the overall modernisation project and associated works without placing any adverse financial pressure on our local authority partners through seeking increased requisition levels.

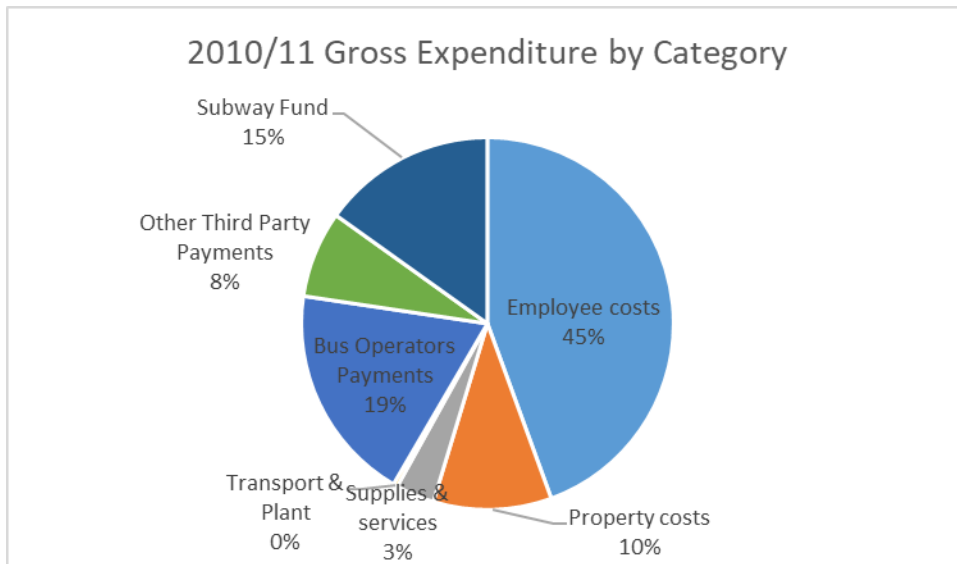
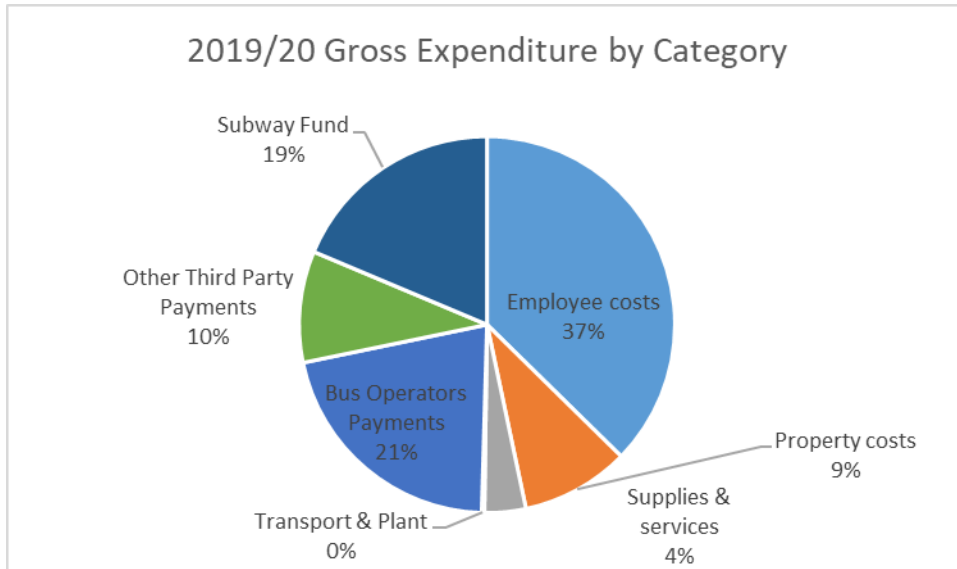
As reported previously SPT is able to contribute to the Subway Fund as significant organisational changes have been made over a number of years. The changes included

restructuring of departments to ensure the organisation is working as efficiently as possible and reviewing the activities performed by the organisation. Over the years some activities have ceased and some have changed, but all changes made have been to ensure the best value use of public money. SPT is currently supporting and promoting a business improvement programme throughout the organisation as a whole. The programme involves training SPT staff on the importance of business improvement and business improvement techniques. In addition, specific organisational reviews are carried out to ensure that the organisation is as lean and efficient as possible.

The chart below shows the reduction in FTE's from 2009/10 to the proposed establishment for 2019/20. As can be seen there has been significant reductions over years with the proposed full time equivalent staff numbers for 2019/20 being 250 less than 2009/10 or 33%.



The charts below demonstrate pictorially how the distribution of SPT expenditure at gross level has changed over the period. While the budget and requisition levels are shown in cash terms, this masks the level of inflation absorbed over the period – this is estimated to be £7.5m over the same period.



### 3. Current Position

As touched upon already the Scottish Government has again announced a one-year budget and local government settlement. SPT has actively engaged with both the local authorities and the Scottish Government throughout the budget setting process to establish an agreed funding method for the future. The previous population methodology had not been updated since 2006 and consensus was agreed to bring in line. To this end a revised funding methodology has been agreed with SPT's local authority partners, which provides some comfort going forward. The funding distribution will now be based on annually updated population statistics. However, although there is certainty over how funds will be apportioned any potential reductions in funding made are still unknown as they are based on the overall local government settlement, which is not finalised until the Scottish Parliament agree the full budget. Although sympathetic to the problems of one-year budgeting Transport Scotland are not in a position to confirm SPT's funding for greater than a year at a time at present.

The current budget has been drafted whilst taking account of the external environment and therefore funding reductions have been assumed for both 2019/20 and 2020/21. For 2019/20 the current Local Authority funding reduction is 2.27%, which represents the average reduction in the floor calculation for all local authorities in Scotland (<https://www.gov.scot/publications/local-government-finance-circular-8-2018-settlement-for->

[2019-20/](#)). As a result, and if this was the final position, the SPT budget would reduce by £0.815m in 2019/20. Since 2010/11 the cumulative reduction in requisition to 2018/19 is £2.558m, which increases to £3.373m when incorporating the proposed 2019/20 reduction. With such reductions making a step change in some services such as funding socially necessary bus services is becoming more challenging. A reduction in funding has also been factored into the draft position for 2020/21.

The proposed draft revenue budget for 2019/20 and indicative figures for 2020/21 can be found at Appendix 1. The budgets have been drafted after a comprehensive review of all expenditure lines, taking into account known cost pressures and organisational / operational changes throughout the organisation. Increased costs of running of the Subway have been factored into the budget taking account of the increased maintenance requirement of the aging system and also the dual resourcing that will be required until the new rolling stock and associated equipment is implemented in full.

At this stage, this would result in a net revenue budget at £36.123m (2018/19 - £36.938m) a reduction of 2.2% in net revenue terms. This will be funded via requisition on local authorities, fares, fees and charges and a contribution from Scottish Government. Should the final floor calculation be less than 2.27%, it is proposed that these funds would be earmarked specifically to support the increased demand that is being placed on the subsidised bus budget. The current budget has allowed for inflation increases, but does not make provision for increased demand.

#### 4. Proposals for Fares, Fees and Charges

As part of the budget setting process SPT has reviewed the fares that it levies for the various services that it provides to both the traveling public and transport operators. In reviewing the fares SPT has considered the potential increased income to the organisations as well as the potential impact to the travelling public, operators and other customers.

Subway fares are reviewed annually to ensure that all fares are set at an appropriate level for the service provided, whilst taking account of the offerings of other operators in the area. As can be seen from the table below, which details all subway fares, changes have only been made to single / return fares and park and ride charges. No changes have been made to season tickets to further promote regular travel on the Subway.

Smart Ticketing (STR)	Current Fare	Proposed Fare	Change
Adult Single	£1.50	£1.55	£0.05
Adult Daily Cap	£2.90	£3.00	£0.10
Child Single	£0.75	£0.80	£0.05
Child Daily Cap	£1.45	£1.50	£0.05
<b>Disposable</b>			
Adult Single	£1.70	£1.75	£0.05
Adult Return	£3.20	£3.30	£0.10
Adult Daily	£4.10	£4.20	£0.10
Child Single	£0.75	£0.80	£0.05
Child Return	£1.45	£1.55	£0.10
Child Daily	£2.00	£2.10	£0.10
Concession Single	£1.00	£1.00	Subject to consideration by SCTC

Concession Return	£1.40	£1.40	Subject to consideration by SCTC
<b>Season Tickets – Online STR</b>			
Adult 7 day	£13.00	£13.00	No change
Adult 28 day	£50.00	£50.00	No change
Adult 10 week	£120.00	£120.00	No change
Adult 6 month	£250.00	£250.00	No change
Adult Annual	£450.00	£450.00	No change
Child 7 day	£6.50	£6.50	No change
Child 28 day	£25.00	£25.00	No change
Child 10 week	£60.00	£60.00	No change
Child 6 month	£125.00	£125.00	No change
Child Annual	£225.00	£225.00	No change
<b>Season Tickets (in stations)</b>			
Adult 7 day	£14.00	£14.00	No change
Adult 28 day	£54.00	£54.00	No change
Adult 6 month	£270.00	£270.00	No change
Adult Annual	£485.00	£485.00	No change
Child 7 day	£7.00	£7.00	No change
Child 28 day	£27.00	£27.00	No change
Child 6 month	£135.00	£135.00	No change
Child Annual	£245.00	£245.00	No change
<b>Park and Ride</b>			
Park and Ride (all day disposable)	£5.40	£5.70	£0.30
Park and Ride (all day STR)	£5.40	£5.70	£0.30
STR parking only - 30 minutes	£0.50	£0.60	£0.10
STR parking only - 1 hour	£1.00	£1.20	£0.20
STR parking only - 2 hours	£2.50	£2.70	£0.20
STR parking only - all day	£5.40	£5.70	£0.30
Parking only - 28 days	£52.00	£53.00	£1.00
Park and Ride - 7 day season ticket	£26.00	£27.00	£1.00
Park and Ride - 28 day season ticket	£100.00	£105.00	£5.00
Park and Ride - 6 month season ticket	£525.00	£540.00	£15.00
Park and Ride - annual season ticket	£940.00	£960.00	£20.00
Lost ticket fee	£3.20	£3.20	£0.00
Overstay day rate	£5.40	£5.70	£0.30
Season add on	£2.50	£2.70	£0.20

In addition to Subway fares there are a number of other fees and charges applicable at Bus Stations and Ferries and apply to Subsidised Bus Services.

With regard to the Bus Stations the Operations Committee recently considered and approved a proposal for a revised charging structure for parking and departure charges ([http://www.spt.co.uk/documents/latest/Ops091118\\_agenda6.pdf](http://www.spt.co.uk/documents/latest/Ops091118_agenda6.pdf)). It is proposed to implement the revised charging structure as recommended by the Operations Committee. It is proposed not to alter other bus station charges at this time.

For the Gourock–Kilcreggan ferry service it is not proposed to increase the applicable fare as it was increased during the current financial year to offset the increased costs of running the service. These fares will continue to be monitored.

A review of the maximum permitted fare scales for subsidised bus services is currently ongoing and therefore it is not proposed to raise these fares at this time.

The proposed revised fees and charges have been incorporated into the draft budget shown at Appendix 1.

## **5. Requisition and Government Grant**

The draft net revenue budget would be funded by local authority requisitions of £35.086m, reflecting a 2.27% reduction in support from constituent councils plus a contribution from Scottish government of £1.037m, in line with previous years. For planning purposes, it has been assumed that there will be a reduction of 3% in local authority funding in 2020/21. As intimated the methodology for setting the funding for SPT was reviewed and agreed going forward, in addition the methodology for apportioning the funds was also reviewed and agreed upon. The requisition will be apportioned each year by the latest mid-point population for each local authority. Due to the change in apportionment methodology there has been movement on the sums paid by each authority, however the change in approach has been agreed by all 12 Local authorities.

The draft budget shown at Appendix 1 and proposed requisition levels at Appendix 2 take account of the draft requisition levels and government grant settlement.

## **6. Conclusions**

The draft revenue budget for 2019/20 has been drafted taking cognisance of SPT's and our partners priorities and links planned spend to desired outcomes. Overall local authority funding may be reduced by 2.27% due to the overall reduction in the local government settlement to Scottish Local Authorities. SPT is aiming to continue to provide quality services to the traveling public, while meeting its obligations to fund the overall Subway Modernisation programme.

Taking all of the above, including pressures and affordability to partners, into consideration, which may result in a cash reduction of 2.27% applied to each local authority requisition, it would be necessary to set a net revenue budget at a level of 2.20% less than in financial year 2018/2019. As a result of the reduced funding for 2019/20 and estimated reduction for 2020/21 it is necessary for SPT to continue with the ongoing review of service activities and organisational structures.

As previously reported it is proposed that a more detailed review of the long term financial strategy be undertaken and presented to a future Partnership for consideration. The report will be presented once the Transport (Scotland) Bill is approved as it crucially will enable SPT to add to and hold reserves, which is a vital component of any long term financial strategy. Clearly, this will also need to consider the wider implications of the Transport Bill, and any new powers and duties which may be implemented.

The final proposed budget will be presented to the Partnership meeting on 8 March 2019.

## 7. Committee Action

The Committee is recommended to consider the attached draft revenue budget and note that the final Local Government Settlement remains outstanding, but based on the current information available would result in:

- A net revenue budget for 2019/20 of £36.123m;
- Requisitions totalling £35.086m, a 2.27% reduction on the 2018/19 levels;
- An increase / revision to fees and charges as outlined in section 4; and
- A more detailed review of the long term financial strategy be considered by the Partnership at a future meeting following the approval of the Transport (Scotland) Bill.

## 8. Consequences

Policy consequences	<i>Expenditure plan has been aligned to agreed priorities.</i>
Legal consequences	<i>Required to set a balanced budget.</i>
Financial consequences	<i>As outlined in the report.</i>
Personnel consequences	<i>None directly.</i>
Equalities consequences	<i>None directly.</i>
Risk consequences	<i>Balanced budget dependent on strong financial management.</i>

**Name** Valerie Davidson  
**Title** **Assistant Chief Executive**

**Name** Gordon MacLennan  
**Title** **Chief Executive**

For further information, please contact *Neil Wylie, Director of Finance* on 0141 333 3380.



# Budget Report by Division

Draft Budget Summary - 2019/20 - 2020/21

	Historic Data	Proposed		Draft	
	Budget 2018/19	Budget 2019/20	Variance 18/19 v 19/20	Budget 2020/21	Variance 19/20 v 20/21
<b>Chief Executive</b>					
Cabinet	654,497	449,875	204,622	457,084	(7,210)
<b>Total Chief Executive</b>	654,497	449,875	204,622	457,084	(7,210)
<b>Operations</b>					
Subway	1,129,363	1,023,719	105,644	1,504,888	(481,169)
Bus Operations	16,089,119	15,965,427	123,692	16,057,443	(92,016)
Projects	1,666,401	1,818,542	(152,140)	1,877,824	(59,282)
Health and Safety	149,021	159,614	(10,593)	165,608	(5,994)
Customer Standards	560,159	560,206	(48)	577,753	(17,547)
<b>Total Operations</b>	19,594,063	19,527,509	66,554	20,183,517	(656,008)
<b>Business Support</b>					
Finance & Human Resources	1,358,141	1,333,241	24,900	1,398,394	(65,153)
Digital	1,132,218	1,220,082	(87,864)	1,279,739	(59,658)
Legal Services	465,939	483,030	(17,091)	501,885	(18,855)
Business Support	248,997	259,294	(10,297)	268,359	(9,064)
Elected Members	68,085	62,893	5,192	64,315	(1,422)
Corporate	1,626,318	1,038,250	588,068	1,001,300	36,950
<b>Total Business Support</b>	4,899,698	4,396,790	502,908	4,513,992	(117,202)
<b>Contribution to Subway Fund</b>	10,789,457	11,748,594	(959,138)	9,915,602	1,832,993
<b>Contribution to Capital Funded from Revenue</b>	1,000,000	-	1,000,000	-	-
<b>Net Total</b>	<b>36,937,714</b>	<b>36,122,768</b>	<b>814,946</b>	<b>35,070,195</b>	<b>1,052,573</b>





## Revenue Monitoring Report

Draft Budget Summary - 2019/20 - 2020/21

	Historic Data	Proposed		Draft		Notes
	Budget 2018/19	Budget 2019/20	Variance 18/19 v 19/20	Budget 2020/21	Variance 19/20 v 20/21	
<b>EXPENDITURE</b>						
<b>Employee Costs</b>						
Salaries	16,747,248	17,297,133	(549,885)	17,853,170	(556,036)	1
Overtime	668,547	680,972	(12,425)	680,972	-	
Other Employee Costs	5,276,023	5,513,227	(237,204)	5,683,496	(170,269)	1
<b>Sub Total Employee Costs</b>	<b>22,691,819</b>	<b>23,491,332</b>	<b>(799,514)</b>	<b>24,217,638</b>	<b>(726,306)</b>	
<b>Property Costs</b>						
Electricity	1,557,066	1,687,184	(130,119)	1,855,903	(168,718)	2
Repairs and Maintenance	438,925	417,000	21,925	417,000	-	
Property Insurance	417,000	295,000	122,000	295,000	-	3
Other Property Costs	3,383,397	3,478,720	(95,324)	3,547,437	(68,717)	4
<b>Sub Total Property Costs</b>	<b>5,796,387</b>	<b>5,877,904</b>	<b>(81,517)</b>	<b>6,115,340</b>	<b>(237,435)</b>	
<b>Supplies &amp; Services</b>	<b>2,413,041</b>	<b>2,232,359</b>	<b>180,682</b>	<b>2,092,425</b>	<b>139,933</b>	5
<b>Transport &amp; Plant Costs</b>	<b>240,950</b>	<b>146,150</b>	<b>94,800</b>	<b>145,650</b>	<b>500</b>	6
<b>Third Party Payments</b>						
Bus Operator Payments	13,090,180	13,403,331	(313,151)	13,416,339	(13,008)	7
Communications	110,000	116,500	(6,500)	116,500	-	
Other Third Party Payments	5,913,796	5,904,135	9,661	5,912,728	(8,593)	
<b>Sub Total Third Party Payments</b>	<b>19,113,976</b>	<b>19,423,966</b>	<b>(309,990)</b>	<b>19,445,567</b>	<b>(21,601)</b>	
<b>Financing Costs</b>						
Contribution to Subway Fund	10,789,457	11,748,594	(959,138)	9,915,602	1,832,993	8
Contribution to Capital Funded from Revenue	1,000,000	-	1,000,000	-	-	
<b>Sub Total Financing Costs</b>	<b>11,789,457</b>	<b>11,748,594</b>	<b>40,862</b>	<b>9,915,602</b>	<b>1,832,993</b>	
<b>TOTAL EXPENDITURE</b>	<b>62,045,630</b>	<b>62,920,306</b>	<b>(874,676)</b>	<b>61,932,221</b>	<b>988,084</b>	
<b>INCOME</b>						
Subway Income	(19,678,200)	(21,068,000)	1,389,800	(21,039,000)	(29,000)	9
Bus Station Income	(3,136,551)	(2,947,538)	(189,013)	(3,041,026)	93,489	10
Agency Income - Agency Fee	(1,171,665)	(1,161,000)	(10,665)	(1,161,000)	-	
Interest Received	(700,000)	(1,200,000)	500,000	(1,200,000)	-	11
Other Income	(421,500)	(421,000)	(500)	(421,000)	-	
<b>TOTAL INCOME</b>	<b>(25,107,916)</b>	<b>(26,797,538)</b>	<b>1,689,621</b>	<b>(26,862,026)</b>	<b>64,489</b>	
<b>Net Total</b>	<b>36,937,714</b>	<b>36,122,768</b>	<b>814,946</b>	<b>35,070,195</b>	<b>1,052,573</b>	

### Notes

1. Increased budget incorporates estimated pay awards, salary increments and is partially offset by a reduction in the overall SPT employee establishment.
2. Budget increased based on advice from Procurement Scotland in relation to unit rate increases.
3. Savings projected based on costs of previous insurance renewal.
4. Increased budget incorporates projected costs associated with the new cleaning contract and Subway station repairs and maintenance. This is partially offset by savings in property rates.
5. Budget reduction reflects increased Project capitalised salaries as a result of the increased establishment and salary increases, partially offset by reduced Subway infrastructure capitalisation.
6. Budget reduced due to prior investment in the bus fleet. Therefore reduced bus repair costs.
7. Budget increased to provide resilience against potential bus contract increases.
8. The contribution to the Subway Fund will facilitate future capital and revenue spend on Subway Modernisation, and the Subway, including Operational Readiness. It will keep SPT on track for meeting its overall long term funding commitments.
9. Increased income budgeted based on 2019/20 ticket income projections incorporating a proposed increase in fares.
10. Due to a reduction in local service funding for hospital services. This is because the contract for these services is now complete.
11. Budget increased based on 2019/20 interest rate projections and estimated cash balances.



# Budget Report by Directorate - Cabinet

## Draft Budget Summary - 2019/20 - 2020/21

	Historic Data	Proposed		Draft		Notes
	Budget 2018/19	Budget 2019/20	Variance 18/19 v 19/20	Budget 2020/21	Variance 19/20 v 20/21	
<b>EXPENDITURE</b>						
<b>Employee Costs</b>						
Salaries	486,118	333,682	152,436	338,665	(4,983)	1
Other Employee Costs	153,379	106,193	47,186	108,420	(2,227)	1
<b>Sub Total Employee Costs</b>	<b>639,497</b>	<b>439,875</b>	<b>199,622</b>	<b>447,084</b>	<b>(7,210)</b>	
<b>Supplies &amp; Services</b>	<b>5,000</b>	<b>5,000</b>	<b>-</b>	<b>5,000</b>	<b>-</b>	
<b>Transport &amp; Plant Costs</b>	<b>10,000</b>	<b>5,000</b>	<b>5,000</b>	<b>5,000</b>	<b>-</b>	
<b>TOTAL EXPENDITURE</b>	<b>654,497</b>	<b>449,875</b>	<b>204,622</b>	<b>457,084</b>	<b>(7,210)</b>	
<b>Net Total</b>	<b>654,497</b>	<b>449,875</b>	<b>204,622</b>	<b>457,084</b>	<b>(7,210)</b>	

**Notes**

1. Budget decrease in relation to the Assistant Chief Executive (Operations) and support posts no longer required.



## Budget Report by Directorate - Subway

Draft Budget Summary - 2019/20 - 2020/21

	Historic Data	Proposed		Draft		Notes
	Budget 2018/19	Budget 2019/20	Variance 18/19 v 19/20	Budget 2020/21	Variance 19/20 v 20/21	
<b>EXPENDITURE</b>						
<b>Employee Costs</b>						
Salaries	8,332,736	9,082,140	(749,403)	9,336,938	(254,798)	1
Overtime	569,048	607,472	(38,424)	607,472	-	
Other Employee Costs	2,399,921	2,630,546	(230,626)	2,706,593	(76,046)	1
<b>Sub Total Employee Costs</b>	11,301,705	12,320,158	(1,018,453)	12,651,002	(330,844)	
<b>Property Costs</b>						
Electricity	1,348,806	1,458,098	(109,293)	1,603,908	(145,810)	2
Property Insurance	392,000	270,000	122,000	270,000	-	3
Other Property Costs	1,645,470	1,895,620	(250,150)	1,930,819	(35,199)	4
<b>Sub Total Property Costs</b>	3,386,275	3,623,718	(237,443)	3,804,727	(181,009)	
<b>Supplies &amp; Services</b>	2,259,358	2,402,708	(143,350)	2,268,431	134,277	5
<b>Transport &amp; Plant Costs</b>	15,000	20,000	(5,000)	20,000	-	
<b>Third Party Payments</b>						
Bus Operator Payments	20,000	20,000	-	20,000	-	
Other Third Party Payments	3,825,226	3,705,135	120,090	3,779,728	(74,593)	6
<b>Sub Total Third Party Payments</b>	3,845,225	3,725,135	120,090	3,799,728	(74,593)	
<b>TOTAL EXPENDITURE</b>	<b>20,807,563</b>	<b>22,091,719</b>	<b>(1,284,156)</b>	<b>22,543,888</b>	<b>(452,169)</b>	
<b>INCOME</b>						
Subway Income	(19,678,200)	(21,068,000)	1,389,800	(21,039,000)	(29,000)	7
<b>TOTAL INCOME</b>	<b>(19,678,200)</b>	<b>(21,068,000)</b>	<b>1,389,800</b>	<b>(21,039,000)</b>	<b>(29,000)</b>	
<b>Net Total</b>	<b>1,129,363</b>	<b>1,023,719</b>	<b>105,644</b>	<b>1,504,888</b>	<b>(481,169)</b>	

### Notes

1. Increased budget incorporates estimated pay awards, salary increments and an increase in establishment to support Subway Modernisation and Operational Readiness.
2. Budget increased based on advice from Procurement Scotland in relation to unit rate increases.
3. Savings projected based on costs of previous insurance renewal.
4. Increased budget incorporates projected costs associated with the new cleaning contract and station repairs and maintenance.
5. Budget increase is due to reduced capitalisation of infrastructure works based on the proposed 2019/20 programme.
6. Savings as a result of the revised TSSA payment profile and reduced consultancy budget. This is partially offset by an increase in the ticketing system maintenance contract.
7. Increased income budgeted based on 2019/20 ticket income projections incorporating a proposed increase in fares.



## Budget Report by Directorate - Bus Operations

Draft Budget Summary - 2019/20 - 2020/21

	Historic Data	Proposed		Draft		Notes
	Budget 2018/19	Budget 2019/20	Variance 18/19 v 19/20	Budget 2020/21	Variance 19/20 v 20/21	
<b>EXPENDITURE</b>						
<b>Employee Costs</b>						
Salaries	2,881,405	2,630,783	250,622	2,719,814	(89,031)	1
Overtime	79,000	50,500	28,500	50,500	-	
Other Employee Costs	773,456	763,281	10,175	791,972	(28,691)	
<b>Sub Total Employee Costs</b>	<b>3,733,861</b>	<b>3,444,564</b>	<b>289,297</b>	<b>3,562,286</b>	<b>(117,722)</b>	
<b>Property Costs</b>						
Electricity	173,260	190,586	(17,326)	209,644	(19,059)	
Repairs and Maintenance	372,000	372,000	-	372,000	-	
Property Insurance	15,000	15,000	-	15,000	-	
Other Property Costs	1,241,269	1,219,900	21,369	1,248,218	(28,318)	
<b>Sub Total Property Costs</b>	<b>1,801,529</b>	<b>1,797,486</b>	<b>4,043</b>	<b>1,844,862</b>	<b>(47,376)</b>	
<b>Supplies &amp; Services</b>	<b>90,000</b>	<b>73,000</b>	<b>17,000</b>	<b>73,000</b>	<b>-</b>	
<b>Transport &amp; Plant Costs</b>	<b>191,100</b>	<b>91,100</b>	<b>100,000</b>	<b>91,100</b>	<b>-</b>	2
<b>Third Party Payments</b>						
Bus Operator Payments	13,070,180	13,133,331	(63,151)	13,146,339	(13,008)	
Communications	5,000	4,000	1,000	4,000	-	
Other Third Party Payments	213,000	213,000	-	213,000	-	
<b>Sub Total Third Party Payments</b>	<b>13,288,180</b>	<b>13,350,331</b>	<b>(62,151)</b>	<b>13,363,339</b>	<b>(13,008)</b>	
<b>TOTAL EXPENDITURE</b>	<b>19,104,670</b>	<b>18,756,481</b>	<b>348,189</b>	<b>18,934,587</b>	<b>(178,106)</b>	
<b>INCOME</b>						
Bus Station Income	(2,563,886)	(2,335,054)	(228,832)	(2,421,144)	86,090	3
Agency Income - Agency Fee	(451,665)	(456,000)	4,335	(456,000)	-	
<b>TOTAL INCOME</b>	<b>(3,015,551)</b>	<b>(2,791,054)</b>	<b>(224,497)</b>	<b>(2,877,144)</b>	<b>86,090</b>	
<b>Net Total</b>	<b>16,089,119</b>	<b>15,965,427</b>	<b>123,692</b>	<b>16,057,443</b>	<b>(92,016)</b>	

- Notes**
1. The budget reflects savings generated from the bus restructure. This is partially offset by estimated pay awards and salary increments.
  2. Budget reduced due to prior investment in the bus fleet. Therefore reduced bus repair costs.
  3. Due to a reduction in local service funding for hospital services. This is because the contract for these services is now complete.



## Budget Report by Directorate - Projects

Draft Budget Summary - 2019/20 - 2020/21

	Historic Data	Proposed		Draft		Notes
	Budget 2018/19	Budget 2019/20	Variance 18/19 v 19/20	Budget 2020/21	Variance 19/20 v 20/21	
<b>EXPENDITURE</b>						
<b>Employee Costs</b>						
Salaries	1,906,021	2,244,186	(338,165)	2,314,333	(70,147)	1
Overtime	2,500	5,000	(2,500)	5,000	-	
Other Employee Costs	524,947	655,882	(130,935)	679,994	(24,112)	1
<b>Sub Total Employee Costs</b>	2,433,468	2,905,068	(471,600)	2,999,327	(94,259)	
<b>Supplies &amp; Services</b>	(563,201)	(867,042)	303,841	(894,120)	27,078	2
<b>Transport &amp; Plant Costs</b>	8,800	15,500	(6,700)	15,000	500	
<b>Third Party Payments</b>						
Communications	10,000	7,500	2,500	7,500	-	
Other Third Party Payments	70,000	75,000	(5,000)	75,000	-	
<b>Sub Total Third Party Payments</b>	80,000	82,500	(2,500)	82,500	-	
<b>TOTAL EXPENDITURE</b>	<b>1,959,066</b>	<b>2,136,025</b>	<b>(176,959)</b>	<b>2,202,706</b>	<b>(66,681)</b>	
<b>INCOME</b>						
Income	(292,665)	(317,484)	24,819	(324,882)	7,399	
<b>TOTAL INCOME</b>	<b>(292,665)</b>	<b>(317,484)</b>	<b>24,819</b>	<b>(324,882)</b>	<b>7,399</b>	
<b>Net Total</b>	<b>1,666,401</b>	<b>1,818,542</b>	<b>(152,140)</b>	<b>1,877,824</b>	<b>(59,282)</b>	

### Notes

1. Increased budget incorporates estimated pay awards, salary increments and an increase in establishment to support Subway Modernisation.
2. Budget reduction reflects increased capitalised salaries as a result of the increased establishment and salary increases.



# Budget Report by Directorate - Health and Safety

Draft Budget Summary - 2019/20 - 2020/21

	Historic Data	Proposed		Draft		Notes
	Budget 2018/19	Budget 2019/20	Variance 18/19 v 19/20	Budget 2020/21	Variance 19/20 v 20/21	
<b>EXPENDITURE</b>						
<b>Employee Costs</b>						
Salaries	114,213	122,208	(7,996)	126,932	(4,724)	1
Other Employee Costs	34,008	36,606	(2,597)	37,876	(1,271)	1
<b>Sub Total Employee Costs</b>	148,221	158,814	(10,593)	164,808	(5,994)	
<b>Supplies &amp; Services</b>	600	600	-	600	-	
<b>Transport &amp; Plant Costs</b>	200	200	-	200	-	
<b>TOTAL EXPENDITURE</b>	<b>149,021</b>	<b>159,614</b>	<b>(10,593)</b>	<b>165,608</b>	<b>(5,994)</b>	
<b>Net Total</b>	<b>149,021</b>	<b>159,614</b>	<b>(10,593)</b>	<b>165,608</b>	<b>(5,994)</b>	

**Notes**

1. Budget increase for estimated pay awards and salary increments.



# Budget Report by Directorate - Customer Standards

Draft Budget Summary - 2019/20 - 2020/21

	Historic Data	Proposed		Draft		Notes
	Budget 2018/19	Budget 2019/20	Variance 18/19 v 19/20	Budget 2020/21	Variance 19/20 v 20/21	
<b>EXPENDITURE</b>						
<b>Employee Costs</b>						
Salaries	386,920	385,223	1,697	398,739	(13,516)	1
Overtime	15,000	15,000	-	15,000	-	
Other Employee Costs	113,239	113,983	(744)	118,014	(4,031)	
<b>Sub Total Employee Costs</b>	515,159	514,206	952	531,753	(17,547)	
<b>Supplies &amp; Services</b>	44,000	45,000	(1,000)	45,000	-	
<b>Transport &amp; Plant Costs</b>	1,000	1,000	-	1,000	-	
<b>TOTAL EXPENDITURE</b>	<b>560,159</b>	<b>560,206</b>	<b>(48)</b>	<b>577,753</b>	<b>(17,547)</b>	
<b>Net Total</b>	<b>560,159</b>	<b>560,206</b>	<b>(48)</b>	<b>577,753</b>	<b>(17,547)</b>	

## Notes

1. Reduction due to post movement between departments partially offset by estimated pay awards and salary increments.



## Budget Report by Directorate - Finance & HR

Draft Budget Summary - 2019/20 - 2020/21

	Historic Data	Proposed		Draft		Notes
	Budget 2018/19	Budget 2019/20	Variance 18/19 v 19/20	Budget 2020/21	Variance 19/20 v 20/21	
<b>EXPENDITURE</b>						
<b>Employee Costs</b>						
Salaries	1,042,819	1,021,040	21,780	1,072,974	(51,935)	1
Other Employee Costs	304,321	301,201	3,120	314,419	(13,219)	1
<b>Sub Total Employee Costs</b>	<b>1,347,141</b>	<b>1,322,241</b>	<b>24,900</b>	<b>1,387,394</b>	<b>(65,153)</b>	
<b>Supplies &amp; Services</b>	<b>10,000</b>	<b>10,000</b>	<b>-</b>	<b>10,000</b>	<b>-</b>	
<b>Transport &amp; Plant Costs</b>	<b>1,000</b>	<b>1,000</b>	<b>-</b>	<b>1,000</b>	<b>-</b>	
<b>TOTAL EXPENDITURE</b>	<b>1,358,141</b>	<b>1,333,241</b>	<b>24,900</b>	<b>1,398,394</b>	<b>(65,153)</b>	
<b>Net Total</b>	<b>1,358,141</b>	<b>1,333,241</b>	<b>24,900</b>	<b>1,398,394</b>	<b>(65,153)</b>	

### Notes

1. Due to a reduction in the budgeted establishment partially offset by estimated pay awards and salary increments.





## Budget Report by Directorate - Digital

Draft Budget Summary - 2019/20 - 2020/21

	Historic Data	Proposed		Draft		Notes
	Budget 2018/19	Budget 2019/20	Variance 18/19 v 19/20	Budget 2020/21	Variance 19/20 v 20/21	
<b>EXPENDITURE</b>						
<b>Employee Costs</b>						
Salaries	854,281	912,236	(57,955)	957,740	(45,505)	1
Overtime	3,000	3,000	-	3,000	-	
Other Employee Costs	240,537	268,946	(28,409)	283,099	(14,153)	1
<b>Sub Total Employee Costs</b>	1,097,818	1,184,182	(86,364)	1,243,839	(59,658)	
<b>Supplies &amp; Services</b>	29,400	29,400	-	29,400	-	
<b>Transport &amp; Plant Costs</b>	6,500	6,500	-	6,500	-	
<b>TOTAL EXPENDITURE</b>	<b>1,133,718</b>	<b>1,220,082</b>	<b>(86,364)</b>	<b>1,279,739</b>	<b>(59,658)</b>	
<b>INCOME</b>						
<b>Other Income</b>	<b>(1,500)</b>	-	<b>(1,500)</b>	-	-	
<b>TOTAL INCOME</b>	<b>(1,500)</b>	-	<b>(1,500)</b>	-	-	
<b>Net Total</b>	<b>1,132,218</b>	<b>1,220,082</b>	<b>(87,864)</b>	<b>1,279,739</b>	<b>(59,658)</b>	

### Notes

1. Budget increase as a result of estimated pay awards and salary increments partially offset by a decrease in the proposed establishment.



## Budget Report by Directorate - Legal Services

Draft Budget Summary - 2019/20 - 2020/21

	Historic Data	Proposed		Draft		Notes
	Budget 2018/19	Budget 2019/20	Variance 18/19 v 19/20	Budget 2020/21	Variance 19/20 v 20/21	
<b>EXPENDITURE</b>						
<b>Employee Costs</b>						
Salaries	353,872	368,963	(15,090)	383,499	(14,536)	1
Other Employee Costs	109,217	111,218	(2,001)	115,537	(4,319)	1
<b>Sub Total Employee Costs</b>	463,089	480,180	(17,091)	499,035	(18,855)	
<b>Supplies &amp; Services</b>	2,000	2,000	-	2,000	-	
<b>Transport &amp; Plant Costs</b>	850	850	-	850	-	
<b>TOTAL EXPENDITURE</b>	<b>465,939</b>	<b>483,030</b>	<b>(17,091)</b>	<b>501,885</b>	<b>(18,855)</b>	
<b>Net Total</b>	<b>465,939</b>	<b>483,030</b>	<b>(17,091)</b>	<b>501,885</b>	<b>(18,855)</b>	

### Notes

1. Budget increase for estimated pay awards and salary increments.



# Budget Report by Directorate - Business Support

Draft Budget Summary - 2019/20 - 2020/21

	Historic Data	Proposed		Draft		Notes
	Budget 2018/19	Budget 2019/20	Variance 18/19 v 19/20	Budget 2020/21	Variance 19/20 v 20/21	
<b>EXPENDITURE</b>						
<b>Employee Costs</b>						
Salaries	187,182	196,673	(9,492)	203,536	(6,863)	1
Other Employee Costs	57,315	60,121	(2,806)	62,323	(2,202)	1
<b>Sub Total Employee Costs</b>	244,497	256,794	(12,297)	265,859	(9,064)	
<b>Supplies &amp; Services</b>	4,000	2,000	2,000	2,000	-	
<b>Transport &amp; Plant Costs</b>	500	500	-	500	-	
<b>TOTAL EXPENDITURE</b>	<b>248,997</b>	<b>259,294</b>	<b>(10,297)</b>	<b>268,359</b>	<b>(9,064)</b>	
<b>Net Total</b>	<b>248,997</b>	<b>259,294</b>	<b>(10,297)</b>	<b>268,359</b>	<b>(9,064)</b>	

## Notes

1. Budget increase for estimated pay awards and salary increments.



# Budget Report by Directorate - Elected Members

Draft Budget Summary - 2019/20 - 2020/21

	Historic Data	Proposed		Draft	
	Budget 2018/19	Budget 2019/20	Variance 18/19 v 19/20	Budget 2020/21	Variance 19/20 v 20/21
<b>EXPENDITURE</b>					
<b>Supplies &amp; Services</b>	58,085	54,393	3,692	55,815	(1,422)
<b>Transport &amp; Plant Costs</b>	6,000	4,500	1,500	4,500	-
<b>Third Party Payments</b>					
Other Third Party Payments	4,000	4,000	-	4,000	-
<b>Sub Total Third Party Payments</b>	4,000	4,000	-	4,000	-
<b>TOTAL EXPENDITURE</b>	<b>68,085</b>	<b>62,893</b>	<b>5,192</b>	<b>64,315</b>	<b>(1,422)</b>
<b>Net Total</b>	<b>68,085</b>	<b>62,893</b>	<b>5,192</b>	<b>64,315</b>	<b>(1,422)</b>



## Budget Report by Directorate - Corporate

Draft Budget Summary - 2019/20 - 2020/21

	Historic Data	Proposed		Draft		Notes
	Budget 2018/19	Budget 2019/20	Variance 18/19 v 19/20	Budget 2020/21	Variance 19/20 v 20/21	
<b>EXPENDITURE</b>						
<b>Employee Costs</b>						
Salaries	201,682	-	201,682	-	-	1
Other Employee Costs	565,683	465,250	100,433	465,250	-	2
<b>Sub Total Employee Costs</b>	767,364	465,250	302,114	465,250	-	
<b>Property Costs</b>						
Electricity	35,000	38,500	(3,500)	42,350	(3,850)	
Repairs and Maintenance	66,925	45,000	21,925	45,000	-	
Property Insurance	10,000	10,000	-	10,000	-	
Other Property Costs	496,658	363,200	133,458	368,400	(5,200)	3
<b>Sub Total Property Costs</b>	608,583	456,700	151,883	465,750	(9,050)	
<b>Supplies &amp; Services</b>	473,800	475,300	(1,500)	495,300	(20,000)	
<b>Third Party Payments</b>						
Bus Operator Payments	-	250,000	(250,000)	250,000	-	4
Communications	95,000	105,000	(10,000)	105,000	-	
Other Third Party Payments	1,801,571	1,907,000	(105,429)	1,841,000	66,000	5
<b>Sub Total Third Party Payments</b>	1,896,571	2,262,000	(365,429)	2,196,000	66,000	
<b>Financing Costs</b>						
Contribution to Subway Fund	10,789,457	11,748,594	(959,138)	9,915,602	1,832,993	6
Contribution to Capital Funded from Revenue	1,000,000	-	1,000,000	-	-	
<b>Sub Total Financing Costs</b>	11,789,457	11,748,594	40,862	9,915,602	1,832,993	
<b>TOTAL EXPENDITURE</b>	<b>15,535,775</b>	<b>15,407,844</b>	<b>127,931</b>	<b>13,537,902</b>	<b>1,869,943</b>	
<b>INCOME</b>						
Agency Income - Agency Fee	(1,000,000)	(1,000,000)	-	(1,000,000)	-	
Interest Received	(700,000)	(1,200,000)	500,000	(1,200,000)	-	7
Other Income	(420,000)	(421,000)	1,000	(421,000)	-	
<b>TOTAL INCOME</b>	<b>(2,120,000)</b>	<b>(2,621,000)</b>	<b>501,000</b>	<b>(2,621,000)</b>	<b>-</b>	
<b>Net Total</b>	<b>13,415,775</b>	<b>12,786,844</b>	<b>628,931</b>	<b>10,916,902</b>	<b>1,869,943</b>	

### Notes

- Reduction in budget due to estimated pay awards now allocated across individual departments.
- Budget reduction due to holiday average payments now budgeted across individual departments.
- Due to saving in property rates for properties that have recently been sold.
- Budget added to provide resilience against potential bus contract increases.
- Budget increased to take account of computer maintenance cost projections and to support feasibility studies.
- The contribution to the Subway Fund will facilitate future capital and revenue spend on Subway Modernisation, and the Subway, including Operational Readiness.  
It will keep SPT on track for meeting its overall long term funding commitments.
- Budget increased based on 2019/20 interest rate projections and estimated cash balances.



## Proposed Council Requisition - SPT

Financial Year 2019/20

	Requisition Financial Year 2018/19	Proposed Requisition Financial Year 2019/20
Argyll and Bute	582,299	412,797
East Ayrshire	1,872,426	1,923,883
East Dunbartonshire	1,818,038	1,705,999
East Renfrewshire	1,532,346	1,495,056
Glasgow	9,651,132	9,798,015
Inverclyde	1,419,616	1,242,620
North Ayrshire	2,252,037	2,142,399
North Lanarkshire	5,373,886	5,363,649
Renfrewshire	2,875,791	2,789,899
South Ayrshire	1,731,174	1,777,786
South Lanarkshire	5,215,107	5,019,862
West Dunbartonshire	1,576,861	1,413,803
<b>Total Requisition</b>	<b>35,900,714</b>	<b>35,085,768</b>