



Updated Financial Forecast for financial year 2020/21

Committee Strategy & Programmes

Date of meeting 20 November 2020

Date of report 2 November 2020

Report by Assistant Chief Executive

1. Object of report

To provide members with an updated forecast deficit for the current financial year, stating the assumptions made regarding expenditure and income levels, including the income loss grant from Transport Scotland and to advise of ongoing discussions with Transport Scotland regarding continued financial support.

2. Background

Members are reminded of the financial reporting presented to the Strategy & Programmes Committee of 28 August 2020 ([click here to view report](#)) and subsequent discussion and actions arising from the Partnership meeting of 18 September 2020.

In summary, the Updated Financial Forecast report presented at that time projected a forecast deficit of circa £7.6m - £10.5m, assuming that SPT utilised approximately £4m of income loss grant via Transport Scotland, and assumed that expenditure savings of approximately £4.5m across all services could be delivered.

No support from Scottish Government for the period of April 2020 to June 2020 for any income streams has been forthcoming, and this remains the case. Continued dialogue between senior officials continues on a weekly basis with Transport Scotland. In addition, as members are aware the Chair wrote directly to the Cabinet Secretary seeking a more comprehensive covid support to SPT.

Further income loss support grant for the period October to December has now been confirmed by Transport Scotland relating to subway passenger income only and as a result the level of support for the six-month period of July to December is capped at £7.5m. This level of support reflects the patronage levels which were forecast prior to the introduction of the restrictions announced on 9 October 2020. Members are advised that patronage had increased to an average of approximately 35% of pre covid levels, although this has subsequently reduced to 25% following the governments announcements to avoid public transport.

On 2 November 2020 Scotland's new five-level regional restrictions became effective with the central belt including Glasgow City, all now being placed in level 3. Under level 3 Scottish Government guidance states:

"If you live in a Level 3 local authority area you should:

- *avoid any unnecessary travel out of the area*
- *if you have to travel for essential purposes, follow the guidance on travelling safely*
- *you should only travel for work where this cannot be done from home.”*

These new restrictions clearly have impacted upon passenger levels and the anticipated farebox for the remainder of the financial year. While support for July to December has been confirmed, SPT is continuing to press Transport Scotland for additional support beyond this period. Continued support is essential if SPT is to continue to deliver transport services to those who need them most.

3. Current Position

Clearly the need to closely monitor SPT's financial stability is more important now than ever before. However, monitoring and managing this situation at a time of significant disruption and high level of uncertainty on passenger demands is extremely challenging. To put this into context, the level of Subway income and projections changes weekly, as close monitoring of the daily passenger numbers are analysed. Members are reminded that during March to June the level of subway patronage fell by 97% - as a result 4 weekly income levels fell from more than £1m to approximately £50,000. In August and September subway patronage levels were encouraging and had increased to around 35% of pre Covid levels. However, at the time of writing, subway patronage levels have decreased to approximately 25% of the pre Covid levels. Until such time as restrictions are eased it is unlikely that patronage levels will get above 30%, and this is now the working assumption for the remainder of the financial year.

As stated previously, SPT continued to operate services during the lockdown period and will continue to do so, and therefore the scope for material savings arising from this is limited, without reducing services for the remainder of the financial year. To put the importance of subway and SPT services into context during this difficult period, even at demand of 30% subway capacity at a time of reduced public transport capacity would require approximately 600 additional buses to fulfil the demand.

A full review of all expenditure plans and budgets has been undertaken to capture any savings or delayed expenditure as a result of the change in activity during the lockdown period and managers have also been challenged to review budgets to achieve in year savings. This has included a recruitment freeze on vacant posts, unless no alternative in house provision or expertise is available.

There is no doubt that all savings or delayed expenditure has an impact on services and this cannot be under estimated. Significant work since March has been undertaken to shape the provision of SPT bus services including the support of strategic routes as these are a key element in the regional network. Not only has SPT maintained essential services during a time of vastly reduced commercial operations, but has reallocated resources to ensure that strategic gaps are filled. SPT has recognised the reduced demand for MyBus services and has shaped the provision accordingly, with re-directed capacity being used to support local services. A significant risk however remains ahead in the event that commercial operators withdraw services if government support is reduced or stopped when the emergency funding packages come to an end.

Work is continuing to drive and deliver on the potential savings previously identified and reported to committee. These need to be sustained across the remainder of the financial year if SPT is to minimise the financial gap; however, the drive for these savings is impacting at a number of levels with a number of vacancies being held back, and as reported to the Operations Committee, a reduction on the expenditure on local bus services, MyBus and third party suppliers were possible. The savings also anticipate that the contribution of £1m to support the capital plan from the revenue budget will not be required.

A full schedule of potential budget reductions and potential consequences is shown at Appendix 1. Even if all the savings identified are delivered, this will be insufficient to address the forecast deficit for the remainder of the financial year.

Clearly in looking at the financial deficit, a review of all income budgets have been assessed, including advertising, bus station departure charge levels, property rents and ancillary income levels. Assumptions principally around future patronage levels and areas for reduced expenditure as shown.

The key assumptions built into this range includes:

- Patronage (Subway) – recovery of maximum Transport Scotland grant of £7.5m (dependent upon actual income generated) of lost patronage related income for July 2020 – December 2020. This is consistent with the grant claim process to Transport Scotland as announced. Initial projections of lost income for the Subway up until December 2020 indicate that maximum grant allocation of £7.5m will not be enough to cover the lost income for the period July 2020 to December 2020 by approximately £350,000. Further discussions with Transport Scotland are continuing concerning this shortfall and support for the period beyond December. In addition, patronage for Q3 and Q4 is assumed at an average of 30% of pre-covid levels based on current level 3 restrictions which apply at the time of writing. Clearly if Glasgow City and other areas of the central belt are moved to level 4 or a national lockdown is implemented before the end of the financial year then the deficit position could worsen. These assumptions result in a forecast subway income deficit of £9.1m
- Bus Departure Income – assumed bus departures returning to 90% of normal levels by end of the financial year, reflecting bus service resumption plans and changes in the market. However, if financial support to bus operators from Transport Scotland reduces or ceases beyond January then this could have a negative impact on the number of services and departures from bus stations. These assumptions result in a forecast bus departure income deficit of £422,000.
- Advertising – the forecast income for the financial year was a guaranteed minimum of £1.36m, however the level of income is also closely linked commercially to the level of patronage and bus station footfall. As lockdown took effect, advertising revenue came to a halt, and while there is a limited and slow return of passenger levels it is anticipated that the advertising income will be slow to recover. The projected deficit for advertising in the current financial year is £1.26m
- Interest earned – at the time of budget setting an income on revenue balances of £1.4m was assumed. However again the economic impacts on this budget line and reduction of both balances and base rates has resulted in a forecast reduction of £500,000.
- Rentals – while there is some reduction in rentals received, every effort is being made to support tenants, including delaying rentals due to assist with cash flow. Ongoing dialogue with tenants continues to protect the level of income while at the same time maintaining viable tenants in the longer term.

At this stage, assuming the level of savings identified is delivered together with the assumption on income noted above, the anticipated forecast deficit is in the range of £4.7m to £6.2m assuming maximum grant recovery of £7.5m from Transport Scotland. The detailed revenue monitoring report at P7 including departmental breakdowns is shown in Appendix 2.

The deficit at the year end will require to be funded by SPT general reserves leaving SPT vulnerable to respond to the future challenges ahead.

Transport Scotland have been made aware that additional funding supporting SPT during the recovery phase, which is likely to be for the remainder of this financial year at least and likely beyond, is required to assist with the continued operation of SPT services. These discussions are ongoing and again similar to Edinburgh Trams, support is being sought consistent with the need to deliver services at a time when public transport is under considerable pressure.

Members are asked to note that other Tram and light rail systems within the UK have received continuous support since March recognising the need to keep public transport operating at this time, as has bus operators in Scotland recognising the need to support key public transport services. To put the SPT request into context, for information at Appendix 3 is a summary of financial support to other modes in Scotland.

Clearly there are a number of issues and challenges ahead which are affecting the ability to plan with any real certainty:

- How quickly patronage will return, if at all, to pre Covid levels;
- Whether there will be any change to local restriction levels or if a further national lockdown will occur and therefore the impact of these both on income levels and the ability to continue operating;
- How bus operators will continue to deliver services which may struggle to be commercially viable post Covid, and sustained pressure on the subsidised bus budget; and
- The impact on future years' ability to deliver services.

Given these uncertainties and the ongoing discussions with Transport Scotland, it is proposed at this stage to keep all budget lines under review and present a further report to the next committee cycle in February 2021 with updated projections as we approach the end of the financial year. It must be stressed again that to narrow the gap in the current year to March 2021 will require financial assistance.

A major consideration for SPT as we enter that phase will be the preparation and update of the long term financial plan, and arrangements for the 2021/22 budget. Budget preparation has recently commenced with departments tasked with reviewing every budget line to identify any savings that can be made for 2021/22. Clearly when considering income budgets for 2021/22 and beyond the level of Subway income is likely to be estimated significantly lower than in 2020/21. This will bring significant challenges to SPT to create a balanced budget. In looking ahead at the long term financial plan and re-establishing a level of financial stability, consideration will need to be given to the funding of public transport in the widest sense, as well as the specific role and contribution from the 12 constituent councils. A draft budget will be presented to the next Strategy and Programmes Committee in February 2021 for review prior to presentation to the Partnership.

It is worth reminding members at this stage that following the economic crash of 2008/09, subway patronage eventually recovered but it took a period of nearly 10 years to do so. That is the scale of the challenge at this stage – at a time when public transport will be expected to play such an important role in the economic recovery and the contribution to the de-carbonisation agenda.

4. Conclusion

There is no doubt that Covid has resulted in significant financial impacts across SPT primarily as a result of vastly reduced farebox and passenger related income streams. At the time when the previous projections reported to the August 2020 Strategy and Programmes Committee

was made there was a small level of optimism particularly with the reductions in the number of cases and deaths over the summer period – the projections have now been updated to take account of current patronage numbers and current level 3 restrictions in place but there still remains a significant number of uncertainties to be able to forecast with any certainty.

Furthermore, discussions are continuing with Transport Scotland to secure additional funding until the end of the current financial year. This reflects the assumption that patronage during and post Covid will be slow to recover as SPT follow the Scottish Government guidance.

Clearly as the current Covid restrictions continue it is necessary to consider not just the current financial year but also the planning assumptions for future years and early discussions with funding partners are planned.

5. Committee action

The Committee is recommended to consider this report and to note:

- (i) the forecast outturn at this stage (i) and the level of expenditure required to assist with the deficit;
- (ii) that discussions continue with Transport Scotland over continued financial support for the current financial year; and
- (iii) that a draft 2021/22 revenue budget will be presented to the next Strategy & Programmes Committee in February 2021.

6. Consequences

Policy consequences	<i>The impact on financial stability will undoubtedly impact on the development and delivery of policy priorities.</i>
Legal consequences	<i>A balanced budget was agreed in March 2020.</i>
Financial consequences	<i>As detailed in the report.</i>
Personnel consequences	<i>Vacancy freeze has been implemented.</i>
Equalities consequences	<i>The impact on financial stability will affect the delivery of key policy objectives.</i>
Risk consequences	<i>Significant without additional funding.</i>

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Appendix 1: Projected Budget Savings



Ref	Subjective Heading	Saving	Description
1	Employee Costs	£1,432,000	Vacancy freeze unless technical expertise not available in house. Potential impact on service delivery. Some posts require technical expertise.
2	Property Costs	£550,000	Net savings due to reduced utility supplies and general repairs, and absorbing additional costs for cleaning.
3	Supplies and Services	£430,000	Reflects reduction in the number of Subway tickets purchased due to reduced patronage meaning current stocks are sufficient. Also budget for COP26 no longer required in this financial year. There is also reduced training costs, printing costs and general supplies in the year to date. This is partially offset by a reduction anticipated in the capitalisation of the Projects team.
4	Transport and Plant	£59,000	Saving represents savings across all departments in travel and subsistence costs.
5	Third Party Payments	£2,470,000	Significant reduction in subsidised bus costs – SPT financially unable to fill gaps created in the network. Delayed TSSSA costs and third party costs. Also reduced expenditure anticipated for legal fees and feasibility studies and other areas.
6	Contribution to Capital	£1,000,000	Likely to be delayed expenditure due to Covid-19 interrupting project progress.
Net forecast saving		£5,941,000	



Committee Report by Division

For Year 20/21 Period 7 ending 10-Oct-2020

	Year to Date				Annual Budget			
	Actual	Budget	Variance	Variance %	Projected Outturn	Annual Budget	Variance	Variance %
Chief Executive								
Policy & Strategy	229,264	235,824	6,561	3%	429,506	445,806	16,300	4%
Cabinet	243,329	247,889	4,559	2%	461,121	468,621	7,500	2%
Total Chief Executive	472,593	483,713	11,120	2%	890,627	914,427	23,800	3%
Operations								
Subway	8,968,400	956,703	(8,011,697)	(837%)	16,035,434	1,351,514	(14,683,919)	(1086%)
Bus Operations	8,427,386	8,832,801	405,415	5%	15,325,114	16,462,231	1,137,117	7%
Projects	275,412	119,031	(156,381)	(131%)	423,878	239,878	(184,000)	(77%)
Health and Safety	88,200	88,525	325	0%	167,403	167,403	-	0%
Customer Standards	304,262	310,044	5,782	2%	580,125	585,125	5,000	1%
Total Operations	18,063,660	10,307,104	(7,756,556)	(75%)	32,531,955	18,806,152	(13,725,803)	(73%)
Business Support								
Finance	675,766	743,031	67,264	9%	1,298,744	1,404,244	105,500	8%
Digital	548,320	597,579	49,258	8%	1,061,397	1,129,897	68,500	6%
Human Resources	136,060	153,407	17,347	11%	264,994	289,994	25,000	9%
Legal Services	125,761	140,620	14,859	11%	244,983	265,833	20,850	8%
Business Support	115,477	116,538	1,060	1%	220,349	220,349	-	0%
Elected Members	25,450	31,655	6,205	20%	49,788	58,788	9,000	15%
Contact Centre	152,099	261,326	109,227	42%	442,455	497,455	55,000	11%
Corporate	(27,673)	626,864	654,537	104%	905,706	1,166,581	260,875	22%
Total Business Support	1,751,262	2,671,021	919,758	34%	4,488,416	5,033,141	544,725	11%
Contribution to Subway Fund	5,612,432	5,612,432	(0)	(0%)	10,423,087	10,423,087	-	0%
Contribution to Capital Funded from Revenue	-	538,462	538,462	100%	-	1,000,000	1,000,000	100%
Net Total	25,899,947	19,612,731	(6,287,217)	(32%)	48,334,086	36,176,808	(12,157,278)	(34%)
Estimated Covid Support Grant Claim (July to December)	(1,224,024)	-	1,224,024		(7,500,000)	-	7,500,000	
Projected Deficit for 2020/21 at P7	24,675,923	19,612,731	(5,063,193)		40,834,086	36,176,808	(4,657,278)	



Revenue Monitoring Report

For Year 20/21 Period 7 ending 10-Oct-2020

	Year to Date				Annual Budget				Note
	Actual	Budget	Variance	Variance %	Projected Outturn	Annual Budget	Variance	Variance %	
EXPENDITURE									
Employee Costs									
Salaries	8,718,283	9,201,620	483,338	5%	16,584,528	17,402,028	817,500	5%	1
Overtime	207,526	381,304	173,778	46%	496,136	708,136	212,000	30%	2
Other Employee Costs	2,782,625	3,058,379	275,754	9%	5,371,438	5,774,438	403,000	7%	1
Sub Total Employee Costs	11,708,433	12,641,303	932,870	7%	22,452,102	23,884,602	1,432,500	6%	
Property Costs									
Electricity	726,714	1,032,381	305,667	30%	1,632,280	1,917,280	285,000	15%	3
Repairs and Maintenance	70,637	252,000	181,363	72%	305,000	468,000	163,000	35%	4
Property Insurance	135,562	161,539	25,976	16%	300,000	300,000	-	0%	4
Other Property Costs	1,815,449	1,951,452	136,003	7%	3,522,624	3,624,124	101,500	3%	4
Sub Total Property Costs	2,748,362	3,397,372	649,010	19%	5,759,905	6,309,405	549,500	9%	
Supplies & Services	861,642	1,133,596	271,955	24%	1,674,951	2,105,251	430,300	20%	5
Transport & Plant Costs	27,547	85,104	57,557	68%	98,600	158,050	59,450	38%	4
Third Party Payments									
Bus Operator Payments	6,875,731	7,480,044	604,313	8%	12,231,289	13,891,510	1,660,221	12%	6
Communications	23,379	205,423	182,044	89%	206,500	381,500	175,000	46%	4
Other Third Party Payments	2,659,540	3,304,135	644,595	20%	5,501,851	6,136,251	634,400	10%	7
Sub Total Third Party Payments	9,558,650	10,989,602	1,430,952	13%	17,939,640	20,409,261	2,469,621	12%	
Financing Costs									
Contribution to Subway Fund	5,612,432	5,612,432	(0)	(0%)	10,423,087	10,423,087	-	0%	
Contribution to Capital Funded from Revenue	-	538,462	538,462	100%	-	1,000,000	1,000,000	100%	8
Sub Total Financing Costs	5,612,432	6,150,893	538,461	9%	10,423,087	11,423,088	1,000,000	9%	
TOTAL EXPENDITURE	30,517,066	34,397,871	3,880,804	11%	58,348,285	64,289,656	5,941,371	9%	
INCOME									
Subway Income	(2,135,923)	(11,528,293)	(9,392,370)	81%	(5,439,497)	(22,064,417)	(16,624,919)	75%	9
Bus Operations Income	(911,422)	(1,480,169)	(568,748)	38%	(1,850,282)	(2,748,886)	(898,604)	33%	10
Agency Fee Income - Councils	(804,431)	(795,332)	9,099	(1%)	(1,447,044)	(1,477,044)	(30,000)	2%	
Interest Received	(543,225)	(753,846)	(210,622)	28%	(900,000)	(1,400,000)	(500,000)	36%	11
Other Income	(222,119)	(227,500)	(5,381)	2%	(377,375)	(422,500)	(45,125)	11%	12
TOTAL INCOME	(4,617,119)	(14,785,140)	(10,168,021)	69%	(10,014,199)	(28,112,847)	(18,098,649)	64%	
Net Total	25,899,947	19,612,731	(6,287,217)	(32%)	48,334,086	36,176,808	(12,157,278)	(34%)	
Estimated Covid Support Grant Claim (July to December)	(1,224,024)	-	1,224,024		(7,500,000)	-	7,500,000		
Projected Deficit for 2020/21 at P7	24,675,923	19,612,731	(5,063,193)		40,834,086	36,176,808	(4,657,278)		

Notes

- Due to vacant posts in the establishment.
- Reduced outturn reflects anticipated workloads and take up of overtime by employees.
- Savings in electricity in the first quarter of the financial year due to reduced Subway services.
- Outturn reflects detailed review of individual budgets and savings generated in P1 to P7.
- Outturn reflects reduction in the number of Subway tickets purchased due to reduced patronage meaning current stocks are sufficient. Also budget for COP26 no longer required in this financial year. There is also reduced training costs, printing costs and general supplies in the year to date. This is partially offset by a reduction anticipated in the capitalisation of the Projects team.
- Underspend reflects projected outturn reported to the Operations Committee. It is proposed to show this underspend as a saving to assist in balancing the overall SPT budget. This savings is partially offset by reduced funding for services (£109k) included under Bus Operations income.
- Outturn incorporates projected reduced costs in respect of TSSSA for the financial year and a reduced requirement for agency staff to support the Subway infrastructure activities in first quarter of the financial year. Also reduced expenditure anticipated for legal fees and feasibility studies and other areas. This is partially offset by agency staff costs to support life extension work on the existing rolling stock fleet.
- Due to the current capital position and projected outturn a draw from revenue to fund capital is not required in 2020/21.
- Outturn reflects substantial reduction in patronage due to Covid-19 and includes a prudent estimate of income for the financial year. Also incorporates significant reductions in advertising and zonecard income. This projection is based on information known at P7 and excludes the £1.224m COVID support grant payment from Transport Scotland for the month of July.
- Income reductions forecast in the areas of departure charges, Buchanan Bus Station facilities and advertising due to Covid-19. This projection is based on information known at P7. The outturn also incorporates a reduced external funding projection for bus services due to the expiration of a fully funded Glasgow City Council contract (see note 4).
- Interest received forecast reduced due to recent reduction in interest rates.
- Incorporates a projected reduction in corporate rental income.



Committee Report by Directorate - Policy & Strategy

For Year 20/21 Period 7 ending 10-Oct-2020

	Year to Date				Annual Budget				Notes
	Actual	Budget	Variance	Variance %	Projected Outturn	Annual Budget	Variance	Variance %	
EXPENDITURE									
Employee Costs									
Salaries	170,248	176,611	6,363	4%	321,505	334,005	12,500	4%	1
Other Employee Costs	52,053	53,829	1,776	3%	98,801	101,801	3,000	3%	1
Sub Total Employee Costs	222,301	230,440	8,139	4%	420,306	435,806	15,500	4%	
Supplies & Services	-	538	538	100%	700	1,000	300	30%	1
Transport & Plant Costs	-	808	808	100%	1,000	1,500	500	33%	1
Third Party Payments									
Communications	6,963	4,038	(2,925)	(72%)	7,500	7,500	-	0%	
Sub Total Third Party Payments	6,963	4,038	(2,925)	(72%)	7,500	7,500	-	0%	
TOTAL EXPENDITURE	229,264	235,824	6,561	3%	429,506	445,806	16,300	4%	
Net Total	229,264	235,824	6,561	3%	429,506	445,806	16,300	4%	

Notes

1. Outturn reflects detailed review of individual budgets and potential savings projected to year end.



Committee Report by Directorate - Cabinet

For Year 20/21 Period 7 ending 10-Oct-2020

	Year to Date				Annual Budget				Note
	Actual	Budget	Variance	Variance %	Projected Outturn	Annual Budget	Variance	Variance %	
EXPENDITURE									
Employee Costs									
Salaries	184,743	184,090	(654)	(0%)	348,149	348,149	-	0%	
Other Employee Costs	58,574	58,414	(160)	(0%)	110,472	110,472	-	0%	
Sub Total Employee Costs	243,317	242,504	(813)	(0%)	458,621	458,621	-	0%	
Supplies & Services	5	2,692	2,687	100%	2,000	5,000	3,000	60%	1
Transport & Plant Costs	7	2,692	2,686	100%	500	5,000	4,500	90%	1
TOTAL EXPENDITURE	243,329	247,889	4,559	2%	461,121	468,621	7,500	2%	
Net Total	243,329	247,889	4,559	2%	461,121	468,621	7,500	2%	

Notes

1. Outturn reflects detailed review of individual budgets and potential savings projected to year end.



Committee Report by Directorate - Subway

For Year 20/21 Period 7 ending 10-Oct-2020

	Year to Date				Annual Budget				Note
	Actual	Budget	Variance	Variance %	Projected Outturn	Annual Budget	Variance	Variance %	
EXPENDITURE									
Employee Costs									
Salaries	4,870,980	5,188,245	317,264	6%	9,286,965	9,811,965	525,000	5%	1
Overtime	202,365	341,996	139,631	41%	460,136	635,136	175,000	28%	2
Other Employee Costs	1,424,632	1,552,382	127,751	8%	2,735,852	2,935,852	200,000	7%	1
Sub Total Employee Costs	6,497,977	7,082,623	584,646	8%	12,482,953	13,382,953	900,000	7%	
Property Costs									
Electricity	629,696	896,115	266,419	30%	1,414,213	1,664,213	250,000	15%	3
Property Insurance	127,969	148,077	20,108	14%	275,000	275,000	-	0%	
Other Property Costs	1,050,729	1,108,789	58,059	5%	2,035,679	2,059,179	23,500	1%	4
Sub Total Property Costs	1,808,394	2,152,980	344,586	16%	3,724,892	3,998,392	273,500	7%	
Supplies & Services	959,535	1,100,057	140,522	13%	1,692,962	2,042,962	350,000	17%	5
Transport & Plant Costs	(574)	24,231	24,804	102%	20,000	45,000	25,000	56%	6
Third Party Payments									
Bus Operator Payments	17,832	10,769	(7,063)	(66%)	27,500	20,000	(7,500)	(38%)	
Other Third Party Payments	1,821,159	2,114,336	293,177	14%	3,526,624	3,926,624	400,000	10%	8
Sub Total Third Party Payments	1,838,991	2,125,105	286,114	13%	3,554,124	3,946,624	392,500	10%	
TOTAL EXPENDITURE	11,104,323	12,484,996	1,380,672	11%	21,474,931	23,415,931	1,941,000	8%	
INCOME									
Subway Income	(2,135,923)	(11,528,293)	(9,392,370)	81%	(5,439,497)	(22,064,417)	(16,624,919)	75%	9
TOTAL INCOME	(2,135,923)	(11,528,293)	(9,392,370)	81%	(5,439,497)	(22,064,417)	(16,624,919)	75%	
Net Total	8,968,400	956,703	(8,011,697)	(837%)	16,035,434	1,351,514	(14,683,919)	(1086%)	

Notes

1. Due to vacant posts in the establishment. Incorporates a general freeze on recruiting vacant post at present.
2. Reduced outturn reflects anticipated workloads and take up of overtime by Subway employees.
3. Savings in electricity in the year to date due to reduced Subway services and reduced consumption across Subway stations.
4. Current position due to reduced work activity in the first three periods of the financial year due to COVID-19 restrictions. However outturn incorporates potential for increased cleaning costs.
5. Outturn reflects detailed review of individual budgets and potential savings to year end. The most significant projected reduction is in relation to Subway ticket costs.
6. Outturn reflects detailed review of individual budgets and potential savings to year end.
7. Additional costs in relation to Subway replacement service due to suspended Subway services on 4th and 5th of July.
8. Savings anticipated on TSSSA costs for the current financial year (£420k from £876k) and also reduced requirement for agency staff to support the Subway infrastructure activities in first quarter of the financial year. This is partially offset by an increase in agency staff under the maintenance to support life extension work on Subway rolling stock. This workstream commenced in August.
9. Outturn reflects substantial reduction in patronage due to Covid-19 and includes a prudent estimate of income for the financial year. Also incorporates significant reductions in advertising and zone card income. This projection is based on information known at P7 and excludes the £1.224m COVID support grant payment from Transport Scotland for the month of July.



Committee Report by Directorate - Bus Operations

For Year 20/21 Period 7 ending 10-Oct-2020

	Year to Date				Annual Budget				Note
	Actual	Budget	Variance	Variance %	Projected Outturn	Annual Budget	Variance	Variance %	
EXPENDITURE									
Employee Costs									
Salaries	1,292,421	1,329,131	36,710	3%	2,453,642	2,513,642	60,000	2%	1
Overtime	1,228	27,192	25,964	95%	20,500	50,500	30,000	59%	2
Other Employee Costs	368,589	387,779	19,190	5%	708,364	733,364	25,000	3%	1
Sub Total Employee Costs	1,662,238	1,744,102	81,864	5%	3,182,506	3,297,506	115,000	3%	
Property Costs									
Electricity	76,318	113,463	37,145	33%	175,717	210,717	35,000	17%	3
Repairs and Maintenance	67,424	227,769	160,345	70%	273,000	423,000	150,000	35%	3
Property Insurance	7,209	8,077	868	11%	15,000	15,000	-	0%	
Other Property Costs	611,579	642,861	31,282	5%	1,168,885	1,193,885	25,000	2%	3
Sub Total Property Costs	762,530	992,170	229,640	23%	1,632,602	1,842,602	210,000	11%	
Supplies & Services	414	35,215	34,802	99%	40,400	65,400	25,000	38%	3
Transport & Plant Costs	27,336	43,938	16,603	38%	63,600	81,600	18,000	22%	3
Third Party Payments									
Bus Operator Payments	6,857,899	7,469,275	611,376	8%	12,203,789	13,871,510	1,667,721	12%	4
Communications	-	2,154	2,154	100%	4,000	4,000	-	0%	
Other Third Party Payments	113,314	120,346	7,032	6%	223,500	223,500	-	0%	
Sub Total Third Party Payments	6,971,213	7,591,775	620,562	8%	12,431,289	14,099,010	1,667,721	12%	
TOTAL EXPENDITURE	9,423,731	10,407,201	983,470	9%	17,350,396	19,386,117	2,035,721	11%	
INCOME									
Bus Operations Income	(911,422)	(1,480,169)	(568,748)	38%	(1,850,282)	(2,748,886)	(898,604)	33%	5
Agency Fee Income - Councils	(84,923)	(94,231)	(9,308)	10%	(175,000)	(175,000)	-	0%	
TOTAL INCOME	(996,345)	(1,574,400)	(578,055)	37%	(2,025,282)	(2,923,886)	(898,604)	31%	
Net Total	8,427,386	8,832,801	405,415	5%	15,325,114	16,462,231	1,137,117	7%	

Notes

1. Due to vacant posts in the establishment. Incorporates a general freeze on recruiting vacant post until after Christmas at least.
2. Reduced outturn reflects anticipated workloads and take up of overtime by Bus Operations employees.
3. Outturn reflects detailed review of individual budgets and savings generated in P1 to P7.
4. Underspend reflects projected outturn reported to the recent Operations Committee. It is proposed to show this underspend as a saving to assist in balancing the overall SPT budget. This savings is partially offset by reduced funding for services (£109k) included under Bus Operations income.
5. Significant income reductions forecast in the areas of departure charges, Buchanan Bus Station facilities and advertising due to Covid-19. This projection is based on information known at P7.



Committee Report by Directorate - Projects

For Year 20/21 Period 7 ending 10-Oct-2020

	Year to Date				Annual Budget				Note
	Actual	Budget	Variance	Variance %	Projected Outturn	Annual Budget	Variance	Variance %	
EXPENDITURE									
Employee Costs									
Salaries	418,308	423,200	4,893	1%	790,353	800,353	10,000	1%	1
Other Employee Costs	128,364	129,561	1,197	1%	242,525	245,025	2,500	1%	1
Sub Total Employee Costs	546,672	552,761	6,090	1%	1,032,878	1,045,378	12,500	1%	
Supplies & Services	(271,309)	(438,307)	(166,998)	38%	(614,000)	(814,000)	(200,000)	25%	2
Transport & Plant Costs	49	4,577	4,527	99%	5,000	8,500	3,500	41%	1
TOTAL EXPENDITURE	275,412	119,031	(156,381)	(131%)	423,878	239,878	(184,000)	(77%)	
Net Total	275,412	119,031	(156,381)	(131%)	423,878	239,878	(184,000)	(77%)	

Notes

1. Outturn reflects detailed review of individual budgets and potential savings projected to year end.
2. Outturn reduced as the budgeted level of capitalisation is unlikely to be achieved in the current financial year.



Committee Report by Directorate - Health and Safety

For Year 20/21 Period 7 ending 10-Oct-2020

	Year to Date				Annual Budget			
	Actual	Budget	Variance	Variance %	Projected Outturn	Annual Budget	Variance	Variance %
EXPENDITURE								
Employee Costs								
Salaries	67,631	67,631	0	0%	127,904	127,904	-	0%
Other Employee Costs	20,420	20,463	42	0%	38,699	38,699	-	0%
Sub Total Employee Costs	88,052	88,094	43	0%	166,603	166,603	-	0%
Supplies & Services	148	323	175	54%	600	600	-	0%
Transport & Plant Costs	-	108	108	100%	200	200	-	0%
TOTAL EXPENDITURE	88,200	88,525	325	0%	167,403	167,403	-	0%
Net Total	88,200	88,525	325	0%	167,403	167,403	-	0%



Committee Report by Directorate - Customer Standards

For Year 20/21 Period 7 ending 10-Oct-2020

	Year to Date				Annual Budget				Note
	Actual	Budget	Variance	Variance %	Projected Outturn	Annual Budget	Variance	Variance %	
EXPENDITURE									
Employee Costs									
Salaries	211,227	210,995	(233)	(0%)	399,031	399,031	-	0%	
Overtime	3,219	8,077	4,858	60%	10,000	15,000	5,000	33%	1
Other Employee Costs	62,340	62,973	632	1%	119,094	119,094	-	0%	
Sub Total Employee Costs	276,787	282,044	5,258	2%	528,125	533,125	5,000	1%	
Supplies & Services	27,449	27,462	13	0%	51,000	51,000	-	0%	
Transport & Plant Costs	27	538	512	95%	1,000	1,000	-	0%	
TOTAL EXPENDITURE	304,262	310,044	5,782	2%	580,125	585,125	5,000	1%	
Net Total	304,262	310,044	5,782	2%	580,125	585,125	5,000	1%	

Notes

1. Outturn reflects detailed review of individual budgets and savings generated in P1 to P7.



Committee Report by Directorate - Finance

For Year 20/21 Period 7 ending 10-Oct-2020

	Year to Date				Annual Budget				Note
	Actual	Budget	Variance	Variance %	Projected Outturn	Annual Budget	Variance	Variance %	
EXPENDITURE									
Employee Costs									
Salaries	516,690	552,703	36,013	7%	980,267	1,045,267	65,000	6%	1
Other Employee Costs	149,141	161,843	12,702	8%	286,077	306,077	20,000	7%	1
Sub Total Employee Costs	665,832	714,546	48,715	7%	1,266,344	1,351,344	85,000	6%	
Supplies & Services	301	17,231	16,930	98%	12,000	32,000	20,000	62%	2
Transport & Plant Costs	-	485	485	100%	400	900	500	56%	2
Third Party Payments									
Other Third Party Payments	9,634	10,769	1,135	11%	20,000	20,000	-	0%	
Sub Total Third Party Payments	9,634	10,769	1,135	11%	20,000	20,000	-	0%	
TOTAL EXPENDITURE	675,766	743,031	67,264	9%	1,298,744	1,404,244	105,500	8%	
Net Total	675,766	743,031	67,264	9%	1,298,744	1,404,244	105,500	8%	

Notes

1. Due to vacant posts in the establishment.
2. Outturn reflects detailed review of individual budgets and potential savings projected to year end.



Committee Report by Directorate - Digital

For Year 20/21 Period 7 ending 10-Oct-2020

	Year to Date				Annual Budget				Note
	Actual	Budget	Variance	Variance %	Projected Outturn	Annual Budget	Variance	Variance %	
EXPENDITURE									
Employee Costs									
Salaries	419,698	453,860	34,162	8%	803,336	858,336	55,000	6%	1
Overtime	634	1,615	982	61%	3,000	3,000	-	0%	
Other Employee Costs	120,727	136,719	15,992	12%	231,061	258,561	27,500	11%	1
Sub Total Employee Costs	541,059	592,194	51,135	9%	1,037,397	1,119,897	82,500	7%	
Supplies & Services	400	2,154	1,754	81%	2,000	4,000	2,000	50%	2
Transport & Plant Costs	-	3,231	3,231	100%	2,000	6,000	4,000	67%	2
Third Party Payments									
Other Third Party Payments	6,862	-	(6,862)		20,000	-	(20,000)		3
Sub Total Third Party Payments	6,862	-	(6,862)		20,000	-	(20,000)		
TOTAL EXPENDITURE	548,320	597,579	49,258	8%	1,061,397	1,129,897	68,500	6%	
Net Total	548,320	597,579	49,258	8%	1,061,397	1,129,897	68,500	6%	

Notes

1. Due to vacant posts in the establishment.
2. Outturn reflects detailed review of individual budgets and savings generated in P1 to P7.
3. Costs associated with maternity cover for Communications team.



Committee Report by Directorate - Human Resources

For Year 20/21 Period 7 ending 10-Oct-2020

	Year to Date				Annual Budget				Note
	Actual	Budget	Variance	Variance %	Projected Outturn	Annual Budget	Variance	Variance %	
EXPENDITURE									
Employee Costs									
Salaries	103,098	115,290	12,192	11%	198,036	218,036	20,000	9%	1
Other Employee Costs	31,461	34,348	2,887	8%	59,959	64,959	5,000	8%	1
Sub Total Employee Costs	134,559	149,638	15,079	10%	257,994	282,994	25,000	9%	
Supplies & Services	1,501	3,769	2,268	60%	7,000	7,000	-	0%	
TOTAL EXPENDITURE	136,060	153,407	17,347	11%	264,994	289,994	25,000	9%	
Net Total	136,060	153,407	17,347	11%	264,994	289,994	25,000	9%	

Notes

1. An employee has been transferred to the Subway establishment.



Committee Report by Directorate - Legal Services

For Year 20/21 Period 7 ending 10-Oct-2020

	Year to Date				Annual Budget				Note
	Actual	Budget	Variance	Variance %	Projected Outturn	Annual Budget	Variance	Variance %	
EXPENDITURE									
Employee Costs									
Salaries	95,958	106,672	10,714	10%	186,737	201,737	15,000	7%	1
Other Employee Costs	28,900	32,414	3,514	11%	56,246	61,246	5,000	8%	1
Sub Total Employee Costs	124,857	139,086	14,228	10%	242,983	262,983	20,000	8%	
Supplies & Services	402	1,077	675	63%	1,000	2,000	1,000	50%	2
Transport & Plant Costs	-	458	458	100%	400	850	450	53%	2
Third Party Payments									
Other Third Party Payments	502	-	(502)		600	-	(600)		3
Sub Total Third Party Payments	502	-	(502)		600	-	(600)		
TOTAL EXPENDITURE	125,761	140,620	14,859	11%	244,983	265,833	20,850	8%	
Net Total	125,761	140,620	14,859	11%	244,983	265,833	20,850	8%	

Notes

1. Due to a vacant post in the establishment.
2. Outturn reflects detailed review of individual budgets and potential savings projected to year end.
3. Costs associated with temporary admin/mail room resource.



Committee Report by Directorate - Business Support

For Year 20/21 Period 7 ending 10-Oct-2020

	Year to Date				Annual Budget			
	Actual	Budget	Variance	Variance %	Projected Outturn	Annual Budget	Variance	Variance %
EXPENDITURE								
Employee Costs								
Salaries	88,015	88,015	(0)	(0%)	166,454	166,454	-	0%
Other Employee Costs	27,134	27,176	42	0%	51,395	51,395	-	0%
Sub Total Employee Costs	115,149	115,192	42	0%	217,849	217,849	-	0%
Supplies & Services	328	1,077	749	70%	2,000	2,000	-	0%
Transport & Plant Costs	-	269	269	100%	500	500	-	0%
TOTAL EXPENDITURE	115,477	116,538	1,060	1%	220,349	220,349	-	0%
Net Total	115,477	116,538	1,060	1%	220,349	220,349	-	0%



Committee Report by Directorate - Elected Members

For Year 20/21 Period 7 ending 10-Oct-2020

	Year to Date				Annual Budget				Note
	Actual	Budget	Variance	Variance %	Projected Outturn	Annual Budget	Variance	Variance %	
EXPENDITURE									
Supplies & Services	24,748	27,078	2,330	9%	46,288	50,288	4,000	8%	1
Transport & Plant Costs	702	2,423	1,721	71%	2,500	4,500	2,000	44%	1
Third Party Payments									
Other Third Party Payments	-	2,154	2,154	100%	1,000	4,000	3,000	75%	1
Sub Total Third Party Payments	-	2,154	2,154	100%	1,000	4,000	3,000	75%	
TOTAL EXPENDITURE	25,450	31,655	6,205	20%	49,788	58,788	9,000	15%	
Net Total	25,450	31,655	6,205	20%	49,788	58,788	9,000	15%	

Notes

1. Outturn reflects detailed review of individual budgets and projected savings to year end.



Committee Report by Directorate - Contact Centre

For Year 20/21 Period 7 ending 10-Oct-2020

	Year to Date				Annual Budget				Notes
	Actual	Budget	Variance	Variance %	Projected Outturn	Annual Budget	Variance	Variance %	
EXPENDITURE									
Employee Costs									
Salaries	247,434	281,421	33,987	12%	477,221	532,221	55,000	10%	1
Overtime	79	2,423	2,344	97%	2,500	4,500	2,000	44%	2
Other Employee Costs	65,842	74,968	9,125	12%	126,778	141,778	15,000	11%	1
Sub Total Employee Costs	313,356	358,812	45,456	13%	606,499	678,499	72,000	11%	
Supplies & Services	30,442	38,500	8,058	21%	71,500	71,500	-	0%	
Transport & Plant Costs	-	1,346	1,346	100%	1,500	2,500	1,000	40%	2
Third Party Payments									
Other Third Party Payments	3,366	25,308	21,942	87%	45,000	47,000	2,000	4%	2
Sub Total Third Party Payments	3,366	25,308	21,942	87%	45,000	47,000	2,000	4%	
TOTAL EXPENDITURE	347,164	423,966	76,802	18%	724,499	799,499	75,000	9%	
INCOME									
Agency Fee Income - Councils	(185,065)	(162,639)	22,426	(14%)	(272,044)	(302,044)	(30,000)	10%	3
Other Income	(10,000)	-	10,000		(10,000)	-	10,000		4
TOTAL INCOME	(195,065)	(162,639)	32,426	(20%)	(282,044)	(302,044)	(20,000)	7%	
Net Total	152,099	261,326	109,227	42%	442,455	497,455	55,000	11%	

Notes

1. Due to vacant post in the establishment.
2. Outturn reflects detailed review of individual budgets and savings generated in P1 to P7.
3. Reductions in Travel Card Unit costs detailed above are offset equally by a reduction in the recovery from the Strathclyde Concessionary Travel Scheme.
4. Funding received in respect of external work undertaken for Glasgow City Council.



Committee Report by Directorate - Corporate

For Year 20/21 Period 7 ending 10-Oct-2020

	Year to Date				Annual Budget				Note
	Actual	Budget	Variance	Variance %	Projected Outturn	Annual Budget	Variance	Variance %	
EXPENDITURE									
Employee Costs									
Salaries	31,830	23,757	(8,073)	(34%)	44,929	44,929	-	0%	
Other Employee Costs	244,448	325,510	81,062	25%	506,115	606,115	100,000	16%	1
Sub Total Employee Costs	276,278	349,267	72,989	21%	551,043	651,043	100,000	15%	
Property Costs									
Electricity	20,700	22,804	2,103	9%	42,350	42,350	-	0%	
Repairs and Maintenance	3,213	24,231	21,018	87%	32,000	45,000	13,000	29%	1
Property Insurance	384	5,385	5,001	93%	10,000	10,000	-	0%	
Other Property Costs	153,141	199,802	46,662	23%	318,061	371,061	53,000	14%	1
Sub Total Property Costs	177,437	252,221	74,784	30%	402,411	468,411	66,000	14%	
Supplies & Services	87,279	314,731	227,452	72%	359,500	584,500	225,000	38%	2
Third Party Payments									
Communications	16,416	199,231	182,815	92%	195,000	370,000	175,000	47%	3
Other Third Party Payments	704,703	1,031,222	326,519	32%	1,665,127	1,915,127	250,000	13%	4
Sub Total Third Party Payments	721,119	1,230,453	509,334	41%	1,860,127	2,285,127	425,000	19%	
Financing Costs									
Contribution to Subway Fund	5,612,432	5,612,432	(0)	(0%)	10,423,087	10,423,087	-	0%	
Contribution to Capital Funded from Revenue	-	538,462	538,462	100%	-	1,000,000	1,000,000	100%	5
Sub Total Financing Costs	5,612,432	6,150,893	538,461	9%	10,423,087	11,423,088	1,000,000	9%	
TOTAL EXPENDITURE	6,874,545	8,297,565	1,423,020	17%	13,596,169	15,412,169	1,816,000	12%	
INCOME									
Agency Fee Income - Councils	(534,443)	(538,462)	(4,019)	1%	(1,000,000)	(1,000,000)	-	0%	
Interest Received	(543,225)	(753,846)	(210,622)	28%	(900,000)	(1,400,000)	(500,000)	36%	6
Other Income	(212,119)	(227,500)	(15,381)	7%	(367,375)	(422,500)	(55,125)	13%	7
TOTAL INCOME	(1,289,786)	(1,519,808)	(230,021)	15%	(2,267,375)	(2,822,500)	(555,125)	20%	
Net Total	5,584,759	6,777,758	1,192,999	18%	11,328,794	12,589,669	1,260,875	10%	

Notes

1. Outturn reflects detailed review of individual budgets and projected savings to year end.
2. Outturn reflects detailed review of individual budgets and savings generated in P1 to P7. Includes savings in training costs, supplies and printing costs.
3. Outturn reflects detailed review of individual budgets and savings generated in P1 to P7. Includes savings across all areas of external communication expenditure.
4. Outturn reflects detailed review of individual budgets and savings generated in P1 to P7. Includes savings in feasibility studies, consultant fee and legal fees.
5. Due to the current capital position and projected outturn a draw from revenue to fund capital is not required in 2020/21.
6. Interest received forecast reduced due to recent reduction in interest rates.
7. Incorporates a projected reduction in corporate rental income.

Payments to Scottish Transport Operators during Covid-19 – April to January 2021

BUS

Continued payment of NCTS and BSOG: Annual total £260m, pro-rata for April-January: £217m
Bus service enhancement grant June-August: £46.7m
Bus service enhancement grant August-November: £63m
Bus service enhancement grant November-January: £52.6m
Total: **£379.3m**

RAIL

Additional Covid-19 support to ScotRail from Transport Scotland up until January 2021: **£350m**

FERRIES

To the best of our knowledge, still no confirmed figure. Cabinet Secretary wrote to UK Government in April 2020 requesting urgent support for passenger ferries and freight operators.

EDINBURGH TRAMS

Transport Scotland support of up to £5.5m for July to December 2020

SUBWAY

Transport Scotland support of up to £7.5m for July to December 2020

Note: Figures do not include payments from RTPs and local authorities (for supported bus services, school transport, others), “furlough” and other business support Covid-19 grants / loans from UK Government, Strathclyde Concessionary Travel Scheme payments, the Transport Scotland £10m Bus Priority Rapid Deployment Fund for local authorities, £39m Spaces for People active travel funding, and any additional funding for school transport from Scottish Government.