

Subsidised bus service contract recommendations : financial implications

Committee Operations

Date of meeting 11 March 2016

Date of report 25 February 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:

2015/16	
Approved budget	£11,187,900
Contractual commitments forecast to year end	£10,506,424
Net 2015/16 forecast	(£681,476)

The previous underspend of £621,467 reported to committee (22 January 2016) has increased by £60,010 at the time of writing as a result of actual costs being less than budgeted. 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 as detailed below.

2015/16	Approved Budget	Projected Outturn	Over/(Under) spend
Subsidised bus services	£11,187,900	£10,506,049	(£681,851)

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There will be fluctuations in the actual cost of services between now and the year end, but an underspend is anticipated in line with this projected outturn.

Clearly consideration must also be given to the impact on future year budgets when awarding contracts. If all papers before the Committee are approved, there will be additional costs of £55,120 in 2016/17. As the 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.

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>

Name Valerie Davidson

Title **Assistant Chief Executive
(Business Support)**

Name Gordon MacLennan

Title **Chief Executive**

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