

## South Yorkshire Transport Revenue Budget

The South Yorkshire Transport revenue budget as originally approved when the 2019/20 transport levy was agreed was £62.8m made up of £59.7m of SYPTE operational expenditure and SCRMCAs transport revenue expenditure of £3.1m.

The following table shows the forecast position of SYPTE operational expenditure budget as at P8, a forecast underspend of £289k.

SYPTE Operational Budget	Budget approved by MCA	Current budget	Outturn	Variance
	2019/20 £'000	2019/20 £'000	2019/20 £'000	2019/20 £'000
<u>SYPTE: Mandatory Expenditure</u>				
ENCTS / Mobility Concessionary Travel	£25,438	£24,869	£23,950	£-919
		<b>£24,869</b>	<b>£23,950</b>	<b>£-919</b>
<u>SYPTE: Financial Obligations</u>				
Capital Financing	£10,797	£10,797	£10,797	£0
Tram Access Agreement	£1,500	£1,500	£1,500	£0
Depreciation	£2,389	£2,389	£2,389	£0
Pensions	£2,256	£2,256	£2,256	£0
		<b>£16,942</b>	<b>£16,942</b>	<b>£0</b>
<u>SYPTE: Discretionary Expenditure</u>				
Discretionary Concessions	£1,689	£1,689	£2,488	£799
Departure Charges	£-1,183	£-1,183	£-946	£237
Tendered Bus Services	£5,649	£5,649	£5,649	£0
Community Transport	£1,657	£1,657	£1,657	£0
		<b>£7,812</b>	<b>£8,848</b>	<b>£1,036</b>
<u>SYPTE: Operational Departments</u>				
Customer Services	£1,874	£1,788	£1,728	£-60
Public Transport		£5,568	£5,392	£-176
Support Departments		£2,759	£2,589	£-170
Interchanges & Sites	£2,310			
Infrastructure (on street)	£978			
Planning & Support Depts	£4,384			
		<b>£10,115</b>	<b>£9,709</b>	<b>£-406</b>
<b>TOTAL SYPTE EXPENDITURE</b>	<b>£59,738</b>	<b>£59,738</b>	<b>£59,449</b>	<b>£-289</b>

The main reasons for the forecast underspend are:

- Concessionary fares (mandatory) – Concessions remains the area most sensitive to fluctuations in activity and therefore budget variances. The P8 forecast makes allowance for updated 2019/20 patronage and reimbursement rates for all operators. It should be noted that negotiations with one of the major bus operators are ongoing over future reimbursement rates but as the existing arrangement continues until the end of the 2019/20 financial year it has been assumed that the current negotiations will not impact on the current year. This is the basis on which the forecast underspend of £919k has been determined.

- Discretionary concessions – Expenditure on child concessions is under significant cost pressure, in particular, due to the fact that fares have increased with inflation but the child concessionary fare has remained fixed at its 2016 level and further to a review of the model used for calculating the child reimbursement. The total impact of these forecast changes is a projected full year overspend of £799k on child concessions across all operators.
- Departure charges - As part of the negotiations noted within Concessionary fares, the Operator has requested a review of Departure charges which it pays to SYPTE. It is prudent to include this in the full year forecast as a risk, but the final agreement has yet to be reached.
- Public Transport – forecast saving of £176k due to planned vacancy management.
- Support Departments – the main reason for the favourable variance of £170k is that, at the time of setting the 2019/20 budget, DfT indicated that the amount of Rail Admin Grant likely to be awarded in 2019/20 would be reduced from the amount awarded in 2018/19. In the event there was no such reduction.

In terms of the SCR managed budgets, there is an anticipated saving of £117k consisting of additional investment income (£181k) that is partly offset by an increase in the transport admin budget (£64k) as shown below.

ITA - Revenue	Budget	Forecast	Variance
	£'000	£'000	£'000
Levy payments	-£54,363	-£54,363	£0
Investment income	-£1,819	-£2,000	-£181
SYPTE Levy Grant Spend	£57,347	£57,347	£0
Debt Costs	£4,583	£4,583	£0
Transport Admin	£328	£392	£64
<b>Total</b>	<b>£6,076</b>	<b>£5,959</b>	<b>-£117</b>