

REPORT TO: Cabinet Member (Planning & Transport)

DATE: 20th December 2006

DEPARTMENT: Development Services

REPORTING OFFICER: Head of Transport
(*John Burton*)

SUBJECT: **DRAFT GENERAL FUND REVENUE BUDGET
2007/08 – TRANSPORT BUSINESS UNIT
PLANNING & TRANSPORT PORTFOLIO**

WARD/S AFFECTED: ALL

FORWARD PLAN REF: N/A

1.0 PURPOSE OF REPORT

1.1 The report sets out proposals for the Revised Estimates (RE) 2006/07 and the Original Estimates (OE) for 2007/08 in respect of the services within the Transport Business Unit, Planning and Transport Portfolio

2.0 RECOMMENDATION/S

The Cabinet Member is requested to:

- 2.1 Note the revised 2006/07 estimates.
- 2.2 Recommend the OE for the Transport Business Unit 2007/08 to Cabinet.
- 2.3 Note the efficiency savings made in this Business Unit.
- 2.4 Note the projections for 2008/09 and 2009/10.
- 2.5 That approval be given to make existing temporary posts in the Concessionary Fares team permanent.

3.0 OVERVIEW AND KEY FEATURES

3.1 The RE for 2006/07 and OE for 2007/08 for the Transport Business Unit, are included in this report. The detailed budget pages are attached at Appendix A.

3.2 Budget Changes Resulting from new Statement of Recommended Practice 2006

3.2.1 The CIPFA Accounting Code of Practice issued in 2006 has brought in a number of changes to the way that Local Authorities present their accounts from 2006/07.

In order to prepare for 2006/07 Final Accounts, we have introduced these changes from 2006/07 Revised Estimates. The changes affecting service budgets are as follows.

3.2.2 Capital Charges

The main change is the removal of the notional interest element of the capital charge. The notional interest charge was 3.5% of the net book value of assets and its removal has resulted in a large reduction in the capital charges shown in the estimates. The remaining element is a charge for depreciation.

The notional interest charges were charged to services, but reversed centrally. Their removal, therefore, has no impact on the General Fund bottom line, because the central reversal is also removed.

3.2.3 Release of Grants Deferred

'Release of Grants Deferred' relates to capital expenditure on fixed assets financed from grants. These grants are credited to the balance sheet and released to revenue over the life of the asset, to offset the depreciation charges to services.

Prior to 2006/07 the release of grants was a central credit to AMRA. From 2006/07, the release of grant is now shown as service income in the relevant service. This has resulted in a cost reduction to services, **but there is no impact on the General Fund bottom line, because the central credit is also removed.**

3.3 Deferred Charge Write Downs and Appropriations from CFA

3.3.1 The budget for this Business Unit contains deferred charge write downs. These represent capital charges for capital expenditure on assets (or to create assets) which are not Harrogate Borough Council fixed assets such as highway works. The difference between deferred charge write downs and the usual capital charges is that deferred charges are all written off (charged to revenue) in the year they occur. Normal capital charges on our own fixed assets are spread over the life of the asset. This treatment is in accordance with capital accounting rules.

- 3.3.2 Where the capital expenditure has been financed from grants or from contributions, for example on-street parking income, a contra entry is allowed from the capital financing account for the amount of grants/contributions used. This is the 'Appropriation from CFA'. The net charge to the Business Unit reflects Harrogate Borough Council money used on this spending.
- 3.3.3 It should be noted that a contra entry for all these items appears centrally in the Financial Management section of the Resources Portfolio.

4.0 EXPLANATIONS OF SIGNIFICANT VARIANCES

4.1 Revised Estimates 2006/07

The Transport Portfolio budget shows an overall decrease in net expenditure from Original to Revised Estimate 2006/07 of £512,730.

The decrease is largely as a result of the changes to the CIPFA Accounting Code of Practice.

The main variances, detailed in page 2 of Appendix A, are explained as follows: -

Controllable Expenditure

Decrease in Employee Costs

1. Car park operatives – a Parking Attendants post has been replaced by a Parking Co-ordinator to help run the Victoria MSCP. This has resulted in a saving of £17k.

Increase in Premises Costs

1. The slippage of £60,000 in on-street funded schemes is as a result of slippage in the funding for new parking provision in Ripon (£50k) and West Park MSCP works (£10k).
2. Works to Multi-storey car parks to be funded from Business Unit reserves is £43k. The funding will be used for painting at the Jubilee (£10k) and Victoria (£14k) car parks and concrete repairs and painting at West Park (£19k).

Increase in Supplies and Services

1. Funding of £30k has been set aside for the replacement of Parking Attendants hand held computers from Business Unit reserves.
2. The existing bus pass issuing equipment has reached the end of its useful life and £15,000 has been allocated for its replacement from Business Unit reserves.

Increase in Transfer Payments

1. The take up and use of concessionary fares passes on buses has increased and will be £20k above OE.
2. Similarly, the use of concessionary fares passes on Community Transport is growing and the budget has been increased by £12k.
3. The use of travel tokens has reduced in 2006/07 and there is predicted to be an underspend in the budget of £10k.

Appropriation from Reserves

1. Works to multi-storey car parks (£43k) – see above.
2. Purchase of hand held computers (£30k) – see above.
3. Purchase of bus/train pass issuing machines (£15k) – see above.

Appropriation to Reserves

1. Painting at West Park MSCP – as part of the 2005/06 final accounts process £9k from underspends was approved by Cabinet to fund the cost of painting parts of the West Park MSCP. This has been appropriated to Business Unit Reserves in 2006/07.

Income

1. The latest monitoring statements show that parking income is likely to be £15k more than the original estimate.
2. As a result of the slippage of on-street parking income funded revenue schemes detailed above, it was not necessary to draw down £90k (£60k works plus £30k salaries) of on-street parking income in 2005/06. This will now be done in 2006/07.
3. Appropriation from CFA – see para 3.3.2.
4. Grants deferred – see para 3.2.3.

Additional Expenditure

1. Net salary costs have increased as a result of a reduced recharge to the Highways Agency (£35k), Local Transport Plan (£48k) and Borough Capital (£20k), resulting from a reduction in the expenditure programmes in these areas. These increases have been offset by reduced costs of £49k.
2. Increased support charges – the increased cost of £14k includes additional charges from the Customer Services Unit.

3. The Highways Agency Fallback to the General Fund has increased by £19k as a result of the reduced fees paid by NYCC. The fees are based on a percentage of the operational budget.
4. Deferred charge write downs – see para 3.3.1.
5. Decrease in capital charges – see para 3.2.2.

4.2 Original Estimates 2007/08

Page 3 of Appendix A sets out an analysis of the total variations for the Transport Business Unit from 2006/07 to the original estimate for 2007/08, a decrease of £535k. The decrease is largely as a result of the changes to the CIPFA Accounting Code of Practice.

The main variances, detailed on page 3 of Appendix A, are as follows:

Controllable Expenditure

Increase in Employee Costs

1. Allowance has been made for a 2.5% pay award on Parking Attendants wages.
2. A Parking Attendants post has been replaced by a Parking Co-ordinator to help run the Victoria MSCP. This has resulted in a saving of £17k.

Increase in Premises Costs

1. NNDR on car parks has increased by £20k following re-evaluation. Costs at most car parks have been affected by a small amount.

Increase in Supplies and Services

1. The new national concessionary fares scheme to be introduced in April 2008 will require the re-issue of all concessionary fares passes. A sum of £26k has been included in the budget to cover these costs.

Increase in Transfer Payments

1. Use of concessionary travel on community transport is increasing and the budget has been increased by £26k.
2. The increased value of payments to bus operators reflects the increased take up and use of the free fare concessionary fares scheme, which is estimated will cost an extra £120k.
3. The use of travel tokens is in decline and there is a consequential reduction in the budget of £10k.

Income

1. Car Park income is projected to increase by £102k as a result of increased usage and the annual review of charges.
2. The increase in the funding required for on-street parking funded revenue scheme is £15k to cover increased costs including staffing costs of cycling and road safety schemes and traffic signal projects.
3. The contribution from on-street parking income to concessionary travel has been increased by £165k to cover the anticipated increases in payments to transport operators.
4. Grants deferred – see para 3.2.3

Additional Expenditure

1. The salary costs charged to on-street revenue schemes will increase by £12k due to increased staffing costs of cycling and road safety and traffic signal projects.
2. Net salary costs have increased by £72k. This is partly as a result of:-
 - i) a reduced recharge to the Highways Agency, LTP and Borough Capital.
 - ii) increases in the salary holding account (see para 4.4).
3. Increase in Support charges – the increased charge of £16k includes additional charges from the CSU.
4. As a result of the reduced funding for the Highways Agency, and the consequent loss of fee income, the General Fund Fallback will increase by £36k.
5. Decrease in Capital Charges – see para 3.2.2.

4.3 **Holding Account – Revised Estimate 06/07**

A summary of the Holding Account for the Transport Division is shown on page 4 of Appendix A. The major variations, detailed on page 5, in the Revised Estimate for 2006/07 can be explained as follows: -

Controllable Expenditure

Decrease in Employee Costs

1. As a result of the reduced funding for the Highways Agency from NYCC 3 posts are being kept vacant. As a result, staffing costs at RE have been reduced by £64k.

4.4 Holding Account – Original Estimate 07/08

The major variations between the original estimates for 2006/07 and 2007/08, as shown on page 6 of Appendix A, can be explained as follows: -

Controllable Expenditure

1. As a result of the reduced funding for the Highways Agency from NYCC 3 posts are being kept vacant. As a result, staffing costs at OE 2007/08 have been reduced by £66k.
2. The increase in the superannuation rate from 19.9% to 21.0% has increased costs by £12k.
3. The potential pay award of 2.5% has increased costs by £35k.
4. Due to spinal point increases and staff progression through the career grade by gaining further experience and qualifications overall salary costs will increase by £17k.

Additional Expenditure

1. Increase in support charges of £25k is due, in part, to increased CSU charges.

5.0 DETAILS OF ANY DISCRETIONARY GROWTH

- 5.1 There are no discretionary growth items.

6.0 DETAILS OF CASH AND EFFICIENCY SAVINGS

- 6.1 Non-cash efficiency savings of £53.7k have been identified in the Transport Division, which is as a result of the reduced highway maintenance budget from NYCC and the increased length of the adopted highway network that must be maintained. This exceeds the non-cash saving target of £25k.

- 6.2 No cash efficiency savings have been identified

7.0 PROJECTIONS 2008/09 AND 2009/10

- 7.1 The only significant change in budget provision up to 2009/10 is in the Concessionary Fares budget. A new national free fare scheme is to be introduced in April 2008. As yet the impact of this change is uncertain and, therefore an annual increase of 10% has been built into the payments to bus operators. This will be reviewed as the impact of the new scheme becomes clearer.

8.0 FINANCIAL RISK MANAGEMENT

8.1 Transport Business Unit

- 8.1.1 These services are monitored on a regular basis to ensure that expenditure is kept within budget.

8.2 Car Parking

The Council is much more dependent on income from sales, fees and charges than most other local authorities. The relatively high levels of income from car parking make it potentially a greater risk to the overall budget process. For this reason car park income is carefully and prudently assessed for budget purposes by department managers and advisors from the Department of Resources. Income is then monitored monthly to ensure that it is on profile.

8.3 Concessionary Fares

- 8.3.1 When the 'local' free concessionary fares scheme was introduced in April 2006 approval was given to appoint 1 new full time and 2 part time members of staff on temporary contracts. It was anticipated that, once the scheme had settled down, a proper assessment could be made of the staffing needs in the Concessionary Fares team.

- 8.3.2 The 'local' free fare scheme has now been in operation for 9 months and it is clear that the take up and use of the scheme is continuing to grow. The scale of payments being made to the transport operators is also increasing and this is putting the Council at risk from inaccurate claims for payment. It is important that the new members of staff are retained to ensure that the experience they have gained over the last few months is not lost. As a result, it is proposed to make the temporary contracts permanent and this is covered in recommendation 2.5 of the report.

Authority to make the posts permanent was delegated to the Cabinet Member by Cabinet/HR Committee.

- 8.3.3 The introduction of the national free fare scheme in April 2008 will place the Council at even greater risk of inaccurate claims for payment from transport operators. To militate against this risk it is essential that the Council is able to undertake a series of comprehensive surveys to verify the payments being made to the operators. This will entail the appointment of extra staff to both undertake these vitally important surveys and check the claims for payment. This will be covered in a further report to be submitted in the next few months.

- 8.3.4 One of the consequences of the introduction of the national free fare scheme next year is a government requirement to re-issue all the concessionary fares passes, which total in excess of 21,000 passes. Provision of £26,000 has been included in the 2007/08 budget to cover these costs.

The Director of Resources, following his attendance at a recent conference, has raised concerns that the government may require us to issue 'dumb smartcard' passes, which cost 5 times more than the conventional passes we currently intend to issue. He has also advised that, if this goes ahead, the government are unlikely to meet the extra costs.

If this comes to fruition extra pressures will be placed on the concessionary fares budget which will have to be addressed during the preparation of next year's Revised Estimates. However, the information we have to date suggests that the introduction of 'dumb smartcards' is unlikely to be a government requirement.

8.4 Highways Agency

8.4.1 The 2006/07 budget has seen a large reduction in the budget allocated by NYCC to manage the Highways Agency. This has resulted in a predicted increase in the Fallback to the General Fund of £19k over the Original Estimate for 2006/07.

8.4.2 The impact of the reduction in the budget from NYCC and the consequential increase in the charge to the General Fund since 2005/06 is shown in the table below:-

	Actual 2005/06	RE 2006/07	OE 2007/08
Highway Agency General Fund Fallback	£276k	£401k	£430k

8.4.3 The impact of the budget reduction has been minimised by not filling 3 vacant posts in the Business Unit. Funding for a further post has been transferred to the CSU. These vacancies have, inevitably, had an impact on the quality of service that can be delivered to the public.

8.4.4 Negotiations on the revision of the Highways Agency Agreement, which are necessary to protect the Council's interest, are on going and the results will be reported as and when appropriate.

9.0 FEES AND CHARGES

9.1 The Transport Business Unit Fees and Charges were the subject of a separate report to the Cabinet Member (Planning and Transport) on 20 September 2006.

9.2 The overall increase in charges was in line with current transport policies and at the same time achieved the 3.9% increase in income included in the Medium Term Financial Strategy approved by cabinet in July 2006.

10.0 SCRUTINY

10.1 This report will be considered by the Organisation Improvement and Environment Overview and Scrutiny Commission on 18th January 2007.

Background Papers - None

OFFICER CONTACT: Please contact Mr John Burton, Head of Transport if you require any further information on the contents of this report. The officer can be contacted at Harrogate Borough Council, Knapping Mount, West Grove Road, Harrogate HG1 2AE by telephone on 01423 556606 or by Email – john.burton@harrogate.gov.uk

SUSTAINABILITY ASSESSMENT/POLICY CONSIDERATIONS

		Implications are		
		Positive	Neutral	Negative
A	Economy		✓	
B	Environment		✓	
C	Social Equity		✓	
i)	General		✓	
ii)	Customer Care / People with Disabilities		✓	
iii)	Health Implications		✓	
D	Crime and Disorder Implications		✓	

If all comments lie within the shaded areas, the proposal is sustainable.

**PLANNING & TRANSPORT PORTFOLIO
TRANSPORT BUSINESS UNIT
REVENUE BUDGET 2007/08
SUMMARY**

2005/06 Actual Expenditure	2006/07 Original Estimate	2006/07 Revised Estimate	Cost Centre	2007/08 Original Estimate	2008/09 Projection	2009/10 Projection
£	£	£		£	£	£
-820,009	-751,060	-1,272,720	Off Street Car Parking	-1,388,130	-1,455,440	-1,526,140
217,152	249,810	265,730	Appraisals, Advice & Road Safety	271,970	279,430	287,150
0	0	0	On Street Funded Projects	0	0	0
276,457	381,420	400,630	Highways Agency GF Charge	429,650	444,320	459,350
146,331	169,890	167,440	Street Lighting & Miscellaneous	170,720	172,050	173,460
215,762	236,300	237,750	Drainage & Street Furniture	250,040	255,680	261,460
178,867	841,130	895,220	Concessionary Travel Scheme	859,010	943,430	1,074,520
46,412	-27,580	-106,870	Appropriation to/from(-) Reserves	-28,600	-36,210	-37,450
260,972	1,099,910	587,180	GF Net Expenditure	564,660	603,260	692,350
			Subjective Analysis			
303,619	295,080	278,490	Employees	296,840	304,260	311,870
710,623	677,750	777,130	Premises	696,430	716,120	726,090
129,240	69,410	117,390	Supplies & Services	99,510	74,510	74,510
7,311	3,650	3,650	Transport	3,670	3,700	3,720
452,620	1,116,800	1,138,800	Transfer Payments	1,252,800	1,369,350	1,497,440
46,412	-27,580	-106,870	Appropriation to/from(-) Reserves	-28,600	-36,210	-37,450
1,649,825	2,135,110	2,208,590	Total Controllable Expenditure	2,320,650	2,431,730	2,576,180
633,684	774,210	830,410	Employees	858,010	877,670	897,830
180,239	221,250	220,760	Premises	215,410	221,860	228,510
79,120	84,660	86,510	Supplies & Services	98,060	100,940	103,910
145,218	159,260	173,230	Support Services	175,260	179,460	183,850
206,754	306,280	325,490	Service Management	342,680	354,750	367,090
148,699	55,000	279,810	Deferred Charges write downs	55,000	55,000	55,000
690,115	681,730	180,960	Capital Charges	179,530	179,530	179,530
2,083,829	2,282,390	2,097,170	Total Additional Expenditure	1,923,950	1,969,210	2,015,720
3,733,654	4,417,500	4,305,760	Total Expenditure	4,244,600	4,400,940	4,591,900
			Less Income			
27,590	25,200	25,250	Internal Recharges	25,250	25,250	25,250
2,426,692	2,522,050	2,537,040	Sales, Fees & Charges	2,624,040	2,719,800	2,819,700
869,701	715,340	803,280	Other Income	902,450	924,430	926,400
148,699	55,000	353,010	Internal Capital Recharges	128,200	128,200	128,200
3,472,682	3,317,590	3,718,580	Total Income	3,679,940	3,797,680	3,899,550
260,972	1,099,910	587,180	Net Expenditure	564,660	603,260	692,350

Full Time Equivalents : The controllable employee costs relates to the proportion of the Car Park operatives chargeable to off street car parking. This equates to the following number of full time equivalent employees: 12.75 06/7 OE; 12.32 06/7RE; 12.32 07/8OE. The additional employees includes a recharge from the Transport and Concessionary Fares and Parking Admin Holding Accounts (see page 4).

**PLANNING & TRANSPORT PORTFOLIO
TRANSPORT BUSINESS UNIT**

Major Variations between 2006/07 Original and Revised Estimates

	£	
Original Estimate 2006/07	1,099,910	
Revised Estimate 2006/07	<u>587,180</u>	
Increase/Decrease(-) in Net Expenditure	<u>-512,730</u>	
<u>Explained By :-</u>	£'000	£'000
<u>CONTROLLABLE EXPENDITURE</u>		
Decrease in Employee Costs		
Car Park operatives costs:		
Minor restructure	-17	
Increase in Premises Costs		
(1) Slippage of on street funded revenue schemes expenditure	60	
(2) Works to Multi Storey Car Parks	43	
other increases/decreases	-4	
Increase in Supplies & Services		
(3) Purchase of Hand Held computers	30	
(4) Purchase of additional Bus/Train pass issuing equipment	15	
other increases/decreases	3	
Increase in Transfer payments		
increase in payments to bus operators	20	
increase in payments to community transport	12	
reduction in tokens expenditure	-10	
Appropriation from Reserves		
(2) Works to Multi Storey Car Parks	-43	
(3) Purchase of Hand Held computers	-30	
(4) Purchase of additional Bus/Train pass issuing equipment	-15	
Appropriation to Reserves		
Painting at West Park MSCP approved as an additional appropriation	<u>9</u>	73
<u>INCOME</u>		
Increase in Off Street car park income		
(1) Slippage of funding - On street funded revenue schemes	-15	
(5) Appropriation from CFA re on Street funded capital schemes	-90	
Grants deferred	-225	
other increases/decreases	-73	
	<u>2</u>	-401
<u>ADDITIONAL EXPENDITURE</u>		
(1) Slippage of on street funded revenue schemes salary expenditure	30	
Other recharged salaries	26	
Increase in Support Charges	14	
Increase in General fund Fallback	19	
(5) Deferred charge write downs slippage of capital schemes	225	
Decrease in capital charges - removal of interest	-502	
other increases/decreases	<u>3</u>	-185
		<u><u>-513</u></u>

Note: The numbers in the left hand column relate to linked items on this page

**PLANNING & TRANSPORT PORTFOLIO
TRANSPORT BUSINESS UNIT**

Major Variations between 2006/07 and 2007/08 Original Estimates

	£	
Original Estimate 2006/07	1,099,910	
Original Estimate 2007/08	<u>564,660</u>	
Increase/Decrease(-) in Net Expenditure	<u>-535,250</u>	
<u>Explained By :-</u>	£'000	£'000
<u>CONTROLLABLE EXPENDITURE</u>		
Increase in Employee Costs		
Car Park operatives costs:		
Increase in Superannuation rate from 19.9 to 21.0%	5	
Pay award - 2.5%	16	
Minor restructure	-17	
Other increases/decreases	-2	
Increase in Premises Costs		
NNDR - car parks	20	
Other increases/decreases	-1	
Increase in Supplies & Services		
(1) Increase in on street funded revenue schemes expenditure	3	
Bus Pass Issue for National scheme	26	
Other increases/decreases	1	
Increase in Transfer payments		
increase in payments to community transport	26	
increase in payments to bus operators	120	
reduction in tokens expenditure	-10	
Appropriation from reserves		
increase in appropriation from reserves	-1	186
<u>INCOME</u>		
Increase in Off Street car park income		
	-102	
(1) Increase in funding required - On street funded revenue schemes	-15	
Increased on street contribution to concessionary travel	-165	
Grants Deferred	-73	
Other increases/decreases	-7	-362
<u>ADDITIONAL EXPENDITURE</u>		
(1) Increase on street funded revenue schemes salary expenditure	12	
Other recharged salaries	72	
Property service charge - car parks	-6	
Subsidence insurance	3	
Highways insurance	9	
Increase in Support Charges	16	
Increase in General fund Fallback	36	
Decrease in capital charges - removal of interest	-502	
other increases/decreases	1	-359
		<u>-535</u>
<p>Note: The numbers in the left hand column relate to linked items on this page</p>		

**PLANNING & TRANSPORT PORTFOLIO
RECHARGEABLE ACCOUNTS**

Business Unit : Transport

2006/07 Original Estimate	2006/07 Revised Estimate	Cost Centre	2007/08 Original Estimate		
			Gross Expenditure	Gross Income	Net Expenditure
£	£		£	£	£
		Service Management & Support Services			
		Salary Holding Accounts			
1,685,400	1,636,060	Transport	1,690,900	0	1,690,900 (1)
325,880	332,180	Concessionary Fares & Car Parking	480,570	137,660	342,910 (2)
2,011,280	1,968,240		2,171,470	137,660	2,033,810
-2,011,280	-1,968,240	Recharges to Services	0	2,033,810	-2,033,810
0	0	Net Expenditure	2,171,470	2,171,470	0
		Subjective Analysis			
1,434,850	1,378,630	Employees	1,433,240 (3)		
2,350	9,580	Supplies & Services	9,580		
44,490	46,850	Transport	47,970		
1,481,690	1,435,060	Total Controllable Expenditure	1,490,790		
2,150	2,870	Employees	2,360		
96,280	103,730	Supplies & Services	100,410		
518,480	523,940	Support Services	543,410		
27,920	28,370	Service Management	28,810		
15,690	5,690	Capital Charges	5,690		
660,520	664,600	Total Additional Expenditure	680,680		
2,142,210	2,099,660	Total Expenditure	2,171,470		
		Less Income			
		Internal Recharges			
841,390	897,040	- General Fund	930,780		
74,400	54,170	- Borough Capital	20,000		
883,560	803,590	Highways Agency	861,660		
211,930	213,440	On Street Parking	221,370		
		External Recharge			
130,930	131,420	Concessionary Fares Partnership	137,660		
0	0	Net Expenditure	0		

(1) This represents the salary and related overheads of this section, which works mainly in the areas of car parking and highways agency.

(2) This represents the salary and related overheads of this section, which works mainly in the areas of Concessionary Fares (including the North Yorkshire partnership) and Car Park administration.

(3) Full Time Equivalents.

The Employee costs relate to the following number of full time equivalent employees:

49.22 06/7 OE; 48.67 06/7 RE; 48.84 07/8 OE

**PLANNING & TRANSPORT PORTFOLIO
TRANSPORT BUSINESS UNIT**

Major Variations between 2006/07 Original and Revised Estimates

	£	
Original Estimate 2006/07	2,011,280	
Revised Estimate 2006/07	<u>1,968,240</u>	
Increase/Decrease(-) in Net Expenditure	<u>-43,040</u>	
Explained By :	£'000	£'000
<u>CONTROLLABLE EXPENDITURE</u>		
Decrease in Employee Costs		
Vacancies in posts in Transport	-64	
other increases/decreases	8	
Increase in Supplies & Services		
Transfer of mobile phone budget from Customer Services Unit	7	
Increase in Transport costs		
Total variation	<u>2</u>	-47
<u>ADDITIONAL EXPENDITURE</u>		
Increase in Computer SLA	8	
Increase in Support Charges	5	
Decrease in Capital charges - removal of interest	-10	
other increases/decreases	<u>1</u>	4
		<u><u>-43</u></u>

**PLANNING & TRANSPORT PORTFOLIO
TRANSPORT BUSINESS UNIT**

Major Variations between 2006/07 and 2007/08 Original Estimates

	£	
Original Estimate 2006/07	2,011,280	
Original Estimate 2007/08	<u>2,033,810</u>	
Increase/Decrease(-) in Net Expenditure	<u>22,530</u>	
Explained By :	£'000	£'000
<u>CONTROLLABLE EXPENDITURE</u>		
Increase in Employee Costs		
Vacancies in posts in Transport	-66	
Increase in Superannuation rate from 19.9 to 21.0%	12	
Pay award - 2.5%	35	
Other increases/decreases	17	
Increase in Supplies & Services		
Transfer of mobile phone budget from Customer Services Unit	7	
Increase in Transport costs		
Total variation	<u>4</u>	9
<u>INCOME</u>		
Increased recharge to the concessionary fares partnership	<u>-6</u>	-6
<u>ADDITIONAL EXPENDITURE</u>		
Increase in Computer SLA	6	
Increase in Support Charges	25	
Decrease in Capital charges - removal of interest	-10	
other increases/decreases	<u>-1</u>	20
		 <u><u>23</u></u>