



Report to:	Finance, Resources and Corporate Committee
Date:	18 January 2024
Subject:	Finance Update – 2023-24
Director:	Angela Taylor, Director, Finance and Commercial Services
Author:	Gary Dowson, Head of Finance

Is this a key decision?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is the decision eligible for call-in by Scrutiny?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Does the report contain confidential or exempt information or appendices?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If relevant, state paragraph number of Schedule 12A, Local Government Act 1972, Part 1:	
Are there implications for equality and diversity?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

1. Purpose of this report

- 1.1. To advise on the Quarter 2 revenue and capital financial position for 2023/24.

2. Information

2023/2024 Quarter 2 Revenue Summary

- 2.1. The Quarter 2 revenue budget monitoring has been undertaken and whilst showing a variance against the expected position this is due to timing differences compared to the way the budget is profiled. The expected position at the end of Quarter 2 is a surplus of £2m (1.59% of income), compared to an expected £47k (0.04% of income), as set out in the table overleaf.
- 2.2. The variations in both income and expenditure are predominantly driven by the project portfolio, where the incidence of income and expenditure varies throughout the financial year, in contrast to budgets which are phased equally across 12 months.
- 2.3. The significant variances have been reviewed in detail and all arise from timing differences, for example where income is received in advance of incurring related expenditure, or where expenditure is recovered from third parties and this is only invoiced after the expenditure occurs. The introduction of the new finance system will facilitate

improved phasing of budgets for the new financial year and thereby reduce temporary timing differences.

	Actual to 30-Sep-23	Budget to 30-Sep-23	Difference 30-Sep-23	Difference 30-Sep-23
	£000s	£000s	£000s	%
Income				
Transport Levy	46,099	46,099	-	0%
AEB Income	36,739	34,817	1,923	6%
Pre Paid Ticket Income	14,070	11,000	3,070	28%
Income - Operational	9,878	7,449	2,429	33%
Funding - Grants	16,666	31,121	(14,455)	(46%)
Tendered Services Income	2,531	3,161	(630)	(20%)
Total Income	125,984	133,646	(7,662)	(6%)
Expenditure				
AEB costs	36,685	34,756	(1,930)	(6%)
Concessions	23,637	23,088	(549)	(2%)
Consultancy and Professional Services	693	1,372	679	49%
Employee Costs	18,312	20,627	2,314	11%
Financing Charges	549	3,593	3,044	85%
Grants and Agency costs	3	568	565	99%
ICT Related Costs	1,791	1,819	28	2%
Indirect Employee Costs	745	872	126	14%
Members Allowances & Expenses	121	186	65	35%
Non-staffing Project costs	10,288	25,172	14,884	59%
Premises Costs	2,804	3,693	889	24%
Prepaid Tickets Costs	12,402	11,000	(1,402)	(13%)
Supplies and Services	1,609	1,834	224	12%
Tendered Services	19,026	16,786	(2,240)	(13%)
Travel, Subsistence & Transport Costs	106	113	7	7%
Total Expenditure	128,772	145,478	16,706	11%
Indirect Contribution* (Capitalisation/ Internal recharges)	4,796	11,879	7,083	(60%)
Net Income / (Expenditure)	2,008	47	1,961	
Net Income / (Expenditure) as a % of Income	1.59%	0.04%		

2023/2024 Full Year Revenue Forecast as at Quarter 2

- 2.4. Using information gathered as part of the Quarter 2 review the forecast year end position has been updated and shows a net deficit position of £0.5m (0.19% of income) compared to a budgeted position of a net surplus of £94k (0.04% of income).
- 2.5. As with the Quarter 2 revenue position, there are variations across both income and expenditure which are largely driven by the project portfolio, where the incidence of income and expenditure varies throughout the financial year, in contrast to budgets which are phased equally across 12 months.
- 2.6. There is an increase in both prepaid ticket income and expenditure which reflects the higher take-up of MCard products during the year. There are a number of smaller

movements on other income and expenditure lines leading to the net position of £515k deficit. Further work undertaken as part of the budget preparation will seek to close this gap by the year end but it should be noted that there are risks in relation to concessionary reimbursement, where patronage appears to be increasing above the forecast and bus tendered services. These issues will be set out in full in the budget report.

	Full Year Forecast £000s	Full Year Budget £000s	Difference £000s	Difference %
Income				
Transport Levy	92,198	92,198	-	0%
AEB Income	69,594	69,634	(39)	(0%)
Pre Paid Ticket Income	30,500	22,000	8,500	57%
Income - Operational	14,813	14,898	(85)	(0%)
Funding - Grants	60,148	62,241	(2,093)	(33%)
Tendered Services Income	6,933	6,322	612	0%
Total Income	274,187	267,292	6,894	3%
Expenditure				
AEB costs	69,472	69,512	39	0%
Concessions	46,245	46,176	(68)	(0%)
Consultancy and Professional Services	2,990	2,744	(246)	(9%)
Employee Costs	39,666	41,254	1,587	4%
Financing Charges	7,186	7,186	-	0%
Grants and Agency costs	1,136	1,136	-	0%
ICT Related Costs	3,743	3,638	(104)	(3%)
Indirect Employee Costs	2,106	1,743	(363)	(21%)
Members Allowances & Expenses	372	372	-	0%
Non-staffing Project costs	48,092	50,344	2,252	4%
Premises Costs	7,511	7,386	(126)	(2%)
Prepaid Tickets Costs	30,500	22,000	(8,500)	(39%)
Supplies and Services	4,179	3,667	(512)	(14%)
Tendered Services	33,568	33,573	5	0%
Travel, Subsistence & Transport Costs	278	226	(52)	(23%)
Total Expenditure	297,044	290,956	(6,088)	(2%)
Indirect Contribution* (Capitalisation/ Internal recharges)	22,343	23,758	(1,415)	6%
Net Income / (Expenditure)	(515)	94	(609)	
Net Income / (Expenditure) as a % of Income	(0.19%)	0.04%		

2023/24 Quarter 2 Capital Summary]

- 2.7. The Combined Authority's capital programme at Quarter 2 shows expenditure of over 32% of the February 2023 forecast, with the majority concentrated across the City Region Sustainable Transport Settlement (CRSTS), the Transforming Cities Fund (TCF), the West Yorkshire plus Transport Fund and the Zero Emissions Regional Bus Areas (ZEBRA). Expenditure usually increases as the year progresses and at this stage there is confidence that the full year forecast will be achieved.

	Indicative Forecast Combined Authority February 2023	Revised In-Year Forecast as at Sept 2023	Expenditure upto Quarter 2 2023/24	% of in-year Forecast
Capital Programme Expenditure				
Transport Programmes				
City Region Sustainable Transport Settlement	£100,000,000	£103,031,181	£40,648,563	39.45%
Transforming Cities Fund (inc. Tranche 1) (non CRSTS)	£78,618,210	£71,510,444	£25,574,983	35.76%
West Yorkshire plus Transport Fund	£74,296,599	£81,107,518	£26,191,843	32.29%
Zero Emissions Bus Regional Areas	£15,364,384	£10,108,378	£3,249,643	32.15%
Leeds Public Transport Investment Programme	£0	£824,728	£38,516	4.67%
Integrated Transport Block (CA legacy projects)	£3,628,138	£3,671,223	£1,197,272	32.61%
Active Travel	£7,763,008	£9,113,471	£1,650,230	18.11%
New Station Fund	£7,000,000	£6,759,369	£0	0.00%
Levelling Up Fund		£1,545,684	£6,514	0.42%
Economic Development Programmes				
Getting Building Fund	£0	£0	£0	n/a
Brownfield Housing Fund	£29,579,359	£22,427,115	£0	0.00%
Social Housing Decarbonisation Fund	£0	£6,978,371	£1,654,455	23.71%
British Library North	£100,000	£302,000	£1,097	0.36%
Corporate Projects	£1,805,649	£1,553,409	£542,188	34.90%
Broadband	£77,425	£25,000	£0	0.00%
Growth Deal - Economic Development	£0	£55,000	£0	0.00%
Business Accelerator Fund	£3,070,000	£3,070,000	£2,603,602	84.81%
Total Capital Spend	£321,302,772	£322,082,891	£103,358,907	32.09%

3. Tackling the Climate Emergency Implications

3.1 The Combined Authority's funding programmes support activities addressing climate change. All individual projects undertake Carbon Impact Assessments and many projects involve improvement of enhancement of public transport and/or cycling and walking infrastructure.

4. Inclusive Growth Implications

4.1 Equality impact assessments are undertaken on all projects.

5. Equality and Diversity Implications

5.1 There are no equality and diversity implications directly arising from this report. However, Equality Impact Assessments are completed for all Combined Authority projects, and taken into account in reaching decisions about funding.

6. Financial Implications

6.1 The financial implications are set out in the body of the report.

7. Legal Implications

7.1 There are no legal implications directly arising from this report.



8. Staffing Implications

8.1 There are no staffing implications directly arising from this report.

9. External Consultees

9.1 No external consultations have been undertaken.

10. Recommendations

10.1 That the Committee notes the financial position as reported.

11. Background Documents

There are no background documents referenced in this report.