

7a 2013/14 Budget Matters

o Purpose of Report

To provide the Board with an update on the Partnership's 2013/14 budget and forecast outturn and to consider any budget or monitoring issues that may arise.

o Background

The Board has requested that a general budget report be submitted to each meeting, monitoring expenditure, identifying any potential budget issues, and reporting on any particular expenditure requests. The reports are prepared jointly by the Nestrans office and Finance officers from Aberdeenshire Council.

o Discussion

Appendix 1 to this report sets out a summary budget monitoring statement of expenditure to 30 September 2013. This shows expenditure of £839,003. The works programme for both revenue and capital is advancing, but there has been little by way of invoiced costs received to date.

It is expected that programme costs will remain broadly in line with budget and officers remain confident that there is no significant slippage at this time in the planned programme of works.

A major issue has emerged during the repair works on the third and final arch (north bank) of the bridge over the River Don at Parkhill on the Formartine and Buchan Way. Visual inspection of the bridge prior to the work being tendered had suggested that the arches had identical problems of missing and spalled brickwork. It is only now with scaffold access that the extent of the damage to arch 3 has been identified and if further works to address this are not carried out now then it is recommended that the bridge is closed to the public until they can be completed. It is therefore proposed to partially dismantle the spandrel and re-build the section and it would be preferable to do this as part of the current contract whilst the scaffolding is in place to avoid closure of the bridge or the additional costs that would be incurred at a later date if the work is delayed.

The additional cost for the works is £73,000 and Aberdeenshire Council are proposing to fund £30,000 and there is a current underspend predicted within the approved Nestrans Walking and Cycling budget of £3,000. It is proposed that the remaining £40,000 be met from a virement from the Nestrans Freight budget. The tender returns for A947 Oldmeldrum Road/ Dyce Drive junction widening and lining have resulted in a saving of £5,000 against budget. Currently there is also a budget of £40K allocated to increasing the radii to improve turning manoeuvres for HGVs at the junction of Howemoss Drive and Dyce Drive. The land necessary for the works is not however in Council ownership and although the landowners have been identified it is unlikely that the land can be acquired in time to allow the works to be completed this financial year. It is therefore proposed to retain a budget of £5,000 to progress the land acquisition and vire the remaining £35,000 along with the £5,000 saving from the Howemoss Drive/Dyce Drive junction improvement to the Walking and Cycling budget for Parkhill Bridge.

There has been £78,000 received from developers this financial year for the Strategic Transport Fund (STF), bringing the total cash held within the fund to £189,000. Contributions to date will be retained in the Fund in the Balance Sheet and will not be shown as income in the accounts until works associated with STF projects begin. The Fund will release monies to match the level of expenditure as it is incurred.

The projected outturn for 2013/14 is for a surplus of £17,000 which is largely made up of interest income that is not budgeted for. Income receivable from Transport Scotland of £100,000 in relation to access to Laurencekirk has not yet been shown in the monitoring statement projected outturn for 2013/14 as it is unclear at this stage what costs are likely to be incurred on this project in 13/14.

o **Recommendation**

It is recommended that the Board:

1. Note the monitoring position and forecast
2. Agree the virement of £40,000 to walking and cycling as detailed in the report above

Alan Wood
Treasurer

15 October 2013

SUMMARY OF INCOME & EXPENDITURE

Description	Budget	Actual to Sep-13	2013/14 Outturn	Budget v Actual %
Expenditure				
Core Costs				
Partnership Office	360,000	172,621	360,000	48%
Partner Support costs	87,800	43,900	87,800	50%
Board Members Expenses	2,000	0	0	0%
Other Associated Costs	52,200	17,567	52,200	34%
Rechargeable Costs	0	1,534	1,534	*
	502,000	235,623	501,534	47%
Regional Transport Strategy				
Health & Transport Action Plan	42,500	0	42,500	0%
Bus Action Plan	70,000	1,408	70,000	2%
Rail Action Plan	41,850	0	41,850	0%
Freight Action Plan	35,000	1,799	35,000	5%
General	10,000	1,040	10,000	10%
Project Feasibility & Monitoring	240,000	71,523	240,000	30%
Contingency	10,000	2,750	10,000	28%
Travel Planning	75,000	60,329	75,000	80%
Rechargeable Costs	0	7,085	7,085	*
	524,350	145,935	531,435	28%
Capital Programme	2,397,000	457,446	2,397,000	19%
Total Expenditure	3,423,350	839,003	3,429,969	25%
Income				
Partner Contributions				
Aberdeen City Council	122,175	61,088	122,175	50%
Aberdeenshire Council	122,175	61,088	122,175	50%
Scottish Executive - Core costs	782,000	390,000	782,000	50%
Capital Grant & Use of Balances	2,397,000	1,027,000	2,397,000	43%
Investment Interest		6,280	15,000	*
Other Income	0	8,619	8,619	*
Total Income	3,423,350	1,554,074	3,446,969	45%
Operating (Surplus)/Deficit	0	(715,071)	(17,000)	