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## 2010/11 Budget Matters

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- Purpose of Report

To provide the Board with an update on the Partnership's 2010/11 budget and forecast outturn and to alert the Board to the necessity to amend the 2011/12 capital project allocations.

- Background

The Board has requested that a general budget report be submitted to each Board 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.

- Current Revenue & Capital Budget

**Appendix 1** to this report sets out a summary monitoring statement of expenditure to 28 February 2011. This shows expenditure of £2,681,578. The spend to date is broadly in line with expectations but we now anticipate an underspend on the revenue programme of £105,862. The Board will note that this has arisen from expected underspends on a number of lines.

The Board has already noted from earlier reports that the cost to date identified under the Contingency line is already in excess of the budget. This is due to 2 issues, the Cumulative Impact Study and production of station booklets, both of which were expected to have been completed in 2009/10 but costs have run over in to this financial year. We do not expect to incur any further expense on these projects.

There are a number of underspends on a number of RTS themes. Officers had been encouraged to consider alternative opportunities to maximise the benefit of the available funding but it is unlikely that full spend will occur. The forecast has been reduced accordingly.

Transport Scotland has advanced £500,000 Integrated Transport Fund funding for the Inverurie transport interchange which is now progressing. This has been passed to Aberdeenshire Council to meet the outstanding commitment from Nestrans to assist in the funding of the project. The forecast has been amended accordingly.

The Capital programme has gone largely to plan in 2010/11 and cost forecasts are still on budget. We have been alerted to an issue which affects the 2011/12 programme which the Board agreed recently. A number of key decisions have now been made concerning a 3<sup>rd</sup> River Don Crossing and it is now considered that a contribution of £250,000 is appropriate to allow progression of an appropriate design. It is proposed to reduce the contribution for the strategic maintenance of the Beach Esplanade by the same amount.

- Recommendation

It is recommended that the Board note

1. The monitoring position and forecast
2. The additional ITF funding and
3. Agree the virement from within the 2011/12 programme to assist in the costs of the 3<sup>rd</sup> River Don crossing development.

Derek Yule

Treasurer

5 March 2011