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## 7a 2012/13 Budget Matters

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- Purpose of Report

To provide the Board with an update on the Partnership's 2012/13 budget and forecast outturn.

- 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.

- Current Revenue & Capital Budget

**Appendix 1** to this report sets out a summary budget monitoring statement of expenditure to 30 November 2012. This shows expenditure of £807,807. The works programme is advancing but there has been little by way of invoiced costs received at this time and Capital expenditure is only for project costs to the end of September for Aberdeen City Council projects and October for Aberdeenshire Council projects. It is expected that programme costs will remain broadly in line with budget and the proposed virements detailed in this report and officers remain confident that there is no significant slippage in the planned programme of works.

£65,000 has been received from developers to date towards the Strategic Transport Fund (STF). This money 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 begins. The Fund will release monies to match the level of expenditure as it is incurred.

- Budget Virements

Transport Scotland has provided £50,000 funding from developer contributions for sustainable transport measures (in lieu of physical mitigation) in the Dyce Drive area of Aberdeen. This money was allocated specifically to fund the Dyce Shuttlebus costs of £22,529 and as a contribution of £15,000 towards the airport bus turning circle and £12,741 towards the A96 Aberdeen to Blackburn cycle path route. This increases the available Nestrans Revenue budget for 2012/13 by £22,529 and the Nestrans Capital budget by £27,471.

### **Capital Budget**

The additional funding brings the Capital Budget to £2,159,471. As the delivery of projects has progressed a number of over and underspends have been predicted and the following virements are proposed to the previously approved budget headings:

#### Transport Interchange

A budget of £100,000 was allocated as a contribution towards land purchase, phase 1 construction and accommodation work for Inverurie Transport Interchange. Land negotiations are still however ongoing and there is a significant likelihood that no expenditure will be achieved this year and it is therefore suggested that this budget be allocated to other projects.

### Strategic Maintenance

Some underspend is expected on a couple of projects as a result of competitive tendering returns. The A944 Whitehouse however has required an increased area and depth of patching, additional regulating material and extra drainage works. It is proposed to use the underspend from other maintenance projects and to also increase this budget heading by a further £40,000 to meet the additional costs.

### Bus Improvements

Negotiations are ongoing with the landowner relating to the site proposed for the A90 (S) Park & Choose site. An alternative site has been proposed by the landowner adjacent to the original site and design works are progressing for this alternative, but it is unlikely that the full budget allocated for this project will be required this year and a reduction in budget of £40,000 is suggested.

The full costs for the bus interchange at Aberdeen Royal Infirmary have increased as a result of additional site supervision costs to enforce the temporary traffic management and unforeseen electrical problems. The central island was also reduced to allow buses to pass one another more comfortably. As Nestrans previously agreed to fund 50% of the estimated costs with NHS Grampian it is proposed that a half share of the additional costs be met, which would require an increase in budget of £19,500.

It is also proposed that an increased contribution of £97,471 be made towards the refurbishment of Fraserburgh bus station. Along with minor cost increases in a couple of projects, the £15,000 of additional money from Transport Scotland for the airport bus turning circle and the above mentioned proposals, a virement to increase the bus improvements budget by £65,971 in total is proposed.

### Walking and Cycling

The additional Transport Scotland money of £12,471 for the Aberdeen to Blackburn cycle path route, frees up funding within Walking & Cycling.

It has been noted that there is an area on the Aberdeen to Kingswells to Westhill cycle path previously funded by Nestrans on the former Old Skene Road that is prone to flooding. This can provide a significant hazard to cyclists during the winter months when water run-off from the adjacent embankments freezes. It is estimated that drainage improvements to resolve this problem would cost £7,000 and it is requested that funding be approved for this project.

The remaining money, together with some net underspends as a result of competitive tendering returns on some of the current projects, would then be vired from Walking & Cycling reducing it by £7,471 and giving a new net total budget of £624,000.

### Various

A virement of £1,500 to increase the budget for the installation of lit pillar signage at designated night time bus stops on Union Street is requested as costs have increased due to difficulties in sourcing a suitable electrical supply for the signs.

The proposed adjustments to the Capital budget are summarised in the table below:

<b>RTS Strand</b>	<b>Approved Budget (£)</b>	<b>TS funding</b>	<b>Proposed Virement</b>	<b>New Budget (£)</b>
Strategic Road - Safety Improvements	190,000			190,000
Strategic Road - Prioritised Maintenance	450,000		40,000	490,000
Bus Improvements	760,000	15,000	65,971	840,971
Transport Interchange	100,000		(100,000)	0
Walking & Cycling	619,000	12,471	(7,471)	624,000
Various	13,000		1,500	14,500
<b>Total</b>	<b>2,132,000</b>	<b>27,471</b>	<b>0</b>	<b>2,159,471</b>

### **Revenue Budget**

The additional funding brings the available Revenue Budget to £1,048,879. A number of virements are also proposed as follows:

#### Bus Action Plan

An underspend of £9,000 is predicted as it is not anticipated that any further works will be carried out this financial year on the Bridge of Don Park & Ride Feasibility Study as Aberdeen Council is in the process of tendering for a development partner for the AECC and the outcome of this will have a significant impact on the final location of the Park and Ride site.

#### Rail Action Plan

Stagecoach Bluebird were appointed to operate the service 80 Dyce shuttle bus, now branded Jetconnect, for the year 2012/13. As a result of the tendering process and the £22,529 provided by Transport Scotland, the budget previously allocated towards the running of this service is no longer required.

The Aberdeen – Inverness timetabling study to investigate the feasibility of extending the Inverness to Aberdeen train to Montrose to provide local rail services can not be commissioned in advance of the publication of the current GRIP 3 study into improvements to the rail service between Aberdeen and Inverness and this is not now expected until the end of the year. It is therefore proposed to vire the previously approved £71,000 rail action plan budget for use in other projects.

#### General

It is proposed to increase the approved budget for management and maintenance of the strategic Aberdeen Sub Area Model (ASAM) by £5,000 to upgrade future year scenarios within the model in accordance with latest predicted profiles for development of the now approved allocations within the Local Development Plans of the Local Authorities.

It is proposed that £30,000 funding be allocated to undertake modelling to test the performance of the recommended option for the A90/A96 Haudagain junction improvement given the development allocations within the new and emerging Development Plans for the North East and the revised delivery date for the Aberdeen Western Peripheral Route (AWPR) as the Scottish Government only approved the recommended option subject to it being shown that it would continue to work effectively under these conditions.

Aberdeen City Council is upgrading the City Centre Paramics microsimulation model to reflect 2012 infrastructure and travel pattern conditions. This upgrade will reflect major changes that have taken place in the 7 years since the model was last updated such as the opening of Union Square and changes to public transport routes and timetables. A significant survey programme is required to update the model and

ensure that it continues to provide a reliable tool for assessment and evaluation of a diverse range of possible schemes such as options to lock in the benefits of the AWPR, for city centre traffic management such as pedestrianised areas and bus priority measures, for bus hub development, HGV routeing, air quality assessment, car park and special event management and use in transport assessments for developments etc. It is proposed that Nestrans contribute £45,000 to the cost of the upgrade.

The proposed adjustments to the Revenue budget are summarised in the table below:

<b>Budget Headings</b>	<b>Approved Budget (£)</b>	<b>TS funding</b>	<b>Proposed Virement</b>	<b>New Budget (£)</b>
Core Costs	505,780			505,780
Health and Transport Action Plan	25,000			25,000
Bus Action Plan	114,570		(9,000)	105,570
Rail Action Plan	71,000	22,529	(71,000)	22,529
Freight Action Plan	40,000			40,000
General	10,000		80,000	90,000
Project Feasibility & Monitoring	175,000			175,000
Contingency	10,000			10,000
Travel Planning	75,000			75,000
<b>Total</b>	<b>1,026,350</b>	<b>22,529</b>	<b>0</b>	<b>1,048,879</b>

- Recommendation

It is recommended that the Board:

1. Note the monitoring position and forecast
2. Note the additional funding received from Transport Scotland
3. Approve the proposed budget virements detailed within the report

Alan Wood  
Treasurer

03 December 2012