
2012/13 Budget Matters

- 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 31 March 2013. It should be noted that at this time, the unaudited year end accounts are still currently being worked on.

The Chair of the Board was recently contacted to seek approval for virements of budget, in an attempt to make best use of the budget available within the financial year.

There have been issues encountered on site with the Fraserburgh Bus Station refurbishment that will delay the completion of this project until next financial year. This released £100,000 of budget which will be used as additional contribution, within the Bus Improvements category, towards the Aberdeen City & Shire Bus Stop Information Initiatives (£13,000), Ellon Park & Ride improvements (£27,000) and creation of a layby with bus shelter in Westhill (£30,000). The remaining £30,000 will be used to increase the budget available for Strategic Road Prioritised Maintenance.

These requests were agreed by the Chair and so the Board are asked to homologate this decision.

Officers have been as proactive as possible in ensuring that Partners submit expenditure invoices timeously. However, this can be problematic for the Partners, as they require external contractors to agree and submit invoices to them before they can then recharge these on to Nestrans. Therefore, the figures shown under "Actual to Mar-13" reflect all invoices processed to date and any others which the partners have advised they are expecting to invoice imminently. Expenditure will increase as charges from external contractors are recharged from the Partners, which they have not included in their estimates of charges still to be received.

The appendix shows expenditure of £2,815,533. The spend is lower than budget in a number of areas, however, there are invoices outstanding that officers have estimated will result in final outturn expenditure of £3,221,221. This would result in a surplus of approximately £90,000, which has arisen due to small underspends against a large number of projects rather than any significant single area of underspend. The underspend has mainly arisen as a result of savings, and represent good value for

money where projects have been delivered at lesser cost than originally anticipated, efficiencies have been achieved, or partnership contributions obtained.

As Regional Transport Partnerships can not have a general fund balance or reserve, Nestrans can not retain a surplus in any year. Partners have therefore been asked if they have any completed works in the year that comply with Nestrans Regional Transport Strategy, which could be legitimately funded by Nestrans. The following sections of strategic maintenance have been suggested for Board consideration:

- A956 Ellon Road southbound carriageway between Balgownie Road and Don Bridge
- A947 resurfacing at Fyvie

£111,000 has been received to date from developers 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.

- Recommendation

It is recommended that the Board:

1. Note the monitoring position and forecast.
2. Homologate the approval for budget virements detailed in the report, which has been agreed by the Chair
3. Approve the inclusion of the strategic maintenance detailed above, limited to the budget available from underspend on other projects highlighted in this report.

Alan Wood
Treasurer

03 April 2013