

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 31 December 2013. This shows expenditure of £1,631,274. The works programme for both revenue and capital is advancing, but invoices from both Councils are still to be submitted for December, although all costs advised to NESTRANS have been accrued in the monitoring statement.

It was highlighted in the budget matters report presented to the Board in December that the project for Kintore Station (£300,000) had run into legal difficulties surrounding title to land required for access. These issues are yet to be resolved, albeit slow progress is being made. Managers have therefore taken a proactive approach to identify alternative options for utilising this funding in 13/14, with a view to pushing the completion of the conveyancing etc in relation to Kintore Station into 2014/15.

There is also an anticipated underspend on Ellon Park & Ride of £30,000, again due to delays in relation to the purchase of land. Tender documents are due to be issued in February with construction work commencing in 2014/15.

Work has been progressing on the design for the A90 Schoolhill Park & Choose project, however, the most beneficial site, from a possibility of two options, is still under consideration. The latest forecast for expenditure on this project has therefore reduced by £10,000.

The contract for the Airport Bus Turning Circle (£426,000 budget) is not due to be put out to tender until February, which means that construction will start much later than hoped. Given the lead in time required and the risk that adverse winter weather might hamper commencement, it is now expected that this work will fall into 2014/15. Consequently, Aberdeen City Council have submitted a request that this budget be utilised on alternative projects, some of which were included in the reserve list considered as part of the 2013/14 Budget at the Board meeting on 20th February 2013.

The Board are therefore asked to approve the following proposed virements:

<u>Project</u>	<u>Current Budget</u>	<u>Proposed Virement</u>	<u>Revised Budget</u>
Kintore Railway Station	£300,000	(£300,000)	nil
Ellon Park & Ride	£65,000	(£30,000)	£35,000
A90 Schoolhill Park & Choose	£30,000	(£10,000)	£20,000
Fraserburgh Bus Station (increased contribution)	£76,000	£144,000	£220,000
A947 Towie Turner House	nil	£24,000	£24,000

<u>Project</u>	<u>Current Budget</u>	<u>Proposed Virement</u>	<u>Revised Budget</u>
A944/A97 Junction at Deskry	nil	£39,000	£39,000
A98 Longmanhill – Headition to Roadman’s Cottage	nil	£103,000	£103,000
A920 Colpy to Potts Rayne	£195,000	£24,000	£219,000
A952 North of Shanna’s Cottages to Wester Pettymarcus	£90,000	£5,000	£95,000
A944 Tillyfourie Westwards	£122,000	£1,000	£123,000
Airport Bus Turning Circle	£426,000	(£394,000)	£32,000
A96 Great Northern Rd approach to Haudagain resurfacing	nil	£63,000	£63,000
A96 Great Northern Rd from St Machar Dr to Printfield Walk resurfacing	nil	£116,000	£116,000
A944 Skene Rd westbound from Kingswells roundabout to Little Brodiach Cottage resurfacing	nil	£117,000	£117,000
A944 Lang Stracht bus gate to A944 Skene Road roundabout resurfacing	nil	£98,000	£98,000

There has been £1,037,000 received from developers this financial year for the Strategic Transport Fund (STF), bringing the total cash held within the fund to £1,148,000. 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 as at 31 December 2013.
2. Approve the virement detailed in the table within the report

Alan Wood
Treasurer
3 February 2014



SUMMARY OF INCOME & EXPENDITURE

Description	Budget	Actual to Dec-13	2013/14 Outturn	Budget v Actual %
Expenditure				
Core Costs				
Partnership Office	360,000	256,429	360,000	71%
Partner Support costs	87,800	65,850	87,800	75%
Board Members Expenses	2,000	0	0	0%
Other Associated Costs	52,200	22,408	52,200	43%
Rechargeable Costs	0	1,448	1,448	*
	502,000	346,136	501,448	69%
Regional Transport Strategy				
Health & Transport Action Plan	42,500	3,488	42,500	8%
Bus Action Plan	70,000	33,400	70,000	48%
Rail Action Plan	41,850	0	41,850	0%
Freight Action Plan	35,000	3,080	35,000	9%
General	10,000	1,040	10,000	10%
Project Feasibility & Monitoring	240,000	122,522	240,000	51%
Contingency	10,000	2,750	10,000	28%
Travel Planning	75,000	75,422	75,000	101%
Rechargeable Costs	0	7,779	7,779	*
	524,350	249,481	532,129	48%
Capital Programme	2,397,000	1,035,657	2,397,000	43%
Total Expenditure	3,423,350	1,631,274	3,430,577	48%
Income				
Partner Contributions				
Aberdeen City Council	122,175	91,631	122,175	75%
Aberdeenshire Council	122,175	91,631	122,175	75%
Scottish Executive - Core costs	782,000	585,000	782,000	75%
Capital Grant & Use of Balances	2,397,000	1,320,000	2,397,000	55%
Investment Interest		9,069	15,000	*
Other Income	0	9,227	9,227	*
Total Income	3,423,350	2,106,559	3,447,577	62%
Operating (Surplus)/Deficit	0	(475,284)	(17,000)	