
7a 2014/15 Budget Matters

o Purpose of Report

To provide the Board with an update on the Partnership's 2014/15 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 Current Revenue & Capital Budget

Appendix 1 to this report sets out a summary budget monitoring statement of expenditure to 31 July 2014. This shows expenditure of £273,017. The works programme for both revenue and capital is advancing and although there has been little by way of invoiced costs received to date, all costs from both Councils that have been advised to Nestrans have been accrued in the monitoring statement.

With the exception of a small number of projects that are discussed below, it is expected that programme costs will remain broadly in line with budget and officers remain confident that there is no other significant slippage at this time in the planned programme of works.

There is £124,000 of contributions from Partner Council's from prior years that are currently held on Nestrans balance sheet. At the last meeting it was agreed that £13,415 of the surpluses arising from unspent budget for the Access to Laurencekirk study be carried forward to provide a revised budget of £88,415 this year. It is proposed that the remaining £110,585 be allocated £81,500 to Revenue and £29,085 to Capital as follows:

Proposed Revisions to Revenue Budget

There are still a small number of outstanding invoices from previous years that have been in dispute. Negotiations are nearing completion and it is recommended that a sum of £21,500 be added to the approved Contingencies budget to meet these costs.

Nestrans are responsible for the management and maintenance of the strategic Aberdeen Sub Area Model (ASAM) and has a contract with Systra to provide support. They have advised that software upgrades are required to be able to run the model on Windows 7 and to convert the TRIPS software that is no longer supported by the suppliers to CUBE Voyager. It is also proposed to review some of the planning data forecasts that have been provided in the past to ensure that the considerable growth in development that has been witnessed in recent years is accurately reflected in the model. It is therefore proposed to increase the current £5,000 budget to £40,000.

As reported in the separate Rail Matters report, Nestrans propose allocating £25,000 to investigate requirements to extend the car parking facilities at Dyce railway station. It is

therefore proposed to allocate £81,500 of the available balances to the above projects and give a revised revenue budget of £1,107,850.

Proposed Revisions to Capital Budget

It is proposed that the remaining £29,085 of balances be allocated to capital projects to give a revised capital budget of £2,509,500. It has been highlighted that the land purchase for the access road and car park for Kintore Station has been delayed as it crosses a strip of land for which there is no title. A compulsory purchase order process has been commenced, but it is not anticipated that the £300,000 approved budget can be achieved this financial year. The Nestrans funding of £15,000 to upgrade the previously funded realtimebus.com website to include real time information for buses in Aberdeenshire is no longer required as it is now intended to link the domain name to the new multi-operator website that is being developed by Aberdeenshire Council and this can be achieved without additional cost. The completion of the hard surfacing of the Deeside Way from Peterculter to the Aberdeen City boundary has also been affected by land ownership problems. It is anticipated that completion of the section within Council ownership will cost around £45,000. Aberdeen City Council had match funding for this project from Sustrans and they have confirmed that this can be retained for the smaller section of resurfacing that will be delivered this financial year. This will reduce Nestrans contribution from £90,750 to £22,500, a saving of £68,250.

The above predicted underspends against the approved budget along with the surpluses of £29,085 provide a sum of £412,335 for allocation. It is proposed to increase the Access to Laurencekirk study budget by £80,085 to £168,500. The additional funding is required as a result of additional survey work, consultations and investigations that have been undertaken as part of the Scottish Transport Appraisal Guidance (STAG) assessment. It is also proposed to allocate an additional £75,000 to the Formartine & Buchan Way bridge inspections and assessments and increase the budget for this to £150,000 to allow further work to be undertaken.

Proposals for the remaining £257,250 are still being discussed and it is intended that proposals to utilise these funds will be brought forward for consideration by the Board at the next meeting on 9 October.

There have been £130,022 additional contributions received from developers so far this financial year for the Strategic Transport Fund (STF), bringing the total to £1,308,637. 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 begins. The Fund will release monies to match the level of expenditure as it is incurred.

o Recommendation

It is recommended that the Board:

1. Note the monitoring position and forecast.
2. Approve the proposed budget revisions and virements detailed within the report
3. Note managers' intention to bring proposals to a later Board meeting to utilise the predicted underspend against the capital budget

Alan Wood
Treasurer

12 August 2014



SUMMARY OF INCOME & EXPENDITURE

Description	Budget	Actual to Jul-14	Budget v Actual %
Expenditure			
Core Costs			
Partnership Office	370,500	84,488	23%
Partner Support costs	88,130	14,688	17%
Board Members Expenses	2,000	0	0%
Other Associated Costs	48,200	20,959	43%
Rechargeable Costs	0	101	*
	508,830	120,236	24%
Regional Transport Strategy			
Health & Transport Action Plan	37,500	1,795	5%
Bus Action Plan	33,020	0	0%
Rail Action Plan	12,000	0	0%
Freight Action Plan	30,000	1,919	6%
General	30,000	425	1%
Project Feasibility & Monitoring	240,000	47,028	20%
Contingency	5,000	4,800	96%
Travel Planning	130,000	8,518	7%
Rechargeable Costs	0	3,194	*
	517,520	67,679	13%
Capital Programme	2,480,416	85,102	3%
Total Expenditure	3,506,766	273,017	8%
Income			
Partner Contributions			
Aberdeen City Council	122,175	40,725	33%
Aberdeenshire Council	122,175	40,725	33%
Scottish Executive - Core costs	782,000	260,000	33%
Capital Grant & Use of Balances	2,591,000	684,000	26%
Investment Interest	0	5,132	*
Other Income	0	3,295	*
Total Income	3,617,350	1,033,877	29%
Operating (Surplus)/Deficit	(110,584)	(760,860)	