

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 28 February 2015. This shows expenditure of £1,864,710

A virement of £11,500 has been proposed from the A90 Park & Choose project to augment the budgeted allocation to the A920 Colpy to Potts Rayne project. Nestrans had provided a contribution of £120,000 but additional works have been identified and the additional funding would assist.

The forecast outturn for Other Income includes £76,850 from Sustrans for three cycling projects, which they have recently agreed to support.

At the last Board meeting it was agreed that there would be a delay in drawdown of capital funds from 2014/15 to 2015/16. A number of projects had not progressed in line with the original budgeted spend for 2014/15 and these will now continue on into 2015/16.

As Nestrans is unable to carry Reserves, the intention for this financial year is to make a final adjustment to the capital funds drawn down from the two partner Councils to ensure that the year end position is at break even, i.e. the income will match the total expenditure and the Councils will carry forward the capital funds in their accounts to the next financial year to be called upon by Nestrans in 2015/16. The forecast income for Capital Grants has therefore been adjusted to provide a break even position.

o Strategic Transport Fund

There has been £294,548 of additional contributions received from developers so far this financial year for the Strategic Transport Fund (STF), bringing the total to £1,473,163. 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 presented in Appendix 1.
2. Approve the proposed budget virement.

Alan Wood
Treasurer
23 March 2015
