

## **7a 2015/16 Budget Matters**

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### **o Purpose of Report**

To provide the Board with an update on the Partnership's 2015/16 monitoring and forecast outturn position 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 Income & Expenditure**

**Appendix 1** to this report sets out a summary budget monitoring statement of expenditure to 31 October 2015. This shows expenditure of £1,109,367.

Last year Nestrans delayed drawdown of £493,537, of which £313,685 has been spent to date and the Councils are projecting to spend all of the money that was carried forward. This has proven to be a more flexible way of dealing with the funding and has removed any ambiguity regarding Nestrans continued support for these projects that have branched across one financial year to the next.

There are now a few 2015/16 projects highlighted that are anticipating delays due to various issues on the projects, extending the timeframe for completion into 2016/17. These are listed under **Appendix 2** and the Board are asked to consider whether they approve the carry forward of any unspent budget at year end on these projects into 2016/17.

**Appendix 3** sets out proposed virements to accommodate the potential underspend and overspends that have been indicated through discussions with Aberdeen City and Aberdeenshire Councils. A contribution of £130,000 is also proposed to the Aberdeen City Hydrogen Energy Storage Project. This would provide funding towards the civils costs for a second hydrogen refuelling station and storage facility in the south of the City at Langdykes Road, Cove. This would contribute to the shortfall for the civils work that started on 10<sup>th</sup> October and are due to be complete by end of February 2016 and had been estimated based on the Kittybrewster site, but were higher for the Langdykes site and in particular for the electric cabling work. The Board is asked to approve these virements.

### **o Strategic Transport Fund**

There have been contributions of £205,406 received from developers this financial year. The Strategic Transport Fund (STF) balance now stands at £1,678,569. Contributions 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.

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o **Recommendation**

It is recommended that the Board:

1. Note the monitoring position and forecast presented in Appendix 1.
2. Approve the carry forward of unspent budget on projects listed in Appendix 2 to 2016/17.
3. Approve the proposed virements presented in Appendix 3.

Alan Wood  
Treasurer  
26 November 2015

Report prepared by Ruth Taylor

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