

7b 2013/14 Funding

• Purpose of Report

To ask the Board to consider outline revenue and capital funding requests for 2013/14 and agree the proposals for preparing draft revenue and capital budgets for future consideration.

• Background

The Board will be aware of the constraints within which both the Government and the Local Authorities are setting their budgets for the coming financial year. It will take some time to confirm the detailed breakdown from within the Scottish Government's Budget announcement and thus determine the 2013/14 direct Government Revenue grant to Nestrans. It is noted however that the budget line for Transport Strategy and Innovation, which provides running cost support for Regional Transport Partnerships, has been retained at the previous year's levels and hopefully this is reflective of previous indications that the budgets for RTPs are likely to remain at the same level over the 3 year period from 2012/13 to 2014/15. The Capital and Revenue funding allocated to Nestrans from Aberdeen City and Aberdeenshire Councils will depend on their relative settlements from Government and subsequent budget considerations.

• Previous years' Funding

Revenue funding for the Nestrans Board has come in the form of Government grants and funding from constituent Local Authorities. Over the past few years Nestrans has received reducing funding from these sources as detailed below:

	2008/09	2009/10	2010/11	2011/12	2012/13
Scottish Gov core costs	300,000	920,000	920,000	782,000	782,000
Scottish Gov - RTS costs	620,000				
Scottish Gov – Travel Plan	101,000	34,000	-	-	-
Aberdeen City Council	150,000	142,500	135,375	128,606	122,175
Aberdeenshire Council	150,000	142,500	135,375	128,606	122,175
Total	1,321,000	1,239,000	1,190,750	1,039,212	1,026,350

The above reductions have resulted from:

- Loss of travel planning funding from Government and 15% reduction in grant levels in 2011/12
- Reductions in Council funding requested in line with constraints on their expenditure and their aims for reductions in line with other commitments

All of the capital funding for the Nestrans Board now comes from the Local Authorities following the Concordat agreed between COSLA and the Scottish Government, which removed ring fenced budgets and reallocated the funding to Local Authorities for distribution. The following table shows the allocations since the Concordat between local and central government came into place in 2008:

	2008/09	2009/10	2010/11	2011/12	2012/13
Aberdeen City Council	1,411,000	1,411,000	1,411,000	1,411,000	960,000
Aberdeenshire Council	1,703,000	1,703,000	1,432,000	1,172,000	1,172,000
Total	3,114,000	3,114,000	2,843,000	2,583,000	2,132,000

- Proposals

The Nestrans Delivery Plan identifies costed and prioritised projects to achieve the Regional Transport Strategy. The plan was developed on the assumption that Nestrans funding would at least remain at 2008 levels. The challenging economic climate and budget constraints within the public sector must however now be considered when requesting funding from our constituent Local Authorities. It is suggested that the Board seek funding commensurate with the budget allocations that relevant services are receiving within Aberdeen City and Aberdeenshire Councils and it is understood that both Councils are aiming to maintain this at the same level of funding as was allocated in 2012/13.

Councils will be considering their own 2013/14 programmes over the next few months. It has been indicated that allocations to Nestrans of £882,000 by Aberdeen City Council and to at least maintain the 2012/13 level of £1,172,000 by Aberdeenshire Council are to be considered. It is suggested however that until Council commitments and Government grants become clearer that Nestrans prepares draft capital and revenue budgets for 2013/14 for future Board consideration that are in line with the priorities in the Delivery Plan and based on anticipated available funding from the various funding sources, whilst noting Government and Councils budget considerations.

- Recommendation

The Board is recommended to:

1. Instruct the Director to write to the Local Authorities outlining the Boards considerations and requesting that contributions be allowed for in the Councils budgets.
2. Instruct a further report detailing the proposed 2013/14 Capital and Revenue budget expenditure for consideration at the next Board meeting in February 2013.