

7b 2014/15 Budgets

o Purpose of Report

To agree Capital and Revenue Budgets for 2014/15, subject to available funding being confirmed.

o Background

A Revenue Budget has been prepared for discussion that reflects anticipated funding levels from both Council Partners and the Scottish Government. The indicative budget of £1,026,350 has been based on a continuation of the revenue contribution levels from Council partners and revenue support from the Scottish Government at the previous year's levels. A letter of grant offer has now been received from Transport Scotland that confirms there will be no reduction on 2013/14 funding levels.

The Board previously approved the Nestrans Delivery Plan as a priority setting document that shows a general programme of works to deliver the Regional Transport Strategy. It was accepted however that this would be subject to future budget and partner agreements. The section of the Delivery Plan showing the Actions and Projects with Nestrans Involvement in 2014/15 was used as the basis for developing the proposed Budgets along with any slippage associated with projects within the Delivery Plan from earlier years.

The Delivery Plan had anticipated funding levels of £3,114,000 however, the Capital Budget for 2014/15 which Council partners have advised Nestrans as indicative figures totals £2,467,000. This comprises allocations from Aberdeenshire Council of £1,172,000 and Aberdeen City Council of £1,295,000.

The proposed budgets may still be subject to amendment by the Board following final confirmation of budget allocations by the Councils.

o Consideration

2014/15 Revenue Budget

The proposed budget has again been drafted to support the implementation of the Regional Transport Strategy. The Core Costs reflect the running costs of Nestrans and have been based on previous allocations, with adjustments applied in accordance with savings being achieved through a joint Public Relations and Communications contract with Aberdeen City and Shire Economic Future (ACSEF) and general efficiencies. As ACSEF and the Strategic Development Planning Authority (SDPA) are no longer co-located within Archibald Simpson House, previous savings to accommodation and associated costs are no longer achievable. There is also a desire to upgrade the Getabout website in 2014/15 to allow more efficient management of the site and this will provide savings in the longer term, but overall there is a proposed increase in Core Costs in comparison with last financial year. The following table shows the changes to Core Costs within Approved Budgets in recent years along with the proposed allocation for 2014/15:

08/09	09/10	10/11	11/12	12/13	13/14	14/15
£600,000	£548,500	£561,025	£539,520	£505,780	502,000	508,830

The Non Core Costs are for the development of projects within the various Action Plans developed to support delivery of the Regional Transport Strategy and feasibility assessments to prepare Regional Transport Projects and Travel Planning.

The proposed budget is attached as Appendix 1 along with indicative proposals for the detailed expenditure within each project heading in Appendix 2, but in summary it is:

Revenue Income of £1,026,350 amounting from:

Government grants (offer made at 2013/14 funding level)	£782,000
Local Authorities funding (assumed no reduction from 2013/14)	£244,350
Giving total income of	<u>£1,026,350</u>

Expenditure on the Revenue Budget is proposed at:

Core running costs of a Nestrans Board, team and support	<u>£508,830</u>
Rail Action Plan Projects	£12,000
Freight Action Plan Projects	£30,000
Health & Transport Action Plan Projects	£37,500
Bus Action Plan Projects	£33,020
General projects outwith Action Plans	£30,000
Project Feasibility and Monitoring	£240,000
Contingency	£5,000
Travel Planning	£130,000
Giving total non core costs of	<u>£517,520</u>

2014/15 Capital Budget

The Delivery Plan gave a starting point for the formation of the Capital Budget. As in previous years it is recognised however that the Delivery Plan is not an agreed spending Plan and will require revision throughout the period of its operation as more detailed investigations are undertaken and proposed projects are completed, abandoned or superseded by proposals or further opportunities that may arise. A number of the projects proposed for 2014/15 within the Delivery Plan therefore no longer require funding and projects from earlier years that have been delayed, for example through land acquisition problems, may now included.

A team of Nestrans officers and Council colleagues have put forward a series of further projects based upon the actions from the various Nestrans Action Plans and previously commissioned feasibility studies. Consideration was also given to the likelihood of projects being undertaken in time, other constraints limiting progress, legally committed projects, building upon previous year's expenditure and the fit to the aims of the Regional Transport Strategy.

The team also considered the extent to which projects would require ongoing revenue support, possible future year's capital expenditure contained within the Delivery Plan and to what extent projects were also being part funded by other bodies such as partner Councils and other external funders. The proposed budget aims to achieve a balance of expenditure across the objectives with the greatest chance of deliverability.

The proposed budget is contained in Appendix 3. The proposed expenditure has been grouped into projects matching the strands of the Regional Transport Strategy. Full details are shown in the Appendix, but in summary it is:

RTS Strand	Proposed Budget
Rail	£300,000
Strategic Road – Capacity Improvements	£75,000
Strategic Road - Safety Improvements	£200,000
Strategic Road - Prioritised Maintenance	£403,250
Bus Improvements	£536,500
Walking and Cycling	£842,250
Freight	£40,000
Various	£70,000
Total	£2,467,000

At the time of preparing this report the Councils still had to meet to agree their budgets for 2014/15. A reserve list of projects has been prepared and is shown in Appendix 4 and any necessary virement suggestions will be reported to the Board for approval throughout the forthcoming financial year should the need arise.

o **Recommendation**

It is recommended that the Board:

1. Approve the 2014/15 Revenue and Capital Budgets of £1,026,350 and £2,467,000 with programmes etc as detailed in Appendices 2 and 3, subject to anticipated funding levels being confirmed and making any appropriate adjustments following the Board's consideration.

Alan Wood
Treasurer

4 February 2014