

7b 2014/15 Funding

o Purpose of Report

To ask the Board to consider outline revenue and capital funding requests for 2014/15 and agree the proposals for preparing draft revenue and capital budgets for future consideration.

o 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 until the Scottish Government's offer of direct Revenue grant to Nestrans for 2014/15 is received, but it has been indicated that the budgets for Regional Transport Partnerships are likely to be retained at the previous year's levels. 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.

o Previous years' Funding

Revenue

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 along with indicative totals at this stage for 2014/15:

	Scottish Government			Aberdeen City Council	Aberdeenshire Council	Total
	Travel Plan	Core Costs	RTS Costs			
2008/09	101,000	300,000	620,000	150,000	150,000	1,321,000
2009/10	34,000	920,000		142,500	142,500	1,239,000
2010/11	-	920,000		135,375	135,375	1,190,750
2011/12	-	782,000		128,606	128,606	1,039,212
2012/13	-	782,000		122,175	122,175	1,026,350
2013/14	-	782,000		122,175	122,175	1,026,350
2014/15	-	782,000		122,175	122,175	1,026,350

The above reductions have resulted from:

- Loss of travel planning funding from Government in 2010/11 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 between 2008/09 – 2012/13

Capital

All of the capital funding for the Nestrans Board 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 along with indicative totals at this stage for 2014/15:

	Aberdeen City Council	Aberdeenshire Council	Total
2008/09	1,411,000	1,703,000	3,114,000
2009/10	1,411,000	1,703,000	3,114,000
2010/11	1,411,000	1,432,000	2,843,000
2011/12	1,411,000	1,172,000	2,583,000
2012/13	960,000	1,172,000	2,132,000
2013/14	882,000	1,172,000	2,054,000
2014/15	1,295,000	1,172,000	2,467,000

o **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 revenue 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 2013/14.

Councils will be considering their own 2014/15 programmes over the next few months. It has been indicated that Capital allocations to Nestrans of £1,295,000 by Aberdeen City Council and maintenance of the 2013/14 level of £1,172,000 by Aberdeenshire Council are to be considered, which would provide a Capital Budget for 2014/15 that is 20% higher than the current year. It is suggested however that until Council commitments and Government grants become clearer that Nestrans prepares draft capital and revenue budgets for 2014/15 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.

o **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 2014/15 Capital and Revenue budget expenditure for consideration at the next Board meeting in February 2014.