7b 2015/16 Budget Matters

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 July 2015. This shows expenditure of £609,703.

It is early in the financial year but progress on the majority of the projects within the works programme is being made in line with expectations and therefore forecast for the year remains at the budgeted level.

As part of the year end audit (ref the previous report on the Agenda for the Statement of Accounts 2014/15) an adjustment was required for expenditure that had been accrued in 2014/15 for variable message signs of £93,537 for works that Nestrans had been advised had been completed. However, delays due to the requirement for IT servers to be upgraded, to enable them to support the software required to run the variable message signs, meant that not all of the work was completed. An adjustment was put through the 2014/15 accounts to reduce this expenditure.

The Board are asked to agree to this expenditure being incurred in 2015/16, which will be covered by a corresponding adjustment in the amount of partner contributions utilised in 2014/15, so in effect this is simply a timing issue moving the expenditure and capital grant from 14/15 to 15/16.

o Strategic Transport Fund

There have been three additional contributions received from developers since the last Board meeting in June bringing the Strategic Transport Fund (STF) balance to £1,669,077. 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.

Recommendation

It is recommended that the Board:

1. Note the monitoring position and forecast presented in Appendix 1.
2. Agree to the work on the variable message signs to be completed, with the £93,537 being funded from the partner contributions which were made in 2014/15.

Alex Stephen
Treasurer
06 August 2015