7b 2012/13 Budget Matters

Purpose of Report

To provide the Board with an update on the Partnership's 2012/13 budget and forecast outturn.

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.

Current Revenue & Capital Budget

Appendix 1 to this report sets out a summary budget monitoring statement of expenditure to 31 January 2013. This shows expenditure of £1,324,589. The works programme is advancing but Capital expenditure is only given for project costs to the end of December.

An underspend is now expected to occur in three projects that the Board had earlier agreed and the following virements are suggested.

The civils works on the A947 Route Action bend improvement strategy will not be completed by the end of the current financial year. Materials are being purchased, but it is proposed that the Nestrans contribution be reduced by £65,000. It is unlikely that the full budget allocated for the A90 (S) Park & Ride project will be required this year and a further reduction in budget of £15,000 is suggested. The contract for the Fraserburgh bus station refurbishment has been awarded and will start on 25 February, but the 12 week construction period will continue into next financial year. It is therefore proposed to reduce the Nestrans contribution to this project by £22,000.

The scheme costs for the Peterhead Cycle Demonstration project have increased as a result of a need to upgrade the lighting facilities and the costs associated with purchasing and installing new lighting columns. It is proposed that the budget be increased by £25,000. It is suggested that the remaining predicted underspends be used to increase the contribution to Ellon Park and Ride by £77,000 to £152,000.

£111,000 has been received from developers to date towards the Strategic Transport Fund (STF). This money 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
2. Agree to the proposed budget virements detailed in the report.

Alan Wood
Treasurer

07 February 2013