

7c 2011/12 Funding

- Purpose of Report

To ask the Board to consider outline revenue and capital funding requests for 2011/12 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 identify the detailed breakdown from within the Scottish Government's Budget announcement and thus determine the 2011/12 direct Government Revenue grant to Nestrans. It is anticipated that the 2011/12 budgets for RTPs could be reduced by around 15% but there is as yet no confirmation of any likely reduction. The Capital and Revenue funding allocated to Nestrans from Aberdeen City and Aberdeenshire Councils will also 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
Scottish Gov core costs	300,000	920,000	920,000
Scottish Gov - RTS costs	620,000		
Scottish Gov – Travel Plan	101,000	34,000	-
Aberdeen City Council	150,000	142,500	135,375
Aberdeenshire Council	150,000	142,500	135,375
Total	1,321,000	1,239,000	1,190,750

The above reductions have resulted from:

- Reductions and now loss of travel planning funding from Government
- 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 ringfenced 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
Aberdeen City Council	1,411,000	1,411,000	1,411,000
Aberdeenshire Council	1,703,000	1,703,000	1,432,000
Total	3,114,000	3,114,000	2,843,000

- Proposals

Transport has been identified as a key enabler that can both directly and indirectly influence achievement of many of the Government's national outcomes and local outcomes, indicators and targets within the Single Outcome Agreements of both Councils and their Community Planning Partnerships. Delivery of the Regional Transport Strategy is also a key priority within the ACSEF Economic Manifesto and necessary to support the aims within the Aberdeen City and Shire Structure Plan and emerging Local Development Plans.

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.

Councils will be considering their own 2011/12 programmes over the next few months. It is suggested that until Council commitments and Government grants become clearer that Nestrans prepares capital and revenue budgets in line with the priorities in the Delivery Plan and based on anticipated available funding from the various funding sources 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 2011/12 Capital and Revenue budget expenditure for consideration at the next Board meeting in February 2011.