

7c 2015/16 Budget Proposals

o Purpose of Report

To agree the Budget for 2015/16, subject to funding being confirmed.

o Background

A 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 in anticipation of a continuation of the revenue contribution levels from Council partners and the Scottish Government at the previous year's 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 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 2015/16 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 funding for 2015/16 which Council partners have advised now totals £2,350,000. This comprises an allocation from Aberdeen City Council of £1,295,000 and Aberdeenshire Council has identified funding of £1,055,000. We have received indications of funding proposals for future years. The principle to profile budget allocations over a number of years is in keeping with the development of a 5 year budget plan. The Board has been asked to consider this in a separate report on this agenda. A number of projects that commenced in 2014/15 but are incomplete are proposed to continue into 2015/16. The delay in drawdown from 2014/15 to accommodate these projects is expected to be £400,000 which brings the sum available for drawdown for 2015/16 to £2,750,000.

The proposed budget may still be subject to amendment by the Board following final confirmation of budget allocation by Transport Scotland.

o Consideration

2015/16 Coordination and Project Development Budget

The proposed budget has 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, however overall there is a proposed decrease in Core Costs in comparison with last financial year.

The Non-Core Costs provide 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.

2015/16 Strategic Investment Programme

The Delivery Plan gave a starting point for the formation of the Investment Programme. As in previous years, it is recognised 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, superseded or abandoned or as further opportunities are identified. A number of the projects already identified for 2015/16 within the Delivery Plan may no longer require funding and projects from earlier years that have been delayed, for example through land acquisition problems, may now be included.

A team of Nestrans officers and Council colleagues have put forward a series of projects based upon the actions from the Nestrans Action Plans and previously commissioned feasibility studies. Consideration was also given to the likelihood of projects being undertaken within identified timescales, other constraints that may limit progress, legally committed projects, building upon previous year's expenditure and the fit within 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 programme aims to achieve a balance of expenditure across the objectives with the greatest chance of deliverability.

The proposed budget is contained in Appendix 2. The proposals have been grouped to match the themes of the Regional Transport Strategy. Full details are shown in the Appendix, but in summary it is:

RTS Themes	Proposed Budget	Delayed 2014/15 draw down	Total
Strategic Road – Capacity Improvements	£195,000	£0	£195,000
Strategic Road - Safety Improvements	£280,000	£30,000	£310,000
Strategic Road - Prioritised Maintenance	£466,750	£0	£466,750
Bus Improvements	£491,250	£93,000	£584,250
Walking and Cycling	£832,000	£83,000	£915,000
Airport Surface connections	£0	£194,000	£194,000
Freight	£5,000	£0	£5,000
Various	£80,000	£0	£80,000
Total	£2,350,000	£400,000	£2,750,000

A reserve list of projects has been prepared and is shown in Appendix 3 for information 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 2015/16 Budgets of £1,026,350 and £2,750,000 with programmes as detailed in Appendices 1 and 2, subject to anticipated funding levels being confirmed and making any appropriate adjustments following the Board's consideration.

2. Note the reserve list of projects detailed in Appendix 3

Alan Wood
Treasurer

12 February 2015