

24 APRIL 2007

FINANCIAL UPDATE**REPORT BY TREASURER****PURPOSE OF REPORT**

To provide an update on the 2006/07 financial position and inform the Board of the Scottish Executive level of funding confirmed for 2007/08.

1 RECOMMENDATIONS

It is recommended that the Partnership Board :-

- (i) notes the projected outturn position for Revenue and Capital Budgets for financial year 2006/2007, as detailed in Appendix A
- (ii) notes the level of funding notified by the Scottish Executive for both Capital and Revenue Budgets for financial year 2007/2008, as detailed in Appendix B.
- (iii) approves the External Audit Plan for 2006/2007 as detailed in Appendix C.

2 BACKGROUND

- 2.1 Regional Transport Partnerships are funded through a combination of Scottish Executive grant and requisitions from constituent Councils. At its meeting on the 20th February 2007 the Partnership Board approved a Core Revenue Budget of £450,000 (Report RTP07/07 refers) based on receiving a Scottish Executive grant of £210,000 with the remaining balance being funded through requisitions from constituent Councils of £200,000, plus £10,000 from Tactran Reserves and £30,000 contribution towards staffing costs funded from a separate Travel Plan Grant allocation by the Scottish Executive for this purpose.
- 2.2 At its meeting on 19th December 2006 the Partnership Board approved the 2007/2008 Capital Programme (Report RTP06/04 refers) of £3,327,724 based upon estimated allocations of Capital grant to each of the Councils, using the 95% population and 5% land area formula that the Scottish Executive have previously used to allocate Capital funding to the Regional Transport Partnerships.

3 2006/2007 Update

- 3.1 The projected Core Revenue expenditure for Tactran to the 31st of March is £150,000, which is in line with the previous projection as reported to the Board on the 20th February 2007. (Report RTP 07/07 refers).

- 3.2 Transitional costs were estimated at £165,000, of which £149,000 has been invoiced to the Scottish Executive, resulting in slippage of £16,000. The Director is writing to the Scottish Executive requesting that the underspent amount is available in 2007/08 to match outstanding commitments.
- 3.3 Travel Plan Officer Grant has underspent by approximately £7,000 and the Director will request that the underspent amount is added to the 2007/08 Grant.
- 3.4 Regional Transport Strategy (RTS) is projecting an underspend of £48,000 which will be carried forward into 2007/08.
- 3.5 Since the last meeting the Scottish Executive has confirmed that RTP's can carry forward 10% of their approved Revenue Budget into 2007/2008 for specific projects or expenditure that has slipped, Appendix A details the areas of slippage in 2006/07. As outlined above the Director is seeking confirmation that these amounts will be met by allocation of equivalent additional funding in 2007/08, as previously indicated by the Scottish Executive.
- 3.6 The Feasibility Studies budget (£55,000) was fully spent by the 31st of March 2007.
- 3.7 The Capital Programme has slipped by £692,000. The likelihood of this general level of Capital slippage was notified in the Director's Report of 20 March 2007 (Report RTP/07/13 refers). The main projects experiencing slippage are Swallow Roundabout (£300,000) as previously reported (Report 06/40 refers); Broxden Park and Ride (£177,000); Kinross Park and Ride (£52,000); Signalisation of Inveralmond Roundabout (£30,000); Also within the allocation to Stirling there is a projected underspend of approximately (£133,000) on various schemes.
- 3.8 The Scottish Executive has recently confirmed that Regional Transport Partnerships can carry forward Capital Grant income for specific projects which have slipped from 2006/07 into 2007/08, as reported in the Director's Report of 20 March 2007 (Report RTP/07/13 refers).
- 3.9 Henderson and Loggie have been appointed as the External Auditors for TACTRAN by Audit Scotland for the next five years. Attached at Appendix C, for approval, is their Annual Audit Plan for 2006/2007. The plan has been agreed by the Director and the Treasurer.

4 2007/2008 Update

- 4.1 The Scottish Executive have now issued the grant offer letter for the 2007/2008 Core Budget (£210,000) match funded by Councils, Additional Revenue budget of (£320,000) in connection with the Regional Transport Strategy and implementation of the RTS. The Director will bring forward detailed plans on how the additional revenue resources will be used to a future Board meeting.

- 4.2 The Scottish Executive has also issued the grant offer letter for the Capital Programme (£3,327,714) plus (£765,000) for the previously allocated Public Transport Fund / Integrated Transport Fund project on the East-West Public Transport Corridor in Stirling. The proposed re-allocation of PTF/ITF funding to TACTRAN was reported to the partnership Board on 19 December 2006 (Report RPT/06/40 refers). This funding is ring-fenced for the East-West Corridor project.
- 4.3 The confirmed grants for both revenue and capital are in line with the assumptions used when setting the budget and the approved budgets do not therefore require to be adjusted.
- 4.4 The offers are Grant - In - Aid which provides RTP's with the flexibility to carry forward slippage with the approval of the Scottish Executive into the following financial year if required.

5 CONSULTATIONS

The Director and Finance Officers of the constituent Councils have been consulted in the preparation of this report.

John Symon

Treasurer of the Partnership

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