

TAYSIDE AND CENTRAL SCOTLAND TRANSPORT PARTNERSHIP

29 APRIL 2008

REVENUE BUDGET 2007/08 AND 2008/09

JOINT REPORT BY TREASURER AND DIRECTOR

This report provides an update on the 2007/08 financial position and confirms the approval of Core Revenue funding and award of Scottish Government Revenue funding for 2008/09.
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1 RECOMMENDATIONS

1.1 That the Partnership:-

- (i) notes the projected outturn position of the Core Revenue Budget for financial year 2007/2008, as detailed in Appendix A;
- (ii) notes the projected outturn position for the RTS Development Programme Budget for Financial Year 2007/2008, as detailed in Appendix B;
- (iii) endorses the contribution of £15,120 towards a Dundee Port freight railhead study;
- (iv) notes the level of Revenue Grant funding awarded by the Scottish Government for financial year 2008/2009;
- (v) approves the indicative RTS Implementation Revenue Programme as set out in section 3.19 of the report; and
- (vi) agrees to receive quarterly monitoring reports on the Revenue Budget during 2008/09.

2 BACKGROUND

- 2.1 Regional Transport Partnerships are funded through a combination of Scottish Government grant and requisitions from constituent Councils. At its meeting on 20 February 2007 the Partnership approved a 2007/08 Core Revenue Budget of £450,000 (Report RTP/07/07 refers). This was based on receipt of Government grant of £210,000, with the remaining balance being funded through requisitions from constituent Councils totalling £200,000, plus £10,000 from retained requisitions from 2006/07, and a £30,000 contribution towards staffing costs, funded from a separate Travel Plan Grant allocation by Scottish Government for this purpose.
- 2.2 On 30 March 2007 Government grant awards of £210,000 for Core Costs and £320,000 for Regional Transport Strategy Development during 2007/08 were confirmed. These amounts are in addition to a separate grant of £65,000 in 2007/08 for ongoing development of Travel Plan activity, as previously confirmed in June 2006. Government grant awards are in the form of "Grant in Aid" which allows RTP's some flexibility to carry forward funding into future years, if required and agreed by Scottish Government.
- 2.3 At its meeting on 30 January the Partnership approved a Core Revenue Budget for 2008/09 – 2010/11, which was based on anticipated Scottish Government Grant

awards of £210,000 for Core costs; £405,000 for “non-Core” expenditure and £65,000 for Travel Plan staffing and activity in 2008/09, as detailed in Appendix C (Report RTP/08/04 refers).

3 DISCUSSION

2007/2008 Update

- 3.1 Projected Core Revenue expenditure for the year to 31 March 2008 is £340,000, as detailed in Appendix A. This generates a projected underspend of £35,000 at the financial year end and is unchanged from the previously reported position. On 30 January the Partnership agreed that this projected underspend would be allocated to supporting increased activity on Travel Planning in 2008/09.
- 3.2 In addition a claim of £25,300 for residual Transitional Core Costs associated with establishment of the new Partnership, which could not be concluded within financial year 2006/07, has been invoiced to and been paid by the Scottish Government.
- 3.3 Travel Plan Officer Grant of £30,000 staff costs and £39,000 relating to the “work element” of Travel Plan implementation has been fully spent during 2007/2008.
- 3.4 The RTS Development Revenue Budget for 2007/2008 is projecting an underspend of £76,000. As discussed in the separate report on the 2007/08 Capital Programme, this underspend has been used to part-fund a £300,000 reduction in Scottish Government Capital Grant through the use of Capital Expenditure Financed from Current Revenue (CFCR). Individual details on the various Revenue projects undertaken within the RTS Development Budget are detailed in sections 3.6 – 3.15 below and summarised in Appendix B.
- 3.5 During 2007/08 TACTRAN has accrued interest on Revenue balances (IORB) of £134,000 due mainly to slippage on the Capital Programme, resulting in higher balances on our Loan Account. This has been added to an underspend on Feasibility Budget carried forward from 2006/2007 of £47,000 giving a total of £181,000 of CFCR. Agreement was made with Government officials to utilise this one-off “windfall” to reduce the impact of the reduction in Capital Grant referred to above, again through the use of CFCR.

RTS Development Programme 2007/08

- 3.6 Further progress on commitment of various elements of the work programme reported to the Partnership on 30 January 2008 is outlined below.

Sub-Strategies on Buses; Park & Ride; Walking & Cycling; Travel Information

- 3.7 Progress with the four RTS sub-strategies is discussed in detail in a separate report, on the agenda of this meeting. Programmed expenditure on all 4 of these work packages has been fully committed, as detailed in Appendix B.

Tay Bridge South Park & Choose Study

- 3.8 A contribution of £10,000 has been made towards a jointly funded Cross Tay Sustainable Transport Project that includes appraisal of the scope for delivering a Park & Choose facility at the south end of the Tay Bridge. This project is being led by SEStran. As reported orally at the Board meeting on 30 January 2008 the

successful tenderer is JMP Consultants with an overall tender cost for the project of £47,890. The project is progressing well with the STAG1 appraisal almost complete and STAG 2 scheduled for completion end of May/early June.

Tay Estuary Rail Service (TERS)

- 3.9 The originally approved programme allowed for completion of a STAG Level 2 “re-fresh” of earlier appraisal work done on a previous TERS proposal, at a cost of £65,000. Following consultations with the rail industry and Transport Scotland on the scope of this work, it has been confirmed that a new STAG1 and STAG2 appraisal of the updated TERS proposals will be required to satisfy Transport Scotland and rail industry investment procedures.
- 3.10 Steer Davies Gleave (SDG) has been commissioned to prepare a revised tender brief for a full STAG1 and STAG2 assessment of a local stopping rail service between Arbroath and Stirling/Glasgow, on the Aberdeen to Glasgow corridor, to provide better rail connectivity within the TACTRAN area and further afield. SDG has met with Transport Scotland, Network Rail and First ScotRail and are awaiting a written response before finalising the brief before the end of April. Expenditure during 2007/08 amounted to £3,150.

Freight Quality Partnership

- 3.11 As previously agreed, this work element will be progressed through the Regional Freight Stakeholders Forum. The inaugural meeting of this group was held on 19 March 2008, at which development of a Regional Freight Quality Partnership was discussed. The outputs from this will be the subject of a report to a future meeting. Expenditure of £3,564 was incurred during 2007/08 in establishing and holding the inaugural meeting of the Forum.

Freight Through Ports Study

- 3.12 Comments on the findings of a Scottish Enterprise Tayside (SET) sponsored study into the potential growth of freight through the Ports of Dundee and Montrose and Perth Harbour have been submitted to SET. Further discussion has taken place with SET and Councils on the issues raised by this work.
- 3.13 SET had made arrangements to commission a further study to investigate options for a freight railhead at the Port of Dundee but were unable to fund this work. Following discussions with SET, Forth Ports and Dundee City Council, it was agreed that TACTRAN would fund the study from the approved provision of £20,000 within the RTS Development Programme for further development work on Freight Through Ports. The cost of this study was £15,120 and the Partnership is asked to endorse this contribution. The draft outcomes from the study are currently under discussion with Forth Ports and SET, and will be reported to the Partnership’s next meeting.

Timber Transport Study

- 3.14 At its meeting on 30 January 2008 the Partnership agreed that a £5,000 contribution, originally allocated to a proposed national study into the potential for transporting more timber by rail, would be re-allocated to support work being led by the Stirling & Tayside Timber Transport Group (S&TTTG) looking into the potential for moving more freight by rail, and other opportunities for improving timber transport facilities through the national Strategic Timber Transport Fund (STTF). A major outcome of

the study will be to deliver at least three successful new bids for projects to be funded under the STTF for delivery either in 2008/09 or 2009/10.

Dundee Station Improvements Study

- 3.15 A contribution of £10,000 has been made to an ongoing study into modernising Dundee Station, being led by Dundee City Council. The work to date has considered options for improvements to the station, including a full redesign of the station and a design that considers how existing buildings may be better utilised within an overall station improvement. Further work on developing a preferred option will continue in 2008/09.

2008/2009 Revenue Budget

- 3.16 Partner Councils have all approved their 2008/09 contributions towards the Partnership's Core running costs, as set out in the 2008/09 Revenue Budget approved by the Partnership on 30th January 2008 and detailed in Appendix C.
- 3.17 Scottish Government has also confirmed the award of Grant in Aid of up to £615,000 for 2008/09. This amount includes Scottish Government's contribution of £210,000 towards Core running costs with £405,000 available to support implementation of the RTS. The confirmed Grant is in line with the assumptions used when setting the 2008/09 Revenue Budget, therefore the approved Budget does not require to be adjusted.
- 3.18 A provisional award of Travel Plan Grant amounting to £104,000 in 2008/09 and £35,000 in 2009/10 has also been notified. Pending receipt of formal confirmation of award of Grant in this area, and any related Grant Conditions, it is proposed that the Partnership agrees to extend the previously approved Sustainable Travel Grant Scheme, to enable consideration of anticipated applications for assistance to introduce match-funded sustainable travel initiatives up to a total maximum value of £20,000. A detailed report on proposals for utilising the confirmed Travel Plan budget for 2008/09 will be submitted to the next meeting.
- 3.19 An indicative RTS Implementation Programme utilising the Scottish Government grant of £405,000 has been developed in consultation with the Chief Officers Liaison Group, as set out below:-

Proposed Projects	Estimated Cost
Development of RTS Delivery Plan	£ 50,000
Development of Sub Strategies	£ 30,000
Development of Park & ride Strategy Priorities	£ 80,000
Tay Estuary Rail Service STAG 1/2 Appraisal	£120,000
Demand Responsive Transport	£ 50,000
Freight Quality Partnership	£ 20,000
Communications Strategy	£ 20,000
Stakeholder For a Costs	£ 10,000
Contingency / Unallocated	£ 25,000
Total	£405,000

- 3.20 The above project allocations are provisional pending completion of work on the 4 sub-strategies, as discussed in a separate report, and identification from this of further potential opportunities for early implementation of RTS Revenue projects in 2008/09. The proposed allocations for TERS, Park & Ride and Freight Quality Partnership allow for continuation of projects which were unable to be taken forward in the current year. A refined programme will be brought back to the Partnership at the next meeting on 24 June.
- 3.21 Provision has been made within the above programme for the costs of operating the various Stakeholder Fora the Partnership previously agreed to establish to help inform the ongoing development and delivery of the RTS, and for the development of a Communications Strategy. Detailed proposals for a Communications Strategy will be reported to the meeting on 24 June 2008.
- 3.22 The Partnership is asked to approve the above Indicative RTS Implementation Programme pending development of a finalised programme in light of ongoing work on the various sub-Strategies, discussions with SEStran on further development of the Tay South Park & Choose proposals, and with Transport Scotland and the rail industry on the TERS proposal.

4 CONSULTATIONS

- 4.1 The Chief Officers Liaison Group has been consulted in the preparation of this report and supports the proposals.

Eric Guthrie
Director

John Symon
Treasurer of the Partnership

Report prepared by Jim Cockburn. For further information contact email jcockburn@pkc.gov.uk or telephone 01738 476362

NOTE

Background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 (and not containing confidential or exempt information) which were relied on to a material extent in preparing the above Report:

Reports to Partnership on 30 January 2008 on Revenue Budget and Regional Transport Strategy: Progress Update.