

## TAYSIDE AND CENTRAL SCOTLAND TRANSPORT PARTNERSHIP

18 DECEMBER 2007

## 2007/08 CAPITAL PROGRAMME

## REPORT BY DIRECTOR AND TREASURER

This report advises the Partnership of ongoing discussions between Scottish Government officials and Regional Transport Partnerships on a potential revision to 2007/08 Capital Grant allocations.

**1 RECOMMENDATIONS**

## 1.1 That the Partnership:-

- (i) notes that there are ongoing discussions with Scottish Government officials on 2007/08 Capital Grant allocations; and
- (ii) agrees to receive a further report on the outcome of these discussions at its next meeting.

**2 BACKGROUND**

2.1 At its meeting on 19 December 2006 the Partnership approved a Capital Programme for 2007/08, based on anticipated receipt of Scottish Executive Capital Grant of £3.327 million (Report RTP 06/40 refers). Confirmation of a Capital Grant award of £3,327,724 for 2007/08 was received from the Scottish Executive on 30 March 2007. An additional grant of £765,000 was also confirmed at that time, this being transfer of an equivalent amount previously allocated to Stirling Council under the former Scottish Executive Public Transport Fund/ Integrated Transport Fund, to deliver a Park & Ride project on the East-West Public Transport Corridor in Stirling. This element of grant is ring-fenced for completion of this project in 2007/08.

2.2 The Partnership noted progress on the implementation of the 2007/08 Capital Programme at its meeting on 23 October 2007, at which time a number of adjustments to the programme, to take account of anticipated variances to individual project costs and/or project deliverability, were approved (Report RTP/07/36 refers). The revised programme approved by the Partnership on 23 October was submitted to Scottish Government officials in late October, in response to their request for a progress update. This monitoring return indicated full commitment of the allocated 2007/08 Capital Grant of £4.092 million.

**3 DISCUSSION**

3.1 At the recent Transport Partnerships Liaison Group (TPLG) meeting on 3 December 2007, Scottish Government officials expressed concerns regarding the level of Capital Grant spent to date across all RTPs. In an e-mail issued the following day RTPs were advised that, as consequence of Government

officials' anticipation of an underspend in the overall 2007/08 RTPs Capital Budget of £59.3 million, they would be cutting the Budget by £4.8 million. In order to assist in achieving this cut Government officials have advised that the next due instalment of Capital Grant for each RTP is to be withheld. In TACTRAN's case this represents £800,000, or 25% of the Partnership's core Capital Programme of £3.327 million, excluding the ring-fenced allocation for the Stirling Park & Ride scheme.

- 3.2 Each RTP has been asked to provide a revised spend profile of their anticipated Capital Programme, taking account of any balances from previously issued Grant. Re-profiling of spend is to be undertaken on the basis that there will be no Government approval of carry-over of expenditure beyond the end of the current Financial Year on 31 March 2008, and that funding cannot be re-directed towards "new commitments".
- 3.3 A meeting of all RTPs and Government officials is to be convened, probably in early 2008, once the updated spend profiles have been submitted. Information submitted now and for the 9-month spend position as at mid-January, will be used to make decisions on future 2007/08 grant payments by Government.
- 3.4 The revised programme, as approved by the Partnership on 23 October 2007, anticipates full commitment of TACTRAN's approved 2007/08 Capital Grant of £3.327 million, as set out in the Appendix. An updated expenditure profile, based on the programme set out in the Appendix, is currently being compiled in consultation with constituent Councils, for early submission to Scottish Government officials. Any further developments will be reported orally.

#### **4 CONSULTATIONS**

- 4.1 The Chief Officers Liaison Group and the Finance Group have been consulted in the preparation of this report. Scottish Government officials have also been consulted on the content of the report.

#### **5 RESOURCE IMPLICATIONS**

- 5.1 This report has no direct or immediate resource implications. However, any reduction in the Partnership's previously approved Capital Grant allocation would require equivalent adjustment to the approved Capital Programme, as set out in the Appendix, which has the potential to raise contractual issues in relation to schemes which are already legally or otherwise committed.

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