

TAYSIDE AND CENTRAL SCOTLAND TRANSPORT PARTNERSHIP**21 AUGUST 2007****FINANCIAL UPDATE****REPORT BY TREASURER**

This report updates the Partnership on progress with completion of the Annual Accounts 2006/07 and on the 2007/08 financial position, as projected at 30 June 2007.

1 RECOMMENDATIONS

That the Partnership :-

- (i) agrees to delegate to the Director and Treasurer authority to approve the Audited 2006/07 Annual Accounts for submission to the Controller of Audit;
- (ii) notes the current and projected outturn position for the 2007/08 Revenue Budget, as detailed in Appendix A;
- (iii) notes the current and projected outturn position for the 2007/08 Capital Programme, as detailed in Appendix B; and
- (iv) receives a further financial update report on the 2007/08 Revenue and Capital budgets to its next meeting on 23 October 2007.

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 20 February 2007 the Partnership Board approved a 2007/08 Core Revenue Budget of £450,000 (Report RTP/07/07 refers). The budget assumed receipt of Scottish Executive Core Costs grant of £210,000 with the remaining balance being funded through requisitions from constituent Councils totalling £200,000, plus £10,000 from Tactran Reserves and a £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 earlier on meeting on 19 December 2006 the Partnership Board approved a 2007/08 Capital Programme amounting to £3,327,724, based on anticipated award of grant for this amount by the Scottish Executive (Report RTP/06/40 refers).

3 DISCUSSION**2006/07 Annual Accounts**

- 3.1 Regional Transport Partnerships were required to submit their Unaudited Accounts for 2006/07 to the Controller of Audit by 30 June 2007, with Audited

Accounts to be submitted by 30 August. A copy of the Unaudited Accounts, as submitted on 27 June, was issued previously to all Partnership Board members for information.

- 3.2 At the time of writing the audit of the Accounts by the Partnership's External Auditors, Henderson Loggie, in accordance with the Audit Plan approved by the Partnership at its meeting on 24 April 2007 (Report RTP/07/19 refers) is ongoing. Completion of the audit has been delayed as a result of the need to incorporate late guidance and advice received from the Scottish Executive and Audit Scotland on treatment of Reserves/Balances and the adoption of a standard template for all submitted RTP Accounts.
- 3.3 In order to enable submission to the Controller of Audit by the deadline of 30 August, the Partnership is requested to delegate authority to approve the Audited Accounts to the Director and Treasurer.

2007/08 Revenue Budget

- 3.4 On 30 March 2007 the Scottish Executive confirmed grant awards of £210,000 for Core Costs and £320,000 for Regional Transport Strategy Development during 2007/08. 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. These awards are in the form of "Grant in Aid" which allows RTP's greater flexibility to carry forward funding into future years, if required.
- 3.5 Application of the specific grants for RTS development and Travel Planning are dealt with in separate reports. Projected expenditure on Core Costs for the current year, as at 30 June 2007, is set out in Appendix A.
- 3.6 In the majority of areas projected expenditure is anticipated to be in line with Budget. It should be noted that costs in a number of areas of expenditure are subject to developing experience and will require to be reviewed in accordance with need and concluded service level agreements with 3rd party suppliers (e.g. Premises; Supplies and Services; Payments to Third Parties).
- 3.7 An underspend is projected in relation to Staffing Costs owing to delays in appointing to vacant posts. Arrangements for progressing these appointments are in hand, as outlined in the separate Director's Report. A proportion of the Staffing underspend will be utilised to support work on the RTS development programme, as approved by the Partnership on 19 June 2007 (Report RTP/07/22 refers).
- 3.8 As indicated in 3.2, completion of the audit of the 2006/07 Accounts has been delayed by receipt of late guidance on procedures for treatment of Reserves/Balances, which may have a knock-on impact on the 2007/08 Budget. Initial advice from the Scottish Executive to RTP Finance officers had indicated the carrying forward of Balances/Reserves to be acceptable, but subsequent advice, received at the end of June, suggests that this is not permitted under current financial regulations. This matter is to be the subject of further discussion between RTP's and the Scottish Executive. Any implications for the 2007/08 budget will be addressed in a financial update report to the next meeting on 23 October.

- 3.9 The Partnership is requested to note projected Revenue expenditure to date and to receive a further update report to its next meeting on 23 October 2007.

Capital Programme 2007/08

- 3.10 As indicated in 2.2 above, the Partnership approved the 2007/08 Capital Programme at its meeting on 19 December 2006.
- 3.11 Confirmation of the award of £3,327,724 to support projects during 2007/08 was also received from the Scottish Executive on 30 March 2007. 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 Scottish Executive's Public Transport Fund / Integrated Transport Fund to fund 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.
- 3.12 At this relatively early stage of the Financial Year expenditure on Capital projects is limited, being confined mainly to project design and development. A detailed report on progress with the 2007/08 Capital Programme will be submitted to the next meeting on 23 October 2007. Current expenditure to 30 June and the projected outturn position is shown in Appendix B, which includes allowance for carry forward of uncompleted 2006/07 schemes, as agreed with Scottish Executive officials.

4 CONSULTATIONS

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

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Treasurer to the Partnership

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