



Forth Road Bridge

Forth Estuary Transport Authority

Summary of expenditure against grant 2008-9

10th June 2009

1 Purpose of Report

To advise Transport Scotland of the Revenue and Capital expenditure against grant 2008-9.

2 Main Report

FETA Summary of grant to expenditure 2008-9

2.1 The table below compares actual expenditure and income to budgeted grant at 31st March 2009.

REVENUE	Budget £'000	Actual £'000	Variance £'000
Recurring costs			
Employee Costs	4,234	3,904	(330)
Premises Costs	206	206	0
Transport Costs	120	120	0
Supplies and Services	1,079	1,079	0
Third Party Payments	2,525	2,525	0
Support Costs	170	129	(41)
Gross recurring expenditure	8,334	7,963	(371)
Income			
Toll abolition one-off grant	(2,827)	(2,956)	(129)
Tolling income - vouchers	(46)	(95)	(49)
External Interest (less IORB)	(196)	(341)	(145)
Rental income	(53)	(53)	0
Other income	(2)	(2)	0
	(3,124)	(3,447)	(323)
Net Recurring expenditure	5,210	4,516	(694)
Revenue costs relating to Capital Plan	1,860	517	(1,343)
Total Revenue expenditure	7,070	5,033	(2,037)
CAPITAL	Budget £'000	Actual £'000	Variance £'000
Transport Costs	30	94	64
Third Party Payments	6,865	6,411	(454)
Total Capital expenditure	6,895	6,505	(390)
Net Total Expenditure	13,965	11,538	(2,427)

2.2 The variance from grant is an under spend of £2.427m, split between Revenue and Capital expenditure as follows;

- Revenue: £0.694m recurring
£1.343m revenue costs relating to capital plan
- Capital: £0.390m

3 Revenue Grant

2008-09 - Revenue – Under spend £2.037m

3.1 The under spend relates to recurring expenditure of £0.694m and revenue costs relating to the Capital Plan of £1.343m.

3.2 The main reasons for the most significant variances 2008-9 are as follows:

- Employee costs under spend £0.330m - Mainly due to time-in-lieu and one-off payments made to employees leaving the authority as the result of detolling which were budgeted but subsequently met by grant.
- Support costs – Reduction of £0.041m - Mainly a reduction in Procurement and Oracle system recharges due to system numbers being reduced.
- Income over recovered £0.323m - One-off detolling grant balance retained (£0.129m); Toll income vouchers retained (£0.049m) and additional external interest received (£0.145m).
- Revenue costs under spend relating to capital plan projects £1.343m – Mainly relating to the following projects; Minor schemes £0.250m ~~– this sum is set aside for contingencies and was not used~~ ~~anticipated works did not proceed~~. Anchorages investigation £0.512m - Project delayed due to changes in the scope of works, the Authority is also encountering difficulties in attracting interest from contractors. Vehicle Parapet study £0.589m - Allowance for additional testing of viaduct parapets which has been delayed.

3.3 Under the terms and conditions of Revenue Grant, £0.707m (10% of Revenue Grant-in-Aid 2008-9) can be carried forward **plus** additional sums arising from slippage from specific projects. The under spend on recurring Revenue costs of £0.694m is therefore within the 10% threshold set. The under spend on specific projects of £1.343m can also be carried forward. Therefore the total under spend of £2.037m arising through Revenue grant has been carried forward through reserves.

4 2008-09 – Capital – Under spend £0.390m

4.1 The main reasons for the most significant variances 2008-9 are as follows;

£0.666m additional expenditure in the following areas;

- Tower Painting & Main Tower Access Platform £0.364m - Tenders received for removal, refurbishment and resiting of the Dropped Objects Canopy exceeded original estimate.
- Bearing replacement £0.302m - Following the decision to delay the replacement of the Main Expansion Joints until the Forth Replacement Crossing this project has been brought forward on the capital plan.

These additional costs have been off-set by a £1.056m reduction in spend in the following areas;

- Tower impact strengthening £0.331m - Project ~~is not being taken passed has been terminated at~~ feasibility stage ~~;- Priority is being reassessed now not priority~~ due to Forth Replacement Crossing.
- Suspended Span Gantry refurbishment £0.250m - Project has been delayed.
- Main Cable Dehumidification £0.237m – Work delayed due to poor weather.
- Main Tower Cathodic Protection £0.220m – Work delayed due to ongoing discussions with the Contractor on liability.
- Other projects £0.018m.

5 Reserves

5.1 The Reserve for the Year Ended 31st March 2008 was £4.486m. The under spend on grant 2008-9 of £2.427m results in an increased Reserve of £6.913m at 31st March 2009.

6 Conclusions

- (i) The total Revenue and Capital under spend to Grant-in-Aid 2008-9 is £2.427m. In accordance with the terms and conditions of grant this under spend will be carried forward via Reserves.
- (ii) The Reserve balance at 31st March 2009 is £6.913m
- (iii) The financial position will continue to be closely monitored during 2009-10 and further reports will be prepared for future meetings.

7 Recommendations

It is recommended that Transport Scotland note the contents of this report.

DONALD McGOUGAN
Treasurer

Appendices	None
Contact/tel	Toby MacDonald: 0131 469 3078
Background Papers	Budget Papers held at the offices of the Treasurer