

Forth and Tay Road Bridge Authorities – Supplementary Information

Reserves – FETA and TRBJB

	April 2011 (End FY of 2010/11)	Forecast April 2012 (End FY of 2011/12)	Change
FETA	£6,162k	£3,903k	-2,259
TRBJB	£1,503k		n/a

In agreement with Transport Scotland, in 2011/12, FETA is forecasting capital spend of £10,859k against a (reduced) Capital Budget of £8,600k and utilisation of £2.3 million of reserves. TRBJB reserves includes funds allocated to ongoing works, and we would therefore anticipate a reduction in their total reserves by the year end.

TRBJB Pier Collision Protection Scheme and FETA Southern Anchorages

As part of the 2010 Spending Review, sufficient funding was provided for the current Financial Year element of these two projects which extend beyond this year. The Scottish Government did not provide information on future budgets at that time.

Project	2010/11	2011/12	2012/13	2013/14	2014/15	Total
TRBJB - Pier Collision Project	£1.6M	10.3M	£6.8M	£0.4M	n/a	£19.1M
FETA - Southern Anchorages Investigation	n/a	£1.6M	£1.9M	£0.6M	£0.06M	£4.1M

(Note – The forecast spend was recently reduced by £0.5M following Contractual negotiations.)

Alternative Funding Option for Tay Road Bridge Pier Collision Protection Project

If TRBJB were able to borrow sufficient funds (as yet untested), this option considers funding for (i) the unfunded part only of the Project (ie assumes that 2011/12 forecast costs of £10.3M will be met via Transport Scotland's existing Budget and top up by TRBJB) and (ii) the full costs of the Project during the next Spending Review Period.

TRBJB to borrow the Funds and Transport Scotland to repay those funds through Revenue Grant

Transport Scotland Annual Commitment (£k) - £7.2M (at two separate rates)			
	10 years	15 years	20 years

5%	932k	694k	578k
6%	978k	741k	628k

Transport Scotland Annual Commitment (£k) - £17.5M (at two separate rates)			
	10 years	15 years	20 years
5%	2,266k	1,686k	1,404k
6%	2,378k	1,802k	1,526k

(Funding of £1.6M of total Project cost from 2010/11 is not required.)

However, there is a difficulty with this option given the year on year squeeze on revenue funding. Such borrowing would also count as supported borrowing and would therefore require SG capital budget cover as well as impacting on the revenue requirements of the bridges.

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