

From: [REDACTED]
Sent: 15 December 2009 17:39
To: Fairweather S (Sharon)
Cc: [REDACTED]
Subject: FETA/TAY RISKS/ISSUES

Importance: High

Tracking:	Recipient	Read
	Fairweather S (Sharon)	Read: 15/12/2009 20:06
	[REDACTED]	Read: 16/12/2009 09:15

Sharon,

As discussed earlier a short note on FETA/TAY risks/issues:

1. The attached shows Budget vs Forecast details for 2009/10 to 2011/12:



[REDACTED]

The following should be noted:

- £3.73m under-spend against budget in 2009/10.
- £14.09m over-spend against budget in 2010/11.
- It is assumed that the 2011/12 budget will be in line with 2010/11 figure.
- At present FETA and TAY have large **Non-Committed** Capital expenditure forecast in 2011/12 which based on 2010/11 budget would result in £27.13m overspend.

2. Taking the above into consideration I have identified the following potential risks/opportunities:

- TAY have indicated that they only require £1.34m Capital in 2010/11 which is a reduction of (£9.59-£1.34m = £8.25m). This is due to slippage on Pier Collision Project. This reduces total forecast overspend from £14.09m to £5.84m.
- At present tenders are ratified by FETA/TAY Boards. This could result in both committing to projects which have major impacts on future year's expenditure. Examples are as follows:
 - Pier Collision Protection (TAY) - Potential £20m + Capital project. £0.9m forecast in 2010/11 but £19m in 2011/12.
 - Viaduct Bearing Replacement (FETA) - Potential £16m + Capital project. Tender submissions due to be presented to Board in Feb 2010. Forecast £3.7m in 2010/11, £5.85m in 2011/12 and £5m in 2012/13.

If the above 2 projects are signed off by relevant boards and committed before 2011/12 then FETA/TAY will include these in next SR bid as committed expenditure. The effect may be that we are obliged to pay them Grant in Aid to cover this commitment.

3. FETA/TAY enter into other contracts which are £250k plus. These would be subject to our IEA process but at present are ratified by FETA/TAY respective boards.

4. I know that detailed work on the Strategy is ongoing in S&I and met with Lesley Stewart and Raymond Convill earlier today.

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