

From: [Stewart L \(Lesley\)](#)
To: [McAllister J \(Jackie\)](#)
Cc: [REDACTED]
Subject: FW: FETA and TAY Bridge 2010/2011 Budget
Date: 28 August 2009 10:04:24

For info – Frances note to Sharon Fairweather.

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Lesley Stewart
Policy Integration Manager
Transport Scotland
[REDACTED]

From: Duffy F (Frances)
Sent: 27 August 2009 17:43
To: Fairweather S (Sharon)
Cc: Stewart L (Lesley)
Subject: FW: FETA and TAY Bridge 2010/2011 Budget

Sharon – probably too much detail but have forwarded to you for background . I would also suggest we do not touch the existing FETA reserve – we will get nowhere with that.

Top line therefore :

The starting position for Grant Payments in 2010/11 is FETA £13.987m and TAY £10.845m. Total Payment **£24.832m** against a budget of **£10.746m** giving an overspend of **£14.086m**. (£6.7m overspend for FETA and £7.3m for Tay)

Underspends in previous years were reprofiled with the understanding that the funds would be made available in 10/11. Of the £14.086 underspend in previous years Transport Scotland received £7.8m 08/09 and a further £3.3m was returned to Transport Directorate. In 09/10 there is an underspend of £4m (Transport Scotland control).

While negotiations with FETA/TAY may be able to reduce this overspend there is an understanding and an expectation that the total spending review allocation will not be reduced. Ministers apparently gave this commitment to both Boards and to the Parliament. In addition, Transport Scotland has received £11.8m of the underspend in 08/09 and 09/10.

Frances

From: Stewart L (Lesley)
Sent: 27 August 2009 17:26
To: Duffy F (Frances)
Cc: McAllister J (Jackie); [REDACTED]
Subject: FETA and TAY Bridge 2010/2011 Budget

As discussed, please see below a note to explain the position in relation to the 2010/11 budgets for FETA and TAY.

SPENDING REVIEW ALLOCATION

[illegible]

| FETA | 2008/09 | 2009/10 | 2010/11 | Total |
|--------------|----------------|----------------|----------------|---------------|
| Resource | | 6.980 | 4.715 | 4.833 |
| Capital | 14.051 | 8.042 | 2.386 | 24.479 |
| Total | 21.031 | 12.757 | 7.219 | 41.007 |

| FETA | 2008/09 | 2009/10 | 2010/11 | Total |
|--------------|----------------|----------------|----------------|---------------|
| Resource | | 7.070 | 5.048 | 4.410 |
| Capital | 6.895 | 8.007 | 9.577 | 24.479 |
| Total | 13.965 | 13.055 | 13.987 | 41.007 |

| FETA | 2008/09 | 2009/10 | 2010/11 | Total |
|----------|---------|---------|---------|-------|
| Resource | -0.090 | -0.333 | 0.423 | 0.000 |
| Capital | 7.156 | 0.035 | -7.191 | 0.000 |
| Total | 7.066 | -0.298 | -6.768 | 0.000 |

The starting position for Grant Payments in 2010/11 is FETA £13.987m and TAY £10.845m. Total Payment **£24.832m** against a budget of **£10.746m** giving an overspend

of **£14.086m.** (£6.7m overspend for FETA and £7.3m for Tay)

Explanation of overspend:

Underspends in previous years were reprofiled with the understanding that the funds would be made available in 10/11. Of the £14.086 underspend in previous years Transport Scotland received £7.8m 08/09 and a further £3.3m was returned to Transport Directorate. In 09/10 there is an underspend of £4m (Transport Scotland control).

Latest Forecasts of Spend

Tay – no change

FETA – latest forecast for 10/11 is £11.7m with the caveat that this must be further reviewed against key risks. Over the total SR period this would result in an underspend of £2.813m which FETA would expect to add to their reserves.

Reserves

[REDACTED]

FETA

PROJECTED RESERVE BALANCES

| | 2008/09 | 2009/10 | 2010/11 |
|------|---------|---------|---------|
| FETA | 6.91 | 5.01 | 7.29 |

Potential for Reductions

While negotiations with FETA/TAY may be able to reduce this overspend there is an understanding and an expectation that the total spending review allocation will not be reduced. Ministers apparently gave this commitment to both Boards and to the Parliament. In addition, Transport Scotland has received £11.8m of the underspend in 08/09 and 09/10.

[REDACTED]

[REDACTED]

FETA

- Discuss whether there is a requirement for the underspend of £2.813m to be allocated to the reserve which would otherwise stand at £4.477m for 10/11
- Discuss smoothing of capital programme, in particular the viaduct bearing replacement £3.7m

- Discuss the use of the remaining £4.477m reserve (this will be a particularly sensitive discussion at this time and must be carefully managed)

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