



Meeting of Forth Estuary Transport Authority

28 October 2011

Three Year Spending Review – Grant Allocation

1 Purpose of Report

- 1.1 To provide Members with an update of the Grant Allocation provided by the Scottish Government to the Authority over the next three financial years.

2 Background

- 2.1 On the 21 September, the Scottish Government announced the results of the 2011 Spending Review to cover the three financial years 2012/13, 2013/14 and 2014/15.
- 2.2 Transport Scotland have now informed the Authority of the Grant allocation for both Capital and Revenue works over the next three years. The budget allocation for the current financial year 2011/12 is not affected by the review.

3 Main Report

- 3.1 Transport Scotland have confirmed that the Capital and Revenue Grant for the next three years is as shown in the table below. All figures are £'000.

	2012/13	2013/14	2014/15
Capital Grant	4,900	3,900	5,000
Revenue Grant	5,100	5,100	5,100
Total	10,000	9,000	10,100

- 3.2 In February 2011, Members approved the Authority's indicative 15 year Capital Plan which is shown in the table below for the three year period 2012/13 to 2014/15 only. Also shown in the table are the figures submitted to Transport Scotland in July 2011 showing the predicted variance in the Capital Plan from the February 2011 figures.

All figures are in £'000

	2012/13	2013/14	2014/15	Total over three years
Indicative Plan February 2011	9,311	12,358	11,485	33,154
July 2011 Pre spending Review figures submitted to Transport Scotland	9,411	12,167	11,485	33,063
Capital Grant allocated	4,900	3,900	5,000	13,800

- 3.3 As can be seen from the table, over the three years the total sum allocated is £19.263m less than the sum submitted in the revised July 2011 plan. This is a 58% reduction in budget. When compared to the February 2011 Indicative Plan the reduction in capital budget is £19.354m which is also a 58% reduction.
- 3.4 The Revenue Grant of £5.1m for each of the three years includes for efficiency savings and can be managed without affecting the operation and maintenance of the bridge. However, the large reduction in the Capital Budget will have a significant effect on the planned Capital Programme of Works.
- 3.5 A full analysis of the impact of the budgetary cuts to the Capital Works Programme is being carried out. This will involve prioritising schemes based on risk analysis, the nature of the works and their cost.
- 3.6 A preliminary assessment has indicated that the Capital Grant made available will cover the current estimated cost of those projects that the Authority is contractually committed to complete. It has also indicated that it is possible to carry out the main cable inspection project. However, the scope of the works will have to be reduced in order to allow funds to be made available for other essential works. A further value engineering review of the main cable inspection works has been carried out and is reported separately at this meeting of 28 October 2011.
- 3.7 Other essential works on the Capital Works programme will have to be reviewed and reduced in scope or postponed until some future date. Officers are working on the analysis and planning of this work and a further report will be brought to the next Board Meeting.

4 Conclusion

- 4.1 Following the Scottish Government's 2011 Spending Review, the Authority has been informed by Transport Scotland that the Capital Budget available over the next three years has been reduced by over 58%. The Revenue Budget has remained at the same level as the 2011/12 grant.
- 4.2 The sums granted allow the Authority to meet its current estimated contractual commitments and carry out the proposed main cable inspection project, albeit

in a reduced form. However, other essential works on the Capital Works programme will have to be reviewed and reduced in scope or postponed until some future date. Officers are working on the analysis and planning of this work and a further report will be brought to the next Board Meeting.

5 Recommendation

- It is recommended that Members note this report

Barry R Colford
Chief Engineer and Bridgemaster

Appendices

Contact/Tel: Barry Colford / 0131 319 3092

Background: Held in the office of the Chief Engineer & Bridgemaster
Papers