

**FORTH ESTUARY TRANSPORT AUTHORITY**

**GRANT-IN-AID 2010/11**

**QUARTER 1 UPDATE - REVENUE AND CAPITAL GRANT-IN-AID TO FORECAST EXPENDITURE TO 31st MARCH 2011.**



**1.0 GRANT-IN-AID SUMMARY 2010/11**

- 1.1** Total Grant-in-Aid received for 2010/11 from the Scottish Government was £13.845m. Expenditure against this grant is currently forecast to be £16.372m leaving an estimated over spend to be met from the Authority's Reserve of £2.527m. The costs associated with the Authority's Capital Plan is estimated to be over Grant-in-Aid by £2.724m off-set partially by a forecast under spend against Revenue Grant-in-Aid of £0.197m.
- 1.2** It should be noted that where revenue expenditure is funded from capital under statute the grants will require to be recognised as revenue grants within the Financial Statements of the Authority. However for the purposes of reporting information to Transport Scotland they will be included within capital.
- 1.3** The table below summarises the Grant-in-aid to forecast expenditure position 2010/11;

Grant-in-aid 2010/11	Grant-in-aid £'000	Expenditure £'000	(Under)/Over £'000
Revenue	5,115	4,918	(197)
Capital	8,730	11,454	2,724
<b>Total</b>	<b>13,845</b>	<b>16,372</b>	<b>2,527</b>

**2.0 FINANCIAL INFORMATION**

- 2.1** The table below details, per division of the Authority, the forecast Revenue expenditure compared to Grant-in-Aid 2010/11, variance explanations are also provided.

REVENUE	Grant-in-aid 2010/11 £'000	Forecast 2010/11 £'000	Variance 2010/11 £'000	Variance explanation
<b>Administration</b>				
Employee Costs	656	588	(68)	Vacant posts not forecast to be filled
Other costs	976	935	(41)	Under spends forecast for insurance and City of Edinburgh Council support costs
	<b>1,632</b>	<b>1,523</b>	<b>(109)</b>	
<b>Maintenance of Bridges, Buildings etc</b>				
Employee Costs	1,542	1,508	(34)	Vacant posts not forecast to be filled, off-set by estimated increases in overtime to compensate
Other costs	673	678	5	-
	<b>2,215</b>	<b>2,186</b>	<b>(29)</b>	
<b>Traffic Operations</b>				
Employee Costs	1,076	1,019	(57)	Overtime forecast to be reduced and employers pension contributions budgeted where employees are not in the LPF.
Other costs	286	286	0	
	<b>1,362</b>	<b>1,305</b>	<b>(57)</b>	
<b>Income</b>	(94)	(96)	(2)	-
<b>Net Revenue Expenditure</b>	<b>5,115</b>	<b>4,918</b>	<b>(197)</b>	

2.2 The table below details, per division of the Authority, the Capital expenditure forecast against Grant-in-Aid 2010/11, variance explanations are also provided.

CAPITAL	Grant-in-aid 2010/11 £'000	Forecast 2010/11 £'000	Variance 2010/11 £'000	Variance notes
Parking Areas Landscaping & Reconstruction	200	340	140	The scope of works associated with the reconstruction of the parking area increased, the tender cost also exceeded the estimate included within the budget.
Tower Painting/Dropped Objects Canopy	250	135	(115)	Reduction in cost due to the procurement contract to dismantle the Dropped Object Canopy on completion of the North Main Tower painting being delayed.
Main Expansion Joints Under Deck Access Platforms	1,638	1,492	(146)	The forecast under spend relates to revisions to the activity schedule and subsequent phasing of payments across the project. There is no change forecast to the overall scheme cost.
Viaduct Bearing Replacement	5,022	7,348	2,326	The Budget for year was based on an anticipated spend profile for the project prepared by the Engineer. The revised forecast is now based on the Contractor's activity schedule. It should be noted that the overall project cost has not increased, just phasing of payments between financial years. The over spend will require to be met from the Authority's Reserve though.
M9 Spur extension / A8000 upgrade	183	537	354	Settlements deferred from 2009/10 and revisions to land acquisition and compensation estimates provided by the City of Edinburgh Council Estates division. As reported previously to the Authority and to Transport Scotland there are a number of land acquisition, compensation and disturbance claims that remain subject to negotiation and litigation. Further revisions to forecasts may be required once claims are settled.
Other projects	1,162	1,322	160	Mainly an increase in tender price for the Main Towers Cathodic Protection project and vehicle replacements budgeted 2009/10 but not received until 2010/11.
Revenue costs of Capital Plan	275	280	5	-
<b>Total Capital</b>	<b>8,730</b>	<b>11,454</b>	<b>2,724</b>	

### 3.0 RESERVES

3.1 The Authority's Reserve at 31st March 2010 was £5.459m. The closing reserve based on a forecast over spend against grant 2010/11 of £2.527m will therefore be £2.932m. This represents a significant reduction to the Reserve which was £4.486m in the first year of the CSR 2007 (2008/9), that being the first year after Tolls were removed.

	£'000
Opening Reserve 01.04.10	(5,459)
Forecast over spend 2010/11	2,527
<b>Closing Reserve 31st March 2011</b>	<b>(2,932)</b>