



1.0 GRANT-IN-AID SUMMARY 2010/11

- 1.1 Total Grant-in-Aid received for 2010/11 from the Scottish Government is £13.845m. Expenditure against this grant based on actual expenditure to 30th September 2010 is forecast to be £14.920m, leaving an estimated over spend to be met from the Authority's Reserve of £1.075m. The costs associated with the Authority's Capital Plan is estimated to be over Grant-in-Aid by £1.356m off-set partially by a forecast under spend against Revenue Grant-in-Aid of £0.281m.
- 1.2 The forecast over spend has reduced by £1.452m to that previously reported to Transport Scotland and the Authority in August 2010. The revenue forecast has reduced by a further £0.084m and capital by £1.368m. The movements are explained in tables 2.1 and 2.2 and relate mainly to a revision of the forecast for the Viaducts Bearing Replacement project.
- 1.3 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.
- 1.4 The table below summarises the Grant-in-aid to forecast expenditure position 2010/11;

Grant-in-aid 2010/11	Grant-in-aid £'000	Forecast Quarter 2 £'000	(Under)/Over £'000	Forecast Quarter 1 £'000	Movement £'000
Revenue	5,115	4,834	(281)	4,918	(84)
Capital	8,730	10,086	1,356	11,454	(1,368)
Total	13,845	14,920	1,075	16,372	(1,452)

2.0 FINANCIAL INFORMATION

- 2.1 The table below details, per division of the Authority, the Revenue expenditure forecast 2010/11 against Grant-in-Aid received 2010/11. It also details the previous forecast reported to the Authority and to Transport Scotland and reasons for any movements between previous forecasts;

REVENUE	Grant-in-aid £'000	Forecast Quarter 2 £'000	(Under)/Over £'000	Forecast Quarter 1 £'000	Movement £'000	Reason for movement from previous forecast
Administration						
Employee Costs	656	586	(70)	588	(2)	Mainly an increase in spend on the Business Improvement Project
Other costs	976	964	(12)	935	29	
	1,632	1,550	(82)	1,523	27	
Maintenance of Bridges, Buildings etc						
Employee Costs	1,542	1,425	(117)	1,508	(83)	A Bridge Inspectors post not estimated to be filled this year that was previously forecast. Overtime and allowances have also been reduced based on current actuals and estimates of future requirements.
Other costs	673	657	(16)	678	(21)	
	2,215	2,082	(133)	2,186	(104)	Reduced spend forecast for Hangers, Deck Structure and Viaducts/Side Towers due to project delays.
Traffic Operations						
Employee Costs	1,076	1,013	(63)	1,019	(6)	-
Other costs	286	285	(1)	286	(1)	-
	1,362	1,298	(64)	1,305	(7)	
Income	(94)	(96)	(2)	(96)	0	-
Net Revenue Expenditure	5,115	4,834	(281)	4,918	(84)	



- 2.2 The table below details, per division of the Authority, the Capital expenditure forecast 2010/11 against Grant-in-Aid received 2010/11. It also details the previous forecast reported to the Authority and to Transport Scotland and reasons for any movements between previous forecasts;

CAPITAL	Grant-in-aid £'000	Forecast Quarter 2 £'000	(Under)/Over £'000	Forecast Quarter 1 £'000	Movement £'000	Reason for movement from previous forecast
Parking Areas Landscaping & Reconstruction	200	370	170	340	30	Forecast revised based on latest estimate.
Tower Painting/Dropped Objects Canopy	250	220	(30)	135	85	An external contractor has been employed to erect the painting cradle and undertake associated works.
Main Cable Dehumidification	307	420	113	307	113	Modification works to the project have been identified.
Main Expansion Joints Under Deck Access Platforms	1,638	1,207	(431)	1,492	(285)	The project is due to be completed in Dec 2010 and the latest forecast from the contractor is that it will be further under budget.
Viaduct Bearing Replacement	5,022	5,983	961	7,348	(1,365)	Works are currently behind programme resulting in a delay to payments on the activity schedule. This will impact on future year payments on the project.
M9 Spur extension / A8000 upgrade	183	489	306	537	(48)	Revision of claims estimates.
Other projects	855	1,051	196	1,015	36	Misc increases mainly relating to Tower Wind Barriers/Impact Strengthening.
Revenue costs of Capital Plan	275	346	71	280	66	Revisions to studies and investigations relating to; The Parapets, Bridge Specific Assessment Live Load and Suspended Span Truss Strengthening.
Total Capital	8,730	10,086	1,356	11,454	(1,368)	

3.0 VARIANCE ANALYSIS

- 3.1 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 £'000	Forecast Quarter 2 £'000	(Under)/Over £'000	Variance explanation
Administration				
Employee Costs	656	586	(70)	Vacant posts not forecast to be filled (Support Assistant, Finance Officer and Cleaner).
Other costs	976	964	(12)	Under spends forecast for insurance and City of Edinburgh Council support costs off-set by additional spend on the Business Improvement Project.
	1,632	1,550	(82)	
Maintenance of Bridges, Buildings etc				
Employee Costs	1,542	1,425	(117)	Vacant posts not forecast to be filled 10/11 (3 x Painter, 1 x Rigger, 1 x Bridge Inspector)
Other costs	673	657	(16)	Reduced spend forecast for Hangers, Deck Structure and Viaducts/Side Towers due to project delays.
	2,215	2,082	(133)	
Traffic Operations				
Employee Costs	1,076	1,013	(63)	Overtime forecast reduced and employers pension contributions budgeted where employees are not in the LPF.
Other costs	286	285	(1)	-
	1,362	1,298	(64)	
Income	(94)	(96)	(2)	-
Net Revenue Expenditure	5,115	4,834	(281)	



3.2 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 £'000	Forecast Quarter 2 £'000	(Under)/Over £'000	Variance notes
Parking Areas Landscaping & Reconstruction	200	370	170	The scope of reconstruction increased and the actual tender cost exceeded the estimate.
Tower Painting/Dropped Objects Canopy	250	220	(30)	Reduction in cost is due to the procurement contract to dismantle the Dropped Object Canopy on completion of the North Main Tower painting being delayed.
Main Cable Dehumidification	307	420	113	Modification works have been identified for the project.
Main Expansion Joints Under Deck Access Platforms	1,638	1,207	(431)	The activity schedule for this project was revised. The project is due to be completed in December 2010 and the latest forecast from the contractor is that it will be further under budget.
Viaduct Bearing Replacement	5,022	5,983	961	The budget for year was based on anticipated spend profile prepared by the Engineer, the revised forecast is based on the Contractor's activity schedule. Works are currently behind programme resulting in a delay to payments on the activity schedule. As a result of this delay it is currently anticipated that the project will over spend by £0.284m. The total budget approved by the Authority in Feb 2010 was £15.740m, the current total forecast is £16.024m.
M9 Spur extension / A8000 upgrade	183	489	306	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 this year next may be required once claims are settled.
Other projects	855	1,051	196	Additional studies are being carried out on Tower Wind Barriers/Impact Strengthening. The actual tender cost also exceeded the estimate for the Suspended Span Gantry Refurbishment and works required to procure the contractor for the trial joint installation which is being brought forward in relation to improvements to Deck Half Joints.
Revenue costs of Capital Plan	275	346	71	Mainly additional Suspended Span Truss Strengthening investigation expenditure being brought forward.
Total Capital	8,730	10,086	1,356	

4. RESERVES

- 4.1 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 £1.075m will therefore be £4.384m. Expenditure totalling £1.4m on the Viaducts Bearings Replacement project has already been delayed in 2010/11 which will impact on the Reserve balance 2011/12. The overall cost of the project has also increased to that forecast in August by £0.8m which may impact on the Reserve balance, the outcome of which will only be known following the publication of the Spending Review 2010. It should be noted that the main key risks remain the condition of the Anchorages and the Main Cable. Investigations are continuing into both elements and as results from these investigations become available then the level of risk can be evaluated. No allowance has been made in the Capital Plan for the replacement of the Main Cables or the Anchorages.

	£'000
Opening Reserve 01.04.10	(5,459)
Forecast over spend 2010/11	1,075
Closing Reserve 31st March 2011	(4,384)