

Finance Officer's Report

1. Introduction

- 1.1 This report presents the first update on financial performance of the Core and Projects budgets of the Partnership for 2019/20, in accordance with the Financial Regulations of the Partnership. This report presents an analysis of financial performance to the end of August 2019.
- 1.2 The Partnership's Core and Projects budgets for 2019/20 were approved by the Partnership on 22nd March 2019.

2. Core Budget

- 2.1 The Core budget provides for the day-to-day running costs of the Partnership and includes employee costs, premises costs and supplies and services. The Partnership approved net expenditure of £584,000 on 22nd March 2019. Details of the Partnership's Core budget is provided in Appendix 1 to this report.
- 2.2 Cumulative expenditure for the five months to 31st August 2019 was £216,000. This is within the Core budget resources available for the period.
- 2.3 All expenditure estimates have been updated to reflect current expenditure commitments. At the end of August 2019, it is projected that expenditure for the year will be under spent by £31,000 due to a vacancy in the employee establishment earlier in the year. The post is now recruited and all other core expenditure is anticipated to be incurred in line with budget in 2019/20.

Projects Budget

- 2.4 The approved Projects budget is detailed in Appendix 2. The Partnership approved net Projects expenditure of £388,000 on 22nd March 2019. The Projects report elsewhere on this agenda provides detailed information on progress with individual projects.
- 2.5 Net expenditure to 31st August 2019 was £105,000. Net expenditure on the Projects budget is forecast to be in line with budget at the year-end.

Balances

- 2.6 The Partnership holds a balance of £40,000 due to slippage in the 2018/19 budget. At its meeting on 22nd March 2019, the Partnership approved, in principle, the under spend on the core and projects budget be carried forward to 2019/20 to be available for allocation to Sustainable and Active Travel projects; this subject to confirmation of the final audited outturn. Following the annual external audit, there is no change to the balance of underspend from 2018/19 and it is therefore recommended that the

underspend be utilised as funding for the Sustainable and Active Travel Grant Scheme. It is anticipated these funds will be fully spent in 2019/20.

Cash Flow

- 2.7 As previously noted at Partnership meetings, the Partnership maintains its bank account as part of the City of Edinburgh Council's group of bank accounts. Cash balances are effectively lent to the Council and are offset by expenditure undertaken by the City of Edinburgh Council on behalf of the Partnership. Interest is given on month end net indebtedness balances between the Council and the Partnership.

An update of month-end balances is shown in the following table:

Date	Balance due to SEStran(+ve) /due by SEStran (-ve)
	£
30 April 2019	-£35,410
31 May 2019	-£46,363
30 June 2019	+£100,647
31 July 2019	+£182,923
31 August 2019	+£189,315

- 2.8 Interest is charged/paid on the month end net indebtedness balances between the Council and the Partnership. Interest will be calculated in March 2020.
- 2.9 The positive cash flow between June and August 2019 is attributable to funding received from Scottish Government grant and Council requisitions.

3 Recommendations

It is recommended that the Partnership:

- 3.1 Notes the forecast underspend of £31,000 on the core employee budget;
- 3.2 Approve, the 2018/19 underspend of £40,000 be utilised as funding for the Sustainable and Active Travel Grant Scheme, in line with the decision of the Partnership on 22nd March 2019.
- 3.3 notes that further updates will be presented to future meetings of the Partnership in 2019/20

Hugh Dunn

Treasurer

27th September 2019

Appendix Appendix 1 – Core Budget Statement at 31st August 2019
Appendix 2 – Projects Budget as at 31st August 2019

Contact iain.shaw@edinburgh.gov.uk

Policy Implications	There are no policy implications arising as a result of this report.
Financial Implications	There are no financial implications arising as a result of this report.
Equalities Implications	There are no equality implications arising as a result of this report.
Climate Change Implications	There are no climate change implications arising as a result of this report.

Core Budget 2019/20 – as at 31st August 2019

Appendix 1

	Annual Budget £'000	Period Budget £'000	Period Actual £'000	Annual Forecast £'000	Forecast Variance £'000
Employee Costs					
Salaries	365	152	126	344	(21)
National Insurance	41	17	17	39	(2)
Pension Fund	87	36	33	66	(21)
Recharges – Projects	(132)	(41)	(36)	(119)	13
Training & Conferences	10	4	1	10	0
Interviews & Advertising	2	0	0	2	0
	373	168	141	342	(31)
Premises Costs					
Office Accommodation	16	8	8	16	0
	16	8	8	16	0
Transport					
Staff Travel	9	4	3	9	0
Supplies and Services					
Marketing	20	8	0	20	0
Communications & Computing	48	22	17	48	0
Hosted Service - Routewise	42	42	42	42	0
Printing, Stationery & General Office Supplies	6	3	2	6	0
Insurance	4	0	0	4	0
Equipment, Furniture & Materials	1	0	0	1	0
Miscellaneous Expenses	4	2	2	4	0
	125	77	68	125	0
Support Services					
Finance	30	0	0	30	0
Legal Services / HR	7	0	2	7	0
	37	0	2	37	0
Corporate & Democratic					
Clerks Fees	12	0	0	12	0
External Audit Fees	11	0	0	11	0
Members Allowances and Expenses	1	0	0	1	0
	24	0	0	24	0
Total Expenditure	584	257	216	553	(31)
Funding:					
Scottish Government Grant	(394)	(207)	(207)	(394)	0
Council Requisitions	(190)	(190)	(190)	(190)	0
Total Funding	(584)	(397)	(397)	(584)	0
Net Expenditure/ (Income)	0	(140)	(181)	(31)	(31)

Projects Budget 2019/20 - as at 31st August 2019

Appendix 2

	Budget 2019/20	EU /Other Grant	Net Expenditure Budget	Net Spend to 31 August 2019	Forecast	Forecast Variance
	£'000	£'000	£'000	£'000	£'000	£'000
EU Projects						
Share-north	46	(23)	23	3	23	0
Regio-mob	18	(15)	3	1	3	0
Surflogh	52	(26)	26	12	26	0
Bling	36	(18)	18	6	18	0
Primaas	0	0	0	0	5	5
Connect	0	0	0	0	2	2
Total	152	(82)	70	22	77	7
RTPI						
Maintenance	60	0	60	0	60	0
Development	40	0	40	3	30	(10)
Income-screens		(20)	(20)	0	(10)	10
Total – RTPI	100	(20)	80	3	80	0
Regional Transport Strategy	65	0	65	1	65	0
Sustainable Travel	131	0	131	54	124	(7)
GO e-Bike	0	0	0	24	0	0
Urban Cycle Networks	232	(200)	32	90	32	0
Equalities Action Forum	10	0	10	(14)	10	0
Thistle Assistance	0	0	0	(75)	0	0
Total	690	(302)	388	105	388	0
Sustainable Travel - carry forward from 2018/19	40	0	40	0	40	0