

Finance Officer's Report

1. Introduction

- 1.1** This report presents the third 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 January 2020.
- 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.
- 2.2** Cumulative expenditure for the ten months to 31st January 2020 was £416,000. This is within the Core budget resources available for the period.
- 2.3** All estimates have been updated to reflect current expenditure commitments. At the end of January 2020, it is projected that expenditure for the year will be under spent by £60,000 due to a vacancy in the employee establishment earlier in the year, together with underspends on conference and training and communications and computing budgets. 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. Project Update reports to each meeting of the Partnership Board throughout 2019/20 have provided progress updates on delivery of all Projects.
- 2.5** Net expenditure to 31st January 2019 was £293,000.
- 2.6** Net expenditure on the Projects budget is forecast to be £6,000 in excess of budget at the year-end, mainly due to increased investment in Sustainable Travel projects. Income recoveries of £140,000 are anticipated by year-end from the Low Carbon Travel and Transport Challenge Fund for the Go e-Bike project. The forecast Projects budget overspend will be offset by the forecast underspend on the Core revenue budget.
- 2.7** At its meeting on 27nd September 2019, the Partnership approved the 2018/19 budget under spend of £40,000 to be allocated to Sustainable and

Active Travel projects in 2019/20. It is anticipated these funds will be fully spent in 2019/20. This is reflected in the Projects budget forecast.

Cash Flow

- 2.8** 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	+£89,594
31 May 2019	+£147,663
30 June 2019	-£417,601
31 July 2019	+£91,664
31 August 2019	+£101,801
30 September 2019	+£190,772
31 October 2019	+£45,162
30 November 2019	+£102,436
31 December 2019	+£194,183
31 January 2020	+£72,646

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

3 Recommendations

It is recommended that the Partnership notes:

- 3.1** the forecast underspend of £60,000 on the core revenue budget and
- 3.2** the forecast overspend of £6,000 on the Projects budget; this due to Sustainable Travel project investment;
- 3.3** the additional Project costs will be fully offset by the underspend on the core revenue budget;

3.4 subject to approval of the Reserves Policy report elsewhere on this agenda and following establishment of the final audited outturn, any year-end balances will be reviewed in the context of the Partnership's Reserves Policy.

Hugh Dunn
Treasurer
20th March 2020

Appendix Appendix 1 – Core Budget Statement at 31st January 2020
 Appendix 2 – Projects Budget as at 31st January 2020

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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 January 2020

Appendix 1

	Annual Budget £'000	Period Budget £'000	Period Actual £'000	Annual Forecast £'000	Forecast Variance £'000
Employee Costs					
Salaries	365	304	281	345	(20)
National Insurance	41	34	33	40	(1)
Pension Fund	87	72	57	66	(21)
Recharges – Projects	(132)	(83)	(84)	(132)	0
Training & Conferences	10	8	3	5	(5)
Interviews & Advertising	2	2	0	0	(2)
	373	337	290	324	(49)
Premises Costs					
Office Accommodation	16	16	16	16	0
	16	16	16	16	0
Transport					
Staff Travel	9	7	6	9	0
Supplies and Services					
Marketing	20	17	3	20	0
Communications & Computing	48	41	31	39	(9)
Hosted Service - Routewise	42	42	43	43	1
Printing, Stationery & General Office Supplies	6	5	5	6	0
Insurance	4	4	6	6	2
Equipment, Furniture & Materials	1	1	0	0	(1)
Miscellaneous Expenses	4	3	4	5	1
	125	113	92	119	(6)
Support Services					
Finance	30	0	2	30	0
Legal Services / HR	7	0	5	7	0
	37	0	7	37	0
Corporate & Democratic					
Clerks Fees	12	0	0	12	0
External Audit Fees	11	4	5	11	0
Members Allowances and Expenses	1	1	0	0	(1)
	24	5	5	23	(1)
Total Expenditure	584	478	416	528	(56)
Funding:					
Scottish Government Grant	(394)	(341)	(341)	(394)	0
Council Requisitions	(190)	(190)	(190)	(190)	0
Other	0	0	(1)	(4)	(4)
Total Funding	(584)	(531)	(532)	(588)	(4)
Net Expenditure/ (Income)	0	(57)	(116)	(60)	(60)

Projects Budget 2019/20 - as at 31st January 2020

Appendix 2

	Budget 2019/20	EU /Other Grant	Net Expenditure Budget	Net Spend to 31 January 20	Forecast	Forecast Variance
	£'000	£'000	£'000	£'000	£'000	£'000
EU Projects						
Share-north	46	(23)	23	10	12	(11)
Regio-mob	18	(15)	3	12	12	9
Surflogh	52	(26)	26	25	29	3
Bling	36	(18)	18	14	17	(1)
Primaas	0	0	0	2	2	2
Total EU Projects	152	(82)	70	63	72	2
RTPI						
Maintenance	60	0	60	0	52	(8)
Development	40	0	40	14	14	(26)
Income-screens		(20)	(20)	0	0	20
Total – RTPI	100	(20)	80	14	66	(14)
Active Travel Fund	0	0	0	29	0	0
LEZ Support Fund	0	0	0	0	0	0
Regional Transport Strategy	65	0	65	0	50	(15)
Sustainable Travel:	131	0	131			(131)
- GO e-Bike				94	94	94
- Other				56	81	81
Urban Cycle Networks	232	(200)	32	53	22	(10)
Equalities Action Forum	10	0	10	9	9	(1)
Thistle Assistance	0	0	0	(25)	0	0
Total	690	(302)	388	293	394	6