

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 2020/21, in accordance with the Financial Regulations of the Partnership. This report presents an analysis of financial performance to the end of September 2020.
- 1.2** The Partnership's Core and Projects budgets for 2020/21 were approved by the Partnership on 19th June 2020.

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 £581,000 on 19th June 2020. Details of the Partnership's Core budget is provided in Appendix 1.
- 2.2** Cumulative expenditure for the six months to 30th September 2020 was £296,000. 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 September 2020, it is projected that net expenditure for the year will break-even against budget.

Projects Budget

- 2.4** The approved Projects budget is detailed in Appendix 2. The Partnership approved net Projects expenditure of £391,000 on 19th June 2020.
- 2.5** Net expenditure to 30th September 2020 was £236,000.
- 2.6** Following conclusion of the 2019/20 external audit, the Partnership has a confirmed earmarked Reserves balance of £0.177m, reflecting expenditure slippage on projects in 2019/20.
- 2.7** Net expenditure on projects in 2020/21 is forecast to be £18,000 less than budget. The forecast reflects slippage from 2020/21 to 2021/22 of £81,000 on the development of the Regional Transport Strategy, due to the ongoing pandemic. The forecast includes additional Sustainable Travel expenditure of £82,000, reflecting project slippage from 2019/20. Expenditure due to project slippage from 2019/20 will be met from the earmarked reserves balance. The Partnership's reserves will be reviewed as part of the process to set a revenue budget for 2021/22.

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 2020	-£250,907
31 May 2020	+£365,848
30 June 2020	-£490,382
31 July 2020	+£307,968
31 August 2020	+£356,087
30 September 2020	+£339,361

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 2021.

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 break-even position on the Core revenue budget and
- 3.2** the forecast Projects net underspend of £18,000, reflecting project slippage in 2020/21;
- 3.3** the Partnership's reserves will be reviewed as part of the process to set a revenue budget for 2021/22.

Hugh Dunn
Treasurer
20th November 2020

Appendix Appendix 1 – Core Budget Statement at 30th September 2020
Appendix 2 – Projects Budget as at 30th September 2020

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 2020/21 – as at 30th September 2020

Appendix 1

	Annual Budget £'000	Period Budget £'000	Period Actual £'000	Annual Forecast £'000	Forecast Variance £'000
Employee Costs					
Salaries	386	193	197	394	8
National Insurance	42	21	21	42	0
Pension Fund	101	50	63	116	15
Recharges – Projects	(151)	(59)	(66)	(157)	(6)
Training & Conferences	10	5	0	3	(7)
Interviews & Advertising	2	1	0	0	(2)
	390	211	215	398	8
Premises Costs					
Office Accommodation	16	8	9	17	1
Transport					
Staff Travel	9	5	0	3	(6)
Supplies and Services					
Communications & Computing	48	24	16	49	1
Hosted Service - Routewise	42	42	44	44	2
Printing, Stationery & General Office Supplies	6	3	4	6	0
Insurance	4	4	4	6	2
Equipment, Furniture & Materials	1	0	0	1	0
Miscellaneous Expenses	4	2	1	3	(1)
	105	75	69	109	4
Support Services					
Finance	30	0	0	30	0
Legal Services / HR	7	0	3	7	0
	37	0	3	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	0	(1)
	24	0	0	23	(1)
Total Expenditure	581	299	296	587	6
Funding:					
Scottish Government Grant	(391)	(232)	(232)	(391)	0
Council Requisitions	(190)	(190)	(190)	(190)	0
Other	0	0	(3)	(6)	(6)
Total Funding	(581)	(422)	(425)	(587)	(6)
Net Expenditure/ (Income)	0	(123)	(129)	0	0

Projects Budget 2020/21 - as at 30th September 2020

Appendix 2

	Gross Spend Budget	EU /Other Grant	Net Expenditure Budget	Net Spend	Forecast	Forecast Variance
	£'000	£'000	£'000	£'000	£'000	£'000
EU Projects						
Share-north	46	(23)	23	19	16	(7)
Regio-mob	0	0	0	(6)	(6)	(6)
Surflogh	50	(25)	25	50	20	(5)
Bling	38	(19)	19	25	23	4
Primaas	60	(51)	9	26	5	(4)
Connect	48	(24)	24	9	10	(14)
Total EU Projects	242	(142)	100	123	68	(32)
RTPI	12	(10)	2	8	8	6
Active Travel Fund	200	(200)	0	5	0	0
Leith Docks and Newburgh (LRDF)	150	(150)	0	23	0	0
Regional Transport Strategy	141	0	141	6	60	(81)
Sustainable Travel:	40	0	40	2	122	82
GO e-Bike	38	0	38	36	27	(11)
Urban Cycle Networks	132	(100)	32	0	32	0
Projects Consultancy Support	38	0	38	14	50	12
Equalities Action Forum	0	0	0	1	1	1
Thistle Assistance	0	0	0	18	5	5
Total	993	(602)	391	236	373	(18)