

## **Finance Officer's Report**

### **1. Introduction**

- 1.1** This report presents the second update on financial performance of the Core and Projects budgets of the Partnership for 2021/22, in accordance with the Financial Regulations of the Partnership. This report presents an analysis of financial performance to the end of October 2021.
- 1.2** The Partnership's Core and Projects budgets for 2021/22 were approved by the Partnership on 19th March 2021.

### **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 approved Core budget is £663,000. Details of the Core budget is provided in Appendix 1.
- 2.2** Cumulative expenditure for the five months to 31<sup>st</sup> October 2021 was £336,000. This is within the Core budget resources available for the period.
- 2.3** Estimates have been updated to reflect current expenditure commitments. It is currently projected that expenditure for the year will be £78,000 less than budget, mainly due to increased staff recharges to EU projects (£45,000) and forecast underspends on staff travel, conference and training budgets, reflecting ongoing working from home.

### **Projects Budget**

- 2.4** The approved Projects budget is detailed in Appendix 2.
- 2.5** The Partnership carried forward an earmarked balance of £0.105m, reflecting expenditure slippage on projects in 2020/21.
- 2.6** Net expenditure to 31<sup>st</sup> October 2021 was £183,000.
- 2.7** Net expenditure on projects in 2021/22 is forecast to be £1,000 more than budget. This forecast is based on a full spend in 2021/22 of project slippage balances brought forward from 2020/21.
- 2.8** Expenditure on both the core and projects budgets will be subject of ongoing review for the remainder of 2021/22, with a further update reported to the next meeting of the Partnership.

### **Cash Flow**

- 2.9** 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:

<b>Date</b>	<b>Balance due to SEStran(+ve) /due by SEStran (-ve)</b>
	<b>£</b>
30 April 2021	+198,470.25
31 May 2021	+270,664.49
30 June 2021	+365,517.43
31 July 2021	+381,345.29
31 August 2021	+399,171.63
30 September 2021	+316,006.44
31 October 2021	+354,399.01

- 2.10** Interest is charged/paid on the month end net indebtedness balances between the Council and the Partnership. Interest will be calculated in March 2022.
- 2.11** The positive cash flow is attributable to up front funding received from Scottish Government grant, Council requisitions and Scottish Enterprise grant.

### **Reserves**

- 2.12** The Board’s Reserves Policy recommends establishment of an unallocated General Fund Reserve of £29,000, based on 5% of the Partnership’s core revenue budget.
- 2.13** The unallocated General Fund Reserve of £29,000 was established as at 31<sup>st</sup> March 2021, following confirmation of the 2020/21 outturn.
- 2.14** The Reserves Policy recommends that where slippage occurs on approved revenue projects, the balance of slippage is retained as an earmarked balance. £105,000 of project slippage has been carried forward from 2020/21, to reflect the Policy.

## **3 Recommendations**

It is recommended that the Partnership notes:

- 3.1** the forecast underspend on the Core revenue budget of £78,000;

- 3.2 the forecast overspend on the Projects revenue budget of £1,000;
- 3.3 A further update on 2021/22 financial performance will be presented to the next meeting of the Partnership.

**Hugh Dunn**  
 Treasurer  
 26<sup>th</sup> November 2021

**Appendix**            Appendix 1 – Core Budget Statement at 31st October 2021  
                               Appendix 2 – Projects Budget as at 31<sup>st</sup> October 2021

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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 2021/22 – as at 31st October 2021

## Appendix 1

	Annual Budget £'000	Period Budget £'000	Period Actual £'000	Annual Forecast £'000	Forecast Variance £'000
<b>Employee Costs</b>					
Salaries	400	234	223	391	(9)
National Insurance	44	26	25	43	(1)
Pension Fund	131	75	73	129	(2)
Recharges – EU Projects	(99)	(58)	(74)	(144)	(45)
Recharges – Cycling Officer	(20)	0	0	(20)	0
Training & Conferences	10	6	0	1	(9)
Interviews & Advertising	2	1	0	1	(1)
	<b>468</b>	<b>284</b>	<b>247</b>	<b>401</b>	<b>(67)</b>
<b>Premises Costs</b>					
Office Accommodation	<b>17</b>	<b>9</b>	<b>12</b>	<b>17</b>	<b>0</b>
<b>Transport</b>					
Staff Travel	<b>8</b>	<b>5</b>	<b>0</b>	<b>1</b>	<b>(7)</b>
<b>Supplies and Services</b>					
Communications & Computing	48	29	29	48	0
Hosted Service - Novus FX	44	44	46	46	2
Printing, Stationery & General Office Supplies	7	4	1	4	(3)
Insurance	6	0	0	6	0
Equipment, Furniture & Materials	1	1	0	1	0
Miscellaneous Expenses	3	2	1	1	(2)
	<b>109</b>	<b>80</b>	<b>77</b>	<b>106</b>	<b>(3)</b>
<b>Support Services</b>					
Finance	30	0	0	30	0
Legal Services / HR	7	0	0	7	0
	<b>37</b>	<b>0</b>	<b>0</b>	<b>37</b>	<b>0</b>
<b>Corporate &amp; Democratic</b>					
Clerks Fees	12	0	0	12	0
External Audit Fees	11	0	0	11	0
Members Allowances and Expenses	1	0	0	0	(1)
	<b>24</b>	<b>0</b>	<b>0</b>	<b>23</b>	<b>(1)</b>
<b>Total Expenditure</b>	<b>663</b>	<b>378</b>	<b>336</b>	<b>585</b>	<b>(78)</b>
<b>Funding:</b>					
Scottish Government Grant	(473)	(313)	(313)	(473)	0
Council Requisitions	(190)	(190)	(177)	(190)	0
<b>Total Funding</b>	<b>(663)</b>	<b>(503)</b>	<b>(490)</b>	<b>(663)</b>	<b>0</b>
<b>Net Expenditure/ (Income)</b>	<b>0</b>	<b>(125)</b>	<b>(154)</b>	<b>(78)</b>	<b>(78)</b>

Projects Budget 2021/22 - as at 31<sup>st</sup> October 2021

Appendix 2

	Approved Budget	Balance from 20/21	EU /Other Grant	Net Expenditure Budget	Period Actual	Annual Forecast	Forecast Variance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>EU Projects</b>							
Share-North	0	20	0	20	19	24	4
Surflogh	50	(14)	(25)	11	55	40	29
Bling	26	(1)	(13)	12	18	15	3
Primaas	60	2	(51)	11	22	3	(8)
Connect	34	4	(17)	21	23	14	(7)
Regio-Mob	0	0	0	0	0	2	2
<b>Total EU Projects</b>	<b>170</b>	<b>11</b>	<b>(106)</b>	<b>75</b>	<b>137</b>	<b>98</b>	<b>23</b>
RTPI	23		(15)	8	40	13	5
Active Travel Fund	200		(200)	0	(4)	0	0
Leith Docks and Newburgh (LRDF)	55		(55)	0	2	0	0
Regional Transport Strategy	80	76	0	156	35	123	(33)
Sustainable Travel	69		0	69	20	24	(45)
GO e-Bike	20	18	0	38	50	20	(18)
Urban Cycle Networks	134		(100)	34	(20)	92	58
Projects Consultancy Support	25		0	25	19	38	13
Equalities Action Forum	3		0	3	0	3	0
Thistle Assistance	30		(24)	6	(96)	4	(2)
<b>Total</b>	<b>809</b>	<b>105</b>	<b>(500)</b>	<b>414</b>	<b>183</b>	<b>415</b>	<b>1</b>