

## **FINANCE OFFICER'S REPORT**

### **INTRODUCTION**

- 1.1** This report presents the third update on financial performance of the Core and Projects budgets of the Partnership for 2018/19, in accordance with the Financial Regulations of the Partnership. This report presents an analysis of financial performance to the end of February 2019.
- 1.2** The report includes details of the cash flow position of the Partnership in respect of its' net lending to and borrowing from the City of Edinburgh Council.
- 1.3** The Partnership's Core and Projects budgets for 2018/19 were approved by the Partnership Board on 16th March 2018.

### **CORE BUDGET 2018/19**

- 2.1** The Core budget provides for the day-to-day running costs of the Partnership including employee costs, premises costs, supplies and services. The Board approved net expenditure of £531,000 on 16th March 2018. Details of the Partnership's Core budget is provided in Appendix 1 to this report.
- 2.2** Cumulative expenditure for the eleven months to 28th February 2019 was £390,000. This is within the Core budget resources available for the period.
- 2.3** All expenditure estimates have been updated to reflect current expenditure commitments and it is projected that expenditure for the year will be within the budget for 2018/19.

### **PROJECTS BUDGET 2018/19**

- 2.4** The approved Projects budget is detailed in Appendix 2. The Projects Update report elsewhere on this agenda provides detailed information on progress with individual projects.
- 2.5** Net expenditure to 28<sup>th</sup> February 2019 was £358,000. The net year-end expenditure variance for the Projects budget is a forecast underspend of £12,000. If this position is maintained to the year-end, this balance is available to be allocated to Sustainable and Active Travel projects.
- 2.6** The profile of expenditure on Sustainable and Active Travel is forecast to occur late in 2018/19. The Projects Update report elsewhere on this agenda provides details of expenditure on Sustainable and Active Travel.

## BALANCES

- 2.7 Following conclusion of the annual external audit for 2017/18, the Partnership Board approved the 2017/18 underspend of £16,000 be utilised for the Sustainable and Active Travel Grant Scheme. This balance is forecast to be fully spent in 2018/19.

## CASH FLOW

- 2.8 As previously noted at Partnership Board 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, but 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	Net Balance due to SEStran (+ve) /due by SEStran (-ve)
	£
30 April 2018	-£35,410.42
31 May 2018	-£46,362.76
30 June 2018	+£100,647.04
31 July 2018	+£182,922.84
31 August 2018	+£189,314.73
30 September 2018	+£250,794.84
31 October 2018	+£203,937.63
30 November 2018	+£228,940.93
31 December 2018	+£16,262.75
31 January 2019	+£217,727.50
28 February 2019	+£218,284.68

- 2.9 Interest is charged/paid on the month end net indebtedness balances between the Council and the Board. Interest will be calculated in March 2019.
- 2.10 The positive cash flow is attributable to funding received in advance, mainly from the Scottish Government grant, Councils requisitions and EU funding in respect of the Social Car project.

## RECOMMENDATIONS

It is recommended that the Partnership Board:

- 3.1 note it is currently forecast that core expenditure in 2018/19 will under spend by £40,000 against the revenue budget of the Partnership;
- 3.2 note it is currently forecast that projects expenditure in 2018/19 will under spend by £12,000 against the revenue budget of the Partnership;
- 3.3 subject to the final audited outturn, approve in principle the forecast 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.

**HUGH DUNN**  
Treasurer  
22nd March 2019

**Appendix** Appendix 1 – Core Budget Statement at 28<sup>th</sup> February 2019  
Appendix 2 – Projects Budget as at 28<sup>th</sup> February 2019

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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 - the contents of this report point towards a balanced total revenue budget outturn for 2018/19.
Equalities Implications	There are no equalities 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 2018/19 – as at 28<sup>th</sup> February 2019

Appendix 1

	Annual Budget £'000	Period Budget £'000	Period Actual £'000	Annual Forecast £'000	Forecast Variance £'000
<b>Employee Costs</b>					
Salaries	347	318	302	337	(10)
National Insurance	37	34	32	36	(1)
Pension Fund	60	55	52	57	(3)
Recharges – Projects	(136)	(125)	(123)	(133)	3
Training & Conferences	10	9	4	6	(4)
Interviews & Advertising	2	2	0	0	(2)
	<b>320</b>	<b>293</b>	<b>267</b>	<b>303</b>	<b>(17)</b>
<b>Premises Costs</b>					
Office Accommodation	16	16	16	16	0
	<b>16</b>	<b>16</b>	<b>16</b>	<b>16</b>	<b>0</b>
<b>Transport</b>					
Staff Travel	9	8	6	8	(1)
<b>Supplies and Services</b>					
Marketing	20	18	10	10	(10)
Communications/ Computing	45	41	26	35	(10)
Routewise software/ support	45	45	45	45	0
Printing, Stationery & General Office Supplies	7	6	3	6	(1)
Insurance	4	4	5	5	1
Equipment, Furniture & Materials	1	1	0	1	0
Miscellaneous Expenses	6	6	7	7	1
	<b>128</b>	<b>121</b>	<b>96</b>	<b>109</b>	<b>(19)</b>
<b>Support Services</b>					
Finance	25	0	1	25	0
Legal Services / HR	7	0	0	7	0
	<b>32</b>	<b>0</b>	<b>1</b>	<b>32</b>	<b>0</b>
<b>Corporate &amp; Democratic</b>					
Clerks Fees	15	0	0	12	(3)
External Audit Fees	10	3	3	10	0
Members Allowances and Expenses	1	1	1	1	0
	<b>26</b>	<b>4</b>	<b>4</b>	<b>23</b>	<b>(3)</b>
<b>Total Expenditure</b>	<b>531</b>	<b>442</b>	<b>390</b>	<b>491</b>	<b>(40)</b>
<b>Funding:</b>					
Scottish Government Grant	(341)	(313)	(295)	(341)	0
Council Requisitions	(190)	(190)	(190)	(190)	0
<b>Total Funding</b>	<b>(531)</b>	<b>(503)</b>	<b>(485)</b>	<b>(531)</b>	<b>0</b>
<b>Net Expenditure/ (Income)</b>	<b>0</b>	<b>(61)</b>	<b>(95)</b>	<b>(40)</b>	<b>(40)</b>

Projects Budget 2018/19 - as at 28th February 2019

Appendix 2

	Budget 2018/19	EU /Other Grant	Net Expenditure Budget	Net Spend to 28 February 2019	Forecast	Forecast Variance
	£'000	£'000	£'000	£'000	£'000	£'000
<b>EU Projects</b>						
Social Car	4	(4)	0	(2)	(2)	(2)
Share-north	60	(30)	30	87	24	(6)
Regio-mob	65	(55)	10	27	5	(5)
Surflogh	100	(50)	50	57	28	(22)
BLING	0	0	0	2	2	2
<b>Total</b>	<b>229</b>	<b>(139)</b>	<b>90</b>	<b>171</b>	<b>57</b>	<b>(33)</b>
<b>RTPI</b>						
Maintenance	108		108	72	123	15
Bus Operators income		(42)	(42)	(29)	(29)	13
<b>Total – RTPI</b>	<b>108</b>	<b>(42)</b>	<b>66</b>	<b>43</b>	<b>94</b>	<b>28</b>
Sustainable and Active Travel	243		243	66	227	(16)
Urban Cycle Networks	132	(100)	32	53	32	0
Rail Station Development	0	0	0	1	1	1
Equalities Action Forum	10	0	10	4	4	(6)
Go E-Bike	0	0	0	4	2	2
ECOMM 2019	0	0	0	7	2	2
Legal	0	0	0	9	10	10
<b>Total – All Projects</b>	<b>722</b>	<b>(281)</b>	<b>441</b>	<b>358</b>	<b>429</b>	<b>(12)</b>
Sustainable and Active Travel - carry forward from 2017/18	16	0	16	0	16	0