
TAY ROAD BRIDGE JOINT BOARD

Clerk: Roger Mennie
Head of Democratic and Legal Services
Dundee City Council
5 City Square
Dundee

TO: ALL MEMBERS OF THE TAY
ROAD BRIDGE JOINT BOARD

Date 19th February, 2021

Dear Member

TAY ROAD BRIDGE JOINT BOARD

You are requested to attend a meeting of the **TAY ROAD BRIDGE JOINT BOARD** to be held remotely on Monday 1st March, 2021 at 10.00 am.

The agenda and papers are enclosed.

Members of the Press or Public wishing to join the meeting should contact Committee Services on telephone (01382) 434211 or by email at committee.services@dundeecity.gov.uk by no later than 12 noon on Friday 26th February, 2021.

Please submit any apologies for absence to Arlene Hay, Committee Services Officer on telephone (01382) 434818 or email arlene.hay@dundeecity.gov.uk.

Yours faithfully

ROGER MENNIE

Clerk to the Joint Board

AGENDA OF BUSINESS

1 DECLARATION OF INTEREST

Members are reminded that, in terms of The Councillors Code, it is their responsibility to make decisions about whether to declare an interest in any item on this agenda and whether to take part in any discussions or voting.

This will include all interests, whether or not entered on your Register of Interests, which would reasonably be regarded as so significant that they are likely to prejudice your discussion or decision-making.

2 MINUTE OF PREVIOUS MEETING - Page 1

The minute of meeting of the Tay Road Bridge Joint Board held on 7th December, 2020 is submitted for approval (copy attached).

3 APPOINTMENT OF TREASURER TO THE BOARD

It is reported that in terms of Section 5 of the Tay Road Bridge Order 1991, the Board is required to appoint a Treasurer to the Board. Reference is made to Article IV of the minute of meeting of the Tay Road Bridge Joint Board of 19th June, 2017, when the Board confirmed that the Executive Director of Corporate Services would serve as the Treasurer.

The Board is asked to note that, following his appointment to the post of Executive Director of Corporate Services, Robert Emmott will serve as Treasurer to the Board.

4 OPERATIONAL RESTRICTIONS AND CLOSURES - Page 5

(Report No TRB4-2021 by the Bridge Manager, copy enclosed).

5 EXTERNAL AUDIT ANNUAL AUDIT PLAN 2020/2021 - Page 11

(Report No TRB3-2021 by the Treasurer, copy enclosed).

6 REVENUE MONITORING – 10 MONTHS TO 31ST JANUARY, 2021 - Page 27

(Report No TRB1-2021 by the Treasurer, copy enclosed).

7 CAPITAL MONITORING – 10 MONTHS TO 31ST JANUARY, 2021 - Page 33

(Report No TRB2-2021 by the Treasurer, copy enclosed).

8 PROPOSED ESTABLISHMENT OF ACTIVE TRAVEL SHORT LIFE WORKING GROUP

9 DATE OF NEXT MEETING

Monday 14th June, 2021 at 10.00am via MS Teams (unless otherwise advised).

ITEM No ...2.....

At a MEETING of the **TAY ROAD BRIDGE JOINT BOARD** held remotely on 7th December, 2020.

Present:-

Dundee City Council

Councillor Lynne SHORT
Depute Lord Provost CAMPBELL
Councillor Stewart HUNTER
Councillor George McIRVINE
Councillor Margaret RICHARDSON
Baillie Fraser MACPHERSON

Fife Council

Councillor Jonny TEPP
Councillor Bill CONNOR
Councillor Andy HEER
Councillor Brian THOMSON

Also Present (Officers):-

Gary BRADY (Engineer)
Alan HUTCHISON (Bridge Manager)
Kenny McKAIG (for Clerk)
John MOIR (for Treasurer)
David ARCHIBALD (Henderson Loggie)

Councillor Lynne SHORT, Chairperson, in the Chair.

Apologies for absence were submitted on behalf of Councillor John Docherty.

I DECLARATION OF INTEREST

There were no declarations of interest.

II MINUTE OF PREVIOUS MEETING

The minute of meeting of the Tay Road Bridge Joint Board held on 14th September, 2020 was submitted and approved.

III PERMANENT ALLOCATION OF CARRIAGEWAY SPACE FOR BICYCLES ON THE TAY ROAD BRIDGE

The Joint Board acceded to a request for a deputation to address the Joint Board relative to this item. After they had stated their case and answered questions from members of the Joint Board they were thanked for their attendance and withdrew.

There was submitted Report No TRB25-2020 by the Bridge Manager sharing an independent study, undertaken by the Tay Road Bridge Joint Board term consultant, WSP, into the feasibility of permanently allocating carriageway space to cycles on the Tay Road Bridge. The report by WSP, Tay Road Bridge - Cycle Route Feasibility Study, was attached as an appendix to the report.

The Joint Board agreed to accept WSP's conclusion that allocating carriageway space to cycles on the Tay Road Bridge was not feasible.

IV OPERATIONAL RESTRICTIONS AND CLOSURES

There was submitted Report No TRB22-2020 by the Bridge Manager appraising the Joint Board of the number and nature of operational restrictions and closures applied between 1st August 2020 and 31st October 2020.

The Joint Board noted the content of the report as at 31st October 2020. The Joint Board also agreed that the Bridge Manager would include information on the availability of the lift in future reports.

V HEALTH AND SAFETY MONITORING 2020

There was submitted Report No TRB23-2020 by the Bridge Manager appraising Joint Board members of performance relating to Health and Safety in 2020.

The Joint Board:

- (i) noted the outcomes of the report; and
- (ii) agreed to findings of the review in paragraph 4.4 of the report.

VI INTERNAL AUDIT – ANNUAL AUDIT PLAN 2020/2021

There was submitted Report No TRB21-2020 by the Treasurer presenting to the Joint Board the Internal Audit Annual Audit Plan, which was attached as an appendix to the report.

The Joint Board noted the content of the Internal Audit Annual Plan for 2020/2021 which was based on the detailed Internal Audit Needs Assessment and Strategic Plan 2019 to 2022.

VII RESPONSE TO INTERNAL AUDITOR'S REPORT ON STAFF RECRUITMENT AND RETENTION/HR POLICIES

There was submitted Report No TRB24-2020 by the Bridge Manager in response to Internal Audit Report No. 2021/02, prepared by the Board's Internal Auditor, Henderson Loggie, on Staff Recruitment and Retention/HR Policies. A copy of the Internal Auditor's report was attached as an appendix to the report.

The Joint Board:

- (i) endorsed the report as the formal response to the Internal Auditor's Report No. 2021/02; and
- (ii) instructed the Bridge Manager to implement the Internal Auditor's recommendation as noted in paragraph 5.2 of the report.

VIII REQUEST TO CHANGE JOB TITLE

There was submitted Report No TRB26-2020 by the Bridge Manager requesting Joint Board approval to change the name of the current Maintenance and Operations Manager's job title.

The Joint Board accepted the request to change the title of the post of Maintenance and Operations Manager to Deputy Bridge Manager (Engineering and Maintenance).

IX REVENUE MONITORING – 7 MONTHS TO 31ST OCTOBER, 2020

There was submitted Report No TRB17-2020 by the Treasurer appraising Joint Board members of the latest position regarding the Joint Board's 2020/2021 Revenue Budget.

The Joint Board noted the content of the Revenue Monitoring Report as at 31st October, 2020.

X CAPITAL MONITORING - 7 MONTHS TO 31ST OCTOBER, 2020

There was submitted Report No TRB18-2020 by the Treasurer appraising Joint Board members of the latest position regarding the Joint Board's 2020/2021 Capital Plan.

The Joint Board noted the content of the Capital Monitoring Report as at 31st October, 2020.

XI REVENUE BUDGET 2021/2022 TO 2023/2024

There was submitted Report No TRB19-2020 by the Treasurer appraising Joint Board members on the proposed Tay Road Bridge Revenue Budget for the financial years 2021/2022 to 2023/2024.

The Joint Board:

- (i) approved the Revenue Budget for 2021/2022 subject to confirmation of grant funding by the Scottish Government; and
- (ii) noted the provisional Revenue Budget for 2022/2023 and 2023/2024.

XII CAPITAL PLAN 2021/2022 TO 2023/2024

There was submitted Report No TRB20-2020 by the Treasurer seeking approval of the Joint Board's Capital Plan for the period 2021/2022 to 2023/2024 inclusive.

The Joint Board approved the Capital Plan as detailed in Appendix A of the report subject to confirmation of grant funding by the Scottish Government.

XIII PROPOSED PROGRAMME OF MEETINGS 2021

Monday, 1st March, 2021 at 10.00 am;
Monday, 14th June, 2021 at 10.00 am;
Monday, 13th September, 2021 at 10.00 am;
Monday, 6th December, 2021 at 10.00 am.

The Joint Board agreed the above programme of meetings for 2021. Meetings would continue to be held via MS Teams unless otherwise notified.

XIV DATE OF NEXT MEETING

Monday, 1st March, 2021 at 10.00am.

Councillor Lynne SHORT, Chairperson.

ITEM No ...4.....

REPORT TO: TAY ROAD BRIDGE JOINT BOARD – 1 MARCH 2021

REPORT ON: OPERATIONAL RESTRICTIONS AND CLOSURES

REPORT BY: THE BRIDGE MANAGER

REPORT NO: TRB 4-2021

1.0 PURPOSE OF REPORT

1.1 To appraise the Joint Board of the number and nature of operational restrictions and closures applied between 1 November 2020 and 31 January 2021.

2.0 RECOMMENDATIONS

2.1 The Joint Board are asked to note the contents of this Report as at 31 January 2021.

3.0 FINANCIAL IMPLICATIONS

3.1 There are no financial implications as a result of this report.

4.0 COMMENTARY ON RESTRICTIONS AND CLOSURES

4.1 Restrictions are applied to the traffic on the bridge for a number of reasons including recovering debris, breakdowns, high winds and other operational requirements, such as carriageway inspections. Miscellaneous incidents include escorting pedestrians from the carriageway.

A summary of the restrictions applied between 1 November 2020 and 31 January 2021 is given below:-

4.1.1 Single Carriageway Closure

Reason	Total Duration (Minutes)	Number of Occasions	Average Duration (Minutes)	Maximum Time Closed (Minutes)	Minimum Time Closed (Minutes)
Operational	278	82	3.39	18	1
Breakdown	15	2	7.5	8	7
Miscellaneous Incidents	71	7	10.14	36	2
Single Lane Closures for Maintenance	801	25	32.04	75	2
Police Incidents	187	17	11	26	3

4.1.2 Full Bridge Closure

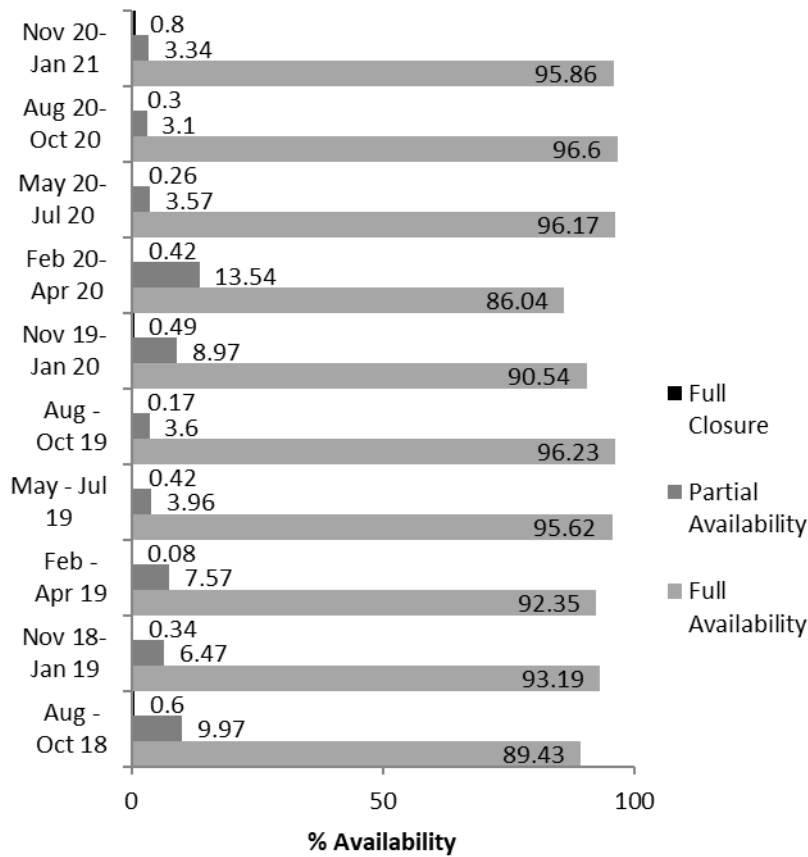
Reason	Total Duration (Minutes)	Number of Occasions	Average Duration (Minutes)	Maximum Time Closed (Minutes)	Minimum Time Closed (Minutes)
Operational (Night Closures)	811	3	270.33	300	255
Police Incidents	231	5	46.2	95	14
Wind	0	0	0	0	0

4.1.3 High Winds Restrictions

Traffic Restricted	Total Duration (Minutes)	Number of Occasions	Average Duration (Minutes)	Maximum Time Restricted (Minutes)	Minimum Time Restricted (Minutes)
Double Deck Buses	2857	11	259.73	718	70
High Sided Vehicles	125	1	125	125	125
All Traffic	0	0	0	0	0

4.1.4 Availability of Bridge

AVAILABILITY TO BRIDGE USERS



	Nov 19–Jan 20	Feb-Apr 20	May-July 20	Aug-Oct 20	Nov 20-Jan 21
Full Availability	90.54	86.04	96.17	96.6	95.86
Partial Availability	8.97	13.54	3.57	3.10	3.34
Full Closure	0.49	0.42	0.26	0.30	0.80

4.1.5 Summary of Bridge availability 1 November 2020 to 31 January 2021

Full availability (No restrictions)	95.86%
Partial Availability (Some restrictions)	3.34%
No Availability (Full Closure)	0.80%

4.16 Passenger Lift Availability 1 November 2020 to 31 January 2021

Available for use	98.75%
Not available for use	*1.25%

*includes closure for replacement of ram seals under manufacturer warranty, and for routine servicing once a month.

5.0 TRAFFIC COUNT DATA

5.1 Traffic Count Data from Dundee Ramps

AADT – (Annual Average Daily Total)

	4 th Quarter 2019	1 st Quarter 2020	2 nd Quarter 2020	3 rd Quarter 2020	4 th Quarter 2020
	(Nov – Jan)	(Feb- Apr)	(May- Jul)	(Aug – *Oct)	(Nov – Jan)
Northbound to West	5931	2376	3171	4504	3461
Northbound to East	6567	4728	4776	6901	4340
Northbound Total	12498	7104	7947	11405	7801
Southbound from West	5386	3864	3424	4854	3522
Southbound From East	7255	5244	5266	7567	5187
Southbound Total	12641	9108	8690	12421	8709
AADT Traffic per Quarter	25139	16212	16637	23826	16510

*New counting loops were installed on 8 October 2020. Please note that some data was corrupted on the northbound exit slip road from this date. Traffic counts have been averaged using reliable data over the quarter to allow the traffic count to be reported.

A comparison of traffic levels between the fourth quarter of 2019 and the fourth quarter of 2020 shows a 34% reduction in traffic levels. This is likely to be attributable to reduced movement of people as result of the ongoing Coronavirus (Covid-19) pandemic.

5.2 Cyclist and Pedestrian Count on the Walkway

AADT – (Annual Average Daily Total) Northbound and Southbound

	4 th Quarter 2019		1 st Quarter 2020		2 nd Quarter 2020		3 rd Quarter 2020		4 th Quarter 2020
	(Nov - Jan)		(Feb - Apr)		(May - Jul)		(Aug- Oct)		(Nov- Jan)
Cyclists – Nov	159	Cyclists – Feb	139	Cyclists - May	330	Cyclists - Aug	216	Cyclists -Nov	93
Cyclists – Dec	132	Cyclists – Mar	129	Cyclists - Jun	269	Cyclists - Sep	194	Cyclists -Dec	67
Cyclists –Jan	157	Cyclists – Apr	214	Cyclists - Jul	250	Cyclists - Oct	127	Cyclists -Jan	69
AADT Cyclists per Quarter	150	AADT Cyclists per Quarter	161	AADT Cyclists per Quarter	283	AADT Cyclists per Quarter	179	AADT Cyclists per Quarter	77

A Pedestrian and Cycling Counter was installed on the bridge walkway in October 2019. Unfortunately, reliable pedestrian numbers are not yet available. The pedestrian counter issue will be further investigated with the installation contractor once the Scottish Government ease lockdown restrictions.

6.0 POLICY IMPLICATIONS

6.1 This report has been subject to an assessment of any impacts on Equality and Diversity, Fairness and Poverty, Environment and Corporate Risk. There are no major issues.

7.0 CONSULTATIONS

7.1 The Treasurer, Clerk and Engineer to the Board have been consulted in the preparation of this report and are in agreement with the content.

8.0 BACKGROUND PAPERS

8.1 None.

ALAN HUTCHISON
BRIDGE MANAGER
16 FEBRUARY 2021

ITEM No ...5.....

REPORT TO: TAY ROAD BRIDGE JOINT BOARD – 1 MARCH 2021

REPORT ON: EXTERNAL AUDIT ANNUAL AUDIT PLAN 2020/2021

REPORT BY: TREASURER

REPORT NO: TRB 3-2021

1 PURPOSE OF REPORT

To present to the Board the External Audit Annual Audit Plan, attached as an Appendix to this report.

2 RECOMMENDATIONS

It is recommended that the Board notes the content of the External Audit Annual Audit Plan for 2020/2021.

3 FINANCIAL IMPLICATIONS

The cost of External Audit Services is included in the approved 2020/2021 Revenue Budget.

4 MAIN TEXT

Introduction

- 4.1 The external audit of the Board for the financial year 2020/2021 will be carried out by Mr Bruce Crosbie, Senior Audit Manager, Audit Scotland. The Joint Board's External Auditors are appointed for a five year period and the financial year 2020/2021 marks the fifth year of Audit Scotland's appointment to the Board. Normally at the end of each five-year period a new auditor is appointed, either Audit Scotland or a private sector accountancy firm. Covid-19 had an impact on the 2019/2020 audits of public sector bodies and the vast majority of these audits were reported later than normal. Planning for and potentially reporting of 2020/2021 annual audit work is also being affected. In October 2020, Audit Scotland approved the extension of current audit appointments for one year to include the 2021/2022 audit year. This decision reflects the need for stability and continuity given the longer-term impact of Covid-19 on audited bodies and the difficulty of running the necessary audit procurement exercise during the pandemic.

External Auditor's Annual Audit Plan

- 4.2 The External Auditor's annual audit plan summarises the key challenges and risks facing the Board and sets out the proposed audit work to be undertaken in 2020/2021. The plan reflects:
- The risks and priorities facing the Board;
 - Scope and purpose of the audit;
 - Reporting arrangements; and
 - External Audit's responsibilities under the Code of Practice as approved by the Auditor General and the Accounts Commission.

4.3 External Auditor's Responsibilities

External Audit's responsibilities as independent auditor, are established by the Local Government (Scotland) Act 1973 and the Code of Audit Practice, and guided by the auditing profession's ethical guidance.

In carrying out their audit, External Audit seek to gain assurance that the Board:

- has appropriate corporate governance arrangements in place which reflect the three fundamental principles of openness, integrity and accountability;
- has systems of recording and processing transactions which provide a sound basis for the preparation of financial statements and the effective management of its assets and interests;
- prepares financial statements which give a true and fair view of the financial position at 31 March 2021 and the income and expenditure for the year then ended, in accordance with the Local Government (Scotland) Act 1973, the Local Authority Accounts (Scotland) Regulations 2014 and other applicable laws and regulations, including the 2020/2021 Accounting Code of Practice;
- has systems of internal control which provide an adequate means of preventing or detecting material misstatement, error, fraud or corruption;
- complies with established policies, procedures, laws and regulations; and
- has made proper arrangements for securing best value in its use of resources.

4.4 Reporting Arrangements

The relevant statutory provisions regarding the preparation of the Board's Accounts are contained in the Local Authority Accounts (Scotland) Amendment Regulations, where there is a requirement for unaudited financial statements to be presented to the Board and submitted to the appointed auditor within 3 months of the financial year end i.e. 30th June. The non-statutory target for audit completion is 30th September.

In addition to the report and audit opinion on the financial statements, an annual report to members and the Controller of Audit will be produced to summarise all significant matters arising from the audit. This will be presented to the Board at the meeting in September 2021.

5 **POLICY IMPLICATIONS**

This report has been subject to an assessment of any impacts on Equality and Diversity, Fairness and Poverty, Environment and Corporate Risk. There are no major issues.

6 **CONSULTATIONS**

The Clerk, Bridge Manager and the Engineer to the Board have been consulted in the preparation of this report and are in agreement with the contents.

7 **BACKGROUND PAPERS**

None

ROBERT EMMOTT
TREASURER

16 FEBRUARY 2021

Tay Road Bridge Joint Board

Annual Audit Plan 2020/21



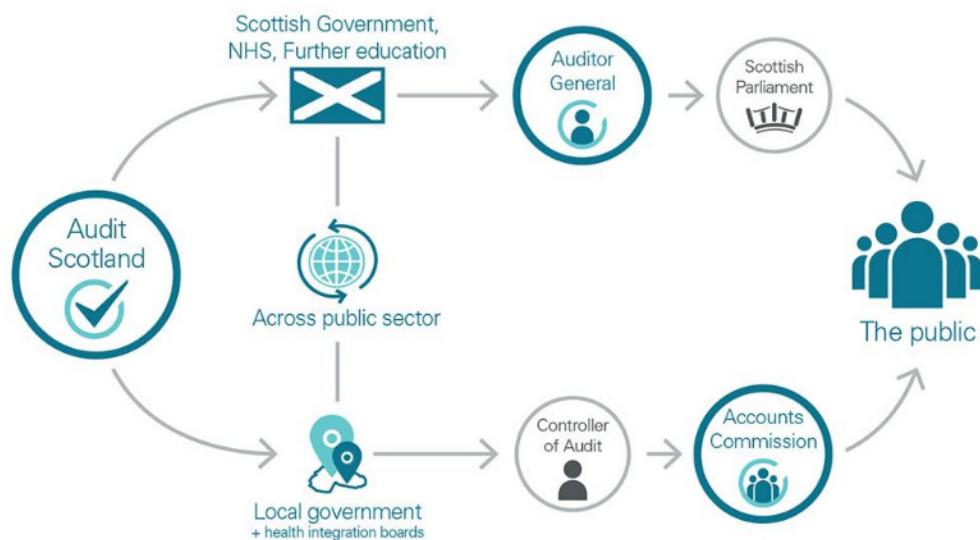
 AUDIT SCOTLAND

Prepared for Tay Road Bridge Joint Board
February 2021

Who we are

The Auditor General, the Accounts Commission and Audit Scotland work together to deliver public audit in Scotland:

- The Auditor General is an independent crown appointment, made on the recommendation of the Scottish Parliament, to audit the Scottish Government, NHS and other bodies and report to Parliament on their financial health and performance.
- The Accounts Commission is an independent public body appointed by Scottish ministers to hold local government to account. The Controller of Audit is an independent post established by statute, with powers to report directly to the Commission on the audit of local government.
- Audit Scotland is governed by a board, consisting of the Auditor General, the chair of the Accounts Commission, a non-executive board chair, and two non-executive members appointed by the Scottish Commission for Public Audit, a commission of the Scottish Parliament.



About us

Our vision is to be a world-class audit organisation that improves the use of public money.

Through our work for the Auditor General and the Accounts Commission, we provide independent assurance to the people of Scotland that public money is spent properly and provides value. We aim to achieve this by:

- carrying out relevant and timely audits of the way the public sector manages and spends money
- reporting our findings and conclusions in public
- identifying risks, making clear and relevant recommendations.

Contents

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Risks and planned work

1. This annual audit plan contains an overview of the planned scope and timing of our audit which is carried out in accordance with International Standards on Auditing (ISAs), the [Code of Audit Practice](#), and [guidance on planning the audit](#). This plan sets out the work necessary to allow us to provide an independent auditor's report on the annual accounts and meet the wider scope requirements of public sector audit including the audit of Best Value.
2. The wider scope of public audit contributes to assessments and conclusions on financial management, financial sustainability, governance and transparency and value for money.
3. Supplementary Guidance allows appointed auditors to use judgement to conclude that the full application of the wider scope is not appropriate based on the risks, nature and size of an audited body (a small audited body clause). In our judgement the small audited body clause applies to the Tay Road Bridge Joint Board (the joint board).
4. The public health crisis caused by the coronavirus disease 2019 (Covid-19) pandemic has had a significant and profound effect on every aspect of Scottish society. The well-being of the joint board's staff and the audit team and the delivery of a high-quality audit remain paramount. Maintaining a pragmatic and flexible approach will enable change at short notice as new issues emerge, or current risks change in significance. Where this impacts on annual audits, an addendum to this annual audit plan may be necessary.

Extension of audit appointment

5. Auditors appointed under statute by the Auditor General for Scotland are engaged for a five-year period. The current audit engagement was due to end after the conclusion of the 2020/21 audit. Normally at the end of each five-year period a new auditor is appointed, either Audit Scotland or a private sector accountancy firm. Covid-19 had an impact on the 2019/20 audits of public sector bodies and the vast majority of these audits were reported later than normal. Planning for and potentially reporting of 2020/21 annual audit work is also being affected. In October 2020 Audit Scotland approved the extension of current audit appointments for a year to include the 2021/22 audit year. This decision reflects the need for stability and continuity given the longer-term impact of Covid-19 on audited bodies and the difficulty of running the necessary audit procurement exercise during the pandemic.


Adding value


6. We aim to add value to the joint board through our external audit work by being constructive and forward looking, by identifying areas for improvement and by recommending and encouraging good practice. In so doing, we intend to help the Tay Road Bridge Joint Board promote improved standards of governance, better management and decision making and more effective use of resources.

Audit risks

7. Based on our discussions with staff, attendance at committee meetings and a review of supporting information we have identified the following significant risk for the joint board. We have categorised these risks into financial statements risks and wider dimension risks. The key audit risks, which require specific audit testing, are detailed in [Exhibit 1](#).

Exhibit 1 2020/21 Significant audit risks

 Audit Risk	Source of assurance	Planned audit work
Financial statements risks		
<p>1 Risk of material misstatement due to fraud caused by the management override of controls</p> <p>International Auditing Standards require that audits are planned to consider the risk of material misstatement in the financial statements caused by fraud, which is presumed to be a significant risk in any audit. This includes the risk of fraud due to the management override of controls.</p>	<ul style="list-style-type: none"> Owing to the nature of this risk, assurances from management are not applicable in this instance. 	<ul style="list-style-type: none"> Detailed testing of journal entries. Review of accounting estimates. Focused testing of accruals and prepayments. Evaluation of significant transactions that are outside the normal course of business.
<p>2 Risk of material misstatement caused by fraud in expenditure</p> <p>As most public-sector bodies are net expenditure bodies, the risk of fraud is more likely to occur in expenditure. There is a risk that expenditure may be misstated resulting in a material misstatement in the financial statements. This risk may be higher during the Covid-19 pandemic where there is a risk that internal controls and governance may not be fully functioning.</p>	<ul style="list-style-type: none"> Budget monitoring by management. Governance arrangements including Standing Orders, Standing Financial Instructions and Fraud Guidelines. Internal controls in financial systems to mitigate risks of error or manipulation. 	<ul style="list-style-type: none"> Assessment of key financial controls over expenditure. Detailed testing of transactions focusing on the greater areas of risk.
<p>3 Risk of material misstatement caused by estimation and judgements</p> <p>There is a significant degree of subjectivity in the measurement and valuation of the material account areas of non-current assets and pensions. This subjectivity represents an increased risk of misstatement in the financial statements.</p>	<ul style="list-style-type: none"> Actuarial valuation to provide pensions figures for the financial statements. Officer review of actuary information to ensure data and assumptions used are reasonable. Valuation and impairment review of non-current assets by a professional valuer. 	<ul style="list-style-type: none"> Review of the 'work of an expert' for the actuary and valuer. Focused testing of noncurrent assets and pension figures. Assessment of the appropriateness of actuarial assumptions.
Wider dimension risks		
<p>4 Capital programme</p> <p>There continues to be significant slippage in the capital programme. As at 31 October 2020 slippage of £0.7 million is anticipated in the 2020/21 capital programme of £1.4 million approved by the Board in</p>	<ul style="list-style-type: none"> Regular capital monitoring reports to Joint Board. 	<ul style="list-style-type: none"> On-going monitoring of capital budget, plans and monitoring reports and inclusion in annual audit report as appropriate.

 Audit Risk	Source of assurance	Planned audit work
December 2019. This compares with slippage of £0.3 million carried forward from 2019/20 into 2020/21 (the 2019/20 capital programme was £1.1 million). While recognising that Covid-19 may have impacted on the joint board's ability to progress capital projects, there is a risk that projects are not completed timeously which could impact on service delivery.		

Source: Audit Scotland

8. As set out in ISA 240, there is a presumed risk of fraud in the recognition of income. There is a risk that income may be misstated resulting in a material misstatement in the financial statements. We have rebutted the risk of material misstatement caused by fraud in income recognition in 2020/21 because most of income received by the joint board is grant income from the Scottish Government, over which there is deemed to be a low risk of fraud.

Reporting arrangements

9. Audit reporting is the visible output for the annual audit. All annual audit plans and the outputs as detailed in [Exhibit 2](#) and any other outputs on matters of public interest will be published on our website: www.audit-scotland.gov.uk.

10. Matters arising from our audit will be reported on a timely basis and will include agreed action plans. Draft management reports will be issued to the relevant officer(s) to confirm factual accuracy.

11. We will provide an independent auditor's report to Tay Road Bridge Joint Board and the Accounts Commission setting out our opinions on the annual accounts. We will provide the Treasurer and the Accounts Commission with an annual report on the audit containing observations and recommendations on significant matters which have arisen during the audit.

Exhibit 2 2020/21 Audit outputs

Audit outputs	Target date	Board meeting date
Annual Audit Plan	17 February 2021	1 March 2021
Proposed Annual Audit Report *	31 August 2021	13 September 2021
Signed Independent Auditor's Report	13 September 2021	13 September 2021

* The final Annual Audit Report cannot be submitted until after the independent auditor's report is signed

Source: Audit Scotland

Audit fee

12. The proposed audit fee for the 2020/21 audit of the joint board is £12,930 (2019/20 £12,640). In determining the audit fee we have taken account of the risk exposure of Tay Road Bridge Joint Board, the planned management assurances in

place and the level of reliance we plan to take from the work of internal audit. Our audit approach assumes receipt of the unaudited annual accounts, with a complete working papers package by 30 June 2021.

13. Where our audit cannot proceed as planned through, for example, late receipt of unaudited annual accounts or being unable to take planned reliance from the work of internal audit, a supplementary fee may be levied. An additional fee may also be required in relation to any work or other significant exercises out with our planned audit activity.

Responsibilities

Board and Treasurer

14. Audited bodies have the primary responsibility for ensuring the proper financial stewardship of public funds, compliance with relevant legislation and establishing effective arrangements for governance, propriety and regularity that enable them to successfully deliver their objectives.

15. The audit of the annual accounts does not relieve management or the Board, as those charged with governance, of their responsibilities.

Appointed auditor

16. Our responsibilities as independent auditors are established by the 1973 Act for local government, and the Code of Audit Practice (including supplementary guidance) and guided by the Financial Reporting Council's Ethical Standard.

17. Auditors in the public sector give an independent opinion on the financial statements and other information within the annual accounts. We also review and report on the arrangements within the audited body to manage its performance and use of resources. In doing this, we aim to support improvement and accountability.

Audit scope and timing

Annual accounts

18. The annual accounts, which include the financial statements, will be the foundation and source for most of the audit work necessary to support our judgements and conclusions. We also consider the wider environment and challenges facing the public sector. Our audit approach includes:

- understanding the business of Tay Road Bridge Joint Board and the associated risks which could impact on the financial statements
- assessing the key systems of internal control, and establishing how weaknesses in these systems could impact on the financial statements
- identifying major transaction streams, balances and areas of estimation and understanding how the joint board will include these in the financial statements
- assessing the risks of material misstatement in the financial statements
- determining the nature, timing and extent of audit procedures necessary to provide us with sufficient audit evidence as to whether the financial statements are free of material misstatement.

19. We will give an opinion on whether the financial statements:

- give a true and fair view in accordance with applicable law and the 2020/21 Code of the state of affairs of the joint board as at 31 March 2021 and of the income and expenditure of the joint board for the year then ended
- have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the 2020/21 Code
- have been prepared in accordance with the requirements of the Local Government (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003.



characteristics



responsibilities



principal activities



risks



governance arrangements

Statutory other information in the annual accounts

20. We also review and report on statutory other information published within the annual accounts including the management commentary, annual governance statement and the annual remuneration report. We give an opinion on whether these have been compiled in accordance with the appropriate regulations and frameworks in our independent auditor's report.

21. We also review the content of the annual report for consistency with the financial statements and with our knowledge. We report any uncorrected material misstatements in statutory other information.

Materiality

22. We apply the concept of materiality in planning and performing the audit. It is used in evaluating the effect of identified misstatements on the audit, and of any uncorrected misstatements, on the financial statements and in forming our opinions in the independent auditor's report.

23. We calculate materiality at different levels as described below. The calculated materiality values for the joint board are set out in [Exhibit 3](#).

Exhibit 3 Materiality values



Materiality	Amount (£000)
Planning materiality – This is the figure we calculate to assess the overall impact of audit adjustments on the financial statements. It has been set at 1% of net assets for the year ended 31 March 2020, based on the latest audited accounts.	663
Performance materiality – This acts as a trigger point. If the aggregate of errors identified during the financial statements audit exceeds performance materiality this would indicate that further audit procedures should be considered. Using our professional judgement, we have calculated performance materiality at 75% of planning materiality.	497
Lower level performance materiality – A lower performance materiality has been set for classes of transactions where lesser amounts could influence the decisions of the users of the accounts (i.e. comprehensive income and expenditure statement transactions). This has been set at 2% of gross expenditure for the year 2019/20, based on the latest audited accounts.	78
Reporting threshold (i.e. clearly trivial) – We are required to report to those charged with governance on all unadjusted misstatements more than the 'reporting threshold' amount. This has been calculated at 5% of planning materiality.	33

Source: Audit Scotland

Timetable

24. To support the efficient use of resources it is critical that the annual accounts timetable is agreed with us to produce the unaudited accounts. We have included an agreed timetable at [Exhibit 4](#). This timetable is subject to continuing Covid-19 implications on officers and the audit team which may impact on the timeframe for completing the audit.

Exhibit 4 Annual accounts timetable

 Key stage	 Date
Consideration of unaudited annual report and accounts by those charged with governance	22 June 2021
Latest submission date of unaudited annual report and accounts with complete working papers package	30 June 2021
Latest date for final clearance meeting with the Treasurer	23 August 2021
Agreement of audited unsigned annual report and accounts	30 August 2021
Issue of proposed Annual Audit Report, Letter of Representation and proposed independent auditor's report *	31 August 2021

**Key stage****Date**

Independent auditor's report signed

13 September 2021

Latest date for signing of WGA return

To be confirmed

* The final Annual Audit Report cannot be submitted until after the independent auditor's report is signed.

Source: Audit Scotland

25. Audit Scotland's 2020/21 audit planning guidance sets sign-off deadlines for all local government audits of the end of October 2021. However, the dates included at Exhibit 4 (and Exhibit 2) are based on being able to certify the audited 2020/21 annual accounts by 13 September 2021. If issues arise during the course of the audit that mean this is not practical (i.e. impact of Covid-19 on the production or audit of accounts), then we will communicate this to the joint board at the earliest opportunity available and agree a revised timetable for the completion of the audit.

Internal Audit

26. Internal audit is provided by MHA Henderson Loggie. As part of our planning process we carry out an annual assessment of the internal audit function to ensure that it operates in accordance with the main requirements of the Public Sector Internal Audit Standards (PSIAS). ISA (UK)610 requires an assessment on whether the work of the internal audit function can be used for the purposes of external audit. This includes:

- the extent to which the internal audit function's organisational status and relevant policies and procedures support the objectivity of the internal auditors
- the level of competence of the internal audit function
- whether the internal audit function applies a systematic and disciplined approach, including quality control.

27. Overall, we have concluded that the internal audit service complies with the main requirements of PSIAS and has sound documentation standards and reporting practices in place.

Using the work of internal audit

28. International Auditing Standards require internal and external auditors to work closely together to make best use of available audit resources. We seek to rely on the work of internal audit wherever possible to avoid duplication. We plan to consider the findings of the work of internal audit as part of our planning process to minimise duplication of effort and to ensure the total resource is used efficiently or effectively.

29. From our initial review of internal audit plans we do not plan to place formal reliance on internal audit work for our financial statements work, however we do plan to consider internal audit's work for the purpose of our wider dimension audit responsibilities.

Audit dimensions

30. Our standard audits are based on four audit dimensions that frame the wider scope of public sector audit requirements. These are: financial sustainability, financial management, governance and accountability and value for money.

31. The Code of Audit Practice includes provisions relating to the audit of small bodies. Where the application of the full wider audit scope is judged by auditors not to be appropriate to an audited body then the annual audit work can focus on the appropriateness of the disclosures in the governance statement and the financial sustainability of the body and its services. In the light of the volume and lack of complexity of the financial transactions, we plan to apply the small body provisions of the Code to the 2020/21 audit of the joint board.

Financial sustainability

32. As auditors we consider the appropriateness of the use of the going concern basis of accounting as part of the annual audit. We will also comment on financial sustainability in the longer term. We define this as medium term (two to five years) and longer term (longer than five years) sustainability. We will carry out work and conclude on:

- the effectiveness of financial planning in identifying and addressing risks to financial sustainability in the short, medium and long term
- the appropriateness and effectiveness of arrangements in place to address any identified funding gaps.

Governance and transparency

33. Governance and transparency is concerned with the effectiveness of scrutiny and governance arrangements, leadership and decision – making and transparent reporting of financial and performance information. We will review, conclude and report on:

- whether the joint board can demonstrate that the governance arrangements in place are appropriate and operating effectively
- whether there is effective scrutiny, challenge and transparency on the decision-making and finance and performance reports
- the quality and timeliness of financial and performance reporting.

Independence and objectivity

34. Auditors appointed by the Accounts Commission or Auditor General must comply with the Code of Audit Practice and relevant supporting guidance. When auditing the financial statements auditors must also comply with professional standards issued by the Financial Reporting Council and those of the professional accountancy bodies. These standards impose stringent rules to ensure the independence and objectivity of auditors. Audit Scotland has robust arrangements in place to ensure compliance with these standards including an annual “fit and proper” declaration for all members of staff. The arrangements are overseen by the Director of Audit Services, who serves as Audit Scotland’s Ethics Partner.

35. The engagement lead (i.e. appointed auditor) for the joint board is Bruce Crosbie, Senior Audit Manager. Auditing and ethical standards require the appointed auditor to communicate any relationships that may affect the independence and objectivity of audit staff. We are not aware of any such relationships pertaining to the audit of Tay Road Bridge Joint Board.

Quality control

36. International Standard on Quality Control (UK and Ireland) 1 (ISQC1) requires that a system of quality control is established, as part of financial audit procedures, to provide reasonable assurance that professional standards and regulatory and legal requirements are being complied with and that the independent auditor’s report or opinion is appropriate in the circumstances.

37. The foundation of our quality framework is our Audit Guide, which incorporates the application of professional auditing, quality and ethical standards and the Code

of Audit Practice (and supporting guidance) issued by Audit Scotland and approved by the Auditor General for Scotland. To ensure that we achieve the required quality standards Audit Scotland conducts peer reviews and internal quality reviews. Additionally, the Institute of Chartered Accountants of Scotland (ICAS) have been commissioned to carry out external quality reviews.

38. As part of our commitment to quality and continuous improvement, Audit Scotland will periodically seek your views on the quality of our service provision. We welcome feedback at any time and this may be directed to the engagement lead.

Tay Road Bridge Joint Board

Annual Audit Plan 2020/21

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ITEM No ...6.....

REPORT TO: TAY ROAD BRIDGE JOINT BOARD – 1 MARCH 2021

REPORT ON: REVENUE MONITORING – 10 MONTHS TO 31 JANUARY 2021

REPORT BY: THE TREASURER

REPORT NO: TRB 1-2021

1.0 PURPOSE OF REPORT

1.1 The purpose of this report is to appraise Board Members of the latest position regarding the Joint Board's 2020/2021 Revenue Budget.

2.0 RECOMMENDATIONS

2.1 It is recommended that the Joint Board note the content of this Revenue Monitoring Report as at 31 January 2021.

3.0 FINANCIAL IMPLICATIONS

3.1 The 2020/2021 Revenue Budget predicted a break-even position (see Report 28-2019). The current outturn position for the financial year 2020/2021 is projecting a break-even position based on the financial information available at 31 January 2021 (as detailed in Appendix A).

3.2 Following the removal of tolls the Board's Revenue Expenditure is now financed by an annual Revenue Grant from Scottish Government.

3.3 During 2019, Transport Scotland's Internal Audit conducted a review of their management of grant funding arrangements which included their administration of grant payments to and carry forward requests from the Joint Board. One of the recommendations of this review was that monthly grant claims now have to be submitted based on actual net expenditure. This results in a projected Revenue Grant carried forward into 2021/2022 of £nil.

3.4 The projected break-even position, if it materialised, would result in a General Fund Reserve of £1,160,591 at 31 March 2021. This level of retained reserves is subject to negotiation with the Scottish Government.

3.5 Following an External Audit recommendation, the Board's Strategic Plan 2019 to 2024 (TRB 28-2018) was approved by the Board with the aim of demonstrating the link between the budgets and financial performance reporting against the strategic objectives. Appendix B links the current year's gross expenditure to each of the Board's five strategic objectives.

3.6 Details of current variances against budget headings are detailed below.

3.7 An underspend of £5,000 is projected in relation to Administration Staff Costs. This is due to a saving of £2,000 due to a reduction of training programmes as a result of Covid 19 and a £3,000 underspend as a result of a vacant post for one month.

3.8 An overspend of £7,000 is projected in relation to Administration Supplies and Services. This is due to insurance premiums being higher than anticipated due to re-negotiation process (see TRB 13-2020).

3.9 An underspend of £25,000 is projected in relation to Operations Staff Costs. This is due to a saving of £21,000 on salary costs due to a long-term absence and a newly vacant post remaining unfilled and lower than anticipated expenditure of £10,000 due to the reduction of

training programmes as a result of Covid 19. These are offset by a projected £6,000 overspend on overtime to cover long-term and Covid 19 related absences.

- 3.10 An overspend of £8,000 is projected in relation to Plant and Equipment Property Costs due to increased electricity unit costs and an additional supply to a contractor's site office at the Dundee Central Waterfront Development. This is reflected in increased income as detailed in paragraph 3.18 below.
- 3.11 An underspend of £22,000 is projected in relation to Plant and Equipment Supplies and Services. This is due to a £16,000 saving in relation to the hire of the safety boat as the start date of the six-month contract period was delayed from the beginning of April until mid-June due to the Covid 19 lockdown resulting in no capital works during this period. This means that the end date of the contract will be extended by approximately ten weeks resulting in there being limited requirement for the additional ad-hoc cover period of five weeks that is included in the budget for provision of safety boat cover. There is also a £6,000 saving in relation to equipment maintenance, equipment purchases and materials on the gantries as there are ongoing capital works.
- 3.12 An underspend of £4,000 is projected in relation to Plant and Equipment Third Party Payments due to savings on contractor costs and principal inspections on the gantries as a result of ongoing capital works.
- 3.13 An underspend of £50,000 is projected in relation to Bridge Maintenance Staff Costs. This is due to a £32,000 saving in relation to a vacant post, a reduction of £9,000 in staff overtime due to reduced maintenance work required during off-peak times and a reduction of £3,000 of Standby Pay allowance as a result of a vacancy and less staff on standby. Additionally, there is lower than anticipated expenditure of £6,000 due to the reduction of training programmes as a result of Covid 19.
- 3.14 An overspend of £9,000 is projected in relation to Bridge Maintenance Property Costs due to increased electricity costs as a result of the energy supplier claiming back under-recovered charges between October 2019 and July 2020 after changing to monthly billing from quarterly billing.
- 3.15 An underspend of £5,000 is projected in relation to Bridge Maintenance Third Party Payments due to savings on Miscellaneous Inspections and Reports.
- 3.16 Reduced income of £97,000 is projected in relation to Scottish Government Revenue Grant. This is due to a change in the process for receiving this grant since October 2019 with monthly grant applications now being made on the basis of actual expenditure incurred (see TRB20-2019).
- 3.17 Increased income of £10,000 is projected in relation Miscellaneous Income. This is due to an additional supply to a contractor's site office at the Dundee Central Waterfront Development. This is reflected in increased expenditure as detailed in paragraph 3.10 above.

4.0 RISK ASSESSMENT

- 4.1 In preparing the Board's Annual Revenue Budget (see Report TRB 28-2019), the Treasurer considered the key strategic, operational and financial risks faced by the Board over this period. In order to alleviate the impact these risks may have should they occur, a number of general risk mitigating factors are utilised by the Board. These include:
- a system of perpetual detailed monthly budget monitoring with latest positions reported to quarterly Board meetings;
 - the level of General Fund Reserve balances available to meet any unforeseen expenditure;
 - the level of other cash backed reserves available to meet any unforeseen expenditure;

- the possibility of identifying further budget savings and efficiencies during the year if required; and
- the possibility of identifying new income streams during the year.

5.0 POLICY IMPLICATIONS

5.1 This report has been subject to an assessment of any impacts on Equality and Diversity, Fairness and Poverty, Environment and Corporate Risk. There are no major issues.

6.0 CONSULTATIONS

6.1 The Clerk, Bridge Manager and the Engineer to the Board have been consulted in the preparation of this report and are in agreement with the contents.

7.0 BACKGROUND PAPERS

7.1 None

ROBERT EMMOTT
TREASURER

17 FEBRUARY 2021

TAY ROAD BRIDGE JOINT BOARD**REVENUE MONITORING AS AT 31 JANUARY 2021**

	Revenue Budget 2020/21 £	Expenditure to 31 Jan 2021 £	Final Projection 2020/21 £	Variance from Budget £	Paragraph Reference
EXPENDITURE					
<u>Administration</u>					
Staff Costs	189,544	153,535	184,544	(5,000)	3.7
Property Costs	30,650	22,128	30,650	-	
Supplies and Services	132,088	123,178	139,088	7,000	3.8
Transport Costs	300	-	300	-	
Third Party Payments	108,135	84,814	108,135	-	
	460,717	383,655	462,717	2,000	
<u>Operations</u>					
Staff	512,212	416,729	487,212	(25,000)	3.9
Supplies & Services	8,400	7,632	8,400	-	
	520,612	424,361	495,612	(25,000)	
<u>Plant and Equipment</u>					
Property	22,000	23,590	30,000	8,000	3.10
Supplies & Services	161,500	140,893	139,500	(22,000)	3.11
Transport	33,100	22,722	33,100	-	
Third Party Payments	7,750	-	3,750	(4,000)	3.12
	224,350	187,205	206,350	(18,000)	
<u>Bridge Maintenance</u>					
Staff	302,175	206,878	252,175	(50,000)	3.13
Property	26,000	15,739	35,000	9,000	3.14
Supplies & Services	49,750	17,932	49,750	-	
Transport	200	16	200	-	
Third Party Payments	21,200	15,000	16,200	(5,000)	3.15
	399,325	255,565	353,325	(46,000)	
GROSS EXPENDITURE	1,605,004	1,250,786	1,518,004	(87,000)	
INCOME					
Scottish Government Revenue Grant	1,588,891	1,109,461	1,491,891	(97,000)	3.16
Interest on Revenue Balances	5,500	20	5,500	-	
Kiosk Rent	10,213	7,660	10,213	-	
Miscellaneous	400	5,672	10,400	10,000	3.17
GROSS INCOME	1,605,004	1,122,813	1,518,004	(87,000)	
TOTAL NET DEFICIT / (SURPLUS) MET FROM GENRAL RESERVE BALANCES	-	127,973	-	-	

APPENDIX B**LINKING THE 2020/2021 REVENUE BUDGET MONITORING TO THE BOARD'S STRATEGIC OBJECTIVES**

	Strategic Objective	2020/2021 Budget £	Expenditure to 31 Jan 2021 £	2020/2021 Projected £
1	Meeting User Expectations	859,207	718,313	854,207
2	Fiscally Sustainable	86,385	84,214	86,385
3	Transparent Governance and Clear Decision-Making Processes	19,237	4,310	19,237
4	A Modern, Diverse and Well-Trained Workforce	22,500	1,255	4,500
5	Quality and Standards	<u>617,675</u>	<u>442,694</u>	<u>553,675</u>
	TOTAL GROSS EXPENDITURE	<u>1,605,004</u>	<u>1,250,786</u>	<u>1,518,004</u>

ITEM No ...7.....

REPORT TO: TAY ROAD BRIDGE JOINT BOARD – 1 MARCH 2021
REPORT ON: CAPITAL MONITORING - 10 MONTHS TO 31 JANUARY 2021
REPORT BY: THE TREASURER
REPORT NO: TRB 2-2021

1.0 PURPOSE OF REPORT

- 1.1 The purpose of this report is to appraise Board Members of the latest position regarding the Joint Board's 2020/2021 Capital Plan.

2.0 RECOMMENDATIONS

- 2.1 It is recommended that the Joint Board note the content of this Capital Monitoring Report as at 31 January 2021.

3.0 FINANCIAL IMPLICATIONS

- 3.1 The Joint Board's 2020/2021 Capital Expenditure Programme of £1,475,000 was approved by the Board on 2 December 2019 (Report TRB 29-2019). From 1 April 2008 the Board's Capital Expenditure projects are being financed through Scottish Government Capital Grant.
- 3.2 The capital outturn for the financial year 2020/2021 (as detailed in Table 1 on Appendix A) is projected to be £881,000 (i.e. a net decrease of £594,000 from the originally approved budget) based on the financial ledger information up to 31 January 2021 and this will be funded from 2020/2021 Capital Grant of £881,000.
- 3.3 An explanation of the major variances is shown in section 4 of the report.
- 3.4 During 2019, Transport Scotland's Internal Audit conducted a review of their management of grant funding arrangements which included their administration of grant payments to and carry forward requests from the Joint Board. One of the recommendations of this review was that monthly grant claims now have to be submitted based on actual net expenditure. This results in a projected Capital Grant carried forward into 2021/2022 of £nil.
- 3.5 Following an External Audit recommendation, the Board's Strategic Plan 2019 to 2024 (TRB 28-2018) was approved by the Board with the aim of demonstrating the link between the budgets and financial performance reporting against the strategic objectives. Appendix B links the current year's gross expenditure to each of the Board's five strategic objectives.

4.0 REASONS FOR CAPITAL EXPENDITURE NET DECREASE

4.1 The main reasons for the net decrease of £594,000 can be summarised as follows:

	£000
<u>Slippage from 2019/2020:</u>	
Carriageway Resurfacing	42
Bridge Office Refurbishment	295
Lift Replacement	4
New Switch Gear	3
<u>Budget Adjustments:</u>	
Carriageway Resurfacing	(52)
Inspection to Columns and Piers	(26)
Bridge Office Refurbishment	(13)
New Gantries	55
Scour Protection	(25)
Gantry Miscellaneous	(10)
Miscellaneous Projects	(80)
New Switch Gear	2
<u>Slippage into 2021/2022:</u>	
Carriageway Resurfacing	(100)
CP Hardware	(250)
Inspection to Columns and Piers	(39)
New Gantries	(175)
Fife Landfall Improvements	(200)
Paintwork to Box Girders	(25)
Total Budget Adjustments	(594)

- 4.2 Due to the Covid 19 pandemic a full review of the long-term Capital Plan was conducted in order to inform the operational and financial requirements in the short- to medium-term. This review was shared with Transport Scotland as it informs the Scottish Government's Spending Review.
- 4.3 Details of current capital works and the main reasons for movements on each project are:
- 4.4 Carriageway Resurfacing: The original 2020/2021 budget was £200,000. The tender report for the appointment of a consulting engineer informed the outturn position (see Engineering Works report TRB 16-2019 and Tender Report TRB 32-2019 at December 2019 Board). Expenditure in 2019/2020 was £10,000 with an additional £42,000 slippage into 2020/2021. The revised budget for 2020/2021 is anticipated to be £90,000 with slippage of £100,000 into 2021/2022.
- 4.5 Cathodic Protection (CP) Hardware: The original 2020/2021 budget was £250,000 for the replacement of CP hardware at the base of the columns. This project is projected to fully slip into 2021/2022 due to Covid, resulting in a revised budget of £nil.
- 4.6 Inspection of Columns and Piers: The original 2020/2021 budget was £250,000. The tender report to the March 2020 Board (TRB 5-2020) reported that the project will cost £224,000. The revised budget for 2020/2021 is anticipated to be £185,000 with slippage of £39,000 into 2021/2022. This slippage relates to £26,000 for Conduit Boxes that require to be replaced by the contractor but will require abseiling which won't be done until at least April due to Covid travel restrictions and weather conditions. A further slippage of £14,000 is anticipated as work by Corrosion Engineering Ltd (Prof Fees) can only be done after CAN work.

- 4.7 Replacement of Expansion Joints: The original 2020/2021 budget of £25,000 is projected to be spent.
- 4.8 Bridge Office Refurbishment: The original 2020/2021 budget was £200,000. The Tender report for the programmed works (Report TRB 33-2019) anticipated total expenditure of £686,000. Expenditure in 2019/2020 was £263,000 resulting in a revised budget for 2020/2021 of £423,000. The slippage of works from 2019/2020 was due to delays in starting the contract and the Covid 19 lockdown period. The revised budget for 2020/2021 is anticipated to be £482,000. This consists of an additional £50,000 as the programme slipped from a twenty-two week project to a forty-two week project to cope with social distancing measures and timings for different sub-contractors. There was also £9,000 of additional works added to the programme relating to Surge Protection.
- 4.9 New Gantries: The original 2020/2021 budget was £175,000, this is for the start of the main works to replace the gantries and has slipped into 2021/2022 and future years. The tender report for the appointment of a consulting engineer informs the outturn position (see Engineering Works report TRB 16-2019 and Tender Report TRB 32-2019 at December 2019 Board), this is anticipated to be £55,000 in 2020/2021.
- 4.10 Scour Protection: The original 2020/2021 budget was £25,000. This project will not take place this year so the revised budget has been reduced to £nil.
- 4.11 Fife Landfall Improvements: The original budget was £200,000. Due to the rescheduling of capital works as a result of Covid 19 these works have slipped into 2021/2022 and future years.
- 4.12 Paintwork to Box Girders: The original 2020/2021 budget was £25,000. This is not anticipated to be spent so the revised budget has been reduced to £nil.
- 4.13 Gantry Miscellaneous: The original 2020/2021 budget was £25,000. The revised budget for 2020/2021 is anticipated to be £15,000.
- 4.14 Miscellaneous Projects: The original 2020/2021 budget was £100,000. The revised budget for 2020/2021 is anticipated to be £20,000.
- 4.15 Lift Replacement: The retention payment of £4,000 which was due in 2019/2020 slipped into 2020/2021.
- 4.16 New Switch Gear: The retention payment of £3,000 which was due in 2019/2020 slipped into 2020/2021. Additional works in relation to safety screens totalling £2,000 have also been scheduled for 2020/2021.

5.0 RISK ASSESSMENT

- 5.1 There are a number of risks which may have an impact on the Capital expenditure programme. The main areas of risk are set out below, together with the mechanisms in place to help mitigate these risks.
- 5.2 Construction cost inflation levels are volatile, and they can on occasion be relatively high in comparison to general inflation. Therefore, delays in scheduling and letting contracts may lead to increases in projected costs. Every effort will be made to ensure delays are avoided wherever possible and any increase in costs minimised.
- 5.3 Slippage in the Capital programme leads to the need to reschedule projects in the current year and possibly future years, therefore creating problems in delivering the programme on time. For this reason the programme is carefully monitored and any potential slippage is identified as soon as possible and any corrective action taken wherever possible. The lockdown of the

Construction industry in mid-March 2020, as a result of COVID 19, and subsequent restarting in July, has resulted in projects requiring to be re-phased.

- 5.4 Capital projects can be subject to unforeseen events, such as delays in progressing the project. This could lead to inflation impacting on the total cost of the project. In addition, currency fluctuations can also impact on costs. Contingencies are built into the budget for each capital project and these will be closely monitored throughout the project. The potential additional costs arising from implementing measures to create a compliant site and a safe working environment for workers, are being monitored. Project inflation, as a result of COVID 19 is also being reviewed. Officers will continually monitor and review the capital programme for the on-going effects of COVID19, in terms of projected cost and timescales.
- 5.5 Capital projects can be subject to unforeseen price increases. The nature of construction projects is such that additional unexpected costs can occur. Contingencies are built into the budget for each capital project and these are closely monitored throughout the project.
- 5.6 There is risk associated with projects that are not yet legally committed as the works are not yet tendered for, and there is potential for costs to be greater than the allowance contained within the Capital Plan. As the majority of spend on these projects is in future years, the risk in the current year is not significant. Future years' Capital programme will be adjusted to reflect updated cost estimates.
- 5.7 The Capital Monitoring report and the Engineer's report provide information on individual projects contained within the Capital Budget and the impact of expenditure movements on the future financial years.
- 5.8 The level of Capital Grant received from the Scottish Government may be impacted by budgetary constraints in future financial statements.

6.0 CONCLUSION

- 6.1 The Board's 2020/2021 capital programme is showing a projected capital spend of £881,000 which will be funded from the current year's Scottish Government grant.
- 6.2 The 2020/2021 capital expenditure programme will continue to be monitored on a regular basis throughout the remainder of the current financial year.

7.0 POLICY IMPLICATIONS

- 7.1 This report has been subject to an assessment of any impacts on Equality and Diversity, Fairness and Poverty, Environment and Corporate Risk. There are no major issues.

8.0 CONSULTATIONS

- 8.1 The Clerk, Bridge Manager and the Engineer to the Board have been consulted in the preparation of this report and are in agreement with the contents.

9.0 BACKGROUND PAPERS

- 9.1 None.

ROBERT EMMOTT
TREASURER

16 FEBRUARY 2021

TAY ROAD BRIDGE JOINT BOARD

APPENDIX A

TABLE 1: CAPITAL EXPENDITURE MONITORING - 10 MONTHS TO 31 JANUARY 2021

<u>Expenditure</u>	<u>Strategic Objective</u>	<u>Capital Budget 2020/21 £000</u>	<u>Slippage from 2019/20 £000</u>	<u>Budget Adjust £000</u>	<u>Slippage into 2021/22 £000</u>	<u>Revised Capital Budget 2020/21 £000</u>	<u>Actual to 31 Jan 2021 £000</u>	<u>Projected Outturn 2020/21 £000</u>	<u>Variance from Budget £000</u>
									-
Carriageway Resurfacing	1	200	42	(52)	(100)	90	43	90	-
CP Hardware	5	250	-	-	(250)	-	-	-	-
Inspection of Columns & Piers	5	250	-	(26)	(39)	185	183	185	-
Replacement of Expansion Joints	1	25	-	-	-	25	7	25	-
Bridge Office Refurbishment	5	200	295	(13)	-	482	385	482	-
New Gantries	5	175	-	55	(175)	55	19	55	-
Scour Protection	5	25	-	(25)	-	-	-	-	-
Fife Landfall Improvements	5	200	-	-	(200)	-	-	-	-
Paintwork to Box Girders	5	25	-	-	(25)	-	-	-	-
Gantry – Miscellaneous	5	25	-	(10)	-	15	-	15	-
Miscellaneous Projects	5	100	-	(80)	-	20	2	20	-
Lift Replacement	1	-	4	-	-	4	-	4	-
New Switch Gear	5	-	3	2	-	5	1	5	-
Total Gross Expenditure		<u>1,475</u>	<u>344</u>	<u>(149)</u>	<u>(789)</u>	<u>881</u>	<u>640</u>	<u>881</u>	<u>-</u>
Funded by:		<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>
Capital Grant 2020/2021		1,475	344	(149)	(789)	881	588	881	-
Total Funding		<u>1,475</u>	<u>344</u>	<u>(149)</u>	<u>(789)</u>	<u>881</u>	<u>588</u>	<u>881</u>	<u>-</u>

TABLE 2: Unapplied Capital Grant Projected Carry Forward:

	<u>£000</u>
Unapplied Capital Grant Brought Forward	184
<u>Add:</u> Projected Capital Grant Received 2020/2021	881
<u>Less:</u> Projected Capital Grant Utilised 2020/2021	(881)
<u>Less:</u> Repayment of Unapplied Capital Grant Brought Forward from Previous Years	(184)
Unapplied Capital Grant Carried Forward to 2021/2020	<u>-</u>

LINKING THE 2020/2021 CAPITAL BUDGET MONITORING TO THE BOARD'S STRATEGIC OBJECTIVES

Strategic Objective	<u>Capital Budget 2020/2021 £000</u>	<u>Revised Capital Budget 2020/2021 £000</u>	<u>Actual Expenditure to 31 Jan 2021 £000</u>	<u>2020/2021 Projected £000</u>
1 Meeting User Expectations	225	119	50	119
2 Fiscally Sustainable	-	-	-	-
3 Transparent Governance and Clear Decision-Making Processes	-	-	-	-
4 A Modern, Diverse and Well-Trained Workforce	-	-	-	-
5 Quality and Standards	<u>1,250</u>	<u>762</u>	<u>590</u>	<u>762</u>
TOTAL GROSS EXPENDITURE	<u>1,475</u>	<u>881</u>	<u>640</u>	<u>881</u>