

*joining up  
journeys*

**SPT**

partnership minute

## **Strathclyde Partnership for Transport**

### **Minute of meeting**

**13 February 2009**

held in Consort House, Glasgow

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## Minute of the meeting of the Strathclyde Partnership for Transport held in Consort House, Glasgow, on 13 February 2009.

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<b>Present:</b>	Argyll and Bute	Duncan MacIntyre
	East Ayrshire	Bobby McDill
	East Dunbartonshire	Billy Hendry (deputy)
	East Renfrewshire	Eddie Phillips
	Glasgow	Archie Graham
	Glasgow	George Roberts
	Glasgow	Alistair Watson (Chair)
	Inverclyde	David Wilson
	North Ayrshire	Tom Barr (deputy)
	North Lanarkshire	David Fagan
	Renfrewshire	Marie McGurk
	South Ayrshire	Bill Grant
	South Lanarkshire	Ian Gray
	South Lanarkshire	Davie McLachlan
	South Lanarkshire	Chris Thompson
	West Dunbartonshire	William Hendrie
	Appointed Member	John Boyle
	Appointed Member	Liz Connolly
	Appointed Member	Tom Hart
	Appointed Member	Alan Malcolm
	Appointed Member	Gavin Scott
	Appointed Member	Bill Ure

<b>Apologies:</b>	Glasgow	Tommy Morrison
	Glasgow	Ruth Simpson
	North Lanarkshire	Robert Burrows
	North Lanarkshire	Kaye Harmon
	Appointed Member	Elizabeth Cameron
	Appointed Member	Ronnie Mellis
	Appointed Member	Niall McGrogan

**Attending:** Valerie Davidson, Secretary; Valerie Bowen, Senior Clerk; Ron Culley, Chief Executive and Gordon MacLennan, Assistant Chief Executive (Operations).

### 1. Minute of previous meeting

The minute of the meeting of 12 December 2008 was submitted and approved as a correct record.

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## 2. Committee minutes

The minutes (issued) of the undernoted committees were noted, subject to the 'P' paragraph contained in the Strategy and Programmes minute which was approved:-

- (1) Operations Committee of 23 January 2009;
- (2) Chair's Committee of 23 January 2009; and
- (3) Strategy and Programmes Committee of 30 January 2009.

## 3. Membership update

Mrs Davidson informed the Partnership that South Ayrshire Council had intimated a change to its representation on the Partnership. She explained that Councillor Bill Grant had been appointed to replace Councillor Bill McIntosh with Councillor Robin Reid appointed as depute. The Partnership noted the position and agreed that Councillor Grant be appointed to the committees on which his predecessor had served.

## 4. Debt rescheduling exercise

[Click here with report](#)

There was submitted a report (issued) of 28 January 2009 by the Assistant Chief Executive (Business Support)

- (1) reminding members
  - (a) that the objectives of SPT's long term financial plan, agreed by the Partnership were two fold – to bring stability to the funding partners via the level of requisition and to redeem debt at the earliest opportunity as this was recognised to be a drain on the available revenue resources to the organisation;
  - (b) that a Deed of Assumption (DOA) had been carried over from the previous SPTA/E and these payments had been used in part to accelerate long term debt repayments and thus reduce the level of loan charges attributable to that debt; and
  - (c) that the debt repayment had been accelerated by £10.2m since 2006/07 which had resulted in an ongoing revenue saving of £620,000 per annum;
- (2) informing members
  - (a) that following negotiations with the Scottish Government, an opportunity had arisen to amend the DOA payment schedule, allowing a lump sum repayment of a long term debt and the re-profiling of outstanding SPT debt, subsequently reducing the loan charge support funded from revenue;

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- (b) that this saving estimated to be in the region of £20m net over the next 8 years, would be earmarked to establish a capital fund in support of subway modernisation; and
  - (c) that this earmarked fund required a separate protocol to ensure that it was used only in support of the intended purpose and this would be prepared and presented to a future Partnership meeting; and
- (3) explaining that, whilst the subway modernisation was expected to cost substantially more than £20m, this approach allowed SPT the ability to free up resources and actively contribute to the costs of the project and reduce the burden on future capital budgets.

After discussion and having heard Mrs Davidson in further explanation of the report, the Partnership

- (i) noted
  - (A) the proposal to amend the DOA schedule to receive the funding in two lump sums; and
  - (B) that the long term financial plan objectives of maintaining requisition stability and reducing the long term debt remained valid; and
- (ii) agreed
  - (A) that this funding be used to make a significant reduction on the level of long term debt; and
  - (B) that the Assistant Chief Executive (Business Support) finalise the exact re-payment and re-scheduling of debt.

## 5. Acceleration of Capital Funding 2009/10

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With reference to the minute of 15 February 2008 (page 7, paragraph 13) when the Partnership had approved in principle a draft capital plan for 2009/10 until 2011/12 based on capital funding of £25m per annum, there was submitted a report (issued) of 28 January 2009 by the Assistant Chief Executive (Business Support)

- (1) advising members
  - (a) that the Scottish Government had agreed that available funding be altered in light of the current economic conditions to allow more funding to be made available in 2009/10; and
  - (b) that the capital funding would now be £30m for 2009/10 and £20m for 2010/11;
- (2) informing members

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- (a) that the advance of £5m in 2009/10 would allow SPT to progress more quickly some strategic park and ride projects as outlined in the Regional Transport Strategy; and
  - (b) that a number of projects had been identified and approved in principle previously by the Partnership;
- (3) seeking approval for work to commence on the delivery of strategic park and ride projects which were previously classed as category 1 and on the advancement of projects classed 2 and 3 where it could be shown that delivery in 2009/10 would be achieved in full; and
- (4) explaining that completion of these projects in 2009/10 was an important and critical factor as the funding available in 2010/11 would be substantially reduced, with scope for year end movements very limited.

After discussion and having heard Mrs Davidson in answer to members' questions, the Partnership

- (i) noted
  - (A) the amendment to the capital funding profile;
  - (B) that this had been approved by the Scottish Government to support strategic park and ride; and
  - (C) that the final capital plan and budget for 2009/10 would be presented to the Partnership at the April meeting; and
- (ii) agreed that work on strategic park and ride projects should be progressed to take advantage of the accelerated funding.

## **6. Update of Treasury Management Policy and Strategy 2008/09**

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With reference to the minute of 18 April 2008 (page 5, paragraph 6) when the Partnership had approved the SPT Treasury Management Strategy for 2008/09, there was submitted a report (issued) of 28 January 2009 by the Assistant Chief Executive (Business Support), together with appendices

- (1) advising members
  - (a) that the current economic situation and the direct impact on the banking sector had prompted a review of treasury management practices within the financial year;
  - (b) that the review had confirmed that the practices in place remained effective and prudent in the current economic climate; and
  - (c) that minor updates had been made to reflect a change in the finance team structure with the only operating change relating to the Treasury Management

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Practices (appendix 1), where the individual limit of £10m (+5% tolerance) had been amended to allow for an alternative limit of 20% of average cash balances;

- (2) informing members that although the core strategy remained unchanged, two changes in operation had taken place:-
- (a) an increase in the number of accounts in use, which was a considered policy to spread the deposits across a wider number of approved institutions and was continuing with further new account applications being processed; and
  - (b) Treasury Management Practices 2.3.1.3 would be measured against the following benchmark:-

in house investments 7 day London Inter-Bank Bid Rate (LIBID) compound

as the LIBID rate had remained artificially high in 2008/09 and it was not possible therefore to outperform this benchmark in the current financial year. The emphasis in the current financial year had therefore shifted further to funds security and liquidity which was in line with the Treasury Management Policy Statement (appendix 4).

After discussion and having heard Mrs Davidson in answer to members' questions, the Partnership

- (i) approved
  - (A) the Treasury Strategy for 2008/09, including the revised Treasury Management Practices in appendices 1 and 2; and
  - (B) the counterparty list as detailed in appendix 3; and
- (ii) noted SPT's current Treasury Policy as detailed in appendix 4.

## **7. Proposed Operating Plan 2009/10**

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There was submitted a report (issued) of 29 January 2009 by the Assistant Chief Executive (Business Support)

- (1) enclosing as an appendix to the report, the proposed Operating Plan for 2009/10; and
- (2) informing members that the plan
  - (a) outlined SPT's goals and strategic priorities and reflected the Regional Transport Strategy (RTS); and
  - (b) highlighted SPT's Key Performance Indicators and Tracking Indicators together with appropriate targets and measures, taking into account resources available for deliverability.

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After discussion and having heard Mrs Davidson and Mr Culley in answer to members' questions, the Partnership approved the proposed Operating Plan for 2009/10.

**8. Subway modernisation project (phase 1) - Appointment of financial consultant**

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With reference to the minute of

- (1) the Partnership of 18 April 2008 (page 7, paragraph 8) when members had noted that further tenders would be invited for the provision of the role of Financial Consultant for the subway modernisation project; and
- (2) the Strategy and Programmes Committee of 30 January 2009 (page 2, paragraph 4) when members had been updated on the work undertaken to further the tender process,

there was submitted a report (issued) of 29 January 2009 by the Assistant Chief Executive (Operations)

- (a) detailing tenders received for the provision of financial consultancy services;
- (b) advising members
  - (i) that of the six tenders received, two did not meet the minimum quality criteria; and
  - (ii) that a full assessment of the remaining consultants had been carried out as detailed in the report; and
- (c) recommending that the Partnership approve the award of the contract to Grant Thornton UK LLP in the sum of £113,155 for the fixed elements of work, together with the tendered hourly rates for any potential variable elements of work, as it represented the most economically advantageous tender.

After consideration, the Partnership approved the recommendation at (c) above.

**9. River Clyde waterbus/ferry services study**

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There was submitted and noted a report (issued) of 29 January 2009 by the Assistant Chief Executive (Operations)

- (1) informing members of the findings of a joint study by Glasgow City Council and Argyll and Bute Council funded by SPT, into the feasibility of providing a ferry or waterbus service on the River Clyde between Rothesay and Central Glasgow;
- (2) advising members
  - (a) that a steering group had been formed to progress the study, comprising of officers from SPT, Glasgow City Council, Argyll & Bute Council, Inverclyde Council, West Dunbartonshire Council and Renfrewshire Council; and

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- (b) that the objective of the study was to assess the demand for waterborne services on the River Clyde, explore the options for service patterns and to identify the most appropriate vessel for service delivery, whilst taking into account the environmental impacts;
- (3) detailing the findings of the study; and
- (4) concluding
  - (a) that there was a number of significant issues to be resolved prior to considering the introduction of a waterbus service not least in relation to costs in terms of vessels/infrastructure, environmental impacts and identifying revenue support;
  - (b) that SPT as the Regional Transport Partnership for the area would be expected to play a key role in the development and enhancement of any waterbus service; and
  - (c) that following a recommendation by Glasgow City Council a working group should be established to continue the study, with SPT as the lead agency.

## 10. Media Report

[Click here to view report](#)

There was submitted a report (issued) of 6 February 2009 by the Assistant Chief Executive (Business Support),

- (1) enclosing a report provided by the media monitoring company Pressdata summarising the media coverage on SPT's activities during the months November and December 2008; and
- (2) informing members
  - (a) that for November and December the percentage of beneficial and factual content about SPT in the media had reached 90% and 86% respectively, despite a considerable amount of adverse comment around the perceived failure of the Government to support Crossrail in its publication of the Strategic Transport Projects Review; and
  - (b) that throughout 2008, the Communications department had managed to secure consistent positive media coverage and that they would aim to continue this trend in 2009.

After consideration, the Partnership noted the terms of the report.

## 11. Conference

The Partnership agreed that a Vice-Chair be authorised to attend the conference entitled "Rural Transport: Making the Connections" to be held in Inverness on 5 May 2009.

