

## **Strathclyde Partnership for Transport**

### **Minute of Strategy & Programmes Committee**

**7 February 2014**

held in Consort House, Glasgow

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## Minute of the meeting of Strathclyde Partnership for Transport's Strategy & Programmes Committee held in Consort House, Glasgow, on 7 February 2014

**Present** Councillors Denis McKenna (Chair), Jim Coleman, John Cairney (substitute), Gilbert Davidson, Eddie Devine, David Fagan, Pauline McKeever, and Paul Welsh and appointed members Anne Faulds, Anne Follin, Tom Hart, Jim McNally and Alan Malcolm.

**Attending** Valerie Davidson, Assistant Chief Executive (Business Support)/Secretary; Kirsten Clubb, Committee Support Officer; Gordon MacLennan, Chief Executive; Eric Stewart, Assistant Chief Executive (Operations); Neil Wylie, Director of Finance and HR; Charlie Hoskins, Director of Projects; Bruce Kiloh, Head of Policy and Planning and Gordon Dickson, Bus Development Manager.

### 1. Apologies

Apologies were submitted from Councillors John Bruce, Bill Grant, Kaye Harmon and Chris Thompson.

### 2. Declaration of interest in terms of the Ethical Standards in Public Life etc (Scotland) Act 2000

The committee noted that there were no declarations of interest.

### 3. Minute of previous meeting

[Click here to view minute](#)

The minute of the meeting of 29 November 2013 was submitted and approved as a correct record.

Arising from the minute with regard to page 7, paragraph 9, Mr Dickson advised members that the construction phase of the Fastlink project was progressing well, particularly on the North bank in and around the quay area, and similarly on the south bank in and around the Pacific Drive area. He explained that there had been on-going challenges with ground works and a retaining wall adjacent to Govan Town Hall. He advised that the project was still within the timescale and budget allocated and that SPT officers were continuing to work daily with Glasgow City Council on details of the plan and the unique benefits that it would achieve in Glasgow City Centre.

### 4. Revenue monitoring report as at 4 January 2014 (period 10)

[Click here to view report](#)

There was submitted and noted a report (issued) of 29 January 2014 by the Assistant Chief Executive (Business Support)

(1) reminding members

(a) that the Partnership had approved a revenue budget for 2013/2014 of £38.418m;

(b) that it remained the case that SPT, as a result of a flaw in legislation, was unable to add to already existing reserve funds or create new reserve funds which made the financial management of SPT more complex as it was generally regarded that the holding of reserves was an integral part of sound financial management; and

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- (c) that, as a result, the budgetary control process included an on-going review to ensure that SPT utilised fully its resources on agreed priorities. This had resulted in an increase in the number of virements between expenditure heads but maintained all expenditure within the current budget;
- (2) intimating that, since the last revenue report had been considered by committee, the savings programme continued to be driven through with strong cost and budgetary control exercised over all expenditure heads;
- (3) appending the revenue monitoring report for the period to 4 January 2014 which detailed the main variances and subsequent proposed virements;
- (4) explaining
  - (a) that this was also the year of significantly reduced capital funding and hence further support from revenue was required to ensure continued delivery of infrastructure across the region;
  - (b) that many projects were being delivered by SPT's constituent local authority partners and, where the funding from SPT was critical to project delivery, it was proposed to support the programme by way of matching the forecast capital funding gap of £1.278m with a further contribution from revenue; and
  - (c) that it was further proposed to allocate funds to supplement planned contributions to the subway modernisation fund to the value of £1.133m;
- (5) informing members that these measures would ensure that SPT delivered the break-even position as required; and
- (6) recommending that the committee
  - (a) note the actual expenditure incurred and the budget head variances as at the end of Period 10; and
  - (b) approve
    - (i) the proposed revenue contribution to the capital programme of £1.278m; and
    - (ii) the proposed contribution to the subway modernisation fund of £1.133m.

After discussion particularly relating to the enhancement of integrated ticketing on other modes of transport and having heard various officers in answer to members' question, the committee approved the recommendations at (6) above.

## 5. **Capital programme monitoring report and proposed amendments as at 4 January 2014 (period 10)**

[Click here to view report](#)

There was submitted and approved a report (issued) of 28 January 2014 by the Assistant Chief Executive (Business Support)

- (1) reminding members that the 2013/2014 capital programme of £45.725m had been approved by the Partnership on 15 February 2013 against known capital grant and other sources of funding;

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- (2) advising members that actual expenditure as at 4 January 2014 (period 10) totalled £28.906m compared to a planned spend position of £33.241m;
- (3) providing a detailed financial analysis of individual projects contained within the programme, split by department;
- (4) appending proposed amendments to the capital programme, together with reasons for the adjustments listed against each project, which gave a revised projected outturn figure of £46.343m;
- (5) explaining that in some instances, the formal outturn reductions in 2013/14 had necessitated the requirement to allocate a budget in 2014/15 in order to complete projects;
- (6) informing members that the available general capital funding for 2013/14 was substantially lower than in previous years and to mitigate against this reduced funding, and in recognition of continued project delivery, it was proposed to contribute a further £1.278m from revenue in support of the capital programme; and
- (7) requesting that the committee
  - (a) approve the proposed amendments to the 2013/14 capital programme as per Appendix 2 of the report;
  - (b) agree to award grant funding up to the value of £160,000 to the local authorities and other identified bodies detailed in the report;
  - (c) authorise the Assistant Chief Executive (Business Support) to sign the grant funding letters to expedite the projects; and
  - (d) otherwise note the terms of the report.

After discussion and having heard Messrs Wylie and Hoskins in answer to members' questions, the committee approved the recommendations at (7) above

## **6. Progress on the development of the Capital Programme 2014/15 to 2016/17 including the Capital Budget 2014/15**

[Click here to view report](#)

There was submitted and noted a report (issued) of 23 January 2014 by the Assistant Chief Executive (Business Support)

- (1) reminding members that SPT normally prepared a rolling three year capital plan and budget which sought to balance the transport project needs and available funding;
- (2) intimating
  - (a) that on this occasion, the Scottish Budget 2014/2015 had included a capital grant for 2014/2015 and an indicative grant for 2015/2016 only;
  - (b) that although SPT had prepared a plan including a third year (2016/2017), no information on grant funding for that year had been provided;
  - (c) that although the proposed capital grant allocation to SPT was £22.5m in 2014/2015 and £21.9m in 2015/2016, it was anticipated that £6m per annum would be ring fenced to support the subway modernisation works, with additional spend on this

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project being funded initially from a call on the subway modernisation fund or borrowings; and

- (d) that, in addition to this general capital grant funding, specific grants had been awarded also for the Fastlink project and additional monies had been secured, or had been bid for, on a project specific basis from Scottish Government and ERDF;
- (3) explaining that the compilation of the 2014/2015 capital programme had commenced in autumn 2013 by inviting SPT's departments and local authority partners to submit project proposals;
- (4) advising members that the proposals had been assessed through several stages, as detailed in the report, to ensure that the plan was robust and deliverable within the timescales and funding available;
- (5) appending
- (a) the overall programme for 2014/2015 to 2016/2017 (appendix 1);
- (b) details of all projects included within the proposed 2014/15 budget (appendix 2), approval for which would be sought from the Partnership and for the specific grant funding (appendix 4); and
- (c) the capital programme for 2015/2016 and 2016/2017 (appendix 3) which was indicative only at this stage.
- (6) summarising the proposed budget for 2014/15:-

	2014/2015 £000
<b>Category 1 Programme</b>	<b>73,270</b>
Funded by:	
General Capital Allocation	16,500
Subway Modernisation (ring-fenced portion of general allocation)	6,000
Contribution from Subway Modernisation Fund / Borrowing Requirement	23,491
Specific Capital Grant - Fastlink Core Scheme	14,713
ERDF - Fastlink Core Scheme	3,600
Revenue Contribution to the Capital Programme	2,500
Other specific grants (see Appendix 1 for details)	1,334
<b>Total</b>	<b>68,138</b>
<b>Projected Variance</b>	<b>(5,132)</b>
 <b>Category 2 Programme</b>	 <b>11,402</b>
and	

- (7) informing members that as there would be some movement in projects in the current financial year which would have an impact on the proposed 2014/15 programme and would be reported to the Partnership at the earliest opportunity in 2014/15.

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## 7. SPT responses to consultation documents

There were submitted and approved reports of 20 and 21 January 2014 (issued) by the Assistant Chief Executive (Operations) appending SPT's proposed response to each of the following consultations:-

- (1) Scottish Government Consultation on the Community Empowerment Bill;  
[Click here to view report](#)
- (2) Scottish Government consultation on European Structural Funds 2014-2020 Programmes;  
and  
[Click here to view report](#)
- (3) Scottish Parliament Committee's call for views on proposed National Planning Framework 3.  
[Click here to view report](#)