

Strathclyde Partnership for Transport minute of Strategy & Programmes Committee meeting

16 May 2008

held in Consort House, Glasgow

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Minute of the meeting of the Strathclyde Partnership for Transport Strategy & Programmes Committee held in Glasgow on 16 May 2008

Present Councillors David Fagan (Chair), Tom Barr (deputy), Robert Burrows, Charlie Gilbert (deputy), Bill McIntosh, Davie McLachlan, Willie O'Rourke (deputy), George Roberts and Alistair Watson and appointed members Liz Connolly, Alan Malcolm and Gavin Scott.

Apologies Councillors Eddie Phillips, John Reid and Ruth Simpson.

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

Also attending John Ewing, Director of Transport Directorate, Scottish Government .

1. Minute of previous meeting

The minute of the meeting of 28 March 2008 (issued) was submitted and approved as a correct record.

2. Mr John Ewing

The Chair welcomed John Ewing, Director of Transport Directorate, Scottish Government, to the meeting. Mr Ewing thanked members for the opportunity to meet with them, outlined what the Scottish Government had done so far in respect of transport projects and stressed the importance of public transport in accessing services which the Scottish Government provided. He welcomed SPT's involvement with local authorities, particularly in respect of Single Outcome Agreements, and its contribution to the recent high level bus forum.

Mr Ewing referred to SPT's Regional Transport Strategy which he felt had a clear focus and he acknowledged the difficulties in prioritising the various projects. He appreciated the time and effort SPT contributed to advancing the Scottish Government's transport aspirations and valued the relationship between both organisations.

After having heard Mr Ewing in answer to members' questions on a variety of topics, the Chair on behalf of the Partnership, thanked him for his attendance.

3. Partick Interchange redevelopment – progress update

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With reference to the minutes of the Partnership of 14 December 2007 (page 12 , paragraph 13) and the Strategy and Programmes Committee of 28 March 2008 (page 1, paragraph 3) when members had considered reports on the progress of the Patrick Interchange redevelopment project, there was submitted a report (issued) of 8 May 2008 by the Assistant Chief Executive (Operations),

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- (1) detailing the progress made on the Partick Interchange redevelopment project during the period December 2007 to April 2008;
- (2) highlighting
 - (a) that the contractor, C Spencer, had now produced a programme of works that could be used to monitor progress; and
 - (b) that the programme had identified a completion date of October 2008;
- (3) reminding members that the project budget was £12.3m, £9.7m of which related to the construction contract which was a fixed price lump sum for the design and build of the new interchange, with the remainder of the budget allocated for staffing, professional fees, Network Rail costs, other third party costs such as land leasing and general contingency;
- (4) advising members
 - (a) that within the contract SPT, as employer, bore a number of budget risks such as provision of information and approvals delays, unforeseen ground conditions and changes to the employer's requirements;
 - (b) that in the situation where these risks translated into reality, the contractor could make a claim against SPT for recompense under the contract;
 - (c) that these situations were termed "relevant events" under the contract and might comprise an extension of time and/or additional costs to be claimed by the contractor; and
 - (d) that although during the course of the project there had been many events which the contractor had claimed as relevant events, SPT's specialist claims consultant, Jacobs Ltd, could not assess such events adequately and advise SPT due to the significant lack of detail provided;
- (5) informing members
 - (a) that in February 2008, the contractor had submitted a substantial package of information to SPT with claims totalling £6.3m, together with a request for an extension of time for completion to September 2008;
 - (b) that following a recommendation from Jacobs Ltd, who continued to work through the substantial volumes of information submitted with the claims, SPT had provided interim payments to the contractor totalling £1.96m;
 - (c) that whilst it was the opinion of Jacobs Ltd that not all of the claims could be substantiated, it had been indicated that SPT might incur further additional costs and payments to the contractor; and
 - (d) that although all contractor claims would be vigorously examined and resisted where appropriate, it was prudent to make adequate financial provision at this stage;
- (6) explaining

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- (a) that SPT required to continue to engage the services of various third parties, including project staff, Jacobs Ltd in supervising the works and providing specialist claims advice and Network Rail for services in approving design, method statements and supervising works on their assets; and
 - (b) that the leasing arrangements with Morrisons supermarket also required to be extended;
- (7) concluding
- (a) that although SPT could apply liquidated damages against the contractor up to a value of £11,700 per week beyond the contract completion date, the contract completion date would require to take account of extensions of time granted and for delays proved to be beyond the contractor's control; and
 - (b) that SPT would apply liquidated damages for any period following after the agreed revised contract completion date; and
- (8) recommending
- (a) that the additional £1m contingency approved by the Partnership in the 2008/09 capital plan at category 3 be promoted to category 1 to pay for the extended staffing, third parties and interim contract payments whilst the assessment of the claim continued in parallel with the physical works; and
 - (b) that a further provision of £5.3m be made from the 2008/09 capital budget for contractor claims and third party fees.

After discussion and having heard Mr Maclennan in further explanation and in answer to members' questions, the committee approved the recommendations at (8) above.

4. 'A Catalyst for Change' – the Regional Transport Strategy for the west of Scotland Delivery Plan 2008/09 – 2012/13

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With reference to the minute of the Partnership of 18 April 2008 (page 6, paragraph 7) when the Partnership had

- (1) approved the redraft of the Regional Transport Strategy document for submission to the Scottish Government, taking account of the comments made by the Cabinet Minister for Finance and Sustainable Transport;
- (2) agreed that a draft Delivery Plan for the next five years would be presented to the Strategy and Programmes Committee for approval at its meeting on 16 May 2008; and
- (3) noted that although SPT would address each of the 17 strategic priorities identified in the RTS, it was proposed that the particular focus for the first delivery plan would be to:-
 - Plan and provide a "step change" for bus services, standards and infrastructure;
 - Revitalise the Subway network;
 - Improve cross-city and cross-region links on strategic corridors;
 - Improve access to services including healthcare and education;

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- Plan for the provision of transport for the Commonwealth Games 2014, tourism and major events; and
- Improve sustainable connectivity for business and freight,

there was submitted a report (issued) of 30 April 2008 by the Assistant Chief Executive (Business Support),

(a) informing members that a five year Delivery Plan

- (i) would provide a flexible and responsive resource planning tool to allow for the development and implementation of capital plans containing individual interventions aligned to the 17 strategic priorities of SPT; and
- (ii) could be used to set strategic direction for spending and resource allocation by SPT and could be drafted without specific sums allocated to individual interventions;

(b) advising members

- (i) that all SPT's core activities fitted within one or more of the 17 strategic priorities;
- (ii) that an essential stage in the preparation of the Delivery Plan was the strategic allocation of resources across the 17 priorities of the RTS; and
- (iii) that it was proposed to allocate 70% of resources to the 6 key strategic priorities and 30% to the remainder;

(c) explaining

- (i) that there were considerable challenges ahead as SPT sought to realign the efforts of the Partnership to the newly agreed strategic priorities with its sharpened focus on the top 6 key areas;
- (ii) that this would involve a gradual realignment of SPT resources over the five year plan which would also affect other SPT resource planning in addition to future capital plans; and
- (iii) that the strategic approach to project and resource allocation might mean changes to priorities identified before the RTS redraft was approved;

(d) enclosing as appendices to the report

- (i) a list of projects and interventions to be included in the five year Delivery Plan; and
- (ii) a timetable for each of the key stages;

(e) concluding

- (i) that it was recognised that the outcome of the Government's Strategic Transport Projects Review and the Single Outcome Agreements (SOAs) which were in the process of being developed by member councils might affect the list of projects;

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- (ii) that until information on the Strategic Transport Projects Review and the emerging SOAs were available, it was not possible to identify a firm Delivery Plan; and
 - (iii) that, consequently, the scope and the framework being identified for the Delivery Plan should be considered further in conjunction with member councils during the summer period; and
- (f) recommending that the committee
- (i) approve the allocation of resources by strategic priority as outlined in the report;
 - (ii) endorse the delivery plan project list as a consultative draft for review by member councils; and
 - (iii) agree that the final plan be submitted to the next meeting of the committee in September 2008.

After discussion and having heard Mrs Davidson in further explanation and in answer to members' questions, the committee approved the recommendations at (f) above.

5. Conferences

The committee

- (1) agreed that all members of the Partnership be given the opportunity to attend the "Delivering the National Transport Strategy whilst meeting climate change targets" conference in Edinburgh on 17 June 2008; and
- (2) authorised the Chair or his nominee to attend the "Transport 2008: Getting Britain moving" conference in London on 18 September 2008.