

## **Strathclyde Partnership for Transport**

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

**16 September 2011**

held in Consort House, Glasgow

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# Minute of the meeting of the Strathclyde Partnership for Transport's Strategy & Programmes Committee held in Glasgow on 16 September 2011

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**Present** Councillors David Fagan (Chair), Jonathan Findlay, Ian Gray, Bill Grant, Kaye Harmon, Duncan MacIntyre, Denis McKenna, Jim McNally and Eddie Phillips and appointed members Alan Malcolm and Gavin Scott.

**Attending** Valerie Davidson, Assistant Chief Executive (Business Support)/Secretary; Valerie A Bowen, Senior Clerk; Gordon MacLennan, Chief Executive; Eric Stewart, Assistant Chief Executive (Operations); Neil Wylie, Director of Finance & HR and Charlie Hoskins, Director of Projects.

**Also attending** John Yellowlees, First ScotRail.

## 1. Apologies

Apologies were submitted from Councillors Archie Graham, George Roberts and appointed member John Boyle.

## 2. Declarations of interest

The committee noted that there were no declarations of interest.

## 3. Minute of previous meeting

The minute of the meeting of 24 June 2011 (issued) was submitted and approved as a correct record.

## 4. Revenue monitoring report as at 20 August 2011

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There was submitted a report (issued) of 1 September 2011 by the Assistant Chief Executive (Business Support)

- (1) reminding members that the Partnership had approved a revenue budget for 2011/2012 of £38.532m;
- (2) appending the revenue monitoring report for the period to 20 August 2011 (period 5);
- (3) informing members that, based on the information to date, an underspend of £260,000 was forecast;
- (4) outlining the main reasons for the projected underspend; and
- (5) explaining
  - (a) that although the Subway Modernisation Outline Business Case detailed the

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requirement to contribute revenue savings to assist in the overall funding package throughout the life of the project, as pressures continued to bear on funding available to all public service organisations, it would be necessary to consider the level of contribution to the subway modernisation fund in light of other service pressures;

- (b) that this would be taken into account as part of the financial planning process and proposals on the allocation of resources would be brought to a future meeting; and
- (c) that any proposals would require to balance the need to establish sufficient funds to meet borrowing costs, ensure that no requisition increase would arise from future borrowing and meet service delivery demands.

After consideration and having heard Mr Wylie in answer to members' questions, the committee noted the projected outturn position on the information available at the end of period 5.

## **5. Capital programme monitoring report as 20 August 2011**

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There was submitted a report (issued) of 8 September 2011 by the Assistant Chief Executive (Business Support)

- (1) reminding members that the 2011/2012 capital programme of £26.740m had been approved by the Partnership on 11 February 2011 against known capital funding of £20.511m from the Scottish Government, which included a ring fenced sum of £6m in support of Subway modernisation;
- (2) advising members that actual expenditure as at 20 August 2011 (period 5) totalled £1.989m compared to a planned spend position of £2.439m;
- (3) providing a detailed financial analysis of individual projects contained within the programme, split by department;
- (4) explaining
  - (a) that an analysis of the capital programme at period 5 had indicated a risk potential of up to minus £3.977m; and
  - (b) that in order to mitigate risks within the programme, officers had been asked to develop category 2 and 3 proposals to a state of readiness for implementation should funding become available;
- (5) appending proposed amendments to the capital programme, together with reasons for the adjustments listed against each project, which gave a revised outturn figure of £25.751m; and
- (7) recommending that the committee
  - (a) note

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- (i) the financial performance of the 2011/2012 capital programme as at 20 August 2011 (period 5);
  - (ii) the results of the risk assessment exercise; and
  - (iii) that further work to manage risks, advance savings and re-phase existing projects would be undertaken to balance spend against budget; and
- (b) approve
- (i) the proposed amendments to the 2011/2012 capital programme as detailed in appendix 2 to the report;
  - (ii) the award of grant funding to Glasgow City Council for the "City Centre Standby & Relief area" project for the sum of £140,000; and
  - (iii) the other grant funding awards as detailed in the report; and
- (c) authorise the Assistant Chief Executive (Business Support) to sign the grant funding letters to expedite the projects.

After consideration, the committee approved the recommendations at (7) above.

## 6. Annual Treasury Management report 2010/2011

[Click here to view report](#)

There was submitted and noted a report (issued) of 30 August 2011 by the Assistant Chief Executive (Business Support)

- (1) reminding members that, in accordance with the Chartered Institute of Public Finance and Accountancy "Treasury Management in Public Services Code" and SPT's Financial Regulations, an annual report required to be produced to present an overview of treasury activities undertaken in the previous financial year;
- (2) summarising the Treasury Management performance for the financial year 2010/2011 which covered
  - capital expenditure and financing;
  - SPT's current treasury position;
  - the economy in 2010/2011;
  - borrowing;
  - compliance with treasury limits and prudential indicators;
  - investment strategy for 2010/2011; and
  - investment outturn for 2010/2011;
- (3) appending SPT's Prudential Indicators; and
- (4) informing members that during 2010/2011, SPT had repaid all outstanding debt in accordance with the long term financial agreement with the Scottish Government and the Subway modernisation business case.

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## 7. **Fastlink – Progress update and final business case submission**

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With reference to the minute of 17 September 2010 (page 3, paragraph 7) when the committee had been provided with an update on the progress of the Fastlink project, together with information on a number of key issues that required to be finalised, there was submitted a report (issued) of 1 September 2011 by the Assistant Chief Executive (Operations)

- (1) intimating that all of the issues highlighted in September 2010 had been addressed and this had allowed the final business case to be submitted to the Scottish Government on 31 August 2011 to ensure that it was in line with the government's timeline on funding decisions relating to the forthcoming comprehensive spending review;
- (2) appending a copy of the executive summary from the business case together with the route maps and a copy of the Memorandum of Understanding between Glasgow City Council (GCC) and SPT;
- (3) summarising the key issues from the business case as undernoted:-
  - strategic context and objectives;
  - funding availability;
  - preferred strategy;
  - delivery of new infrastructure and operations;
  - benefits;
  - outline programme for delivery; and
  - project governance;
- (4) informing members
  - (a) that since the preparation of the draft Outline Business Case, further clarity had been given by the Scottish Government on the likely funding available and more detailed analysis has been undertaken on the options for the operation of the new services as well as enhancements to the routing in the city centre;
  - (b) that the final business case had focussed on the funding, procurement and delivery of the Core Scheme incorporating the enhancements to the city centre routing as such enhancements were necessary to make the project as commercially viable as possible and integrate with existing city centre transport nodes at Central Station, Queen Street Station and Buchanan Bus Station;
  - (c) that support for full funding of the core scheme in the sum of £40m had been sought from the Scottish Government;
- (5) concluding
  - (a) that the Final Business Case demonstrated that the Fastlink project supported

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national, regional and local policies and strategies as well as supporting economic growth, regeneration, modal shift and growth of public transport in the corridors from the city centre along the south bank of the Clyde Corridor through Govan, to the new South Glasgow Hospital and beyond to Braehead and Renfrew;

- (b) that, similarly, the project demonstrated all of these attributes for the route along the north bank to the SECC (for the Core Scheme) and beyond to the new Transport Museum and Glasgow Harbour area; and
  - (c) that the business case promoted the use of the Fastlink standards as the exemplar for improvements to existing quality bus corridors across the greater Glasgow area; and
- (6) recommending that the committee
- (a) endorse
    - (i) the preferred strategy of delivery of the core scheme which incorporated enhanced city centre routing;
    - (ii) the wider strategy of using the core scheme as an exemplar for the future roll out to other destinations and existing quality bus corridors ;
    - (iii) the strategic approach taken by SPT with GCC on the Memorandum of Understanding that would provide the strategic direction for the delivery of the core scheme and future roll out to other corridors; and
    - (iv) the use of SPT network enhancement grant to “kick start” the core scheme and;
  - (b) note
    - (i) the detailed partnership working between SPT and GCC in finalising the business case and the continued close partnership working required to deliver the core scheme; and
    - (ii) the similar partnership working with Renfrewshire Council in seeking to put in place a memorandum of understanding for extending the core scheme to Braehead/Renfrew.

After consideration and having heard Mr Stewart in further explanation and in answer to members’ questions, the committee approved the recommendations at (6) above.

## **8. Dalmarnock Rail Station redevelopment – progress report**

[Click here to view report](#)

There was submitted and noted a report (issued) of 19 August 2011 by the Assistant Chief Executive (Business Support)

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- (1) intimating that the GRIP4 works had been completed in line with the programme;
- (2) informing members
  - (a) that, since the last report on the redevelopment of Dalmarnock Station, Network Rail had awarded the contract for phase 1 construction and work had commenced at the end of August 2011; and
  - (b) that Network Rail were in the final process of formally contracting the phase 2 works;
- (3) explaining that the funding contributions had been formalised between all funding partners and Transport Scotland; and
- (4) advising members that the current completion date for the project was November 2013.

After consideration and having heard Mr Hoskins in answer to members' questions, the committee agreed that members be informed when the contract for phase 2 was awarded.

**9. Specialist consultancy support: Subway modernisation – tender assessment for list of suppliers**

[Click here to view report](#)

There was submitted and approved report (issued) of 24 August 2011 by the Assistant Chief Executive (Operations)

- (1) informing members that, although SPT had in place a framework for design and technical support services, the need to have the ability to call off specialist consultants from the framework to assist SPT in specific targeted areas merited by the intricacies in the delivery of the Subway modernisation programme had been identified;
- (2) that the framework had been structured around the following lots:

Lot 1 – Independent expertise on the following:-

Lot 1A existing system maintenance improvements;  
Lot 1B new trains, signalling and control systems;  
Lot 1C innovative approaches to operations and maintenance; and  
Lot 1D escalator maintenance, installation and operation; and

Lot 2 – specialist support in implementation of new operating and maintenance systems and supporting processes;
- (3) outlining the tender assessment procedure; and
- (4) recommending that the undernoted consultancies be included in the approved framework over the period September 2011 to September 2013:-

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<b><u>Consultancy</u></b>	<b><u>Lot</u></b>
Frazer Nash Consultancy	1A, 2
Racon Management Services Ltd	1A, 1B, 2
Ove Arup & Partners Scotland Ltd	1A
Interfleet Technology Ltd	1A, 1B, 1C, 2
Manchester Metropolitan University	1B, 1C
McCulloch Rail	1C
University of Strathclyde Department of Mechanical Engineering	1C
Butler & Young Lift Consultants Ltd	1D
Al-Sharif VTC	1D
Safety & Training Support Services	2

## 10. High Speed Rail – Scottish Partnership Group

[Click here to view report](#)

There was submitted and noted a report (issued) of 23 August 2011 by the Assistant Chief Executive (Business Support)

- (1) reminding members that in October 2009, Transport Scotland had published a strategic business case for High Speed Rail;
- (2) intimating
  - (a) that following this publication, the Minister for Transport, Keith Brown MSP, had requested the formation of a pan Scotland group to promote collectively the case for Scotland's inclusion in the British HSR network; and
  - (b) that the formation of the Scottish Partnership Group, which included SPT, had represented this undertaking;
- (3) informing members that the purpose of the group was to refresh the previous business case developed by Transport Scotland, with input from key stakeholders, and provide evidence for the Transport Select Committee inquiry into the benefits of HSR; and
- (4) concluding that HSR was a key project for both the UK and Scottish Governments and SPT had a key role to play in ensuring that HSR was fully integrated into the wider transport network and that the potential benefits of the scheme were realised.

## 11. Glasgow Economic Commission – final report

[Click here to view report](#)

There was submitted and approved a report (issued) of 31 August 2011 by the Assistant Chief Executive (Business Support)

- (1) reminding members
  - (a) that the Glasgow Economic Commission had been established by the Glasgow Economic Partnership to review the city's economic strategy and

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action plan in the light of rapid and significant changes in the world, UK and Scottish economic affairs; and

- (b) that the central task of the Commission was to identify current or anticipated opportunities for economic or employment growth in Glasgow, take evidence and make recommendations on any new initiatives which could be brought forward over the next five years;
- (2) advising members that, following a widespread 9 month consultation with city businesses, the Commission had issued its final report,
- (3) appending a copy of the Executive Summary;
- (4) explaining how SPT had contributed to the development of the report; and
- (5) requesting that the committee endorse the recommendations contained therein, particularly in relation to transport infrastructure investment.

## **12. Proposed Bus Consultation responses**

[Click here to view report](#)

After consideration of a report (issued) of 18 August 2011 by the Assistant Chief Executive (Business Support), the committee considered and approved SPT's proposed response to each of the following Scottish Government consultations:-

- (1) the proposed extension of Local Bus Registration and Bus Service Operators Grant to Demand Responsive Transport; and
- (2) Decriminalised Enforcement of Bus Lane Offences by Camera.

## **13. Additional Item**

In terms of Standing Order No 3.2, the Partnership agreed to consider the following additional item at this stage of the meeting.

## **14. National Transport Awards – London – 6 October 2011**

[Click here to view report](#)

There was submitted a report (tabled) of 15 September 2011 by the Assistant Chief Executive (Business Support)/Partnership Secretary

- (1) informing members that, following success in the recent Scottish Transport Awards, SPT had been advised of being shortlisted in 6 categories in the National Transport Awards to be held in London on 6 October 2011; and
- (2) proposing the attendance of two members at the event.

After having heard Mrs Davidson in further explanation, the committee

- (a) agreed that SPT be represented by Councillor David Fagan, Vice-Chair and

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Councillor David Wilson in recognition of the partnership working with Inverclyde Council to deliver the Greenock Bus Station re-development project which had been shortlisted;

- (b) noted that Eric Stewart Assistant Chief Executive (Operations) and Ann Murdoch, Service Delivery Manager, who had been nominated in the employee of the year category, would also be in attendance; and
- (c) noted further that the estimated costs for travel, accommodation and attendance at the event was £1,500 for all attending.