

Strathclyde Partnership for Transport minute of Strategy & Programmes Committee meeting

16 November 2007

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 November 2007

- Present** Councillors David Fagan (Chair), Robert Burrows, Charlie Gilbert (deputy), Duncan McIntyre and George Roberts and appointed members Alan Malcolm and Gavin Scott.
- Apologies** Councillors Alex Hannah, Bill McIntosh, Davie McLachlan, Eddie Phillips, Ruth Simpson and Alistair Watson and appointed member Liz Connolly.
- Attending** Valerie Davidson, Assistant Chief Executive (Business Support)/Treasurer; Valerie A Bowen, Senior Clerk; John Halliday, Assistant Chief Executive (Transport & Strategy) and Neil Wylie, Director of Finance.

1. Minute of previous meeting

The minute of the meeting of 28 September 2007 was submitted and approved as a correct record.

2. Revenue monitoring report as at 13 October 2007

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There was submitted a report (issued) of 30 October 2007 by the Assistant Chief Executive (Business Support)/Treasurer,

- (1) reminding members that the Partnership had approved a revenue budget for 2007/08 of £45.376m;
- (2) appending the revenue monitoring report for the period to 13 October 2007 (period 7); and
- (3) informing members that, based on the information available to date, an underspend of £196,000 was forecast at this stage and all expenditure heads would be monitored closely to ensure that the projected underspend was achieved in order that it could be factored into the deliberations of next year's budget.

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

3. Capital expenditure monitoring and proposed amendments and additions as at 13 October 2007

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With reference to the minute of the Partnership of 23 February 2007 (page 2, paragraph 2) when the Partnership had noted the funding available for capital investment in 2007/2008 of £54.027m comprising £25.227m of general grant and approved s70 Scottish Executive grant funding of £28.800m, there was submitted a report (issued) of 1 November 2007 by the Assistant Chief Executive (Transport & Strategy),

- (1) advising members

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- (a) that although previous editions of this report had focused on projects which were not performing to planned delivery or spend profiles, such an exclusive focus ignored the real progress, innovation and delivery which could be found throughout the programme in projects being delivered directly by SPT or by SPT's partners in local authorities and beyond; and
 - (b) that it was the intention to widen the reporting aspect of future editions of the report to provide a fuller status briefing across all elements of the investment programme highlighting areas of success, achievement and innovation as well as areas of concern;
- (2) reminding members
- (a) that the capital investment plan had three categories, priorities 1, 2 and 3;
 - (b) that the main focus would be on delivery of priority 1 projects with priority 2 projects being delivered where funding was available to do so and priority 3 projects being developed for future years;
 - (c) that the capital budget consisted of priority 1 (£36.574m) and priority 2 projects (£16.816m) giving a total budget of £53.390m; and
 - (d) that the capital investment plan had been set with a surplus in funding - £0.637m in this financial year;
- (3) providing a financial analysis of the capital programme budget and actual spend as at 13 October 2007 (period 7) in summary by service and in detail by project, which highlighted an actual spend to date of £6.101m compared to a revised profiled expenditure budgeted to be incurred by the end of period 7 of £8.919m;
- (4) highlighting
- (a) the following projects which had been selected for detailed reporting:-
 - Rail station car parking - Kilwinning;
 - Motherwell Transport Interchange; and
 - Busby Rail Station ramp; and
 - (b) that although projects selected for detailed reporting had in the past been made on an "exceptions" basis where actual performance had differed from that originally planned, future selections would provide a fuller account of performance across SPT's capital investment programme;
- (5) appending a list of various proposed amendments to the capital programme which, if approved, would result in an anticipated outturn of £36.971m; and
- (6) informing members that, as the current trend in capital spend was likely to lead to an overall shortfall of £1.331m to meet SPT's minimum general capital grant level, consideration was being given to other areas of potential spend with various projects currently being assessed for strategic fit to the Regional Transport Strategy.

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After discussion and having heard Mr Halliday in further explanation and in answer to members' questions, the committee

- (i) approved the following amendments to the 2007/08 capital programme:

Capital Project	Value (£)	Status
Upgrade to electronic bus ticket machine data analysis software	84,000	New project
Electronic bus information at Cumbernauld	26,000	New project
Workshop wheel lathe for the Subway	7,000	2006/07 cost overrun
Partick Interchange	(2,955,000)	Downturn
Busby rail station ramps	(190,000)	Downturn
Barrhead bus stop improvements	(16,000)	Downturn
Barrhead to Paisley cycle route	(17,000)	Downturn

- (ii) noted that any proposals to introduce other new projects would be brought before members for approval.

4. Proposed draft revenue budget 2008/2009

[Click here to view report](#) There was submitted a report (issued) of 8 November 2007 by the Assistant Chief Executive (Business Support),

- (1) intimating that it was normal practice to submit a draft revenue budget at this stage to allow for discussion with constituent authorities on the level of requisition required to deliver transport plans and services for the SPT area;
- (2) advising members that the Chief Executive's review continued to seek efficiency savings for recycling to fund SPT priorities and frontline services and had resulted so far in resources being allocated to areas such as health, safety and security with no overall increase in the revenue budget;
- (3) appending
 - (a) a draft revenue budget of £45.786m which had been prepared taking into account the ongoing operation of the Partnership, giving due consideration to any growth bids together with the management of constrained resources; and
 - (b) a summary of the proposed requisition sought from constituent authorities which amounted to an increase of no more than 1.5%;
- (4) intimating that, for some considerable time, discussions on a long term financial plan

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had been taking place with the Scottish Government (previously the Scottish Executive) and that these had now concluded satisfactorily with a proposed agreement on long term revenue funding where, in effect, the Scottish Government would continue direct funding with a back to back agreement in place on debt management;

(5) informing members

- (a) that, whilst the budget had been prepared on the basis of no significant growth bids, a number had been received and reviewed and several had been required to be funded from within available departmental resources, again re-emphasising the need to find internal efficiencies to fund new areas of work;
- (b) that the undernoted areas had been identified as additional burdens or growth where resources would be needed to ensure continued delivery of services or to meet the longer term organisational aims:-
- Cost burdens associated with inflation and renewal of Dial-a-Bus and subsidised bus service contracts (£410,000);
 - Bus stop information maintenance (£50,000);
 - Support for the newly established community planning team and contribution to partner organisation aspirations (£20,000);
 - Consultancy support in the area of planning applications or policy development which might affect SPT's interests or those of the transport system in the west of Scotland (£50,000);
 - Sustainable development (£20,000);
 - Occupational health (£10,000); and
 - Training (£20,000);
- (c) that fares, fees and charges had been reviewed taking into account the Partnership's objective of promoting accessible and affordable public transport and, following consideration of a number of options, the following increases were proposed:

Fare/Charge	Current	Proposed
Subway adult single	£1.00	£1.10
Subway adult return	£2.00	£2.20
Subway adult 10 journey	£8.00	£9.00
Subway adult 20 journey	£15.00	£17.00
Subway adult 7 day	£9.00	£10.00
Discovery ticket	£1.90	£2.50
Subway child single	£0.50	£0.55
Subway child return	£1.00	£1.10
Subway child 10 journey	£4.00	£4.50
Subway child 20 journey	£7.50	£8.50
Subway child 7 day	£4.50	£5.00
Renfrew Ferry (all tickets)	See Subway	See Subway
Subway Park 'n' Ride	£3.50	£4.20
Bus station departure charges	-	+2.5%
Subsidised bus fares	-	+2.5%
Miscellaneous fares and charges	-	+2.5%

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- (d) that the impact of the growth bids and increases in fares, fees and charges was a net increase in budget of £409,000 or 0.9%;
- (6) reminding members
 - (a) that the Partnership (and, in the past, the PTA/PTE) had endeavoured to requisition constituent authorities as close as possible to GAE, but historically the level of debt charges had not made this possible;
 - (b) that the main issue continued to be the Subway debt being classed as non-reckonable and therefore receiving no financial support; and
 - (c) that the proposed long term financial plan and agreement with the Scottish Government did provide for an element of debt re-payment which, in turn, provided an opportunity over the long term for SPT to seek requisition at GAE level; and
- (7) summarising the proposed funding as follows:-

Constituent authority requisition	£35.334m
Scottish Government long term agreement	£8.534m
Scottish Government direct grant	£0.400m
Rural Transport Grant	£1.088m
Bus Route Development Grant	£0.430m
total	£45.786m

After considerable discussion and having heard Mr Wylie explain

- (i) that, following an oral update from the Scottish Government, it looked likely that the Rural Transport and Bus Route Development Grants would be part of the general 2008/09 local government settlement rather than SPT being funded directly;
- (ii) that these monies would not be ring fenced; and
- (iii) that discussions were continuing with the Scottish Government and constituent councils on the impact this decision was likely to have on the financial settlement and on the implications for SPT's proposed budget,

the committee agreed to recommend to the Partnership

- (A) that the Partnership budget should seek to minimise the increase to the requisition to no more than 1.5%;
- (B) that the detailed budget position be considered within the timescale needed to inform the funding partners' budgetary provision, ie prior to the end of January 2007; and
- (C) approval of the proposed increase in fares, fees and charges with effect from 1 April 2008.