

Strathclyde Partnership for Transport

Minute of Strategy & Programmes Committee meeting

18 November 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 18 November 2011

Present Councillors David Fagan (Chair), Jonathan Findlay, Archie Graham, Ian Gray, Bill Grant, Kaye Harmon, Denis McKenna, Jim McNally, Al Reay (substitute) 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.

1. Apologies

Apologies were submitted from Councillors Duncan MacIntyre 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 16 September 2011 (issued) was submitted and approved as a correct record.

4. Revenue monitoring report as at 15 October 2011

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There was submitted a report (issued) of 2 November 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 15 October 2011 (period 7);
- (3) informing members that, based on the information to date, an underspend of £316,000 was forecast; and
- (4) outlining the main reasons for the projected underspend.

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 7.

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5. Capital programme monitoring and proposed amendments as at 15 October 2011

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P* There was submitted a report (issued) of 8 November 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 15 April 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 15 October 2011 (period 7) totalled £4.634m compared to a planned spend position of £5.154m;
- (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 7 had indicated a risk potential of up to minus £3.348m; and
 - (b) that in order to mitigate risks within the programme, officers were developing 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 £25.494m; and
- (6) recommending that the committee
 - (a) note
 - (i) the financial performance of the 2011/2012 capital programme as at 15 October 2011 (period 7);
 - (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; and
 - (ii) the award of grant funding up to the value of £140,000 to the local authorities as detailed in the report;

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- * (c) agree to recommend to the Partnership the award of the following grant funding:-
- £180,000 to North Ayrshire Council for Bus Corridor enhancements in Irvine Road, Kilwinning; and
 - £150,000 to South Lanarkshire Council for route action plans on various routes; and
- (d) 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 (6) above.

6. Treasury Management mid-year review report 2011/2012

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

- (1) informing members that, in accordance with the Chartered Institute of Public Finance and Accountancy Treasury Management in Public Services Code and SPT's Financial Regulations, a mid year report required to be produced to present an overview of treasury activities undertaken in the first half of the year;
- (2) summarising the Treasury Management performance for the first six months of the financial year 2011/2012 which covered
 - an economic update;
 - a review of the Treasury Management Strategy Statement and Annual Investment Strategy;
 - a review of SPT's investment portfolio for 2011/2012;
 - a review of SPT's borrowing strategy for 2011/2012; and
 - a review of compliance with treasury limits and prudential indicators for 2011/2012; and
- (3) concluding that, during the first half of 2011/2012, the investment strategy and prudential indicators had been complied with and investment income was exceeding budget.

7. Update on programme to deliver new Joint Venture Ticketing Company

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With reference to the minute of the Partnership of 15 April 2011 (page 3, paragraph 6) when the Partnership had agreed

- (1) that a company, known as NewCo at this stage, be established to provide a cost effective smartcard ticketing and payment service on certain modes of transport;

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- (2) to subscribe for 4,999 shares in the company at a cost of £4,999;
- (3) that a contract be concluded with NewCo for the provision of ticketing services to the Subway at a cost of £395,000 over the next five years; and
- (4) that NewCo be grant funded up to a maximum of £775,000 for the development of various smartcard ticketing modules,

there was submitted and noted a report (issued) of 10 November 2011 by the Assistant Chief Executive (Operations)

- (a) informing members that legal formalities had been concluded on 25 October 2011 with the approval of the Articles of the Company, the signing of the Shareholder Agreement between SPT and Ecebs Ltd and the convening of the first Board meeting of the company;

- (b) outlining the composition of the board: -

SPT's Board representation

Jonathan Findlay, Chair
David Fagan, Vice Chair
Gordon Maclennan, Chief Executive
Eric Stewart, Assistant Chief Executive (Operations)

Eceb's Board representation

David Burdett, Managing Director
Russell McCullagh, Operations Director
David Braddock

- (c) advising members

- (i) that the appointments to the Board were without remuneration;
- (ii) that the new board approved the appointment of Gordon Maclennan as Chairman for the first year, with this role rotating between the two shareholders thereafter;
- (iii) that the board also approved the delegation of tasks to a sub-group of the board from each shareholder, comprising of SPT's Assistant Chief Executive (Operations) and Ecebs Operations Director, and the formulation of management and delivery teams; and
- (iv) that SPT would have responsibility for company secretarial and accounting arrangements.

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8. Scottish Government consultation on Public Sector Specific Duties Revised Draft Regulations – SPT response

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There was submitted a report (issued) of 28 October 2011 by the Assistant Chief Executive (Operations)

- (1) outlining the background to the UK Government's Equality Act 2010 which included a public sector equality duty, the 'general duty', designed to help public authorities promote equality and tackle discrimination, with further 'specific duties' which could be placed on public authorities by the Scottish Government to enable the better performance of the general duty;
- (2) informing members
 - (a) that the Scottish Government had undertaken two consultations on proposals for specific duties;
 - (b) that the first had considered the broad scope of what specific duties might look like and the second had set out draft regulations; and
 - (c) that although draft regulations were introduced to the Scottish Parliament in January 2011 and considered by the Parliament's Equal Opportunities Committee in March 2011, that committee did not support them and Scottish Ministers had withdrawn the draft regulations and agreed to bring forward revised proposals;
- (3) appending SPT's response to the Public Sector Specific Revised Draft Regulations which was due to be submitted to Scottish Government by 25 November 2011;
- (4) summarising the key points of SPT's response;
- (5) intimating that SPT was committed to ensuring it met its statutory obligations to promote equality and to ensure that no-one was denied opportunities or disadvantaged through discrimination, prejudice or exclusion due to factors such as age, disability, race, sexual orientation, gender identity, pregnancy / maternity and religion / belief;
- (6) explaining
 - (a) that the response supported the principles underpinning the general duty outlined in the UK Equality Act 2010 and called any regulations imposed to be proportionate, flexible and reasonable; and
 - (b) that as with SPT's previous responses on 'specific' duties, the response advocated that any specific duties placed on Scottish Public Authorities should be proportionate, reasonable and practical to implement, allowing individual public authorities the opportunity to meet their obligations without being unduly prescriptive;

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- (7) advising members that following analysis of all responses, it was expected that the Scottish Government would lay down the regulations later this year or early 2012; and
- (8) recommending that the committee approve the proposed response.

After considerable discussion and having heard Mrs Davidson in further explanation and in answer to members' questions, the committee

- (i) approved the recommendation at (8) above, taking into consideration the comments raised by members at the meeting; and
- (ii) agreed that a report should be prepared for the newly constituted Partnership after the May 2012 elections in relation to the composition of its committees in terms of equality, together with the wider remit of SPT.

9. SPT response to the Competition Commission Inquiry into the UK local bus market provisional decision on remedies

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With reference to the minute of the Partnership of 11 June 2011 (page 3, paragraph 5) when the Partnership had

- (1) approved SPT's initial response to the Competition Commission's investigation into the UK local bus market to determine if there were adverse effects on competition;
- (2) noted
 - (a) the requirement for SPT officers to engage further with the investigation process; and
 - (b) that further update reports would be provided to future Partnership meetings as the investigation progressed,

there was submitted a report (issued) of 27 October 2011 by the Assistant Chief Executive (Operations)

- (i) appending SPT's proposed response to the latest stage of the Competition Commission's UK Local Bus Market Inquiry;
- (ii) explaining that due to the Inquiry's tight deadline for responses, a draft response had been sent to the Competition Commission, subject to committee approval;
- (iii) summarising the key points to SPT's response;
- (iv) advising members that the provisional decision on remedies would impact on both the commercial and the tendered bus market in terms of SPT led multi-operator tickets, bus operator behaviour, access to operator owned bus stations, the prospect of helpful additional information for SPT from the previous operator of bus services to be tendered, bus partnership structures, and more targeted payment of Bus Service Operators' Grant to operators;

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- (v) informing members that the provisional decisions potentially provided new and welcome opportunities for the Scottish Government to work constructively with SPT, bus operators and the Office of Fair Trading to influence the next stages of guidance and legislation arising the Competition Commission's final decisions to achieve better outcomes for bus users in the west of Scotland; and
- (vi) recommending that the committee
 - (A) approve the proposed response; and
 - (B) note that further update reports would be provided to future Partnership meetings once the Inquiry concluded and the legislation and orders identified as remedies were taken forward.

After discussion, the committee approved the recommendation at (vi) above.

10. **Transport Summit 2011: Connect to Compete**

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With reference to the minute of 19 August 2011 (page 10, paragraph 15) when the committee had

- (1) approved member attendance at the Transport Summit Conference 2010 to be held in Glasgow on 9 September 2011; and
- (2) agreed that a report on the conference would be submitted to a future committee,

there was submitted and noted a report (issued) of 31 October 2011 by the Assistant Chief Executive (Operations)

- (a) advising members that the conference had consisted of a series of panel 'question and answer' sessions and had focused on the following key themes:-
 - Transport Strategy;
 - The Commuter's Journey;
 - Getting Goods to Market; and
 - The expectations of the business and leisure traveller;
- (b) intimating that the conference had been successful in stimulating debate amongst the private sector as to what their priorities for transport were currently and in the future;
- (c) summarising the key themes which had emerged during the day at the panel discussions which had included reaffirmation of the Scottish Government's support for key projects in the west of Scotland including subway modernisation and Fastlink, Statutory Quality Partnerships and the potential for market growth through development of integrated smart ticketing, together with improving freight access to and from Scotland's key ports; and
- (d) explaining

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- (i) that during the 'Public Sector' panel session, Mr Hoskins took the opportunity to note the importance of the Fastlink and Subway Modernisation projects in rejuvenating the Clyde Waterfront regeneration area and also highlighted that Fastlink would provide vital high quality public transport links to the New South Glasgow Hospital; and
- (ii) that Mr Maclennan further emphasised the above and highlighted that the wider Fastlink project would address issues relating to Union Street in Glasgow, including conflict of space with buses, cars, delivery vehicles and pedestrians.