

# Strathclyde Partnership for Transport

## Minute of Strategy & Programmes Committee meeting

**23 March 2012**

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 23 March 2012

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**Present** Councillors David Fagan (Chair), Jonathan Findlay, Ian Gray, Duncan MacIntyre, Denis McKenna, John McLaughlin, Jim McNally and appointed member 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, Charlie Hoskins, Director of Projects and Gordon Dickson, Head of Transport Planning.

**Also attending:** John F Anderson, Adviser.

## 1. Chair's remarks

Before the commencement of the meeting, and as this was the last meeting of the Strategy & Programmes Committee before the elections on 3 May 2012, the Chair thanked all the officers of the Partnership for the hard work and professionalism which they had given to the operation of the committee.

Councillor Fagan took the opportunity to thank Councillors Findlay and McKenna and all members for their courtesy and interest over the years. He also took the opportunity to pay tribute to the previous Chair, Alistair Watson; Vice-Chair, Davie McLachlan and Chief Executive, Ron Culley.

## 2. Apologies

Apologies were submitted from Councillors Archie Graham, Bill Grant, Kaye Harmon and Eddie Phillips and appointed members John Boyle and Alan Malcolm.

## 3. Declarations of interest

The committee noted that there were no declarations of interest.

## 4. Minute of previous meeting

The minute of the meeting of 27 January 2012 (issued) was submitted and approved as a correct record.

## 5. Revenue monitoring report as at 4 February 2012

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There was submitted a report (issued) of 14 March 2012 by the Assistant Chief Executive (Business Support)

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- (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 4 February 2012 (period 11);
- (3) explaining that a number of variances had occurred as SPT drove through the savings programme together with strong cost control on all budget heads;
- (4) providing detail on the most significant variances; and
- (5) informing members that this would result in a net forecast underspend of £432,000.

After consideration, the committee noted the projected outturn position on the information available at the end of period 11.

## **6. Capital programme monitoring and proposed amendments as at 4 February 2012**

[Click here to view report](#)

**P\*** There was submitted and approved a report (issued) of 8 March 2012 by the Assistant Chief Executive (Business Support)

- (1) reminding members
  - (a) 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;
  - (b) that SPT had been allocated additional general capital grant of £5m to be spent during 2011/2012 as part of a package of funding totalling £40m which would be phased over the next 4 financial years to fund the Fastlink project; and
  - (c) that as significant work on Fastlink was not programmed to start until 2012/2013, the Scottish Government had agreed that the 2011/2012 allocation could be treated as general capital grant on condition that an additional £5m was spent on Fastlink in future years from SPT's general grant allocation;
- (2) advising members that actual expenditure as at 4 February 2012 (period 11) totalled £11.183m compared to a planned spend position of £13.251m;
- (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 11 had indicated a risk potential of up to minus £2.368m; and
  - (b) that in order to mitigate risks within the programme, officers were developing

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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 projected outturn figure of £29.238m;
- (6) recommending that the committee
  - (a) note the financial performance of the 2011/2012 capital programme as at 4 February 2012 (period 11) and that further work to manage risks, advance savings and re-phase existing projects was being undertaken to balance spend against budget;
  - (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 constituent local authorities or other identified bodies as detailed in the report;
  - \* (c) agree to recommend to the Partnership the award of grant funding over the value, or cumulative award value of £140,000 to the constituent local authorities or other identified bodies as detailed in the report; and
  - (d) authorise the Assistant Chief Executive (Business Support) to sign the grant funding letters to expedite all of the projects.

## **7. Edinburgh Glasgow Improvement Programme – consultation response**

[Click here to view report](#)

There was submitted a report (issued) of 29 February 2012 by the Assistant Chief Executive (Operations)

- (1) intimating
  - (a) that Network Rail (NR) had initiated consultation on the Edinburgh Glasgow Improvement Programme (EGIP), a £1.2bn scheme to electrify rail routes and improve services between Glasgow and Edinburgh via Falkirk, Carstairs and Cumbernauld;
  - (b) that although the EGIP programme aimed to create the potential to generate significant economic, social and environmental impacts, SPT had considerable concerns about the potentially negative impact which the EGIP proposals might have on Strathclyde suburban rail services, specifically in relation to Cumbernauld, Maryhill and Croy line services; and
  - (c) that SPT's support for the EGIP proposals remained conditional on these concerns being satisfactorily addressed;

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- (2) appending SPT's proposed response to the consultation;
- (3) reminding members that SPT's recent response to the Rail 2014 consultation undertaken by the Scottish Government had called for greater SPT engagement in the planning of the rail network in Strathclyde. The concerns expressed in the report illustrated the need for such engagement at an early stage;
- (4) informing members
  - (a) that SPT would continue its dialogue with NR and other rail industry partners to help deliver the widest benefits the project could bring whilst seeking to protect current lines and services within the SPT area; and
  - (b) that further updates would be provided to the Committee in due course; and
- (5) recommending that the committee
  - (a) note the proposed changes to the rail network as a result of the EGIP programme as detailed in the report; and
  - (b) approve SPT's draft response to the consultation.

After consideration and having heard Mr Hoskins in answer to members' questions, the committee

- (i) approved SPT's draft response to Network Rail's consultation on the Edinburgh Glasgow Improvement Programme, subject to strengthening the response in relation to the need for SPT to be consulted at an earlier stage on such proposals and subject also to the other comments raised by members at the meeting; and
- (ii) agreed that a report be submitted to a future committee meeting on the possibility of a direct rail link between Carlisle and Edinburgh.

## **8. Scottish Ferry Services – Draft plan for consultation**

[Click here to view report](#)

There was submitted a report (issued) of 7 March 2012 by the Assistant Chief Executive (Operations)

- (1) intimating
  - (a) that the Scottish Government was undertaking a review to outline the ongoing strategy and future aspirations for the Scottish ferry network;
  - (b) that this work was the culmination of 3 years of analysis of the full Scottish ferry network and infrastructure, during which time SPT had input directly into both the Steering Group as well as the Local Authority Group as the strategy had evolved; and
  - (c) that the focus of the review was on how much communities paid for their services, the level and type of service provided, who was responsible for

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providing these services, what happened if the current provider failed to deliver a service and whether or not ferry services were accessible to all and provided in an environmentally friendly way;

- (2) reminding members that SPT had played a significant role in the delivery of ferry services in the area through investment in infrastructure, enabling connectivity, improving access and helping to deliver affordable ticketing;
- (3) appending a copy of SPT's proposed response to the consultation which had made a number of recommendations to address key issues;
- (4) explaining
  - (a) that with increasing pressure on public finances, significant cost escalation in the ferry sector including fuel price increases and the need for significant investment in vessels and infrastructure, it would be vital to get decisions right and in the right policy and governance framework; and
  - (b) that, added to this mix, was a relatively complex set of industry arrangements with Scottish Government, Transport Scotland, local councils, public and private operators, separate infrastructure providers including CMAL for vessels and port infrastructure, private sector infrastructure providers such as ClydePort and SPT all having a role to a greater or lesser extent;
- (5) informing members
  - (a) that, given the challenges facing ferry services nationally and across the Firth of Clyde, SPT should have a strengthened role in the integration of ferry services; and
  - (b) that SPT's proposed response contained a number of other recommendations, including a mandatory requirement for ferry operators to participate in SPT's integrated ticketing scheme and greater transparency and availability of information on the performance, costs and future investment programme for ferry services to help ensure best value in decision making; and
- (6) recommending that the committee approve SPT's draft response to the consultation.

After consideration and having heard Mr Dickson in answer to members' questions, the committee approved SPT's draft response to the Scottish Government's review of the Scottish Ferry network, subject to the comments raised by members at the meeting.

## 9. Vacation of Chair

At this point in the proceedings, Councillor Fagan vacated the Chair and Councillor McKenna took the Chair for the remainder of the meeting.

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## 10. Preliminary investigation into quality contracts/bus franchising

[Click here to view report](#)

There was submitted and noted a report (issued) of 13 March 2012 by the Assistant Chief Executive (Operations)

- (1) intimating that, following the recent publication of the outcomes of the investigation into the bus industry in the UK (outside of the London regulated environment) by the Competition Commission and the associated recommended remedies, SPT had commissioned a preliminary independent investigation into the opportunities for and challenges to the practicality of quality contracts/franchising of bus services in the SPT area;
- (2) appending the report by AECOM consultants on initial research carried out;
- (3) advising members
  - (a) that the report was of a strategic nature as detailed design and consultation on an aspirational network had not been undertaken; and
  - (b) that the consultants had been requested to examine on-going work elsewhere with similar aims and to examine the situation in London which was the only franchised network and comparator in the country; and
- (4) recommending that the committee note the report, specifically the preliminary nature of the work and the conclusions which required further work to be carried out.

## 11. Subway modernisation - Award of contracts

After consideration of reports (issued) of 21 and 28 February 2012 by the Assistant Chief Executive (Operations), the committee approved the award of the following contracts:-

	<b>Contract</b>	<b>Contractor</b>	<b>Amount</b>	<b>Remarks</b>
(a)	Kelvinhall to Partick – watersealing of tunnel <a href="#">Click here</a>	Balvac Ltd	£472,475.18 plus variable elements as detailed in report	Most economically advantageous tender based on tender assessment criteria
(b)	Infrastructure design <a href="#">Click here</a>	Arup	£214,314.00	Lowest tender

## 12. Chief Executive

Mr MacLennan, on behalf of the staff of SPT, took the opportunity to thank all members for their support over the years.