

Strathclyde Partnership for Transport

Minute of Strategy & Programmes Committee

27 March 2015

held in Consort House, Glasgow

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Minute of the meeting of Strathclyde Partnership for Transport's Strategy & Programmes Committee held in Consort House, Glasgow on 27 March 2015

Present Councillors Kaye Harmon (Chair), John Bruce, Jim Coleman, Gilbert Davidson, Eddie Devine, Alan Falconer, Bill Grant, Denis McKenna, Frank McNally and Paul Welsh and appointed members Ann Faulds, Anne Follin, Tom Hart, Jim McNally, Alan Malcolm and Gavin Scott.

Attending Valerie Davidson, Assistant Chief Executive (Business Support)/Secretary; Valerie A Bowen, Senior Committee Officer; Gordon MacLennan, Chief Executive; Charlie Hoskins, Senior Director; Neil Wylie, Director of Finance and HR and Bruce Kiloh, Head of Policy & Planning.

1. Apologies

An apology was submitted from Councillor Pauline McKeever.

2. Declaration of interest in terms of the Ethical Standards in Public Life etc (Scotland) Act 2000

Anne Follin declared an interest in respect of her advisory role in relation to planning matters concerned with Fastlink.

3. Minute of previous meeting

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The minute of the meeting of 30 January 2015 was submitted and approved as a correct record.

4. Additional item

In terms of Standing Order No 3.2, the Partnership agreed to consider an additional item of business at the end of the meeting.

5. Revenue monitoring report as at 28 February 2015 (period 12)

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There was submitted and approved a report (issued) of 12 March 2015 by the Assistant Chief Executive (Business Support)

- (1) reminding members that the Partnership had approved a revenue budget for 2014/2015 of £38.418m;
- (2) appending the revenue monitoring report for the period to 28 February 2015 (period 12) which detailed the main variances, together with a detailed budgetary control report;
- (3) intimating that the savings programme had continued to be driven through with strong cost and budgetary control exercised over all expenditure heads and, together with strong Subway income growth and careful management of subsidised and demand responsive transport bus operator payments a total favourable net income growth/savings of £2.197m had been identified; and
- (4) recommending a revenue contribution of £2m to support the non-Subway capital plan.

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6. Capital programme monitoring report and proposed amendments as at 28 February 2015 (period 12)

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There was submitted a report (issued) of 18 March 2015 by the Assistant Chief Executive (Business Support)

- (1) reminding members that the 2014/2015 capital programme had been approved by the Partnership on 22 February 2014 against known capital grant and other sources of funding;
- (2) advising members that actual expenditure as at 28 February 2015 (period 12) totalled £30.348m compared to a planned spend position of £35.491m;
- (3) providing a detailed financial analysis of individual projects contained within the programme, split by department;
- (4) 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 £44.031m which represented a decrease of £8.307m in the programme;
- (5) explaining
 - (a) that analysis of the capital programme as at period 12 had indicated a potential risk to spend of minus £1.495m;
 - (b) that, for general capital funding, once the risk value had been taken into account, the projected variance equalled £3.086m (or 14%); and
 - (c) that the sale of Consort House was being progressed within this financial year and the impact of the resultant capital receipt would fund the projected variance; and
- (6) requesting that the committee
 - (a) approve the proposed amendments to the 2014/2015 capital programme as detailed in appendix 2 to the report; and
 - (b) note
 - (i) the increased contribution from revenue in support of the capital programme; and
 - (ii) that further work to quantify and manage risk was being undertaken to balance spend against budget.

After discussion and having heard Mr Wylie in answer to members' questions, the committee approved the recommendations at (6) above

7. Treasury Management Strategy 2015/2016

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There was submitted a report (issued) of 11 March 2015 by the Assistant Chief Executive (Business Support)

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- (1) outlining the background to SPT's treasury management processes;
- (2) appending SPT's
 - (a) proposed counterparty list;
 - (b) permitted investment types; and
 - (c) Treasury Management Policy Statement
- (3) detailing the proposed treasury management strategy for SPT for the financial year 2014/2015 under the following headings:-
 - capital plans and the prudential indicators;
 - current treasury position;
 - treasury indicators which would limit the treasury risk and activities of SPT;
 - prospects for interest rates;
 - borrowing strategy;
 - policy on borrowing in advance of need;
 - investment strategy;
 - creditworthiness policy; and
 - policy on use of external service providers; and
- (4) recommending that the committee approve
 - (a) the Treasury Management Strategy for 2015/2016;
 - (b) SPT's prudential indicators as detailed in the report;
 - (c) the counterparty list detailed in Appendix 1; and
 - (d) the Permitted Investment Types detailed in Appendix 2.

After consideration and having heard Mr Wylie in further amplification of the report and in answer to members' questions, the committee approved the recommendations at (4) above.

8. West of Scotland Transport Integration Forum - Proposal

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There was submitted a report (issued) of 20 February 2015 by the Assistant Chief Executive (Operations)

- (1) reminding members that the promotion and delivery of a co-ordinated approach to integration to deliver an improved customer experience was at the heart of the statutory Regional Transport Strategy (RTS) and SPT was ideally placed to lead on this in the west of Scotland;
- (2) explaining that this role was reflected in the strategic and policy context provided by the vision, objectives, strategic priorities and outcomes of the RTS and the RTS Delivery Plan 2014-17;
- (3) intimating that SPT had a key role in bringing partners together to deliver the highest quality experience for transport users in the west of Scotland and, with the new ScotRail franchise due to start in April 2015, there was an opportunity to build on SPT's past

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success on this and other issues and the current momentum building around transport integration;

- (4) advising members
 - (a) that the creation of a West of Scotland Transport Integration Forum could provide the ideal way forward in this regard;
 - (b) that in order to keep the Forum manageable and focused on deliverables, membership would be restricted to those with a formal planning, development or operational status in the industry, including industry representative groups such as the Confederation of Passenger Transport; and
 - (c) that should the response from industry partners be positive, steps would be taken to formalise arrangements and further reports would be submitted to the Partnership to keep members informed of developments; and
- (5) recommending that the committee approve the principle of establishing the West of Scotland Transport Integration Forum, subject to further development and engagement with industry partners.

After consideration and having heard Mr Kiloh in answer to members' questions, the committee approved the recommendation at (5) above.

9. **Bus Strategy and Outline Investment Programme 2014/2015 – 2024/2025: Progress update**

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With reference to the minute of the Partnership of 12 September 2014 (page 2, paragraph 7) when the Partnership had noted the Bus Strategy and Outline Investment Programme 2014/2015 – 2024/2025 and that an update on progress would be submitted to a future meeting, there was submitted a report (issued) of 23 February 2015 by the Assistant Chief Executive (Operations)

- (1) intimating
 - (a) that in the six months since the Bus Strategy and Outline Investment Programme had been approved, SPT had continued to take forward proactively bus initiatives across the west of Scotland;
 - (b) that, furthermore, SPT continued to seek improvements to ongoing core activities such as supported socially necessary bus services, the MyBus demand responsive transport service, and school transport managed by SPT on an agency basis; and
 - (c) that officers would continue to engage with council colleagues and others further to develop plans, projects and initiatives which would deliver the Strategy;
- (2) informing members
 - (a) that, in addition to the above, officers had continued to engage with City Deal partners regarding the Strathclyde Bus Investment Programme (SBIP), which would provide support to the significant wider investment by SPT and partners into bus through the Bus Strategy and Outline Investment Programme over coming years;

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- (b) that the City Deal Programme Management Office had now requested that project promoters submit a draft Strategic Business Case (SBC) for their project by the end of March 2015; and
 - (c) that although SPT's draft SBC for the SBIP was in development, information on the key project elements of the draft SBC was contained in the briefing note attached at Appendix 2 to the report;
- (3) explaining that the draft SBC, when submitted, would be considered by the City Deal Programme Management Office as part of the cumulative package of City Deal projects and might therefore be subject to change; and
 - (4) recommending that the committee approve the project elements of the Strathclyde Bus Investment Programme draft Strategic Business Case, as detailed in the report.

After consideration, the committee

- (i) approved the recommendation at (4) above; and
- (ii) otherwise noted the terms of the report.

10. Clydeplan: Strategic Development Plan 2 – Main issues report – SPT response

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There was submitted a report (issued) of 4 March 2015 by the Assistant Chief Executive (Operations)

- (1) reminding members that Clydeplan was the Strategic Development Planning Authority for Glasgow and the Clyde Valley and its Strategic Development Plan (SDP) provided the basis for land-use planning and development decisions in the city region;
- (2) intimating
 - (a) that the current SDP would be replaced by a new plan (SDP2) from 2017 which would provide the strategic land use context for the long-term future of the city-region to 2035;
 - (b) that Clydeplan had produced a Main Issues Report (MIR) to which SPT had been asked to respond by 27 March 2015, which set out a vision, identified key issues, raised a series of questions covering the vision, changes made since the last plan, the future direction of the next plan and included specific questions around transport;
- (3) appending SPT's draft response, attached at Appendix 1 to the report, which welcomed the vision set out in the MIR, emphasised the importance of a robust basis for integrated transport and land use planning through the Regional Transport Strategy and West of Scotland Conurbation Public Transport Study and offered continuing support to Clydeplan as it took forward preparation of SDP2.

After consideration and having heard Mr Kiloh in answer to members' questions, the committee approved SPT's proposed response to the MIR of Clydeplan's Strategic Development Plan 2 for the Glasgow and Clyde Valley area.

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11. Proposed award of contract: Subway modernisation station refurbishments: Govan Interchange Station award of contract & on site consultancy support services

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After consideration of a report (issued) of 4 March 2015 by the Assistant Chief Executive (Operations) on tenders received for Govan Interchange refurbishment works and on site consultancy support services, the committee approved

- (1) the award of a contract for Govan Interchange Refurbishment Works to Graham Construction in the sum of £7,164,382 excluding VAT; and
- (2) the award of a contract for Govan Interchange On Site Consultancy Support Services to AHR Architects Ltd in the sum of £176,091 excluding VAT.

12. South Glasgow University Hospital Campus – Road access concerns

Mr MacLennan provided members with an update on the problems surrounding the western approach to the South Glasgow University Hospital (SGUH) complex together with the solutions considered to protect public transport from the effects of congestion, particularly on the western approach. At the request of one of the Partnership members, correspondence among the Chief Executives of Greater Glasgow & Clyde NHS Board, SPT and Glasgow City Council was distributed.

Mr MacLennan further intimated that the Scottish Government had indicated that it would consider any business plans linking the SGUH from Braehead.