

Strathclyde Partnership for Transport

Minute of Strategy & Programmes Committee

28 March 2014

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 28 March 2014

Present Councillors Kaye Harmon (Chair), Jim Coleman, Gilbert Davidson, Eddie Devine, Denis McKenna, Chris Thompson 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; Eric Stewart, Assistant Chief Executive (Operations); Neil Wylie, Director of Finance and HR; Charlie Hoskins, Director of Projects; Bruce Kiloh, Head of Policy and Planning and Gordon Dickson, Bus Development Manager.

Also attending John Yellowlees, First ScotRail.

1. Apologies

Apologies were submitted from Councillors John Bruce and Pauline McKeever.

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

Ann Faulds declared an interest in respect of her advisory role to the Buchanan Galleries Partnership and Anne Follin declared an interest in her advisory role in relation to Kilmaurs Park and Ride and Fastlink.

3. Minute of previous meeting

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The minute of the meeting of 7 February 2014 was submitted and approved as a correct record, subject to the inclusion of Gavin Scott in the list of apologies.

4. Revenue monitoring report as at 1 March 2014 (period 12)

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There was submitted a report (issued) of 13 March 2014 by the Assistant Chief Executive (Business Support)

- (1) reminding members that the Partnership had approved a revenue budget for 2013/2014 of £38.418m;
- (2) intimating that, since the last revenue report had been considered by committee, the savings programme had continued to be driven through with strong cost and budgetary control exercised over all expenditure heads;
- (3) appending the revenue monitoring report for the period to 1 March 2014 (period 12) which detailed the main variances and subsequent proposed virements which would ensure that SPT delivered a break even position, together with a detailed budgetary control report; and
- (4) explaining
 - (a) that, in addition to previous spend to save initiatives which continued to produce full

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year benefits, strong Subway income growth in the second half of the financial year had contributed to further net income/growth savings of £1.003m; and

- (b) that it was proposed that this sum be allocated to the Subway modernisation fund.

After consideration and having heard Mr Wylie in further explanation, the committee

- (i) noted the actual expenditure incurred and the budget head variances as at the end of Period 12; and
- (ii) approved the proposed contribution to the Subway modernisation fund of £1.003m.

5. Capital programme monitoring report and proposed amendments as at 1 March 2014 (period 12)

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There was submitted and approved a report (issued) of 21 March 2014 by the Assistant Chief Executive (Business Support)

- (1) reminding members that the 2013/2014 capital programme of £45.725m had been approved by the Partnership on 15 February 2013 against known capital grant and other sources of funding;
- (2) advising members that actual expenditure as at 1 March 2014 (period 12) totalled £33.118m compared to a planned spend position of £40.394m;
- (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 £41.055m;
- (5) explaining that an opportunity had been taken to realign funding available via specific Scottish Government grant profiles in order to match this with SPT planned spend. As a result, profiled Scottish Government grant for Fastlink, valued at £5m, would be used to support Subway modernisation in the current year and would be reversed in 2014/15, thus ensuring funding for Fastlink was available at the time when expenditure would occur; and
- (6) requesting that the committee
 - (a) approve the proposed amendments to the 2013/14 capital programme as per Appendix 2 to the report; and
 - (b) note the changes in realising available capital funding.

After discussion, the committee approved the recommendations at (6) above

6. Treasury Management Strategy 2014/2015

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There was submitted a report (issued) of 19 March 2014 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 Strategy for 2014/2015;
 - (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, the committee approved the recommendations at (4) above.

7. Bus Policy – Progress Update

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There was submitted a report (issued) of 3 March 2014 by the Assistant Chief Executive (Operations)

- (1) reminding members
 - (a) that SPT had sought to stimulate debate through the development and promotion of proposals for changes to bus policy at national level - SPT's proposals being known as the '10 Point Plan' for bus;
 - (b) that this work had been in pursuit of a desire to deliver a higher standard of bus offering from all partners while being cognisant of the current public sector funding position; and

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- (c) that the plan had also been a response to the impacts of recent changes in the deregulated bus market, including service cuts which had significantly affected many people, particularly those without access to a car;
- (2) intimating that in 2012, the Minister for Transport & Veterans had established a national Bus Stakeholders Group (BSG), which comprised a range of private and public sector partners, including SPT, to consider opportunities for changes to bus policy that would enable positive change for bus users. At an early stage of the BSG, SPT's 10 Point Plan had been established as the base document to deliberate the opportunity for change;
 - (3) appending
 - (a) an update on current progress regarding the 10 Point Plan based on discussions within the BSG, Transport Scotland and other stakeholders;
 - (b) information prepared by SPT in response to a Transport Scotland proposal (through the BSG) to change the registration process for bus services, which SPT supported as it would provide SPT with both the opportunity to be 'consulted' rather than 'informed' by the bus operator of any changes to bus services, and would give SPT the opportunity to highlight whether the registration was:
 - complementary or not to the Regional Transport Strategy/current network;
 - a supported socially necessary service (after assessment against the Public Transport Authority's (PTA's) Guideline Criteria); and
 - likely to raise concerns with the PTA in terms of whether or not the service was registerable, unsafe or uncompetitive; and
 - (c) for ease of reference, a summary of the refined and updated 10 Point Plan;
 - (4) advising members that the proposal outlined at 3(b) above would also alter the time available to each stakeholder within the registration process (whilst maintaining the overall timescale of 70 days) as an additional time of 14 days would be made available for consultation with the PTA, with a concurrent reduction from 56 to 42 days in time available to the Traffic Commissioner to process the registration;
 - (5) explaining that the success or otherwise of this opportunity to vary the registration process would be critically dependent on identifying a more flexible mechanism to procure bus services as the current tendering process was often expensive, unwieldy, overly bureaucratic and likely to result in an additional cost to the public purse;
 - (6) informing members
 - (a) that the updated SPT position on bus policy continued to place SPT at the forefront of the debate on bus policy in Scotland;
 - (b) that, where SPT had been guided that its proposal were currently deliverable without any change to regulations or legislation, these would be pursued as necessary;
 - (c) that certain proposals where it had been accepted that there was no scope for progress had been removed from the Plan but had been replaced by others with greater prospect of success; and

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- (d) that SPT would continue to advocate legislative change in line with the updated proposals in continued pursuit of the desire to deliver better bus services for people and communities across Scotland; and
- (7) requesting that the committee approve the refined and updated Ten Point Plan on bus policy as contained within the report.

After consideration and having heard Mr Stewart in further explanation and in answer to members' questions, the committee approved the recommendation at (7) above.

8. Acquisition of electric buses for Riversider service 100

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There was submitted a report (issued) of 19 March 2014 by the Assistant Chief Executive (Operations)

- (1) reminding members that SPT currently tendered and managed Service 100 which operated between Glasgow City Centre and the Riverside Museum on behalf of Glasgow City Council (GCC) who provided all revenue funding for the service;
- (2) intimating
 - (a) that the current contract for Service 100 was due for renewal in 2014; and
 - (b) that GCC had confirmed that they would continue to support this service; and
- (3) informing members that as the service coverage, low daily mileage and city terrain were particularly well suited to zero emission electric vehicle operation, SPT had issued a tender specification for two electric buses, which would be supplied to the operator awarded the contract for service 100 on a full repairing lease basis, thereby reducing significantly any ongoing revenue costs to GCC.

After consideration and having heard Mr Dickson in answer to members' questions and in clarification of the figure in the report to the effect that

- (a) that although the capital cost to purchase the two vehicles was £456,400, Scottish Government had agreed that £281,210, previously awarded to GCC in support of reducing local bus emissions, could be utilised to support the project;
- (b) that, in addition, GCC would provide general capital of £88,400, subject to approval; and
- (c) that SPT proposed to fund the balance of £86,790 from the already approved capital budget for bus replacement, and that the vehicles be added to the SPT fleet,

the committee approved the award of a contract to Optare Group Ltd for the purchase of 2 Optare Solo electric vehicles, via the Bath and North East Somerset framework, at a cost of £456,400.

9 Rail Update in SPT area

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There was submitted a report (issued) of 6 March 2014 by the Assistant Chief Executive (Operations)

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- (1) providing information on strategic rail issues in the SPT area, in particular the West of Scotland Rail Forum (WoSRF), the Edinburgh-Glasgow Improvements Programme (EGIP), the ScotRail and Caledonian Sleeper Franchises, the Scottish Stations Fund, High Speed Rail, Community Rail Partnerships, timetable improvements/changes, fares and Dalrnock station refurbishment together with other relevant projects/initiatives; and
- (2) confirming that, through the WoSRF and other opportunities, SPT continued to engage actively with rail industry partners to deliver an improved rail network in the west of Scotland and improved integration across modes.

After consideration and having heard Mr Hoskins in further amplification of the report and in answer to members' questions, the committee noted the terms of the report.

10. Proposal to establish a Community Rail Partnership: SAYLSA The Community Rail Partnership for Carrick and Wigtonshire

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P With reference to the minute of 22 March 2013 (page 4, paragraph 8) when the committee had noted, inter alia,

- (1) proposals by the Scottish Government to facilitate the establishment of Community Rail Partnerships (CRPs) across Scotland in the belief that such bodies could form a bridge between the railway and local communities by bringing together a wide range of interests along a rail corridor; and
- (2) that, as SPT was one of the agencies required to support formally any CRP in its area prior to it being established, it would have a key role to play and significant influence on the development of proposals in its area,

there was submitted a report (issued) of 4 March 2014 by the Assistant Chief Executive (Operations)

- (a) advising members
 - (i) of the development of a CRP for the Ayr to Stranraer line to be named 'SAYLSA The Community Rail Partnership for Carrick and Wigtonshire', which would serve Ayr, Maybole, Girvan, Barrhill and Stranraer;
 - (ii) that SPT officers had been working in partnership with South Ayrshire Council, SWestrans, Dumfries and Galloway Council and railway partners to further this proposal; and
 - (iii) that a Pathfinder Group, chaired by South Ayrshire Council, had been established to ensure that due process was followed in the establishment of the CRP. This process had now concluded with the proposed development of a Business Plan and Governance Structure which satisfied the requirements for partnership working within the proposed CRP;
- (b) appending a draft copy of SAYLA's application form for submission to the Minister for Transport and Veterans, together with a copy of the proposed Business Plan;
- (c) detailing various aspects of the proposals which had been subject to development;

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- (d) intimating
 - (i) that the Board of the CRP to be established by SAYLSA provided for seven community members, drawn from a variety of interests in both South Ayrshire and Galloway, and for representation from elected members of SPT, South Ayrshire Council, SWestrans and Dumfries & Galloway Council, together with the ScotRail franchise-holder; and
 - (ii) that whilst it was not a specific requirement for SPT to have an elected member on the Board, such representation would demonstrate SPT's commitment to the CRP; and
- (e) recommending
 - (i) that the Committee note the progress in the development of a Community Rail Partnership (CRP) for the Ayr to Stranraer line to be named 'SAYLSA The Community Rail Partnership for Carrick and Wigtownshire';
 - (ii) that the Committee approve an application for submission to the Minister for Transport and Veterans to establish formally the SAYLSA as the Community Rail Partnership for Carrick and Wigtownshire; and
 - (iii) that the committee recommend that the Partnership nominate an elected member to sit on the proposed Board as a director.

After consideration, the committee

- (A) approved the recommendations at (e) (i) and (ii) above; and
- (B) agreed in principle to the nomination of an elected member to sit on the proposed CRP Board as a director and to the consequential membership fee of £1,000 per annum, subject to being satisfied with the appropriate Governance arrangements.

11. Community Planning Update

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Reference was made to the minute of 11 October 2013 (page 2, paragraph 6) when the committee had noted, inter alia, that, subsequent to the publication of the Scottish Government's Draft Budget 2014-2015, the Scottish Government and COSLA had published an Agreement on Joint Working on Community Planning and Resourcing which had outlined further the expectations on local government, the NHS and public bodies, including Regional Transport Partnerships, to share budget and resource planning assumptions with each other at an early stage and to work together through Community Planning Partnerships (CPPs) to deploy resources towards the jointly agreed priorities set out in each CPP's Single Outcome Agreement (SOA).

Thereon, there was submitted and noted a report (issued) of 4 March 2014 by the Assistant Chief Executive (Operations)

- (1) advising members

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- (a) that the Chair of the National Community Planning Group (NCPG) had written to the Chairs of CPPs on 17 January 2014 providing further advice from the NCPG on the roll-out of the Agreement;
 - (b) that the NCPG had called for substantial further progress in the years ahead to align resources towards SOA priorities and had requested that officials should examine the barriers to progress highlighted by some CPPs; and
 - (c) that, in particular, the NCPG had highlighted the challenge of disaggregating partner resources against particular outcomes, priorities and/or geographical areas and had intimated that, although this kind of detailed technical work could add value, the NCPG did not want CPPs to get tied up or slowed down in an overly technical approach which sought to identify and attribute every "pound, shilling and pence";
- (2) appending a copy of the letter from the Chair of the NCPG;
 - (3) confirming that SPT would continue to work with CPPs as appropriate processes were developed in line with the Agreement on Joint Resourcing and would reflect this in refreshed Transport Outcome Reports for 2014/15; and
 - (4) informing members that further updates would be provided as the process developed.

12. The Scottish Parliament's Local Government and Regeneration Committee Inquiry into the Flexibility and Autonomy of Local Government – SPT's proposed response to Call for Evidence

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There was submitted and approved a report of 4 March 2014 (issued) by the Assistant Chief Executive (Operations) appending SPT's proposed response to the Scottish Parliament's Local Government and Regeneration Committee's Call for Evidence regarding its Inquiry into the Flexibility and Autonomy of Local Government, the aim of which was to learn lessons and inform the ongoing debate on whether or not there was a need to strengthen and enhance local democratic structures and government in Scotland.

13. Glasgow Future Cities Transport Project – Proposed award of contract

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After consideration of a report (issued) of 13 March 2014 by the Assistant Chief Executive (Operations) for the purchase of software and licenses to allow the continued development of scheduling and planning capabilities of SPT and to work in Partnership with Glasgow City Council to meet the aims of their Future Cities Social Transport Demonstrator Project, the committee approved

- (1) the award of a contract to Trapeze Group (UK) Ltd to a maximum of £239,940 for the purchase of additional software modules and licences; and
- (2) the signing of a Memorandum of Understanding between SPT and Glasgow City Council setting out the project arrangements.