

Strathclyde Partnership for Transport

Minute of Strategy & Programmes Committee

28 November 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 November 2014

- Present** Councillors Kaye Harmon (Chair), Jim Coleman, Gilbert Davidson, Eddie Devine, Bill Grant, Denis McKenna and Paul Welsh and appointed members Ann Faulds, Anne Follin, Tom Hart, Alan Malcolm, Jim McNally 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, Senior Director and Bruce Kiloh, Head of Policy and Planning.
- Also attending** John Yellowlees, 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

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 10 October 2014 was submitted and approved as a correct record.

4. Revenue monitoring report as at 8 November 2014 (period 8)

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There was submitted and approved a report (issued) of 13 November 2014 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 8 November 2014 (period 8) 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, as a result, a total favourable net movement of £1.377m had been identified;
- (4) explaining that it was proposed to utilise all of this movement to support the non-Subway capital plan; and
- (5) recommending a revenue contribution to the Subway modernisation fund of £1.377m

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5. Capital programme monitoring report and proposed amendments as at 8 November 2014 (period 8)

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There was submitted and approved a report (issued) of 13 November 2014 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 8 November 2014 (period 8) totalled £14.490m compared to a planned spend position of £18.667m;
- (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 £70.082m which represented a decrease of £3.458m in the programme; and
- (5) requesting that the committee
 - (a) approve the proposed amendments to the 2014/2015 capital programme as per Appendix 2 to the report;
 - (b) agree to award grant funding up to the value of £160,000 to the local authorities and other identified bodies detailed in the report;
 - (c) authorise the Assistant Chief Executive (Business Support) to sign the grant funding letters to expedite the projects; and
 - (d) otherwise note the terms of the report.

After discussion and having heard Mr Wylie in answer to members' questions, the committee approved the recommendations at (5) above

6. Treasury Management mid-year review report 2014/2015

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There was submitted and noted a report (issued) of 3 November 2014 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 2014/2015; and
- (3) concluding that, during the first half of 2014/2015, SPT had operated within the Treasury Limits and Prudential Indicators set out in the Treasury Policy Statement and annual Treasury Management Strategy.

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7. Proposed draft revenue budget for 2015/2016 and 2016/2017

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

(1) reminding members

- (a) that the Partnership, at its meeting on 13 December 2013, had approved a two year budget plan which had complemented SPTs long term financial strategy;
- (b) that the key elements of the strategy had sought to ensure service levels were maintained (including protection of socially necessary bus services) whilst providing funding to support specifically the subway modernisation project and funding to local authority capital plans; and
- (c) that this was to be achieved via savings generated across all parts of SPT and without additional call on local authority requisition levels;

(2) intimating

- (a) that the indicative budget presented and approved in December 2013 for the financial year 2015/16 remained in the main intact, with amendments made to reflect events throughout the year, and continued the plan to maintain bus subsidy and to ensure funding was released to support the capital plan and subway modernisation; and
- (b) that a number of other cost pressures remained, particularly in relation to the cost of maintaining the current subway assets during the transition to new stations, rolling stock and new ticketing together with the increasing cost of power, cleaning of stations and maintenance of modernised facilities;

(3) informing members

- (a) that the proposal in relation to fares, fees and charges contained within the budget was for the majority to remain unchanged;
- (b) that the exception related to bus station departure charges where a review of the differential charges at each bus station had been undertaken to reflect the significant capital and operational investment in recent years, e.g. at Hamilton and Greenock Bus Stations where the proposal was to revise the charging structure over a 3 year period to reflect better the facilities and cost of operation of each station; and
- (c) that, in addition, it was proposed to increase departure charges at Buchanan Bus Station by an average of 2.6%, the first increase since 2009/10; and

(4) appending the proposed draft revenue budget for 2015/2016 together with an indicative budget for 2016/2017.

After consideration and having heard Mrs Davidson and Mr MacLennan in answer to members' questions, the committee agreed to recommend to the Partnership approval of

- (i) the net revenue budget of £38.418m for 2015/2016, to be funded from local authority requisitions of £37.381m and Scottish Government of £1.037m;

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- (ii) the increase in bus station departure charges; and
- (iii) the indicative 2016/17 draft plan which would be re-presented to the committee for consideration at a future meeting.

8. Rail Update in SPT area

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There was submitted a report (issued) of 13 November 2014 by the Assistant Chief Executive (Operations)

- (1) updating members on strategic rail issues in the SPT area, particularly in relation to the new ScotRail franchise renewal which would commence on 1 April 2015, the re-cast of Lanarkshire rail services from 14 December 2014, park and ride developments and the Edinburgh Glasgow Improvements Project (EGIP);
- (2) intimating that the new ScotRail franchise had committed Abellio, the winner of the franchise, to the delivery of improvements across the Scottish Rail network and SPT would continue to engage actively with rail industry partners to ensure delivery of these improvements;
- (3) explaining that although the Lanarkshire services recast would result in overall benefits across the region, there would be some destination choices which would change across the wider network; and
- (4) informing members
 - (a) that officers would continue to engage with partners regarding EGIP and the Queen Street Station Redevelopment; and
 - (b) that the on-going development of Park and Ride across the region would continue and officers would update members on progress on this and other rail issues as necessary in the future.

The Chair invited John Yellowlees, ScotRail, to answer specific questions raised by members in relation to their concerns concerning some of the changes to the Lanarkshire timetables and the lack of consultation thereon.

After considerable discussion and having heard Mr Yellowlees and Mr Kiloh in answer to members' questions, the Committee agreed that the Chair write to the Minister for Transport & Veterans expressing the Partnership's concern re

- (i) the lack of consultation with SPT in relation to the change to Lanarkshire rail services; and
- (ii) the apparent lack of consultation between TransPennine Express and Transport Scotland in relation to the stopping pattern at Motherwell for TransPennine Express services.