

Strathclyde Partnership for Transport

Minute of Strategy & Programmes Committee

30 January 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 30 January 2015

Present Councillors Kaye Harmon (Chair), Jim Coleman, Gilbert Davidson, Eddie Devine and Denis McKenna 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; Kirsten Clubb, Committee Clerk; Gordon MacLennan, Chief Executive; Eric Stewart, Assistant Chief Executive (Operations); Charlie Hoskins, Senior Director; Neil Wylie, Director of Finance and HR; Bruce Kiloh, Head of Policy & Planning and Graham Dunn, Transport Development Officer.

Also attending Councillor Frank McNally.

1. Apologies

Apologies were submitted from Councillors John Bruce, Bill Grant 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 28 November 2014 was submitted and approved as a correct record.

4. Revenue monitoring report as at 3 January 2015 (period 10)

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There was submitted and noted a report (issued) of 15 January 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 3 January 2015 (period 10) 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 £0.968m had been identified; and
- (4) advising members that proposals for achieving the required year end break even position would be submitted to the next meeting of the committee.

5. Capital programme monitoring report and proposed amendments as at 3 January 2015 (period 10)

[Click here to view report](#)

P* There was submitted and approved a report (issued) of 22 January 2015 by the Assistant Chief Executive (Business Support)

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- (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 3 January 2015 (period 10) totalled £26.226m compared to a planned spend position of £25.120m;
- (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 £52.338m which represented a decrease of £17.744m in the programme;
- (5) explaining
 - (a) that analysis of the capital programme as at period 10 indicated a potential risk to spend of minus £3.577m;
 - (b) that, for General Capital funding, once the risk value was taken into account, the projected variance equalled £4.456m (or 21%); and
 - (c) that the sale of Consort House was being progressed within this financial year and the impact of the resultant capital receipt, which would affect the projected variance indicated above, would be reported to the next committee; and
- (5) requesting that the committee
 - (a) approve
 - (i) the proposed amendments to the 2014/2015 capital programme as detailed in appendix 2 to the report; and
 - (ii) the award of grant funding up to the value of £160,000 to the local authorities and other identified bodies as detailed in the report;
 - * (b) agree to recommend to the Partnership the award of grant funding over the value, or cumulative award value, of £160,000 to the local authorities and other identified bodies as detailed in the report; and
 - * (c) authorise the Assistant Chief Executive (Business Support) to sign the grant funding letters to expedite all of the projects; and
 - (d) otherwise note the terms of the report.

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

6. Progress on the development of the Capital Programme 2015/2016 to 2017/2018 including the Capital Budget 2015/2016

[Click here to view report](#)

There was submitted and approved a report (issued) of 22 January 2015 by the Assistant Chief Executive (Business Support)

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- (1) reminding members that SPT normally prepared a rolling three year capital plan and budget which sought to balance the transport project needs and the available funding;
- (2) informing members
 - (a) that, on this occasion, the budget covered a one year period as the draft Scottish Budget 2015/2016 had included a draft capital grant for 2015/16 only in the sum of £21.9m;
 - (b) that although SPT had prepared a plan which had included a further two years, no information had been received from Transport Scotland on the likely level of capital grant available for those years;
 - (c) that of this general capital sum for 2015/2016, £6m per annum was ring fenced to support the subway modernisation works, with additional spend on this project being funded initially from a call on the subway modernisation fund or borrowings; and
 - (d) that in addition to this general capital grant funding, specific funds were available to support the Fastlink project, the Robroyston Station Redevelopment project, and an agreed contribution from revenue resources;
- (3) appending the overall proposed programme for 2015/2016 to 2017/2018, including details of all the projects included within the proposed 2015/2016 budget together with specific grant funding and the indicative draft programme for 2016/2017 and 2017/2018 which would be further refined as projects developed and more information on available future funding became known;
- (4) summarising the proposed budget for 2015/2016 as undernoted:-

	2015/16 £000
Category 1 Programme	78,201
Funded by:	
General Capital Allocation	15,900
Subway Modernisation (ring-fenced portion of general allocation)	6,000
Contribution from Subway Modernisation Fund / Borrowing Requirement	27,800
Specific Capital Grant – Fastlink	10,540
ERDF – Fastlink	360
Revenue Contribution to the Capital Programme	2,500
Transfer from Unapplied Capital Grants	9,000
Glasgow City Council Contribution – Robroyston Station Development	317
Total	72,417
Projected Variance	(5,824)
	2015/16 £000
Category 2 Programme	10,100

- (5) explaining that it was expected that there would be some movement in projects in the current financial year which would have an impact on the proposed 2015/16 programme, and these would be reported to the Partnership at the earliest opportunity in 2015/16 and would require to be accommodated within the available funding; and

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- (6) recommending that the committee note
 - (a) the progress made to ensure that the plan was robust and deliverable within the timescales and funding available; and
 - (b) that the 2015/16 Capital Plan would be submitted to a future Partnership meeting for approval

7. Scottish Parliament Inquiry into Freight Transport in Scotland – Call for views – SPT response

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There was submitted a report (issued) of 7 January 2015 by the Assistant Chief Executive (Operations)

- (1) informing members
 - (a) that the Scottish Parliament's Infrastructure and Capital Investment Committee had issued a Call for Views as part of its Inquiry into Freight Transport in Scotland;
 - (b) that in framing its response, SPT had been in discussion with local authority partners, the Freight Transport Association, other Regional Transport Partnerships and SCOTS (Society of Chief Officers of Transport in Scotland) together with SPT's appointed member with expertise in freight transport, to ensure that SPT's response was reflective of current needs and views;
- (2) appending SPT's response, which had been submitted within the deadline subject to the approval of this committee; and
- (3) recommending approval of SPT's submission to the Scottish Parliament's Infrastructure and Capital Investment Committee.

After consideration and having heard Mr Kiloh in answer to members' questions, the committee approved the recommendation at (3) above, taking into account the comments made by members.

8. Bus fleet replacement strategy

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With reference to the minute of 1 February 2013 (page 5, paragraph 9) when the committee had approved the adoption of a set of criteria designed to underpin the planned replacement strategy of SPT owned buses which were used on contracted bus services, there was submitted a report (issued) of 13 January 2015 by the Assistant Chief Executive (Operations)

- (1) reminding members that it had been agreed previously that buses should be replaced at a minimum of 7 years or 300,000 miles which would allow for the replacement of all vehicles to be spread evenly, and more heavily used vehicles to be replaced on a more managed basis;
- (2) explaining
 - (a) that operational experience had demonstrated that the smaller buses which had been purchased - whilst flexible, economical and efficient - were not as technically robust and as able to endure the demands of all-day, stop/start local bus service work as the larger bespoke type of bus; and

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- (b) that this fragility was manifesting itself in a greater incidence of component failure, including major items, such as gearboxes, and these problems were increasingly affecting SPT's ability to ensure service reliability; and
- (3) recommending
- (a) that the mileage element of the fleet replacement criteria be amended so as to permit vehicle renewal at 250,000 miles rather than the current 300,000 miles; and
 - (b) that if the change at (a) above was agreed, five vehicles be purchased via SPT's vehicle purchasing framework at an approximate cost of £575,000.

After consideration and having heard that there was provision within the capital budget and stock availability, the committee approved the recommendations at (3) above.

9. **Integrated Health and Social Care Transport Hub: Development update**

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With reference to the minute of 23 August 2013 (page 4, paragraph 8) when the committee had noted findings of the Healthcare Transport Working Group which had been established by the Scottish Government, there was submitted and noted a report (issued) of 16 January 2015 by the Assistant Chief Executive (Operations)

- (1) reminding members that a key recommendation of the working group was for the establishment of Integrated Hub Pilot projects to seek to improve the coordination of health and social care transport provision;
- (2) intimating
 - (a) that following submission of a Business Case for the development of an Integrated Health and Social Care Transport Hub (the Hub), which had been developed with support from NHS Lanarkshire and the Scottish Ambulance Service, SPT had been awarded £200,000 from the Scottish Government Health Directorate to take forward this initiative in 2014/15 and 2015/16;
 - (b) that the funding would assist with providing the resources required to take forward three key workstreams: IT Integration, Development of Operational Pilots and Information Sharing; and
 - (c) that the overall aim of the Hub was to develop an integrated single booking and scheduling point of contact for Health and Social Care Transport Services in the West of Scotland through SPT's Contact Centre utilising its scheduling software and expertise. This would be achieved through a collaborative partnership with key stakeholders by co-ordinating their resources (vehicles and drivers) to develop alternative transport solutions;
- (3) appending a report, which had been prepared by SPT for the Scottish Government, outlining the aims and objectives of the Hub, together with information on the progress of the project between April and September 2014; and
- (4) summarising the key challenges which required to be overcome to ensure that the initiative was a success.

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After discussion and having heard Messrs Stewart and Dunn in answer to members' questions, the committee noted the terms of the report.

10. Proposed award of contract: Aluminothermic & arc rail welding call-off contract

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There was submitted and approved a report (issued) of 30 January 2015 by the Assistant Chief Executive (Operations),

- (1) intimating
 - (a) that the requirement to forecast SPT's demand for welding support over the next 2-4 years to ensure on-going operation of the Subway and preparation for new rolling stock, had presented an opportunity for SPT to maximise its buying power and seek the best value for these services from the market place; and
 - (b) that contractors had been invited to tender for a two year call off contract (with an option to extend for a further 24 months at SPT's sole discretion) to undertake Aluminothermic running rail and check rail welding plus arc welding of the third rail across three lots as detailed in the report;
- (2) outlining the tender assessment procedure;
- (3) informing members that the tender submission by SW Global Resourcing had been assessed to be the most economically advantageous tender taking account of both quality and score as outlined in the tendering criteria;
- (4) explaining
 - (a) that based on work forecasts to date, it was anticipated that the cumulative spend for these services could be circa £250,000 per annum for the duration of the contract, potentially requiring a total budget of £1,000,000 should the 24 month extension option be taken up;
 - (b) that the call off nature of the contract allowed flexibility on the actual amount required and effective management would be in place to ensure that call offs against the contract were delivered efficiently and within the approved budget; and
- (5) recommending that the committee approve the award of a call off contract to SW Global Resourcing for the works with an initial contract budget of up to £500,000 with an option to extend the contract for a further 24 months if required, at the sole discretion of SPT, but subject to quality of delivery services under the initial award.

After consideration, the committee approved the recommendation at (5) above.