

Partnership minute



## **Strathclyde Partnership for Transport**

### **Minute of meeting**

**10 February 2017**

held in the Lewis Room, 131 St Vincent Street, Glasgow

**contact officers:**

Valerie A Bowen      phone: 0141 333 3130  
Kirsten Gibson      phone: 0141 333 3576

# Agenda 3

## Minute of the meeting of the Strathclyde Partnership for Transport held in the Lewis Room, 131 St Vincent Street, Glasgow, on 10 February 2017

**Present** Councillors Jonathan Findlay (Chair), Malcolm Balfour, Dr Martin Bartos, Tony Buchanan, Eddie Devine, Bill Grant, Kaye Harmon, Alan Moir, Bobby McDill, Robert G MacIntyre, Hamish Stewart, Fariha Thomas and David Wilson and appointed members Gregory Beecroft, Brian Davidson, Ann Faulds, Anne Follin, Graham Johnston, Alex Macaulay, Jo MacLennan and Jim McNally

**Attending** Valerie Davidson, Assistant Chief Executive (Business Support); Valerie A Bowen, Senior Committee Officer; Gordon MacLennan, Chief Executive; Eric Stewart, Assistant Chief Executive (Operations); Charlie Hoskins, Senior Director and Neil Wylie, Director of Finance and HR.

### 1. Apologies

Apologies were submitted from Councillors Malcolm Cunning (Substitute), Gerald Leonard, Denis McKenna, Lawrence O'Neill, Michael McPake and Donald Reid and appointed member Alan Malcolm.

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

Gregory Beecroft declared an interest in respect of his previous role as a trustee of Railway Paths Limited in respect of item 7 of the Strategy & Programmes minutes of 27 January 2017 and agenda item 8 in respect of the proposed Paisley to Renfrew Cycle route.

### 3. Minute of previous meeting

The minute of the meeting of 9 December 2016 was submitted and approved as a correct record, subject to adding at item 3 that it had been agreed that officers would review the issue.

### 4. Committee minutes

The minutes (issued) of the undernoted committees were noted, subject to the 'P' paragraphs contained in each of the minutes which were approved:-

- (1) Operations Committee of 20 January 2017; and
- (2) Strategy & Programmes Committee of 27 January 2017.

### 5. Change to membership – Resignation of Appointed Member

There was submitted a report (issued) of 2 February 2017 by the Assistant Chief Executive (Business Support)/Secretary

- (1) informing members that appointed member Alan Malcolm had intimated his resignation from the Partnership with effect from 31 March 2017;

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- (2) explaining that, under normal circumstances, a Recruitment Committee would be established to carry out a public appointment recruitment exercise with a view to filling the vacancy;
- (3) intimating that it was proposed that it be left to the members of the Partnership following the imminent local elections, to determine whether or not the vacancy be filled and, if it was to be filled, what skills the Partnership required for a potential appointee together with relevant background experience; and
- (4) requesting that the Partnership determine whether or not they wished to fill the vacant position or postpone until the new Partnership was in place.

After consideration, the Partnership agreed that the filling of the vacancy be postponed until the new Partnership was in place following the Local Government elections on 4 May 2017.

## **6. Administrative arrangements during election period**

There was submitted and approved a report (issued) of 1 February 2017 by the Assistant Chief Executive (Business Support)/Secretary

- (1) reminding members that, as was customary, the Partnership would cease to hold formal meetings during the period of pre-election which, prior to the elections on 4 May 2017, would commence on 31 March 2017 up to the first meeting of the Partnership following the election (the Election Period);
- (2) informing members that it would be necessary to put in place arrangements to allow the business of SPT, which would otherwise require approval of the Partnership or its Committees, to continue during that period;
- (3) recommending that, in order to ensure that the business of SPT continued without delay, a general delegation be granted to the Chief Executive, in consultation with the Secretary, to consider any urgent matters which would normally require the approval of the Partnership or any of its Committees during the Election Period, including the award of contracts; and
- (4) explaining that all decisions made and contracts awarded under this general delegation would be reported to the Partnership at its first meeting after the election.

## **7. Proposed Revenue Budget 2017/2018**

There was submitted and approved a report (issued) of 27 January 2017 by the Assistant Chief Executive (Business Support)

- (1) reminding members that, although it was normal practice within SPT to present a two year revenue budget for approval, the Partnership, at a special meeting on 4 March 2016 (page 1, paragraph 3), had considered a draft 2017/2018 revenue budget and having heard that there was insufficient information at that time on the level of funding available, had noted it at that stage;
- (2) appending a draft revenue budget for 2017/2018 of £37,670,380 (Appendix 1), the preparation of which had been undertaken having consideration to the current position in

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terms of staff numbers and contracted costs, previously approved budget priorities and the affordability of the service plans to all stakeholders, together with proposed requisition levels (Appendix 2);

## (3) informing members

- (a) that it was proposed to fund the net revenue budget by local authority requisitions of £36,633,380 (reflecting a 2% reduction in support from constituent councils) plus a contribution from Scottish Government of £1,037,000, in line with previous years;
- (b) that, as an essential element of any budget setting was the review of fees and charges across SPT services, SPT proposed
- (i) to increase service charges at bus stations and applicable fare tables on subsidised bus services and MyBus services by 5% to reflect current market and contract conditions and service costs;
- (ii) to increase subway fares as outlined below:-

	Current Fare	Proposed Fare	Change
Adult All Day (non-smart)	£4.00	£4.00	Nil
Adult Return	£3.00	£3.10	£0.10
Adult Single	£1.60	£1.65	£0.05
Adult STR Return (smart capped fare)	£2.70	£2.80	£0.10
Adult STR Single	£1.40	£1.45	£0.05
<b>Park and Ride</b>			
P&R Day Shields Road	£5.00	£5.20	£0.20
P&R Day Bridge	£5.00	£5.20	£0.20
P&R Day Kelvinbridge	£5.00	£5.20	£0.20
P&R 7 Day	£25.00	£25.00	Nil
P&R 28 Day	£95.00	£95.00	Nil
P&R 6 Month	£500.00	£500.00	Nil
P&R Annual	£900.00	£900.00	Nil

and

- (iii) to maintain season ticket prices and child fares at current levels although SPT would continue to explore other product and ticket types to meet customer expectations;
- (4) intimating that, as there remained an expectation that service levels would be maintained and that SPT would make increased contributions to the subway modernisation project as agreed as part of the business case, it was necessary for SPT to continue with the ongoing review of service activities and organisational structures to ensure that resources were re-directed wherever possible to the priorities outlined in the report;
- (5) advising members that, given the ongoing financial pressures and expectations as to how the Government's austerity measures would continue to affect funding partners, together with the ongoing review of the Regional Transport Strategy, it was proposed that a more detailed review of the long term financial strategy and supported priorities be undertaken and presented to a future meeting of the Partnership for consideration; and

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- (6) recommending that the Partnership approve
- (a) a net revenue budget for 2017/2018 of £37,670,380;
  - (b) requisitions totalling £36,633,380, a 2% reduction on 2016/2017 levels;
  - (c) an increase to fares, fees and charges as outlined at paragraph (3) above; and
  - (d) that, as part of the RTS update, more detailed review of priorities and long term financial planning be undertaken and presented to a future meeting of the Partnership.

Following discussion and having heard Councillor Bartos suggest that the matter be postponed until all constituent councils had approved formally their respective budgets, the Partnership approved the recommendation at (6) above

#### 4. Proposed Capital Plan 2017/2018 to 2019/2020 and Capital Budget 2017/2018

There was submitted a report (issued) of 27 January 2017 by the Assistant Chief Executive (Business Support)

- (1) informing members
- (a) that The Scottish Government's draft budget for 2017/2018 had included a capital grant to SPT of £20.132m, an increase of approximately £4m on the current year;
  - (b) that it was worth noting that this level remained £5m less than in the period prior to 2015;
  - (c) that other funding streams identified in the preparation of the capital plan and budget plans included the utilisation of project specific grants e.g., Fastlink, the use of the Subway fund and release of grant previously received to support the modernisation project;
  - (d) the Subway modernisation project funding profile had now been agreed as part of the budget arrangements covering the period up to 2020/2021 and Transport Scotland had confirmed that the remaining Scottish Government support would be received in the following profile:

2017/2018	£35,000,000
2018/2019	£53,845,000
2019/2020	£55,610,701
2020/2021	£55,147,705
- and
- (e) that this was a significant step forward and would allow SPT to manage resources more effectively and with certainty on the funding available;
- (2) intimating
- (a) that the preparation of the Capital Plan for 2017/2018 to 2019/2020 and the Capital

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Budget for 2017/2018 had sought to balance transport project delivery aspirations and available funding;

- (b) that project proposals had been assessed against the Delivery Plan, deliverability considerations and affordability, together with the utilisation of shared resources with partners; and
  - (c) that the package of interventions in the Capital Plan would support the delivery of the Regional Transport Strategy's (RTS) strategic outcomes of attractive, seamless, reliable travel; improved connectivity; access for all and reduced emissions, examples of which were outlined in the report;
- (3) appending
- (a) summaries of the planned capital programme for 2017/2018 to 2019/2020 and proposed funding plan for 2017/2018 (Appendix 1);
  - (b) details of the proposed capital programme, including the budget, for 2017/2018 (Appendix 2);
  - (c) details of the indicative capital programme for 2018/2019 to 2019/2020 (Appendix 3); and
  - (d) details of the proposed Grant Awards to local authorities and other partners for 2017/2018 (Appendix 4);
- (4) advising members
- (a) that, as there was now more certainty as to the level of funding available to SPT, it was proposed to fund the 2017/18 plan from the following sources:

<b>Category 1 Proposed Expenditure:</b>		
Subway Modernisation	£61,646,000	
Fastlink	£1,000,000	
General, including Local Authority	£22,709,000	
<b>TOTAL</b>		<b>£85,355,000</b>
<b>Funded by:</b>		
Subway Modernisation Grant	£35,000,000	
Release of previously received Specific Grant	£9,530,000	
Contribution from internal Subway Fund	£17,116,000	
Fastlink Grant	£1,000,000	
General Capital Grant	£20,132,000	
Other Contributions	£28,000	
<b>Total Funding</b>		<b>£82,806,000</b>
<b>Shortfall</b>		<b>£2,549,000</b>

- (b) that it was normal practice to over commit at this stage to ensure that project slippage could be accommodated and that the over-commitment on the general capital at this stage represented 13% of available funding which was deemed to be manageable;
- (5) explaining

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- (a) that, although no funding information was available for general capital beyond 2017/2018, the 2018/2019 – 2019/2020 plan had been submitted for approval in principle, subject to funding; and
  - (b) that the assessment of 2016/2017 movements would be considered as part of the final 2017/2018 Capital budget in due course;
- (6) proposing that, as the strategic priorities in the existing RTS Delivery Plan remained relevant for the assessment of the funding bids made to the proposed Capital Plan under consideration at this Committee, the Plan, which had a lifespan to the end of financial year 2016/2017, be extended to the end of 2017/2018 to allow the current RTS review to be completed, the development of a new RTS and subsequently a new Delivery Plan; and
- (7) recommending that the Partnership approve
- (a) the proposed Capital Plan for financial years 2017/2018 to 2019/2020;
  - (b) the Capital Budget for financial year 2017/2018, with indicative budgets for 2018/2019 – 2019/2020;
  - (c) the Grant Funding of Councils or other identified bodies as per Appendix 4 and authorise the Assistant Chief Executive (Business Support) to complete the grant award letters; and
  - (d) the extension of the current RTS Delivery Plan for one year to the end of 2017/2018 to account for current work regarding the RTS review and any subsequent work on the development of a new RTS.

After consideration and having heard Mrs Davidson in answer to members' questions, the Partnership agreed to the recommendations at (7) above.

## **9. Maintenance of escalators, travelators and lifts: Proposed award of contract**

There was submitted and approved a report (issued) of 26 January 2017 by the Assistant Chief Executive (Operations)

- (1) informing members of the process followed in contract negotiations with Otis Ltd for a five year extension to an existing contract for the maintenance of SPT escalators, travelators and lifts;
- (2) explaining that the extension had presented an opportunity to include items not contained within the original requirement scope, together with a fully preventative inspection, maintenance and reactive repair service; and
- (3) recommending that the Partnership approve the award of a contract to Otis Ltd for a period of 5 years at an annual cost of £364,885 (subject to annual variation in line with the Consumer Price Index).