

Strathclyde Partnership for Transport

Minute of Strategy & Programmes Committee

7 February 2020

held in 131 St Vincent Street, Glasgow

contact officers:

Heather Maclean phone: 0141 333 3287

Minute of the meeting of Strathclyde Partnership for Transport's Strategy & Programmes Committee held in 131 St Vincent Street, Glasgow, on 7 February 2020

Present Councillors Alan Moir (Chair), Dr Martin Bartos, Jim Roberts, Ian Cochrane, Mark Kerr (from item 5), David Shearer, David Wilson, and appointed members Anne Follin, Brian Davidson, Jo MacLennan, Jim McNally and Alex Macaulay.

Attending Gordon MacLennan, Chief Executive; Valerie Davidson, Assistant Chief Executive/Partnership Secretary; Heather Maclean, Committee Officer; Antony Smith, Director of Subway; Neil Wylie, Director of Finance; Bruce Kiloh, Head of Policy & Planning; Gordon Dickson, Head of Bus Strategy & Delivery; Andrea Thompson, Media & Public Affairs Manager; Gegory Beecroft, Appointed Member and Councillor Graham Campbell.

1. Apologies

Apologies were submitted from Councillors Maureen Devlin and Anna Richardson and appointed member Ann Faulds.

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

The committee noted that there were no declarations of interest.

3. Minute of previous meeting

The minute of the meeting of 22 November 2019, previously approved at the SPT Partnership, was submitted and approved as a correct record, noting that actions relative to items 5 and 9 were approved at the Partnership meeting on 13 December 2019.

4. Revenue Monitoring Report as at 4 January 2020, Period 10

There was submitted a report (issued) of 22 January 2020 by the Assistant Chief Executive:

- (a) advising that the 2019/20 savings programme and patronage/income growth continues to be driven through strongly;
 - (b) highlighting that SPT has made significant savings under employee costs through the continued review of services to ensure that the organisation continues to deliver in the most efficient and effective manner. Although, SPT has recently filled a number of posts and continues to recruit in key areas, due to the time lag of recruitment, a significant underspend is forecast this financial year;
 - (c) outlining that at Period 10, Subway income is ahead of budget by £0.886m or 5%. The over recovery of income achieved is due to increased ticket prices and maintaining patronage levels;
 - (d) detailing in Appendix 1, that there are other variances to the budget resulting in a positive variance at Period 10, and proposing to allocate an additional £1.5m to the Subway Fund resulting in a net positive variance of £0.085m;
 - (e) explaining that the contribution of £1.5m to the Subway Fund, in addition to the £2m approved at the Strategy and Programmes Committee on the 22 November 2019 will facilitate future capital and revenue spend on Subway Modernisation and the Subway, including Operational Readiness, as a whole; and
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- (f) highlighting that the recent Transport (Scotland) Act 2019 contains provisions to allow SPT to hold reserves in support of all its functions, and an updated reserves policy was being presented in a separate paper to this Committee.

After consideration and having heard from Mr Wylie and Ms Davidson in answer to members' questions, the Committee;

- (i) noted the projected outturn position on the information available at the end of Period 10; and
- (ii) agreed the proposed contribution to the subway fund of £1.5m.

5. Draft Revenue Budget 2020/21 and Long Term Financial Strategy

There was submitted a report (issued) of 23 January 2020 by the Assistant Chief Executive proposing a draft revenue budget for the financial year 2020/21, outlining:

- (a) the assumptions made in preparation of the budget;
- (b) proposals for fees and charges; and
- (c) the draft proposed local authority requisition.

In addition, the Long Term Financial Strategy was also presented for recommendation to the Partnership.

After considerable discussion and having heard Ms Davidson and Mr Wylie in answer to members' questions, the committee agreed to an amended recommendation, that in light of the Scottish Government Budget announcement on 6 February 2020, an updated budget be presented to the Partnership at its meeting on the 6 March 2020.

P 6. Updated Reserves Policy

There was submitted a report (issued) of 5 December 2019 by the Assistant Chief Executive seeking approval of the update to the Partnerships Reserves Policy following recent amendments to powers included as part of the Transport (Scotland) Act 2019.

After discussion and hearing from Ms Davidson and Mr Wylie in response to members' questions, the Committee:

- (a) recommended that the Partnership approve the reserves policy and baseline balances as detailed, and
- (b) noted that given the recent budget announcement it was likely that the 2020/21 budget planning to be presented would include a draw on reserves.

P 7. Capital Programme Monitoring and Proposed Amendments Report as at 5 January 2019, Period 10

There was submitted a report (issued) of 29 January 2020 by the Assistant Chief Executive;

- (a) providing a progress update on the 2019/20 capital programme;
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- (b) seeking approval for proposed amendments to the 2019/20 capital programme; and
- (c) seeking approval to Grant Fund as detailed in sections 6(b) of the report.

After discussion and having heard from Mr Wylie and Ms Davidson in answer to members' questions, the committee;

- (i) approved the proposed amendments to the 2019/20 capital programme;
- (ii) agreed to Grant Fund or to vary existing Grant Fund letters to the Local Authorities or other bodies for those awards up to the value of £200,000 and authorised the Assistant Chief Executive to complete the award letters;
- (iii) noted the financial performance of the 2019/20 capital programme as at Period 10; and
- (iv) noted that further work to quantify and manage risk, advance savings and re-phase existing projects is being undertaken to balance spend against budget.

8. Proposed Capital Plan 2020/21 to 2022/23 including Capital Budget 2020/21

There was submitted a report (issued) of 29 January 2020 by the Assistant Chief Executive requesting that the Committee consider the proposed Capital Plan and recommend approval to the Partnership of:

- (a) the proposed Capital Plan for financial years 2020/21 to 2022/23;
- (b) the Capital Budget for financial year 2020/21; and
- (c) Grant Funding to the Local Authorities or other bodies as per Appendix 4 and authorise the Assistant Chief Executive to complete the grant award letters.

After considerable discussion and having heard Ms Davidson and Mr Wylie in answer to members' questions, the committee agreed to an amended recommendation, that in light of the Scottish Government Budget announcement on 6 February 2020;

- (1) The affordability of the plans submitted be re-considered taking account of other funding channels, including the use of reserves, and
- (2) an updated budget be presented to the Partnership at its meeting on the 6 March 2020.

P 9. Treasury Management Strategy Statement, Annual Investment Strategy and Capital Strategy 2020/21

There was submitted a report (issued) of 29 January 2020 by the Assistant Chief Executive updating the members on treasury management processes and recommending:

- (a) approval for the proposed treasury management strategy and annual investment strategy for financial year 2020/21;
 - (b) approval of SPTs prudential indicators as detailed in the report;
 - (c) approval of the Permitted Investment Types as detailed;
 - (d) approval of the attached proposed counterparty list; and
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- (e) approval of the proposed capital strategy, which forms part of SPT's integrated revenue, capital and treasury management process.

After discussion and hearing from Ms Davidson and Mr Wylie in response to members' questions, the Committee considered and agreed to recommend to the Partnership:

- (a) the Treasury Management Strategy Statement and Annual Investment Strategy for financial year 2020/21, noting that the document balances require to be updated to reflect the final capital budget for 2020/2021;
- (b) SPT's prudential indicators as detailed in the report;
- (c) the Permitted Investment Types detailed in Appendix 1;
- (d) the Counterparty List detailed in Appendix 3; and
- (e) the Capital Strategy.

P 10. Communications Strategy 2020 - 2023

There was submitted a report (issued) of 24 January 2020 by the Assistant Chief Executive providing a copy of the SPT Communications Strategy for 2020 – 2023 and, following consideration, requesting that the Committee recommend the strategy to the Partnership for approval.

Following lengthy discussion, the committee recommended the adoption of the strategy to the Partnership, noting that further re-iterations should include more detail on how evaluation..

11. Strategic Issues Update in SPT area

There was submitted a report (issued) of 28 January 2020 by the Chief Executive, updating the Committee on strategic level issues affecting transport in the West of Scotland, including the:

- (a) UK's exit from the European Union;
 - (b) 2020 United Nations (UN) Climate Change Conference – 26th Session of the Conference of the Parties (COP26);
 - (c) ScotRail Franchise
 - (d) Transport (Scotland) Act 2019;
 - (e) National Transport Strategy/Strategic Transport Projects Review (STPR2);
 - (f) Infrastructure Commission for Scotland;
 - (g) National Planning Framework 4 (NPF4);
 - (h) Scottish Government - Protecting Scotland's Future: the Government's Programme for Scotland 2019-2020 (PfG);
 - (i) Regional Transport Strategy (RTS);
 - (j) Clyde Corridor Place Mission;
 - (k) Glasgow Metro;
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(l) Rail Update; and

(m) George Square Conversation.

After discussion and hearing from Mr Kiloh in response to members' questions, the committee noted the content of the report.

12. Scotland's Low Emission Zones – Transport Scotland Consultation on Regulations and Guidance – SPT response

There was submitted a report (issued) of 15 January 2020 by the Chief Executive, recommending approval of SPT's draft response to Transport Scotland's consultation on the scope of future regulations and guidance covering Low Emission Zones (LEZs).

After discussion, the Committee approved the response in Appendix 1.
