



Strathclyde Partnership for Transport

Minute of Strategy & Programmes Committee

29 January 2016

held in Consort House, Glasgow

contact officers:

Valerie A Bowen phone: 0141 333 3130

Kirsten Clubb phone: 0141 333 3576

**Minute of the meeting of Strathclyde Partnership for Transport's
Strategy & Programmes Committee held in Consort House, Glasgow, on 29 January 2016**

Present Councillors Denis McKenna (Chair), Jonathan Findlay, Bill Grant and Paul Welsh and appointed members Ann Faulds, Tom Hart, Jim McNally and Alan Malcolm.

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); Charlie Hoskins, Senior Director; Neil Wylie, Director of Finance and HR and Bruce Kiloh, Head of Policy & Planning.

Also attending John Yellowlees, ScotRail.

1. Apologies

Apologies were submitted from Councillors John Bruce, Eddie Devine, Margaret Devine (substitute), Allan Falconer, Kaye Harmon, Frank McNally and appointed member Anne Follin.

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 13 November 2015 was submitted and approved as a correct record.

4. Capital funding 2016/2017

There was submitted a report (issued) of 13 January 2016 by the Assistant Chief Executive (Business Support)

- (1) reminding members that, on 16 December 2015, the Scottish Government had announced a single year draft budget and, within this, SPT had been advised that its level of general capital support was £16.034m for 2016/2017 and £20m grant in support of the subway modernisation, with no information available for future years;
- (2) intimating that the award previously of a three year settlement had allowed SPT to plan and prepare a rolling three year transport infrastructure plan which was critical to the successful planning, procurement and delivery of transport infrastructure as many projects delivered by SPT, or indeed grant funded for delivery by partners, spanned more than one financial year;
- (3) informing members
 - (a) that this level of support of general capital support was approximately 30% less than had been expected and whilst this reduction was consistent with the level of reduction across all councils, this much reduced grant settlement, combined with the single year award, had significant implications for the future development of SPT's capital plan and had implications for the award of contracts that might run beyond 2016/2017;

29 January 2016

- (b) that whilst SPT had expected to receive funding of approximately £45m in 2016/2017 to support the Subway modernisation project with draft profiles for future years, the information to date was that the level of support in 2016/2017 would be £20m with the remaining £25m being re-profiled over future years; and
 - (c) that although the total had remained the same, this change in profile would require careful management and require the use of the subway modernisation fund at an earlier stage than had been anticipated; and
- (4) explaining
- (a) that the implications of the recent announcement had resulted in the need to review the capital programme for future years internally and with partners and, as a result, it was necessary to delay the submission of a 2016/2017 capital investment plan until the committee's meeting scheduled to take place in March; and
 - (b) that although SPT was seeking to continue dialogue with Transport Scotland to ascertain whether or not any additional support was available in the current year to assist with the reduction announced in future years, it looked unlikely at this stage.

After consideration and having heard Mrs Davidson in answer to members' questions, the committee noted the terms of the report.

5. Revenue monitoring report as at 2 January 2016 (period 10)

There was submitted and noted a report (issued) of 12 January 2016 by the Assistant Chief Executive (Business Support)

- (1) reminding members that the Partnership had approved a core revenue budget for 2015/2016 of £38.418m;
- (2) appending the revenue monitoring report for the period to 2 January 2016 (period 10) which detailed the main variances, together with a detailed budgetary control report;
- (3) intimating that the on-going savings programme continued to deliver significant savings, with all opportunities being taken to maximise efficiencies. In particular, strong subway income growth and careful management of employee costs, partially offset by increased subway fleet enhancement and tunnel enabling works, had contributed to forecast net income growth/savings of £2.346m; and
- (4) informing members that as the capital and revenue budgets were so closely aligned and required to be managed together, all expenditure heads would continue to be monitored to ensure that this positive variance was achieved and that proposals for achieving the required year end break-even position would be submitted to the next committee meeting.

6. Capital programme monitoring report and proposed amendments as at 2 January 2016 (period 10)

There was submitted and approved a report (issued) of 19 January 2016 by the Assistant Chief Executive (Business Support)

29 January 2016

- (1) reminding members that the 2015/2016 capital programme had been approved by the Partnership on 13 February 2015 against known capital grant and other sources of funding;
- (2) intimating that actual expenditure as at 2 January 2016 (period 10) totalled £35.570m compared to a planned spend position of £37.104m;
- (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 represented a net reduction of £1.503m;
- (5) advising members that there was a corresponding net reduction of £0.840m in the revised funding required in 2015/2016 across the various funding streams;
- (6) explaining
 - (a) that analysis of the capital programme as at period 10 had indicated a potential risk to spend of minus £2.929m; and
 - (b) that, for general capital funding, once the risk value had been taken into account, the projected variance equalled £1.778m (or 7%); and
- (7) requesting that the committee
 - (a) approve the proposed amendments to the 2015/2016 capital programme as detailed in appendix 2 to the report; and
 - (b) otherwise note the terms of the report.

7. Community Planning update

There was submitted a report (issued) of 20 January 2016 by the Assistant Chief Executive (Operations)

- (1) reminding members
 - (a) that the Scottish Government had been working to strengthen Community Planning arrangements to ensure public sector agencies worked more closely to deliver better outcomes for communities;
 - (b) that as part of this process, the Community Empowerment Bill had received Royal Assent and had become an Act in July 2015; and
 - (c) that the Act aimed to give people in communities, and those supporting them in the public sector, new ways to help deliver improved services;
- (2) intimating that as part of the process of developing the orders, regulations and guidance related to the Act, the Scottish Government had met recently with representatives from Regional Transport Partnerships (RTPs) to discuss the implications of the Act for RTPs

29 January 2016

and to seek their views so as to inform the development of best practice Guidance for implementing the Act, likely to be published in February 2016; and

- (3) explaining
 - (a) that, although different parts of the Act were likely to come into force at different times, it was expected that most would come into effect by summer 2016;
 - (b) that as the elements of the Act came into effect, they would each have implications for SPT and other public bodies and would create an enhanced and more formalised level of engagement with community groups, and therefore a greater call on staff time and resources;
 - (c) that given the current financial challenges being faced by many Community Planning partners and the ongoing focus on joint resourcing of projects/initiatives, it was likely that SPT would see an increase in the number of requests for funding support; and
 - (d) that SPT would consider these requests within strict criteria, including affordability and the statutory/legal framework within which SPT operated.

After consideration and having heard various officers in answer to members' questions, the committee noted the terms of the report.

8. Scottish Government Consultation on Provisions for a Future Islands Bill – Proposed SPT response

There was submitted a report (issued) of 7 January 2016 by the Assistant Chief Executive (Operations)

- (1) informing members that, in June 2014, the Scottish Government had published a consultation on Provisions for a Future Islands Bill, which had set out a package of recommendations regarding further devolution of functions of the Crown Estate, social and economic matters, energy, renewables, transport and governance issues;
- (2) appending SPT's response which had been submitted within the deadline of 9 January 2016, subject to the approval of this Committee; and
- (3) recommending approval of SPT's submission.

Following discussion, the committee approved SPT's response to the Scottish Government's consultation on Provisions for a Future Islands Bill.

9. Proposed award of contract: Subway checkrail baseplate system design and manufacture

There was submitted a report (issued) of 15 January 2016 by the Assistant Chief Executive (Operations)

- (1) intimating

29 January 2016

- (a) that companies had been invited via Public Contracts Scotland to tender for the design and manufacture of checkrail baseplate and companion plain line baseplate assemblies which suited the physical constraints of the Subway tunnel system and general track design parameters;
 - (b) that although eleven notes of interest had been made, no tenders had been received; and
 - (c) that feedback from those who had noted interest but had declined to bid was either that they were not able to supply the product or that the need to undertake a bespoke design with only a limited run requirement for manufacture was not cost effective;
- (2) informing members
- (a) that Schwihag AG had contacted SPT immediately prior to the tender deadline stating that although they had been unable to submit a bid due to time constraints, they did have an existing product that could be modified to suit SPT's requirements;
 - (b) that as no tenders had been received, dialogue was then opened directly with Schwihag AG; and
 - (c) that the outline proposal and quote provided by Schwihag AG had been considered to be acceptable and had met the stated specification;
- (3) providing information on the main modifications proposed to Schwihag AG's standard baseplate;
- (4) explaining
- (a) that, as the supplier required to undertake detailed design in order to confirm the material, supply cost and quantities, the quote provided by Schwihag AG was provisional and would require confirmation upon completion of design; and
 - (b) that an allowance for risk and contingency had been included in the overall project budget and effective management of the design phase would be in place to ensure that the contract requirements were delivered efficiently and within the approved budget; and
- (5) recommending that the committee agree to the award of a contract to Schwihag AG for the design and manufacture of checkrail baseplate and companion plain line baseplate assemblies in the sum of £300,000, based on an indicative quantity of 1,000 of each baseplate type.

After consideration and having heard Mr. Hoskins in further explanation, the committee authorised the contract to be awarded, having regard to the issues outlined at (4) above.