

Strathclyde Partnership for Transport

Minute of Strategy & Programmes Committee

8 February 2019

held in 131 St Vincent Street, Glasgow

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Minute of the meeting of Strathclyde Partnership for Transport's Strategy & Programmes Committee held in 131 St Vincent Street, Glasgow, on 8 February 2019

Present Councillors Alan Moir (Chair), Dr Martin Bartos, Jim Roberts, Ian Cochrane, Alan Lafferty, Anna Richardson, David Wilson, and appointed members Anne Follin, Brian Davidson, Jo MacLennan, Jim McNally, Ann Faulds and Alex Macaulay.

Attending Gordon MacLennan, Chief Executive; Valerie Davidson, Assistant Chief Executive/Partnership Secretary; Heather Maclean, Committee Officer; Charlie Hoskins, Senior Director; Neil Wylie, Director of Finance; and Bruce Kiloh, Head of Policy & Planning.

1. Apologies

Apologies were submitted from Councillors Maureen Devlin, David Shearer and Tracy Carragher.

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

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The minute of the meeting of 23 November 2018, previously approved at SPT full Partnership, was submitted and approved as a correct record, noting that clarification of an action relative to item 8 would be addressed under agenda item 8 of the current agenda.

4. Draft Revenue Budget 2019/20

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There was submitted a report (issued) of 10 January 2019 by the Assistant Chief Executive proposing a draft revenue budget for the financial year 2019/20, outlining the assumptions made in preparation of the budget, proposals for fees and charges and the draft proposed local authority requisition. In addition, an outline of the 2020/21 budget was also presented for noting.

After consideration and having heard Ms Davidson in answer to members' questions, the committee noted that the final Local Government Settlement remained outstanding and that a final budget position would be presented to the Partnership at its meeting on the 8th March 2019. However, based on the current information available also noted;

- (a) a proposed net revenue budget for 2019/20 of £36.123m;
- (b) requisitions totalling £35.086m, a 2.27% reduction on the 2018/19 levels;
- (c) proposed increase / revision to fees and charges as outlined in section 4 of the report; and
- (d) a more detailed review of the long term financial strategy would be considered by the Partnership at a future meeting following the approval of the Transport (Scotland) Bill.

5. Progress on the development of the Capital Plan 2019/20 to 2021/22 including Capital Budget 2019/20

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There was submitted a report (issued) of 30 January 2019 by the Assistant Chief Executive advising the Committee of progress made to date in the preparation of the three-year

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Capital Plan for financial years 2019/20 to 2021/22, including the Capital Budget for 2019/20.

After consideration and having heard Ms Davidson in answer to members' questions, the committee noted;

- (a) the draft programme and the progress made to ensure the plan is robust and deliverable within the timescales and funding available; and.
- (b) that the Capital Plan 2019/20 to 2021/22 would be submitted to a future Partnership meeting for approval.

6. Revenue Monitoring Report as at 5 January 2019, Period 10

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There was submitted a report (issued) of 21 January 2019 by the Assistant Chief Executive:

- (a) appending the revenue monitoring report for the period to 5 January 2019 (period 10) which detailed the main variances, together with a detailed budgetary control report;
- (b) highlighting to members that SPT had made significant savings under employee costs through the continued review of services to ensure that the organisation continued to deliver in the most efficient and effective manner;
- (c) informing members that there has been strong subway patronage growth to date with a 3.9% increase compared to the same period in the previous financial year;
- (d) informing members of the major saving in the current year in relation to the payment re-profiling of the Technical Support and Spares Supply Agreement (TSSSA) contract for the new rolling stock and associated systems;
- (e) outlining a positive variance and proposing the inclusion of an additional £2m to the Subway fund; and
- (f) highlighting that although the positive variance is welcome, there are various factors that may have a negative impact on SPT's year-end financial position which continue to be monitored.

After consideration and having heard Ms Davidson in answer to members' questions, particularly in relation to SPT's reserve policy, 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 £2m.

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

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P There was submitted a report (issued) of 29 January 2019 by the Assistant Chief Executive;

- providing a progress update on the 2018/19 capital programme;
 - seeking approval for proposed amendments to the 2018/19 capital programme; and
 - seeking approval to Grant Fund as detailed in sections 5(b) and 5(c) of the report.
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After discussion and having heard from Ms Davidson in answer to members' questions, the committee;

- (i) approved the proposed amendments to the 2018/19 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) agreed to recommend that the Partnership meeting of 8 March 2019 approve to Grant Fund or to vary existing Grant Fund letters to the Local Authorities or other bodies for those awards over a cumulative value of £200,000;
- (iv) noted the financial performance of the 2018/19 capital programme as at Period 10; and
- (v) 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. Regional Transport Strategy

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There was submitted a report (issued) of 17 January 2019 by the Senior Director providing an update to the Committee on the progress of developing the new Regional Transport Strategy.

After extensive discussion and hearing from Messers Kiloh and Hoskins in response to members' questions, including a request to share more information on the governance arrangements of the various RTS groups and membership of the same groups with members, the committee noted the content of the report.

9. Proposed Change to Ticketing Arrangements between Abellio Scotrail and Subway

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There was submitted and approved a report (issued) of 8 January 2019 by the Senior Director outlining proposed changes to the current ticketing arrangements between Abellio Scotrail and Subway, specifically in relation to the sale of Subway Add On tickets and Roundabout Tickets.

10. Strategic Issues Update in SPT area

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There was submitted a report (issued) of 14 January 2019 by the Senior Director, updating the Committee on strategic level issues affecting transport in the west of Scotland, including the:

- (a) National Transport Strategy (NTS);
- (b) Strategic Transport Projects Review (STPR2)/Regional Transport Working Groups (RTWGs);
- (c) Transport (Scotland) Bill;
- (d) Glasgow City Region City Deal/Ayrshire Growth Deal/Argyll and Bute Rural Deal;
- (e) City Deal – Strathclyde Bus Investment Programme (SBIP); and
- (f) Glasgow Connectivity Commission.

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

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11. Subway Track Furniture Components – Award of Contract

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There was submitted a report (issued) of 17 January 2019 by the Senior Director, recommending the approval of the award of an 8 year contract for the supply of track furniture components to Pandrol UK Ltd for a contract value of £563,120, for the initial 4 year period (based on demand forecasts), with the further 4 years being subject to commodity price indexation increases.

After discussion and hearing from Mr Hoskins respond to members’ questions, the Committee approved the award of contract.

12. Award of Contract – Banking & Merchant Services

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There was submitted a report (issued) of 30 January 2019 by the Assistant Chief Executive, recommending the approval of the award of contract for the supply of Banking Services (Lot 1) and Merchant Services (Lot 2) for three years, with an option to extend for a further two years, as follows;

- (a) Bank of Scotland for Banking Services (Lot 1) at an estimated 5 year cost of £91,035; and
- (b) Bank of Scotland for Merchant Services (Lot 2) at an estimated 5 year cost of £422,633.

After discussion and hearing from Mr Wylie in answer to members’ questions, the Committee approved the award of contracts.
