

Strathclyde Partnership for Transport minute of Strategy & Programmes Committee meeting

28 September 2007

held in Consort House, Glasgow

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Minute of the meeting of the Strathclyde Partnership for Transport Strategy & Programmes Committee held in Glasgow on 28 September 2007

Present Councillors Alistair Watson (Chair), Eileen Logan, Bill McIntosh, Davie McLachlan, Eddie Phillips, John Reid, George Roberts and Willie O'Rourke and appointed member Liz Connolly and Alan Malcolm.

Apologies Councillors David Fagan, Duncan McIntyre and Ruth Simpson and appointed member Gavin Scott.

Attending Valerie Davidson, Assistant Chief Executive (Business Support)/Secretary; Valerie A Bowen, Senior Clerk; John Halliday, Assistant Chief Executive (Transport & Strategy); Gordon MacLennan, Assistant Chief Executive (Customer Services) and Neil Wylie, Director of Finance.

Also attending Appointed member Niall McGrogan.

1. Minute of previous meeting

The minute of the meeting of 30 March 2007 was submitted and approved as a correct record.

2. Revenue monitoring report as at 18 August 2007

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There was submitted a report (issued) of 13 September 2007 by the Assistant Chief Executive (Business Support)/Treasurer,

- (1) reminding members that the Partnership had approved a revenue budget for 2007/08 of £45.376m;
- (2) appending the revenue monitoring report for the period to 18 August 2007 (period 5); and
- (3) informing members that, based on the information available to date, an underspend of £155,000 was forecast at this stage and all expenditure heads would be monitored closely to ensure that the projected underspend was achieved.

After consideration, the committee noted the terms of the report.

3. Capital expenditure monitoring report as at 18 August 2007

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There was submitted a report (issued) of 13 September 2007 by the Assistant Chief Executive (Transport & Strategy),

- (1) appending a financial analysis of the capital programme budget and actual spend as at 18 August 2007 (period 5) in summary by service and in detail by project, which highlighted an actual spend to date of £4.469m compared to a revised profiled expenditure budgeted to be incurred by the end of period 5 of £5.660m;
- (2) highlighting the following projects which had been selected for detailed reporting:-

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- Refurbishment of Subway trailer cars;
- Subway train wash;
- Dalmuir Station improvement works;
- Bus station strategy study; and
- Glasgow Conurbation Public Transport Study; and

- (3) informing members that, as the current trend in capital spend was likely to lead to an underspend of some £8m against available funding, a number of additional projects with a total value of at least £6m were being looked at to ensure that the minimum spend level was met

After consideration and having noted that any proposals to introduce new projects would be brought before members for approval, the committee noted the terms of the report.

4. Capital monitoring report - proposed amendments and additions

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With reference to the minute of the Partnership of 23 February 2007 (page 2, paragraph 2) when the Partnership had noted the funding available for capital investment in 2007/2008 of £54.027m comprising £25.227m of general grant and approved s70 Scottish Executive grant funding of £28.800m, there was submitted a report (issued) of 13 September 2007 by the Assistant Chief Executive (Business Support)/Treasurer,

- (1) reminding members

- (a) that the capital investment plan had three categories, priorities 1, 2 and 3;
- (b) that the main focus would be on delivery of priority 1 projects with priority 2 projects being delivered where funding was available to do so and priority 3 projects being developed for future years;
- (c) that the capital budget consisted of priority 1 (£36.574m) and priority 2 projects (£16.816m) giving a total budget of £53.390m; and
- (d) that the capital investment plan had been set with a surplus in funding - £0.637m in this financial year;

- (2) appending

- (a) a financial analysis of the capital programme budget and actual spend as at 18 August 2007 (period 5) in summary by service and in detail by project, which highlighted an actual spend to date of £4.469m compared to a revised profiled expenditure budgeted to be incurred by the end of period 5 of £5.660m; and
- (b) a list of various proposed amendments to the capital programme which, if approved, would result in an anticipated outturn of £35.173m; and
- (c) a funding analysis,
 - (i) segmenting the anticipated outturn of £35.173m into £16.733m, S70 Scottish Executive grant and £18.440m general grant; and

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- (ii) detailing the projected underspend of £8.445m against revised 2007/08 general grant award of £26.885m;
- (3) informing members that, as the current trend in capital spend was likely to lead to an underspend of some £8m against available funding, a number of additional projects with a total value of at least £6m were being looked at to ensure that the minimum spend level was met; and
- (4) detailing the financial implications of these amendments for the overall 2007/08 capital programme.

After discussion and having heard Mrs Davidson in further explanation and in answer to members' questions, the committee approved the following amendments to the 2007/08 capital programme:-

Capital Project	Value (£)	Justification	Status
Information provision - new laminator	2,500	Recommended by Capital Steering Group	New project
Training material school transport Pick- up & Drop-off Points	50,000	Recommended by Capital Steering Group	New project
Paisley Travel Centre	25,000	Recommended by Capital Steering Group	New project
BBS EPI Screen Replacement	10,000	Upturn on expected outturn of £10k against a budget of £60k, giving a revised outturn of £70k	Upturn
Consort House refurbishment	150,000	Recommended by Capital Steering Group. Promotion from priority 2 to priority 1 with a budget increase of £100k, resulting in a total priority 1 budget of £150k	Promoted + budget increase
Glasgow Crossrail	(200,000)	Estimated expenditure on Glasgow Crossrail has been reduced to reflect slippage in the current study which caused subsequent delay in spend. Unanticipated findings in the transport modelling have had to be investigated and doing so delayed work by some six weeks. In addition there is a requirement to hold an additional stakeholders' workshop to fully interpret the findings.	Downturn
Dalmuir rail station	(250,000)	Discussions ongoing with network rail, project investment decision/business case not yet defined	Downturn
Hamilton Central Interchange	8,500	Recommended by Capital Steering Group. Budget increase from £165k to £173.5k.	Budget increase

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Capital Project	Value (£)	Justification	Status
Glasgow Conurbation Public Transport Study	(550,000)	The completion of Phases 1 and 2 has taken longer than anticipated due to the need to critically review the emerging conclusions which in some instances have been wide ranging and complex	Downturn
Hyndland/Gartnavel Study	40,000	Original budget withdrawn due to the transfer of the project to Transport Scotland, but SPT still liable for initial costs	Upturn
Paisley Gilmour St. passenger flow & amenity study	(68,000)	Business case requires to be finalised before further work undertaken	Downturn
Larkhall - Milngavie continuing costs	70,000	Recommended by Capital Steering Group. A £500k budget was previously approved at priority 2, £70k promoted to priority 1	Project promotion
Rail station improvements	1,000	Recommended by Capital Steering Group. Promotion of £1k from the Station Improvements budget currently sitting at priority 2	Project promotion
Subway minor works	100,000	Recommended by Capital Steering Group. Funds have to be used for emergent minor works	New project
Refurbishment of battery locomotives	160,000	Recommended by Capital Steering Group. Promotion of budget from priority 2 to priority 1	Project promotion
Replacement power car batteries	50,000	Recommended by Capital Steering Group	New project
Platform screens at Ibrox and Hillhead Subway stations	250,000	Recommended by Capital Steering Group. Promotion of budget from priority 2 to priority 1	Project promotion
Replacement Subway ticketing system	50,000	Recommended by Capital Steering Group. Promotion of budget from priority 2 to priority 1	Project promotion
New trackmobile	96,000	Recommended by Capital Steering Group. Promotion of budget from priority 2 to priority 1	Project promotion
Webcomm interface to PERDIS	30,000	Recommended by Capital Steering Group. Promotion of budget from priority 2 to priority 1	Project promotion

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Capital Project	Value (£)	Justification	Status
Train Management System & CIS Upgrade	1,000	Project overrun from 2006/07	Upturn
Refurbishment of trailer cars	(812,000)	The Refurbishment of Trailer Car project has been downturned as costs to deal with severe corrosion had been built into the original costs of the contract. Once work started on the project it was ascertained that the cars were not as corroded as feared and therefore the downturn equates to a genuine saving to SPT	Downturn
Train Wash	(259,000)	Delays with contract, costs likely to slip into 2008/09	Downturn
Life extension of autocouplers	(83,000)	Project has been downturned to match the workshop throughput estimates	Downturn
Subway tunnel reinforcement	23,000	Project upturned from £650k to £673k. Upturn due to more accurate cost profile available	Upturn
Subway rail replacement	33,000	Increased activity	Upturn
Replacement of Govan dewatering	3,000	Project overrun from 2006/07	Upturn
Upgrade & refurbish escalators	2,000	Project overrun from 2006/07	Upturn
Major escalator refurbishment works	7,000	Project overrun from 2006/07	Upturn
Subway station improvements	12,000	Project overrun from 2006/07	Upturn

5. Annual Treasury Management report 2006/07

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P There was submitted a report (issued) of 13 September 2007 by the Assistant Chief Executive (Business Support)/Treasurer,

- (1) reminding members that, in accordance with the Chartered Institute of Public Finance and Accountancy "Treasury Management in Public Services Code" and SPT's Financial Regulations, an annual report required to be produced to present an overview of treasury activities undertaken in the previous financial year;
- (2) summarising the Treasury Management performance for the financial year 2006/07 which covered

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SPT's current treasury position;
the economy in 2006/07;
borrowing strategy and outturn 2006/07;
compliance with treasury limits and prudential indicators;
investment strategy for 2006/07;
investment outturn for 2006/07; and
debt re-scheduling;

- (3) appending SPT's Prudential Indicators;
- (4) intimating that, during 2006/07, debt repayments were in line with plans actively to reduce debt where possible and interest earned was very positive which confirmed the benefit of bringing cash management in-house; and
- (5) advising members that as the current contract with the Bank of Scotland had been extended to 31 March 2008, approval to extend working capital facilities to the value of £16,000,000 and payment systems of £38,000,000 to cover both SPT and the Strathclyde Concessionary Travel Scheme was required.

After consideration, the Committee agreed to recommend approval of the extension of the working capital facilities and payment systems to the Partnership and otherwise noted the terms of the report.

6. Regional Transport Strategy update

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With reference to the minute of the Chair's Committee of 26 March 2007 when that Committee had considered and approved the final draft Regional Transport Strategy (RTS) document for submission to Scottish Ministers, there was submitted a report (issued) of 13 September 2007 by the Assistant Chief Executive (Transport & Strategy)

- (1) intimating that, to date, there had been no direction or approval of the RTS from Scottish Ministers;
- (2) advising members that as part of the development of the RTS, SPT, in partnership with constituent councils and others, was preparing a series of action plans, the first tranche of which were currently out to consultation with stakeholders;
- (3) explaining that, following approval by SPT's Executive, a six week consultation would be undertaken for each of the action plans before submission to a future meeting of the Partnership's Strategy & Programmes Committee for consideration; and
- (4) requesting that the Committee agree that the work on the action plans continue in the absence of approval of the RTS.

After consideration, the Committee approved the request at (4) above.

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7. Intercity services to and from the West of Scotland and England

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With reference to the minute of 2 February 2007 (page 8, paragraph 9) when the Committee had considered report on developments which would affect intercity services to and from the west of Scotland and England and had agreed

- (1) that the further attention of DfT be drawn to the issues arising from the transfer of operations of the West Coast Mail Line (WCML) services to and from Manchester and Birmingham;
- (2) that the active engagement of the new operators of these services on these issues be sought;
- (3) that Virgin Trains, the current Cross Country operator, be written to regarding the December 2007 and December 2008 WCML timetable; and
- (4) that the Virgin Trains and DfT's consultations on the December 2007 Cross Country timetable and the Intercity East Coast (ICEC) franchise be responded to,

there was submitted and noted a report (issued) of 13 September 2007 by the Assistant Chief Executive (Transport & Strategy)

- (a) confirming that the actions had been followed up and detailing the current position on each of them;
- (b) informing members
 - (i) that SPT remained in contact with DfT regarding the future of services on the WCML, including those from Scotland to Manchester, Birmingham and London;
 - (ii) that SPT continued to engage with Virgin and TransPennineExpress and would engage with Arriva, the new Cross Country operator, with regard to through ticketing, stops at Motherwell and arrangements for connections at Birmingham; and
 - (iii) that SPT had participated in commenting on the pre-bid process for the Intercity east coast franchise now won by National Express and would be making contact with the new operator to emphasise key points previously made; and
- (c) concluding that, as the next 18 months would see significant changes to Intercity services to and from the west of Scotland and England, it was important for SPT to remain involved with both DfT and the train operators to ensure that SPT concerns and priorities were considered fully.

8. High level output specification for Scotland's Railways

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There was submitted a report (issued) of 13 September 2007 by the Assistant Chief Executive (Transport & Strategy),

- (1) intimating

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- (a) that the Office of the Rail Regulator (ORR) reviewed periodically the level of finance Network Rail requires to carry out its functions;
 - (b) that as part of the requirements of schedule 4A to the Railways Act 1993, ORR had asked Scottish Ministers to provide it with information on what Ministers wanted to achieve during the review period 1 April 2009 to 31 March 2014 (control period 4) and the level of finance which was likely to be available; and
 - (c) that in England and Wales, similar information had been sought from the Secretary of State for Transport;
- (2) advising members
- (a) that in response to ORR's request, Scottish Ministers had published this information on 13 July 2007 on the presumption that all changes Network Rail had committed to deliver in the current control period 3 would be delivered or commenced by 31 March 2009;
 - (b) that the list of enhancements expected in this control period included several projects in the SPT area that SPT supported fully and wished to see delivered at the earliest opportunity; and
 - (c) that Scottish Ministers had made it clear that if the schemes were not completed by the end of March 2009 they would expect them to be completed as a priority in control period 4;
- (3) detailing Scottish Ministers' expectations of Network Rail in its contribution to the national transport strategy strategic objectives and their aspirations for the rail network;
- (4) informing members
- (a) that Network Rail had until 31 October 2007 to finalise its plans to meet the Ministers' requirements and publish them in its strategic business plan;
 - (b) that ORR would then consult on Network Rail's plan and SPT would be given an opportunity to comment on its appropriateness; and
 - (c) that ORR would publish its initial assessment in December 2007 on whether or not the Scottish Ministers' and Government's rail requirements could be delivered for the funds available;

After consideration, the Committee

- (i) noted the terms of the report; and
- (ii) agreed that the Assistant Chief Executive (Transport & Strategy) update the Committee following publication of Network Rail's Strategic Business Plan should it become apparent that not all of the planned investment could be funded and make appropriate representations on behalf of the committee, if required.

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9. Department for Transport guidance on release of former rail property by British Rail Board (Residuary) Ltd

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There was submitted a report (issued) of 13 September 2007 by the Assistant Chief Executive (Transport & Strategy),

- (1) intimating
 - (a) that the Department for Transport had published revised guidance on the disposal of former rail land held by British Rail Board (Residuary) Ltd (BRBR) on 26 July 2007; and
 - (b) that neither SPT nor other agencies in Scotland had been consulted prior to the publication of the guidance;
- (2) advising members
 - (a) that the guidance had stated that it "was reasonable" to require those parties who expressed an interest in former rail property to pay holding fees and potentially purchase the land within a 6 month period from expression of interest; and
 - (b) that the guidance also precluded the re-sale of land for non-transport development;
- (3) explaining
 - (a) that the guidance could have financial and development implications for SPT should it express interest in future BRBR land acquisition or request a delay in the release of land pending project planning, feasibility and development; and
 - (b) that there were implications for a range of projects where SPT might seek to utilise former rail solums, including the potential requirement to purchase land where SPT had expressed an interest and the payment of holding fees while SPT was considering purchase of land; and
- (4) recommending that the committee agree
 - (a) that the Chair of SPT contact the Scottish Minister for Transport, the Secretary of State for Transport and the Chief Executive of Transport Scotland, expressing SPT's concern about the implications of the revised guidance for SPT's future planning, and the lack of consultation undertaken by the Department for Transport;
 - (b) that SPT request a detailed briefing from BRBR on the implications of the guidance and improving working relationships;
 - (c) that an inventory of property where SPT had been in correspondence on land release with BRBR (estimated time 2 months) be prepared;
 - (d) to investigate what other land and property was held by BRBR which might be of potential interest to SPT;

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- (e) to scope the potential impact of the guidance on SPT's Regional Transport Strategy and other plans, including the Glasgow Conurbation Public Transport Study and the long term strategy for the Subway; and
- (f) that a report to the Partnership be prepared advising on the implications of the guidance and recommending an agreed approach once the implications were evaluated fully.

After consideration and having heard Mr Halliday in answer to members' questions, the Committee approved the recommendations at (4) above.

10. River crossing options at Renfrew/Yoker

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After consideration of a report (issued) of 5 September 2007 by the Assistant Chief Executive (Customer Services)

- (1) informing members
 - (a) that the two ferries which operated the SPT subsidised service on the River Clyde connecting Renfrew to Yoker required to be replaced at a cost of approximately £2m;
 - (b) that, as Scottish Enterprise had the remit on behalf of the Scottish Government to develop and part fund proposals for the Clyde Waterfront from Glasgow to the Tail of the Bank, it was an opportune time to partner with it and work with councils to promote the most appropriate solution; and
 - (c) that one of the options was the provision of an opening footbridge to replace the current ferry service; and
- (2) seeking agreement of the committee to accept grant funding in the sum of £30,000 towards a joint project with Scottish Enterprise (Renfrewshire) to undertake a scoping study of alternative cross river transport options in support of SPT's review of the Renfrew-Yoker crossing,

the Committee agreed to amend the capital programme to include £30,000 as part of the Renfrew-Yoker river crossing review.

11. East Ayrshire Community Planning Partnership Annual Performance Report 2006/07 and conclusion of four yearly review process

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With reference to the minute of 29 September 2006 (page 6, paragraph 6) when the committee had

- (1) considered East Ayrshire Council's Community Planning Partnership Annual Report for 2005/06 ; and

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(2) agreed, inter alia, that although the relevant transport related extracts could be considered and noted by the Committee, members might find it inappropriate to endorse the report due to lack of SPT involvement in the matters contained in the report,

there was submitted and noted a report (issued) of 7 September 2007 by the Assistant Chief Executive (Business Support),

(a) highlighting the key points from East Ayrshire Council's Community Planning Partnership annual performance report; and

(a) appending the sections of the report that related to transport matters.

*** paragraphs marked 'P' require Partnership approval**