

*joining up
journeys*

SPT

partnership minute

Strathclyde Partnership for Transport

Minute of meeting

30 March 2012

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 the Strathclyde Partnership for Transport held in Consort House, Glasgow, on 30 March 2012

- Present** Councillors Jonathan Findlay (Chair), David Fagan, Archie Graham, Bill Grant, Kaye Harmon, William Hendrie, Alan Moir, Denis McKenna, John McLaughlin, Jim McNally, Duncan MacIntyre, Bill Perrie, Eddie Phillips and David Wilson and appointed members Tom Hart, Alan Malcolm, Gavin Scott and Bill Ure.
- Attending** Valerie Davidson, Assistant Chief Executive (Business Support)/Secretary; Valerie A Bowen, Senior Clerk; Gordon MacLennan, Chief Executive; Eric Stewart, Assistant Chief Executive (Operations); Neil Wylie, Director of Finance & HR and Charlie Hoskins, Director of Projects.
- Also Attending:** Councillor Charlie Gilbert, East Renfrewshire Council and Gary Semple, Ecebs Ltd.

1. Apologies

Apologies were submitted from Councillors Harry Curran, Gilbert Davidson, Ian Gray, Bobby McDill and appointed members John Boyle, Ronnie Mellis and Bill Ure.

2. Declaration of interest

Councillors Jonathan Findlay and David Fagan each declared an interest in respect of agenda no.13, as they were SPT appointed board members to Nevis Technologies Ltd.

3. Variation in order of business

In terms of Standing Order no. 3.4, the Partnership agreed to vary the order of business as hereinafter minuted.

4. Minute of previous meeting

The minute of the meeting of 10 February 2012 was submitted and approved as a correct record.

5. Committee minutes

The minutes (issued) of the undernoted committees were noted, subject to the 'P' paragraphs contained in the Strategy and Programmes Committee minute, which were approved:-

30 March 2012

- (1) Personnel Appeals Sub-Committee of 6 March 2012;
- (2) Operations Committee of 9 March 2012;
- (3) Personnel Committee of 9 March 2012;
- (4) Strategy and Programmes Committee of 23 March 2012; and
- (5) Audit and Standards Committee of 23 March 2012.

Arising from the minute of the Operations Committee with regard to page 1, paragraph 1, the Partnership noted that appointed member Tom Hart should have been included in the list of apologies and not in the list of those attending.

6. Correspondence from Niall McGrogan

[Click here to view report](#)

There was submitted correspondence of 21 March 2012 (issued) from Niall McGrogan, appointed member, requesting that a report on the voting rights of non-elected members be submitted for consideration at the Partnership meeting scheduled to take place on 22 June 2012.

After consideration, the Partnership agreed to the request.

7. Award of contracts during the pre election period

[Click here to view report](#)

There was submitted and approved a report (issued) of 15 March 2012 by the Assistant Chief Executive (Business Support)

- (1) reminding members
 - (a) that SPT's Scheme of Delegations allowed for contracts to be awarded by officers within tolerances and thresholds; and
 - (b) that beyond those, other than in emergency situations, committee or Partnership approval was required; and
- (2) recommending
 - (a) that in order to ensure that the business of SPT continued without delays, general delegation be granted to the Chief Executive, in consultation with the Secretary, for the award of contracts during the pre-election period and up to the first meeting of the Partnership following the local government elections to be held on 3 May 2012; and
 - (b) that all contracts awarded under this general delegation be reported to the Partnership at its first meeting after the elections.

30 March 2012

8. Proposed capital programme 2012/2013 to 2014/2015[Click here to view report](#)

With reference to the minute of the Strategy & Programmes Committee of 27 January 2012 (page 5, paragraph 7) when that Committee had agreed that a final proposed capital budget for 2012/2013 to 2014/2015 be presented to a future meeting of the Partnership to take cognisance of the available funding and any movements between the current year and 2012/13, there was submitted a report (issued) of 22 March 2012 by the Assistant Chief Executive (Business Support)

- (1) reminding members that the Local Government Finance Settlement 2012-2015 capital grant allocation to SPT of £16.692m in 2012/2013, £15.337m in 2013/2014 and £22.524m in 2014/2015 represented a significant reduction on the previous years settlement which had provided for an average capital grant of £25m;
- (2) appending
 - (a) a list of all proposed projects proposed to be included in the programme; and
 - (b) a summary of local authority grant awards for 2012/2013;
- (3) intimating that, within these allocations, £6m per annum would be ring fenced to support Subway modernisation and £5m to support Fastlink in 2012/13;
- (4) summarising the proposed capital programme, which had been revised to take account of changes in delivery status and current known slippage into 2012/2013, as undernoted:-

| | 2012/2013 £'000 | *2013/2014 £'000 | *2014/2015 £'000 |
|--------------|----------------------------------|-----------------------------------|-----------------------------------|
| Category 1 | 37,920 | 87,559 | 58,349 |
| Category 2 | 14,330 | 16,625 | 11,830 |
| Category 3 | - | 2,000 | - |
| Total | 52,250 | 106,184 | 70,179 |

* indicative at this stage

- (5) explaining
 - (a) that, although this level of funding and proposed capital programme would result in a funding shortfall of £14.228m in 2012/2013 and as a result of Subway modernisation significant shortfalls also in the following years was planned to be bridged by utilisation of the Subway Modernisation Fund and/or borrowing in support of the subway plans which was consistent with the discussions which had continued with representatives of Scottish Government; and
 - (b) that in seeking agreement to the capital plan for 2012/2013 and in principle for the following two years, the approval being sought was subject to the Scottish Government confirming support to the planned borrowing as outlined in the business case and the supporting funding schedules as intimated by the Scottish Government in its general announcement of March 2010.

30 March 2012

After considerable discussion, particularly relating to the Scottish Government's recent confirmation that it would provide up to £246 million in capital funding for the Subway Modernisation Programme, the Partnership

- (i) approved the capital programme, budget and funding plan for 2012/2013, subject to the receipt of written confirmation from the Scottish Government of its support for future borrowing of up to £246m for the Subway Modernisation Programme;
- (ii) noted the indicative plans, subject to funding, for 2013/2014 and 2014/2015;
- (iii) authorised the Assistant Chief Executive (Business Support) to sign the necessary grant award letters in support of the local authority projects; and
- (iv) agreed that final year end movements would be reported to a future meeting of the Partnership.

9. Treasury Management Strategy 2012/2013

[Click here to view report](#)

There was submitted a report (issued) of 22 March 2012 by the Assistant Chief Executive (Business Support)

- (1) outlining the background to SPT's treasury management processes in accordance with the Chartered Institute of Public Finance and Accountancy Treasury Management in Public Services Code and SPT's Financial Regulations;
- (2) appending
 - (a) SPT's proposed counterparty list; and
 - (b) SPT's permitted investment types; and
- (3) detailing the proposed treasury management strategy for SPT for the financial year 2012/2013 under the following headings:-
 - capital plans and prudential indicators;
 - current treasury position;
 - treasury indicators which would limit the treasury risk and activities of SPT;
 - prospects for interest rates;
 - borrowing strategy;
 - policy on borrowing in advance of need;
 - debt rescheduling;
 - investment strategy; and
 - creditworthiness policy.

After discussion and having heard Mrs Davidson and Mr Wylie in answer to members' questions, the Partnership

- (i) approved

30 March 2012

- (A) the Treasury Management Strategy for 2012/13;
 - (B) SPT's prudential indicators as detailed in the report, subject to the receipt of written confirmation from the Scottish Government of its support for future borrowing of up to £246m for the Subway Modernisation Programme; and
 - (C) the counterparty list as detailed in Appendix 1;
- (ii) agreed
- (A) that investment limits with nationalised institutions be increased from £20m to £30m; and
 - (B) that future counterparty lists should contain credit risk ratings for each named institution; and
- (iii) otherwise noted the terms of the report.

10. Subway modernisation: award of contract for Client Technical Advisor for new Subway Systems

[Click here to view report](#)

After consideration of a report (issued) of 7 March 2012 by the Assistant Chief Executive (Operations) on tenders received for the appointment of a Client Technical Advisor to support the procurement and implementation of new rolling stock, signalling and associated systems as part of the Subway Modernisation Programme, the Partnership agreed to award the contract to Systra, who had submitted the most economically advantageous tender, based upon hourly rates and work packages which would be defined within the overall budget of £200k to £300k over three years.

11. Subway modernisation: award of contract for specialist railway employment agency temporary worker

[Click here to view report](#)

After consideration of a report (issued) of 12 March 2012 by the Assistant Chief Executive (Operations) on tenders received for the appointment of an external Specialist Employment Agency for the supply of railways workers to meet the anticipated workload associated with the Subway Modernisation Programme, the Partnership agreed to award a four year call off contract to Orion Rail, who had submitted the most economically advantageous tender, in line with the hourly rates tendered.

12. Subway modernisation – progress update

[Click here to view report](#)

With reference to the minute of 10 October 2011 (page 3, paragraph 7) when the Partnership had noted the progress of the initial phase of the Subway Modernisation Programme, there was submitted and noted a report (issued) of 22 March 2012 by the Assistant Chief Executive (Operations)

30 March 2012

- (1) reminding members that the Subway Modernisation Programme was made up from the following five principal workstreams under which individual projects were managed:-
 - Rolling Stock, Signalling and Control Systems;
 - Stations and Accessibility;
 - Infrastructure;
 - Ticketing; and
 - Employee Relations/Human Resources;
- (2) updating members on further progress, with all workstreams being within the overall timeline for completion and budget;
- (3) informing members
 - (a) that the procurement phase for the new trains, signalling and control system had recently commenced and five pre-qualification responses had been returned;
 - (b) that specialist support had been tendered by SPT (approved at item 10 of the minute) to assist in assessing the solutions and tenders from potential suppliers;
 - (c) that the visit to Paris metro had proved invaluable in assisting SPT to define its operational requirements and learn from the challenges of implementing a fully automatic system on an old semi-automatic system, including the introduction of platform screen doors;
- (4) detailing
 - (a) the ongoing programme of design and implementation of the station improvements, which included the programme for completion for Hillhead and implementation of the next tranche of stations at Partick (platform level), Kelvinhall and Ibrox;
 - (b) the work undertaken to examine the feasibility of the introduction of lifts at stations which had concluded that only St Enoch and Govan Stations were achievable at this time;
 - (c) the design and pre-construction activities for the new Subway Ticketing system; and
 - (d) a number of contract extensions, as allowed for in the original tender exercise and awards, which had taken place across the various workstreams and projects;
- (5) explaining
 - (a) that a consultation meeting had been held with Accessibility Groups and the feedback incorporated across the various workstreams, including the early implementation of physical improvements such as tactile paving at all stations; and
 - (b) that the procurement for the infrastructure renewal works had recently commenced and in parallel the essential works for tunnel watersealing between Partick and

30 March 2012

Kelvinhall had progressed to the stage to recommend the award of a contract for these works; and

- (6) highlighting a number of smaller scale initiatives which were continuing, including the "Kids go Free" campaign during the Easter holidays to the more specialist technical and innovative work examining options for automatic track detection, longer rail installation and remote monitoring of infrastructure.

13. Smartcard ticketing - Presentation

Mr MacLennan reminded members that the Partnership had approved the formation of Nevis Technologies Ltd, a joint venture company between SPT and Ecebs Ltd, to provide a cost effective smartcard ticketing and payment service.

Thereon, Mr MacLennan introduced to the meeting Gary Semple, Ecebs Ltd, who gave a demonstration on how the smartcard system would work.

After discussion and having heard Messrs MacLennan and Semple in answer to members' questions the Chair, on behalf of the Partnership, thanked Mr Semple for his interesting and informative presentation.

14. Chair's Remarks

As this was the last meeting of the Partnership before the local government elections on 3 May 2012, the Chair thanked

- (1) all the officers of the Partnership for the hard work and professionalism which they had given to the operation of the Partnership and its committees; and
- (2) Vice-Chairs Councillors Fagan and McKenna and all members for their courtesy, interest and contribution over the years.

Thereon, Mr MacLennan, on behalf of the staff of SPT, took the opportunity to thank all members for their support.