

**Director's Board Meeting 31 May 2006  
Minutes of Meeting**

**Attendees:** Malcolm Reed, Chief Executive (Chair)  
Guy Houston (Finance and Corporate Services)  
Ken Russell (NMD)  
Bill Reeve (Rail Delivery and Performance)  
Frances Duffy (Strategy and Investment)  
John Howison (TRIPS)  
Lucy Adamson (Press Transport Scotland)  
Dawn Williamson (Finance and Corporate Services)  
Miriam McCloy (Finance and Corporate Services)  
Ann Lyon (Equality Unit)  
Janet Egdell (Strategy and Investment)  
Damian Sharp (Rail Delivery and Performance)  
Richard Lyall – note  
Ian Docherty (NED)

**Apologies:** Jim Barton

**1. Notes of previous meeting – agreed with the following comments:**

**HR Issues**

It was noted that a separate regular HR issues meeting would be convened with Directors to focus on these issues, rather than these being tabled at the full Directors Board meeting. MR to chair first of these meetings then responsibility will lie with Guy Houston. Only strategically important HR issues will be brought to future full Board meetings.

**Branding and publicity**

**ACTION:** LA to send paper to Board members on way forward for Transport Scotland's branding and publicity which ties in with Scottish Executive's main marketing campaign policies.

**Non Executive Directors (NEDs).**

It was noted that the process for appointing NEDs was almost completed, but that formalities had to be nailed down before any formal announcement could be made.

**ACTION:** MR/ GH to arrange an Away Day for the Board and NEDs.

**Internal Audit**

**ACTION:** GH/ Claire Dunbar Jubb - paper from CDJ with GH for decision.

## **Corporate Travel Plan**

The introduction of an SE-wide Corporate Carbon Footprint policy had been brought to the attention of Directors which meant there would be a need to offset carbon emissions in their travel plans. Although this policy does not apply to agencies it was agreed that Transport Scotland should look into adopting this as part of the Corporate Travel Plan.

### **ACTION – GH**

**BR** to also look at a way of obtaining the revenue that will be generated as part of the SE wide Corporate Carbon footprint policy and to use it to part fund major rail projects.

**All Directors** to provide ideas (eg regenerative braking) for offsetting carbon emissions on the transport network generally.

**Buchanan House Ministerial opening on 12 June** MR asked the Board to encourage a clear desk/ work area policy throughout the building, not just for presenting the building in its best light for the Ministerial opening, but beyond that date. MR explained the Ministerial opening would have a small guest list including all those involved in the fit-out of the building. An “Open Day” with a wider guest list of all stakeholders would be held later in year when all of Transport Scotland’s workforce would be in the new building.

**ACTION: All Directors** - nominations for the Open Day event to Howard Hart to add to his stakeholder list.

## **Voluntary Purchase Scheme**

It was noted this issue had been progressed and a submission was currently before the Minister.

**ACTION: BR** – to chase submission from Minister.

**Scottish Transport Studies Group** – MR reported that STSG was on track.

## **2. Mainstreaming Equality (Ann Lyon/ Miriam McCloy)**

AL circulated a paper and explained the implications of new equality public duties which will apply to Transport Scotland. AL set out the need for Transport Scotland to carry out policy proofing assessments for all new policies. She also indicated that the proofing and review process for the different strands of the duty, ie gender, disability and race would be streamlined by the Equality Unit to avoid duplicated efforts. MM explained there were no HR implications for Transport Scotland as SE corporate HR was responsible for recording and monitoring all equality statistics and HR policy.

JH explained Drew Hill is taking forward any implications for roads eg hazards for disabled people on roads. BR explained that for rail, compliance to the Disability Discrimination Act (which is Whitehall-reserved legislation) would be for the duty holder, either Network Rail or the franchise company. Nevertheless he would clarify who is the duty holder in cases for rail, and ensure there are no implications of the duty's introduction for Transport Scotland.

MR asked whether equality assessments were to be made at the policy development stage or to revisit policy that had been already developed. AL explained this was not being prescribed by the Equality Unit but it was likely that an "equality paragraph" would be added to the template for submissions to Ministers and there would be discussions of the duty's importance between the Equality Unit and special advisers. AL also pointed out EPBAG budget implications of the duty's introduction.

JH noted that the Highways Agency was already complying with this measure and would look into any lessons learned, although they are also quite new to this. BR noted that Network Rail were near 100% compliant, on trains/ stations might not be as good but there were alternatives in place to cope where stations did not comply.

**ACTION : All Directors** – continued liaison with Equality Unit and other Departments.

**Fiona Hesling** to lead and look at Transport Scotland policies and to attend Directors Board meetings in Sep/Oct when a tool for proofing equality duty available.

### **3. Quarterly Review of Major Rail Project (Damian Sharp)**

DS circulated a paper and noted that a workshop was to be held on 12 July to ensure an understanding of the processes and role for those involved in projects. There has been some confusion of responsibilities and this risk needs now to be managed properly. MR thanked DS for bringing this issue to the attention of the Board. DS pointed out that all risks/ budgets could be managed at this stage.

**ACTION: DS** return in 3 months to Directors Board with recommendations for way forward.

### **4. Tram Grant Letters**

DS circulated paper showing proposed tram grant letter and pointed out the 7 critical issues that had been identified that need resolution to ensure the effective delivery of the Edinburgh tram project. Recent negative coverage of the future of trams in *The Scotsman* was discussed as was the status of the risk register for the project. It was noted that DS would report progress to the Minister for Transport in due course.

### **5. Finance (Dawn Williamson)**

**Audit Committee** –dates in diary once NEDs appointed.

**ACTION: PS/Transport Scotland**

**Special Bonus Scheme** – noted that this would come from Transport Scotland budget and not from central resource anymore. A consequence of this is that MR would agree bonuses and sign letters to staff who have been awarded under the scheme.

Finance Update Report paper was submitted to the Board.

**Provisional Outturn 2005-06** – noted that there is in the region of £11m under spend (although exact figure not yet confirmed by Central Finance). It was noted that there was an allowed £40m for roads depreciation.

### **Pressures and savings**

DW reported that there had been a meeting with Minister on 23 May. The Minister had agreed to approve a total of £88m pressures but only a certain number of savings. The paper on pressures and savings in the Finance Update Report was discussed including the scope for re-categorising net investment against resource. FD suggested that we pick up on these classifications with Audit Scotland. **ACTION: GH/ CDJ.** In road maintenance the Minister was happy to approve £29m for roads but it was noted that £17m of this figure was actually inflation. JH suggested bridge remedial work could be taken forward but the classification of net investment and resource could make this difficult to square in accounting terms – ie it could not be funded from resource because it is maintenance work.

DW also explained that Transport Group is currently paying for staff who are not on the Transport Scotland payroll – this will be rectified shortly.

**ACTION: DW** – email to programme managers on savings/ pressures agreed.

**All Directors** – ideas on minor capital projects, either resource, or capital for bidding for underspend to DW and GH.

**ACTION – KR, Alex Ramage, CDJ.**

### **SPTR**

FD reported that there had been ten notes of interest and would circulate these to Directors for their feedback. FD would also be issuing questionnaires and prospectuses to the wider steering group for comment and copying the Brief to Steering Group members. Board Members were generally content but would follow up detailed issues direct with FD.

### **TMfS**

FD discussed the new TMfS contract and it was agreed by the Board that she should proceed with the tender process

### **Admin budget**

Douglas Rycroft to hold meetings to take forward detail with Directorates.

**ACTION: MR** to sign off admin budgets by 24 June.

## **6. Finance and Affordability (Janet Edgell)**

Paper submitted by JE seeking views on proposed submission to Minister for Transport and Finance and Public Services on a working group's findings about the affordability of transport projects, using RAB Asset Base. There was a discussion of the advantages of RAB against PLI including transferring more risk to Network Rail, as project promoter. JE reported the group had been looking at various scenarios given programme costs can be higher or lower if timing is delayed to implement a particular programme. MR noted that DS's major rail projects have optional cost ranges and BR that Scotrail also use a different financial model. MR asked when projects are completed if these should automatically transfer to Network Rail given these are Transport Scotland investments. ID pointed out from his experiences that BR usually did get a return of assets although he was unsure if there were any formal arrangements for doing that. ID also suggested that certain parts of a programme, rather than the whole programme could use RAB. It was agreed that this work should tie in with the work being carried out for the Quarterly Review of Major Rail Projects and GH requested that the submission to Ministers offer 2-3 scenarios rather than a single recommendation.

**ACTION: JE** to look at impact in keeping assets in Transport Scotland ownership or in ownership of promoters, the eventual asset owners, or indeed RTPs (albeit they have no income streams) at different times. JE to get figures/ models next week for submission to Ministers in June.