



## DIRECTORS' BOARD MEETING

### MINUTES OF MEETING HELD IN BUCHANAN HOUSE, GLASGOW AT 9:30AM ON MONDAY, 21 AUGUST 2006

<b>Present:</b>	Malcolm Reed	Chief Executive
	Frances Duffy	Director of Strategy & Investment
	Guy Houston	Director of Finance & Corporate Services
	John Howison	Director of TRIPS
	Bill Reeve	Director of Rail Delivery
	Lucy Adamson	Head of Communications
	Ian Docherty	Non-Executive Director
	Jacqueline Redmond	Non-Executive Director
	Bill Valentine	TRNMD: Chief Bridge Engineer
<b>In Attendance:</b>	Angus Macleod	PS/Transport Scotland

#### **Agenda Item 1: Minutes of Previous Meeting and Matters Arising**

1. The minutes of the meeting held on 2 August (TSDB(06)8<sup>th</sup> Conclusions) were approved.

#### **Matters Arising**

##### ***Performance Measure Board Pack***

2. Guy Houston said that the procurement process to decide who would take forward the next phase of the proposed Board pack was progressing, but that, due to the timescales involved, the first draft of the pack would be approximately 4 weeks later than the paper presented last month.

##### ***Financial reporting***

3. Guy Houston said he had met with David Reid and David Dow in Scottish Executive Finance to discuss the way that Transport Scotland and Transport Group were reporting on their forecasts/outturns. It was agreed that both the Group and the agency would report in the same way, i.e. only include Minister-approved pressures and savings and provide a separate table for the Board on all further potential changes to the outturn. This table would then be discussed and approved, before subsequent submission to the Minister for approval.

## Agenda Item 2: Directorate Updates

### *Finance & Corporate Services*

4. Two problems had arisen over the proposed young persons' concessionary fares scheme:

- ◆ Until the concessionary card was smart-enabled (which wouldn't be until late 2007), the bus operators had requested a different colour card to distinguish between the young persons' scheme (which only received a 25% discount for the customer) and the elderly and disabled persons' scheme (which meant a 100% reduction in the fare). The young persons' scheme was voluntary and so the operators were threatening to withdraw their participation. However, the Improvement Service had refused to introduce a different colour as it would not meet the Ministerial objective to have one card for all schemes. The concessions team was working with both parties to resolve the issue, but if unsuccessful then the Chief Executive may need to speak to Minister for guidance. (**Action: Guy Houston to keep Chief Executive up to date on outcome**).
- ◆ In addition, the Minister had requested a change to the policy as he has asked for the bus element of the young persons' scheme to be re-examined as it did not appear to offer individuals as much of a benefit as the commercial discounts offered by operators on weekly adult tickets. (**Action: Guy Houston to review policy with Transport Group colleagues** and develop a solution that does not hamper the implementation date of January 2007).

5. Successful meetings had taken place between the various finance teams involved in the transport portfolio and that there was already signs of greater co-operation between them, especially in delivering the outturn in line with item 3 of the minutes.

### *Strategy & Investment*

6. Frances Duffy gave an update on developments in Strategy & Investment Directorate, including the Transport Model for Scotland and the Strategic Transport Projects Review.

### *Rail Delivery*

*Part of the record of discussion under this agenda item is considered exempt from publication at this time and has been redacted.*

7. Negotiations were ongoing with British Airports Authority (BAA) about funding the Glasgow and Edinburgh Airports rail links, but that the indications did not look hopeful. If BAA maintained their position, there was likely to be adverse media coverage of their stance.

### **TRIPS**

8. John Howison said that the procurement exercise for the M74 project had been launched. The procurement presentation from Network Rail had been useful and showed the

need to establish a contractual relationship with others.

### ***TRNMD***

9. Bill Valentine said that tenders for the third generation maintenance contracts were due to be returned by 18 September, which meant that the contracts should be awarded before the end of the year. The Directorate had also been involved in the operational aspects around the increased security requirements following the recent threat to airlines.

### **Agenda Item 3: Finance Report (Paper TSDB(06)07)**

10. Guy Houston introduced paper TSDB(06)07 which gave the Board an update on key financial issues to the end of July 2007. Guy Houston said that the report was more robust than previous versions and the forecast figures were consistent. The forecast expenditure was £1.4 billion (though the budget was only £1.3 billion) including approved pressures and savings. There was scope for budget-holders to over-commit on capital expenditure, provided they could guarantee the money would be spent, and this should be done as much as possible to help reduce the forecast spending bulge in 2008-09.

11. In discussion the following points were made:

(a) The £30m over-commitment on the M74 project (included in the forecast) would definitely be spent as the cash would be put into a fund for purchasing land under compulsory purchase orders (equivalent to an Escrow account) and therefore this would meet with the requirement for it to be considered 2006-07 spend. It was unlikely this process could be repeated for rail projects as it would involve providing the money to other organisations which may not be spent for up to 5 years;

(b) Directors should aim to put forward proposals that would bring forward as much spend as possible into 2006-07. Directors would not aim to offset overspends by using the centrally unallocated provision (CUP). There were HM Treasury rules on CUP, but SE Finance had confirmed that Transport Scotland should aim to over-commit as much as possible, including maintaining the CUP until 2007-08 and 2008-09. However, further discussions and a written commitment from SE Finance would be required to confirm the position each month.

(c) According to Bill Reeve it was unlikely that the full budget of £178 million for major rail projects would be spent in 2006-07 and that likely expenditure would be nearer £150 million, therefore the proposed pressure of £25m was unnecessary.

(d) The forecast figure for bridge strengthening and improvement in Annex A was incorrect by an immaterial amount (£3.9m) and would be corrected for next month;

(e) The comments in paragraph 6.2 of Annex B in relation to the reasons for the movement between budget and forecast were only partially true and would need amended before submission to SE Finance;

(f) The reference in paragraph 7.3 of Annex B to centralising the machinery for dealing with infrastructure investment was concerning as it would impact on Transport Scotland. It was thought that this was not the actual intention of the Infrastructure

Investment Group (IIG), but Guy Houston would be attending the next meeting of the Group to seek clarification and ensure that Transport Scotland was not included in the proposal if this were true.

12. **The Directors' Board noted** the monthly monitoring report and **agreed** that:
- (a) Advice from SE Finance about maintaining the CUP should be sought on a monthly basis; **(Action: Guy Houston and Finance & Corporate Services)**
  - (b) The likely outturn for major rail projects should be confirmed with Rail finance team; **(Action: Bill Reeve)**
  - (c) The In Year Financial Report should be submitted to SE Finance, subject to changes under d) and e) above; and
  - (d) Guy Houston should attend the next meeting of the IIG to ensure any move to centralise the infrastructure investment machinery did not include Transport Scotland and to report back to the Board as necessary.

**(Action: Guy Houston and Finance & Corporate Services)**

#### **Agenda Item 4: Draft Corporate Travel Plan (Paper TSDB(06)08)**

13. Guy Houston introduced paper TSDB(06)08 which provided the Board with the latest draft of the Transport Scotland corporate travel plan and consultation document and sought approval for the next steps in finalising the plan. There was a possible resource implication to the travel plan (dependent on how seriously Transport Scotland wished to take the plan) as there may need to be somebody appointed to implement and support the plan, administrate any initiatives (e.g. car pooling and journey planning) and to monitor any agreed targets. The plan could have a significant impact on certain Transport Scotland staff (for both home-to-work and business travel) and there would be a consultation exercise carried out to gauge views on, for example, the car parking policy.

14. In discussion the following points were made:
- (a) Staff had already been consulted over travel as part of the relocation exercise and there was probably a substantial body of data that could be drawn on without carrying out a further consultation;
  - (b) The plan was not just about home-to-work commuting and could therefore have an impact on day-to-day business as it would affect how staff travel to events outside Buchanan House;
  - (c) Experience in other organisations had shown that travel plans often failed to have the required impact as difficult business decisions that impacted on cost or staff would be avoided and travel plans were very often only partially implemented. It would, therefore, be a significant achievement to sell the benefits of the plan to staff and become a centre of excellence in this area;
  - (d) Given the limit on the number of staff allowed, clear evidence of the benefits

(e) The limited availability of free car parking and good public transport links to Buchanan House was already affecting how staff travelled to work, therefore it was uncertain what more could be done. Whilst most staff were aware that they could not park their cars at Buchanan House, it would be helpful to issue a note to all staff confirming the car parking policy and also hot desking facilities at other SE locations.

(f) The other elements of the travel plan should probably wait until after the relocation exercise had been completed and until the National Transport Strategy had been published to see what it contained;

(g) More use could be made of the remote conference equipment available in Buchanan House, although there was limited capacity for tele-conferencing at present.

**15. The Directors' Board agreed that:**

(a) Rather than carry out a further consultation at this stage, as much data as possible should be used from the relocation consultation to inform the travel plan; and

(b) The objectives of the plan contained in section 4 were approved. However, due to the need to carry out more data collection, the indicators and implementation action plan were put on hold until the travel plan contained more data.

(c) The possibility of appointing a secondee to work on any initiatives should be considered further;

(d) A note from the Chief Executive on car parking should be circulated to all Transport Scotland staff.

**(Action: Guy Houston and Finance & Corporate Services)**

**Agenda Item 5: Draft Health & Safety Strategy and Policy (Paper TSDB(06)09)**

16. Guy Houston introduced paper TSDB(06)09 which outlined the proposed arrangements and management structure for health and safety requirements in Transport Scotland and requested that the board approve the structure for immediate implementation. Guy Houston said the Chief Executive would be the accountable officer, but that he, as Director of Finance & Corporate Services, would be the Director responsible for dealing with health and safety issues. Therefore, for the purposes of the health and safety strategy he would be referred as the Health & Safety Director. Halcrow would provide the specialist health and safety support. It was proposed to have a steering group to monitor health and safety in Transport Scotland, primarily focusing on safety within Buchanan House and for those staff who were travelling away from the office. There were health and safety regulations already in place for roads staff who worked away from the office and it was proposed to expand this to cover other directorates. Sub-groups would be established beneath the steering group to cover the specific details of health and safety on both roads and rail.

17. In discussion the following points were made:

- (a) The steering group was potentially under-represented by staff and it may be advisable to increase the trade union representation to 2. There would also have to be a representative for non-trade union staff;
- (b) The Buchanan House induction pack for new staff included details of health and safety, but there needed to be more work done to raise staff awareness. Whilst the draft strategy was very comprehensive and was a helpful statement of intent, it did not cover the current situation; and
- (c) Training on health and safety would be prioritised, with those on the steering group receiving any training first. Other staff would receive training on a prioritised risk basis;
- (d) There was an issue around when Transport Scotland was responsible for health and safety and when it wasn't. The strategy, correctly, did not cover how to improve safety on roads, or the health and safety activities of the agency's key suppliers;
- (e) It would be necessary for the strategy to cover the driving competencies of staff who were travelling on business. It would be unusual for a large organisation in the transport sector not to assess its staff's driving abilities.

18. **The Directors' Board agreed** that:

- (a) Specific comments on the health and safety strategy should be directed to Guy Houston; **(Action: all Directors)**
- (b) The executive statement should be published in the near future, separate to the main strategy; and
- (c) Further consideration should be given to assessing the driving abilities of Transport Scotland staff.
- (d) The proposed arrangements and management structure was approved, subject to the above changes advised under items 19 and 20 above.

**(Action: Guy Houston and Finance & Corporate Services)**

## **Agenda Item 6: Any Other Business**

### ***Special Bonuses***

19. Malcolm Reed said that the agency needed to fund the special bonus scheme for staff. The 2 main options would be for each directorate to have its own fund for staff in that area, or for there to be a central pool for all agency staff. **The Board agreed** it should consider this issue further at the next meeting. **(Action: all Directors)**.

## **PS/Transport Scotland**

August 2006