

Statement: Strathclyde Partnership for Transport (SPT) Budgets 2024/2025

I write to provide a briefing on the impact of the Scottish Government's Draft Budget 2024/25 on Strathclyde Partnership for Transport.

The Scottish Government's Draft Budget for 2024/25 outlined that the level of general capital support provided to Strathclyde Partnership for Transport (SPT) is to be reduced to zero. No advance notification of this decision or request for information on impact was sought in advance.

As the regional transport authority, SPT is committed to delivering on public transport improvements across the region and is extremely disappointed by the lack of investment being made available for major public transport transformation.

In the current year, SPT has a capital spend of circa £52m including a commitment of £14.5m investment to local authorities to ensure SPT delivers a transport system that works for residents, communities, businesses and visitors alike. It is disheartening that this ambition to realise accessibility, affordability, availability and connectivity will be negatively impacted due to a lack of capital funding. The draft programme for 2024/25 was of the same scale.

The general capital support currently available funds all non-Subway modernisation projects. This includes, but isn't limited to, tunnel integrity, engineering works, bus station works, bus stops and shelters, bus infrastructure, decarbonisation of bus fleets, and contributions to strategic projects across the region. It also supports constituent Councils in their delivery of active travel and local projects, such as Park & Ride and interchange works which contribute to the regional and national transport strategy outcomes.

Cuts to this funding will have a hugely negative impact on our efforts to ensure transport in our area is greener, more connected, more reliable, and more accessible.

To compound this financial decision, and despite previous commitments to fund Subway Modernisation up to £246m, no funding will be available to continue our Modernisation Programme in 2024/25.

There are significant costs in keeping the Subway, which is almost 130 years old, operational. The Modernisation Programme, is near competition, with SPT's project timeline outlining that the full works will be completed by Q3 2026. A contractual commitment of circa £70m remains.

These funding decisions also follow on from the decision not to support SPT's Scottish Zero Emission Bus Challenge Fund (ScotZEB) bid to deliver a fully electric bus fleet on Arran.

SPT officers are currently assessing what these budget cuts mean for individual projects and Councils. They are also taking stock of what contractual commitments are in place, and how these can be funded.

To accompany this statement, we have provided a full Q&A below. My officers and I would be pleased to answer any questions you may have on the issues we have outlined.

Valerie Davidson

Chief Executive, Strathclyde Partnership for Transport

Briefing & FAQ: Strathclyde Partnership for Transport (SPT) Budgets 2024/2025

Who is Strathclyde Partnership for Transport (SPT)?

Strathclyde Partnership for Transport (SPT) is the regional partnership for the west of Scotland. We bring together local authorities and other key regional stakeholders to strengthen the planning and delivery of regional transport, better servicing the needs of people and businesses. Our key responsibilities include:

- Developing and delivering the Regional Transport Strategy;
- Managing and operating the Glasgow Subway;
- Managing and operating a number of bus stations in the West of Scotland, including Buchanan, East Kilbride and Hamilton bus stations;
- The provision of socially necessary bus services including MyBus and MyBus Rural;
- Managing and maintaining bus stop and shelter infrastructure and arranging school transport on behalf of councils and;
- Providing the secretariat for the Strathclyde Concessionary Travel Scheme on behalf of our councils.

SPT's Partnership Board comprises 20 councillor members representing the 12 constituent local authorities and between seven and nine appointed members. In addition to our partner councils, SPT works with Transport Scotland, public transport operators, Sustrans, Network Rail, NHS Scotland and many others.

How has SPT historically been funded?

SPT is the only Regional Transport Authority (RTA) which owns and operates transport infrastructure, subway and bus stations. Outwith Strathclyde, these transport infrastructures are owned and operated by the local authorities. As a result, SPT has historically been the only RTA in receipt of an annual capital grant from Scottish Government, which amounts to around £15.327m per annum. In addition, SPT receives capital support for the subway modernisation project:

	Total Estimated Cost	Transport Scotland Contribution	SPT Contribution
Original Subway Modernisation Project Budget	£288.7m	£246m	£42.7m
Actual to end Nov 2023	£212.3m	£152m	£60.3*
Balance still due	£76.4m	£94m	-£17.6m

SPT had previously used its own funding on a temporary basis to accommodate Transport Scotland's need to reprofile.

Prior to the announcement from the Scottish Government, SPT had prepared a draft capital budget for 2024-25, which has been split into the following categories:

- **Legally/contractually committed** – works or costs which are already formally committed
- **Operational/Safety/Essential Maintenance** – works which are not yet contractually committed but are essential for the ongoing safe operations of both the subway and bus stations, e.g. tunnel lining works
- **Active Travel** – SPT funds a number of local authority-led transport projects each year, including a number of Active Travel projects, e.g. cycle lanes. The Scottish Government has proposed that local authorities should apply to new Active Travel funds, rather than SPT supporting these types of projects
- **Other** – like all organisations, SPT has a number of ongoing capital requirements to support operational activities, e.g. digital equipment replacement and systems development

Strathclyde Partnership for Transport	2024/25 £m	Legally committed £m	Operational/safety maintenance £m	Active Travel £m	Other £m
Initial Draft Capital Programme					
SPT Projects					
Bus operations	5.472	0.012	1.440	0.000	4.020
Subway infrastructure	7.498	0.000	7.498	0.000	0.000
Subway modernisation	19.560	17.472	2.088	0.000	0.000
Subway operations	1.050	0.000	0.930	0.000	0.120
Other SPT infrastructure and projects	2.477	1.427	0.775	0.000	0.275
	36.057	18.911	12.731		4.415
Local authorities and others					
Bus infrastructure and operations	6.334	2.599	0.000	0.000	3.735
Active travel initiatives	5.580	1.500	0.000	4.080	0.000
Hairmyres interchange improvements	1.000	1.000	0.000	0.000	0.000
Lanark interchange improvements	0.750	0.750	0.000	0.000	0.000
Rail/multi modal projects	1.582	0.250	0.000	0.000	
	15.246	6.099	0.000	4.080	5.067
Total	51.303	25.010	12.731	4.080	9.482

How has SPT's funding changed?

Despite statements of commitment to public transport, no resources are being made available by the Scottish Government to SPT to support public transport infrastructure across the whole of the region.

How will the lack of funding for the Subway Modernisation Project affect Glasgow subway operations?

While the majority of the funding for the project comes from Transport Scotland, SPT was directly funding the balance of the project costs, as well as covering the ancillary subway investment and upkeep costs. There are also a number of essential works required for the subway, over and above modernisation, which SPT is required to fund directly.

SPT's Subway Modernisation Project started out in 2011, with an overall goal of replacing the 40-year-old subway rolling stock, upgrading the signalling systems and installing platform screen doors at all 15 stations. Two of the new trains went into service during off peak hours during December 2023 on a soft launch basis. The project timeline is as follows:

CPX - Introduction of new fleet/retiral of old fleet	by June 2024
CP4 - New signalling/ new Operational Control Centre	Q3/4 2025
CP5 - Introduction of Platform Screen Doors	Q2 2025
CP6 - Full Unattended Train Operation	Q3 2026

Will SPT's reserves be affected?

SPT has the same legal status as a local authority for accounting purposes. This means that SPT is required to hold reserves as part of good financial management. Under the Local Government Scotland Act (1973) and (1975), reserves can only be held where there is a statutory or regulatory power to do so.

As of January 2024, SPT currently holds the following earmarked (aligned to projects and for specific purposes) reserves for subway:

Reserves held	£m
Subway fund	£58.313
Subway infrastructure fund	£21.776
Total	£80.089

Against these funds, SPT has a number of existing commitments:

Subway reserves commitments	Legally/contractually committed £m	Operational/safety maintenance £m	Total £m
Workforce Implications of the Subway Modernisation	£3.000		£3.000
Dual running		£2.000	£2.000
Substation replacement programme		£35.500	£35.5000
Mid Life Refurbishment	£10.000		£10.000
Rolling programme of tunnel works		£12.000	£12.000
Rolling programme of Depot/yard works		£8.500	£8.500
Essential subway works & equipment (e.g. Airwaves)		£12.000	£12.000
Total	£13.000	£70.000	£83.000

For more information on the issues covered in this briefing, contact Andrea Thompson:
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