



**TRANSPORT
SCOTLAND**
CÒMHDHAIL ALBA

transport.gov.scot

Public Services Reform (Scotland) Act 2010

Disclosures for financial years 2014/15 and 2015/16

1. Introduction

1.1. Part 3 of the Public Services Reform (Scotland) Act 2010 imposes a duty on the Scottish Government and listed public bodies to publish information as soon as is reasonably practicable after the end of each financial year. This is intended to promote greater openness and transparency and should include a statement of any expenditure incurred during that financial year on or in connection with the following matters:

- Public relations;
- Overseas travel;
- Hospitality and entertainment;
- External consultancy

1.2. In addition, Section 31(1) of the Act requires public bodies to publish a statement as soon as is reasonably practicable after the end of each financial year specifying the following:

- the amount, date, payee and subject-matter of any payment made during that financial year which has a value in excess of £25,000 (inclusive of VAT).
- the number of individuals (if any) who received remuneration during that financial year in excess of £150,000 in relation to service as a member or employee of a public body (including office-holders and company directors and secretaries).
- the steps it has taken during that financial year to promote and increase sustainable growth through the exercise of its functions.
- the steps it has taken during that financial year to improve efficiency, economy and effectiveness in the exercise of its functions - as part of the drive to improve the effective and efficient delivery of public services and to achieve maximum economy.

1.3 Information relating to Transport Scotland is identified overleaf for financial years ended 31 March 2015 and 2016.

2. Expenditure under the Act

Statement of Expenditure	2015-16	2014-15
Public relations (Note 1)	£492,567	£572,102
Overseas travel (Note 2)	£35,983	£68,040
Hospitality & entertainment (Note 3)	£43,127	£50,405
External consultancy (Note 4)	£2,909,808	£4,934,425

Note 1: The total represents expenditure for the Transport Scotland Communications team on external communication, including the cost of in-house and contracted staff, marketing, PR campaigns, media relations, marketing research and evaluation, branding and design, promotional events, corporate communications, sponsorship, publications and printing, digital communications, advertising and media planning.

Note 2: The total represents expenditure incurred on overseas travel by staff in Transport Scotland covering travel to and from the United Kingdom, the cost of hotels, travel and subsistence and any other related expenditure.

Note 3: The total represents expenditure on hospitality and entertainment incurred by Transport Scotland, as recorded in the accounting system in accordance with internal procedures.

Note 4: The total represents expenditure on consultancy incurred by Transport Scotland, as recorded in the accounting system in accordance with internal procedures. It should be noted that for Transport Scotland, year 2014-15 was a particularly critical year in terms of the procurement of key projects. The Aberdeen Western peripheral Route (AWPR) reached financial close and the rail franchise renewal procurement process was undertaken, hence expenditure rose sharply in that year and levelled off once again in 2015-16.

3. Payments with a value over £25,000

- 3.1 Transport Scotland publishes a monthly report of payments with a value over £25,000. The reports are published on Transport Scotland's website:

<http://www.transport.gov.scot/corporate/expenditure>

4. Remuneration – Members and Employees

- 4.1 One employee received remuneration in excess of £150,000 in Transport Scotland in financial year 2015-16. Reference is made to this payment, along with the salary and pension entitlements of Transport Scotland's Directors within the Remuneration Report in Transport Scotland's Annual Report and Accounts for the financial year ended 31 March 2016 at:

<http://www.transport.gov.scot/publications-stats>

5. Statement of the steps taken by Transport Scotland to promote and increase sustainable growth through the exercise of its functions in the period

- 5.1 Transport Scotland contributes to the Scottish Government's purpose of sustainable economic growth, by supporting the targets set out in the Climate Change (Scotland) Act and the aims of the Second Report on Proposals and Policies, published in June 2013. Investment is set within a hierarchy which also promotes sustainable growth by seeking to maintain and safely operate the assets we already have, to make best use of those assets, and to target infrastructure improvements.
- 5.2 In addition, we have continued to support the development of the cycling and walking infrastructure, alongside the promotion of active travel. We continue to work with partners to deliver the Cycling Action Plan for Scotland and to progress towards its vision of 10% of everyday journeys by bicycle by 2020. This will be taken forward through continuation of the Future Transport Fund.
- 5.3 We continue to promote alternatives to private car travel through funding to CarPlus to develop a network of car clubs across Scotland, and to the Energy Saving Trust to promote fuel efficient driving as well as working with organisations to encourage their transitions to low carbon travel and transport choices.
- 5.4 In 2015-16, Transport Scotland contributed to the promotion of sustainable growth in the following ways:
- September 2015 saw the opening of the Borders Railway. Successfully completed on time and on budget, this is the longest new domestic railway to be constructed in Britain for over 100 years. It provides a fast and efficient service connecting the communities of Midlothian and the Scottish Borders with Edinburgh and the wider Scottish rail network. We continue to work with our partners in order to realise its full economic benefits.
 - The three design contracts for the dualling of the A9 between Perth and Inverness, each worth approximately £40 million, are now supporting almost 800 engineering design related jobs in Scotland, including 350 for graduates and apprentices.
 - The **Academy9** Programme, launched in August 2015 to maximise the benefit of the A9 dualling by infusing elements of the various activities involved into the education curriculum, has the goal of getting local pupils ready for the local jobs which the programme will create.

- The £97 million contract to construct two new major 'dual-fuel' ferries for the Clyde and Hebrides Ferry Services network, will see the largest commercial vessels being on the Clyde since 2001, and will mark the beginning of a new era of commercial shipbuilding. The ferries will operate on liquefied natural gas and marine diesel.
- In 2015-16 we increased investment in active travel by 70% and for the first time ever, over 50% of school children travelled actively to school and over 40% participated in on-road cycle training at school.
- 'Smarter Choices, Smarter Places' is a behaviour change programme of over 160 projects across Scotland to increase the number of journeys done by walking, cycling, using public transport and car sharing. The £5 million in grant funding has attracted £6.5 million in match funding from partners.
- The 'ChargePlace Scotland' network of electric vehicle chargers, now comprises over 1000 public charging bays across Scotland, including 100 'rapid' chargers, making it one of the most comprehensive networks in Europe.

6. Statement of the steps taken by Transport Scotland to improve efficiency, effectiveness and economy in the exercise of its functions in the period

- 6.1 The Scottish Government sets targets of 3% Efficiency Savings to be achieved each year.
- 6.2 Total efficiency savings achieved by Transport Scotland for the past two years are shown as follows:

	2015-16 £'m	2014-15 £'m
Efficiency Savings Target	60	60
Efficiency Savings Achieved	277	46
% of Transport Scotland DEL Budget	13%	2%

- 6.3 The challenge is to use resources in a more efficient and effective way so that more can be delivered for the same or less cost.

Efficient procurement within the FRC project, coupled with robust project management therein and collaborative working between the delivery team and the Forth Crossing Bridge Consortium (FCBC) has ultimately resulted in £260 million of efficiencies since construction commenced in 2011. These are now included in the figures above for the year 2015-16, given that the project is due to complete and be open to traffic in early 2017. Savings on the project have also been delivered through effective risk management and good contractual relations with the principal contractor. In addition, inflation has been significantly lower than the level anticipated at the start of the project.

Although, the FRC project has undoubtedly been the main contributor to the increased level of efficiencies achieved in 2015-16 and is indeed one of the main reasons for the significant over achievement on the target for the year, other areas of Transport Scotland have also continued to work hard towards increasing efficiency levels in their task areas, and to work efficiently and effectively, thus contributing to the achievement of the overall target.

The following are the key efficiency savings achieved in other areas of the Agency:

- Scottish Canals utilising in house ICT teams, upskilling workforce, conducting energy efficiency savings projects and increased project evaluation;
- favourable negotiations in securing the Ferry Service contracts and general ferry services operating efficiencies.

- more economic pricing of road operating companies' contracts;
- improved technologies, sustainable reconstruction techniques and e-procurement for roads maintenance;
- optimum maintenance treatments resulting in lower whole life costs following guidance to Operating Companies; and
- the concessionary bus travel scheme reduced cost agreement with bus contractors.

7. Statement of current levels of shared service / Cluster Project activity within Transport Scotland in the period

- 7.1 Shared Services / Cluster Project working is a key element of Transport Scotland's efficiency agenda and we are committed to achieving quality public services that are valued by their customers and that realise efficiencies by employing best business practice and improved collaborative working.
- 7.2 Transport Scotland currently shares the following services and systems of the Scottish Government: Information and Communications, Human Resources, Estates services, Payments, Financial Reporting and Payroll. In addition Transport Scotland also shares services with other authorities, such as the Road Asset Valuation System.
- 7.3 Over the year, Transport Scotland has contributed to this agenda in the following ways:
- It is the Agency's policy to use collaborative contracts, such as the ones awarded by Scottish Procurement, wherever practicable. Cash savings of £992,962 in 2015-16 (2014-15 £785,340) were delivered through expenditure of just over £6.1 million (2014-15: £5.7 million) on Scottish Procurement-led collaborative contracts and frameworks, thereby contributing to the Scottish Government's efficiency savings targets.
 - Transport Scotland encourages sustainability in procurement, for example by using community benefit clauses in contracts such as the Forth Replacement Crossing project, to provide targeted training opportunities with a particular focus on youth employment and helping the long term unemployed
 - Transport Scotland supports the drive for improved procurement capability, through participation in the Scottish Procurement and Commercial Directorate's Cluster Group Project. This involves sharing best practice and knowledge transfer. In addition, we procure our contracts in such a way that gives Scottish firms, particularly Small and Medium Enterprises (SMEs), a fair chance to compete, including the advertising of sub-contract opportunities on the Public Contracts Scotland website.



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