



CÒMHDHAIL ALBA TRANSPORT SCOTLAND

**TRANSPORT SCOTLAND
PUBLIC SERVICES REFORM (SCOTLAND) ACT 2010
DISCLOSURES FOR THE FINANCIAL YEAR 2016-17**

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 2016 and 2017.

2. Expenditure under the Act

Statement of Expenditure	2016-17	2015-16
Public relations (Note 1)	£691,675	£492,,567
Overseas travel (Note 2)	£24,478	£35,983
Hospitality & entertainment (Note 3)	£46,420	£43,127
External consultancy (Note 4)	£3,712,690	£2,909,808

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. In the case of Transport Scotland, this has included travel in relation to the overseeing of the Chinese construction of sections for the FRC project, and the overseeing of rolling stock projects in Bilbao for the Caledonian Sleeper project.

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 2016-17 was another critical year in terms of key projects. Consultancy advice was required on areas such as The Aberdeen Western peripheral Route Balmedie to Tippetty, Clyde and Hebridean Ferries, High Speed Rail and the Rail Franchise. Hence expenditure rose in these areas.

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:
<https://www.transport.gov.scot/publications/?publicationtype=37348>

4. Remuneration – Members and Employees

4.1 One employee received remuneration in excess of £150,000 in Transport Scotland in financial year 2016-17. 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 2017, which are published on Transport Scotland's website:
<https://www.transport.gov.scot/publication/annual-report-and-accounts-for-the-year-ended-31-march-2017/>

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 We have contributed to the Scottish Government's purpose of sustainable economic growth set out in the Climate Change (Scotland) Act, and developed a range of policies and proposals within the draft Climate Change Plan, published in January 2017. Investment continues to be 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 We continue to support the development of the cycling and walking infrastructure, alongside the promotion of active travel, and 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.
- 5.3 Along with other key stakeholders we are working to deliver the aims of the Scottish Government's Cleaner Air for Scotland Strategy, the purpose of which is to achieve further reductions in air pollution.
- 5.4 In 2016-17, Transport Scotland contributed to the promotion of sustainable growth in the following ways:
- The interest-free loan scheme, operated by the **Energy Saving Trust**, is boosting electric vehicle sales by enabling consumers and businesses to make the switch to low emission cars, vans and taxis. In addition, the *Switched On Fleets* initiative has provided £3.5 million to support the introduction of around 350 new electric cars and vans into the Scottish public sector fleet.
 - The **Accessible Travel Framework for Scotland 'Going further'**, was launched by the Minister in September 2016. The aim is to identify and remove barriers to travel and ensure that all journeys are as pleasant an experience as possible.
 - The **Academy9** Programme seeks to maximise the benefit of the A9 dualling by infusing elements of the various activities involved into the education curriculum and increasing awareness of science, technology, engineering, mathematics and civil engineering-related careers with the goal of getting pupils ready for the local jobs which the programme will create. Since the launch of the programme in August 2015, events have been held with over 2600 students and 400 teachers in schools along the length of the A9.
 - The £97 million contract to construct two new major 'dual-fuel' ferries for the **Clyde and Hebrides Ferry Services** network will mark the beginning of a new era of commercial shipbuilding on the Clyde. The ferries will operate on liquefied natural gas and marine diesel.
 - **Smarter Places** is a behaviour change programme which seeks to increase the number of journeys done by walking, cycling, using public transport and car sharing. Currently 184 projects are being delivered through this programme.

- The **ChargePlace Scotland** network of electric vehicle charge points, now comprises over 1200 public charging bays (equating to over 600 points) across Scotland, including over 150 'rapid' chargers, 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:

	2016-17 £'m	2015-16 £'m
Efficiency Savings Target	60	60
Efficiency Savings Achieved	284	277
% of Transport Scotland DEL Budget	14%	13%

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.

6.4 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 included in the figures above for the year 2016-17, given that the project will complete and be open to traffic in the year 2017-18. 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 2016-17 (and 2015-16) and is indeed one of the main reasons for the significant over achievement on the target for both years, other areas of Transport Scotland have also continued to contribute to the achievement of the overall target.

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

- 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 £863,614 in 2016-17 (£992,962 in 2015-16) were delivered through expenditure of just over £7.0 million (2015-16: £6.1 million) on Scottish Procurement-led collaborative contracts and frameworks, thereby contributing to the Scottish Government's efficiency savings targets.
- Transport Scotland continues to encourage sustainability in procurement, for example by using **community benefit clauses** - in contracts such as the Forth Replacement Crossing project, the M8 M73 M74 Motorway Improvements Projects and Aberdeen Western Peripheral Route/Balmedie to Tippetty projects - to provide targeted training opportunities with a particular focus on youth employment and helping the long term unemployed and increasing engagement with schools and communities.
- 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.

Further copies of this document are available, on request, in audio and large print formats and in community languages (Urdu; Bengali; Gaelic; Hindi; Punjabi; Cantonese; Arabic; Polish).

Transport Scotland, Buchanan House,
58 Port Dundas Road, Glasgow, G4 0HF
0141 272 7100

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