



# **Transport Scotland Public Services Reform (Scotland) Act 2010**

**Disclosures for the financial years 2016-17 and 2017-18**

## 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 2017 and 2018.

## Expenditure under the Act

Statement of expenditure	2017-18	2016-17
Public relations (Note 1)	£640,573	£691,675
Overseas travel (Note 2)	£41,566	£24,478
Hospitality & entertainment (Note 3)	£50,053	£46,420
External consultancy (Note 4)	£5,229,738	£3,712,690

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 2017-18 was another critical year in terms of key projects. Consultancy advice was required on areas such as Aberdeen Inverness Improvements Programme, the Rail Franchise, Traffic Scotland Website, Low Carbon Economy Work and work on the Trunk Road Network and Ferry Services.

## 2. 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.

## 3. Remuneration – members and employees

4.1 One employee received remuneration in excess of £150,000 in Transport Scotland in financial year 2017-18. 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 2018, which are published on Transport Scotland's website.

#### **4. 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 2009, and developed a range of policies and proposals, which underpin the commitments in our Carbon Management Plan. Investment continues to be set within a hierarchy that 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 work with local authorities on the introduction of low emission zones into Scotland's four biggest cities between 2018 and 2020, and this commitment has been strengthened in the Programme for Government.
- 5.3 The refreshed National Transport Strategy, will set out a vision and framework for sustainable transport over the next 20 years. It will consider transport connectivity not only within Scotland and the UK, but also internationally. We will focus on a collaborative approach, working with partners, stakeholders and citizens to facilitate inclusivity in the development of a transport policy.
- 5.4 Through the second round of the Low Carbon Travel and Transport (LCTT) Challenge Fund, we aim to deliver active travel and low carbon hubs. Transport Scotland is the lead partner in delivering the Strategic Intervention (SI) for low carbon travel and transport. These initiatives will help to provide focal points for cycling and walking routes, re-fuelling facilities for a range of alternative fuels and transport modes and a National Integrated Smart Ticketing Scheme.
- 5.5 In 2017-18, Transport Scotland contributed to the promotion of sustainable growth in the following ways:
- The UK's first liquefied natural gas (LNG) passenger ferry was launched in November 2017. The 102 metre, roll-on/roll-off vehicle passenger ferry, can operate on liquefied natural gas (LNG) and marine gasoil (MGO). LNG is significantly cleaner and will help to reduce emissions and meet ambitious Scottish Government targets.
  - In June 2017, Norwegian Air Shuttle launched its long-haul operations from Edinburgh to east coast USA. New routes commenced to Stewart International for New York, Providence Rhode Island and Bradley Connecticut airports, and some 30 direct jobs were created to support the new base. New aircraft were also allocated to the Edinburgh base. These are the latest generation, most advanced 737s. The new LEAP engines

use 15% less fuel than the standard aircraft and NOx emissions are 50% less than the industry standards and Co2 emissions per aircraft are 5,000 tonnes less per year than the older models.

- Transport Scotland established a taskforce in October 2017, which aims to focus all partners on delivering a proposal to move timber by rail from Rannoch to the BSW Sawmill at Corpach. The project will replace 3,200 lorry journeys and some 300,000 road miles per year.

**5. 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:

	2017-18 £'m	2016-17 £'m
Efficiency Savings Target	60	60
<b>Efficiency Savings Achieved</b>	<b>38</b>	<b>284</b>
% of Transport Scotland DEL Budget	2%	14%

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, resulted in £260 million of efficiencies since construction commenced in 2011. These were reflected in the year 2016-17, although the project completed and opened 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. The FRC project has undoubtedly been the main contributor to the significant over achievement on the target for the last two years but, 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.

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

- economic pricing of road operating companies' contracts
- improved technologies, efficiencies in construction costs and e-procurement for roads maintenance
- recurrent efficiencies within accommodation costs, sub letting and rationalisation of office space
- efficiencies within Rail Franchise contracts

## 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 £988,979 in 2017-18 (£863,614 in 2016-17) were delivered through expenditure of just over £6.7 million (2016-17: £7.0 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.