

Business Plan 2011/12

SEStran is a Regional Transport Partnership, comprised of eight local authorities:



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1. Foreword by Chairman and Partnership Director

This is the Business Plan for the South East of Scotland Transport Partnership and it sets out our proposals for transport investment and activity for the year 2011/12. It focuses on one year only for two reasons. Firstly, the Scottish Government can only be firm on a single year's budget since an election is to take place in May and secondly the Board of SEStran has established a comprehensive service delivery review group to examine the scope for service delivery savings for both SEStran and the partner authorities. Until the results of the election and the service review are known it would not be sensible to produce a business plan covering years beyond 2011/12.

The revised SEStran Regional Transport Strategy was approved by the SEStran Board on 18th April 2008 and by the Scottish Government on 24th June 2008. This provides the statutory basis for SEStran activities moving forward and partner authorities are required to take account of the content of the RTS when developing their own Local Transport Strategies and Regional and Local Land Use Development Plans. SEStran's co-location with SESplan, the body responsible for the Edinburgh City Region Strategic Development Plan (SDP), continues to facilitate close working arrangements and SEStran is providing the strategic transport planning input to the SDP. It is a requirement of the RTS that SEStran publish an annual Business Plan identifying how it proposes to implement the RTS and an annual monitoring report identifying progress against the RTS

The Government's Budget was approved in February 2011 and represented a significant cut in public service funding in response to the economic climate we all face. Local government faced an average cut of 3.6% in cash terms which when inflation and priorities in other services were taken into account resulted in much higher cuts to transport budgets with the prospect of more to come in future years. Consequently the Local Authority contribution to SEStran expenses has been cut by 25% and the Scottish Government's contribution has been cut by 15%. These levels of cuts represent a significant change in SEStran funding and, although SEStran has been successful in attracting major extra funding from Europe, necessitates a fundamental review of SEStran activities.

This business plan sets out for 2011/12 the levels of capital and revenue expenditure approved by the Board, the projects and activities that will be taken forward and the alternative sources of funding that have been attracted. It also describes the comprehensive service review that will be undertaken.



Russell Imrie, SEStran Chair



Alex Macaulay, SEStran Director

2. Guidance

The Scottish Executive published guidance on Regional Transport Strategies in March 2006. Paragraph 112 of the Guidance requires the preparation of an annual delivery or business plan to be submitted to Scottish Ministers. The plan should cover the first three years of implementation of the Regional Transport Strategy, be updated annually to reflect local and central government planning and funding cycles and include plans for capital and revenue spending and borrowing.

This Business Plan provides the annual update for 2011/12 and, after approval by the SEStran Board, will be submitted to Scottish Ministers for approval. The business plan defines the delivery programmes of SEStran, those areas where it seeks to influence the actions of others and the proposals for a comprehensive service review in response to the current economic climate. It also provides an update on those areas of governance that are due for review and defines the current level of staff and other resources deployed.

3. Period covered by the Business Plan

This SEStran Business Plan, covers the financial year of 2011/12. The plan will be updated annually.

4. The SEStran Board

SEStran was established by the Transport (Scotland) Act 2005 (“the Act”) and subordinate legislation, namely the Regional Transport Partnership (Establishment, Constitution and Membership) (Scotland) Order 2005. The Order came into effect – and SEStran came into existence – on 1st December, 2005. The Partnership operates in terms of the Act and the Order.

Although “the Board” is not a statutory term for Regional Transport Partnerships, it is a useful term for distinguishing between SEStran’s main decision making body, i.e. the members meeting together, from the Partnership as a corporate entity comprised of members, officials and so on.

Membership

In terms of the Order which set SEStran up, members consist of a total of 20 councillor members from the constituent councils; 5 City of Edinburgh Council members; 3 from Fife Council; and 2 from each remaining constituent authority. In addition, SEStran is entitled to have between 7 and 9 non-councillor members (paragraph 1(2) of Schedule 2 of the Order). SEStran currently has a full complement of Board members and meets every 2 months.

The current Chair, Russell Imrie, was appointed on 29th June, 2007 having previously served as chair from December 2005. There are three vice-Chairs: Councillors Tony Martin, Greg McCarra and Phil Wheeler.

Performance/Audit Committee

Good governance of any corporate body involves three elements of a constant cycle: planning, performance and scrutiny. Proper scrutiny, which reviews performance and informs the next phase of planning of an organisation’s activities, is often most difficult to achieve. However, for organisations such as SEStran, it is essential that there are appropriate mechanisms for review of all the Partnership’s activities. Whilst the burden of auditing SEStran’s performance falls in the first instance on its officials, and internal/external auditors, it was considered by the Partnership good practice to have a Performance and Audit Committee which can scrutinise the running of the Partnership and suggest improvements.

Accordingly, at its meeting of 16th February, 2007, the Board agreed to set up a Performance and Audit Committee to meet at least twice yearly composed of one member from each Authority and two non-councillor members to ensure appropriate representation of geographical and other interests. The Committee meets two weeks before each Board meeting unless there is no business to transact in that cycle.

Good governance is essential to any public body and SEStran is no exception. The essential building blocks for governance are set out below.

Framework Agreements

Framework agreements are in place with Fife Council for provision of legal services, The City of Edinburgh Council for financial services and Falkirk Council for Human Resources services.

Standing Orders

The Standing Orders have used best practice from those of other organisations and are designed to meet the needs of the Partnership. They comprise not only procedural rules regarding meetings but also financial rules which dovetail with the financial regulations as well as the tendering and contractual rules which require to be followed for all contracts entered into by SEStran. As with the Scheme of Delegation, these may require to adapt to any new functional change, as well as the normal requirement for periodic review.

Scheme of Delegation

In any corporate body, day to day operational decisions need to be taken by officials rather than awaiting a formal decision making process. A clear distinction can be drawn between policy making and operational decisions and this is the purpose of a scheme of delegation which allows officers to keep the Partnership's activities running whilst leaving the main policy decisions to the Board itself.

The amended Scheme of Delegation was put in place on 18th October 2008 and represents a robust set of powers tailored specifically for the workings of SEStran as they currently stand. Clearly, should the staff complement significantly change, then the Scheme of Delegation is one of the building blocks of governance that will require to be reviewed. It is in any event subject to regular review.

Financial Regulations

As part of the Partnership's commitment to the development of its corporate governance arrangements, a Financial Rules Manual has been developed. The manual reflects the Partnership's approved financial regulations and arrangements with the City of Edinburgh Council. The rules were adopted by the Partnership at their meeting on 10th May 2006 and provide a useful reference tool for all staff that have financial responsibilities and interests. The Financial Rules are reviewed every second year.

Fraud Policy/Action Plan

The Partnership has arrangements in place to prevent and detect fraud, inappropriate conduct and corruption. These arrangements include standing orders and financial regulations, a whistle blowing policy and codes of conduct for elected members and staff and an Anti-Fraud and Corruption Policy and Fraud Response Plan.

Human Resources policies / procedures

Falkirk Council and SEStran in house staff have developed a range of HR policies and procedures to comply with the relevant legislation and provide clarity on HR management..

All policies are revised in line with legislation changes and are subject to regular review.,

Equalities

SEStran, as a Regional Transport Partnership, has a statutory requirement to comply with requirements associated with Equality legislation and also tackle discrimination on age, religious and sexuality grounds.

An Equality Scheme for SEStran has been published on the website. The scheme provides clear cross referencing to other approved and published SEStran documents so that anyone wishing to establish our position on equity issues can find it. A key element of the scheme is the establishment of an Equalities Forum which meets on a three monthly basis, involving local equalities groups, to discuss the work that SEStran is doing and how it operates, to get feedback and suggestions on how we can usefully improve on equalities issues.

The implementation of equalities policies is an ongoing process rather than simply the requirement to publish a specific scheme. Equal Opportunities is at the heart of the SEStran ethos and we intend to meet our statutory duties in this regard.

Liaison Groups

SEStran has established a series of liaison groups with stakeholders. The Liaison Groups serve as fora for officers of the Partnership's constituent Councils to discuss issues relating to policy, strategy and operations, and to form a consensus view (or otherwise) to inform the Partnership Board's deliberations. The Groups have no delegated powers and are not Sub-Committees of the Partnership. As such their meetings are not regulated by SEStran's Standing Orders. These groups have proven to be invaluable in ensuring close working relationships with our partners but their future and remits will be subject to the comprehensive service review. The groups with their respective remits are described below.

Liaison Group Names, Remits and Composition

The following six Liaison Groups are in operation:

- Chief Officer Liaison Group
- Programme Liaison Group
- Strategy Liaison Group
- Bus Liaison Group
- Sustainable Transport Liaison Group
- Access to Healthcare Liaison Group

Chief Officer Liaison Group Remit:

- To provide a forum for discussion of transport matters between officers of the constituent Councils and officers of SEStran;
- To consider transport matters relating to the functions, strategy and operations of SEStran and provide advice to the Partnership Board;
- To consider transport matters arising through reports and meeting notes from the other Liaison Groups and provide advice to the Partnership Board;
- To consider and provide advice on any transport matters referred to the Group by the Partnership Board or by the Partnership Director;
- To inform and advise the Partnership Director on transport matters as affecting the SEStran constituent Councils.

Chief Officer Liaison Group Membership:

- The Head of Transportation (or equivalent post or nominee) from each SEStran constituent Council (8)
- Chairs of other Liaison Groups. (maximum 5).
- SEStran Partnership Director (1)

Other Liaison Groups Remits are identical:

- To provide a forum for discussion of matters relating to [Liaison Group topic] between officers of the constituent Councils and officers of SEStran
- To consider matters relating to [Liaison Group topic] as they may affect the functions, strategy and operations of SEStran and provide advice to the Partnership Board and/or the Chief Officer Liaison Group
- To consider and provide advice on any matters relating to [Liaison Group topic] referred to the Group by the Partnership Board or by the Partnership Director
- To inform and advise the Partnership Director on matters relating to [Liaison Group topic] as they affect the SEStran constituent Councils.

Other Liaison Groups Membership:

- One appropriate nominated officer from each SEStran constituent Council (8)
- SEStran Partnership Director or Officer (1)

Liaison including other bodies

Three main area where liaison with the partner authorities includes representation from other bodies rail, bus and sustainable transport through their forums. These are chaired by non elected members of the Board and include representation from appropriate outside agencies including rail operators, network rail, Scottish Government, bus operators and sustainable transport organisations as appropriate to each forum.

In addition to the above, two further areas of external liaison are the Equalities Forum to assist us in meeting our statutory duties with regard to equalities and a Freight Quality Partnership designed to assist us in facilitating freight movement to, from and through the SEStran area.

Review Period for Key Governance Documentation

To ensure the good governance of SEStran, it is essential not just that the relevant documentation containing the key policies is in place, but also that the documentation is subject to regular review. SEStran, like all public bodies, operates in a changing environment and will evolve partly from its own internal policy decisions but also in response to the evolving landscape of transportation in South East Scotland, changes to legislation, government policy, etc. Accordingly, its governance building blocks cannot be set in tablets of stone and need to be kept under appropriate review timescales. The following governance documentation is subject to review as shown:

Governance Document	Timetable for Review
Standing Orders	Every Second Year
Financial Regulations	Every Second Year
Scheme of Delegation	Yearly
Committee Structure	Eighteen Monthly
HR Policies/Procedures	Yearly
Liaison Group Structures	Eighteen Monthly
Anti-Fraud and Corruption Policy	Every Second Year

Powers and Functions

A key element of this business plan is the proposal for a comprehensive review to establish areas where savings can be made in service provision by either SEStran or the partner local authorities. It is therefore useful to establish the powers that SEStran currently has.

A distinction can be drawn between the *powers, functions and duties* of SEStran.

Dealing briefly with its *duties*, these are, principally, in two categories. The first category relates to regional transport strategies and SEStran, like the other transport partnerships, is under an obligation to produce a regional transport strategy and to monitor and, wherever possible, ensure its implementation (sections 5, 9 and 12 of the 2005 Act). The second category is in relation to a more general raft of duties to comply with various regulatory matters both under the 2005 Act and other pieces of legislation including auditing requirements; Ethical Standards in Public Life, etc. (Scotland) Act 2000; Freedom of Information (Scotland) Act 2002; Scottish Public Services Ombudsman Act 2002.

SEStran's Powers

In common with all transport partnerships, SEStran's powers are set out by the 2005 Act. In summary, these powers are to (references being to sections of the 2005 Act):

- require funding from its constituent councils (section 3);
- give grants and loan in implementation of the RTS (section 3);
- borrow money for specific capital expenditure (section 3);
- employ staff (para. 1 of Schedule 1);
- acquire land by agreement or compulsorily and dispose of it (paras. 6 and 9 of Schedule 1);
- develop land for its own purposes - or if surplus for other persons' use (paras. 6 and 7);
- promote or oppose private legislation (para. 10);
- participate in community planning (para. 11);
- form or promote companies (para. 12); and
- erect buildings, provide offices, entering into building contracts etc. (para. 16).

SEStran's Functions

The legislative framework setting up SEStran recognises that transport functions are currently carried out by other bodies and make provision for transfer of some or all of these functions in certain circumstances. Section 10 of the 2005 Act provides that transport partnerships such as SEStran can carry out transport functions either instead of the previous function provider (usually the constituent council); or concurrently with that person.

To exercise further transportation functions, SEStran has two options. The first would be for SEStran to reach agreement with all or any of the constituent councils and/or the Scottish Ministers that it carries out certain of the transport functions which the councils are currently providing. This route is provided by section 14 of the 2005 Act. The second, as outlined above, is to apply to the Scottish Government under section 10 for additional functions.

Section 10 Application for Additional Functions – Process

Section 10 of the Act sets out the procedure which will require to be followed, should SEStran resolve to seek additional functional capability. The precise functions would require to be the subject of Board approval. Thereafter SEStran would require to consult with its constituent authorities for additional functions (s.10(6)). It would be prudent to report to the Board on the results of that consultation before finalising the request, to the Scottish Ministers.

In terms of s.10(8), the Scottish Ministers would again consult the local authorities on any request for additional functions. In considering the request, the Scottish Ministers have to have regard to SEStran's RTS.

Comprehensive Service Review

At its meeting on 4th February 2011, the SEStran Board agreed to establish a working group to examine the potential for savings in the services provided by SEStran and the partner authorities. The remit of that group is:

- To examine the areas of service and project delivery currently undertaken by SEStran and advise on their priority and whether alternative forms of delivery would be more effective
- To examine the areas of service delivery in the general areas of transport planning and transport project delivery currently undertaken by the partner authorities and advise on whether alternative forms of delivery would be more effective
- To consider the future role of SEStran in the context of current budget constraints and statutory requirements
- To examine opportunities and constraints that result from the legal position of SEStran
- To advise on resource implications of the review
- To report to the SEStran Board at its October meeting with recommendations on potential service delivery savings that could be delivered in 2012/13 and beyond with a progress report to the June Board.

The full report considered by the Board is Appendix 1 to this business plan and an extract from the minute of the meeting is Appendix 2.

The revised SEStran Regional Transport Strategy was approved by the SEStran Board on 18th April 2008 and by the Scottish Government on 24th June 2008. This provides the statutory basis for SEStran activities moving forward and partner authorities are required to take account of the content of the RTS when developing their own Local Transport Strategies and Regional and Local Land Use Development Plans.

The last few years have seen a level of progress on delivery of the RTS that is less than was anticipated as a direct result of limited resources and funding within local authorities being focused on other higher priority services. Nevertheless, we believe that our RTS remains a valid strategy even in these times of financial constraint and are confident that it is in line with both Regional and National aspirations for the SEStran area. What is apparent, however, is that the timescales for achieving the objectives of the strategy will be considerably extended.

Vision

The RTS created a vision as a basis for developing the strategy:

“South East Scotland is a dynamic and growing area which aspires to become one of northern Europe’s leading economic regions. Essential to this is the development of a transport system which enables businesses to function effectively, allows all groups in society to share in the region’s success through high quality access to services and opportunities, respects the environment, and contributes to better health”

To achieve this vision four comprehensive objectives were developed.

Objectives

The objectives of the RTS are as follows:

- **Economy – to ensure transport facilitates economic growth, regional prosperity and vitality in a sustainable manner:**
 - To maintain and improve labour market accessibility to key business/employment locations, from all localities and communities.
 - To maintain and improve connectivity to the rest of Scotland, the UK and beyond.
 - To support other strategies, particularly land-use planning, and economic development.
 - To reduce the negative impacts of congestion, in particular to improve journey time reliability for passengers and freight.

- **Accessibility – to improve accessibility for those with limited transport choice (including those with mobility difficulties) or no access to a car, particularly those living in rural areas:**
 - To improve access to employment.
 - To improve access to health facilities.
 - To improve access to other services, such as retailing, leisure/social and education.
 - To make public transport more affordable and socially inclusive.

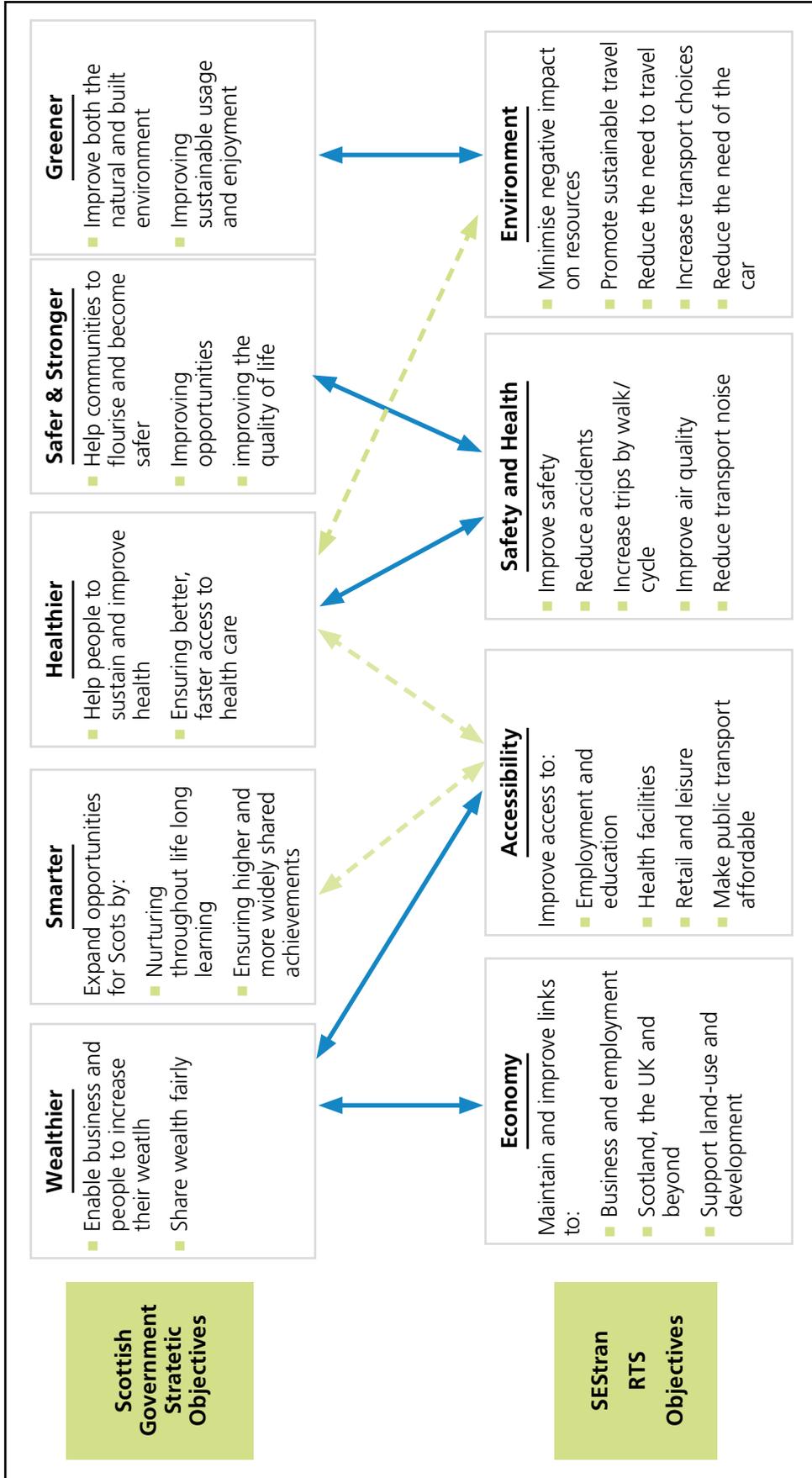
- **Environment – to ensure that development is achieved in an environmentally sustainable manner:**

- To contribute to the achievement of the UK’s national targets and obligations on greenhouse gas emissions.
- To minimise the negative impacts of transport on natural and cultural resources.
- To promote more sustainable travel.
- To reduce the need to travel.
- To increase transport choices, reducing dependency on the private car.

- **Safety and Health – to promote a healthier and more active SEStran area population:**

- To improve safety (accidents) and personal security.
- To increase the proportion of trips by walk/cycle.
- To meet or better all statutory air quality requirements.
- To reduce the impacts of transport noise.

The above objectives were mapped to the high level objectives of the Scottish Government. That mapping is shown below and confirms the continuing relevance of the RTS objectives.



RTS Approach

The proposed implementation strategy comprises of three themes based on a comprehensive set of policies and objectives.

- **Region wide measures** – those interventions affecting the whole of the SEStran area.
- **Initiatives for specific areas and groups** – mainly aimed at providing improved accessibility for various population groups in various locations.
- **Network based interventions** – promoting comprehensive projects and initiatives to improve travel and reduce modal reliance on the car, along strategic travel corridors.

Delivery plan

For planning the implementation of our RTS, the basis of our programme is defined in the Delivery plan. The element related to the first three years is indicated below:

	Revenue	Capital
Region wide measures	£1,540,000	£6,770,000
Specific areas and groups	£4,600,000	£0
Network based	£0	£24,808,000
Total	£6,140,000	£31,578,000

It is clear in the current financial climate that the above levels of anticipated expenditure are ambitious. Partner authorities have been reviewing their expenditure priorities and the comprehensive service review for SEStran referred to above will require to do so as well.

Sustainable Transport

Sustainable transport is central to the Regional Transport Strategy. As well as the specific objectives of promoting more sustainable travel and increasing the proportion of trips by walk/cycle, sustainable transport will have a central role in meeting our Environmental objectives.

There are five main strands of SEStran work in sustainable transport:

- travel plans
- car sharing
- walking
- cycling, and
- sustainable transport policy

These strands of work are incorporated in our proposed programme of work

Input to Single Outcome Agreements

SEStran continues to participate in Community Planning with our partner authorities and provide input to Single Outcome Agreements as required.

Monitoring

It is important that SEStran can demonstrate that it is achieving its aims and objectives. The RTS provides a basis for monitoring but this needs to be detailed and implemented on a regular basis. The results of the annual monitoring are reported in the Annual Report. This requires an annual data gathering exercise, the cost of which is included in the revenue budget.

7. Capital Projects

Approved Capital Programme 2010/11 to 2013/14

The SEStran Board has approved the implementation of Real Time Passenger Information (RTPI) in East Lothian, Scottish Borders and Fife and the current programme for this work is shown below. It should be noted that discussions are ongoing with East Lothian Council regarding their contribution to the project and should this level of input reduce, the programme below will require to be adjusted to meet available funding.

	Earlier Years £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000	Total £'000
Expenditure					
RTPI – East Lothian	500	350	275		1,125
RTPI – Scottish Borders	364	66	82		512
RTPI – Fife	50	173	170	275	668
Total Expenditure	914	589	527	275	2,305
Funding – EU					
RTPI – East Lothian	182	140	110		432
RTPI – Scottish Borders	128	26	33		187
RTPI – Fife	20	69	68	110	267
Total EU Funding	330	235	211	110	886
Funding – SEStran					
RTPI – East Lothian	145	85	101		331
RTPI – Scottish Borders	220	40	50		310
RTPI – Fife	30	104	102	165	401
Total Funding – SEStran	395	229	253	165	1,042
Funding – Councils					
RTPI – East Lothian	155	125	97		377
RTPI – Scottish Borders	0	0			0
RTPI – Fife	0	0	0		0
Total Funding – Councils	155	125	97	0	377
Total Funding	880	589	561	275	2,305
Analysis of SEStran Funding					
Revenue Projects Budget	245	113	212	117	687
Unspent Balances	114	104	101		319
EU unclaimed grant	36				36
Total Funding – SEStran	395	217	313	117	1,042

Progress to date is that the contractor has been appointed and detailed specification is being developed in partnership with the two major bus companies involved. That process should be complete in the summer and work on implementation started.

Applications for two further areas for implementation of RTPi have been made to the European Regional Development Fund and have been successful. These areas are West Lothian with match funding from West Lothian Council and Scottish Borders with match funding from SWESTRANS. These projects will not require any funding from SEStran but will be delivered through the SEStran contract.

8. Revenue

Approved Core Revenue Budget 2011/12

The approved core revenue budget 2011/12 is contained in the table below:

	10/11 £000	11/12 £000
Core Expenditure		
Salaries, NI and Pension	391	395
Recharges – Projects	-60	-215
Training and Conference	15	14
Interviews and Advertising	2	2
Premises	67	64
Staff Travel	11	9
Marketing	48	31
Comms and Computing	82	78
Printing, Stationery, etc.	20	17
Insurance, equipment, miscellaneous	16	14
Support Services and Corporate and Democratic Core	61	61
Interest	-3	-3
Net Core Expenditure	650	467

Approved Revenue Projects Budget 2011/12

The approved revenue projects budget is shown in the table below:

	10/11 £000	11/12 £000
Projects Expenditure		
RTPI	156	110
Dryport	100	100
Connecting Food Ports	13	70
Lo Pinod	18	602
I Transfer	20	196
Edinburgh Orbital Bus Project	25	
Park and Choose Tay	5	
Sustainable Travel	130	130
Specialist Rail / Bus Advice	25	25
Project Management	15	15
P&R Strategy Website	15	
SDP / LDP Input	48	20
RTS Monitoring	5	5
Term Commission Management	5	5
Rosyth Shuttle Bus	6	
DRT Review	38	35
Urban Cycle Networks	100	70
Equalities Forum Actions	20	20
	744	1403

8. Revenue

Approved Revenue Projects Budget 2011/12 – continued

The approved revenue projects budget is shown in the table below:

	10/11 £000	11/12 £000
Projects Funding		
Dryport – EU	-50	-50
Connecting Food Ports EU	-7	-35
Lo Pinod EU	-9	-301
Lo Pinod Third Party		-193
I Transfer EU	-10	-98
I Transfer Third Party		-88
Urban Cycles Network	-50	-50
SESPLAN Contribution	-48	-48
	-174	-863
Net Projects Expenditure	570	540
Scottish Government Grant	-920	-782
Council Contributions	-300	-225
Total Funding	-1220	-1007

Note: 10/11 expenditure estimated.



Approved requisitions from partner authorities

Clackmannanshire	£7,554
East Lothian	£14,471
Edinburgh	£71,388
Falkirk	£22,789
Fife	£54,319
Midlothian	£12,077
Scottish Borders	£16,840
West Lothian	£25,562
Total	£225,000

Description of European funded projects

Project	Description	Delivery Model	Benefits achieved
Real Time Bus Passenger Information	Roll out of RTPi in East Lothian, Fife, Scottish Borders with funding committed by West Lothian and EU bids pending for West Lothian and Cross border services between SEStran and SWESTRANS. SEStran has attracted funding from EU and LA partners, procured the necessary technical support and the contractor and developed operating and maintenance agreements with the bus operators. Potential £3.25m project with 40% funding from Europe.	External contract, partnership with bus companies, co-funding from LAs and adjacent RTP. direct staff input.	Roll out of real time bus passenger information throughout the region will encourage mode shift from car to bus and provide better service for bus users. If outstanding ERDF bids are successful this will be a £3.25M investment in public transport infrastructure in the region.
I –Transfer	Project with Stagecoach as a partner will provide around a £1M of funding towards the design and construction of hovercraft landing areas in Kirkcaldy and Portobello. Cross border project linking Fife and Edinburgh.	Partnership with private sector and other European partners. External contract and direct staff input. Collaboration with Napier TRI.	This project will represent a further £1M investment in public transport infrastructure in the region.
Lo-Pinod	Project in partnership with Forth Ports will provide more than a £1M of EU funding to undertake a pilot of freight movements by barge in the Forth estuary. Cross border project linking Fife and Grangemouth.	Partnership with private sector and other European partners. External contract and direct staff input. Collaboration with Napier TRI.	The project will trial moving freight by barge in the Forth Estuary (around 40 hgv's per day will be removed from the road network during the trial)

8. Revenue

Project	Description	Delivery Model	Benefits achieved
Dryport	Examination of scope for inland port/ freight transfer facilities has allowed development work on a number of RTS projects including River Avon Gorge, Levenmouth rail, Alloa to Dunfermline rail with connection to Rosyth, Freight routing strategy and map, Sustainable distribution depots, rail freight promotion, freight consolidation centres 50% funded by EU.	Framework contracts, partnership with Napier TRI, partnership with other European partners and direct staff input	EU funding allowed progress on a number of RTS projects in Fife, Clackmannan, Falkirk and Edinburgh. A successful international conference raised the profile of Scotland's freight sector. Overall project budget of £600k invested in the region.
Connecting food ports	Examination of food product distribution throughout the region and linking to UK and Europe. 50% EU funding. Forth Ports intend to join this project and form a Scottish partnership with SEStran	Partnership with other European partners, collaboration with Napier TRI and direct staff input	Potential to shift freight onto more sustainable modes with business development opportunities with our European partners in this project. £250k invested in the region.
Weastflows	Examination of east to west freight movements to improve accessibility to the SEStran ports and inkages to Europe. 50% EU funding with SEStran contribution being staff time. Recent EU approval since revenue budget approved that can contribute £36k to the core budget. This project has now been approved by the EU and the resulting savings to staff costs will be fed into the comprehensive service review.	Partnership with other European partners and direct staff input,	Potential to shift freight onto more sustainable modes with business development opportunities with our European partners in this project. £72k invested in the region



Marketing and Communications Budget 2011/12

Purpose	2011/12 Commitment
Materials	£4,000
Website	£3,640
Photography	Nil
Media Training	Nil
Events	£9,000
Advertising	£360
Publications	£3,000
Total expenditure committed	£22,640
Contingency Funds	£1000
Tripshare Marketing	£10,000
Total budget	£31,000

9. Resources

Establishment

With effect of 31st March 2011, the SEStran offices are currently home to 8 paid employees.

Alex Macaulay	–	Partnership Director
Alastair Short	–	Strategy Manager (Part time)
Vacancy	–	Strategy Manager (Part time)
Ian Mathie	–	Programme Manager
Angela Chambers	–	Office Manager
Lisa Black	–	Travel Plan Officer
Andrew Dougal	–	Communications Officer
Jackie Turnbull	–	Administrator (Half time)
Lisa Hogg	–	Receptionist

Accommodation

We are currently located in offices within a centrally accessible area. The lease for the offices runs out on 5th May and negotiations are ongoing for alternative accommodation that can deliver a saving to the core revenue budget.

Equipment

Over the next year an allowance has been made for replacement of equipment but not for any expansion.

Appendix 1. Report to the SEStran Board of 4th February 2011

Alternative Service Provision Options

3. Background

- 1.1 At the SEStran Board Meeting on 14th January 2011 during a discussion on budget proposals for 2011/12 a request was made by Cllr Mackenzie that options on alternative methods of service provision should be considered by SEStran and reported to the SEStran Board meeting scheduled to take place on 4th February 2011. It is considered appropriate that the SEStran Performance and Audit Committee review and comment on this paper prior to circulation to Board members.

4. Review of Existing Service Delivery Options

- 4.1 The SEStran Regional Transport Partnership was established in 2005 under the Transport (Scotland) Act 2005. Unlike SESPLAN, SEStran is an independent statutory body which brings with it a number of obligations both financial and legal. These include the requirement for separate accounts independently audited, the need to provide annual business plans and annual reports to the Scottish Government, the need to comply with all relevant legal statutes including freedom of information law, environmental law and employment law. Unlike the previous arrangements covering voluntary partnerships, all Local Authorities in Scotland are required to be a member of a Statutory Regional Transport Partnership.
- 4.2 The primary function of a Regional Transport Partnership like SEStran is to develop and monitor the implementation of the Regional Transport Strategy (RTS) although powers are also available to make a grant to any person or body for the implementation of the RTS. and to employ staff. From the outset the organisation has provided opportunities for its local authority partners to benefit from economies of scale in the provision of Transportation Services.
- 4.3 The Regional Transport Strategy was developed and approved by the eight partner authorities and describes the policies to be implemented and the projects to be delivered over the first 15 years of the statutory Partnership. The delivery of projects was obviously much easier when SEStran received a capital grant from government. The capital and revenue projects at that time were delivered by the partner authorities through the award of a grant from SEStran. The funding from Scottish Government for regional capital projects is now awarded to the partnership authorities with only a small percentage being returned to SEStran to enable project development and delivery. There remains, however a grant from Scottish Government to SEStran for implementation of the RTS and this has been used with great success by SEStran to lever in additional match funding from other sources to progress implementation of the RTS. Unlike the previous arrangements, the projects that appear in the SEStran budget are being delivered by SEStran either directly or in partnership/contract with others and the level of revenue projects budget being managed by SEStran staff for 2011/12 and beyond is twice the level of that in 2010/11. In addition, the RTPi project which will provide real time passenger information in East, Mid and West Lothian, Fife, Scottish Borders and cross boundary to SWESTRANS is a £3.25M scheme over the next three years directly managed by SEStran. Consequently the level of activity directly managed by SEStran has increased considerably over the past three years with no increase in staff.

- 4.4 At its meeting on 15th February 2008, following the publication of the Scottish Government's Comprehensive Spending Review the previous November, the Board considered the ongoing roles of SEStran in the light of the decision to transfer capital budgets to the local authorities from RTPs. While the statutory duty of SEStran is to publish a Regional Transport Strategy, monitor its implementation, the Board agreed that the roles for SEStran as outlined in the RTS of influencing other bodies where SEStran is not the service provider, providing guidance and advice to achieve consistency across the region, co-ordination of partners in the development and implementation of projects and the direct delivery of projects where the project was best delivered SEStran wide or where asked to do so by an individual authority should continue. This decision has formed the basis of SEStran activities since that date.
- 4.5 In addition, SEStran has additional statutory duties to participate in community planning and provide input to single outcome agreements and to provide input to Strategic and Local Development Plans as a Key Agency in the statutory development planning process. This is a statutory duty on SEStran and represents a significant increase in work load since the Partnership was formed. On the other hand it relieves the partner authorities of the need to provide strategic transport planning input to the statutory planning process and will assist with the formulation of the next RTS.
- 4.6 SEStran currently provide a range of shared services that benefit all the partnership authorities through a range of different delivery models and these are summarised below. The delivery models for each area of activity have been chosen to maximise the value of any expenditure through attraction of external funding from EU, private sector partners and grant recipients' match funding. In addition, the use of external framework contracts has minimised the requirement for staff directly employed by SEStran and removed the need for expensive procurement processes for individual parcels of work. The collaboration and partnership with Napier University Transport Research Institute has provided a source of expert input at very competitive cost and minimised the need for use of private sector expert advice. Finally, the use of service level agreements with three partner authorities for provision of core service support has been extremely successful and has provided income to the authorities concerned for the services they provide. This level of income is increasing particularly in the case of Edinburgh for the provision of financial services as a result of the increasing activity on European projects and the need to provide financial control to the satisfaction of the EU.
- 4.7 In conclusion, the range of delivery models currently being deployed is seen as appropriate to the activities of SEStran , with a mix of public, private and academic sector providers and procurement routes, a mix of grant, framework contracts, bespoke contracts, service level agreements and partnerships. Each procurement and delivery route has been carefully chosen to be the most appropriate for the project or service area concerned.

Service	Description	Delivery Model	Benefits achieved
Real Time Bus Passenger Information	Roll out of RTPI in East Lothian, Fife, Scottish Borders with funding committed by West Lothian and EU bids pending for West Lothian and Cross border services between SEStran and SWESTRANS. SEStran has attracted funding from EU and LA partners, procured the necessary technical support and the contractor and developed operating and maintenance agreements with the bus operators. Potential £3.25m project with 40% funding from Europe.	External contract, partnership with bus companies, co-funding from LAs and adjacent RTP. direct staff input.	Roll out of real time bus passenger information throughout the region will encourage mode shift from car to bus and provide better service for bus users. If outstanding ERDF bids are successful this will be a £3.25M investment in public transport infrastructure in the region.
I –Transfer	Project with Stagecoach as a partner will provide around a £1M of funding towards the design and construction of hovercraft landing areas in Kirkcaldy and Portobello. Cross border project linking Fife and Edinburgh.	Partnership with private sector and other European partners. External contract and direct staff input. Collaboration with Napier TRI.	This project will represent a further £1M investment in public transport infrastructure in the region.
Lo-Pinod	Project in partnership with Forth Ports will provide more than a £1M of EU funding to undertake a pilot of freight movements by barge in the Forth estuary. Cross border project linking Fife and Grangemouth.	Partnership with private sector and other European partners. External contract and direct staff input. Collaboration with Napier TRI.	The project will trial moving freight by barge in the Forth Estuary (around 40 hgv's per day will be removed from the road network during the trial)
Dryport	Examination of scope for inland port/ freight transfer facilities has allowed development work on a number of RTS projects including River Avon Gorge, Levenmouth rail, Alloa to Dunfermline rail with connection to Rosyth, Freight routing strategy and map, Sustainable distribution depots, rail freight promotion, freight consolidation centres 50% funded by EU.	Framework contracts, partnership with Napier TRI, partnership with other European partners and direct staff input	EU funding allowed progress on a number of RTS projects in Fife, Clackmannan, Falkirk and Edinburgh. A successful international conference raised the profile of Scotland's freight sector. Overall project budget of £600k invested in the region.
Connecting food ports	Examination of food product distribution throughout the region and linking to UK and Europe. 50% EU funding. Forth Ports intend to join this project and form a Scottish partnership with SEStran	Partnership with other European partners, collaboration with Napier TRI and direct staff input	Potential to shift freight onto more sustainable modes with business development opportunities with our European partners in this project. £250k invested in the region.

Service	Description	Delivery Model	Benefits achieved
Edinburgh outer orbital BRT	Bus rapid transit scheme around outer orbital corridor linking East, Mid and West Lothian and Edinburgh, scheme development	Framework contract and input from partner authorities	STAG and feasibility study completed and with Transport Scotland
South Tay park and choose	Scheme development for park and choose site at south end of Tay road bridge.	Framework contract. Partnership with and co-funding from TACTRAN, Transport Scotland, Fife and Dundee.	Transport Scotland has agreed the site and the principle of a shared funding package for delivery. Potential for an ERDF funding bid to be made in August 2011. £50k funding from Tactran, TS, Fife and Dundee.
SESPLAN	Shared office and admin services and strategic transport input to development of the SDP.	Shared accommodation/ service agreement, use of framework contract and direct staff input	Savings of £48k per year from shared accommodation and admin. staff has funded input to SDP
Core service support	Human Resources support provided by Falkirk Council, the Financial Management support provided by Edinburgh Council and the Legal Services support provided by Fife Council.	Service level agreements.	Partner authorities have provided cost effective services and received income for services provided. £33k income to local authorities for services provided.
Key Agency and influencing role	Input to Community planning, single outcome agreements, SDP and LDPs, Rail utilisation strategies, rail timetabling reviews, rail franchise, high Speed rail, OFT and Competition Commission investigation into bus competition, Scottish Government consultations, transport Scotland strategies and major projects, DfT consultations etc.	Direct staff input, framework contracts, seconded consultant	Met statutory requirement for community planning and SOAs and influenced other providers to the benefit of SEStran area
Accession	All authorities have been trained in the use of Accession and have access to the model through our term consultants. SEStran is currently in discussions with other RTP's to investigate sharing the costs of updating and operating the Accession model and also sharing the costs of annual licenses	Framework contract, shared service agreement with other RTPs.	Provided the basis for stage 1 input to SDP and will be central to input to LDPs. Influenced land use allocations to minimise private transport



Service	Description	Delivery Model	Benefits achieved
Routewise	All authorities have access to the Routewise database which is maintained through SEStran and benefit from greatly reduced annual running costs through the economies of scale that have been achieved through the SEStran management of the system	External contract, shared service with partner authorities	Provision of data to TRAVELINE for SEStran area. The costs to partner authorities to provide this service individually would total £90K per annum.
Travel Planning	SEStran provides a focal point and funding for the development of travel planning and sustainable transport development to both public and private sector organisations.	Grant award with match funding from partner	Travel plans developed for a wide range of organisations throughout the region
One-Ticket	SEStran promotes the use of one ticket throughout the SEStran area	Board member and promotional material	Influence on charging policy
Freight distribution	Through our Freight Quality partnership SEStran has looked at freight signing, lorry parking and freight route mapping to improve the efficiency of freight movement in all authority areas and these initiatives have been delivered with match funding from the EU. SEStran has been successful in 4 bids for ERDF funding that is related to freight distribution and several initiatives are in the pipeline that will bring benefits throughout the region.	Framework contract, EU match funding, Freight quality Partnership, direct staff involvement.	Delivery of freight projects in the RTS with active involvement of the freight industry
Parking Standards	SEStran has produced advice applicable to all authorities on parking standards in new developments, to provide consistency in application.	Framework contract	Consistent parking standards throughout the region. Input to SDP and LDPs.
Parking Management	SEStran looked at the viability of decriminalized parking management in all authority areas and at alternative management regimes	Framework contract	Being considered by Fife for implementation
Park and ride strategy	SEStran developed a park and ride strategy looking at the sustainable development of park and ride facilities throughout the area and is currently developing a web site for users of these facilities	Framework contract	Policy input to SDP and Transport Scotland. Development of promotional web site

Service	Description	Delivery Model	Benefits achieved
Cycling Development	SEStran has produced a Cycling –Best Practice Handbook and an analysis of commuter cycling routes to define requirements for future investment (SEStran also provided a grant for implementation).	Framework contract grant with match funding from partner authorities	Current programme of urban cycle network improvements in partnership with LAs. provides £50k a year grants to local authorities.
Bus Services	SEStran provided survey information on the quality, fare levels and services provided in all local authority areas to provide a basis for looking at service improvements.	External Contract	Provided basis for SEStran input to OFT and Competition Commission inquiry into bus competition.
Public Transport Information Strategy	SEStran developed a SEStran wide strategy for the delivery of bus information, mainly to be incorporated within each authority's own information strategies	Framework contract and seconded consultant	Reduced costs to partner authorities who have adopted for development and ultimately better service for bus users
Equalities and Access to Healthcare	SEStran provides a forum for discussing and promoting issues of mutual concern	Direct staff input	Developing scheme for better access to public transport. Test of travel planning for outpatients in partnership with Lothian Health Board
DRT	Analysis of potential of DRT to provide more effective services in rural areas.	Framework contract	On hold at present pending work by Audit Scotland
Tripshare	SEStran promotes this car sharing initiative for the partnership	Promotional material, events.	Fastest growing car sharing club in UK. Major employers are now members
Sustainable Urban Design	SEStran has developed a set of design standards	Framework contract	Used as input to SDP and LDPs
Regional transport model	Developed jointly with Transport Scotland the model has been used extensively by both SEStran for input to the SESPLAN SDP and by local authorities in analysing major developments	Framework contract in partnership with Transport Scotland	Input to SDP. Use by Midlothian and Falkirk for transport planning. £40k additional funding from Transport Scotland



Service	Description	Delivery Model	Benefits achieved
Framework contracts	Procured for the provision of consultancy services and open for use by the partnership authorities. SEStran has framework contracts for the provision of the following consultancy services; <ul style="list-style-type: none">■ Strategic Transport Planning (MVA)■ Transport Services (Scott Wilson)■ Travel Planning (Buchanans)	External framework contracts shared use by partner authorities	Many projects have been delivered through these commissions by SEStran and also by partnership authorities delivering local schemes

5. Possible areas for alternative delivery models

- 3.2 In Section 2 of this report the current situation regarding shared services both provided by SEStran and delivered to SEStran by the partnership authorities has been outlined. Financial economies of scale have been achieved by SEStran in a number of areas and these financial benefits have been shared by the partnership authorities. However, the current financial climate is such that a review of possible alternative service delivery models is appropriate. These could include areas where services could be more effectively provided by partner authorities or by outside agencies or indeed not delivered at all. They could also include areas where services currently provided by partner authorities may be better delivered centrally by SEStran.
- 3.3 The existence of SEStran as a statutory RTP creates opportunities for services to be shared. In addition, the future role of Transport Scotland at a regional level is an important consideration that could influence the outcome of a review of SEStran's service provision.
- 3.4 A comprehensive review of SEStran's service provision will therefore be a complex exercise that will need input from a number of parties. These include partner local authorities, Transport Scotland, legal advice and possibly other outside agencies that expect services from RTPs.
- 3.5 It is therefore proposed to establish a service review group to examine the scope for service delivery efficiencies for both SEStran and the partner authorities in the general area of transport planning and delivery. This would not overlap with work currently being progressed in the area of road maintenance. The group would include representatives of the partner authorities, SEStran and Transport Scotland with the ability to receive input from other outside agencies as appropriate.
- 3.6 The remit of the group which would be refined at its first meeting would generally be:-
- To examine the areas of service and project delivery currently undertaken by SEStran and advise on whether alternative forms of delivery would be more effective
 - To examine the areas of service delivery in the general areas of transport planning and transport project delivery currently undertaken by the partner authorities and advise on whether alternative forms of delivery would be more effective
 - To consider the future role of SEStran in the context of current budget constraints and statutory requirements
 - To examine opportunities and constraints that result from the legal position of SEStran
 - To advise on resource implications of the review
 - To report to the SEStran Board at its October meeting with recommendations on potential service delivery savings that could be delivered in 2012/13 and beyond with a progress report to the June Board.

4 Recommendations

- 4.1 The Board notes the range of delivery and procurement mechanisms currently used by SEStran and notes that they have been developed to best meet the needs of the particular service/project concerned.
- 4.2 The Board notes the considerable success that SEStran has had in attracting additional funding for transport throughout the region and endorses the continued efforts to attract additional funding.
- 4.3 The Board notes that the services procured by SEStran from Partner authorities provide an income to the authorities concerned and that this is likely to increase with continued success in attracting EU funding.
- 4.4 The Board approves the proposal to investigate further economies through a review of service provision and agrees to the establishment of a service review group as described in sections 3.4 and 3.5 of the report with the partner authorities and Transport Scotland to report to the October Board, with a progress report to the June Board.
- 4.5 The Board to decide on the composition of the review group.

Alex Macaulay

Partnership Director
25th January 2011

Policy Implications	Proposed service review group to develop shared services
Financial Implications	Potential savings as a result of output from service review group
Race Equalities Implications	None
Gender Equalities Implications	None
Disability Equalities Implications	None

Appendix 2. Extract of Minute of Board meeting of 4th February 2011

A9. ALTERNATIVE SERVICE PROVISION OPTIONS

During discussion on this item, Councillor Greg McCarra declared a non-pecuniary interest as a member of staff at Napier University.

The Committee considered a report dated 25th January, 2011 by the Partnership Director, outlining options for alternative methods of service provision, including possible shared services.

Decision

The Board:

(1) noted:

- (i) the range of delivery and procurement mechanisms currently used by SEStran that had been developed to best meet the needs of the particular service/project concerned;
- (ii) the considerable success of SEStran in attracting additional funding for transport throughout the region and that efforts would continue in the future; and
- (iii) that the services procured by SEStran from partner authorities provided an income to the authorities concerned and that this was likely to increase with continued success in attracting EU funding; and

(2) agreed that:

- (i) a Working Group with partner authorities and Transport Scotland be established to investigate further economies of scale through shared services, composed of two Non-Councillor members, three officers from constituent authorities, the Partnership Director, the Chair of the Partnership Board and representatives from Transport Scotland; and
- (ii) the Working Group report to the Partnership Board in October, 2011, with an interim progress report to the meeting in June.

Partnership Director

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