

**PARTNERSHIP BOARD MEETING  
10:00AM FRIDAY 19<sup>TH</sup> JUNE 2015  
DIAMOND JUBILEE ROOM, CITY CHAMBERS, HIGH STREET,  
EDINBURGH, EH1 1YJ**

**Tea and coffee will be served from 9:30am and a buffet lunch will be served following the meeting.**

1. Order Of Business
2. Apologies
3. Declarations of Interest

**AGENDA A – POINTS FOR DECISION**

- A1. Minutes of the Partnership Board meeting – Friday 20<sup>th</sup> March 2015
- A2. Matters Arising
- A3. Minutes of the Performance & Audit Committee – Friday 5<sup>th</sup> June 2015
- A4. Matters Arising
- A5. Projects Report
- A6. Unaudited Financial Statement of Accounts 2014-15
- A7. RTS Delivery Plan
- A8. Decriminalised Parking Enforcement – CEC Services
- A9. Access to Healthcare
- A10. SEStran Strategic Cross Boundary Cycle Development

**AGENDA B – POINTS FOR NOTING**

- B1. Annual Treasury Management Report
- B2. Annual Internal Audit Report
- B3. East Coast Mainline Authorities (ECMA)
- B4. SEStran Stations

- B5.** Minutes of SESplan Cross Boundary Impacts Group
- B6.** High Speed Rail Update
- B7.** Consultation Responses by SEStran
  - B7.1** Network Rail Inclusive Design Strategy
  - B7.2** Tactran RTS
  - B7.3** Fife Sustainable Development
  - B7.4** Infrastructure and Capital Investment Committee - Freight Transport
  - B7.5** Midlothian Local Development Plan
- B8.** Consultation Responses by Joint RTP Chairs
  - B8.1** Roads Collaboration
  - B8.2** Low Emission Strategy
- B9.** Minutes of Sub-Groups
  - B9.1** Access to Healthcare – 8<sup>th</sup> April 2015
  - B9.2** Rail Forum – 10<sup>th</sup> April 2015
  - B9.3** Sustainable Transport Forum – 30<sup>th</sup> April 2015
  - B9.4** Airport Forum - 29<sup>th</sup> May 2015
  - B9.5** South P+R Steering Group – 19<sup>th</sup> May 2015
  - B9.6** Chief Officer Liaison Group Meeting – 2<sup>nd</sup> June 2015
- B10.** Minutes of the Joint RTP Chairs – 4<sup>th</sup> March 2015

**4.** AOCB

**5.** Date of Next Meeting

**Wednesday 23<sup>rd</sup> September 2015 at 10:00am**, Calton Suite, The Glasshouse Hotel, 2 Greenside Place, Edinburgh, EH1 3AA.

**PARTNERSHIP BOARD MEETING**

**HELD IN DEAN OF GUILD ROOM, CITY CHAMBERS, HIGH STREET,  
EDINBURGH, EH1 1YJ.  
ON FRIDAY, 20 MARCH 2015  
10.00 A.M. – 11.45 A.M.**

<b>PRESENT:</b>	<u>Name</u>	<u>Organisational Title</u>
	Councillor Russell Imrie	Midlothian Council (Chair)
	Charlie Anderson	Non-Councillor Member
	Cllr Donald Balsillie	Clackmannanshire Council
	Graham Bell	Non-Councillor Member
	Cllr Stephen Bird	Falkirk Council
	Councillor Tony Boyle	West Lothian Council
	Councillor Pat Callaghan	Fife Council (Vice Chair)
	Councillor Ian Chisholm	Fife Council
	Councillor Tom Coleman	Falkirk Council
	Councillor Gordon Edgar	Scottish Borders Council (Vice-Chair)
	Phil Flanders	Non-Councillor Member
	Councillor Jim Fullarton	Scottish Borders Council
	Councillor Irene Hamilton	Clackmannanshire Council
	Councillor Lesley Hinds	City of Edinburgh Council (Vice-Chair)
	John Jack	Non-Councillor Member
	John Martin	Non-Councillor Member
	Councillor Adam McVey	City of Edinburgh Council
	Councillor Joanna Mowat	City of Edinburgh Council
	Neil Renilson	Non-Councillor Member
	Councillor Derek Rosie	Midlothian Council (Sub Cllr J Bryant)
	Sandy Scotland	Non-Councillor Member
	Barry Turner	Non-Councillor Member
	Cllr Michael Veitch	East Lothian Council

<b>IN ATTENDANCE:</b>	<u>Name</u>	<u>Organisation Title</u>
	Craig Beattie	City of Edinburgh Council
	Angela Chambers	SEStran
	Julie Cole	Falkirk Council
	Neil Dougal	Midlothian Council
	Andrew Ferguson	SEStran Secretary & Legal Adviser
	Jane Findlay	Fife Council
	Peter Forsyth	East Lothian Council
	Lisa Freeman	SEStran
	Jim Grieve	SEStran
	Trond Haugen	SEStran Adviser
	Andrew Hutt	SEStran
	Graeme Johnstone	Scottish Borders Council
	Alex Macaulay	SEStran Partnership Director
	Sarah Ryan	SEStran
	Iain Shaw	City of Edinburgh Council (Treasurer)
	Alastair Short	SEStran

<b>PRESENT:</b>	<u>Name</u>	<u>Organisational Title</u>
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**APOLOGIES  
FOR ABSENCE:**

Councillor Jim Bryant	Midlothian Council
Carol Foster	Audit Scotland
Councillor Nick Gardner	City of Edinburgh Council
Ewan Kennedy	City of Edinburgh Council
Councillor Alex Lunn	City of Edinburgh Council
Graeme Malcolm	West Lothian Council
Councillor Cathy Muldoon	West Lothian Council
Councillor Joe Rosiejak	Fife Council
Tom Steele	Non-councillor Member
Mac West	Clackmannanshire Council

**ORDER OF BUSINESS**

The Chair confirmed that the Order of Business was as per the agenda.

**DECLARATIONS OF INTERESTS**

None

**A1 MINUTES**

The minutes of the Partnership Board meeting of Friday 5<sup>th</sup> December, 2014 were agreed as a correct record of proceedings.

**A2 MATTERS ARISING**

There were no matters arising.

**A3 MINUTES OF THE PERFORMANCE AND AUDIT COMMITTEE**

The minutes of the Performance and Audit Committee of Friday 6<sup>th</sup> March 2015 were noted.

**A4 MATTERS ARISING**

There were no matters arising.

**A5 PROJECTS REPORT**

The Board considered a report by Jim Grieve, Programme Manager regarding the current year's Projects Budget, which showed expenditure to 11 February 2015 of £981,345.

**Decision**

The Board noted the contents of the report.

**A6.0/**

## **A6.0 FINANCE REPORTS**

### **A6.1 FINANCE OFFICER'S REPORT**

The Board considered a report by Hugh Dunn, Treasurer presenting the third update on financial performance of the core revenue budget of the Partnership for 2014/15. This report presented an analysis of financial performance to the end of January 2015.

#### **Decision**

The Board noted:-

- (a) It was projected that the overspend on core expenditure in 2015/15 will be contained within the approval total revenue budget of the Partnership;
- (b) All income and expenditure will continue to be monitored closely with updates reported to each Partnership meeting;
- (c) the month end balance of indebtedness between the Partnership and City of Edinburgh Council and the reason for these balances identified at paragraph 2.7.

### **A6.2 REVENUE BUDGET 2015/16**

The Board considered a report by Hugh Dunn, Treasurer presenting the revenue budget to the Partnership for approval.

#### **Decision**

The Board:

- (a) noted the report;
- (b) approved the revenue budget for 2015/16 together with the share of net expenses to be paid by each constituent council; as follows:-

Clackmannanshire	£ 6,664
East Lothian	£13,173
Edinburgh	£63,357
Falkirk	£20,422
Fife	£47,685
Midlothian	£11,008
Scottish Borders	£14,799
West Lothian	<u>£22,892</u>
	<u>£200,000</u>

- (c)/

- (c) noted that the proposed budget is subject to a number of risks and that all income and expenditure of the Partnership will continue to be monitored closely with updates reported to each Partnership meeting.

### **A6.3 ANNUAL TREASURY STRATEGY REPORT**

The Board considered a report by Hugh Dunn, Treasurer reviewing the investment activity undertaken on behalf of the Partnership during the first half of the 2014/15 Financial Year.

#### **Decision**

The Board agreed to continue the current arrangement outlined in Appendix 1.

### **A7 BUSINESS PLAN 2015/16**

The Board considered a report by Alex Macaulay, Partnership Director, presenting for Board approval the draft Business Plan for the South East of Scotland Transport Partnership

#### **Decision**

The Board approved the Business Plan following to the approval of the related budget papers also presented to the Board.

### **A8. RTS REVIEW**

The Board considered a report by Alastair Short, Strategy Manager on the Regional Transport Strategy Review.

#### **Decision**

The Board:-

- (a) noted the report; and
- (b) approved the Reviewed Draft Regional Transport Strategy for submission to Ministers for approval and the associated reviewed Equalities Outcome Report.

### **A9. SESTRAN STATIONS**

The Board considered a report by Trond Haugen, Adviser to SEStran updating on the progress of the various bids from SEStran and the SEStran Authorities for funding from the £30 million Scottish Station Fund (SSF), including a new SEStran/Falkirk Council bid for funding towards an additional car park at Falkirk High Station.

#### **Decision**

The Board:-

- (a)/
- (a) Noted the report; and
- (b) agreed that SEStran will act as Client on behalf of East Lothian and Borders Councils in respect of taking the design work forward for East Linton and Reston Stations, and delegating to the Partnership Director in consultation with the Solicitor to enter into the relevant agreements with the two Councils and Network Rail.

#### **A10. EAST COAST MAIN LINE AUTHORITIES**

The Board considered a report by Trond Haugen, Advisor to SEStran updating the Board on the continuing membership of SEStran and relevant SEStran authorities and relevant contribution for next year.

##### **Decision**

The Board agreed to:-

- (a) note the report;
- (b) the continued membership of SEStran and relevant SEStran authorities that contribute towards the membership (based on Section 2 of this report, and
- (c) agree a combined contribution next year from SEStran and the relevant SEStran authorities of up to £5,390.00.

#### **A11. AIR AND RAIL FORUMS**

The Board considered a report by Trond Haugen, Advisor to SEStran, on the appointment of new Chairs for the Air Forum and the Rail Forum.

The Board agreed to:-

- (a) Note the report:-
- (b) agreed to appoint Barry Turner as Chair of the Air Forum;
- (c) thank John Martin for all his hard work as retiring Chair of the Rail Forum; and
- (d) appoint Graham Bell as new Chair of the Rail Forum.

#### **A12. SCOTTISH LOW EMISSIONS STRATEGY**

The Board considered a report by John Saunders, Strategy Adviser on the Consultation Paper on a Low Emission Strategy for Scotland.

The Board agreed to:-

- (a) Note the report; and
- (b)/

- (b) Approve the Appendix to the report as SEStran's response to the Scottish Government's LES consultation.

### **A13. ORR RAIL STATION USAGE STATISTICS**

The Board considered a report by Trond Haugen, Adviser to SEStran, on the increase in rail use between 2011/12 and 2012/13.

The Board agreed to:-

- (a) Note the content of the report; and
- (b) instruct the Director to instigate discussions with the rail industry about the need for increased investment in the existing network and services in the SEStran area.

### **B1 AUDIT SCOTLAND – ANNUAL AUDIT PLAN**

#### **Decision**

The Board noted the contents of the Annual Audit Plan 2014/15 on their efforts.

### **B2. RAIL FRANCHISES**

The Board considered a report by Trond Haugen, Advisor to SEStran, regarding the award of the rail franchises.

#### **Decision**

The Board noted the report.

### **B3. ACTIVE TRAVEL FUNDING UPDATE**

The Board considered a report by Sarah Ryan, Active Travel Officer, regarding the next round of Sustrans Community Links funding.

#### **Decision**

The Board agreed to note the content of the report.

### **B4. MINUTES OF SESPLAN CROSS BOUNDARY TRANSPORT AND LANDUSE APPRAISAL GROUP**

The minutes of the SESplan Transport Group meeting of 13th January were noted.

### **B5 HIGH SPEED RAIL UPDATE**

The Board considered an update regarding, the work of the Speed Rail Group.

#### **Decision/**



**Decision**

The Board noted the update.

**B6.1 MIDLOTHIAN COUNCIL LOCAL DEVELOPMENT PLAN**

The Board considered SEStran's response to the Midlothian Local Development Plan Consultation.

**Decision**

The Board noted the response.

**B6.2 FIFE AIR QUALITY STRATEGY 2015-2020**

The Board considered SEStran's response to the Air Quality Strategy for Fife 2015/2020

**Decision**

The Board noted the response.

**B6.3 RELOCATION OF WEST CALDER HIGH SCHOOL**

The Board considered SEStran's response to the Formal Consultation on the Proposal to relocate West Calder High School.

**Decision**

The Board noted the response.

**B7.1. ICIC FREIGHT TRANSPORT IN SCOTLAND**

The Board considered SEStran's response to the ICIC Freight Transport in Scotland.

**Decision**

The Board noted the response.

**B7.2 LOW EMISSION STRATEGY**

The Board considered a response on behalf of the RTP Chairs to a Scottish Government Consultation on Low Emission Strategy.

**Decision**

The Board noted the response.

**B8./**

**B8. MINUTES OF SUB GROUPS**

The Board considered the minutes of the following meetings:-

B8.1 Equalities Forum - 13th February, 2015

B8.2 Bus Forum - 20th February, 2015

B8.3 Chief Officer Liaison Group - 24th February, 2015

;

**B9. MINUTES OF THE JOINT REGIONAL TRANSPORT PARTNERSHIPS CHAIRS**

The Minute of meeting held on 3rd December, 2014 was noted.

The Board noted the next meeting of the Partnership would take place on **Friday, 19<sup>th</sup> June, 2015 at 10.00 a.m.** at Diamond Jubilee Room, City Chambers, Edinburgh.

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**PERFORMANCE & AUDIT COMMITTEE MEETING**

**HELD IN SESTRAN OFFICES, 130 EAST CLAREMONT STREET, EDINBURGH  
ON FRIDAY, 5TH JUNE, 2015  
10.00 A.M. – 11.00 A.M.**

<b>PRESENT:</b>	<u>Name</u>	<u>Organisational Title</u>
	Councillor Gordon Edgar	Scottish Borders Council
	Councillor Michael Veitch	East Lothian Council
	Councillor Jim Bryant	City of Edinburgh Council
	Councillor Tony Boyle	West Lothian Council
	John Jack	SEStran Non-Councillor Member
	Sandy Scotland	SEStran Non-Councillor Member

<b>IN ATTENDANCE:</b>	<u>Name</u>	<u>Organisation Title</u>
	Alex Macaulay	SEStran Partnership Director
	Joan Dalgleish	Audit Scotland
	Iain Shaw	City of Edinburgh Council (Treasurer)
	Craig Beattie	City of Edinburgh Council
	Hugh Thomson	City of Edinburgh Council
	Andrew Ferguson	Fife Council

<b>APOLOGIES FOR ABSENCE:</b>	<u>Name</u>	<u>Organisational Title</u>
	Councillor Donald Balsillie	Clackmannanshire Council

**Action by**

**1. ORDER OF BUSINESS**

The Chair confirmed that the Order of Business was as per the agenda.

**2. APOLOGIES**

Apologies were received from Councillor Donald Balsillie, Clackmannanshire Council.

**3. DECLARATIONS OF INTERESTS**

No declarations of interest were made.

**A1 MINUTES**

The minutes of the Partnership Board meeting of Friday 6th March, 2015 were noted and approved as a correct record.

**A2 MATTERS ARISING**

None

**A3 UNAUDITED STATEMENT OF ACCOUNTS 2014-15**

Iain Shaw introduced this report, which presented the unaudited statements of accounts for the year ended 31st March, 2015.

**Decision**

The Committee agreed to note the report, noting with approval in particular:

- (a) the five year depreciation applied to the assets now held by SEStran under the RTPI project; and
- (b) the proposal (for Board agreement) that the underspend be carried forward.

**A4 ANNUAL TREASURY MANAGEMENT REPORT**

The Committee considered a report by the Treasurer on the Annual Treasury Report for the financial year 2014/15

**Decision**

The Board noted the Annual Report for 2014/15, and referred it to the Board for approval. Iain Shaw

**A5. INTERNAL AUDIT - ANNUAL REPORT**

The Committee considered a report by the Principal Audit Manager highlighting the work carried out in the financial year 2014/15.

**Decision**

The Committee noted:-

- the contents of the report; and
- the Draft Annual Governance Statement contained in Appendix 2. Iain Shaw

**A6. RISK REPORT**

The Committee considered a report by the Office Manager highlighting the key net rated risks.

**Decision**

The Committee noted the content of the report.

**4. ANY OTHER BUSINESS**

None.

**5. DATE OF NEXT MEETING**

**Decision**

The Committee noted that the next meeting will be held on Friday 11<sup>th</sup> September 2015, Forth Room, SEStran Offices, 130 East Claremont Street, Edinburgh.

## A5 PROJECTS REPORT

### 1. 2015/16 Expenditure

- 1.1 **Appendix 1** to this report details the current year's Projects Budget which shows expenditure to 20 May 2015 of £248856.
- 1.2 SEStran's indebtedness evident at the end of last financial year and reported in SEStran's Annual Treasury Report 2014/15 has now been recovered.
- 1.3 Of the two major items referred to in the annual report, income from the Bus Investment Fund amounting to £475,000 was received in April 2015.
- 1.4 With regard to RTPI ERDF income, following the submission to the ERDF Managing Authority of a paper detailing Key Performance Indicators, illustrating the success to date of the scheme, two of the 5 Authority areas (West Lothian and Cross Borders) have been through a verification process and it is anticipated that a payment amounting to £372898.95 will be released in the near future.

The remaining 3 Areas are in the process of being verified by the Managing Authority and it is anticipated that the remaining payments will be received by the end of July.

### 2. RTPI

#### 2.1 Bus Investment Fund (BIF)

- 2.1.1 The Bus Investment Fund (BIF) operates as a challenge fund open to applications from public transport authorities working in partnership with operators, community transport, NHS, and other public or private sector partners.
- 2.1.2 The aim of the fund is to incentivise and enable partnership working to help improve bus services, partnerships, standards and infrastructure for communities across Scotland. The fund will support and encourage all relevant authorities to take up partnership working to help increase the standard of bus services to increase patronage thereby achieving a greater modal shift.
- 2.1.3 As reported previously SEStran was given two awards at the end of 2014, each of value £500k.
- 2.1.4 The first (BIF 2), to expand the bustrackerSEStran RTPI project by fitting out more buses operated by First Scotland East, accommodating changes imposed by Stagecoach and developing a Vehicle Monitoring (VM) feed, is progressing as planned.

Other than the transfer of on-bus units from Stagecoach to First, the timetable for which is currently dictated by Stagecoach, the installation of kit on First vehicles will be complete by mid July.

- 2.1.5** The second bid (BIF 3) – also for £500,000 over two years – will fund equipping public premises with TV screens displaying real time passenger information through bustrackerSEStran as well as information on local events and services.

The award will fund the necessary TV and computer hardware where such equipment is not available, with public authorities funding installation, the provision of power, internet connections and contributing a modest annual fee after the first year to maintain the system with the target of rolling out up to 500 screens this financial year. The proposed maintenance charges are as follows:

- First year maintenance free
- Year 2 onwards - £250/annum per screen but for additional screens showing identical information, £100 per additional screen.
- For bus stations showing only stance data £150 per screen.

The launch event was successfully held on the 24<sup>th</sup> April at the Carlton Hotel, North Bridge which attracted over 40 attendees from a variety of public bodies with a high level of interest generated. Arrangement are in hand to install equipment in all campuses of Edinburgh College and in Forth Valley hospital with a number of other locations, including library services in Midlothian, East Lothian and Falkirk currently in the pipeline.

## **2.2 Media Strategy Update**

- 2.2.1** The radio campaign to encourage download of the free smartphone app proved to be effective. A significant rise in downloads was achieved.
- 2.2.2** Stagecoach have committed to displaying the bustrackerSEStran publicity materials on appropriate services for an extended period. This sort of long term exposure is essential to embed the system in the public consciousness and a similar commitment is expected from First Scotland East.
- 2.2.3** All parties (including the transport, communications and education departments of SEStran local authorities) have been given full access to the design files for the RTPI marketing materials and are able to produce these as required. All SEStran authorities have been asked to display links to the bustrackerSEStran website and app on their website indefinitely. Regular advertisements in council newspapers for distribution to local

households have also been negotiated.

- 2.2.4** The recent RTPI digital screens launch event will play a significant role in highlighting the benefits of accessing the system through use of screens located in public places. These in themselves, it is anticipated, will have a significant impact upon public awareness by providing both direct access to local live bus times and heightened awareness of the app and website.

A further commercial advertising campaign may be beneficial once a significant number of digital screens are in position and all participating bus companies and local authorities are routinely ensuring that the advertising materials relating to RTPI are prominently displayed.

### **2.3 Scottish Enterprise Mobility Integration Challenge**

- 2.3.1** The trial, for which SE has granted £15k, is progressing well, involving 30 commercial enterprises. The purpose of the trial is to assess the commercial viability of the use of digital displays which, alongside live bus times, will include advertising appropriate to the business in which the screen is operating. Maintenance charges in the commercial environment have been initially set as follows:

- £500 per set-up.
- £300 per annum maintenance charge.

### **3. Sustainable Travel Awareness**

- 3.1** The Sustainable and Active Travel Grant Scheme is now open to 2015/16 applicants. The matched grant scheme offers grants of between £500 and £25,000 to potential applicants. Further details and criteria of grant schemes offered by SEStran can be found on the SEStran website. There is no formal deadline for applicants, but applications will be assessed as they are received within the financial year. All projects must be completed by the 31<sup>st</sup> of March 2016.

### **4. European Projects Update**

- 4.1** “NweRide” is a project within the North West Europe Interreg IVB Programme. The project’s aim is to improve individuals’ connectivity using dynamic lift share systems which are linked to public transport networks giving a higher probability of finding a trip solution.

- 4.1.1** The NweRide Final conference is to be held on the 2<sup>nd</sup> of June in Brussels. Car share stakeholders from across Europe are invited to attend the conference, in which the project results will be shared and discussed. Workshops on the future of the shared networking platform will be held and the potential for a European



Rideshare Association will also be considered. Further information on the conference can be found at <http://www.nweride.eu/>

**4.2 “CHUMS”** is a project under the umbrella of Intelligent Energy Europe (IEE). The project will seek to address the energy challenge of low car occupancy and the approximately 50% of journeys in cities that cannot be accommodated by conventional public transport modes. The aim of the project is to apply a composite CHUMS behavioural change strategy, developed by the consortium and to transfer the proven methods to the rest of Europe.

**4.2.1** The last CHUMS meeting was held in Toulouse on the 28<sup>th</sup> and 29<sup>th</sup> of April. SEStran presented experiences of the first round of the CHUMS manual Travel Plan activities. Personalised Travel Plans were offered and subsequently delivered to Edinburgh University staff and students at Easter Bush between March and April. Efforts were focussed on Car Permit holders, thus avoiding those already travelling by sustainable modes. As part of the Travel Plan delivery, promotional stalls with further information on alternative modes of sustainable travel were displayed at various locations within the Easter Bush Campus.

**4.3 “SocialCar”** aims to integrate public transport information, car pooling and crowd sourced data in order to provide a single source of information for the traveller to compare multiple options/services.

**4.3.1** The kick-off meeting for SocialCar is to be held on the 25<sup>th</sup> and the 26<sup>th</sup> of June in Rome.

## **5. Opportunities for New European Projects**

**5.1 Interreg.** SEStran are currently in discussion with potential partners for 2 fledgling projects in the next Interreg call.

**5.1.1 Sustainable Logistics Gateways** would develop the concept of the Forth Estuary and the surrounding SEStran region being established as a Sustainable Gateway to Scotland. This would seek to create an accreditation standard for the whole range of players in the Region involved in the conveyance of freight. The first of a two stage application was submitted on 18 May 2015 and a response is expected in July.

**5.1.2 City Logistics, “BUZZ”** is to look further into more sustainable and versatile means of freight delivery in busy urban centres. The first stage bid was also submitted on 18<sup>th</sup> May 2015.

**5.1.3** As a result of delays in the next Interreg programme, it is likely that successful bids will not become live projects until the financial year 2016/17.

## **6. Additional National Funding Opportunities Recently Pursued**

### **6.1 Scottish Roads Research Board**

#### **6.1.1 Two proposals were submitted for consideration:**

1. The development and introduction of a mobile phone based ticket option for the One-Ticket, offering where currently only a paper ticket is available (value £120K)
2. Research and development of an on-bus, smart phone based RTPI system (value £125k)

Neither was successful.

### **6.2 Transport Research Board, Innovate UK**

#### **6.2.1 Three major areas were incorporated into this proposal:**

- a) Extending the scope of real-time passenger information to improve and integrate public transport passenger information and payments systems;
- b) Measures to support sustainable logistics, especially rail-based measures, in the Forth estuary area through the concept of a “sustainable freight gateway”
- c) Additional sustainable passenger transport choices to overcome existing barriers.

This bid too was unsuccessful. Alternative funding opportunities are currently being explored.

## **7. Recommendations**

**7.1** That the board notes the contents of this report and;

**7.2** Approves the maintenance charges to be applied to RTPI TV screens in public places.

**Jim Grieve**  
Programme Manager  
**May 2015**

**Appendix 1: Revenue Projects Expenditure**

Policy Implications	None
Financial Implications	As detailed in this report
Race Equalities Implications	None
Gender Equalities Implications	None
Disability Equalities Implications	None



## **1 Introduction**

The purpose of this report is to present the unaudited Annual Accounts for the year ended 31st March, 2015.

## **2 Main Report**

- 2.1 The unaudited Annual Accounts are presented to the Partnership Board in accordance with the Local Authority Accounts (Scotland) Regulations 2014. The Regulations requires that unaudited Annual Accounts for the year 2014/15 be presented to the Board no later than 30th June, 2015.
- 2.2 The Annual Accounts accounts are subject to audit and the audited accounts, incorporating the Auditor's report, will require to be presented to the Performance and Audit Committee and Partnership Board by 30<sup>th</sup> September 2015.
- 2.3 The unaudited Annual Accounts for 2014/15 have been prepared in accordance with the Code of Practice on Local Authority Accounting, which is based on International Financial Reporting Standards (IFRS).
- 2.4 Following completion of the audit, Audit Scotland will present the Report to those charged with governance on the 2014/15 audit to the Performance and Audit Committee and Partnership Board meetings in September 2015. In accordance with the Local Authority Accounts (Scotland) Regulations 2014, following approval of the audited accounts by the Partnership Board in September 2015, the Statement of Responsibilities, Annual Governance Statement and Remuneration Report will be signed.
- 2.5 The Annual Governance Statement includes details of the Governance Framework and a review of its effectiveness, including the system of internal financial control. The Treasurer's opinion on the effectiveness of the Partnership's system of internal financial control is provided within the Annual Governance Statement on pages 2 to 4.
- 2.6 The Treasurer's opinion is that reasonable assurance can be placed on the adequacy and effectiveness of the Partnership's internal control system. This opinion is informed by the work of the Internal Audit, monitoring of controls exercised by the Partnership's staff and the work of External Audit. From this year's review there is evidence that the Code is operating effectively with overall compliance by the Partnership in all significant areas of its governance arrangements.
- 2.7 A Management Commentary is provided on pages 7 to 8 of the Annual Accounts. This includes key aspect of financial performance during the year.
- 2.8 The unaudited Annual Accounts were presented to the Partnership's Performance and Audit Committee at its meeting on 5<sup>th</sup> June 2015.

### 3 Recommendations

It is recommended that the Partnership Board:

- (i) approves the unaudited Annual Accounts for 2014/15 for submission to the Partnership's external auditors;
- (ii) notes that the audited Annual Accounts, incorporating the Auditor's report, will be presented to the Performance and Audit Committee and Partnership Board in September 2015.

Hugh Dunn  
Treasurer  
June 2015

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#### Appendices

Unaudited Annual Accounts 2014/15

#### Contact/tel/e-mail

Iain Shaw: 0131 469 3117 iain.shaw@edinburgh.gov.uk

Policy Implications	n/a
Financial Implications	n/a
Race Equalities Implications	n/a
Gender Equalities	n/a
Disability Equalities Implications	n/a

**The South East of Scotland  
Transport Partnership  
(SESTRAN)**

**Unaudited  
Annual Accounts**

**2014/2015**

# The South East of Scotland Transport Partnership (SESTRAN)

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# The South East of Scotland Transport Partnership (SESTRAN)

## ANNUAL GOVERNANCE STATEMENT 2014/15

### 1. Scope of Responsibility

The South East of Scotland Transport Partnership's aim is to develop a transportation system for South East Scotland, as outlined in the Partnership's Regional Transport Strategy 2008 - 2023.

The Partnership is responsible for ensuring that its business is conducted in accordance with the law and appropriate standards, that public money is safeguarded and properly accounted for and used economically, efficiently, effectively and ethically. The Partnership also has a duty to make arrangements to secure continuous improvement in the way its functions are carried out.

In discharging these overall responsibilities, Elected Members and Senior Officers are responsible for implementing proper arrangements for the governance of the Partnership's affairs and facilitating the effective exercise of its functions, including arrangements for the management of risk.

The Partnership has approved and adopted a Local Code of Corporate Governance which is consistent with appropriate corporate governance principles and is supported by detailed evidence of compliance, which is regularly reviewed.

This statement explains how the Partnership delivers good governance and reviews the effectiveness of these arrangements. It also includes a statement on internal financial control in accordance with proper practice.

The Partnership's financial management arrangements conform to the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2010).

### 2. The Partnership's Governance Framework

The governance framework comprises the systems and processes, and culture and values, by which the Partnership is directed and controlled, and its activities through which it accounts to, engages with and influences the community. It enables the Partnership to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

The framework reflects the arrangements in place to meet the six supporting principles of effective corporate governance:

- Focusing on the purpose of the Partnership and on outcomes for the community, and creating and implementing a vision for the local area;
- Members and officers working together to achieve a common purpose with clearly defined functions and roles;
- Promoting values for the Partnership and demonstrating the values of good governance through upholding high standards of conduct and behaviour;
- Taking informed and transparent decisions which are subject to effective scrutiny and managing risk;
- Developing the capacity and capability of members and officers to be effective;
- Engaging with local people and other stakeholders to ensure robust public accountability.

A significant part of the governance framework is the system of internal control which is based on an ongoing process designed to identify and manage the risks to the achievement of the Partnership's policies, aims and objectives. These are defined in the Partnership's Business Plan, which is updated annually. This will enable the Partnership to manage its key risks efficiently, effectively, economically and ethically.

# The South East of Scotland Transport Partnership (SESTRAN)

## ANNUAL GOVERNANCE STATEMENT 2014/15 (contd.)

Within the overall control arrangements the system of internal financial control is intended to ensure that assets are safeguarded, transactions are authorised and properly recorded, and material errors or irregularities are either prevented or would be detected within a timely period. It is based on a framework of regular management information, financial regulations, administrative procedures and management supervision.

While the system of internal control is designed to manage risk at a reasonable level it cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable, and not absolute, assurance of effectiveness.

### 3. Determining the Partnership's purpose, its vision for the local area and intended outcomes for the Community

The Partnership aims to develop a transportation system for South East Scotland which will enable business to function effectively and provide everyone living in the Region with improved access to health care, education, public services and employment opportunities. The vision for achieving this is outlined in the Regional Transport Strategy.

The Business Plan defines how to implement the aims of this strategy and the Annual Report provides a report of performance against objectives, targets and performance indicators as outlined in the Regional Transport Strategy.

### 4. Review of Effectiveness

The Partnership has put in place arrangements, detailed in the Local Code, for monitoring each element of the framework and providing evidence of compliance. A Principal Officer within the Partnership has been nominated to review the effectiveness of the Local Code and will report annually to the Partnership Board.

The review of the effectiveness of its governance framework including the system of internal financial control is informed by:

- the work of the Internal Auditors and the Head of Internal Audit's Annual Statement on the adequacy and effectiveness of the Partnership's system of internal financial control;
- the Partnership Director's Certificate of Assurance on internal control;
- the operation and monitoring of controls by Partnership managers;
- the External Auditors in their Annual Audit Report and other reports; and
- other inspection agencies comments and reports.

Through the year Elected Members and Officers have responsibility for the development and maintenance of the governance environment. These review mechanisms include:

- **The Partnership Board** provides strategic leadership, determines policy aims and objectives and takes executive decisions not delegated to officers. It provides political accountability for the Partnership's performance.
- **The Performance and Audit Committee** demonstrates the Partnership's commitment to the principles of good governance. It scrutinises the running of the Partnership and suggests improvements.

# The South East of Scotland Transport Partnership (SESTRAN)

## ANNUAL GOVERNANCE STATEMENT 2014/15 (contd.)

### 4. Review of Effectiveness (continued)

- **Internal Audit** provides an independent and objective assurance service to the Partnership by completing a programme of reviews throughout the year, to provide an opinion on the internal control, risk management and governance arrangements of South East of Scotland Transport Partnership.
- **Audit Scotland's Annual Audit Report** is considered by the Partnership Board and the Performance and Audit Committee along with the output from other external audits and inspections.
- **The Risk Management System** requires that risks are regularly reviewed by the Performance and Audit Committee and the Board. This ensures that actions are taken to effectively manage the Partnership's highest risks.
- **The Legal Officer** is responsible to the Partnership for ensuring that agreed procedures are followed and that all applicable statutes and regulations are complied with.

### 5. Certification

In compliance with accounting practice, the Treasurer has provided the Partnership Director with a statement on the adequacy and effectiveness of the Partnership's internal financial control system for the year ended 31<sup>st</sup> March 2015. It is the Treasurer's opinion that reasonable assurance can be placed upon the adequacy and effectiveness of the Partnership's internal control system.

During the year the Head of Internal Audit reviewed the robustness of the current corporate governance arrangements and systems of internal control and his findings are included in the Head of Internal Audit's Annual Report.

From this year's review there is evidence that the Code is operating effectively with overall compliance by the Partnership in all significant areas of its corporate governance arrangements.

# The South East of Scotland Transport Partnership (SESTRAN)

## REMUNERATION REPORT

### 1. Remuneration Policy for Senior Employees

The Partnership's Board determines initial remuneration for the senior employees with reference to the level of responsibility of the post. The Partnership does not operate a Remuneration Committee. Annual inflationary increases are based on those agreed by the Scottish Joint Negotiating Committee for Chief Officials of Local Authorities (Scotland).

### 2. Remuneration for Senior Councillors

The Partnership does not provide any remuneration to senior councillors. Expenses paid to Board members are detailed in note 17 to the annual accounts.

### 3. Management of Remuneration Arrangements

The remuneration of the Partnership's employees is managed by the City of Edinburgh Council, as part of a service level agreement with the Partnership.

### 4. Officers Remuneration

The numbers of employees whose remuneration during the year exceeded £50,000 were as follows:

Remuneration Bands	2014/15	2013/14
£50,000 - £54,999	0	1
£80,000 - £84,999	0	0
£85,000 - £89,999	1	1

### 5. Senior Employees Remuneration

The remuneration paid to the Partnership's senior employee is as follows:

Name and Post Title	Salary, Fees and Allowances £'000	Total Remuneration 2014/15 £'000	Total Remuneration 2013/14 £'000
Alex Macaulay - Partnership Director	88	88	88
	88	88	88

The senior employee in the above table has responsibility for management of the Partnership to the extent that he has power to direct or control the major activities of the Partnership (including activities involving the expenditure of money), during the year to which the Report relates, whether solely or collectively with other persons.

### 6. Senior Employees Pension Entitlement

The pension entitlement of the Partnership's senior employee is as follows:

Name and Post Title	In-year pension contributions		Accrued pension benefits	
	2014/15 £'000	2013/14 £'000	As at 31 March 2015 £'000	Difference from 31 March 2014 £'000
Alex Macaulay - Partnership Director	20	20	Pension 12	2
			Lump Sum 9	0
	20	20		

The senior employee shown in table above is a member of the Local Government Pension Scheme (LGPS).

## The South East of Scotland Transport Partnership (SESTRAN)

### REMUNERATION REPORT (contd.)

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#### 6. Senior Employees Pension Entitlement (contd.)

THE LGPS is a final salary pension scheme.

This means that pension benefits are based on the final year's pay and the number of years that person has been a member of the scheme.

The scheme's normal retirement age for employees is 65.

From 1 April 2009 a five tier contribution system was introduced with contributions from scheme members being based on how much pay falls into each tier. This is designed to give more equality between the cost and benefits of scheme membership. Prior to 2009 contribution rates were set at 6% for all non manual employees.

The tiers and members contributions rates for 2014-15 are as follows:

On earnings up to and including £20,335 (5.5%), on earnings above £20,335 and up to £24,853 (7.25%), on earnings above £24,853 and up to £34,096 (8.5%), on earnings above £34,096 and up to £45,393 (9.5%) and on earnings above £45,393 (12%).

If a person works part-time their contribution rate is worked out on the whole-time pay rate for the job, with actual contributions paid on actual pay earned.

There is no automatic entitlement to a lump sum. Members may opt to give up (commute) pension for lump sum up to the limit set by the Finance Act 2004. The accrual rate guarantees a pension based on 1/60th of final pensionable salary and years of pensionable service. (Prior to 2009 the accrual rate guaranteed a pension based on 1/80th and a lump sum based on 3/80th of final pensionable salary and years of pensionable service).

The value of the accrued benefits has been calculated on the basis of the age at which the person will first become entitled to receive a pension on retirement without reduction on account of its payment at that age; without exercising any option to commute pension entitlement into a lump sum; and without any adjustment for the effects of future inflation.

The pension figures shown relate to the benefits that the person has accrued as consequence of their total Regional Transport Partnership service.

All information disclosed in the tables at paragraphs 4, 5 and 6 in this Remuneration Report will be audited by Audit Scotland. The other sections of the Remuneration Report will be reviewed by Audit Scotland to ensure that they are consistent with the annual accounts.

# The South East of Scotland Transport Partnership (SESTRAN)

## Management Commentary

### 1. Basis of Accounts

The Partnership prepares its Annual Accounts in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom. The Code of Practice is based on International Financial Reporting Standards (IFRS).

### 2. Statutory Background

The South East of Scotland Transport Partnership (SESTRAN) was established under the Regional Transport Partnerships (Establishment, Constitution and Membership) (Scotland) Order 2005. The Partnership came into force on 1st December 2005. Under Section 3 of the Transport (Scotland) Act 2005, the net expenses of SESTRAN, after allowing for government grant and any other income, are met by its constituent councils.

### 3. Corporate Strategy

The following is an introductory extract from the Transport (Scotland) Act 2005, which established the Partnership; one of seven Scottish Regional Transport Partnerships (RTPs):

“An Act of the Scottish Parliament to provide for the setting up and functions of the new transport bodies and to enable the Scottish Ministers to discharge certain transport functions; to provide further for the control and co-ordination of road works and for the enforcement of the duties placed on those who carry them out; to set up national concessionary fares schemes; and to make other, miscellaneous modifications of the law relating to transport.”

The Partnership aims to develop a sustainable transportation system for South East Scotland that will enable business to function effectively, and provide everyone living in the region with improved access to healthcare, education, public services and employment opportunities. These aims are embodied in the Regional Transport Strategy (RTS).

The constituent councils of the Partnership are the City of Edinburgh, Clackmannanshire, East Lothian, Falkirk, Fife, Midlothian, Scottish Borders and West Lothian.

SEStran's Vision Statement is as follows:

“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.”

### 4. Risks and Uncertainties

The principal risks and uncertainties faced by the Partnership fall into two categories.

Firstly, there is the funding uncertainty faced by all local authorities and RTPs. The Partnership has a range of statutory duties to enact. While every attempt is made to do this within the budget provided, budget reductions may make this less achievable resulting in a reduction in the quality of service provided.

The second category relates to changes in legislation leading to changes in the services to be delivered. This can create pressures from both a financial and organisational perspective.

### 5. Results for the Year

The Partnership is required to present its financial performance as a Comprehensive Income and Expenditure Statement. This can be seen on page 11. However, to show the net position of the Partnership and to allow comparison with the approved revenue budget, it is necessary to adjust the expenditure shown in the Comprehensive Income and Expenditure Statement to take account of a number of items where the statutory accounting requirements differ from the management accounting practice of the Partnership. These adjustments are detailed in Note 18.

# The South East of Scotland Transport Partnership (SESTRAN)

## Management Commentary (Contd.)

### 5. Results for the Year (Contd.)

The approved Revenue budget of the Partnership in 2014/15 was £1.827m. A comparison of the outturn position with the revised budget is summarised below:

	Revised Budget £'000	Outturn £'000	Variance £'000
Core Service	465	453	(12)
Revenue Projects	730	662	(68)
Capital Project	628	931	303
Interest	4	1	(3)
<b>Total Expenditure 2014/15</b>	<b>1,827</b>	<b>2,047</b>	<b>220</b>
Government Grant	(782)	(782)	0
Constituent Council Requisitions	(200)	(200)	0
Other Income - Revenue Projects	(346)	(327)	19
Other Income - Capital Project	(487)	(690)	(203)
Other Income - SESplan	(12)	(48)	(36)
<b>Total Income 2014/15</b>	<b>(1,827)</b>	<b>(2,047)</b>	<b>(220)</b>

The Partnership incurred core service expenditure of £0.453m which was £12,000 below the revised Core Service revenue budget. Interest paid by the Partnership was £3,000 below budget.

The Partnership incurred net expenditure of £0.335m on the revenue projects which was £49,000 under budget. This underspend reflected reduced expenditure as four EU Projects ceased ahead of 31st March 2015.

The Partnership received unbudgeted income from SESplan of £36,000.

The Partnership also incurred expenditure of £0.931m on the RTPI capital project, funded principally by income from the bus operators, the Bus Investment Fund and by the Partnership's underspend on the 2013/14 Revenue budget (see below).

Overall the Partnership realised a break even position against the budget in 2014/15.

The Partnership had carried forward a balance of £14,000 from an underspend on the 2013/14 Revenue budget for the RTPI project. During 2014/15, the Partnership claimed £578,000 from the Scottish Government's Bus Investment Fund in respect of expenditure on the RTPI capital project. The Partnership used both these funding contributions towards the project during 2014/15. The Partnership's underspend on the 2014/15 Revenue budget was £26,000 which the Partnership intend to use as a commitment towards developing the regional real-time bus passenger information system.

The Partnership spent £508,000 on 'vehicles, plant and equipment' in 2014/15 towards operational equipment for the regional real-time bus passenger travel information system.

The Partnership also spent £130,000 on 'assets under construction' in 2014/15 towards developing the regional real-time bus passenger travel information system.

### 6. Future Developments

On 20th March 2015, the Partnership's Board agreed a revenue budget for 2015/16, which made provision for £0.552m of core service costs and £2.614m of project expenditure in support of Regional Transport Strategy projects. The budget estimates £2.169m of external funding will be available for projects, of which £1.138m is for capital funded projects.

In recognition of the current financial constraints faced by public sector organisations, the 2015-16 budget makes provision for no increase in constituent council requisitions. Council and Scottish Government funding is confirmed for a period of one year. The Partnership is working towards identifying further cashable efficiency savings for 2016-17.

Where adequate funding is not forthcoming to be able to deliver the full RTS, the desired achievements will not be possible or, at best, be delayed.

However, the Partnership has proved to be resourceful in 2014/15 and in previous years in attracting additional funding. The Partnership intends, in future, to continue that trend and will take every opportunity to pursue avenues of potentially available sources of funding.

# The South East of Scotland Transport Partnership (SESTRAN)

## STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS

### The Partnership's Responsibilities

The Partnership is required:

- to make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this Partnership, that officer is the Treasurer;
- to manage its affairs to secure economic, efficient and effective use of its resources and safeguard its assets;
- to ensure the Annual Accounts are prepared in accordance with legislation (The Local Authority Accounts (Scotland) Regulations 2014) and so far as is compatible with that legislation, in accordance with proper accounting practices (section 12 of the Local Government in Scotland Act 2003);
- to approve the Annual Accounts.

### The Treasurer's Responsibilities

The Treasurer is responsible for the preparation of the Partnership's Annual Accounts in accordance with proper practices as set out in the CIPFA / LASAAC Code of Practice on Local Authority Accounting in the United Kingdom ('the Code').

In preparing the Annual Accounts, the Treasurer has:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were reasonable and prudent;
- complied with legislation
- complied with the Local Authority Accounting Code (in so far it is compatible with legislation)

The Treasurer has also:

- kept adequate accounting records which were up to date;
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

I certify that the Annual Accounts give a true and fair view of the financial position of the Partnership as at 31st March 2015, and the transactions of the Partnership for the year ended 31st March 2015.

Treasurer:

HUGH DUNN, CPFA

Date signed:



# The South East of Scotland Transport Partnership (SESTRAN)

## MOVEMENT IN RESERVES STATEMENT

This statement shows the movement in the year on different reserves held by the Partnership, analysed into "Usable Reserves" (that is, those that can be applied to fund expenditure) and "Unusable Reserves". The Surplus or (Deficit) on the Provision of Services line shows the true economic cost of providing the Partnership's services, more details of which are shown in the Comprehensive Income and Expenditure Statement. These are different from the statutory amounts required to be charged to the General Fund Balance before any discretionary transfers to or from earmarked reserves undertaken by the Partnership.

### 2013/14 - Previous Year Year Comparative

<b>①</b>	Opening Balances at 1 April 2013
<b>②</b>	Movement in reserves during 2013/14
	Surplus or (Deficit) on Provision of Services
	Other Comprehensive Expenditure and Income
	<b>Total Comprehensive Expenditure and Income</b>
<b>③</b>	Adjustments between accounting basis & funding basis under regulations (Note 6)
	Net increase/decrease before transfers to Earmarked Reserves
<b>④</b>	Transfers to/from Earmarked Reserves
	Increase/Decrease in 2013/14
	Balance at 31 March 2014 carried forward

Usable Reserves		Unusable Reserves	Total Partnership Reserves
General Fund Balance	Total Usable Reserves		
£'000	£'000	£'000	£'000
0	0	2,034	2,034
1,696	1,696	0	1,696
0	0	(43)	(43)
1,696	1,696	(43)	1,653
(1,696)	(1,696)	1,696	0
0	0	1,653	1,653
0	0	0	0
0	0	1,653	1,653
0	0	3,687	3,687

### 2014/15 - Current Financial Year

<b>①</b>	Opening Balances at 1 April 2014
<b>②</b>	Movement in reserves during 2014/15
	Surplus or (Deficit) on Provision of Services
	Other Comprehensive Expenditure and Income
	<b>Total Comprehensive Expenditure and Income</b>
<b>③</b>	Adjustments between accounting basis & funding basis under regulations (Note 6)
	Net increase/decrease before transfers to Earmarked Reserves
<b>④</b>	Transfers to/from Earmarked Reserves
	Increase/Decrease in 2014/15
	Balance at 31 March 2015 carried forward

Usable Reserves		Unusable Reserves	Total Partnership Reserves
General Fund Balance	Total Usable Reserves		
£'000	£'000	£'000	£'000
0	0	3,687	3,687
(57)	(57)	0	(57)
0	0	(19)	(19)
(57)	(57)	(19)	(76)
(618)	(618)	618	0
(675)	(675)	599	(76)
0	0	0	0
(675)	(675)	599	(76)
(675)	(675)	4,286	3,611

# The South East of Scotland Transport Partnership (SESTRAN)

## COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT 2014/15

This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded by government grant, council requisitions and other income.

2013/14

2014/15

Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000	Services	Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000
1,229	(1,982)	(753)	Highways and Transport Services	2,255	(1,256)	999
25	0	25	Corporate and Democratic Core	25	0	25
0	0	0	Non Distributed (Gains) / Costs		0	0
<b>1,254</b>	<b>(1,982)</b>	<b>(728)</b>	<b>Cost Of Services</b>	<b>2,280</b>	<b>(1,256)</b>	<b>1,024</b>
0	0	0	Other Operating Expenditure	0	0	0
73	(59)	14	Financing & Investment Income (Note 8)	73	(58)	15
0	(982)	(982)	Taxation and Non-Specific Grant Income (Note 9)	0	(982)	(982)
<b>1,327</b>	<b>(3,023)</b>	<b>(1,696)</b>	<b>(Surplus) or Deficit on Provision of Services</b>	<b>2,353</b>	<b>(2,296)</b>	<b>57</b>
			<b>Other Comprehensive Income and Expenditure</b>			
0	0	0	Change in Demographic Assumptions	66	0	66
65	0	65	Change in Financial Assumptions	185	0	185
0	(1)	(1)	Other Experience	0	(234)	(234)
0	(21)	(21)	Expected Return on Assets	2	0	2
<b>65</b>	<b>(22)</b>	<b>43</b>	<b>Total Other Comprehensive Income and Expenditure</b>	<b>253</b>	<b>(234)</b>	<b>19</b>
<b>1,392</b>	<b>(3,045)</b>	<b>(1,653)</b>	<b>Total Comprehensive Income and Expenditure</b>	<b>2,606</b>	<b>(2,530)</b>	<b>76</b>

# The South East of Scotland Transport Partnership (SESTRAN)

## BALANCE SHEET

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Partnership. The net assets of the Partnership (assets less liabilities) are matched by the reserves held by the Partnership. Reserves are reported in two categories. The first category of reserves are usable reserves, that is, those reserves that the Partnership may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use. The Partnership does not have powers to maintain a usable reserve. The second category of reserves are those that the Partnership is not able to use to provide services. This category of reserves include reserves that hold unrealised gains and losses (for example, the Capital Adjustment Account Reserve), where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line "Adjustments between accounting basis and funding basis under regulations".

31 March 2014 £'000		Notes	31 March 2015 £'000
4,027	Property, plant and equipment	10.1	3,990
<b>4,027</b>	<b>Long term assets</b>		<b>3,990</b>
1,193	Short-term debtors	12	1,294
10	Cash and cash equivalents	13	84
<b>1,203</b>	<b>Current assets</b>		<b>1,378</b>
(1,211)	Short-term creditors	14	(1,384)
<b>(1,211)</b>	<b>Current liabilities</b>		<b>(1,384)</b>
(332)	Other long-term liabilities (Pensions)	16.2	(373)
<b>(332)</b>	<b>Long-term liabilities</b>		<b>(373)</b>
<b>3,687</b>	<b>Net assets/ (liabilities)</b>		<b>3,611</b>
	<b>Financed by:</b>		
0	Usable reserves	15	0
3,687	Unusable reserves	16	3,611
<b>3,687</b>	<b>Total reserves</b>		<b>3,611</b>

Treasurer: HUGH DUNN, CPFA

Date signed: \_\_\_\_\_

# The South East of Scotland Transport Partnership (SESTRAN)

## CASH FLOW STATEMENT

The Cash Flow Statement shows the changes in cash and cash equivalents of the Partnership during the reporting period. The statement shows how the Partnership generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flow arising from operating activities is a key indicator of the extent to which the operations of the Partnership are funded by way of government grant income, council requisitions and recipients of services provided by the Partnership. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Partnership's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (that is, borrowing) to the Partnership.

31 March 2014 £'000	31 March 2014 £'000		31 March 2015 £'000	31 March 2015 £'000
		<b>OPERATING ACTIVITIES</b>		
(782)		Government Grants	(307)	
(200)		Constituent Council Requisitions	(200)	
1		Interest paid/ (received)	1	
(1,656)		Other receipts from operating activities	(1,003)	
	(2,637)	<b>Cash inflows generated from operating activities</b>		(1,509)
380		Cash paid to and on behalf of employees	410	
939		Cash paid to suppliers of goods and services	387	
	1,319	<b>Cash outflows generated from operating activities</b>		797
	(1,318)	<b>Net cash flows from operating activities</b>		(712)
		<b>INVESTING ACTIVITIES</b>		
1,716		Purchase of property, plant and equipment	638	
	1,716	<b>Net cash flows from investing activities</b>		638
		<b>FINANCING ACTIVITIES</b>		
0		Other receipts from financing activities	0	
	0	<b>Net cash flows from financing activities</b>		0
	398	<b>Net( increase)/ decrease in cash and cash equivalents (Note 13)</b>		(74)
	408	<b>Cash and cash equivalents at the beginning of the reporting period</b>		10
	10	<b>Cash and cash equivalents at the end of the reporting period</b>		84

# The South East of Scotland Transport Partnership (SESTRAN)

## 1. STATEMENT OF ACCOUNTING POLICIES

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### 1.1 Accounting Policies

The Annual Accounts summarises the Partnership's transactions for the 2014/15 financial year and its position at the year-end of 31 March 2015. The Partnership is required to prepare Annual Accounts by the Local Authority Accounts (Scotland) Regulations 2014 in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2014/15 and CIPFA's Service Reporting Code of Practice 2014/15 (SERCOP), supported by International Financial Reporting Standards (IFRS).

The Annual Accounts have been prepared on an historic cost basis.

### 1.2 Accruals of Expenditure and Income

The revenue account has been prepared on an accruals basis in accordance with the Code of Practice. Amounts estimated to be due to or from the Partnership, which are still outstanding at the year end, are included in the accounts. Government Grants have been accounted for on an accruals basis.

### 1.3 Operating Leases

#### a) *Leased-in assets*

Rental payments under operating leases are charged to the Comprehensive Income and Expenditure Statement on a straight line basis over the life of the lease.

#### b) *Leased-out assets*

The Partnership has not identified any leased-out assets that fall under the definition of operating leases.

### 1.4 Overheads

The cost of service in the Comprehensive Income and Expenditure Statement includes the Partnership's overheads.

### 1.5 Charges to the Comprehensive Income and Expenditure Statement for use of non-current assets

Charges are made to the Comprehensive Income and Expenditure Statement for the use of non-current assets, through depreciation charges. The aggregate charge to individual services is determined on the basis of the assets used in each service.

# The South East of Scotland Transport Partnership (SESTRAN)

## 1. STATEMENT OF ACCOUNTING POLICIES (Contd.)

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### 1.6 Employee Benefits

#### Pensions

The Partnership is an admitted body to the Local Government Pension Scheme (LGPS) which is administered by the Lothian Pension Fund. The LGPS is a defined benefit statutory scheme, administered in accordance with the Local Government Pension Scheme (Scotland) Regulations 1998, as amended.

The Annual Accounts have been prepared including pension costs, as determined under International Accounting Standard 19 – Employee Benefits (IAS 19). The cost of service in the Comprehensive Income and Expenditure Statement includes expenditure equivalent to the amount of retirement benefits the Partnership has committed to during the year. Pensions interest cost and the expected return on pension assets have been included in the “Surplus or Deficit on the Provision of Services” within the Comprehensive Income and Expenditure Statement.

The pension costs charged to the Comprehensive Income and Expenditure Statement in respect of employees are not equal to contributions paid to the funded scheme for employees. The amount by which pension costs under IAS19 are different from the contributions due under the pension scheme regulations are disclosed in the Movement in Reserves Statement for the General Fund.

Pension assets have been valued at bid value (purchase price), as required under IAS19. Under pension regulations, contribution rates are set to meet 100% of the overall liabilities of the Fund.

#### Accruals of Holiday Leave

Cost of service includes a charge for annual leave to which employees are entitled, but have not taken as at the Balance Sheet date. The Partnership is not required to raise requisitions on constituent councils to cover the cost of accrued annual leave. These costs are therefore replaced by revenue provision in the Movement in Reserves Statement for the General Fund balance by way of an adjusting transaction with the Accumulated Absence Account.

### 1.7 Non Current Assets

#### a) Intangible Assets

Expenditure on assets that have no physical substance but are identifiable and controlled by the Partnership have been capitalised where a benefit of more than one financial year can be established. The balance is depreciated over the economic life of the asset to reflect the pattern of consumption of benefits. Intangible assets have been valued on an historic cost basis.

#### b) Property, Plant and Equipment

Property, Plant and Equipment is categorised into the following classes:

- Vehicles, plant and equipment;
- Assets under construction;

#### Recognition:

- Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment has been capitalised on an accruals basis;

# The South East of Scotland Transport Partnership (SESTRAN)

## 1. STATEMENT OF ACCOUNTING POLICIES (Contd.)

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### 1.7 Non Current Assets (contd)

#### b) *Property, Plant and Equipment*

##### **Depreciation:**

- Depreciation is provided on all Property, Plant and Equipment;
- The Partnership does not depreciate its Property, Plant and Equipment in the year of acquisition. Thereafter depreciation is provided on a straight line basis over the expected life of the asset. No depreciation is provided on Assets Under Construction.

##### **Measurement:**

Property, Plant and Equipment are included in the Balance Sheet at the lower of net current replacement cost or net realisable value in existing use, net of depreciation.

### 1.8 Government Grants and Other Contributions

Grants and other contributions relating to non-current assets are credited to a Capital Adjustment Account and written off to the Comprehensive Income and Expenditure Statement in line with the depreciation policy of the related assets.

Where there are conditions attached to capital grants and contributions that have not been met at the Balance Sheet date, the grant or contribution will be recognised as part of the Capital Grants Unapplied Account. Once the condition has been met, the grant or contribution will be transferred from the Capital Grants Unapplied Account and recognised as income in the Comprehensive Income and Expenditure Statement.

### 1.9 Provisions

Provisions are made for liabilities of uncertain timing or amount that have been incurred.

The value of provisions is based upon the Partnership's obligations arising from past events, the probability that a transfer of economic benefit will take place, and a reasonable estimate of the obligation.

### 1.10 Reserves

Reserves held on the Balance Sheet are classified as either usable or unusable. Unusable reserves cannot be applied to fund expenditure. Under the Transport (Scotland) Act 2005, the Partnership does not have the power to operate a General Fund reserve.

The Partnership operates the following unusable reserves:

#### a) *Pension Reserve*

The Partnership operates a Pensions Reserve Fund under the terms of the Local Government Pension Reserve Fund (Scotland) Regulations 2003. The Pension Reserve represents the net monies which the Partnership requires to meet its net pension liability as calculated under IAS 19, Employee Benefits.

# The South East of Scotland Transport Partnership (SESTRAN)

## 1. STATEMENT OF ACCOUNTING POLICIES (Contd.)

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### 1.10 Reserves (contd)

#### b) *Capital Adjustment Account*

The Capital Adjustment Account represents movement in the funding of assets arising either from capital resources such as capital receipts, or capital funded directly from revenue contributions.

#### c) *Accumulated Absences Account*

This represents the net monies which the Partnership requires to meet its short-term compensated absences for employees under IAS19.

### 1.11 Financial Instruments

#### *Financial Assets*

Loans and receivables are initially measured at fair value and carried at their amortised cost. Annual credits to the Comprehensive Income and Expenditure Statement for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument.

Surplus funds held on behalf of the Partnership are managed by the City of Edinburgh Council under a formal management agreement in a pooled investment arrangement.

### 1.12 Cash and Cash Equivalents

Cash and cash equivalents include:

- Credit and debit funds held in banks

### 1.13 Contingent Liabilities

A contingent liability arises where an event has taken place that gives the Partnership a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Partnership.

Contingent liabilities are not recognised in the Balance Sheet but disclosed in a note to the accounts.

### 1.14 Value Added Tax

VAT payable is included as an expense only to the extent that it is not recoverable from Her Majesty's Revenue and Customs.



# The South East of Scotland Transport Partnership (SESTRAN)

## 1. STATEMENT OF ACCOUNTING POLICIES (Contd.)

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### 1.15 Events After the Reporting Period

Events after the reporting period are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Annual Accounts are authorised for issue.

Two types of events can be identified:

- i) those that provide evidence of conditions that existed at the end of the reporting period - the Annual Accounts are adjusted to reflect such events;
- ii) those that are indicative of conditions that arose after the reporting period - the Annual Accounts are not adjusted to reflect such events, but where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect.

Events taking place after the date of authorisation for issue are not reflected in the Annual Accounts.

### 1.16 Short term Debtors and short term Creditors

The revenue transactions of the Partnership are recorded on an accruals basis which means that amounts due to or from the Partnership, but still outstanding at the year end, are included in the accounts. Where there was insufficient information available to provide actual figures, estimates have been included.

### 1.17 Changes in Accounting Policies and Estimates and Errors

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Partnership's financial position or performance.

Changes in accounting estimates are accounted for prospectively; i.e. in the current and future years affected by the change.

Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

## 2. ACCOUNTING STANDARDS THAT HAVE BEEN ISSUED BUT NOT YET ADOPTED

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The Code requires the disclosure of information relating to the impact of an accounting change that will be required by a new standard that has been issued but not yet adopted.

This applies to the adoption of the following new or amended standards within the 2015/16 Code:

IFRS 13 Fair Value Measurement, Annual Improvements to IFRSs 2011 – 2013 Cycle and IFRIC 21 Levies.

The Code requires implementation from 1 April 2015 and there is therefore no impact on the 2014/15 Annual Accounts.

IFRS 13 relates to Fair Value Measurement with changes to increase consistency and comparability in fair value measurements and related disclosures.

The issues included in the Annual Improvements to the 2011-2014 cycle are:

- IFRS 1: Meaning of effective IFRSs;
- IFRS 3: Scope exceptions for joint ventures;
- IFRS 13: Scope of paragraph 52 (portfolio exception); and
- IAS 40: Clarifying the interrelationship of IFRS 3 Business Combinations and IAS 40 Investment Property.

IFRIC 21 provides guidance on when to recognise a liability for a levy imposed by a government.

Overall, these new or amended standards are not expected to have a significant impact on the Annual Accounts.

## The South East of Scotland Transport Partnership (SESTRAN)

### 3. CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

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In applying the accounting policies set out in Note 1, the Partnership has had to make certain judgements about complex transactions or those involving uncertainty about future events.

The critical judgements made in the Annual Accounts are:

- There is high degree of uncertainty about future levels of funding for local government. The Partnership has determined that this uncertainty is not yet sufficient to provide an indication that the assets of the Partnership might be impaired as a result of a need to reduce levels of service provision.

### 4. ASSUMPTIONS MADE ABOUT THE FUTURE AND OTHER MAJOR SOURCES OF ESTIMATION UNCERTAINTY

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The Annual Accounts contains estimated figures that are based on assumptions made by the Partnership about the future or events that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.

The items in the Partnership's Balance Sheet at 31 March 2015 for which there is a significant risk of material adjustment in the forth coming financial year are:

#### 4.1 Pension Liabilities

##### *Uncertainties*

Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide the Partnership with expert advice about the assumptions to be applied.

##### *Effect if Actual Result Differs from Assumptions*

The effects on the net pensions liability of changes in individual assumptions can be measured. For instance, a 0.5% decrease in the discount rate assumption would result in an increase in the pension liability of £170,000.

However, the assumptions interact in complex ways. During 2014/15, the Partnership's actuaries advised that the net pensions liability had increased by £41,000 as a result of a reduction in the net discount rate over this period, the negative impact of which outweighed the positive asset return achieved over this period.

### 5. EVENTS AFTER THE BALANCE SHEET DATE

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The figures in the Annual Accounts and notes will have been adjusted in all material respects to reflect the impact of events taking place after the Balance Sheet date.

There were no events which took place after 31st March 2015 which would materially affect the 2014/15 Annual Accounts.

# The South East of Scotland Transport Partnership (SESTRAN)

## 6. ADJUSTMENTS BETWEEN ACCOUNTING BASIS AND FUNDING BASIS UNDER REGULATIONS

This note details the adjustments that are made to the total Comprehensive Income and Expenditure Statement recognised by the Partnership in the year in accordance with proper accounting practice to the resources that are specified by statutory provisions as being available to the Partnership to meet future capital and revenue expenditure.

2014/15	Usable Reserves	Unusable Reserves			Movement in Unusable Reserve
	General Fund Balance	Capital Adjustment Account	Accumulated Absence Account	Pension Reserve	
	£'000	£'000	£'000	£'000	£'000
<b>Adjustments primarily involving the <u>Capital Adjustment Account</u></b>					
Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement (CIES)					
Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement (CIES)					
Contributions credited to the CIES that have been applied to capital financing	(638)	638			638
<b>Adjustments primarily involving the <u>Pensions Reserve</u></b>					
Reversal of items relating to retirement benefits debited or credited to the CIES	78			(78)	(78)
Employer's pension contributions and direct payments to pensioners payable in the year	(56)			56	56
<b>Adjustments primarily involving the <u>Accumulated Absence Account</u></b>					
Amount by which officer remuneration charged to the CIES on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	(2)		2		2
<b>Total Adjustments</b>	<b>(618)</b>	<b>638</b>	<b>2</b>	<b>(22)</b>	<b>618</b>

## The South East of Scotland Transport Partnership (SESTRAN)

### 6. ADJUSTMENTS BETWEEN ACCOUNTING BASIS AND FUNDING BASIS UNDER REGULATIONS (Contd.)

This note details the adjustments that are made to the total Comprehensive Income and Expenditure Statement recognised by the Partnership in the year in accordance with proper accounting practice to the resources that are specified by statutory provisions as being available to the Partnership to meet future capital and revenue expenditure.

2013/14	Usable Reserves		Unusable Reserves		Movement in Unusable Reserve
	General Fund Balance	Capital Adjustment Account	Accumulated Absence Account	Pension Reserve	
	£'000	£'000	£'000	£'000	£'000
<b>Adjustments primarily involving the <u>Capital Adjustment Account</u></b>					
Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement (CIES)					
Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement (CIES)					
Contributions credited to the CIES that have been applied to capital financing	(1,716)	1,716			1,716
<b>Adjustments primarily involving the <u>Pensions Reserve</u></b>					
Reversal of items relating to retirement benefits debited or credited to the CIES	67			(67)	(67)
Employer's pension contributions and direct payments to pensioners payable in the year	(53)			53	53
<b>Adjustments primarily involving the <u>Accumulated Absence Account</u></b>					
Amount by which officer remuneration charged to the CIES on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	6		(6)		(6)
<b>Total Adjustments</b>	<b>(1,696)</b>	<b>1,716</b>	<b>(6)</b>	<b>(14)</b>	<b>1,696</b>

# The South East of Scotland Transport Partnership (SESTRAN)

## 7. TRANSFERS TO/FROM EARMARKED RESERVES

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The Partnership does not have powers for an earmarked reserve to be set aside from the General Fund to provide financing for future expenditure plans.

## 8. FINANCING AND INVESTMENT INCOME

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	2014/15 £'000	2013/14 £'000
Interest income on plan assets	(58)	(59)
Pensions interest cost	72	72
Other Interest	1	1
	<hr/>	<hr/>
	15	14
	<hr/>	<hr/>

## 9. TAXATION AND NON SPECIFIC GRANT INCOMES

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	2014/15 £'000	2013/14 £'000
Government Grant	(782)	(782)
Constituent Council Requisitions	(200)	(200)
	<hr/>	<hr/>
	(982)	(982)
	<hr/>	<hr/>

# The South East of Scotland Transport Partnership (SESTRAN)

## 10. PROPERTY, PLANT AND EQUIPMENT

### 10.1 Movements on balances:

#### Movements in 2014/15

Cost or Valuation	Vehicles Plant and Equipment £'000	Assets Under Construction £'000	Property Plant and Equipment £'000
At 1st April 2014	3,578	648	4,226
Additions	508	130	638
Revaluation increases/(decreases) recognised in Revaluation Reserve	0	0	0
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	0	0	0
Assets reclassified (to)/from Held for Sale	0	0	0
Other movements	648	(648)	0
At 31st March 2015	4,734	130	4,864
<b>Accumulated Depreciation</b>			
At 1st April 2014	(199)	0	(199)
Depreciation charge	(675)	0	(675)
Depreciation written out to Revaluation Reserve	0	0	0
Depreciation written out to the Surplus/Deficit on the Provision of Services	0	0	0
Derecognition - disposals	0	0	0
Other movements in depreciation	0	0	0
At 31st March 2015	(874)	0	(874)
<b>Net Book Value</b>			
· at 31st March 2015	3,860	130	3,990
· at 31st March 2014	3,379	648	4,027

# The South East of Scotland Transport Partnership (SESTRAN)

## 10. PROPERTY, PLANT AND EQUIPMENT (Contd.)

### 10.2 Movements on balances:

Comparative Movements in 2013/14	Vehicles Plant and Equipment £'000	Assets Under Construction £'000	Total Property Plant and Equipment £'000
<b>Cost or Valuation</b>			
At 1st April 2013	199	2,311	2,510
Additions	1,068	648	1,716
Revaluation increases/(decreases) recognised in Revaluation Reserve	0	0	0
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	0	0	0
Assets reclassified (to)/from Held for Sale	0	0	0
Other movements	2,311	(2,311)	0
At 31st March 2014	3,578	648	4,226
<b>Accumulated Depreciation</b>			
At 1st April 2013	(199)	0	(199)
Depreciation charge	0	0	0
Other movements in depreciation	0	0	0
At 31st March 2014	(199)	0	(199)

### 10.3 Depreciation

The following useful lives have been used in the calculation of depreciation:

- Vehicles, plant and equipment: 4 - 5 years

The Partnership does not depreciate its Property, Plant and Equipment in the year of acquisition.

### 10.4 Capital Commitments

A bid for £0.5m to the Scottish Government's Bus Investment Fund was successful to fit out more vehicles with equipment for real time bus passenger information systems across the South East of Scotland region. Of this bid, there remains a capital commitment of £0.370m in 2015/16.

A further bid for £0.5m was also successful to enhance the same system by equipping public premises with TV screens to display live bus time information along with promotional material particular to the public premises accommodating the screens.

Of this bid, there remains a capital commitment of £0.400m in 2015/16.

### 10.5 Heritage Assets

The Partnership does not have any heritage assets.

# The South East of Scotland Transport Partnership (SESTRAN)

## 11. FINANCIAL INSTRUMENTS

11.1 The following categories of financial instrument are carried in the Balance Sheet:

	Long-term		Current	
	31st March 2015 £'000	31st March 2014 £'000	31st March 2015 £'000	31st March 2014 £'000
<b>Investments</b>				
Loans and receivables	0	0	1,196	862
<b>Borrowings</b>				
Financial liabilities at amortised cost	0	0	1,223	1,148

11.2 The gains and losses recognised in the Comprehensive Income and Expenditure Account in 2014/15 in relation to financial instruments are made up as follows:

### Income, Expenses, Gains and Losses

	Financial Liabilities measured at amortised cost 31st March 2015 £'000	Financial Assets Loans and receivables 31st March 2015 £'000	Total 31st March 2015 £'000	Financial Liabilities measured at amortised cost 31st March 2014 £'000	Financial Assets Loans and receivables 31st March 2014 £'000	Total 31st March 2014 £'000
Interest expense	1	0	1	1	0	1
Interest income	0	0	0	0	0	0
<b>Net gain/(loss) for the year</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>1</b>

### 11.3 Fair Values of Assets and Liabilities

The financial assets represented by loans and receivables are carried in the Balance Sheet at amortised cost. Since all of the Partnership's loans and receivables mature within the next 12 months, the carrying amount has been assumed to approximate to fair value. The fair value of trade and other receivables is taken to be the invoiced or billed amount.

The fair values calculated are as follows:

Financial Liabilities	31 March 2015		31 March 2014	
	Carrying Amount £'000	Fair Value £'000	Carrying Amount £'000	Fair Value £'000
Trade creditors	1,223	1,223	1,148	1,148
Financial Assets	31 March 2015		31 March 2014	
	Carrying Amount £'000	Fair Value £'000	Carrying Amount £'000	Fair Value £'000
Loans and receivables	1,196	1,196	845	845
Trade debtors	0	0	17	17
	1,196	1,196	862	862



## The South East of Scotland Transport Partnership (SESTRAN)

### 12. DEBTORS

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	31st March 2015 £'000	31st March 2014 £'000
Debtors:		
Other local authorities	0	7
HM Customs and Excise - VAT	55	71
Other entities and individuals	1,239	1,115
	<hr/>	<hr/>
	1,294	1,193
	<hr/>	<hr/>

### 13. CASH AND CASH EQUIVALENTS

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The balance of cash and cash equivalents is made up of the following elements:

	31st March 2015 £'000	31st March 2014 £'000
Cash held by the Partnership	0	0
Bank accounts	84	10
	<hr/>	<hr/>
	84	10
	<hr/>	<hr/>

### 14. CREDITORS

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	31st March 2015 £'000	31st March 2014 £'000
Central government bodies		0
Other local authorities	(161)	(63)
Other entities and individuals	(1,217)	(1,140)
Employee costs	(6)	(8)
	<hr/>	<hr/>
	(1,384)	(1,211)
	<hr/>	<hr/>

### 15. USABLE RESERVES

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The Partnership does not have statutory powers to operate a usable reserve.

# The South East of Scotland Transport Partnership (SESTRAN)

## 16. UNUSABLE RESERVES

	31st March 2015 £'000	31st March 2014 £'000
16.1 Capital Adjustment Account	3,990	4,027
16.2 Pension Reserve	(373)	(332)
16.3 Accumulated Absence Account	(6)	(8)
	3,611	3,687

### 16.1 Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions.

The Account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement (with reconciling postings from the Revaluation Reserve to convert fair value figures to a historical cost basis). The Account is credited with the amounts set aside by the Partnership as finance for the costs of acquisition, construction and enhancement.

	2014/15 £'000	2013/14 £'000
Balance at 1st April	4,027	2,311
Reversal of items related to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:		
· Charges for depreciation and impairment of non-current assets	(675)	0
· Amortisation of intangible assets	0	0
Net written out amount of the cost of non-current assets consumed in year	3,352	2,311
Capital financing applied in the year:		
· Contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	638	1,716
Balance at 31st March	3,990	4,027

### 16.2 Pension Reserve

The Pension Reserve absorbs the timing differences arising from the different arrangements for accounting for post employment benefits and for funding benefits in accordance with statutory provisions. The Partnership accounts for post employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the Partnership makes employer's contributions to pension funds or eventually pays any pensions for which it is directly responsible. The debit balance on the Pensions Reserve therefore shows a shortfall in the benefits earned by past and current employees and the resources the Partnership has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

## The South East of Scotland Transport Partnership (SESTRAN)

### 16. UNUSABLE RESERVES (Contd.)

#### 16.2 Pension Reserve (Contd.)

	2014/15 £'000	2013/14 £'000
Balance at 1st April	(332)	(275)
Actuarial losses or (gains) on pension assets and liabilities	0	0
Remeasurements of the net defined benefit liability / (asset)	(19)	(43)
Reversals of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement.	(78)	(67)
Employer's pension contributions and direct payments to pensioners payable in the year.	56	53
Balance at 31st March	<u>(373)</u>	<u>(332)</u>

#### 16.3 Accumulated Absence Account

The Accumulated Absence Account absorbs the differences that would otherwise arise on the General Fund Balance from accruing for compensated absences earned but not taken in the year, for example, annual leave entitlement carried forward at 31st March. Statutory arrangements require that the impact on the General Fund balance is neutralised by transfers to or from the Account.

	2014/15 £'000	2013/14 £'000
Balance at 1st April	(8)	(2)
Settlement or cancellation of accrual made at the end of the preceding year	8	2
Amounts accrued at the end of the current year	(6)	(8)
Balance at 31st March	<u>(6)</u>	<u>(8)</u>

### 17. MEMBERS EXPENSES

The Partnership paid the following amounts to members during the year:

	2014/15 £'000	2013/14 £'000
Expenses	<u>1</u>	<u>1</u>
	<u>1</u>	<u>1</u>

# The South East of Scotland Transport Partnership (SESTRAN)

## 18. AMOUNTS REPORTED FOR RESOURCE ALLOCATION DECISIONS

The analysis of income and expenditure by service on the face of the Comprehensive Income and Expenditure Statement is that specified by SERCOP.

However decisions about resource allocation are taken by the Partnership's Board on the basis of budget reports analysed across functions. These reports are prepared on a different basis from the accounting policies used in the Annual Accounts. In particular:

- no charges are made in relation to capital expenditure (whereas depreciation, revaluation and impairment losses in excess of the balance on the Revaluation Reserve and amortisations are charged to services in the Comprehensive Income and Expenditure Statement),
- the cost of retirement benefits is based on cash flows (payments of employer's pensions contributions) rather than current service cost of benefits accrued in the year,
- expenditure on some support services is budgeted for centrally and not charged to projects

The income and expenditure of the Partnership's principal functions recorded in the budget reports for the year is as follows:

Segmental Income and Expenditure 2014/15	Core Service £'000	Projects £'000	Total £'000
Fees, charges & other service income	0	(1,066)	(1,066)
Interest and investment income	0	0	0
Government grants	(266)	(516)	(782)
Constituent Council requisitions	(200)	0	(200)
<b>Total Income</b>	<b>(466)</b>	<b>(1,582)</b>	<b>(2,048)</b>
Employee expenses	227	0	227
Other service expenses	173	0	173
Support service recharges	54	0	54
Project costs	0	1,594	1,594
<b>Total Expenditure</b>	<b>454</b>	<b>1,594</b>	<b>2,048</b>
<b>Net Expenditure</b>	<b>(12)</b>	<b>12</b>	<b>0</b>
<b>Segmental Income and Expenditure 2013/14</b>	<b>Core Service £'000</b>	<b>Projects £'000</b>	<b>Total £'000</b>
Fees, charges & other service income	0	(1,794)	(1,794)
Interest and investment income	0	0	0
Government grants	(266)	(516)	(782)
Constituent Council requisitions	(200)	0	(200)
<b>Total Income</b>	<b>(466)</b>	<b>(2,310)</b>	<b>(2,776)</b>
Employee expenses	194	0	194
Other service expenses	187	0	187
Support service recharges	52	0	52
Project costs	0	2,343	2,343
<b>Total Expenditure</b>	<b>433</b>	<b>2,343</b>	<b>2,776</b>
<b>Net Expenditure</b>	<b>(33)</b>	<b>33</b>	<b>0</b>

## The South East of Scotland Transport Partnership (SESTRAN)

### 18. AMOUNTS REPORTED FOR RESOURCE ALLOCATION DECISIONS (Contd.)

#### Reconciliation of Segmental Income and Expenditure to Cost of Services in the Comprehensive Income and Expenditure Statement

This reconciliation shows how the figures in the analysis of the segmental income and expenditure relate to the amounts included in the Comprehensive Income and Expenditure Statement.

	2014/15 £'000	2013/14 £'000
Net expenditure in the Segmental Analysis	0	0
Amounts in the Comprehensive Income and Expenditure Statement not reported to management in the Segmental Analysis	42	(1,710)
Amounts in the Segmental Analysis not included in the Comprehensive Income and Expenditure Statement *	982	982
<b>Cost of Services in Comprehensive Income and Expenditure Statement</b>	<b>1,024</b>	<b>(728)</b>

(\* investment income, government grant and Council requisitions are presented differently in the Comprehensive Income and Expenditure Statement)

#### Reconciliation to Subjective Analysis

This reconciliation shows how the figures in the analysis of segmental income and expenditure relate to a subjective analysis of the Surplus or Deficit on the Provision of Services included in the Comprehensive Income and Expenditure Statement.

	Segmental Analysis £'000	IFRS Gross Up £'000	Not Reported to Mgmt £'000	Not Included in CIES £'000	Cost of Services £'000	Corporate Amounts £'000	Total £'000
<b>2014/15</b>							
<b>Reconciliation to Subjective Analysis</b>							
Fees, charges & other service income	(1,066)	(190)			(1,256)		(1,256)
Interest and investment income	0			0	0	0	0
Government grants	(782)			782	0	(782)	(782)
Constituent Council requisitions	(200)			200	0	(200)	(200)
Expected return on pensions assets					0	(58)	(58)
	(2,048)	(190)	0	982	(1,256)	(1,040)	(2,296)
Employee expenses	227	190	(2)		415		415
Other operating expenses	173				173		173
Support services	54				54		54
Project costs	1,594				1,594		1,594
Contributions credited to the CIES that have been applied to capital financing				(638)	(638)		(638)
Depreciation				675	675		675
Pensions/ Other interest cost			(1)		(1)	73	72
Reversal of employer pension contributions			(56)		(56)		(56)
Actuarial valuation of employer pension contributions			64		64		64
	2,048	190	42	0	2,280	73	2,353
<b>(Surplus) or Deficit on the provision of service</b>	<b>0</b>	<b>0</b>	<b>42</b>	<b>982</b>	<b>1,024</b>	<b>(967)</b>	<b>57</b>

# The South East of Scotland Transport Partnership (SESTRAN)

## 18. AMOUNTS REPORTED FOR RESOURCE ALLOCATION DECISIONS (Contd.)

2013/14	Segmental Analysis £'000	IFRS Gross Up £'000	Not Reported to Mgmt £'000	Not Included in CIES £'000	Cost of Services £'000	Corporate Amounts £'000	Total £'000
<b>Reconciliation to Subjective Analysis</b>							
Fees, charges & other service income	(1,794)	(187)			(1,981)		(1,981)
Interest and investment income	0			0		0	0
Government grants	(782)			782		(782)	(782)
Constituent Council requisitions	(200)			200		(200)	(200)
Expected return on pensions assets						(59)	(59)
	<b>(2,776)</b>	<b>(187)</b>	<b>0</b>	<b>982</b>	<b>(1,981)</b>	<b>(1,041)</b>	<b>(3,022)</b>
Employee expenses	194	187	6		387		387
Other operating expenses	187				187		187
Support services	52				52		52
Project costs	2,343				2,343		2,343
Contributions credited to the CIES that have been applied to capital financing			(1,716)		(1,716)		(1,716)
Depreciation					0		0
Pensions interest cost			(1)		(1)	73	72
Reversal of employer pension contributions			(53)		(53)		(53)
Actuarial valuation of employer pension contributions			54		54		54
	<b>2,776</b>	<b>187</b>	<b>(1,710)</b>	<b>0</b>	<b>1,253</b>	<b>73</b>	<b>1,326</b>
<b>(Surplus) or Deficit on the provision of service</b>	<b>0</b>	<b>0</b>	<b>(1,710)</b>	<b>982</b>	<b>(728)</b>	<b>(968)</b>	<b>(1,696)</b>

## The South East of Scotland Transport Partnership (SESTRAN)

### 19. EXTERNAL AUDIT COSTS

The Partnership has incurred the following costs in relation to the audit of the Annual Accounts, certification of grant claims, and statutory inspections and to non-audit services provided by the Partnership's external auditors:

	2014/15 £'000	2013/14 £'000
Fees payable in respect of:		
· external audit services carried out by the appointed auditor for the year	9	9
	<u>9</u>	<u>9</u>

### 20. GRANT INCOME

The Partnership credited the following grants, contributions and donations to the Comprehensive Income and Expenditure Statement in 2014/15:

	2014/15 £'000	2013/14 £'000
<b>Credited to Taxation and Non Specific Grant Income</b>		
Scottish Government - Revenue Grant	(782)	(782)
Constituent Council Requisitions (Note 21.3)	(200)	(200)
	<u>(982)</u>	<u>(982)</u>
<b>Credited to Services</b>		
EU Grant - Regional Real Time Bus Passenger Information System (RTPI)	0	(520)
EU Grant - Lo Pinod	(55)	(62)
EU Grant - I Transfer	(21)	(21)
EU Grant - Foodport	(7)	(34)
EU Grant - Weastflows	(32)	(21)
EU Grant - CHUMS	(30)	0
EU Grant - NWE Ride	(16)	0
Bus Investment Fund Grant - RTPI	(578)	(648)
Contribution - City of Edinburgh Council	(3)	(61)
Contribution - Midlothian Council	(1)	(42)
Contribution - Fife Council	(4)	0
Contribution - East Lothian Council	(1)	(22)
Contribution - Scottish Borders Council	(1)	(5)
Contribution - Falkirk Council	0	(19)
Contribution - Kent County Council	0	(5)
Contribution - Perth & Kinross Council	(3)	0
Contribution - SUSTRANS	(99)	0
	<u>(851)</u>	<u>(1,460)</u>

# The South East of Scotland Transport Partnership (SESTRAN)

## 21. RELATED PARTIES

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The Partnership is required to disclose material transactions with related parties - bodies or individuals that have the potential to control or influence the Partnership or to be controlled or influenced by the Partnership. Disclosure of these transactions allows readers to assess the extent to which the Partnership might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the Partnership.

### 21.1 Scottish Government

The Partnership receives grant-in-aid revenue funding through the Scottish Government. Grants received from the Scottish Government are set out in the subjective analysis in Note 20.

### 21.2 Members

Members of the Partnership have direct control over the Partnership's financial and operating policies. The total of members' expenses paid by the Partnership in 2014-15 is shown in Note 17.

### 21.3 Other Parties

During the year, the Partnership entered into the following transactions with related parties:

	2014/15 £'000	2013/14 £'000
• Revenue Expenditure - Support Services		
City of Edinburgh Council - Financial Services	31	27
Fife Council - Clerking/ Legal Services	21	19
	<hr/> 52	<hr/> 46
• Revenue Expenditure - Other		
City of Edinburgh Council	26	12
Clackmannanshire Council	2	5
East Lothian Council	74	2
Midlothian Council	0	12
	<hr/> 102	<hr/> 31



## The South East of Scotland Transport Partnership (SESTRAN)

### 21. RELATED PARTIES (Contd.)

#### 21.3 Other Parties (contd.)

	2014/15 £'000	2013/14 £'000
· Revenue Income - Requisitions		
Clackmannanshire Council	(7)	(7)
East Lothian Council	(13)	(13)
City of Edinburgh Council	(63)	(64)
Falkirk Council	(20)	(20)
Fife Council	(48)	(48)
Midlothian Council	(11)	(11)
Scottish Borders Council	(15)	(15)
West Lothian Council	(23)	(22)
	<u>(200)</u>	<u>(200)</u>
· Revenue Income - Interest on Revenue Balances		
City of Edinburgh Council	1	1
	<u>1</u>	<u>1</u>
· Revenue Income - Other		
Scottish Government	(578)	(648)
Constituent Councils	(14)	(173)
City of Edinburgh Council	(3)	(61)
East Lothian Council	(1)	(22)
Falkirk Council	0	(19)
Fife Council	(4)	0
Kent County Council	0	(5)
Midlothian Council	(1)	(42)
Perth and Kinross Council	(3)	0
Scottish Borders Council	(1)	(5)
West Lothian Council	0	0
	<u>(605)</u>	<u>(975)</u>

# The South East of Scotland Transport Partnership (SESTRAN)

## 21. RELATED PARTIES (Contd.)

### 21.4 Other Parties

The following represents amounts due to/ (from) the Partnership at 31 March 2015, with its related parties.

<b>CREDITORS</b>	<b>2014/15</b>	<b>2013/14</b>
	<b>£'000</b>	<b>£'000</b>
· Creditors - Related Parties (Revenue Grants)		
Clackmannanshire Council	(2)	(5)
City of Edinburgh Council	(15)	0
East Lothian Council	(74)	(2)
	<u>(91)</u>	<u>(7)</u>
· Creditors - Related Parties (Other)		
City of Edinburgh Council	(23)	(22)
Fife Council	(21)	(19)
Constituent Councils	(26)	(14)
	<u>(70)</u>	<u>(55)</u>
· Creditors - Other Parties	<u>(1,223)</u>	<u>(1,149)</u>
<b>Total Creditors</b>	<u><b>(1,384)</b></u>	<u><b>(1,211)</b></u>
<b>DEBTORS</b>		
· Debtors - Related Parties (Other)		
Fife Council	0	8
Scottish Government	475	0
	<u>475</u>	<u>0</u>
· Debtors - Other Parties	<u>819</u>	<u>1,185</u>
<b>Total Debtors</b>	<u><b>1,294</b></u>	<u><b>1,185</b></u>

# The South East of Scotland Transport Partnership (SESTRAN)

## 22. LEASES

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### Operating Leases

The Partnership leases an office at Claremont House, 130 East Claremont Street, Edinburgh which the Partnership has occupied since 4th May 2011. The Partnership has the option to terminate the lease under no penalty if at least six months notice is given.

This lease has been accounted for as an operating lease.

The Partnership also has the use of a photocopier under a hire agreement, which has been accounted for as an operating lease. The hire agreement renewal started on 29th August 2014 and is due to expire on 28th August 2015.

On 1st April 2014, the Partnership entered into a contract with MOBIUS Networks for the leasing of SIM cards for the RTPi project which enable the buses to be tracked live on the system. After the first year, the Partnership has the option to terminate the lease under no penalty if at least six months notice is given.

The future minimum lease payments due under non-cancellable leases in future years are:

	2014/15 £'000	2013/14 £'000
• Not later than 1 year	30	7
• Later than 1 year not later than 5 years	0	0
• Later than 5 years	0	0
	<hr/>	<hr/>
	30	7
	<hr/>	<hr/>

The Partnership has no other material operational leases.

## 23. DEFINED BENEFIT PENSION SCHEMES

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### 23.1 Participation in Pension Schemes

As part of the terms and conditions of employment of its staff, the Partnership makes contributions towards the cost of post employment benefits. Although these benefits will not actually be payable until the employees retire, the Partnership has a commitment to make the payments that needs to be disclosed at the time that employees earn their future entitlement. As explained in Accounting Policy 1.6, the Partnership is an admitted body to the Local Government Pension Scheme (LGPS) which is administered by the Lothian Pension Fund.

The Partnership participates in:

- A funded defined benefit final salary scheme. This means that the Partnership and employees pay contributions into a fund, calculated at a level intended to balance the pensions liabilities with investment assets.
- An arrangement for the award of discretionary post retirement benefits upon early retirement - this is an unfunded defined benefit arrangement, under which liabilities are recognised when awards are made. However, there are no investment assets built up to meet these pension liabilities, and cash has to be generated to meet actual pensions payments as they eventually fall due.

# The South East of Scotland Transport Partnership (SESTRAN)

## 23. DEFINED BENEFIT PENSION SCHEMES (Contd.)

### 23.2 Transactions Relating to Post-employment Benefits

The Partnership recognises the cost of retirement benefits in the reported cost of services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge that is required to be made is based on the cash payable in the year, so the real cost of post employment/retirement benefits is reversed out of the General Fund via the Movement in Reserves Statement. The following transactions have been made in the Comprehensive Income and Expenditure Statement and the General Fund Balance via the Movement in Reserves Statement during the year:

	2014/15 £000	2014/15 £000	2013/14 £000	2013/14 £000
<b>Comprehensive Income and Expenditure Statement</b>				
<i>Cost of services:</i>				
<i>Service cost, comprising:</i>				
Current service costs	64		54	
Past service costs	<u>0</u>		<u>0</u>	
		64		54
<i>Financing and investment income:</i>				
Net interest expense		<u>14</u>		<u>13</u>
<b>Total post employee benefit charged to the surplus on the provision of services</b>		78		67
<i>Other post-employment benefits charges to the Comprehensive Income / Expenditure Statement</i>				
<i>Remeasurement of the net defined liability, comprising:</i>				
Return on plan assets, excluding the amount incl. in the net interest expense above.	2		(21)	
Actuarial gains and (losses) arising on changes in financial assumptions	185		65	
Actuarial gains and (losses) arising on changes in demographic assumptions	66			
Other experience	<u>(234)</u>		<u>(1)</u>	
		<u>19</u>		<u>43</u>
<b>Total post-employment benefits charged to the Comprehensive Income / Expenditure Statement</b>		<u>97</u>		<u>110</u>
<b>Movement in Reserves Statement</b>				
Reversal of net charges made to the surplus on the provision of services for post-employment benefits in accordance with the Code.		<u>(41)</u>		<u>(57)</u>
<b>Actual amount charged against the General Fund Balance for pensions in the year:</b>				
Employer's contributions payable to the scheme		56		53
		<u>56</u>		<u>53</u>

# The South East of Scotland Transport Partnership (SESTRAN)

## 23. DEFINED BENEFIT PENSION SCHEMES (Contd.)

### 23.3 Pension Assets and Liabilities Recognised in the Balance Sheet

The amount included in the Balance Sheet arising from the Council's obligations in respect of its defined benefit plan is as follows:

	2014/15 £'000	2013/14 £'000
Fair value of employer assets	1,457	1,418
Present value of funded liabilities	(1,830)	(1,750)
Present value of unfunded liabilities	0	0
	<hr/>	<hr/>
Net liability arising from defined benefit obligation	(373)	(332)

### 23.4 Reconciliation of the Movements in the Fair Value of Scheme Assets

	2014/15 £'000	2013/14 £'000
Opening fair value of scheme assets	1,418	1,297
Interest income	58	59
Remeasurement gain / (loss):		
Return on plan assets, excluding the amount included in the net interest expense	(2)	21
Contributions from employer	56	53
Contributions from employees into the scheme	18	18
Contributions in respect of unfunded benefits		
Benefits paid	(91)	(30)
Unfunded benefits paid		
	<hr/>	<hr/>
Closing fair value of scheme assets	1,457	1,418

### Reconciliation of Present Value of the Scheme Liabilities

	2014/15 £'000	2013/14 £'000
Present value of funded liabilities	(1,750)	(1,572)
Present value of unfunded liabilities	0	0
	<hr/>	<hr/>
Opening balance at 1st April	(1,750)	(1,572)
Current service cost	(64)	(54)
Interest cost	(72)	(72)
Contributions from employees into the scheme	(18)	(18)
Remeasurement gain / (loss):		
Change in demographic assumptions	(66)	0
Change in financial assumptions	(185)	(65)
Other experience	234	1
Past service cost	0	0
Benefits paid	91	30
Unfunded benefits paid	0	0
	<hr/>	<hr/>
Closing balance at 31st March	(1,830)	(1,750)

# The South East of Scotland Transport Partnership (SESTRAN)

## 23. DEFINED BENEFIT PENSION SCHEMES (Contd.)

### 23.5 Fair Value of Employer Assets

The following asset values are at bid value as required under IAS19.

	2014/15		2013/14	
	£'000	%	£'000	%
<b>Equity Securities:</b>				
Consumer *	204	14	215	15
Manufacturing *	171	12	193	14
Energy and Utilities *	146	10	158	11
Financial Institutions *	120	8	99	7
Health and Care *	99	7	97	7
Information technology *	91	6	92	7
Other *	65	4	63	5
<b>Sub-total Equity Securities</b>	<b>896</b>		<b>917</b>	
<b>Debt Securities:</b>				
Corporate Bonds (Investment grade) *	0	0	46	3
Corporate Bonds (non-investment grade) *	0	0	7	0
UK Government *	85	6	48	3
Other *	36	2	1	0
<b>Sub-total Debt Securities</b>	<b>121</b>		<b>102</b>	
<b>Private Equity:</b>				
All *	0	0	12	1
All	169	12	160	11
<b>Sub-total Private Equity</b>	<b>169</b>		<b>172</b>	
<b>Real Estate:</b>				
UK Property	95	7	99	7
Overseas Property	15	1	11	1
<b>Sub-total Real Estate</b>	<b>110</b>		<b>110</b>	
<b>Investment Funds and Unit Trusts:</b>				
Equities *	16	1	15	2
Equities	0	0	5	0
Bonds *	4	0	0	0
Bonds	0	0	6	0
Commodities *	5	0	0	0
Commodities	0	0	5	0
Infrastructure *	9	1	0	0
Other *	5	1	0	0
Other	5	0	5	0
<b>Sub-total Investment Funds and Unit Trusts</b>	<b>44</b>		<b>36</b>	
<b>Derivatives:</b>				
Foreign Exchange *	2	0	0	0
<b>Sub-total Derivatives</b>	<b>2</b>		<b>0</b>	
<b>Cash and Cash Equivalents</b>				
All *	115	8	81	6
<b>Sub-total Cash and Cash Equivalents</b>	<b>115</b>		<b>81</b>	
<b>Total Fair Value of Employer Assets</b>	<b>1,457</b>		<b>1,418</b>	

*Scheme assets marked with an asterisk (\*) have quoted prices in active markets.*

# The South East of Scotland Transport Partnership (SESTRAN)

## 23. DEFINED BENEFIT PENSION SCHEMES (Contd.)

### 23.6 Basis for Estimating Assets and Liabilities

Liabilities have been assessed on an actuarial basis using the projected unit credit method, an estimate of the pensions that will be payable in future years which are dependent on assumptions about mortality rates, salary levels, etc. The Local Government Pension Scheme has been assessed by Hymans Robertson LLP, an independent firm of actuaries and are based on the latest formal valuation of the scheme as at 31 March 2014.

The principal assumptions used by the actuary have been:

	2014/15	2013/14
Long term expected rate of return on assets in the scheme:		
· Equity investments	17.2%	6.0%
· Bonds	17.2%	6.0%
· Property	17.2%	6.0%
· Cash	17.2%	6.0%
Mortality assumptions - longevity at 65 for current pensioners:		
· Men	22.1 years	20.4 years
· Women	23.7 years	22.8 years
Mortality assumptions - longevity at 65 for future pensioners:		
· Men	24.2 years	22.6 years
· Women	26.3 years	25.4 years
Pension increase rate	2.4%	2.6%
Salary increase rate (see below)	4.3%	4.9%
Discount rate	3.2%	4.1%

Note: The salary increases are assumed to be 1.0% p.a. until 31 March 2015, reverting to the long-term assumption shown thereafter.

Estimation of defined benefit obligations is sensitive to the actuarial assumptions set out above. In order to quantify the impact of a change in the financial assumptions used, the Actuary has calculated and compared the value of the scheme liabilities as at 31 March 2015 on varying bases. The approach taken by the Actuary is consistent with that adopted to derive the IAS19 figures.

For example, to quantify the uncertainty around life expectancy, the Actuary has calculated the difference in cost to the Employer of a one year increase in life expectancy. For sensitivity purposes, this is assumed to be an increase in the cost of benefits of broadly 3%. In practice the actual cost of a one year increase in life expectancy will depend on the structure of the revised assumption and changes in some of the assumptions may be interrelated.

Change in assumptions at 31 March 2015	Approximate % Increase to Employer	Approximate Monetary Amount £'000
0.5% decrease in Real Discount Rate	9.0%	170
1 year increase in member life expectancy	3.0%	55
0.5% increase in the Salary Increase Rate	2.0%	37
0.5% increase in the Pension Increase Rate	7.0%	130

## The South East of Scotland Transport Partnership (SESTRAN)

### 23. DEFINED BENEFIT PENSION SCHEMES (Contd.)

#### 23.7 Analysis of projected amount to be charged to profit or loss for the period to 31 March 2016

	Assets £000	Obligations £000	Net (liability) / asset £000	% of pay
Current service cost	0	(71)	(71)	(28.2%)
Past service cost including curtailments	0	0	0	0.0%
Effect of settlements	0	0	0	0.0%
<b>Total Service Cost</b>	<b>0</b>	<b>(71)</b>	<b>(71)</b>	<b>(28.2%)</b>
Interest income on plan assets	47	0	47	18.6%
Interest cost on defined benefit obligation	0	(59)	(59)	(23.3%)
<b>Total Net Interest Cost</b>	<b>47</b>	<b>(59)</b>	<b>(12)</b>	<b>(4.7%)</b>
<b>Total included in Profit or Loss</b>	<b>47</b>	<b>(130)</b>	<b>(83)</b>	<b>(32.9%)</b>

SESTRAN's estimated contribution to Lothian Pension Fund for 2015/16 is £57,000.

### 24. NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

The Partnership's activities expose it to a variety of financial risks:

- Credit risk - the possibility that other parties might fail to pay amounts due to the Partnership.
- Liquidity risk - the possibility that the Partnership might not have funds available to meet its commitments to make payments.
- Re-financing risk - the possibility that the Partnership might be requiring to renew a financial instrument on maturity at disadvantageous interest rates or terms.
- Market risk - the possibility that financial loss might arise for the Partnership as a result of changes in such measures as interest rate movements.
- Price risk - the possibility that fluctuations in equity prices has a significant impact on the value of financial instruments held by the Authority. This is considered immaterial because the Authority does not generally invest in equity shares.
- Foreign exchange risk - the possibility that fluctuations in exchange rates could result in loss to the Partnership.

Treasury Management is carried out on the Partnership's behalf by the City of Edinburgh Council. The Council's overall risk management procedures focus on the unpredictability of financial markets, and implementing restrictions to minimise these risks. The Council complies with the CIPFA Prudential Code, and has adopted the CIPFA Treasury Management in the Public Services Code of Practice.

#### *Credit risk*

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to the Partnership's customers.

The Partnership's surplus funds not immediately required to meet expenditure commitments are held with the City of Edinburgh Council, and the Partnership receives interest on revenue balances on these monies. Since the Partnership's surplus funds are held with the City of Edinburgh Council, the counterparty default exposure is effectively nil.

All Partnership invoices become due for payment on issue, and all trade debtors are overdue less than a month.

Collateral - During the reporting period the Partnership held no collateral as security.



## The South East of Scotland Transport Partnership (SESTRAN)

### 24. NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Contd.)

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#### *Liquidity risk*

The Partnership is also required by statute to provide a balanced budget, which ensures sufficient monies are raised to cover annual expenditure. There is therefore no significant risk that it will be unable to raise finance to meet its commitments under financial instruments. The arrangement with the City of Edinburgh Council ensures sufficient liquidity is available for the Partnership's day to day cash flow needs.

The Council manages the Partnership's liquidity position through the risk management procedures above as well as through cash flow management procedures required by the Code of Practice.

#### *Refinancing risk*

The Partnership has only a small level of surplus funds and no long term debt. The refinancing risk to the Partnership relates to managing the exposure to replacing financial instruments as they mature. As such, the Partnership has no refinancing risk on its liabilities.

The Partnership has no investments with a maturity greater than one year.

#### *Market risk*

##### *Interest rate risk*

The Partnership is exposed to interest rate movements on its investments. Movements in interest rates have a complex impact on an organisation, depending on how variable and fixed interest rates move across differing financial instrument periods.

For instance, a rise in variable and fixed interest rates would have the following effects:

- borrowings at variable rates - the interest expense charged to the Surplus or Deficit on the Provision of Services will rise;
- borrowings at fixed rates - the fair value of the liabilities borrowings will fall;
- investments at variable rates - the interest income credited to the Surplus or Deficit on the Provision of Services will rise; and
- investments at fixed rates - the fair value of the assets will fall.

The Partnership currently has no borrowings. Changes in interest receivable on variable rate investments will be posted to the Surplus or Deficit on the Provision of Services and affect the General Fund Balance. However, all investments currently have a maturity of less than one year and the fair value has therefore been approximated by the outstanding principal.

The Partnership's surplus funds are held with the City of Edinburgh Council. The Council's Treasury Management Team continue to monitor market and forecast interest rates during the year and adjust investment policies accordingly.

#### *Price risk*

The Partnership does not invest in equity shares

#### *Foreign exchange risk*

As at 31 March 2015, the Partnership had financial assets of £91,000 subject to foreign exchange risk. The foreign exchange loss or gain on these financial assets cannot be determined until 2015/16, when the Partnership is in receipt of the related grant income from the European Regional Development Fund. The Partnership has no financial liabilities denominated in foreign currencies.

### 25. SESTRAN Limited

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The Partnership incorporated a wholly-owned limited company - SESTRAN Limited - on 22 January 2010. The company has yet to commence the provision of services and there are no transactions to record for the purposes of preparing Group Accounts.

## **RTS Delivery Plan - Approach**

### **1. INTRODUCTION**

- 1.1** The RTS approved by the Board on 20<sup>th</sup> March does not include a delivery plan, as the Scottish Ministers specifically indicated in a letter to SEStran in January 2008 that the delivery of the strategy was very much up to SEStran and its partners and did not require ministerial approval.
- 1.2** However, a Delivery Plan is required to provide the framework for SEStran's ongoing work programme based on achieving our RTS objectives.
- 1.3** Given the limited funding now available to SEStran, the plan related to the RTS 2015 will rely more on influence, guidance and co-ordination than on direct delivery when compared to the RTS 2008 Delivery Plan.
- 1.4** This report proposes a way forward for preparation of a new Delivery Plan covering the period 2015-2023.

### **2. DETAIL**

- 2.1** The RTS 2014 has been submitted to Scottish Ministers for approval following the Board approval on 20<sup>th</sup> March.
- 2.2** Comments by Transport Scotland on the consultation draft RTS pointed out the large number of unfunded interventions at varying stages of development mentioned in the document. Most of these interventions are not directly under the control of SEStran. These comments highlight the need to produce a Delivery Plan that provides an appropriate context, and identifies and prioritises realistic action by SEStran.
- 2.3** RTS Guidance from 2006 suggests that RTPs should develop an Investment Plan covering the first 5 to 10 years of the RTS timescale setting out a programme of capital investment required for the successful implementation of the RTS. That is the format adopted for SEStran's 2008 Delivery Plan, which was also supported by an appraisal of interventions against RTS objectives.
- 2.4** Given the transfer of RTP capital allocations to individual local authorities by Ministers in 2010 and the scale of funding now allocated on the basis of competitive bidding, this type of Investment Plan no longer appears as relevant. The proposed aims of this Delivery Plan are therefore to:

- a) support member authorities' funding requirements by identifying proposed interventions and putting them in a regional strategic context and
- b) identify the focus for SEStran activity and support the RTP's bids for funding from both national and EU sources.

It should be noted that delivery of capital projects by SEStran is almost entirely dependent on successful bidding, and that capital funding streams are therefore highly unpredictable, even in the short term.

**2.5** It is proposed therefore that the Delivery Plan will have two main components. The first will identify all the interventions included in the RTS and indicate their status, policy background, lead promoter, funding position and timescale together with SEStran's role, if any, in promoting the intervention. This will in effect be a collation of the investment plans of member local authorities and other agencies combined with identified aspirational interventions.

**2.6** The second component will identify SEStran's priorities for action, indicating the interventions for which SEStran can or should play a role in direct delivery, development of detailed proposals, provision of guidance, coordination or simply active support. This will also identify priority areas where capital funding may be sought for delivery and where limited revenue funding should be focussed.

**2.7** It is important to ensure consensus on the Delivery Plan with key partners, especially Transport Scotland and member local authorities. It is proposed therefore to hold early discussions, mainly through the Strategy Liaison Group, to ensure that the format and content of the Delivery Plan is agreed.

**2.8** It must be recognised that flexibility over SEStran's activities will be required given the absence of a specific capital budget. The Delivery Plan will form the basis for the work programmes set out in SEStran's annual Business Plan.

### **3. RECOMMENDATION**

**3.1** The Board approves the development of a Delivery Plan based on the approach described, to be brought back to a future meeting of the Board.

**Alastair Short**  
Strategy Manager

Policy Implications	Policy Development
Financial Implications	
Race Equalities Implications	
Gender Equalities Implications	
Disability Equalities Implications	

## **DECRIMINALISED PARKING ENFORCEMENT (DPE) COLLABORTIVE WORKING WITH THE CITY OF EDINBURGH COUNCIL**

### **1. Introduction**

- 1.1 In 2014, SEStran organised and convened a meeting to consider the implications of Police Scotland's withdrawal from parking enforcement. One of the key outcomes from the meeting was to establish scope for joint working between Local Authorities in Scotland particularly when adopting DPE.
- 1.2 At that meeting the City of Edinburgh Council (CEC) briefed attendees on their experience of successfully delivering DPE since 1998 and Fife Council gave their perspective on introducing and operating DPE.
- 1.3 There was some interest in potential collaborative working between Local Authorities in the spirit of the SEStran Parking Management Strategy (2009) and it was recognised that joint working would be beneficial to those involved, particularly when economies of scale and potential savings are considered.
- 1.4 It was agreed at the meeting that SEStran would approach CEC to discuss what collaborative working opportunities they could provide to other Local Authorities.

### **2. Discussion**

- 2.1 CEC introduced DPE in 1998, as a result of the Police being unable to resource proper enforcement of parking restrictions. CEC immediately achieved greater control and improved the effectiveness of parking restrictions across the city. Edinburgh now has one of the largest DPE operations in the UK outside London.
- 2.2 CEC is able to assist and collaborate with Councils at all stages of the DPE process, including those with an existing DPE service, where there may be scope for shared services and efficiency savings.
- 2.3 Some of the most experienced parking professionals in Scotland currently work within CEC's Parking Operation. This knowledge base and resource is often consulted by other Local Authorities if DPE expertise is required.
- 2.4 CEC operate a Decriminalised Traffic and Parking Services Contract which was developed to foster collaborative working and shared services across Scotland, allowing partner Authorities to procure services from the contract.

2.5 The following contracted services, which can be procured in groups or individually, are available to collaborative partners through the Decriminalised Traffic and Parking Services Contract:

- On Street Enforcement Services
- Car Pound Services
- Bus Lane Camera Enforcement Services
- Pay and Display Services
- Suspension & Dispensation Services
- Lines & Signs Maintenance Services
- Cashless Parking Solution
- Permit Management Solution
- Back Office Support Services
- Online Services

2.6 CEC could also offer the following in-house services to potential collaborative partners:

- DPE consultation services (for those considering moving to DPE)
- TRO consultation and assistance
- Back Office Notice Processing
- Contract Management
- Fraud Prevention Duties

### **3. Recommendations**

3.1 That the board notes the contents of this report and instructs the Director to liaise further with CEC and other local authorities with a view to implementation of shared working.

**Jim Grieve**  
Programme Manager  
June 2015

**Appendix 1:** Decriminalised Parking Enforcement Meeting Agenda and Minute

Policy Implications	As detailed in this report
Financial Implications	As detailed in this report
Race Equalities Implications	None
Gender Equalities Implications	None
Disability Equalities Implications	None

**DECRIMINALISED PARKING ENFORCEMENT (DPE) MEETING  
MONDAY 31<sup>ST</sup> MARCH 2014 AT 2:00PM  
DIAMNOND JUBILEE ROOM, CITY CHAMBERS, EDINBURGH**

A buffet lunch will be served at 1:30pm

- |  |               |
|--|---------------|
| 1. Welcome and Introduction            | Russell Imrie |
| 2. Previous Board Reports & Background | Jim Grieve    |
| 3. Update                              | Alex Macaulay |
| 4. Edinburgh Experience                | tbc           |
| 5. Fife Experience                     | tbc           |
| 6. Way Forward                         | All           |

**DECRIMINALISED PARKING ENFORCEMENT MEETING**  
**2:00PM MONDAY 31<sup>ST</sup> MARCH 2014**  
**DIAMOND JUBILEE ROOM, CITY CHAMBERS, EDINBURGH**

<b><u>Present:</u></b>	Cllr Russell Imrie Cllr Donald Balsillie Cllr Tom Conn Cllr Tim Day Cllr Gordon Edgar Cllr Derek Rosie Mr Angus Carmichael Ms Angela Chambers Mr Mark Craske Mr Neil Dougall Mr Peter Forsyth Mr Jim Grieve Mr Cliff Hutt Mr Alex Macaulay Mr Graeme Malcolm Mr Greg Pender Mr John Richmond Mr Russell Steedman Mr Mac West Mr Brian Young	Midlothian Council (Chair of SEStran) Clackmannanshire Council West Lothian Council East Lothian Council Scottish Borders Council Midlothian Council Fife Council SEStran NHS Forth Valley Midlothian Council East Lothian Council SEStran City of Edinburgh Council SEStran West Lothian Council Falkirk Council City of Edinburgh Council Falkirk Council Clackmannanshire Council Scottish Borders Council
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**Apologies:** None

Ref.		Actions
<b>1.</b>	<b>Welcome and Introductions</b>	
	Cllr Imrie welcomed the group to the meeting and conducted round table introductions. Cllr Imrie noted that he had given a commitment at a previous SEStran Board to convene a meeting with the partner authorities to consider the implications of Police Scotland's withdrawal from parking enforcement. Suggested outcomes are; identifying options for the way forward; and establishing any scope for joint working.	
<b>2.</b>	<b>Previous Board Reports &amp; Background</b>	
	Mr Grieve briefed the group, providing background history and summarising work undertaken by SEStran and its appointed consultants to date, including the development of a Regional Parking Management Strategy and the MVA study which included assessment of a region wide Decriminalised Parking Enforcement (DPE), however, this was deemed to be unfeasible. The current status is that Police Scotland have withdrawn from providing parking enforcement services and although two authorities have successfully introduced their own schemes, most other	



	remaining local authorities are unable to make a viable business case.	
<b>3.</b>	<b>Update</b>	
	As Mr Grieve had provided a comprehensive briefing, Mr Macaulay stated that no further update was required and the focus for the meeting would be to determine the way forward.	
<b>4.</b>	<b>Edinburgh Experience</b>	
	<p>Cllr Imrie invited City of Edinburgh Council (CEC) to share their experience of implementing DPE and noted that it would be useful to hear accounts from both CEC and Fife to provide a comparison of the differing geographical locations.</p> <p>Mr Richmond advised that CEC had introduced DPE in October 1998, although the CPZ had extended since then. He noted that Police Scotland withdrew all services from day one of implementation and suggested that authorities contact Police Scotland to confirm what services are currently being provided in their areas. CEC outsourced the provision of Parking Attendants; however, Greenways were then still enforced by the police and back office duties carried out in-house. CEC suggested the following measures:</p> <ul style="list-style-type: none"> <li>• Ensuring enforcement contractor takes responsibility for equipment.</li> <li>• Assessing each location correctly so restrictions are applicable/comply with road/street use and orders.</li> <li>• Ensuring signage clearly defines duration of enforcement.</li> </ul> <p>Mr Richmond noted that CEC currently issue 160-170k tickets per annum, with 50% paid at 30 days whilst 2.5k vehicles are towed.</p> <p>An offer was extended to the Partner Authorities to visit the CEC Parking Team offices to review their operations.</p> <p>Mr Grieve set out a basic list of requirements for DPE:</p> <ul style="list-style-type: none"> <li>• Designation Order</li> <li>• Traffic Regulation Order's</li> <li>• DPE <ul style="list-style-type: none"> <li>- Enforcement facility</li> <li>- Notice processing facility</li> <li>- Car pound (if towing)</li> <li>- Penalty payment system</li> <li>- Substantial correspondence provision</li> <li>- Penalty/charges established</li> <li>- Appeals process</li> <li>- Surplus income to go back into transport</li> </ul> </li> </ul> <p>Mr Hutt noted that a clearly defined parking strategy is essential and consideration must be given to the effects of off-street parking and the condition of signage and road lines. This led to a discussion about maintenance issues/options and cashless parking.</p>	

	<p>Cllr Edgar asked if vandalism was an issue and Mr Richmond advised that there are spates of missing signs, in particular, upon introduction of the greenways scheme. He noted that signage is generally mounted to lamp-posts and fencing and it is hoped that future signage will be constructed from plastic.</p> <p>Mr Richmond cautioned the group to expect bad press/complaints within the first 6 months of implementation.</p> <p>Mr Dougall queried whether there would be any scope for piggybacking the CEC contract and Mr Richmond confirmed that there is flexibility within the parking enforcement provision, however, any back office duties requirements would require CEC to up-scale their current operations. Mr Richmond also cautioned that a viable business case would still be a precursor to DPE introduction and this would take between 18-24 months for legislation to be granted.</p>	
<b>5.</b>	<b>Fife Experience</b>	
	<p>Cllr Imrie introduced Mr Carmichael and asked if he could provide details of DPE from a Fife perspective.</p> <p>Mr Carmichael informed the group that Fife Council had implemented DPE last year. The region is small in comparison to Edinburgh and consists of urban and rural areas. He outlined the main features of the scheme as follows:</p> <ul style="list-style-type: none"> <li>• Enforcing completed in-house</li> <li>• Back office duties outsourced to ISIS (through English framework agreement as nothing currently available in Scotland)</li> <li>• Maintenance and enforcement dealt with separately where possible</li> <li>• Staff retention problems due to pay grade</li> <li>• Attendants and Road Inspectors responsible for line checking</li> <li>• Mobile phone app being developed, launch planned for later in year</li> <li>• 11 months since launch and 15% up on business plan projections</li> </ul> <p>The group had a general discussion about the key issues within their own town centres and local areas and many authorities are not in a position to make a viable business case individually.</p> <p>Mr Macaulay referred to the SEStran Parking Management Strategy produced in 2009 and advised that its objective was to obtain a degree of fairness and consistency across the region in terms of parking management. It recognised the differing characteristics and problems facing each area and the recommendations of the report were made based on these. He raised the question if there was scope for joint working either together or in smaller groups and suggested that there may be scope for economies of scale.</p>	

6.	Way Forward	
	<p>Cllr Imrie suggested that a review of current legislation was required and suggested adopting a collective approach in trying to find a solution. He handed over to Mr Grieve to outline his proposals for the way forward.</p> <p>Mr Grieve suggested the following options for consideration:</p> <ul style="list-style-type: none"> <li>• Approach Scottish Government to review legislation/business case criteria</li> <li>• Approach CEC to ask if they would be prepared to take on board providing DPE for the other partner authorities within the region</li> <li>• Establish if SEStran should lead a collective approach or should this be done individually</li> </ul> <p>Mr Malcolm suggested Cosla/Scottish Gov involvement would be useful and posed the question of whether a capital grant could be awarded to aid start up costs.</p> <p>Mr Macaulay noted that the SEStran Parking Management Strategy is a regional document that provides general guidance to the Partner Authorities, in respect of a consistent approach to parking controls with the SEStran area</p> <p>Cllr Balsillie asked if there were alternative options to DPE that could be considered.</p> <p>Cllr Imrie thanked the group for their participation and noted the following actions:</p> <ul style="list-style-type: none"> <li>• Suggestions to be consolidated and representations to be made and reported to a future meeting.</li> </ul>	

**Access to Healthcare  
Progress Report**

**INTRODUCTION**

- 1.1 On the 8<sup>th</sup> April 2015 SEStran hosted a meeting chaired by John Jack, to discuss progress made and to agree an Action Plan in relation to access to health in the SEStran area.
- 1.2 The meeting was attended by most of the Health Boards in the SEStran area and the CTA.

**1. DETAIL**

2.1 Following the initial workshop in March 2014, several visits were arranged to centres of good practice within Central Scotland. These were as follows:-

- The NHS Lothian Transport hub, Astley Ainslie Hospital;
- Scottish Ambulance Control Centre, South Queensferry;
- SPT offices and contact centre, Glasgow.

The members who attended these events were impressed with what could be achieved but were also pleased to have the opportunity to discuss the issues they had in their areas and how others have address them.

2.2 SEStran has also become involved with the various individual groups (Lothian and Borders) instigated by the health boards with the aim to encourage the sharing of good practice.

2.3 The meeting also considered a draft Action Plan, outlined below, to focus activities on where it was considered that the greatest benefits are likely to exist with co-ordinated activities.

**Draft Action Plan**

**Benefits of a coordinated Action Plan**

- Increase awareness of the inter-relationships between transport and health, to the benefit of service efficiency and delivery;
- Improve cross sector working between service providers;

- Improving public awareness of options available to access healthcare facilities;
- Reduce inequality of access to healthcare;
- Easier journeys for patients through improved co-ordination of transport issues and healthcare appointment bookings;
- Greater co-ordination of transport and healthcare provision; and
- Increased environmental and financial sustainability of transport to healthcare.

### **Short term Actions**

- Circulate a letter to all relevant decision makers emphasising the importance of ensuring good access to healthcare;
- Use the Health and Social Toolkit to provide a basis for identifying where improvements are required;
- Consider the patient “experience” and identify where improvements can be made in terms of information, procedures and services;
- Identify potential areas where a co-ordinated approach would be most beneficial;
- Continue fact finding visits to potentially benefit from best practice; and
- Hold group meetings on a regular basis to assess progress and opportunities for co-ordinated working (3 monthly).
- Find out the lessons learnt from the Government “trials” including the “Highlands and Islands Travel Scheme”, the “Healthcare Travel cost Scheme” and the “Integrated transport hub development”

**Potential Medium term Actions** (only progressed if it is agreed that a co-ordinated approach through SEStran would be beneficial in developing these actions)

- Assess the potential implementing the process of bookings being sent out with public transport travel plans (this could highlight where appointment times are inappropriate to certain patient);
- Assess the potential for a “hub” approach to co-ordinated transport booking not only for the ambulance service but social care, education and community transport;
- Provide a co-ordinated approach to information on travel options and a “one stop” information/booking facility;
- Consider the sustainable travel provision/facilities at healthcare locations and consider how they can be developed to improve accessibility for patients and staff; (initial accessibility analysis could provide an indication of areas with access problems)

- Look at provision of parking at healthcare facilities to improve their efficient use for patients with appointments and consider how staff use cars

2.4 The development of these actions will be further refined to provide a practical way forward. The most important element is learning from good practice elsewhere and identify where a co-ordinated approach can improve its application to benefit the health service and its patients.

### 3. RECOMMENDATION

3.1 The Board notes progress with developing improved access to healthcare and approves the actions as outlined above.

**Alastair Short**  
 Strategy Manager  
 June 2015

Policy Implications	Policy Development
Financial Implications	None
Race Equalities Implications	None
Gender Equalities Implications	None
Disability Equalities Implications	None

# **SEStran Strategic Cross Boundary Cycle Development**

## **1. BACKGROUND AND INTRODUCTION**

- 1.1** At the end of the SEStran Urban Cycle Network Strategy for Investment published in 2010 it was recommended that further research into the development of strategic cycle networks be undertaken in four years time. Furthermore the refreshed Regional Transport Strategy placed high priority actions on SEStran to support the development of urban cycle networks (Topic 16) and cross boundary active travel (Topic 17).
- 1.2** Using capital funding provided by Sustrans, SEStran invited three consultancies to tender proposals for such research in October 2014. Using delegated powers, the Partnership Director appointed Peter Brett Associates LLP on 24<sup>th</sup> November 2014. This report presents an overview of the Strategic Cross Boundary Cycle Development Study.
- 1.3** The outputs from this study include; an Executive Summary (attached to this report as Appendix 1), a Final Report and its Technical Appendices A to D (hard copies of which will be made available in the SEStran office and on request), and access for all Partnership Authorities to the GIS layers used in this study. The report and technical appendix will also be posted on the SEStran website.

## **2. RESULTS AND DISCUSSION**

**2.1.** The study has been presented in two separate reports:

- A Final Study Report, 'SEStran Strategic Cross Boundary Cycle Development' and:
- A Technical Appendix.

**2.1.1.** The final Study Report highlights the key barriers and missing links within the cycling network in proximity to Local Authority boundaries, and provides a strategic context for the development of interventions to improve cross boundary linkages. An action plan with indicative levels of investment is broken down by RTS Corridors (as presented in the Executive Summary). It is intended that the recommendations be taken forward to direct investment and development of strategic cross boundary cycling infrastructure throughout the region.

**2.1.2.** The appendix includes a comprehensive best practice review and results from the initial consultations and site audits.

### 3. RECOMMENDATION

3.1. The Board approves the Strategic Cross Boundary Cycle Development study and associated outputs as summarised in this report and commends the adoption of the recommendations to the partnership authorities.

**Sarah Ryan**

Active Travel Officer

10<sup>th</sup> June 2015

Policy Implications	Development of recommendations in final reports supports RTS Topics 16 and 17.
Financial Implications	Cost estimates for each recommendation (low/medium/high)
Race Equalities Implications	None
Gender Equalities Implications	None
Disability Equalities Implications	None

#### Appendix

1. SEStran Strategic Cross Boundary Cycle Development – Executive Summary

#### Supporting Papers

1. SEStran Strategic Cross Boundary Cycle Development (Final Report, including appendices A, B and C)

*Available online here:*

[http://www.sestran.gov.uk/uploads/SEStran\\_Strategic\\_Cross\\_Boundary\\_Cycle\\_Development\\_-\\_Final\\_report.pdf](http://www.sestran.gov.uk/uploads/SEStran_Strategic_Cross_Boundary_Cycle_Development_-_Final_report.pdf)

2. Appendix D (power point) – Site Audits Barriers and Missing Links

*Available online here:*

<http://www.sestran.gov.uk/publications/12/strategy-documents--sustainable/>



# Executive Summary

Peter Brett Associates LLP was commissioned by SEStran to develop a strategy for guiding investment in cross local authority boundary sections of the cycling network, with particular focus on routes suitable for commuters.

## Approach

The approach adopted involved the following key stages: Best Practice Review, Desktop Study and Initial Consultation, Site Audits, Developing of Recommendations and Stakeholder Workshop.

Initially, a review of relevant cycling guidance in the UK and internationally was undertaken. Drawing on this, a desktop study was undertaken to gain a detailed understanding of the existing cycle network and environment for cyclists within SEStran. This included a brief summary of the key findings from the previous cycling strategy documentation that was produced, and an update to this in terms of which recommendations had been implemented since. SHS travel diary data provided a context for average cycling trips lengths in Scotland. 2011 Census Travel to Work data at local authority level was used to understand where the key cross-boundary cycle commuting flows are within the region, and was presented graphically using desire lines. STATS19 accident data was also analysed to highlight any cross-boundary locations where fatalities and serious injuries have occurred in the past.

The final element to this was an extensive consultation exercise, which including face to face meetings or telephone interviews with over 20 key stakeholders in the SEStran area. The purpose of this was to understand the existing work being carried out at a local, regional and national level. It also aimed to gauge where consultees thought that new routes and facilities were required, or existing facilities needed significant improvement, and how this could be progressed in partnership with other stakeholders.

## Site Audits

The findings of the desktop study and consultations highlighted the location of the **key barriers and missing links** within the existing cycling network. A list of locations requiring more detailed investigation was produced, and then a series of site audits were undertaken by bicycle to experience the routes first hand. The purpose of these was to gain a better understanding of the issues identified, and to provide context for developing a set of recommendations.

## Development of Recommendations

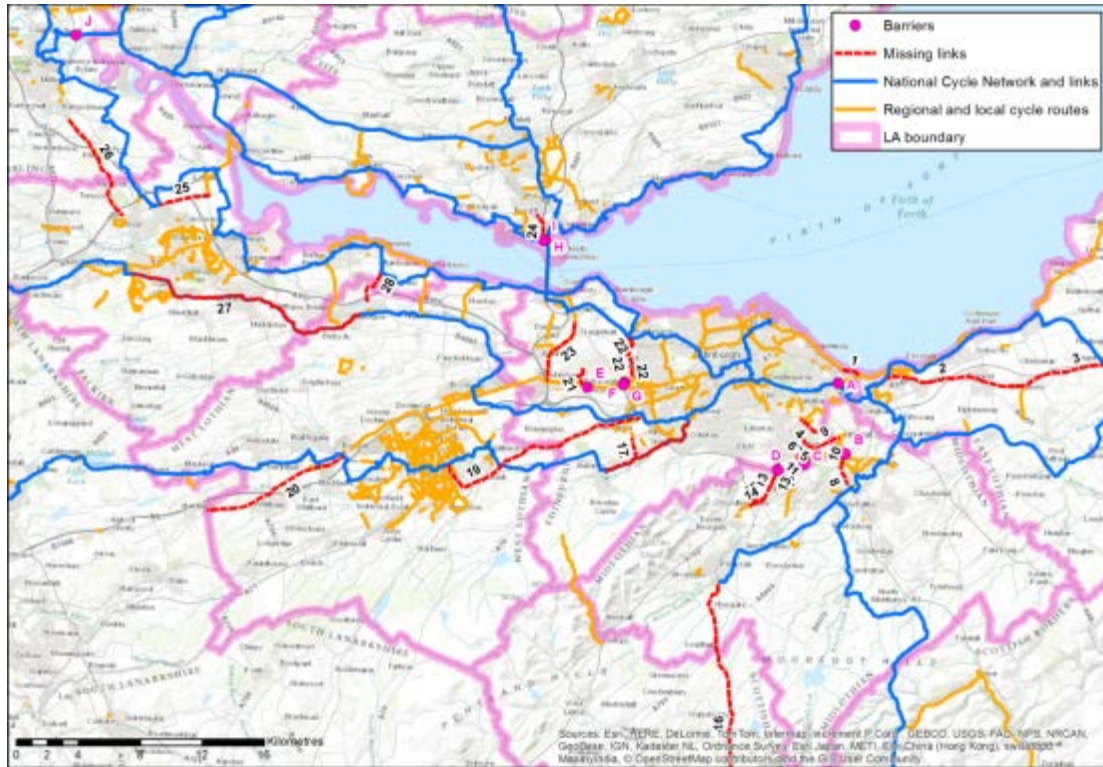
Following the detailed site audits, a package of interventions which could mitigate the key issues identified was developed. Where relevant, several possible solutions were presented, offering alternative options requiring different levels of investment. Reference to cycling best practice guidance was made when developing these solutions.

## Stakeholder Workshop

The findings of the study, including the emerging list of recommendations, were presented at a workshop event to which all stakeholders were invited. This was an interactive session centred around a detailed presentation of the results, with the opportunity for delegates to offer their views on the themes being discussed, and to provide feedback and further suggestions on how the final strategy should look.

## Key findings

The study produced a comprehensive list of recommendations for investment in cross-boundary cycling infrastructure in the SEStran area, based on the key issues identified. The location of barriers and missing links identified are shown below.



1.1.1 The key recommendations were presented by SEStran RTS commuting corridor and were considered within two timeframes; short term (1-3 years) and longer term (3+ years). In many cases, there is the possibility that those in the latter could be delivered within a shorter time frame if funding and planning permission was in place. Shorter term measures are those deemed to be realistic to deliver within a short time frame, addressing key barriers and missing links if funding was available. These are summarised in the table below.

RTS Corridors(s)	Short Term Gaps & Barriers	Short Term Solutions (Cost)	Longer Term Opportunities
2 – Edinburgh East 9 – East Lothian Coastal	Missing link between Portobello Promenade and John Muir Way  Brunstane Bridge steps a barrier	<b>Option 1.</b> Cycle lanes along both sides of the carriageway (M)  <b>Option 2.</b> Part shared use path, part cycle lanes with crossing provided (M)  Provision of ramps on Brunstane Bridge (L)	<b>A199 cycle super highway:</b> Spinal route would serve a number of settlements, providing an artery linking East Lothian with Edinburgh. (H)
3 – Edinburgh South East 11 – Midlothian East/Borders	Sheriffhall roundabout – dangerous and intimidating uncontrolled crossing  Old Dalkeith Road – gaps in cycle lane provision	Provide continuous and consistent cycle lanes along entirety of route. Coloured surfaces are highly recommended (M)	Overpass/fully segregated bridge at Sheriffhall junction – the redesign of the junction should incorporate the highest quality solution for cyclists. (H)  Fully segregated route, provided from Dalkeith to link into the central Edinburgh network. (H)
3 – Edinburgh South East 11 – Midlothian East/Borders	Gilmerton Road shared use path ends abruptly at Drum Street  Gilmerton Road within CEC has gaps in cycle	<b>Option 1.</b> Route from existing terminus of Gilmerton Road shared use path via Gilmerton Station Road and farm track to South Farm and connect with Ravenscroft Place (M)	Connection via A7 to new Sheriffhall junction - incorporate into redesign; extension of proposed A7 shared use path (H)

RTS Corridors(s)	Short Term Gaps & Barriers	Short Term Solutions (Cost)	Longer Term Opportunities
	lane provision Bonnyrigg poorly connected to routes into Edinburgh	<b>Option 2.</b> Utilise Loanhead railway track bed to connect Gilmerton Road shared use path with the Loanhead shared use path (H) Provide complete, consistent, high-quality lanes on Gilmerton Road (L) Bonnyrigg connectivity – provision of a shared use path parallel to A7, connecting to Gilmerton Road shared use path (H)	Utilise the full extent of the Loanhead railway track bed to provide connectivity eastwards from Gilmerton road to Shawfair. This could form part of an Edinburgh orbital route (H)
3 – Edinburgh South East 11 – Midlothian East/Borders	Loanhead shared use path ends abruptly at Lasswade Road Uncontrolled crossing at Gilmerton Station Road	CEC has plans to widen and resurface path adjacent to Lasswade Road (M) No plans to upgrade uncontrolled crossing – recommend that this is monitored and reviewed (M)	Extension of path westwards along north side of Edinburgh bypass – forming part of the Edinburgh orbital route
3 – Edinburgh South East 12 – Midlothian West/Borders	Provision for cyclists is incomplete along sections of A701 Lack of connectivity to Bush Estate Lack of connection between Scottish Borders and Midlothian	Bilston to Kaimes - Continuous, consistent, high quality surfaced lanes along entirety of route (M) Penicuik to Roslin - Onward off-road route to Roslin along B7006 and Loanhead path (M) Bush Estate - Provision of cycle lanes along rural section of Seafield Road, or signage and 20mph limit (L) Alternatively, signage and 20mph limit along urban section, supplementing existing traffic calming (L) Utilise old railway track bed from Peebles to Penicuik to create fully segregated, high quality route. This should form a continuous route by linking in with the enhanced A701 corridor, links to Loanhead Path and NCN 196 (H)	<u>Bush Estate</u> Opportunity to incorporate cycle route into Cameron Gardens development and/or Bilston bypass; provide off-road to Bush Estate and utilise the existing A701 for more cycling carriageway space, as traffic flows are significantly reduced (M)
5 – Edinburgh South West 13 - Lanark	Missing direct link between Balerno/Currie and west Edinburgh Water of Leith path a key route – surface could be better	Cycle lanes or shared use path along Riccarton Mains Road (M) Improve path surface to provide a smoother, faster route suitable for commuter bikes. Toptrek or full tarmacking with cycle lane both possibilities (M)	Link Balerno/Currie to west Edinburgh route with the proposed A71 cycle super highway (M)
5 – Edinburgh South West 14 – West Lothian South	Very little cycle provision within A71 corridor – a key development corridor Canal path surface poor – not a realistic commuting option	Limited scope to utilise canal for commuting – path width constraints, circuitous route and surface are not conducive to offering a fast, direct route Improved surface would be of utility to all users (M)	A71 cycle super highway linking south Livingston with the south west wedge of Edinburgh. This is a key development corridor and the creation of a high quality, segregated route would represent a key strategic cycling route within the region (H)
6 – Edinburgh West	A89/A8 corridor has	CEC has allocated funds to address	A bridge across the

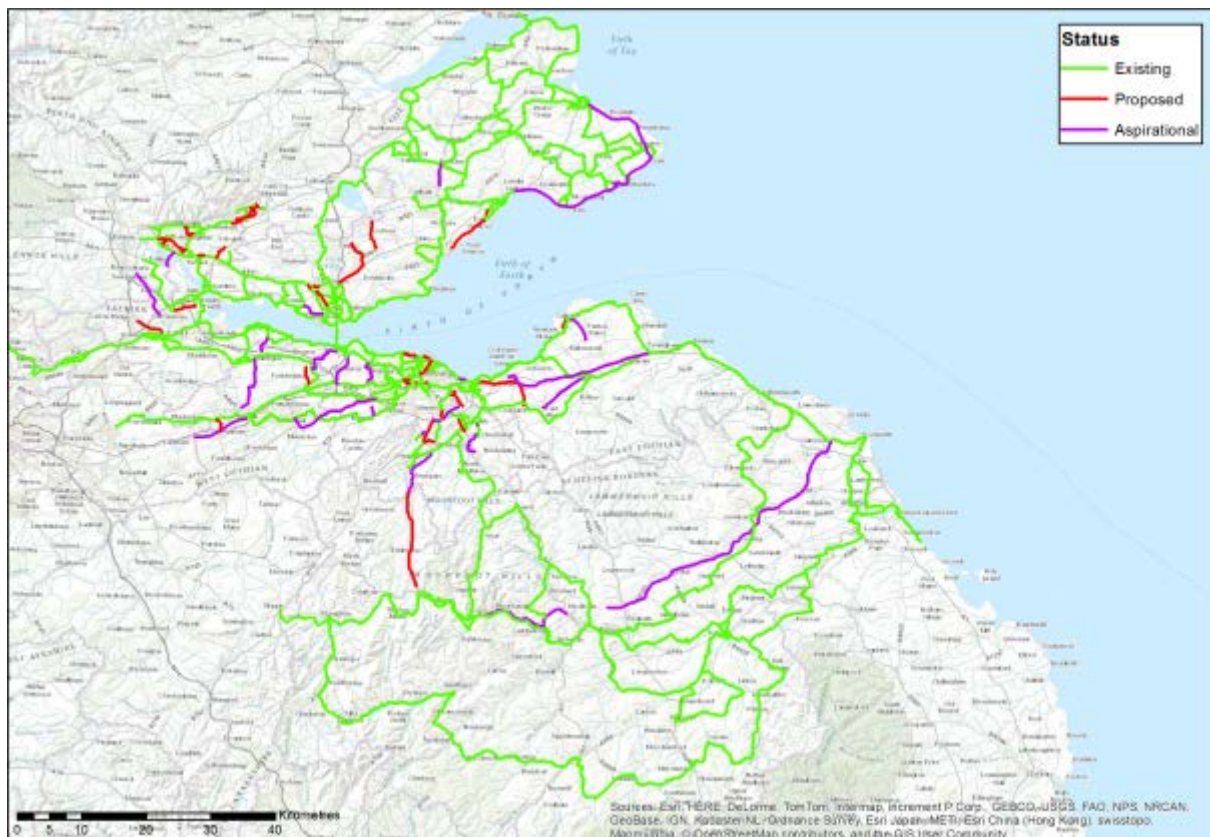
RTS Corridors(s)	Short Term Gaps & Barriers	Short Term Solutions (Cost)	Longer Term Opportunities
15 – West Lothian M8	<p>varying degrees of route quality, with path width and surface substandard in places</p> <p>Gaps in A89 connectivity westwards</p> <p>Uncontrolled crossings at airport roundabout and Gogar roundabout</p> <p>No cycling provision for accessing airport</p>	<p>majority of issues on A8 – airport roundabout will remain uncontrolled. Recommend this is reviewed and controlled crossing provided in future (M)</p> <p>Extend A89 path westwards to offer complete, high-quality route connecting into NCN 75 (H)</p> <p>Provide a safe route for accessing the airport terminal from the A8 (M)</p> <p>Gogar roundabout – signal timings could be reviewed to incorporate controlled pedestrian/cycle crossing (M)</p>	<p>carriageway (similar to Newbridge) at Gogar roundabout should be incorporated into any future junction redesign or upgrade. (H)</p>
6 – Edinburgh West 18 – Queensferry	<p>Missing link between NCN1 and Maybury junction</p> <p>Lack of fast, direct connection between Fife and West Lothian</p>	<p><u>NCN1 – Maybury Junction</u></p> <p>1. Shared use path along Maybury road, with onward connection to NCN1 via Whitehouse Road (M)</p> <p>2. Create route along Cammo Walk, Cammo Road and pavements on A90 to connect with NCN1 at Cramond Brig. Shared use path/pavement between Maybury junction and Cammo Walk (M)</p> <p><u>Fife to West Lothian connection</u></p> <p>Upgrade existing Dalmeny – Newbridge railway path. High quality surface and path widening would create a fast route suitable for commuting (M)</p>	<p>Development of land adjacent to Maybury Road for housing is an opportunity to provide a high quality, segregated cycling connection from NCN1 to the A8 corridor. An offline route considerably to the west of Maybury Road is also an option</p>
18 - Queensferry 19 – Perth & North	<p>Uncontrolled crossing at Ferrytoll if coming from the west</p> <p>Uncontrolled crossing at Castlandhill Road</p> <p>Lack of direct, fast route from Dunfermline and Rosyth to bridgehead</p>	<p>New Ferrytoll junction includes signalised crossings</p> <p>Provision of high quality segregated route along Castlandhill Road to connect with new junction is key. Potential for developer contributions to help fund this (M)</p>	<p>Important to ensure cycling infrastructure in the Dunfermline/Rosyth area is enhanced in line with significant development which is planned there. Potential for developer contributions (M)</p>
20 – Alloa to Dunfermline 21 – Cross Forth (Kincardine) E3 – Stirling Alloa external	<p>Missing link along Bellsdyke Road – would link Forth Valley Hospital with 3 local authorities</p> <p>NCN 76: Uncontrolled crossing at Manor Powis roundabout, Alloa Road busy (Stirling Council)</p>	<p>Fill in missing link between A905 and NCN 76/unclassified road turnoff, and upgrade the entire route to Forth Valley Hospital to a high standard. Segregated path should be provided wherever possible, to encourage greatest cyclist uptake (M)</p> <p>New section of NCN 76 to be built in order to bypass Manor Powis and on-road section (Stirling) (M)</p>	
E4 – Falkirk North West external	<p>No direct link between Stirling and Falkirk – NCN 76 too circuitous for commuter cycling</p>		<p>Create a high quality segregated route along the A9 corridor, linking Stirling and Bannockburn with Forth Valley Hospital and</p>

RTS Corridors(s)	Short Term Gaps & Barriers	Short Term Solutions (Cost)	Longer Term Opportunities
			upgraded Bellsdyke Road route (H)
16 – Edinburgh, Linlithgow, Falkirk	No direct, fast links between West Lothian and Falkirk  Opportunity for cycle and ride from Bo'ness using Linlithgow station	Surface upgrade of Union Canal between Linlithgow, Polmont and Falkirk would make this a viable commuting option (M)  Route from Bo'ness to Linlithgow via NCN 76 and Bonnytown Farm exists – better promotion could help, although this is a hilly journey (L)	

The importance of adhering to cycling design standards was also underlined. As such, it was emphasised that fully segregated routes are the optimal solution wherever possible. Furthermore, the provision of safe crossing points on roads with major traffic flows is an essential design principle; and in general (from a wider bike network perspective) controlled crossing points are key to completing routes that are suitable for an unaccompanied 12 year old to negotiate.

For reference, a list of potential sources of funding was also identified, including Sustrans Community Links, European Structural and Investment (ESI) funds and any upcoming City Deal proposals. It was recommended that SEStran should maintain a comprehensive list of potential funding sources for active travel schemes, including key dates for the submission of proposals to the available funds, and the scope of these funds.

In addition, a region wide network map of all strategic cycling routes within SEStran was produced, in order to collate what is often a disparate picture across the area. Further consultation with local authorities was undertaken to confirm routes for inclusion. The SEStran Cycling Network is shown in the map below.



## ANNUAL TREASURY REPORT 2014/15

### 1 Purpose of report

The purpose of this report is to provide an Annual Treasury Report for the financial year 2014/15.

### 2 Summary

The Board has adopted the CIPFA Code of Practice on Treasury Management in the Public Sector, and under the code, an Annual Report on Treasury Management has to be submitted to the Board after the end of each financial year.

### 3 Investment Out-turn 2014/15

- 3.1 During the financial year the Partnership maintained its bank account as part of the City of Edinburgh Council's group of bank accounts. Cash balances were effectively lent to the Council, but were offset by expenditure undertaken by the City of Edinburgh Council on behalf of the Partnership. Interest is calculated on the month end net indebtedness balances between the Council and the Board in accordance with the Local Authority (Scotland) Accounts Advisory Committee's (LASAAC) Guidance Note 2 on Interest on Revenue Balances (IoRB). The Board gains security from its counterparty exposure being to the City of Edinburgh Council. The monthly balances held within the Council's funds were:

	£
Opening Balance	-325,368.00
30 April 2014	-523,513.89
31 May 2014	-370,887.04
30 June 2014	-175,672.68
31 July 2014	-325,272.60
31 August 2014	-194,167.97
30 September 2014	-269,733.49
31 October 2014	-293,940.31
30 November 2014	-614,363.31
31 December 2014	-460,714.07
31 January 2015	-630,665.12
28 February 2015	-493,872.25
31 March 2015	-1,006,324.88

Interest is calculated from the average monthly balance over 11 months. The interest rate applied was 0.353%. The amount of interest charged was £1,067.00.

- 3.2 The month end indebtedness between the Partnership and City of Edinburgh Council principally reflects the cash flow timing differences of funded projects. This arises from payment of costs for projects by SEStran, in advance of receipt of grant. There are eight European grant claims (excluding RTPI) in the process of being settled as at 31 March 2015, with a total value of £0.091m. In addition, RTPI income of £0.446m and Bus

Investment Fund (BIF) income of £0.475m were both due at 31 March 2015 and in the process of being settled.

#### **4 Recommendations**

- 4.1 It is recommended that the Board notes the Annual Report for 2014/15.

**HUGH DUNN**  
Treasurer

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**Appendix**      None

**Contact/tel**      Iain Shaw, Tel: 0131 469 3117  
([iain.shaw@edinburgh.gov.uk](mailto:iain.shaw@edinburgh.gov.uk))

## **Internal Audit – Annual Report**

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**19<sup>th</sup> June 2015**

### **1. Purpose of this report**

This report highlights the work carried out by Internal Audit for the Financial Year 2014/15.

### **2. Summary**

2.1 The External Auditor has recommended that an Annual Report is provided by the Head of Internal Audit for the Partnership. This report addresses this requirement and is presented to the partnership's Board, following review by the Performance and Audit Committee on 5<sup>th</sup> June 2005.

2.2 Overall reasonable assurance can be placed upon the internal controls in place within the Partnership and I am pleased to include my Statement of Assurance (Appendix 1).

2.3 My statement, along with the work of managers in the Partnership and External Audit, helps inform the Annual Governance Statement (Appendix 2), which includes the Treasurer's Statement on the effectiveness of SEStran's system of internal financial control. Although considered unlikely, it should be noted that any major issues raised by the External Auditor in the audit of the accounts could affect the Draft Annual Governance Statement.

### **3. Governance**

3.1 Internal Audit and the Partnership's management have undertaken a review of the corporate governance arrangements within the Partnership against best practice and concluded that the arrangements are compliant.

### **4. Promotion of internal control**

4.1 The Internal Audit Section ensures a systematic appraisal of the Partnership's control environment and framework of internal controls by being active in a number of areas within the Partnership. The Section's work is based upon a risk analysis of the Partnership's activities to ensure that the limited resources of the Section are used in the most effective way.



## **5. Treasurer's Assurance Statement**

- 5.1 Within the Accounting Code of Practice there is a requirement for the Treasurer to sign an annual statement on the adequacy of the internal controls in place within the financial systems.
- 5.2 As part of his Assurance Statement it is recommended that the Treasurer reports on the arrangements within the Partnership for internal audit provision. It is also recommended that the Head of Internal Audit reports on the financial controls in place.
- 5.3 Internal audit staff carried out a high level review of the adequacy and effectiveness of the Partnership's system of internal financial control for the year to 31<sup>st</sup> March 2015. This work supplemented our annual programme of internal audit activity and provided documentary evidence to support the overall assessment of the Partnership's system of internal control.
- 5.4 The following areas of work provide additional support to this assessment of the Partnership's system of financial control:
- Internal Audit review of the robustness of the system for evidencing compliance with external grant conditions, a key risk discussed at the June 2014 Performance and Audit Committee
  - a Certificate of Assurance signed by the SEStran Partnership Director to the effect that the controls in place are sound (to be presented)

## **6. Focus of internal audit resources**

- 6.1 The Annual Audit Plan for the period to 31st March 2015 (Internal Audit planning year) includes:
- assistance to the Partnership in addressing any areas noted in the Treasurer's Statement;
  - advice and opinion as required.

## **7. Monitoring of performance**

- 7.1 Action plans are agreed with management on all recommendations made within the reports issued and appropriate follow-up arrangements are put in place.

## **8. Recommendation**

8.1 The Partnership Board is requested to:

- Note the contents of this report.
- Note the Draft Annual Governance Statement contained in Appendix 2.

**Hugh Thomson**  
**Principal Audit Manager**

<b>Appendices</b>	Appendix 1 – Annual Statement by Chief Internal Auditor Appendix 2 – Draft Annual Governance Statement 2014/15
<b>Contact/Tel</b>	Hugh Thomson, Principal Audit Manager (0131) 469 3147
<b>Background Papers</b>	None

# South East of Scotland Transport Partnership Appendix 1

## Annual Statement by Chief Internal Auditor

On behalf of the Chief Internal Auditor of the City of Edinburgh Council and provider of the internal audit service for the South East of Scotland Transport Partnership (SEStran), I am pleased to present my Annual Statement on the adequacy and effectiveness of the internal control system of the Partnership for the year ended 31<sup>st</sup> March 2015.

### **Respective responsibilities of management and internal auditors in relation to internal control**

It is the responsibility of the Partnership's senior management to establish an appropriate and sound system of internal control and to monitor the continuing effectiveness of that system. It is the responsibility of the Head of Internal Audit to provide an annual overall assessment of the robustness of the internal control system. The agreed Internal Audit Strategy ensures that I have in place a planning mechanism to enable me to deliver a formal opinion on the internal control environment within SEStran. The formal movement away from purely financial controls to a mixture of financial and non-financial risks ensures the audit opinion is available on the major controls the Partnership has in place to meet the risks it faces in delivery of its aims and objectives.

### **Sound internal controls**

The main objectives of the Partnership's internal control systems are to ensure:

- that its aims and objectives can be met
- adherence to management policies and directives
- assets are safeguarded
- the relevance, reliability and integrity of information, so ensuring as far as possible the completeness and accuracy of records
- compliance with statutory requirements.

Any system of control can only ever provide reasonable and not absolute assurance that control weaknesses or irregularities do not exist or that there is no risk of material errors, losses, fraud, or breaches of laws or regulations. Accordingly, the Partnership is continually seeking to improve the effectiveness of its systems of internal control.

### **The work of internal audit**

Internal Audit is an independent appraisal and assurance function established by the Treasurer for the review of the Partnership's control environment, comprising risk management, control and governance. It objectively examines, evaluates and reports on the financial and operational controls within the Partnership and provides an opinion on the effectiveness of the control environment in achieving the Partnership's objectives.

The Internal Audit Section operates in accordance with the Chartered Institute of Public Finance and Accountancy's Code of Practice for Internal Audit in Local Government and complies with the Public Sector Internal Audit Standards. The Section undertakes an annual programme of work which is reported to the Partnership. The audit plan is based on a formal risk assessment process and audit needs assessment which are revised on an ongoing basis to reflect evolving risks and changes within the Partnership.

The annual audit plan for SEStran is based upon the agreed strategy and is split between work that is required to:

- be carried out annually on the major financial systems to support the Head of Internal Audit's opinion on financial controls which is used to inform the Treasurer's Statement on control;

- support the Chair Person, the Partnership Director and the Treasurer's Annual Governance Statement;
- ensure the effectiveness of the controls that mitigate the risks that would prevent SEStran achieving its aims and objectives as set out in its Business Plan.

In addition, a rolling programme based upon risk is used to cover all other areas of internal control. This rolling programme together with the annual coverage helps to inform my opinion on the adequacy and effectiveness of the control environment.

All internal audit reports identifying system weaknesses and/or non-compliance with expected controls are brought to the attention of management and include appropriate recommendations and agreed action plans. It is management's responsibility to ensure that proper consideration is given to internal audit reports and that appropriate action is taken on audit recommendations. The Internal Auditor is required to ensure that appropriate arrangements are made to determine whether action has been taken on internal audit recommendations or that management has understood and assumed the risk of not taking action. Significant matters including non-compliance with audit recommendations arising from internal audit work are reported to the Partnership.

### **Basis of opinion**

My evaluation of the control environment is informed by a number of sources:

- the audit work undertaken each year by Internal Audit, incorporating the year to 31<sup>st</sup> March 2015;
- reports issued by the Partnership's external auditors, Audit Scotland, and other review agencies;
- knowledge of the Partnership's governance, risk management and performance monitoring arrangements.

### **Opinion**

It is my opinion, based on the above, that reasonable assurance can be placed upon the adequacy and effectiveness of the Partnership's internal control system in the year to 31 March 2015.

**Hugh Thomson, Principal Audit Manager**

**Date 29 May 2015**

### 1. Scope of responsibility

The South East of Scotland Transport Partnership's aim is to develop a transportation system for South East Scotland as outlined in the Partnership's Regional Transport Strategy 2008-2023.

The Partnership is responsible for ensuring that its business is conducted in accordance with the law and appropriate standards, that public money is safeguarded and properly accounted for and used economically, efficiently, effectively and ethically. The Partnership also has a duty to make arrangements to secure continuous improvement in the way its functions are carried out.

In discharging these overall responsibilities Elected Members and Senior Officers are responsible for implementing proper arrangements for the governance of the Partnership's affairs and facilitating the effective exercise of its functions, including arrangements for the management of risk.

The Partnership has approved and adopted a Local Code of Corporate Governance which is consistent with appropriate corporate governance principles and is supported by detailed evidence of compliance, which is regularly reviewed.

This Statement explains how the Partnership delivers good governance and reviews the effectiveness of these arrangements. It also includes a statement on internal financial control in accordance with proper practice.

The Partnership's financial management arrangements conform to the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2010)

### 2. The Partnership's governance framework

The governance framework comprises the systems and processes, and culture and values, by which the Partnership is directed and controlled, and its activities through which it accounts to, engages with and influences the community. It enables the Partnership to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

The framework reflects the arrangements in place to meet the six supporting principles of effective corporate governance:

- Focusing on the purpose of the Partnership and on outcomes for the community, and creating and implementing a vision for the local area;
- Members and officers working together to achieve a common purpose with clearly defined functions and roles;
- Promoting values for the Partnership and demonstrating the values of good governance through upholding high standards of conduct and behaviour;
- Taking informed and transparent decisions which are subject to effective scrutiny and managing risk;
- Developing the capacity and capability of members and officers to be effective;

- Engaging with local people and other stakeholders to ensure robust public accountability.

A significant part of the governance framework is the system of internal control which is based on an ongoing process designed to identify and manage the risks to the achievement of the Partnership's policies, aims and objectives. These are defined in the Partnership's Business Plan, which is updated annually. This will enable the Partnership to manage its key risks efficiently, effectively, economically and ethically.

Within the overall control arrangements the system of internal financial control is intended to ensure that assets are safeguarded, transactions are authorised and properly recorded, and material errors or irregularities are either prevented or would be detected within a timely period. It is based on a framework of regular management information, financial regulations, administrative procedures and management supervision.

While the system of internal control is designed to manage risk at a reasonable level it cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable, and not absolute, assurance of effectiveness.

### **3. Determining the Partnership's purpose, its vision for the local area and intended outcomes for the Community**

The Partnership aims to develop a transportation system for South East Scotland which will enable business to function effectively and provide everyone living in the Region with improved access to health care, education, public services and employment opportunities. The vision for achieving this is outlined in the Regional Transport Strategy.

The Business Plan defines how to implement the aims of this strategy and the Annual Report provides a report of performance against objectives, targets and performance indicators as outlined in the Regional Transport Strategy.

### **4. Review of effectiveness**

The Partnership has put in place arrangements, detailed in the Local Code, for monitoring each element of the framework and providing evidence of compliance. A Principal Officer within the Partnership has been nominated to review the effectiveness of the Local Code and will report annually to the Partnership Board.

The review of the effectiveness of its governance framework including the system of internal financial control is informed by:

- the work of the Internal Auditors and the Head of Internal Audit's Annual Statement on the adequacy and effectiveness of the Partnership's system of internal financial control;
- the Partnership Director's Certificate of Assurance on internal control;
- the operation and monitoring of controls by Partnership managers;
- the External Auditors in their Annual Audit Letter and other reports; and
- other inspection agencies comments and reports.

Through the year Elected Members and Officers have responsibility for the development and maintenance of the governance environment. These review mechanisms include:

- **The Partnership Board** provides strategic leadership, determines policy aims and objectives and takes executive decisions not delegated to officers. It provides political accountability for the Partnership's performance.
- **The Performance and Audit Committee** demonstrates the Partnership's commitment to the principles of good governance. It scrutinises the running of the Partnership and suggests improvements.
- **Internal Audit** provides an independent and objective assurance service to the Partnership by completing a programme of reviews throughout the year, to provide an opinion on the internal control, risk management and governance arrangements of South East of Scotland Transport Partnership.
- **Audit Scotland's Annual Audit Report** is considered by the Partnership Board and the Performance and Audit Committee along with the output from other external audits and inspections.
- **The risk management system** requires that risks are regularly reviewed by the Performance and Audit Committee and the Board. This ensures that actions are taken to effectively manage the Partnership's highest risks.
- **The Legal Officer** is responsible to the Partnership for ensuring that agreed procedures are followed and that all applicable statutes and regulations are complied with.

## 5. Certification

In compliance with accounting practice, the Treasurer has provided the Partnership Director with a statement on the adequacy and effectiveness of the Partnership's internal financial control system for the year ended 31<sup>st</sup> March 2015. It is the Treasurer's opinion that reasonable assurance can be placed upon the adequacy and effectiveness of the Partnership's internal control system.

During the year the Head of Internal Audit reviewed the robustness of the current corporate governance arrangements and systems of internal control and his findings are included in the Head Internal Audit's Annual Report.

From this year's review there is evidence that the Code is operating effectively with overall compliance by the Partnership in all significant areas of its corporate governance arrangements.

Chair of Partnership  
Board:

Date

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Partnership Director: ALEX MACAULAY

Date

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Treasurer: HUGH DUNN

Date

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## **East Coast Main Line Authorities (ECMA)**

### **1 Background**

- 1.1** ECMA is a consortium of a large number of English and Scottish Local Authorities that are served by The East Coast Main Line and was formed in order to highlight the benefits of investing in the East Coast Main Line. During 2014/15. SEStran contributed £1,250 towards ECMA's work and City of Edinburgh and Scottish Borders Councils each contributed £4,400.
- 1.2** The 20<sup>th</sup> March 2015 SEStran Board meeting agreed that SEStran should continue its membership of ECMA and it was noted that several constituent member Councils also wished to become member / continue their membership by contributing towards the cost.
- 1.3** The Board was also advised that a total ECMA budget for the year ahead of £70,000 had been considered and that the Scottish RTPs could cover a maximum of 20% of this total, i.e. £14,000, of which SEStran and relevant constituent Councils would collectively cover 38.5%, i.e. a maximum of £5,390.

### **2 Current Position**

- 2.1** The ECMA budget has since been set at £70,589 and it was agreed that Scotland's share of this will be £12,315. SEStran and the relevant constituent Councils' share of this (38.5%) is therefore £4,741.28. A funding formula has been agreed with the four Councils wanting to participate; City of Edinburgh, East Lothian, Fife and Scottish Borders.
- 2.2** Each member authority can be represented at the full Consortium meetings. Scotland has one representative on the Executive Group (the SEStran Partnership Director) and two representatives on the Communication and Economy Group (most likely to be filled by Nestrans and City of Edinburgh Council)
- 2.3** All members may become involved in separate working groups that may be set up and will also be expected to contribute to the work of ECMA as relevant.

### **3 Recommendation**

- 3.1** Members are asked to note the report.

Trond Haugen  
Advisor to SEStran  
28 May 2015



Policy Implications	None
Financial Implications	None
Race Equalities Implications	None
Gender Equalities Implications	None
Disability Equalities Implications	None

## **SEStran Stations**

### **1. Background**

- 1.1 The March 2015 Board meeting was updated on the progress of the various bids from SEStran and the SEStran Authorities as well as the progress on developing the schemes. It also covered progress on the provision of a new station at Winchburgh and work on potential stations at Newburgh and Levenmouth in Fife.
- 1.2 This report informs the Board of progress on the various bids and projects

### **2. East Linton and Reston Station**

- 2.1 A Development Services Agreement has been signed with Network Rail that will take the development of the two stations to the detailed design stage. Network Rail has already started this work and a progress meeting was held on 9<sup>th</sup> June.
- 2.2 An interim report will be submitted by 31<sup>st</sup> July that primarily will inform if any issues have come to light that may significantly affect adversely the development cost of the two stations or adversely put the project at risk.
- 2.3 The two Councils and SEStran will also sign an agreement where SEStran will act on behalf of the two Councils as Client in respect of the development of the stations, with relevant funds being transferred to SEStran from the two Councils.

### **3. Access to Waverley and Haymarket Station**

- 3.1 Only a relatively small proportion of the original bid (primarily a deck to improve the link between Dalry Road and the Station) was deemed relevant by the rail industry.
- 3.2 The considerable design cost of this work would have to be funded by the Council and little progress has been made to take this project any further.
- 3.3 It should however be noted that Holyrood's Infrastructure and Capital Investment Committee's inquiry into station access has invited CEC (and other Councils) to give evidence to its inquiry hearing this month.

### **4. Leuchars Station Car Park Extension**

- 4.1 The bid by Fife Council towards a 50% contribution from the SSF towards the extension of the car park has been approved with a grant of £255k. The Council is currently in negotiations with then land-owner so development progress is dependent on that being successfully resolved.

## **5. New Falkirk High Station Car Park Extension**

- 5.1 Network Rail have responded very positively to the application by Falkirk Council and SEStran for funding towards a 56 space car park off Slamannan Road at a total implementation cost of around £1.1 million. The main issue that delays the final approval is for negotiations with Abellio to take place regarding a financial contribution by the ScotRail franchise operator.

## **6. Midlothian Stations**

- 6.1 SEStran and Midlothian Council are considering an application for funding from the SSF towards access improvements to all the new Borders Railway stations in Midlothian. This is work that would be additional but complementary to the ongoing work on these stations by Network Rail as part of the Borders rail project.

## **7. Newburgh Station**

- 7.1 The joint 'pre-STAG' study (commissioned by SEStran, Tactran, Fife and Perth & Kinross Councils) regarding the potential new station(s) at Newburgh in Fife and/or Oudenarde (extension of Bridge of Earn) in Perth & Kinross is near completion and will be subject to a separate report to this Board. .

## **8. Winchburgh Station**

- 8.1 Regrettably, it proved 'difficult' for any initial work on the station to be undertaken during the long period this summer when the line is closed for significant electrification work on the Winchburgh tunnel.
- 8.2 It is however still understood that the station, to be fully funded by a developer, could be in place with the introduction of the electric Dunblane – Edinburgh service, envisaged for 2018.

## **9. Levenmouth Rail**

- 9.1 The contract to undertake a renewed STAG study for the project (to re-instate rail services to Levenmouth) has been awarded to SYSTRA. The study should be completed by mid-August 2015 and a key stakeholder meeting took place on 12 June.

## **10. Recommendation**

- 10.1 The Board is asked to note the report,

Trond Haugen  
**Advisor to SEStran**  
10 June 2015

Policy Implications	None
Financial Implications	None
Race Equalities Implications	None
Gender Equalities Implications	None
Disability Equalities Implications	None

## SESplan Cross Boundary Transport and land Use appraisal

### Meetings Summary

Four meetings have been minuted since the last Board meeting;

1. Tuesday 24<sup>th</sup> February 2015
2. Tuesday 31<sup>st</sup> March 2015
3. Tuesday 28<sup>th</sup> April 2015
4. Tuesday 26<sup>th</sup> May 2015

#### Summary of progress

##### Modelling

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- All the planning data has now been collected and input into the model
- The Regional Transport Model has been updated and modified to produce required output.
- Public transport input is currently being checked.
- The TELMOS land use travel generation model has been run with up to date land use predictions from the Local Authorities. This will form the basis for input into the Regional Transport model

##### Study

- The Objectives for the study are being finalised;
- Indicators have been identified to indicate where interventions are required to cope with new generated demand;
- Methodology for developing demand scenarios has been produced

##### General Comment

Up until recently most of the effort has gone into producing up to date modelling tools which will give the information required to analyse the transport capacity issues produced by proposed development and identify the effectiveness/cost of possible interventions. This element is nearing completion and the mechanisms for analysing the data and producing results which will be of use in determining potential development contributions are now being considered.

The list of working group members is attached below;

Transport Sub-Group Members	Contact Details		
Agency/Authority/Company	Name	Phone	email
Transport Scotland	Alison Irvine	0141 272 7590	<a href="mailto:alison.irvine@transportscotland.gsi.gov.uk">alison.irvine@transportscotland.gsi.gov.uk</a>

Transport Scotland	Adam Priestley	0141 272 7596	<a href="mailto:adam.priestley@transportscotland.gsi.gov.uk">adam.priestley@transportscotland.gsi.gov.uk</a>
Transport Scotland	Paul Junik	0141 272 7252	<a href="mailto:Paul.Junik@transportscotland.gsi.gov.uk">Paul.Junik@transportscotland.gsi.gov.uk</a>
Transport Scotland	Stephen Cragg		<a href="mailto:Stephen.Cragg@transportscotland.gsi.gov.uk">Stephen.Cragg@transportscotland.gsi.gov.uk</a>
SEStran	Alex Macaulay	0131 524 5152	<a href="mailto:Alex.Macaulay@sestran.gov.uk">Alex.Macaulay@sestran.gov.uk</a>
SEStran	Alastair Short	0131 524 5150	<a href="mailto:alastair.short@sestran.gov.uk">alastair.short@sestran.gov.uk</a>
SEStran	John Saunders	0131 524 5166	<a href="mailto:John.saunders@sestran.gov.uk">John.saunders@sestran.gov.uk</a>
SEsplan	Graeme Marsden	0131 524 5162	<a href="mailto:Graeme.Marsden@sesplan.gov.uk">Graeme.Marsden@sesplan.gov.uk</a> <a href="mailto:Graeme.Marsden@sestran.gov.uk">Graeme.Marsden@sestran.gov.uk</a>
West Lothian Council	Chris Nicol	01506 282326	<a href="mailto:Chris.Nicol@westlothian.gov.uk">Chris.Nicol@westlothian.gov.uk</a>
City of Edinburgh Council	Andrew McBride	0131 529 3523	<a href="mailto:Andrew.McBride@edinburgh.gov.uk">Andrew.McBride@edinburgh.gov.uk</a>
City of Edinburgh Council	Ewan Kennedy	0131 469 3575	<a href="mailto:Ewan.kennedy@edinburgh.gov.uk">Ewan.kennedy@edinburgh.gov.uk</a>
City of Edinburgh Council	Keith Miller		<a href="mailto:Keith.Miller@edinburgh.gov.uk">Keith.Miller@edinburgh.gov.uk</a>
East Lothian Council	Grant Talac	01620 827 827	<a href="mailto:gtalac@eastlothian.gov.uk">gtalac@eastlothian.gov.uk</a> <a href="mailto:gtalac@eastlothian.gcsx.gov.uk">gtalac@eastlothian.gcsx.gov.uk</a>
Midlothian Council	Lindsay Haddow		<a href="mailto:lindsay.haddow@midlothian.gov.uk">lindsay.haddow@midlothian.gov.uk</a> <a href="mailto:Lindsay.Haddow@midlothian.gcsx.gov.uk">Lindsay.Haddow@midlothian.gcsx.gov.uk</a>
Midlothian Council	Neil Wallace	0131 271 3459	<a href="mailto:neil.wallace@midlothian.gov.uk">neil.wallace@midlothian.gov.uk</a>
Fife Council	Mark Barrett		<a href="mailto:Mark.Barrett@fife.gcsx.gov.uk">Mark.Barrett@fife.gcsx.gov.uk</a>
Fife Council	John Mitchell		<a href="mailto:john.mitchell@fife.gcsx.gov.uk">john.mitchell@fife.gcsx.gov.uk</a>
Scottish Borders	Graeme Johnstone	01835 825138	<a href="mailto:gjohnstone@scotborders.gov.uk">gjohnstone@scotborders.gov.uk</a>

Appointed Consultants	Contact Details		
Company	Name	Phone	email
CH2MHILL	Julia Gilles	0141 552 2000	<a href="mailto:Julia.Gilles@ch2m.com">Julia.Gilles@ch2m.com</a>
CH2MHILL	Colm Smyth		<a href="mailto:Colm.Smyth@ch2m.com">Colm.Smyth@ch2m.com</a>
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CH2MHILL	Chris Buck		<a href="mailto:Christopher.Buck@ch2m.com">Christopher.Buck@ch2m.com</a>
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JMP	John Milligan		<a href="mailto:John.Milligan@jmp.co.uk">John.Milligan@jmp.co.uk</a>

## 1. HS2 Update

On 22nd May 2015, Scotland's seven cities signed a new "[Shared Vision for Scotland's Success](#)" reaffirming their commitment to deliver investment and jobs for Scottish cities.

The cities argued that they needed:

- Fast, reliable and affordable road, rail and air connections between each city and between the cities and their regions.
- The inclusion of Scotland in the UK's High Speed Rail Network.
- Continued, frequent air links from Scotland's cities to London and other international hub airports.
- Full roll-out of a superfast broadband network covering the whole country, including travel routes.
- Greater flexibility to invest in capital, transport and other infrastructural development initiatives that improve the competitiveness and connectivity of cities and their surrounding regions.

In a keynote [speech](#) in Leeds on 1 June, the Rt Hon Patrick McLoughlin MP, Secretary of State for Transport, said that boosting growth in the north, rebalancing the economy and creating a Northern Powerhouse were a vital part of the long-term economic plan. The Transport Secretary said the election result was a massive vote of confidence in favour of HS2 and confirmed construction is on track to start in 2017. Work is also well underway on developing plans for high-speed east-west rail links.

In his first speech since the election, the Transport Secretary told northern and midland leaders at Leeds Civic Hall:

"If you think it is significant that I am making it here, in Leeds, on the eastern leg of HS2, and in the north, then you would be absolutely right. And if you think it is a sign of intent that my themes today are growth, infrastructure, and HS2, you would also be right."

Robert Syms, Conservative MP for Poole, was returned as Chair of the [High Speed Rail \(London - West Midlands\) Bill Select Committee](#) on 8 June 2015. He has held the position since 2014.

## 2. Media Update

Joe Rukin, Stop HS2 campaign manager, suggested in a letter to the [Bucks Herald](#) [07/06/15] that the "politics of HS2 are far from certain".

"The Conservatives, who have championed the scheme, have been returned with a majority government, with MPs along the line largely returned with increased majorities.

“Of course those majorities increased almost exclusively due to a collapse in the Liberal Democrat vote, whilst the parties opposed to HS2 both significantly increased their vote share. In the last government, on many issues potential Tory rebels were kept to heel by the fear of splitting the coalition, whilst as John Major will testify, backbenchers are far more empowered to rebel in governments with small majorities. Couple with this the fact that Labour leadership frontrunner Andy Burnham is sceptical of the HS2 project, which along with fellow candidate Yvette Cooper finds it going through his constituency, and the concept of the supposedly essential cross-party support is suddenly looking less solid. It has been further damaged by the first slap in the face delivered to new SNP MPs from HS2 Ltd.

“It has transpired the feasibility study into extending HS2 north of the border has concluded there is no business case for it.

“Whilst anyone who has been keeping up with the arguments surrounding HS2 knows there is no business case for any of it, it is unusual to hear such candour from an official source. The Scots will also not be impressed that the Welsh, who have a far better case for making such an argument, have been unsuccessful so far in arguing for a Barnett pay-out because the government insist HS2 is not an ‘England-Only’ project, as the supposed benefits will be spread far and wide beyond the physical track.

“Add all of that together, along with surely more revelations about rising costs, decreasing benefits and general debacles in the months before the HS2 Bill returns to be voted on in Parliament, and you may well feel we are in a better position to stop HS2 now than we were before the election.”

### **3. High Speed Rail Scotland Group**

Greengauge 21, the umbrella organization under which all those with an interest in a high speed rail network can come together to debate the merits of alternative routes, priorities and technologies, alternative implementation strategies and the economic and environmental benefits for Britain, announced a national HSR [conference](#) in Glasgow in early September (likely to be the 3<sup>rd</sup> but TBC). Group members interested in attending should [contact](#) Greengauge 21 with their details.

### **4. Edinburgh- Glasgow High Speed Rail**

No news of import to report.



**Network Rail**

**Inclusive Design Strategy –Draft**

**Comments by SEStran**

SEStran is a Regional Transport Partnership covering eight authorities in the south east of Scotland. An important element of our activities is trying to ensure equality of access to public transport for all users especially those with some sort of disability. Our Equalities Forum has been actively involved in considering access issues in the redesigns of Waverley Station and Haymarket Station. Experience from this involvement indicates that the basic appreciation of the need for accessibility measures is understood, but the mechanisms for meaningful input into design issues and implementation of measures is more problematic. It was only through persistent lobbying by our forum members that some of the measures now incorporated in the designs were considered.

The proposals identified in the Draft Inclusive Design Strategy are very much welcomed and will hopefully lead to consistency throughout the network. An important example of this requirement is disabled access to platforms where access is required at both the beginning and end of the journey. As highlighted in section 2.2 it is not only the physical environment that is important, but the ability of staff to help if required, especially at large stations such as Waverley. The booking of assistance is an obvious disincentive to travel by train. SEStran has recently been looking at the inconsistency of acceptance of various sizes of wheelchairs/scooters by various train operators, with the intention of publishing advice on our web site. Issues such as this add to the uncertainty in planning a rail journey and consistent advice and appreciation of the issues would be welcome. There are obvious overlaps with the policies and strategies of the Train Operating companies. It is important that there is a consistent approach and the various strategies/policies complement each other.

The interaction with Local Authorities/ adjacent land owners is a very important issue and ignoring the impact of measures within the station on external accessibility is not helpful. (e.g. Taxi access to Waverley Station and provision of a drop off point at Haymarket Station). A clear process on how these issues should be addressed early on in design process should be identified.

One of the most important elements of the strategy for SEStran is in 4.6, Engaging People. The SEStran Equalities forum is formed of representatives from a variety of disabled/equality groups and is an ideal grouping for consulting/discussing rail access issues. Direct contact with an Access and Inclusion Manager with our Equalities Forum and our Rail Forum would be of considerable benefit.

There is some concern over the composition of the Built Environment Accessibility Panel in that it addresses only one protected characteristic. People with other protected characteristics also have access issues and safety issues that are related to access. Therefore we would recommend considering something more along the lines of an equality forum that can address all equalities issues. It should be made clear that sensory impairments (sight and hearing) will be included in the BEAP. It is also not clear how the BEAP will interact with the RTP forums and the Access Panels facilitated by local authorities, and also the links to MACS and DPTAC. Whilst the expertise of the

BEAP is not questioned, local knowledge can be crucial to getting things right (for example the impacts around using the Calton Road entrance to Waverley Station, which may not be apparent to someone from outside the city). We would therefore like to see a clear commitment to involving local people and groups (such as the SEStran forum) in the production of the “Diversity Impact Assessment” and in any consultations. The Diversity Impact Assessment needs careful consideration to ensure that it provides measurable information to inform decision making rather than just a box ticking exercise.

In general the strategy forms a good basis in establishing a consistency of approach and facilities especially for those with disability. As with all good strategies, it is the implementation that is of prime importance.

## **Tactran Regional Transport Strategy 2015 – 2036**

### **Refresh**

Thank you for the opportunity to comment on the draft refresh of the Tactran Regional Strategy

In general I thought the strategy was concise and focussed on the important issues for the area.

### **Comments**

- I do wonder about the benefits of extending the time period of the strategy to 2036. The current time period associated with Tayplan is 2024, although the new proposed SDP period is up to 2036. Until the new SDP has been fully developed, I do not think that the predicted impacts of development can be predicted with any confidence.
- The Park and Ride figures indicate a considerable success in the use of the sites quoted. It would be of interest to indicate whether there is increasing use of the sites which would encourage further extensions and the development of other sites.
- In reference to the monitoring framework it may be worth discussing where indicators are not so favourable and will therefore be the focus of future work streams
- In considering the Detailed Strategies/ Frameworks in our RTS, we made a conscious effort to include the detailed development of our initial strategies within the refreshed strategy with a brief description of the strategy and stating its inclusion within the refreshed strategy. This ensures that all strategy developments since the original RTS are included in the refresh. It may be worth indicating where the refresh includes further strategy development.
- I noticed, in general, that there are no priorities or justification given for the strategic actions. You may wish to avoid this level of detail at this stage. The area I though could do with a bit more discussion is the strategy to promote external links both within Scotland and further beyond, in a sustainable way
- A point that may be worth mentioning is working with Tayplan to ensure development is focussed in sustainable locations in B4, although it is mentioned in chapter 6
- I found Appendix 1 very interesting but I was not sure whether it was an integral part of the strategy or just a progress report.

I hope these comments are helpful and I look forward to seeing the final document.

## **Fife Local Development Plan: Supplementary Guidance “Making Fife’s Places” SEStran response to consultation**

SEStran welcomes the opportunity to comment on this Supplementary Guidance. This response considers the main document and Appendix G on Transport guidelines for development. SEStran has no comments on Appendices A to F.

### *“Making Fife’s Places” main document*

In the response to the consultation on the Proposed LDP dated November 2014, SEStran welcomed the approach to spatial strategy and commended in particular para 7 of the Proposed Plan “...*proposing development focused on towns and villages ... Proposals for employment, housing, and local services are, where possible, located in close proximity to encourage sustainable and healthier lifestyles and to make integration with existing communities easier.*”

The response suggested that the forthcoming Fife’s ‘Designing Places’ Supplementary Guidance referred to in the Proposed Plan should highlight the importance of ease of pedestrian and cycle (ie resource efficient) access from new development to local facilities including those in the wider settlement and to local public transport nodes. It emphasised that walking and cycling should be seen as core transport modes for everyday use, not solely recreational.

SEStran therefore welcomes the content of Making Fife’s Places and considers that the importance of active travel and public transport is given appropriate emphasis. The framing of the guidance around the 6 key place making qualities set out in Scottish Planning Policy, Creating Places and Designing Streets is helpful, as is the evaluation checklist in Section 3.2 of the document. It is to be hoped the latter will assist in ensuring effective implementation of the Guidance; as for any policy framework, this will be crucial to achieving its aims and objectives.

Making Fife’s Places appears generally consistent with the SEStran Regional Transport Strategy and Sustainable Development Guidance. The only comment SEStran would make in relation to the content is that more guidance could be given to appropriate densities of development. Density is critical to the concept of ‘walkable neighbourhoods’, to the viability and use of public transport links and to sustainable commercial and retail provision. Higher densities around town centres and transportation hubs and along public transport corridors can contribute significantly to sustainable transport objectives.

### *Appendix G: Transportation Development Guidelines*

SEStran welcomes Fife Council’s use of the SCOTS National Roads Development Guide as the basis for detailed implementation of the “Designing Streets” principles. It is accepted that there will be some detailed local variations from this Guide that can appropriately be set out in this Appendix.

It is clear that Chapter 2 of Appendix G details these variations while Chapter 3 sets out specific standards for parking provision for Fife. However, the purpose of Chapter 1, which indicates that it lists ‘Street Design principles’ is less obvious. It is unclear if these are variations or additional levels of detail to the SCOTS guide. In either case, the points made in this Chapter would benefit from being clearly cross-referenced to the SCOTS

guide in order to reinforce that this provides the context. This would also emphasise that the points included in this chapter are by no means a comprehensive list of the street design principles that will contribute to making a successful place.

Although it is understood – and clearly explained – that Appendix G is not intended as a free-standing document, it should still give the impression of being a part of the main document, as well as being related to the SCOTS Guide and national policy. SEStran is of the view that currently it gives little sense of reflecting the street design and user hierarchy principles that are emphasised strongly in the SCOTS Guide and in Designing Streets. While this may be more an issue of style than substance, it could still give the idea to users that road layout details are more important than ensuring pedestrians and cyclists are properly catered for. Inclusion of some key text at various points from the SCOTS Guide might help alleviate this.

As a point of detail, Chapter 3 proposes that smaller retail and office developments (<1000m<sup>2</sup>/2500m<sup>2</sup> respectively) have minimum parking standards applied. SEStran would question whether this is appropriate in town centre locations.

### *Conclusion*

“Making Fife’s Places” will be an important and positive component of both local and strategic development planning affecting Fife. It is hoped that the comments above are of help; SEStran would be very happy to discuss these issues further at any time.

SEStran  
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*Above text submitted online to Fife Council consultation website 25 May 2015*



The Scottish Parliament  
Pàrlamaid na h-Alba

## Official Report

# INFRASTRUCTURE AND CAPITAL INVESTMENT COMMITTEE

Wednesday 22 April 2015

Session 4

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**Wednesday 22 April 2015**

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**INFRASTRUCTURE AND CAPITAL INVESTMENT COMMITTEE  
9<sup>th</sup> Meeting 2015, Session 4**

**CONVENER**

\*Jim Eadie (Edinburgh Southern) (SNP)

**DEPUTY CONVENER**

\*Adam Ingram (Carrick, Cumnock and Doon Valley) (SNP)

**COMMITTEE MEMBERS**

\*James Dornan (Glasgow Cathcart) (SNP)

\*Mary Fee (West Scotland) (Lab)

Alex Johnstone (North East Scotland) (Con)

\*Mike MacKenzie (Highlands and Islands) (SNP)

\*David Stewart (Highlands and Islands) (Lab)

\*attended

**THE FOLLOWING ALSO PARTICIPATED:**

Michael Cairns (Tayside and Central Scotland Transport Partnership)

Alex Macaulay (South East of Scotland Transport Partnership)

Anne MacKenzie (Network Rail)

Neil MacRae (Highlands and Islands Transport Partnership)

Phil Matthews (Transform Scotland)

Councillor James Stockan (Highlands and Islands Transport Partnership)

Nigel Wunsch (Network Rail)

**CLERK TO THE COMMITTEE**

Steve Farrell

**LOCATION**

The Adam Smith Room (CR5)

# Scottish Parliament

## Infrastructure and Capital Investment Committee

*Wednesday 22 April 2015*

*[The Convener opened the meeting at 10:00]*

### Freight Transport

**The Convener (Jim Eadie):** Good morning, everyone, and welcome to the ninth meeting in 2015 of the Infrastructure and Capital Investment Committee. Everyone present is reminded to switch off mobile phones as they affect the broadcasting system. As meeting papers are provided in digital format, you may see tablets being used during the meeting. No apologies have been received.

Today's only agenda item is for the committee to take further evidence on its freight transport in Scotland inquiry. The committee will hear from two panels, the first featuring regional transport partnerships and Transform Scotland and the second featuring Network Rail.

I welcome Michael Cairns, strategy manager at Tayside and central Scotland transport partnership; Alex Macaulay of south east of Scotland transport partnership; Councillor James Stockan, chair, and Neil MacRae, of Highlands and Islands transport partnership; and Phil Matthews, chair of Transform Scotland.

We will go straight to questions. I will kick off by asking you all to provide the committee with an overview of your organisation and the role that it plays in Scottish freight transport.

**Alex Macaulay (South East of Scotland Transport Partnership):** As the committee will well know, SEStran is one of the seven regional transport partnerships in Scotland—the statutory regional strategic transport planning bodies. We cover an area from the Scottish Borders up to the River Tay, encompassing eight local authorities and a population of about 1.5 million people.

The committee will also be aware that the fundamental role of regional transport partnerships is to produce, monitor and assist with the implementation of a regional transport strategy, which we have done within SEStran. We have recently completed a review of the first regional transport strategy, which includes a wide range of policies and proposals in support of rail freight in the region and connectivity of the region to elsewhere in Scotland and beyond.

A fundamental element of that set of policies and proposals is our firm belief that the estuary of the River Forth and its surrounding land areas form the strategic logistics gateway for Scotland to mainland Europe and beyond. There are strong policies in support of that.

In that context, we are very supportive of the policies within the third national planning framework, which identifies the need for improved water-borne freight in the Forth estuary and is very supportive of Grangemouth as a logistics centre and development centre for central Scotland.

Over the years, we have been involved in a number of European Union-funded freight-based projects, such as the dryport project, the food port project, the logistics optimisation for ports intermodality: network, opportunities, development project—LO-PINOD—and the weastflows project. Last year, under the committee's former convener, we joined with partners in the weastflows project to give a presentation to a number of committee members on the outputs from it.

Those projects have identified a number of areas where improvements to freight logistics could be beneficial to the Scottish economy. For example in the dryport project, we have completed appraisals under the Scottish transport appraisal guidance for the Levenmouth rail link for the extension of passenger and freight services down to Levenmouth, and for the extension of the Stirling to Alloa line round to Rosyth with the Charlestown cord. It is important to get rail freight and maintain the rail freight sidings into the Rosyth port.

We have reinforced the role of Coatbridge as Scotland's main dryport centre and we have also produced a freight map and publications of rail freight services to and from Scotland to assist the industry in choosing the potential for rail rather than depending purely on road. In the food port project, we did an analysis of food products going in and out of Scotland. We are also active in lobbying for the Rosyth to Zeebrugge freight service, and I am glad to say that, with Scottish Government support, that now seems more secure than it was 12 months ago.

In our LO-PINOD project, we have carried out studies of the empty containers in Scotland. As the committee will know, Scotland is a net exporter, unlike the rest of the UK, the net result of which is that we have to pay for the import of empty containers in order to service the export industry. We also commissioned a bulk freight study of the ports around Scotland.

The weastflows project flagged up one of the major deficiencies, which we identified in the joint regional transport partnership chairs forum's submission to the committee, which is a shortage



of robust information on freight flows. That applies not just in Scotland but throughout Europe. As part of the weastflows project, we produced a set of trip matrices for the four main modes of freight movement on a zone-by-zone basis, across something like 70-odd zones in north-west Europe. I think that that is the first time that that has been achieved.

**The Convener:** We can come on to some of the specifics in the course of the session. Who else would like to provide an overview of their organisation and the contribution that it makes to the freight transport sector?

**Michael Cairns (Tayside and Central Scotland Transport Partnership):** On behalf of Tactran, I would like to pick up on what Alex Macaulay has said. We are the regional transport partnership that covers Angus, Dundee, Perth and Kinross, and Stirling, with a population of about 500,000. We sit astride the main routes connecting the central belt with the west Highlands, Inverness and the north, and Aberdeen, so we are in a strategic location.

Along with other regional transport partnerships, we have a freight quality partnership that meets at roughly six-monthly intervals. Regular attendees are the Freight Transport Association, the Road Haulage Association, the region's ports and our local authority partners. Through the freight quality partnership, we have done quite a bit of work on looking at the road haulage sector, overnight parking, lorry route maps and providing a website for road freight information. We are also involved with the regional timber transport group, which is concerned with the movement of timber from felling to end user. That is a major issue in the region, as we have significant areas of forestry, many of which are coming up to the point of being felled at the moment.

We have had some involvement with the rail freight industry, but there is a bit of a hole in the rail freight sector generally. A lot of rail freight passes through the region, but there are currently no terminals within the region. However, we have looked at trying to develop facilities for timber, seed potatoes and bottled water in the region, and we have hopes for at least two of those over the next few months.

Similarly, we have been involved with European projects. The two that we have been involved in have concerned the last mile or city logistics. One was the ENCLOSE—energy efficiency in city logistics services—project, on which we worked jointly with Dundee City Council and the result of which was the production of a sustainable urban logistics plan setting out the way forward for promoting more sustainable logistics in Dundee. The other project is the LaMiLo—last mile logistics—project, and we are still working on the

development of an urban consolidation centre covering Dundee and Perth, and we hope to have something positive on that next year.

**The Convener:** Councillor Stockan, did you want to come in?

**Councillor James Stockan (Highlands and Islands Transport Partnership):** I very much value the opportunity to come and speak. I have a personal passion for transporting freight, having been involved in that in a past life, so to come and speak for the regional transport partnership is very important.

As you know, the HITRANS area is half the land mass of Scotland. We serve the most difficult places to reach—a hundred islands, but only a 10th of the population. The whole region, I believe, wants to be contributing to the national picture, but the freight structure and the legacy that we have need massive investment for us to be able to compete on a genuine basis with everyone else, because the world is moving on.

We use all modes of transport to export freight. We use air, rail, road and sea transport. Because of the vastness of the geographical area, different solutions have to be found for different situations.

Our transport system is becoming much more fragile as the world moves on. When I was first involved in moving things around, the just-in-time approach came along for deliveries of goods and getting goods to market; it has moved on now to just in the nick of time. The timescales are getting more difficult to meet.

I feel that we need to look at our infrastructure because, when we do not and when our infrastructure fails—as we hear about on the television when there are landslips or ferries do not come, and supermarkets are empty or fresh fish and lobsters do not make it to their market—we as a community become more vulnerable even than we are at present. We must make sure that we cover all those issues.

Investment is very important to enable us to remain a contributing part of the country. We need to make sure that things happen in the right way with the right investment for the future.

Our organisation is very interested in contributing to this inquiry. I know that you have read the submissions, so I am not going to say anything more; I am really interested in the questions that you have from the submissions.

**The Convener:** I am sure that we will come on to the issue of investment. Mr MacRae, do you have anything to add?

**Neil MacRae (Highlands and Islands Transport Partnership):** I have a couple of points related to practical engagement on freight.

We have a freight forum that brings together private stakeholders and local politicians, which I think is important. There are also rail and ferry user groups that provide opportunities for hauliers to contribute and engage with other stakeholders in the area by raising their concerns.

On top of that, I would draw attention to a number of the projects that are referenced in our submission. Similar to SEStran, we have been involved in European projects such as lifting the spirit, which we may talk about later. We have also carried out bits of research, including a freight capability study in 2010 that we hope has helped inform some of the investment that Network Rail will carry out on the Highland main line and the far north and west Highland lines.

**The Convener:** Thank you. Finally, we will hear from Mr Matthews.

**Phil Matthews (Transform Scotland):** Good morning. I am here as chair of Transform Scotland, which is the national alliance for sustainable transport. Our members are the major rail, bus and ferry companies, public bodies, and local and national groups campaigning for public transport, walking and cycling. Our primary interest is in encouraging a transport policy that is sustainable in the widest economic, social and environmental sense and that reduces the negative impacts of transport policy.

Our primary focus is on passenger transport, walking and cycling. We collaborate a lot with the Rail Freight Group, which I know has given evidence to the committee specifically on some of those issues. One of our main thrusts is investment in infrastructure, especially that which encourages more sustainable transport modes. Clearly that has implications for passenger transport and for freight as well.

Our primary support is for rail freight and for seaborne and canal-based transport where it is appropriate. To reflect on the reasons for that, the road haulage industry has all sorts of significant impacts. We know that heavy goods vehicles contribute adversely to road safety and that there are an awful lot of accidents involving HGVs. We know that one freight train can move 50 to 60 lorries off the roads. We know that rail freight has only about a quarter of the carbon emissions per tonne carried of road freight, and about one 10th of the particulate and NOx emissions. Given the concern about air quality at the moment, that is another significant issue.

My final point is that HGVs are a major contributor to wear and tear on the roads. We have been running a campaign recently on the poor state of repair on a lot of our roads; there is a £2.2 billion repair backlog. HGVs contribute a lot to the damage to our road infrastructure.

We would like to see all those things taken into account in appraising outcomes and encouraging more sustainable modes of freight transport wherever possible.

10:15

**The Convener:** Thank you. Mary Fee has some questions.

**Mary Fee (West Scotland) (Lab):** The committee is keen to use its inquiry to identify the main infrastructure obstacles to the free flow of freight. I ask each of you, in turn, to say what your most pressing difficulty is and how we could overcome it.

**Alex Macaulay:** There are two issues: infrastructure obstacles and operational obstacles. The lack of information is a major operational obstacle that discourages the use of rail freight and short-sea shipping as the two more sustainable modes, particularly for longer-distance freight movements. It is difficult to get information on services for rail freight and short-sea shipping. Anyone can go on to a website that will tell them all the public transport services that they need for the journey that they want to take. A common platform exists for passenger transport, but we do not have a common platform for freight transport. That seems to us to be a significant barrier.

There are a number of specific infrastructure issues. For example, the A1 down to the north east of England, where a lot of the short-sea shipping movements are based, really needs to be upgraded to dual-carriageway standard on both sides of the Scottish border. A more local example is that, in the SEStran region, we have been campaigning for many years for the completion of the A801 and M8-M9 link, which provides the link from central Scotland freight facilities down to Grangemouth, because that is a particularly bad section. In addition, the Edinburgh city bypass continues to be a thorn in our flesh, and that is just as much the case for freight movements.

I will not go on about rail freight because I know that you will hear from Network Rail later this morning, but it seems to us that there are structural problems with short-sea shipping. The competition in mainland Europe tends to be either public-sector owned or on a public-private partnership basis, so when a port wants to expand, there is immediate public sector support to provide connectivity by either rail or inland waterways. There are size limitations in our area, particularly at Grangemouth and Leith, and there are tidal access limitations for 24-hour access and operational issues associated with that.

As I said, we need a centralised information system. There are also issues about the frequency of the Rosyth to Zeebrugge ferry service. It will

become more frequent only as use of short-sea shipping increases.

We tend to forget the role of air in freight movement. Edinburgh airport, which is in our region, is the busiest passenger and freight airport in Scotland. That is due to a combination of dedicated freight planes using the freight depot at the east side of the airport and the increasing ability to use hold space in the greater number of longer-haul services in Scotland for high-value, low-weight freight.

There are a number of issues. As I said, I will not go into rail. We have our own local issues with rail as well as the national issues to do with gauge and electrification, but I will leave that for Network Rail to deal with later.

**Mary Fee:** You talk about a centralised information system. Who should facilitate the setting up of that?

**Alex Macaulay:** It should be a Government initiative. One of the anomalies in the current devolution settlement is that the Scottish Parliament has responsibility for ports and harbours but not for international movements, which remain with the Department for Transport at Westminster, and it is not particularly interested in whether a ship lands in Scotland or England as long as it lands somewhere in the United Kingdom. It has always seemed to us that there is a case for Scotland having much more hands-on involvement in international passenger and freight movements.

To be honest, the vast majority of road-based transport is local and, as we all know, the vast majority of it is within Scotland. The proportion of longer-distance road-based transport is much lower than for rail and shipping, but the volumes are still greater than rail or shipping. An information system is needed to identify and allow bookings on longer-distance movements to get the modal shift. We will not get the modal shift for the last mile other than through local shifts to different fuels, for example, but there is real potential for modal shift to rail and shipping for longer-distance services.

That is where we get into the international issues. A regional authority cannot create such a system. We have done our bit in that we have published as much as we can about the availability of freight depots for rail, for instance, but that does not give a centralised platform for information or make it easy to book, pay the charges and compare different carriers.

If we are strapped for cash, it is not a big capital investment to produce such a platform and the benefits to the freight logistics industry could be considerable. It needs to be a central—either

Scottish Government or UK Government—initiative.

**Mary Fee:** In previous evidence sessions, the last mile has been identified as one of the biggest obstacles to the free flow. Do you agree with that?

**Alex Macaulay:** I agree. It is a difficult nut to crack because there is a patently obvious clash between environmental considerations—noise and pollution—and efficient last-mile movements.

I do not know whether the committee noticed but, only last week—sorry, I am exaggerating; I think that it was in February—the Passenger Transport Executive Group, which is the public sector transport organisation in England, published a very good urban logistics report with case studies from throughout the UK of good examples of how to address the issue. If we are to be successful in improving urban logistics, we need to address the congestion in urban areas that logistics operators are faced with. They also use vehicles that pollute urban areas—the air quality management areas are suffering from freight traffic as well as all the other types of traffic so we need a mechanism to address that.

Mike Cairns mentioned Tactran's initiative for an urban freight consolidation or distribution centre. That is what we need. It needs to be combined with a good location close to the urban area so that alternative modes are viable and sensible. We could use electric vehicles that have a limited mileage capability, and electric bicycles and tricycles to get into narrow streets and pedestrianised areas.

It is a difficult nut to crack. Local authority policies have been very restrictive in relation to freight in urban areas, by quite rightly giving priority to pedestrians, cyclists and public transport. Freight is down the pecking order and 'twas ever thus. The last mile is difficult and local and regional authorities have the potential to take a much more proactive role in addressing the issue.

**Michael Cairns:** If anything, the operational issues are bigger than the infrastructural ones, in that air quality issues and so on arise from urban logistics. Within the Tactran region, the network is pretty good: the A90 is dualled throughout and the A9 is dual carriageway or is planned to be upgraded.

On roads, the only constraint that is identified in the strategic transport projects review but does not have a programme date, is the A90 through Dundee—the Kingsway and Forfar road—which suffers congestion during the day, particularly in peak periods when commuters coincide with through movements to the north east.

As I said before, we do not have any rail freight facilities in the region. A possible location has been identified at the port of Dundee, but a particular user and funding would need to be identified because it would cost in the region of £5 million to develop such a facility.

The ports are a bit of a mixed bag. Montrose has seen a considerable amount of investment and has been significantly upgraded during the past five to 10 years, partly using a freight facilities grant. At the other end, Perth port needs investment but it has declining tonnage. There is a conundrum around whether to invest and hope for a turnaround in the decline, given that it might continue anyway.

To come back to the operational issues, road freight movements are a big issue in the region—in Dundee and Perth and the newly designated air quality management area in Crieff. If anything, that is a bigger priority than addressing infrastructure.

**Neil MacRae:** I agree with Alec Macaulay and Mike Cairns, in that there is a mix of infrastructure and operational issues. I do not want to go into a long list, but maybe I will touch on a few of the important ones in respect of our area, by mode. We have touched on rail and how the single track and gauge restrictions on the Highland main line are a barrier to passenger services as well as to material and goods. Other weight restrictions on the far north and west lines are also a problem and we look forward to the investment from Network Rail in control period five for upgrades there.

On road, we welcome the investment plan for the A9 and A96. In essence, that draws attention to the other parts of the network that people in parts of the Highlands need to use before they can get on to those roads. For example, the A95, which is the road from Elgin to Aviemore, takes an enormous amount of whisky freight every year and that has enormous export value to the Scottish economy. We had an example of a haulier who said that he had spent £20,000 on replacement wing-mirrors in the past year because of problems with that carriageway.

We understand that there will not be the same investment as there has been in the A9 and A96, but we have tried to work with the local council to develop some shovel-ready schemes and we have done something similar for the spinal route in the Western Isles.

In terms of air, access to Heathrow is vital to the Highlands and we have made that clear in our submissions to the Airports Commission. I have a fact on that: 95 per cent of all long-haul seafood freight still goes through Heathrow. A significant element of that comes from the Highlands and

Islands and there are logistical problems with getting it to Heathrow.

I am sure that James Stockan will have more to say on ferries, but capacity is an issue on our regular ferry services to Orkney and the Western Isles, and it is becoming ever more of an issue. There is the problem of competing demands as a result of passenger expectations and freight requirements, and they can lead to problems with block booking and deck space, for example.

10:30

**Mary Fee:** Is that a seasonal thing? Is it worse in the summer?

**Neil MacRae:** Yes. We have done a piece of work on the issue in order to understand the demand, and we have found that demand at peak periods, from Friday through to Monday, is growing, and that that now extends into the October, Christmas and Easter holiday periods. It is a growing problem.

**Councillor Stockan:** On modal shift, there is a real opportunity for the very far north of Scotland to move some of the stuff that is taken by ship, which burns more carbon, on to rail, but it is difficult to start on that process because of restrictions. We have to look at it as a commercial operation. If we could open up overnight rail, there would be an opportunity to ensure that there is a daily service. There are a lot of issues to do with signalling and other bits and pieces, as well as being able to support that service. As far as Europe is concerned, the argument about territorial cohesion comes in, so we should be able to support that approach in some way through European programmes.

I see Mike MacKenzie nodding. Even for Oban, getting overnight freight on rail would take it off the road and provide huge advantages.

**Mike MacKenzie (Highlands and Islands) (SNP):** On that point, Councillor Stockan, I know that you have some quite radical and ambitious ideas. Could you be a bit more specific about what you would like to be done to improve rail?

**Councillor Stockan:** That is a hobby-horse of mine. The far north of Scotland, particularly Caithness, with a population of 25,000, and Orkney on top of that, with another 25,000, are a long way away from the centre. Some supermarket freight came in by rail, but that stopped because the chain—Safeway—moved on. We have an opportunity to have an overnight service both ways. I would add to that a sleeper service, because there will shortly be 85 sleeper carriages available. That could involve motorail. A combination train that takes stuff up is a huge opportunity to connect the periphery with the

centre of the country in a radical way. However, we need to be able to put in investment and we have to free up some of the blockages.

**Mary Fee:** Mr Matthews, do you want to comment on my earlier question?

**Phil Matthews:** First, I will echo a few of the points that have been made. The point about encouraging supermarkets and other big organisations to commit to rail is a good one. The marginal costs between rail and road might be different. It is about a corporate statement of intent. That is always worth while.

A point was made about the last-mile challenge in urban transport; that is a big issue. I do not pretend that there is an easy solution that will be applicable everywhere but, as has been said, we have some examples of good practice from elsewhere, so we should think about that. We should think about the use of electric vehicles and other means. The point about information is also important. We should have a rail freight system that is easy to use.

On infrastructure, a few key things need action. There is a need for investment at the rail freight terminals at Grangemouth, Mossend and particularly at Coatbridge. That could enhance the capacity and efficiency of operation of those centres. There are a lot of pinch points on the rail network for rail freight. Some of those are between Grangemouth and Aberdeen, where there are single-track bottlenecks and gauge restrictions because of tunnels and bridges. Some action there would be welcome.

As the previous speakers from the Highlands said, we have an awful lot of single track in Scotland, which is challenging for rail. We need passing and crossover loops, ideally of at least 775m, to allow long freight trains to use them. We need general enhancement. A lot of investment in rail that would benefit passengers would also benefit freight operation. I am talking about electrification and dual tracking where that is appropriate.

We have heard about the A9 and A96 corridors. A huge amount of public money is being committed to action on them over the coming 10 to 15 years or so. There is around £3 billion for the A9, another £3 billion for the A96 and a smaller amount for the rail infrastructure. However, we do not see any evidence that an integrated appraisal of, for example, the whole A9 corridor was done that looked at the differences. I use the A9 and know that many people's frustrations result from the number of heavy goods vehicles on it. It is clear that action on rail would remove some of that problem. We know that the rail journey from Inverness to Edinburgh is an optimum one for business users. The journey is too short for a

flight, but if the rail system was upgraded, we could get a lot of business users on the trains, as they are more user friendly than the road for working practices. That would take a lot of people off the road.

Why did we not think about the two issues together? What road and rail enhancements are needed and what could deliver the widest and best environmental, social and economic outcomes? That applies as much to investment that would benefit rail freight as to investment that would benefit passenger services.

**Mary Fee:** I will move on to ask about your relationship with freight operators. Do you have any good examples of how you have worked with them to encourage a more efficient operation? Do you work with them to help them to reduce their emissions? I ask Mr Matthews to answer first.

**Phil Matthews:** As I said, our focus is more on passenger transport than on freight, so I do not claim to have any direct relationship with the freight operators. It has been interesting to read some of the evidence that has been submitted. A lot of people have the sense that using rail freight is quite difficult. Rail freight has increased by about 70 per cent since privatisation, so something is happening—there is some growth.

Issues have been raised about how the market works. There might be issues about information, which has been touched on, or how the system works. A key challenge for freight providers is that they generally seek long-term contracts, whereas the demand is very much for short-term reactive transport. That is a challenge.

Some of the infrastructure investment that we would like in the rail freight industry might alleviate some of those issues and make the system more responsive. Particularly on lines in northern Scotland on which the freight volumes might be lower, there may be a case for freight providers to collaborate more and offer more joint services than they currently do.

There are challenges for the industry, but I do not claim to have any insights beyond that.

**Alex Macaulay:** Like the other RTPs, we have a freight quality partnership, which meets about once every six months. It is not just public sector representatives who attend its meetings; the ports, the airport and road haulage operators, for example, are involved.

Rather than simply tell the freight quality partnership what we are doing, we tend to ask what the problems are. The work that we did for the SEStran region freight review was a result of that. From that came a freight map for the region that identified not just preferred routes for road haulage but where the rest areas were. There was

a review of the quality and utilisation of the rest areas and why they were not as widely used as we expected them to be.

We have worked on that basis through the freight quality partnership, but we also engaged with the road haulage industry when the first threats came to the Rosyth to Zeebrugge ferry. When Superfast Ferries pulled out, the question was how we could encourage the industry to lobby for the reinstatement of the service. Once it was reinstated, the question was what the key issues were for the industry to encourage it back on to the ferry rather than heading off down to Newcastle, the north-east of England or further south.

What came out of that is interesting. We expected the cost to be the key factor for the industry, but it was not; the quality of service was the key factor. The industry was never very happy with the previous operator's handling of its trucks—the trucks would get damaged on the boat—whereas the new operator is much better. Another issue was the frequency and timing of the service and the turnaround time between Zeebrugge and destinations elsewhere in Europe, which affect operators' ability to get to where they have to go and get back to catch the next ship back to Scotland. We work well with the freight industry on that.

Through our European projects, we have worked with a number of freight operators that bring goods and services into Scotland from mainland Europe. A key issue that we have been quite active on over the past 18 months or so is the sulphur directive, which covers the North Sea—as you know, it is about reducing the level of sulphur emissions dramatically. That directive is now in place. There were big concerns about it and we lobbied the now cabinet secretary, Keith Brown, to see what could be done. As a result, he chaired a couple of sessions in Victoria Quay to raise awareness in the industry and cover the issues.

It is fair to say that the directive has not been quite as disastrous as it might have been for freight costs, because it has coincided with the reduction in the cost of oil-based fuel, so one thing has compensated for the other. The low-sulphur fuels are more expensive, but they are still cheaper overall, because of the base reduction in the price of a barrel of oil.

We have worked reasonably well within the freight quality partnership but, to be honest, it is fair to say that we could do more. We are getting someone different in to chair it. Rather than being chaired by someone from SEStran, the next meeting will be chaired by the Road Haulage Association's ex-director for Scotland, in the shape of Phil Flanders. He is enthusiastic and is keen to

get letters out to all the operators via the RHA and the Freight Transport Association. Again, the approach will be to ask, "What are your issues, guys?" rather than saying, "Here are the European freight projects that we have been involved in."

**Mary Fee:** Are the operators willing to work together to increase efficiency when they are in competition with each other? How can you facilitate that?

**The Convener:** I ask witnesses to keep their answers as brief and succinct as possible, as we have only just over half an hour for the rest of the session.

**Alex Macaulay:** I am not renowned for brevity, convener, so you should keep reminding me about that—put a clock in front of me.

Mary Fee raises a particular issue about competition. We firmly believe that a neutral platform is needed. We are keen to promote the idea in the Forth estuary of a gateway, which would involve all the operators—ports, airports, road and rail—that do business in that area in a joint management structure, which would lead towards accreditation of a sustainable logistics gateway. That has been tried elsewhere in Europe and is getting picked up there. We do not want Scotland to lag behind on that.

To achieve such a gateway, there needs to be a neutral platform where operators can share good ideas in a position of trust, so that they do not feel that, as soon as they mention their operations, the guy across the table will go away and pinch their customer. That is a big issue, particularly with road haulage and to a certain extent with rail haulage. There is a reluctance to share ideas and it leads to the situation that Mike Cairns mentioned, in which there is a serious lack of robust information on which to make sensible choices about freight logistics, because the information is all commercially sensitive. There is a reluctance to share information. We firmly believe that that is needed, and Mary Fee is right to bring that up.

**The Convener:** I apologise to Mary Fee—we will have to move on to the next question.

**David Stewart (Highlands and Islands) (Lab):** I will ask about sources of funding. Are freight grant schemes helping to get freight off our roads? If they are, perhaps the panel could tell the committee why there have been no awards of freight facilities grants since 2011.

10:45

**Michael Cairns:** We have found Europe to be a useful alternative source of funding. There is a catch, in that we always have to get match funding. One project that we were involved in provided 75 per cent funding, and the other

provided 50 per cent funding. Finding the match funding can be an issue at times, but Europe can assist in that.

It might not just be the freight facilities grant that is an issue. For some years we have worked with Highland Spring in Blackford in Perthshire to support the development of a railhead. Given what has happened in the company, it is possibly not—ironically in this case—the funding that has been an issue; it is a matter of the company having the right opportunity to develop the railhead, because it has been involved in company takeovers and mergers and so on. Such a project perhaps goes to the bottom of the list when a company is looking at reorganising the logistics function as it takes over companies and as the market changes.

There are a number of issues with the freight facilities grant, one of which is that it can be the subject of an application only from the private sector. There may well be occasions when the public sector could take a lead, but that is currently not permitted for the FFG. Some revisions there might help. The timescale can also be a bit difficult to work to at times.

**David Stewart:** So if we got a more user-friendly FFG, the take-up might be better.

**Michael Cairns:** That could work better.

**David Stewart:** In fairness, there have been awards of the waterborne freight grant. I think that a company in Corpach was successful and received £900,000. Mr MacRae will be familiar with that.

However, it concerned the committee when we looked at the records and found no awards of the FFG since 2011. Clearly, something is not working. The chief executive of Montrose Port Authority told us that the company had employed a consultant, who worked through the process and got the grant. That was prior to 2011. I will touch on Europe in my next question, but on domestic grant applications, do any other panel members have experience of the FFG?

**Alex Macaulay:** I have a small point. We have had feedback from the road haulage industry to suggest that it would quite like to shift on to rail freight. However, it finds that, to make the case for rail freight, a relatively long-term business case has to be associated with it. A lot of the business on road freight involves short-term contracts—it is done by phone and so on. It would help if we could get a mechanism to make shifting on to rail easier for that type of business.

**David Stewart:** It is important that we have joined-up government and that we do not say, “We’ve got transport over here and, on the other hand, we’ve got climate change legislation.” If we can get freight off the road and on to rail, we will

do wonders for our climate change targets, which we have not achieved in the past few years. Does anyone have any other experience of the FFG and other grants, before I move on to European funding models?

**Neil MacRae:** I was going to say more but, given the timescale, I am happy for you to move on. Some of the issues have been covered.

**David Stewart:** I will touch on the experience of sourcing other types of funding via the European Union, such as through the trans-European network transport programme, Marco Polo and Interreg. The evidence made a suggestion about the lifting the spirit project. Perhaps Mr MacRae is best placed to talk about that.

**Neil MacRae:** I can kick off on that. Lifting the spirit is a good example of where EU funding has been well applied. We did a whisky logistics study some time ago that identified the requirements for shifting the whisky industry from road to rail. That helped to inform an application for the lifting the spirit project, which received an intervention rate of 65 per cent.

Before getting into the detail of the project, I will just say that there have been other opportunities. Rather than everyone putting their hand up and saying, “We need more money,” it would be good to know that, as a practical mechanism, there was a pot of EU funding that people could apply to when the opportunity arose. Opportunities can arise at any time. We need that flexibility. We have been able to bring in significant external funding and we would like to do that in the future if possible.

**David Stewart:** I will ask about one point. I am enthusiastic about the lifting the spirit project for bulk whisky, and I have a Highlands and Islands regional issue that you could comment on. When I visited Glenmorangie, in Tain, I was told that it is more efficient to ship all the whisky barrels—as the panel will know, they come from the States, because bourbon barrels can be used only once—to Grangemouth. I said, “Why don’t you ship them to Invergordon, which would reduce the amount of road travel?” At present, the barrels all go to Grangemouth and are trucked north to Moray and so on. Have you looked at that aspect of transport? It seems a bit daft that we are shipping the barrels to Grangemouth when we could ship them to a nearby port, and Invergordon port has the facilities.

**Neil MacRae:** I am not certain about the specifics, but there might well be gauge issues if the load was taken from Elgin to Grangemouth via Aberdeen. The practicalities of taking the load on the Elgin to Inverness section might be the crucial factor. If I can supply you with more information on that, I will do so.

**David Stewart:** Does anyone else have experience of European funding?

**Alex Macaulay:** We have been heavily involved with Interreg and mainstream European regional development funding for a number of projects. The key issue is that, if people think that the bureaucracy associated with the rail freight grant is difficult, they should try doing a European project. The amount of bureaucracy involved in European projects is outrageous.

I will give you a prime example. If people go by air to a meeting on a European project, they need to keep the boarding pass—the booking confirmation is not good enough—and take photographs of themselves at the meeting. The amount of bureaucracy in European projects is insulting to professional people.

Anything that the Scottish Government can do to encourage the European Union to simplify its bureaucracy would be a major advantage. In comparison, we have had a very good experience with the bus investment fund, although I know that that is not the subject of this inquiry. The fund also has targets to reach and requires a submission, but its administration by our colleagues in Transport Scotland has been streets ahead of the administration of any European project that we have ever been involved with. I give all credit to the Scottish Government and Transport Scotland people for administering those grants much more efficiently and sensibly than the European Commission.

**David Stewart:** Mr Matthews, have you had any experience of European funding?

**Phil Matthews:** I have nothing to add, really. I was very supportive of the lifting the spirit project, which was excellent and shows what can be done. The points that I would have raised have all been covered.

**Michael Cairns:** As Alex Macaulay said, the bureaucracy is breathtaking at times, especially for what can be quite small sums of money. There are two problems with Europe. One is the match-funding issue, and the other is the programming.

Generally speaking, we get fairly short notice when a funding opportunity arises, so we need to have a scheme that is at the right stage to enable us to apply for the funding. There are other issues. A lot of projects are—rightly—transnational, and we have to find partners in the rest of Europe that also have schemes at the right stage in the right fields. The process can be challenging from that point of view.

**David Stewart:** Has anyone had experience of Marco Polo funding?

**Alex Macaulay:** Some time ago, we were involved in a Marco Polo bid for a service from

Norway to Rosyth to Zeebrugge that would stop at Shetland on the way. We submitted two bids and had to go through a procurement process to get an operator on board at the outset, so considerable up-front investment was involved.

The first bid failed because we did not apply for enough money; the rules were misinterpreted. The second bid failed primarily because the Commission felt that the leg between Rosyth and Zeebrugge would be operating in competition with commercial services. We did not have the opportunity to go for a third bid to solve those problems because our partners in Norway lost interest and people moved on.

The Marco Polo motorways of the sea project work is not easy, but other countries seem to be able to do it much better than the UK does. To be honest, there is much more Government support for bids for such funding in countries such as Spain and Italy, which are much more successful in getting such funding.

**David Stewart:** I am conscious of the time, convener, so I will finish there. That is food for thought and gives the committee something to raise with the minister when he comes to our meeting in a few weeks' time.

**James Dornan (Glasgow Cathcart) (SNP):** We have already touched on consolidation centres. Do you have any other comments about the pros and cons of such schemes and how they could be applied in the Scottish context? What do you see as the benefits of, and barriers to, night deliveries, and what would help to remove those barriers?

**Michael Cairns:** The benefits have to be significant. I will quote some figures. Between 7 in the morning and 7 at night, 2,007 commercial vehicles enter Dundee city centre. Those vehicles are not heavy goods vehicles; only 22 of them are articulated vehicles. They are mainly smaller white vans—just under 1,700 of them enter Dundee city centre every day. That sector is growing and many of those vans are not well loaded. The logistics sector is very efficient within individual companies and for individual customers, but across the whole sector there are a lot of lightly loaded vehicles working exclusively for one customer. We see significant scope to reduce the number of vehicles, with consequent benefits in terms of carbon emissions.

**James Dornan:** I do not wish to interrupt you, but that leads me to a question that I was going to ask about collaboration. Do you see any scope for that? Is there any suggestion that people are moving forward on it?

**Michael Cairns:** Collaboration really has to be led by the public sector. Freight is a very competitive business. As we found from our experience of trying to develop consolidation



centres in Perth and Dundee, the private sector is very protective of its own market. We have been through an exercise in which we went out to tender to try to identify a logistics operator to set up a consolidation centre in Perth, but that ultimately failed. That is not an uncommon experience.

In one of the European projects that we have been involved in Camden in London, a consolidation centre was developed for the council's procured goods—it was not open to the market, with retailers and so on. The initial advertisement attracted 15 operators, but when the work was put out to tender, only two tenders were received. That is the sort of market that we work in. One or two operators are very interested in consolidation, but across Europe it is just not attracting operators to invest in or to consider it.

We have taken a different approach. I understand that you have been to the Netherlands to see a Binnenstadservice. Through the European project, we wrote to a Binnenstadservice and had some events in Perth to try to attract entrepreneurs. We hope that we have been successful in that.

We have a social enterprise company based in Dundee that is developing a business plan to introduce consolidation in Dundee and Perth. We have introduced it to other smaller logistics companies. We hope to develop something organically—something fairly local that will not be seen as a threat by the larger operators. We hope that it will grow from fairly small beginnings—five or six shops—to develop in a similar way to the Binnenstadservice in the Netherlands. We see that as the way forward. The experience generally across Europe seems to be that it is difficult to get the established logistics operators interested.

**James Dornan:** My final question is about carbon emissions targets and technology. Technology has, with integration and collaboration, the potential to make freight transport more efficient, less costly and more sustainable. Can you describe your experience in pulling together some of that to make things more sustainable?

11:00

**Alex Macaulay:** I will be brief, convener, I promise.

We have had a couple of fairly significant initiatives on that. As part of one of our European projects, we carried out a review that identified best practice for logistics operators across the UK and Europe. As a result of that review, we produced a set of guidelines for the industry. It is, effectively, a question-and-answer checklist that is targeted at those who procure and operate

logistics. What the two sides of the market can do is different and depends on how the operators operate. The guidelines have been published as part of our European project and are on our website. Again, however, that is a drop in the ocean when compared to the amount of visibility that we need throughout the industry.

One of the areas that was of interest to us, and one of the barriers to shifting to rail and short-sea shipping, is tracking of loads to know where they are at any given time of the day. We can do that with road transport; all we need to do is call the driver on his mobile phone and he will tell us where he is. We have worked with European partners on developing more track and trace, and I know that it exists throughout the industry in various bespoke facilities. That track and trace development would be available on an open platform for all to use.

There is also the development of a multimodal route planner, which would be available on the web throughout the industry. The downside with that initiative is about getting the information for route planning, because a planner is not just about the availability and frequency of services—it is also about prices. Getting that information from operators and putting it on an open platform is very difficult just now.

All the work that we have been doing, including our European project, is aimed at achieving the Government's carbon-reduction targets, which will not be easy for the transport sector.

**James Dornan:** Does anyone else want to comment on that?

**Councillor Stockan:** A lot of work is being done with ferries to get the technology right and to make sure that we achieve carbon reduction. When there is Government intervention and support, we need to make sure that we look to the future and that we go for the lowest-carbon options. There is a fair bit of work to be done there, but we are starting to look at some of the issues.

**Adam Ingram (Carrick, Cumnock and Doon Valley) (SNP):** What does the panel think is the highest priority for Government spending on infrastructure from the perspective of improving freight logistics in Scotland?

**Alex Macaulay:** My highest priority would be an open platform for information on booking and the comparison of different services for multimodal freight movement. That would not be a major investment for the Government—it could probably be achieved for a lot less than some of the dualling schemes and the road and rail schemes that we would really like. My highest priority is information.

**Adam Ingram:** How much would that cost?

**Alex Macaulay:** The Government has more experience of developing information technology platforms than I do. I ask you the question: how much do you think it would cost? I suggest that it would be a lot cheaper than dualling the A1 all the way down to the north of England.

**Adam Ingram:** Would such a platform answer the question about whether Scotland should have a deep-sea port to do away with all the road haulage going south to the English deep-sea ports?

**Alex Macaulay:** That platform would not do away with the need for other infrastructure investment. It would assist and facilitate multimodal shift—

**Adam Ingram:** Would it give me an answer to my question?

**Alex Macaulay:** No. I also point out that, as all of you will be aware, Babcock has a proposal for a deep-sea container port on the Forth estuary that would have 24-hours-a-day, 365-days-a-year tidal access. Although it has been difficult for Babcock to get to where it is today with the proposal, I am sure that it will achieve that deep-sea port on the Forth; indeed, it has been featured and supported in NPF3 documents.

I am not taking away from the need for a deep-sea port in Scotland. All I am suggesting is that, in the meantime, we could get better information.

**Adam Ingram:** Can we have a quick run round the panel on that question? What is the highest priority?

**Councillor Stockan:** For HITRANS, the highest priority is investment in the modal shift to rail and ensuring that it is accessible for more of the time, that it can take the weight and that it is reliable.

As for deep-sea ports, I should, while I have the chance, point out the opportunity for Scapa Flow if there is a shift to the north-east and north-west passages and they become open to trade more of the time. That is a huge opportunity for Scotland, but if we do not grasp it, it will go to Norway, the Faroes or somewhere else. It actually represents one of the biggest modal shifts, and it would involve a major project with Government support under the Marco Polo and TEN-T programmes. It would be a complete game-changer. It would not involve pinching trade from someone else; it is all about changing the whole European dynamic, and we need to be prepared for it.

We can do all this in clever and unique ways with floating stuff; we do not have to dredge, or build anything. We certainly have to keep our minds open to the possibility, because it would turn the map completely on its head.

**Adam Ingram:** I take the points that you have made, but several witnesses have told us that we need an overhaul of Scottish Government freight policy. We heard earlier that the pattern of ownership in our ports has given us—shall we say?—problems; no more than that. How could freight policy initiatives benefit us?

**Alex Macaulay:** I am tempted to say that we are not short of policies; indeed, there are many national, regional and local policies out there that support freight and different aspects of transport. What we need is a mechanism for implementing them. If you class that as a policy issue, that is fine.

I have also mentioned the need for a neutral platform where freight operators can collaborate without the Office of Fair Trading—or whatever it is now called—accusing them of setting up a cartel, and where they can openly exchange information; in particular, on environmental improvements to freight logistics. We need that because at the moment an individual operator cannot achieve everything in freight logistics that we want collectively to achieve. We need a collaborative approach that does not undermine natural competition. It will not be easy to achieve that aim, but there are examples of its being achieved elsewhere in Europe through various mechanisms. If that is what you call “policy”, I think that that is where we need a major policy review. If it is all about implementation, I think that that is where we need an implementation review.

One of our big retailers, which as you know operate their own freight systems, deliberately came up with a lovely new word—“co-opetition”—for something that you would like to see in the marketplace. Let us try to achieve a situation where we get co-opetition. In other words, operators can co-operate freely and openly, but they can still compete one with the other in their own businesses.

**Adam Ingram:** I presume that your call would be on Transport Scotland or the Scottish Government to initiate that approach.

**Alex Macaulay:** There would certainly be a call on them to support that approach. SEStran is looking to achieve that through the Forth gateway initiatives, for which we are trying to get European funding and so on, but we would also look to the Scottish Government for support. The approach would not work without Scottish Government support.

**Adam Ingram:** I am sorry, but I am having to rush on because of time constraints. My last question is: is the planning system currently working effectively in promoting the freight sector? Maybe Michael Cairns could answer that one.

**Michael Cairns:** That is a difficult question to address. Much of the planning system is reactive—it responds to developers' proposals. If you are trying to promote rail, there is certainly a case for considering a national rail terminal policy. In our region, there are no rail terminals at all. In central Scotland, the approach is perhaps not the best one; Grangemouth has three separate terminals, for example. If you were to start from scratch to create an effective terminal, you would work with one that would be open to various customers, so there is a role for the planning system. The difficulty with freight is that it is so market driven. We can only create the conditions; developers must come forward with proposals.

**Alex Macaulay:** NPF3 is a step in the right direction, as were NPF1 and NPF2. The inclusion in NPF3 of initiatives to get better rail connectivity to the ports is very welcome. As Mike Cairns has said, missing from that are initiatives for better overland connectivity by rail, which does not necessarily mean just the last 50 or 100 miles of connections to ports.

When we compare it with the rest of the UK, we note that Scotland's planning context includes a national planning framework—a national transport strategy and NPF3. Our colleagues south of the border would envy that, although it could be better. As Mike Cairns said regarding development management, when we get down to the detailed nitty-gritty of managing applications, we find that they tend to address local issues.

There is within SEStran a continuing initiative, which came out of the regional planning strategy, for analysis of cross-boundary transport initiatives. Transport Scotland, to its credit, is taking the lead on that, and we are all co-operating with it. That represents recognition that development management and the local planning system tend to deal with local issues, but we need to look beyond local issues and regional boundaries—and, indeed, beyond Scottish boundaries.

As I said, NPF3 is a step in the right direction, and the process is evolving. We hope that NPF4 will address the areas that are missing in NPF3.

**David Stewart:** Could each of the panel members give the committee one example of best practice in Europe for freight infrastructure schemes that have used a mixture of private sector and public sector funding? I will perhaps answer my own question, as I tend to do. When we were in Rotterdam recently, we were told about the dedicated freight rail line that has been set up, which is a fantastic example that is an enhancement for the whole of Europe, with Rotterdam being Europe's largest port.

**Phil Matthews:** The challenge is in the fact that the system here is different in a number of ways

from that which operates in other parts of Europe. Rather than point to a particular example, I will say that it is clear that other parts of Europe, including some central European countries, understand it much better than we do. The infrastructure is there, the balanced appraisal of different options is there, and the thinking across corridors and about integration is there.

Going back to my earlier point about how we look at investment along, say, the A9 corridor, there should be an appraisal system—a way of judging costs and benefits that takes into account a wider economic, social and environmental effects, rather than a focus on individual projects.

The other point to make is that in many other European countries there has been considerable investment over a long period, which has clearly been beneficial to both passenger rail and freight travel.

11:15

**David Stewart:** In simplistic terms, are we more mid-table than winning the championship in freight infrastructure?

**Phil Matthews:** Yes. There are clear pinch points. We have some antiquated infrastructure in the rail freight terminals, and there is a lot of single track and inadequate infrastructure for rail, north and south of the central belt in particular.

I agree that information is very important. As a result of the way in which information technology has moved on, we can overcome the challenges of half-full vehicles charging around producing a lot of emissions and costing a lot economically. As with so many things, however, much comes down to investment in the infrastructure.

The other point to make is that the money is there: a huge amount of money is allocated for transport projects. We argue, however, that the priorities on which we have chosen to spend that money and how we have chosen to spend it are not necessarily the best.

**Alex Macaulay:** I have half a dozen good examples; I will happily pass them to the clerks rather than take up the time of the committee today.

There is an example in Sweden of a dry port in—excuse my pronunciation—Älmhult. One of the things that we found when we analysed dry ports was that it is possible to get the private sector in to develop a dry port if there are huge populations and big movements of freight, and it can work successfully. It is more difficult if the scale is marginal; Scotland generally handles lower volumes of freight. Älmhult is not a big dry port and handles relatively low volumes of freight. It serves the ports of Malmö and Stockholm. It was

developed in partnership with the municipality when Ikea pulled out of the area. Local government provided the required public sector input, so that what was probably a marginal or even a negative business case was able to flip over and become positive so that environmental benefits could start to be achieved in the region.

There are a number of examples of very good co-operation in the private sector—operators in Switzerland, Germany and Italy are in partnership companies of road hauliers, rail operators and freight forwarders. The road hauliers still compete with each other and the rail companies still compete with each other, but the partnership companies bring them together and provide a neutral platform from which to make improvements. I will happily pass that information on to the clerks.

**David Stewart:** That would be very helpful.

**Michael Cairns:** I was impressed by the example of the Norwegian postal service, which is—initially working in Trondheim but spreading throughout the rest of Norway—aiming for largely emissions-free deliveries in city centres. In Trondheim, it has completely replaced its diesel-powered vehicles with a combination of types of vehicles including electric-powered trolleys, so that more deliveries, particularly of larger and bulkier parcels, can be made on foot instead of using vans. The vans that remain in use have all been converted to full electric power and the larger vehicles for bulk loads are hybrids.

The postal service is a Government-owned arm's-length organisation, which is in a similar position to that of the Royal Mail about two years ago. It has required a considerable amount of support for it to make the investment in electric vehicles. There have also been difficulties in sourcing the vehicles; Norway is too far away for Mercedes-Benz, for example, to supply it. The Norwegian post office has, however, gone a long way towards reducing and, in a lot of cases, eliminating carbon emissions and local air pollutants.

**The Convener:** Thank you for that.

**Councillor Stockan:** You have heard about the lifting the spirit project. A really interesting spin-off from that was that other local food producers in the area were backhauling and may continue to do that in the future. The project has involved other groups: there is far more to such projects than we can ever imagine. It was exciting to see that a project can bring other people on board as they collaborate and work with the industry. There can be unexpected results. Neil MacRae may want to add something.

**Neil MacRae:** It comes back to the wider questions about planning policy, how EU

directives are applied and whether state aid or territorial cohesion comes more to the fore in creating a proactive but not interventionist way to facilitate co-operation. That is done better in some Scandinavian countries and elsewhere in Europe.

**David Stewart:** I appreciate that information, thank you.

**The Convener:** I thank all our witnesses for their comprehensive evidence this morning, and Mr Macaulay for the offer of supplementary written evidence on European case studies. The committee will, I am sure, find that invaluable as it takes forward this important work.

11:21

*Meeting suspended.*

11:26

*On resuming—*

**The Convener:** Good morning, we now resume the meeting of the Infrastructure and Capital Investment Committee with our second panel. I welcome, from Network Rail, Anne MacKenzie, senior route freight manager, and Nigel Wunsch, head of strategy and planning for Scotland.

Network Rail has a clear responsibility for investment and maintenance in the rail network. You are currently working on a Scotland route study that will look at the upgrades and investments that are required for future network growth and economic growth. Can you provide the committee with an update on the work of the study and how it is informing future planning for the rail network in Scotland?

**Nigel Wunsch (Network Rail):** Thank you very much for giving us the opportunity to talk to you this morning and to help with your inquiry.

The route study, which is the current part of the long-term planning process that we are working through, is for looking at what the industry needs to invest in over the next 30 years. We are looking at where we want the rail sector to be in 30 years' time—in 2043—across both freight and passenger business.

The work that we are currently doing has been looking at what the demand is likely to be in that timescale and, based on that demand, what train service will be required to be meet it. Inevitably, there will be a significant growth in both passenger and freight business. The number of passengers, the volume of freight and the distances they are travelling are all expected to grow.

Based on that, we need to look at where the pinchpoints are, where the gaps will be in the infrastructure, and how we can best fill those gaps.

We look at what the opportunities are to do that and what we want the network to look like by 2043. We then work back from there by asking, “If that is where we want to be in 2043, what are the steps that we need to take between now and then to deliver it?”

The route study is scheduled to deliver a draft for consultation by the end of 2015. It will go out for wide consultation and, based on previous experience elsewhere in Great Britain, there will be lots of views and comments. Based on those, we will then produce the final route study, which will be published in the middle of 2016. It will be a regulated document, which the Office of Rail Regulation needs to approve.

It will also feed into our initial industry plan for the next five-year control period, which starts in 2019. We will use the plan to bid to the Scottish Government for investment in line with our recommendations for that five-year period.

11:30

**The Convener:** Ms MacKenzie, do you have anything to add?

**Anne MacKenzie (Network Rail):** No.

**The Convener:** I do not know whether you had an opportunity to hear the previous evidence session at which we heard evidence from a number of witnesses that the investment priority should be modal shift from road to rail freight. Do you envisage that being looked at as part of the study?

**Nigel Wunsch:** Absolutely. We believe very strongly that there are many flows for which rail is ideally suited, particularly longer-distance flows and bulk flows; rail is the ideal way to support those sorts of traffic. We anticipate investing in the ability to run longer trains on the network and in improvements to gauge, particularly on the Anglo-Scottish flows, so that bigger containers can be operated on standard rail wagons.

**The Convener:** Clearly, you do not want to pre-empt the outcome of the study, but a number of issues are emerging from this inquiry and the evidence that we have received, and from the wider debate about rail freight in Scotland. You alluded to one of those issues, which is improvements to capacity. We heard from the Rail Freight Group about the lack of long overtaking loops, the fact that so much of the network remains single track, the inadequate length of crossing loops and so on. Are those issues moving up your agenda?

**Nigel Wunsch:** Yes, inevitably. The longer the freight trains we can operate where there is demand, the more efficient that is and the better the use of capacity. Short trains are not a good

use of the limited capacity on the rail network, and the ability to operate longer trains is definitely a benefit.

We have recently done quite a lot of work on the west Highland line, for example. We now run trains on that line that are longer than the loops, with special arrangements so that, when they pass, they pass passenger trains while they are in the loop. That allows longer freight trains to operate, which has improved the viability of those trains for the freight operators.

However, we can run longer trains only where there is demand for them, and on some routes there is not the demand for the volume of traffic that needs the longer trains. There are lots of routes, though, such as the east coast and west coast main lines, where we would like to see longer loops because that would allow more flexible operation. We operate long freight trains on the west coast main line coming up from England via Carlisle to Glasgow, or to Mossend, which is in the Glasgow area. They, too, are longer than a lot of the loops and, again, have to be carefully managed to avoid delaying other services.

**The Convener:** Is it fair to say therefore that, through the study and the bids that you will make for investment from Government, you will seek to address the significant infrastructure capacity issues and pinchpoints that exist on the network?

**Nigel Wunsch:** Yes. Inevitably, the east coast main line will be high on the list of priorities. There are starting to be definite capacity pinchpoints for both passenger and freight between Edinburgh and Berwick and even down as far as Newcastle—obviously, that is outwith the Scottish Government’s remit, but that is the section of route that is relevant. In addition, going north from the central belt towards Inverness and Aberdeen, we are currently investing, as part of this control period, in improvements to the Highland main line between Perth and Inverness that are aimed at reducing journey time for passenger trains and increasing capacity for passenger and freight. Some of that will almost certainly include longer loops or longer sections of double track.

**The Convener:** One of the issues that David Spaven of the Rail Freight Group highlighted is the Channel tunnel and the as yet unrealised potential for that route to fulfil our freight requirements. There was a suggestion that that has not happened and is unlikely to do so without proactive support to pump prime an initiative for a freight train from Scotland to the European mainland. Do you have a view on that?

**Nigel Wunsch:** I will let Anne MacKenzie come in on that question because she is perhaps better placed to answer it. Inevitably, if we could

encourage greater use of the Channel tunnel for freight, we could get more freight on to rail. We would have to think carefully about where we are trying to get that freight to and remember that the freight market is a commercial one and that there are risks that, if we start to affect it, we will get into competition and state aid issues.

**Anne MacKenzie:** I agree with Nigel Wunsch, but I also agree with David Spaven that pump priming would sometimes be ideal for a brand-new service. It takes critical mass to get a new train up and running. Sometimes, when there are low volumes to start off with, it does not quite justify a train but, if we pump primed a train to start off with, the volume could follow. There is potentially enough volume to have a train direct from Scotland to Europe via the Channel tunnel. Coming back is the issue. At this time, the service would probably have to go via one of the English terminals to get the volume to come back up to Scotland.

**The Convener:** As an Edinburgh MSP, I have a question about improvements to the network that are already under way. One of them is the electrification of the Edinburgh south suburban line. Can you say anything that would be of interest to people in Edinburgh?

**Nigel Wunsch:** Electrification of the Edinburgh south suburban line would be of benefit to freight. It would ensure that freight traffic can be electric hauled by the east coast main line and across the central belt. At the moment, a lot of that traffic has to be diesel hauled because there is not the capacity through Edinburgh Waverley, which is the only electrified route, for that sort of traffic to operate.

Edinburgh Waverley is full of passenger traffic and we want to avoid freight passing through there. If we electrified the Edinburgh south suburban line, we would be able to operate more electric freight, which is more efficient because it uses longer trains, has better haulage capacity and, generally, has better acceleration.

We proposed that electrification as part of our initial industry plan for control period 5. It was not included in the Scottish Government's priorities for CP5, but we continue to work with the Scottish Government and Transport Scotland and anticipate that it will be part of the priorities for the next control period.

**The Convener:** Is that proposal fully costed?

**Nigel Wunsch:** We continue to do the development work on it to get a final current price that we will include in our initial industry plan for CP6, the next control period.

**David Stewart:** I am enthusiastic about electrification, not least to the Highlands, which

would be vital. The industry is keen on electrification not least because it fits in with climate change targets. I think that the witnesses heard my earlier question on that point. We tend to put transport in a different category when we should be taking an integrated approach and saying that, because we believe in addressing climate change through any policy that we have, electrification makes a lot of sense.

You touched on the point, which I was going to make, that electrification is much better for acceleration. It is also much better for maintenance. I have had several examples of train breakdowns in bad weather at Drumochter, for example. That is less likely to happen on an electrified line, which leads to improved efficiency and reduced maintenance costs. Do you agree with that?

**Nigel Wunsch:** I agree with all of it apart from the last point about electrification over Drumochter, because I have some concerns about making sure that the electrification is robust in the climate that we get up there. Drumochter is very exposed in the winter and, in many ways, overhead line electrification can be quite vulnerable.

I strongly support the position that we should electrify. I am keen for transport to be considered as a whole in relation to climate change. Network Rail and the rail industry have targets imposed on them to reduce carbon emissions. To me, the most efficient way of reducing carbon emissions for the country would be to move more traffic on to rail, but that would increase our carbon emissions because the operators would be running more trains and we would have to invest in more infrastructure, which would create more embedded carbon as we build new bits of railway.

**The Convener:** That is a one-off.

**Nigel Wunsch:** It is a one-off, but it affects our targets. We have targets to reduce our own carbon emissions. I fully support improving the carbon efficiency of how we operate the railway but, nevertheless, the more traffic we haul, the greater the carbon we produce.

**Adam Ingram:** What changes in demand for rail freight are expected over the next few years? For example, we know from the announcement about Longannet, that there will be far fewer coal trains from next year. What action do you need to take to ensure that the Scottish rail network will be meeting more demand in other areas in the future? How are you going to anticipate changes and deal with them?

**Nigel Wunsch:** You are right. As I said earlier, we expect significant growth in other sectors of the market. At the moment, we are not quite sure of the future for coal; the changes at Longannet are

relatively recent news and we are still trying to get our heads around the changes that they will bring to the coal flows across Scotland.

In terms of other markets, we expect the intermodal market, both domestic and international, to grow significantly. Over the next 10 to 15 years, I would expect a 50 or 60 per cent growth in that market. The industry is capable of handling that. We need to invest in certain locations. We talked a bit about that earlier when I was speaking about the route study. I anticipate that we will be looking at what the market needs in the next 30 years and asking how we get there. The market study on freight requirements across the country, as part of the route study process, showed significant growth across a number of sectors.

**Anne MacKenzie:** Coal traffic forms about 62 per cent of all the product that we move on rail in Scotland. Over the next 30 years, intermodal traffic is forecast to grow significantly and the forecast will still give us some growth to 2043 even though by that time coal may have disappeared.

**Adam Ingram:** Forgive me, but you mention 2043 and most of us round this table will be dead by then, so I am more interested in the immediate future. We have a particular focus on the next 10 to 15 years. This morning, we heard from the regional transport partnerships that they are looking for a significant intermodal shift from road to rail haulage. What are your plans and how do you anticipate that?

**Nigel Wunsch:** The significance of the 30-year horizon is that rail infrastructure is a long-life infrastructure and, as we are investing in rail infrastructure, we need to think about the cycle of renewals that we go through. Track, structures and signalling all last 15 years plus, while some of the bridges are probably in a 120-year cycle. We need to have that long-term look.

You are right that we want to get freight on to rail and growing in a much shorter timescale. As I explained earlier, that is part of the route study process—we look at the long term, then draw back and say, “Okay, based on that, what do we need to do in the next five to 10 years?” In the current control period, we are investing in loading gauge improvements to allow bigger containers from the east coast main line across the central belt towards Mossend and Coatbridge, which are the main freight hubs, and up towards Grangemouth. We are looking at how we can get bigger containers going further north towards Aberdeen and Inverness.

Inevitably, given the major infrastructure constraints—the number of tunnels and significant bridges—we need to consider how we can do that without doing things such as cutting bits out of the

cross girders of the Forth bridge, which we could not do because it would not do it any good. That will involve looking at how, as an industry, we can invest in lower-platform wagons. Lower-platform wagons are quite expensive to build and slightly more expensive to operate, but they probably still represent a cheaper way of coping with the volumes of traffic that are likely to be going north of the central belt in Scotland. However, under the current industry and Government structure, the grants that are available are more about investing in fixed infrastructure than about investing in rolling stock to meet that need.

11:45

**Adam Ingram:** So would you like there to be a shift in emphasis away from fixed infrastructure to more operational support?

**Anne MacKenzie:** Both should be looked at.

**Nigel Wunsch:** We need a balance between the two.

**Adam Ingram:** What impact do you anticipate high speed 2 having on the free flow of rail freight to and from Scotland?

**Nigel Wunsch:** The key thing about HS2 is that it is targeted at relieving congestion on the routes out of London, which are already significantly congested. From a Scottish perspective, if we cannot get down to the London area and across London towards the Channel tunnel and towards the major ports of Felixstowe and Southampton, we will be more isolated.

The advantage of HS2 taking significant amounts of passenger traffic off the southern end of the west coast main line south of Preston is that that will free up capacity on that route for local passenger journeys and for greater use of rail freight. If we can get greater use of rail freight on those congested bits of the infrastructure, that will enable rail freight to come further north into the north of England and Scotland.

To allow that to happen, we need to invest in improvements to the infrastructure on what we might call the classic railway north of Preston. In the shorter term—probably up to 2043—it is unlikely that HS2 will get as far north as that. We are looking at providing longer loops on the west coast main line and potentially over the next 10 years some short sections of new route—freight bypasses—that will enable passenger and freight services to be separated, particularly up the steeper hills of Beattock and Shap, thereby allowing passenger trains to overtake slower-running freight trains.

**Adam Ingram:** The outcome of the general election might advance that a little bit, but we will wait and see.

**The Convener:** I am confident that all of us around the table will live long enough at least to see the conclusion of the committee's inquiry.

**Mary Fee:** We have heard about the need for additional capacity on the east coast main line, and we have already talked about longer passing loops and double tracking. You mentioned freight bypasses and improvements to the west Highland line. Are there any other specific parts of the Scottish rail network that are limiting the expansion of rail freight? How can improvements be made to those parts of the network? Where are such improvements on your list of priorities?

**Nigel Wunsch:** You have asked a lot of questions. I will try to work my way through them.

**The Convener:** Mary likes to ask the easy questions.

**Nigel Wunsch:** It keeps the brain going.

You are right—we have already covered a number of the highest priority areas. Are there limitations on the network? Of course there are. The challenge for us is to balance the demands that emerge to ensure that we get best value for money out of the investment that we make.

We have talked about the west coast main line and the east coast main line, which connect us with England, and the lines to Aberdeen, Inverness and Grangemouth, which are among the key freight hubs. Those are critical areas in which we think that investment will produce the biggest return. Going beyond that, one could spend significant sums of money to improve the routes on the west Highland line or the far north line if the demand was there, but it is very difficult to get that balance when the demand is much lighter. We run freight traffic on both the far north line and the west Highland line to meet the demand that is there today. We are not aware of demand being frustrated by a lack of capacity at this stage. We hope that the route study will help to identify where that might be a problem in the longer term.

**Mary Fee:** I suppose that part of the problem is that, if you do the work and improve the network, the traffic will come. People are not using rail for freight because they cannot do that, so they use alternative means of moving freight. It is a bit like saying that, if you build a house, people will come. If you improve the network, the freight will follow.

**Nigel Wunsch:** I wish that that was true. Unfortunately, we have a number of examples in which we have improved the network and the traffic has not come despite the predictions and the forecasts and appraisals that were done. At Raiths Farm in Dyce, just north of Aberdeen, we made a big investment with partners in an improved freight facility in the Aberdeen area. With

hindsight, people can now look back and say, "Oh, but it's in the wrong place", but that is where we were encouraged to put it and where people wanted the freight facility at the time. The volume of traffic that goes through Raiths Farm is very low.

I could quote other examples where we have been encouraged to invest. Gauge clearance to Elgin would be a good thing to do and we would love to see container traffic going up there. There is capacity on the network for it to operate, but the volumes are very small. The lifting the spirit project is the only example that has used it and, successful as that was, it has not been followed up with commercially viable traffic.

**Mary Fee:** Thank you. Anne, is there anything that you want to add?

**Anne MacKenzie:** I think that Nigel Wunsch has covered it.

**Mary Fee:** We have heard in our evidence-taking sessions about the priority that is given to freight. Concerns have been raised that freight has to wait for passenger trains to move through, and the need for longer passing loops is a problem as well. What evidence have you received about the desire to give freight a higher priority? How can you broaden the movements and the times when freight is allowed to move, particularly at the weekend? At present, freight cannot move over Saturday night and into Sunday.

**Nigel Wunsch:** I do not think that I would go as far as to say that we give priority to passengers over freight in the way that you describe. In timetabling terms, we have to reach a balanced timetable for all the operators. There is great pressure on the rail network to reduce journey times for passenger trains.

The best way to run the railway is for all the trains to run at the same average speed. If the freight trains were able to go at the same average speed as the passenger trains, they would all trundle along together. In much the same way as it is helpful to have a dual-carriageway road rather than a single-carriageway road because lighter and faster cars can overtake lorries, if we have more loops it allows passenger trains to overtake freight. However, we develop timetables that allow us to get that balance and to get the journey times that the freight customers desire, or as close as possible to them, while still allowing passenger trains to operate, and where we do not have that capacity, we look at opportunities to invest in more capacity to allow that.

On the point about when traffic can run and the restrictions or otherwise, we also need to find time to maintain the network, and we try to do that at times when it is least in demand. We are a very safety-conscious industry and we do our best to



manage that and to keep trains and people apart. It is not a good thing to have trains and people on the network together. I believe that, in maintaining the network, we are much more safety conscious than the road network, for example. We do not have people wandering about putting out cones or wandering across motorways putting out signs. We have to restrict passenger trains when we do maintenance work.

On most routes, from the passenger perspective, the quietest time is Saturday night into Sunday, and that is when we do maintenance on the network. However, over much of the network, where there is a demand for freight traffic we have looked to balance that, and we focus the maintenance opportunities in spells that are as short as possible. We have already mentioned the Hunterston to Longannet route. Because traffic runs on that route 24 hours a day, six and a half days a week, we have to focus our maintenance of those sections of the network in very short spells. However, we still have to find the time to do that work.

**Mary Fee:** Has there been any study of the impact on freight of restrictions, particularly those on a Saturday night?

**Nigel Wunsch:** Not specifically. You will need to talk to the freight operators about this, but an issue for them is that when we carry out major maintenance on Saturday nights we require trains to support our work by conveying rails, ballast and so on to the sites. Many of the freight operators are involved in that, and they have to balance their own resources in order to find resources for that work.

I am sure that supermarkets want seven-days-a-week, 24-hours-a-day movement, and there is no doubt that that is a benefit of the road network. Bits of that network can be closed when the roads are quiet to allow maintenance to be carried out, but bypasses can still be found for transport. We have some examples of that, but having the capacity to run traffic during maintenance periods is expensive.

**Mike MacKenzie:** You have said that there has been discussion about loading gauge restrictions, but I wonder whether you can be a bit more specific about that. Strategically speaking, are there particular pinch-points that you would prioritise, and do you have any innovative solutions for tackling them other than the use of low wagons, which, of course, makes sense?

**Nigel Wunsch:** Yes. We have done a lot of work to gradually improve the gauge for container traffic. Both the west and east coast main lines have been cleared for most containers; for example, we recently demolished the tunnel at

Carmuir, which is one step along the way to improving the gauge facility to Grangemouth.

Where else could we go? As I have said, it would be nice to go north to Aberdeen and Inverness, but there are a number of structures that it would be very difficult to clear for full gauge. We lower the track as well as raise bridges, but all such measures have a cost. For example, lowering track tends to increase longer-term maintenance costs, because the dip that is created leads to water gathering and draining becoming more of a challenge. We have tried various means of delivering what you have suggested, but we also have to take into account the volumes of traffic that are being moved and the fact that we need the critical mass that Anne MacKenzie mentioned to justify the investment of significant sums of money.

When we introduce electrification, we often have to build new bridges, and those new bridges will generally be for higher gauges not just for electrification purposes but to take bigger containers. Over the next few years, we will be electrifying the gap in the route between Edinburgh and Glasgow via Shotts and, as part of that work, we are starting to raise structures that will in due course give us clearance for bigger containers. Again, however, we are competing with the roads network. Raising existing bridges and building new ones disrupt the roads network, and we have to work very closely with the local authorities to minimise that disruption. After all, from their point of view, the disbenefits from the disruption to the roads network are often more than the benefits of having bigger rail bridges.

**Mike MacKenzie:** You have half-anticipated my next question, which is about electrification. The benefits of electrification are fairly obvious, but what do you think are the priority areas in that respect? Where is it most likely to happen next?

12:00

**Nigel Wunsch:** The current funding fills in Glasgow and Edinburgh via the Edinburgh to Glasgow rail improvement plan, including up to Stirling, Dunblane and Alloa. That will get us to the point at which most of the traffic in central Scotland is electric-hauled. We also have funding for the completion of the Shotts line by 2019.

We are in discussion with Transport Scotland about priorities beyond that. For example, we anticipate that the remaining Glasgow suburban network will probably be the next place that we would like to infill, especially one or two routes such as East Kilbride and Barrhead. That would not be of any great benefit to freight, but it would benefit passenger services.

Beyond that, the discussion is about how we eventually go north from Glasgow and Edinburgh towards Aberdeen and Inverness. Our internal discussion with the industry and Transport Scotland is about the order in which we do that. Until we complete the whole section of Glasgow, Edinburgh, Aberdeen and Inverness, which includes all of Fife, the bridges across the Forth and Tay, a significant number of tunnels and the exposed route across the passes on the way up to Inverness, we will not get all the benefits because there will always be some bits of the network where diesel trains will have to run under the wires.

That will be true, unless we get to the bi-mode situation. I know that at least one of the freight operators is investing in bi-mode locomotives, which will allow trains to be hauled electrically when they are under the wires and to use diesel when they go off the electrified bits of the network. There will be benefits there.

Network Rail has been working closely with the industry on looking at independently powered—battery-operated—electric trains. We have done some experimental work in England and have successfully run an independently powered electric unit in passenger traffic on the Harwich branch. The unit can go up to 50km off the electrified network, so it is ideal for short branches that do not have overhead lines because it allows trains to run under the wires when they go on to electrified track.

We are looking at lots of different options. Some of the recent electrification that we have done in Scotland has used innovative ideas. In some places, we have not had to raise some bridges by having short sections where the wires do not carry any power. That also reduces costs.

Conversely, there are cost pressures the other way because of safety considerations. For example, we are now required to raise bridge parapets on electrified lines to improve safety and prevent people from throwing things over. Significant cost is associated with that and it increases the costs of electrification.

**Mike MacKenzie:** That is very interesting. You mentioned that progress northwards will come in the longer term. Can you give us an idea of timescale? Are any of us who are around the table today apt to see that or will it be beyond our lifespans?

**Nigel Wunsch:** I would not have thought that it would be beyond our lifespans, but that depends on how quickly the Government wants to specify it should take. The current control period asks us to electrify about 100 track kilometres per year. Looking forward, I believe that we would complete

electrification to Aberdeen and Inverness by around 2030.

**David Stewart:** Do we need to refresh the Scottish Government freight policy?

**Nigel Wunsch:** All policies need to be reviewed on a rolling basis. I am not a great believer in saying, "Right, we'll go and do that now and then we'll leave it for the next 10 years." We need to keep reviewing such policies as circumstances change. I am sure that there are things in the Scottish Government's freight policy that could be reviewed, and I know that Transport Scotland is reviewing its freight policy at the moment along with other issues. I am not sure of specifics, so Anne MacKenzie might want to comment on that.

**Anne MacKenzie:** I cannot remember when the last freight policy was issued, to be honest.

**Nigel Wunsch:** It was last formally issued in 2006. As I said, I believe that it is being refreshed and I anticipate that it will be published in the next six to 12 months. These things change relatively slowly and I prefer not to have big-bang refreshes. My preference is for changing things as they crop up.

**David Stewart:** This is a very wide question, but do you believe that our current planning policies and systems are efficient and effective as far as rail is concerned?

**Anne MacKenzie:** It was quite disappointing that NPF3 did not contain any projects for rail freight. It mentioned the strategic importance of Grangemouth, Coatbridge and Mossend, but there were no specific projects to take the strategy forward. That is a missed opportunity for rail freight. I hope that NPF4 goes further into rail freight.

**Nigel Wunsch:** Beyond that, the planning world needs to think about the impact of rail beyond the rail network. There are a number of examples in which planning has allowed housing to be built close to rail and then people complain that their house is next to a railway, which makes noise. Greater night-time traffic has been mentioned, but unfortunately most people want it to be quiet at night. If a railway is running for 24 hours or even 18 hours a day, there will be noise during the night from the trains passing for people who live next to the railway. The planning framework needs to take that into account.

**David Stewart:** There is a parallel with road. We have heard lots of good examples regarding the possibility of night-time deliveries, but as Mary Fee and I were discussing, someone who lives on an estate in Glasgow and is next to a large warehouse that now has 24-hour deliveries will not be very happy. Integrated planning is important.

You heard the question that I asked the previous witnesses about best practice in Europe. Can you identify an example of best practice in which you see rail infrastructure as being top of the tree? Is there a fantastic example that we should be monitoring? To refresh your memories, the best practice that I identified was Rotterdam harbour, which developed its own dedicated freight rail line. In a previous meeting, I gave the example of boats that are carrying goods for Italy not stopping in Italy but sailing right past to reach Rotterdam and then using the dedicated rail freight service to get to Italy. That is a fantastic example of what has been developed.

What are your views on that project? Can you identify any other best practice for the committee?

**Nigel Wunsch:** I am not familiar with the exact details of the Rotterdam example. The biggest issue for Rotterdam is that it has huge volumes of container traffic. Nowhere in Britain has that volume of traffic demand. As I understand it, the deep-sea shipping lines want to call at as few ports as possible and to unload as many containers as possible at those locations; they want to do the long haul and get rid of all the containers in one place, then use short-sea shipping or rail to deliver.

From a British point of view, the only ports that those lines come into are Southampton and Felixstowe, but in many ways they would rather just go to Rotterdam, unload there and then use short-sea shipping to get to the ports around the coast of Britain. Grangemouth, for example, does quite well out of that sort of traffic. Equally, that draws away from the rail perspective, because if the ships were using Felixstowe or Southampton, the containers would then generally come by rail from those ports to Scotland. There is a balance. It may be that, overall for the economy of the country and in relation to carbon emissions, the ship option is better. That is not for me to comment on.

In terms of building bits of network specifically for freight, we have a number of freight branches that are dedicated to freight traffic. Grangemouth is a good example in which we go to the port. Very little traffic comes from the port, but we take quite a lot of traffic into Grangemouth from bulk consolidation points in the south of England and goods get distributed from there.

When it comes to learning from Europe, much of the British market is so different—in terms of both the volume and the distances that the freight traffic can go—that there are not that many things that are similar that we can learn from. We talked earlier about high-speed rail, and one of the lessons from Europe has been that there has been investment in high-speed rail where the volume of traffic is such that new railways are needed. The

French and the Germans have seen that they have a capacity issue and have decided to invest in a new railway to relieve that capacity; that then creates capacity on the old railway for more freight. That is a good example.

**David Stewart:** Do you see any examples in Scotland of developing more freight-only lines, or reopening perhaps very short rail lines? We have considerable amounts of ex-railway lines, for example the lines that were closed down following Beeching. I think that Alloa has some direct freight-only lines, but are there other examples?

**Nigel Wunsch:** The Alloa to Kincardine line, going on to Longannet, was opened as a freight line. That largely serves Longannet power station. The question of where we will go is interesting, given the closure of Longannet power station. There is some freight on that line through to Fife; it is a gauge-cleared route into Fife for container traffic, which we did not have previously because of the restrictions on the Forth bridge.

We are always open to opportunities, if the traffic volumes are there. It is a bit of a chicken-and-egg situation: until you have the line, you will not have the traffic, but you need to find locations to build the line so that traffic will appear. We have talked about that.

**Anne MacKenzie:** We have reopened lines in the past, but that has happened mainly for coal traffic, where there is the bulk to justify running a train. I do not have any examples from the recent past, or of lines that we are thinking about opening in the near future.

**David Stewart:** Perhaps the committee can do more work on that, in terms of looking at European examples. Thank you for the answers that you have given us.

**The Convener:** Members have no further questions. Is there anything that you would like to say by way of closing, Mr Wunsch?

**Nigel Wunsch:** We have covered most of the issues that we wanted to address. We welcome the significant investment that the Government has made, particularly through the rail freight investment fund. We are using that over the current control period as efficiently as possible to deliver the improvements that we have talked about. We look forward to similar investment in the future, along the lines that we have discussed.

**The Convener:** Thank you for your evidence. It is greatly appreciated as we take forward our inquiry.

*Meeting closed at 12:12.*

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**Friday 1 May 2015**

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### **Midlothian Local Development Plan – Proposed Plan and Associated Documents**

SEStran welcomes the opportunity to comment on the publication of the Proposed Plan and its associated documents. In the response to the consultation on the Proposed LDP, SEStran supports the identified Transport Policies 1 to 5 under the Promotion of Economic Growth, 4.5 Improving Connectivity section within the Proposed Plan.

Midlothian has the potential to make a significant contribution to the growth of the wider SEStran Region. And in the context of the SEStran Regional Transport Strategy (RTS) *'the 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.'*

The Regional Transport Strategy has undergone a review and the final version after consultation was approved by the SEStran Partnership Board for submission to Scottish Ministers in March 2015. The review included the incorporation of a number of detailed strategies and guidelines as outlined in section 9.8.1 of the RTS and due cognisance of these should be taken of these in the final SDP.

#### **Giving Priority to Sustainable Transport Modes**

The areas where it is anticipated there will be potential transport issues arising from proposed development have been identified. The proposed plan also indicates potential schemes that would go some way to mitigate the anticipated problems in each corridor. SEStran supports these proposals and that the importance of active travel and public transport is continually given appropriate emphasis during any new development.

As an example: As previously identified within the Transport Appraisal of the MLDP development strategy, given the scale of proposed development surrounding the Bush Estate and A701, this corridor will have significant impact on the area. The proposed relief road will go some way to mitigating this impact. SEStran strongly advocates the prioritisation of the existing road for walking, cycling and public transport improvements.

#### **Design Principles and Setting Standards**

Design principles are referred to in the design of buildings and places. SEStran would recommend that a similar set of standards should be made to the provision of cycling and walking facilities. The SEStran 'Cycling Infrastructure: Design guidance and Best Practice' document outlines basic design principles and is one example of design principles that could be incorporated and referred to by the proposed plan for active travel infrastructure and set a minimum yet high standard in its design principles.

SEStran would also suggest that the Promotion of Economic Growth sections must pay greater consideration to the Sustainable Transport policies outlined in section 4.5. For example, under Policy ECON7, it is stated that further education facilities are to be supported by a Sustainable Travel Plan. SEStran fully advocates the adoption of Travel Plans and would like to see reference to measures to monitor the effects of Sustainable Travel Plans in Midlothian, and what processes are in place to ensure they are adhered to.

### **Cross-boundary Transport**

It is understandable that Midlothian will continue to have a close relationship with Edinburgh for employment and services, supported by improvements in transport provision, not least Borders Rail. Under section 4.5.8, reference is made to the cross-boundary transport study commissioned by Transport Scotland; under the auspices of SESplan (as part of the SDP review) and that its results may require additional considerations under the LDP. This study will identify the necessary transport interventions to support development not only in Midlothian and Edinburgh but also in neighbouring authorities like East and west Lothian and further afield. Running in parallel with this study, SEStran has commissioned a study on its Regional Cycle Network. The results of this study are to guide investment in to the strategic network across the SEStran region. SEStran would recommend that as a Stakeholder, Midlothian should pay consideration to its outcomes and incorporate this into the LDP as relevant.

On a technical note, the Orbital Bus Rapid Transit proposals should also be shown on the proposal maps. For example:

- Map 1. Shawfair Park and Ride site to the north of the A60/A720 junction
- Map 6. Straiton, dedicated link between Straiton and Lothianburn Park and Ride. This map should also show the existing Park and Ride at Straiton.

### **Conclusion**

The proposed Local Development Plan for Midlothian provides a clear vision of how the area will grow and develop. It also goes some way in addressing the range of issues facing the area and is focused on promoting and managing achievable sustainable growth. SEStran views this document as a positive step and supports the Proposed Plan and Action Programme. However, SEStran recommends that the Proposed Plan could still go further in supporting the provision of Sustainable and Active Travel, by setting strong design principles and standards that will achieve a greater modal shift towards sustainable travel. Further emphasis could also be made towards the development of Sustainable Travel Plans. Policies on monitoring the impact and adoption of such plans would be useful within the LDP if they are to succeed.

It is hoped that the comments above are of help. SEStran would also be happy to discuss these issues further if needed.

Lisa Freeman  
Strategy Liaison Officer  
SEStran

**Regional Transport Partnerships**

**Joint Chairs meeting**

**Edinburgh, 4<sup>th</sup> June 2015**

**Roads Collaboration**

**1. Background**

- 1.1. At the meeting of the Joint Chairs in Orkney on 4<sup>th</sup> March members were updated on progress regarding the interface between RTPs and the Improvements Service on the subject of Road Maintenance Collaboration. At that meeting SEStran were charged with facilitating agreement between the 7 RTP legal advisers on a joint position paper to be presented to the Roads Collaboration Board outlining the role that RTPs could take in facilitating such collaboration.
- 1.2. Andrew Ferguson, the SEStran legal adviser, subsequently drafted the paper and achieved agreement to it from the legal advisers to the other 6 RTPs. The paper is attached as appendix 1.
- 1.3. A meeting was held at the SPT offices with officers of SEStran, SPT, the Improvements Service and their legal Advisers on 2<sup>nd</sup> April at which the contents of the RTP paper were agreed and Andrew Ferguson was charged with preparing a one page summary of the paper for submission to the Roads Collaboration Board meeting on 21<sup>st</sup> April. Unfortunately a combination of election duties and being unable to obtain sign off from the Improvement Service's legal adviser meant that the paper did not go to the 21<sup>st</sup> April meeting. The summary paper is attached as appendix 2.
- 1.4. Both papers have now been formally submitted to the Improvements Service as the final position of the RTPs on the legal position.

**2. Recommendation**

- 2.1. The chairs are asked to note progress on this issue and consider any further action they wish to take.

**Appendix 1** - Regional Transport Partnership's Role in Roads Collaboration and Other Shared Services – a Legal View

**Appendix 2** - RTP Role in Roads Collaboration and other shared services - executive summary of legal position

Alex Macaulay

19/05/15

## Appendix 1

### REGIONAL TRANSPORT PARTNERSHIPS' ROLE IN ROADS COLLABORATION AND OTHER SHARED SERVICES – A LEGAL VIEW

#### **1.0 Introduction**

1.1 To assist with the consideration of the role that Regional Transport Partnerships (RTPs) could have in the delivery of the shared services agenda in relation to the transportation sector, the RTP legal advisers have compiled this joint opinion, setting out how RTPs could provide a shared services delivery model.

1.2 This note has been agreed by the legal advisers for the following RTPs:-

SEStran,  
tactran,  
HITRANS,  
SPT,  
ZetTrans.

#### **2.0 Background**

2.1 RTPs were set up under the Transport (Scotland) Act 2005. Their principal function is to produce, and thereafter monitor the delivery of, a Regional Transport Strategy (RTS) for their area. However, other functions have been directly given to certain RTPs in relation to their region: in particular, Strathclyde Partnership for Transport (SPT) has a broad range of powers inherited from SPTE and SPTA, including ownership and operation of major bus stations and the Glasgow Subway; the so called single authority RTPs, being SWESTRANS and ZETTRANS have some concurrent functions with the single local authority which they cover in terms of their regional area, and some which have been transferred to them outright.

2.2 When the RTPs were created in late 2005, the shared services agenda was already a matter of concern to the public sector in Scotland. The RTPs were created, in part, as a policy response to the recognition that 32 local authorities all delivering a slightly different version of transportation functions was not always the best or most efficient means of delivering those functions, and that certain transport strategies and projects would benefit from being delivered on a region wide basis.<sup>1</sup>

2.3 The legislation also reflected the work of voluntary partnerships such as SESTRAN and Nestrans which existed before the legislation came into place, whereby transport strategy and projects in the

<sup>1</sup> See, e.g., s.5(2)(g) of the 2005 Act, which requires that each RTS should set out how RTPs 'will seek to influence its constituent councils or council in their performance of their functions relating to transport.' See also para 121 of "Scotland's Transport Future: Guidance on Regional Transport Strategies," March 2006.



area were delivered by a collaboration of local authorities through the voluntary partnership. This was given official status by the then Scottish Executive, who gave grant monies to the local authorities for regional transport projects via the RTP.

### **3.0 Functions and the 2005 Act**

3.1 The Transport Act 2005 conferred some functions, some duties and some powers on the new RTPs. In fact, the powers were quite extensive. They included the power to enter into contracts; to acquire and dispose of land; and the use of powers of compulsory purchase if necessary. There were also two sections of the legislation which contemplated the RTPs expanding their functional and operational capability.

3.2 Section 10 allows RTPs, with Ministerial consent, to promote an order conferring additional functions in relation to transport. The process for doing this is actually relatively streamlined and requires only, in the main, that consultation takes place with the constituent authorities of the RTP.

3.3 Other than those effecting wholesale transfers of functions referred to in paragraph 2.1, section 10 Orders which have been granted so far relate to such matters as provision and maintenance of bus shelters, making of Traffic Regulation Orders relating to road maintenance, regulation of highways by public service vehicles and providing of grants for the provision of transport for disabled people.

3.4 Section 10, therefore, provides a useful legal backing to enable any changes in function required by RTPs to participate in collaborations. The process is straightforward and unlikely to attract objections. The risk of legal challenge to the making of an order is low. The Guidance on Regional Transport Strategies issued in 2006 includes a statement that the 2005 Act “only concerns itself with the conferring of *statutory transport functions* – that is, any duty or power placed on or given to, for example, a transport authority or a roads authority by legislation.” That wording suggests that the word “transport”, in the context of statutory functions, should be interpreted as including the functions of roads authorities. There is nothing specific in the legislation that prohibits the participation of RTPs in roads functions. The distinction between ‘transport’ and ‘roads’ functions is not clear in terms of the various pieces of legislation.

3.5 Section 14 of the Act provides that a Transport Partnership may enter into “arrangements with the Scottish Ministers, a Council or any other person having statutory functions relating to transport arrangements under which the partnership –

- (a) does on behalf of the Scottish Ministers, the Council or that other person such things relating to transport as are specified in the arrangements;
- (b) provide such services for the purposes of, or in connection with, transport as are so specified.”

It is noteworthy that section 14 does not itself confer functions on RTPs. It simply allows them, in implementation of their existing functions, to enter into arrangements with others such as constituent local authorities to perform transport functions on their behalf. It is also noteworthy that s.14 is not prescriptive about what functions are involved – the only requirement is that the RTP does “things relating to transport.”

3.6 It is clear that the policy behind both of these sections sits well with the shared services agenda. There are clearly benefits of scale in relation to some transport and transport related projects. However, the restrictions under which individual local authorities operate legislatively means that it has been suggested they may not be able to enter into formal arrangements directly with each other to share services without raising issues of procurement law.

#### **4.0 The Section 14 Mechanism**

4.1 Standing the position that section 10 orders to confer additional transport functions on the RTPs are a relatively straight forward process which should not be seen as a block to any form of shared services collaboration, it is considered that section 14 provides a useful model for local authorities to collaborate in selected activities such as, but not limited to, roads maintenance. The Appendix sets out in graphic form the proposed arrangement, whereby the RTP, which is a separate body created by statute and with full powers to create committees as part of its governance framework, would delegate full powers of delivery for a shared service to Activity Collaboration Sub-Committees.

4.2 Such sub-committees (or committees) would consist of local authority elected members for the authority areas which intended to take part in the shared service. Procurement could be carried out by the RTP implementing decisions of each Activity Collaboration Sub-Committee. There would be a “back-to-back” agreement between the RTP and the participating authorities; crucially however, the local authority would retain control of the activity and the budget, and the local authority staff would normally continue to manage delivery, with the RTP acting as a central “hub” for the proposed activity.

#### **5.0 Advantages of the proposed mechanism**

5.1 There are key advantages in carrying out shared service collaborations using RTPs in this way. These are set out in brief in the Appendix.

*(1) Democratic accountability stays with the local authority(ies) concerned rather than creating a new body.* The existing democratic structures which have been created both within local authorities and in the RTP would continue to be the foundation of decision making. Local authority members with the requisite skills and background knowledge would take decisions and be accountable for them in the same way as they are at present. There would be no need for the creation of a new body such as an LLP or a new Joint Committee with different governance structures which members might be less familiar with.

*(2) Control of budget stays with the local authority concerned.* It would be for the local authorities to decide what contribution they need financially to the shared service. It is almost unnecessary to add this is increasingly important in the current financial climate.

*(3) Best qualified staff delivering service continue to do so (no TUPE).* Whilst the service would be shared, the existing expertise of existing staff would continue to be utilised to the full, with no need for complex HR involvement in relation to TUPE, negotiations with unions, etc., and potential disputes relating to, e.g., pension rights.

(4) *No new legal entity and therefore no external legal fees.* The collaboration model proposed would build on existing structures and it is not anticipated, after the initial revision of the RTP governance structure, that there would require to be any requirement for detailed legal involvement – other than in procurement.

(5) *Does not diminish or enhance the role of RTP (facilitator).* The RTP would simply act as facilitator for the share service. Control of the shared service and its delivery would rest in the main with the democratically elected local authorities.

(6) *No additional layers of governance required within the already complex transport governance environment;* The creation of LLPs to deal with specific projects, whilst technically feasible, would add to an already cluttered landscape of public sector bodies. This would seem to run against the policy of successive governments to do away with such clutter. It would utilise the existing RTP structures, building on a sound statutory basis for delivery of the shared service agenda, including offering consistency of governance structures for any additional areas of shared services collaboration in the transport sector.

## **6.0 Procurement**

6.1 Until the development of this model, focus as regards public procurement law has been on the relevance of the “Teckal” model. In a nutshell, this model permits public authorities to make a direct award of a contract for works or services, without any public procurement process, to a body which meets the following requirements:

- (i) The parent authority/authorities must exercise a degree of control over the body in question which is similar to that which they exercise in relation to their own department;
- (ii) The essential part of that body’s activities must consist in delivery of tasks entrusted to it by its parent authority/authorities.

Much effort has been expended on trying to establish how the RTP could fit into this model.

6.2 However, the Teckal model is predicated on the basis that a contract for the provision of works or services is to be awarded to the RTP. It may be worth looking again at the definition of public services contract and public works contracts as expressed in the Public Contracts (Scotland) Regulations 2012:

- A “Public Services Contract” means a contract in writing for consideration under which a contracting authority engages a person to provide services.
- A “Public Works Contract” means a contract in writing for consideration for the carrying out of works for the contracting authority or under which a contracting authority engages a person to procure the carrying out for the contracting authority of a work corresponding to specified requirements.

It is likely that the activities to be carried out in any shared service arrangement such as roads maintenance will fall into one or possibly both of these categories – ie. Works or Services.

6.3 The model presented in this note does not propose that the RTP be *engaged* by the participating authority to provide those works or services. The RTP will act more as an administrative hub/facilitator to promote co-operation between the participating authorities. In particular:

- The participating local authorities will retain control of budgets.
- The participating local authorities' staff will manage delivery.
- The model even envisages the possibility that it is the local authorities who will enter into the relevant contracts with the suppliers/contractors.

The RTP may provide the forum by which authorities come together to establish areas of co-operation and, it may even promote and manage a procurement exercise on behalf of those authorities, but it will not, in itself, be providing those services or works to the participating authorities.

6.4 The proposed model, therefore, does not appear fall into the Teckal model, but is much closer to the arrangement described in the case of the *Commission of the European Communities – v – Federal Republic of Germany (C-480/06)* – sometimes known as the “Hamburg Case”.

In that case four German local authorities agreed a contract with the City of Hamburg to supply waste to an incinerator owned by the latter. There was no special purpose vehicle created. There was no question of the participating authorities exercising any degree of control or management over the City of Hamburg authority. The court concluded that this arrangement was an example of mutual, inter-municipality co-operation and not just an example of one local authority paying for a service to be delivered by another. The participating authorities were engaging together on the provision of their public service tasks and that co-operation did not involve the participation of the private sector. Essentially the arrangement is no different from where one authority alone carries out the tasks itself. The court was clear in its judgement that there is no legal requirement to create a Teckal company to effect such co-operation. The Hamburg example is sometimes described as a horizontal model as opposed to vertical Teckal model where the contract is awarded downwards to a wholly owned and controlled subsidiary company.

6.5 The model proposed in this note bears striking similarities to the arrangement in the Hamburg case:

- The contracts for works and services in connection with delivery of the relevant service will not be awarded to the RTP but rather to the private sector supplier who will be engaged through a normal procurement exercise.
- The RTP will be providing the forum within which participating authorities can come together to identify those areas where co-operation would be mutually beneficial.

- Control of budgets and the management of delivery will remain in the hands of the local authorities as may the actual award of any contracts to private sector suppliers.

6.6 EU Directive 2014/24/ also indicates a way forward for a ‘horizontal’ model of collaboration. Scottish regulations are awaited later this year. In the meantime, Article 12.4 of the Directive gives guidance on what might be considered to be an acceptable collaboration between public authorities:

4. A contract concluded exclusively between two or more contracting authorities shall fall outside the scope of this Directive where all of the following conditions are fulfilled:

- (a) the contract establishes or implements a cooperation between the participating contracting authorities with the aim of ensuring that public services they have to perform are provided with a view to achieving objectives they have in common;
- (b) the implementation of that cooperation is governed solely by considerations relating to the public interest; and
- (c) the participating contracting authorities perform on the open market less than 20 % of the activities concerned by the cooperation.

6.7 It is submitted, therefore, that the proposed model sits fairly comfortably within the Hamburg, “horizontal” model of shared services as now reflected in the recent Directive, and does not present any insurmountable obstacles with regards to public procurement law.

## **7.0 Roads Maintenance**

7.1 This paper has been drafted on the basis of any form of shared services collaboration between local authorities in the transport sector. It is recognised that the current proposed collaboration relates to roads maintenance, and concerns have been expressed that this would not fall within the statutory remit of RTPs as they are regional transport authorities rather than regional roads authorities.

7.2 It is not considered that this offers an irrevocable obstacle to progress. There is no clear delineation between what is a roads matter and a transportation matter in the legislation or indeed in policy. Whilst “roads authorities” can be seen as delivering specific matters relating to roads such as building and thereafter maintaining them, all such activity is ultimately a subset of the wider transportation functions of local authorities, who deal with a much greater range of aspects of transport to and from places within their local authority area. Such matters as street lighting, provision of roads and footpaths, bus, rail and other public transport services, , operating airports and air services, arranging joint ticketing, arrangements between different modes of transport, and so on, are all now seen as inextricably linked.

7.3 It is noteworthy, too, that the 2005 Act consists of three main parts: the first relates to RTPs; the second relates to the creation of the Scottish Road Works Commissioner – Dealing specifically with such matters as penalties for failure by statutory undertakers in relation to ‘road works authorities,’ guidance on resurfacing of roads, and fixed penalties under the Raods (Scotland) Act 1984. Part 3 then reverts to what might be seen as ‘broader’ transport activities.

7.4 That being the case, there is no reason why RTPs should not participate in roads maintenance collaboration. The benefits are described above, and appear consistent with, for example, paragraph 121 of the 2006 Guidance referred to earlier, which states: 'RTPs will also be able to act as agents of some or all of their constituent councils or the Scottish Ministers. This would, for example, enable local authorities to achieve economies of scale in the exercise of certain transport functions

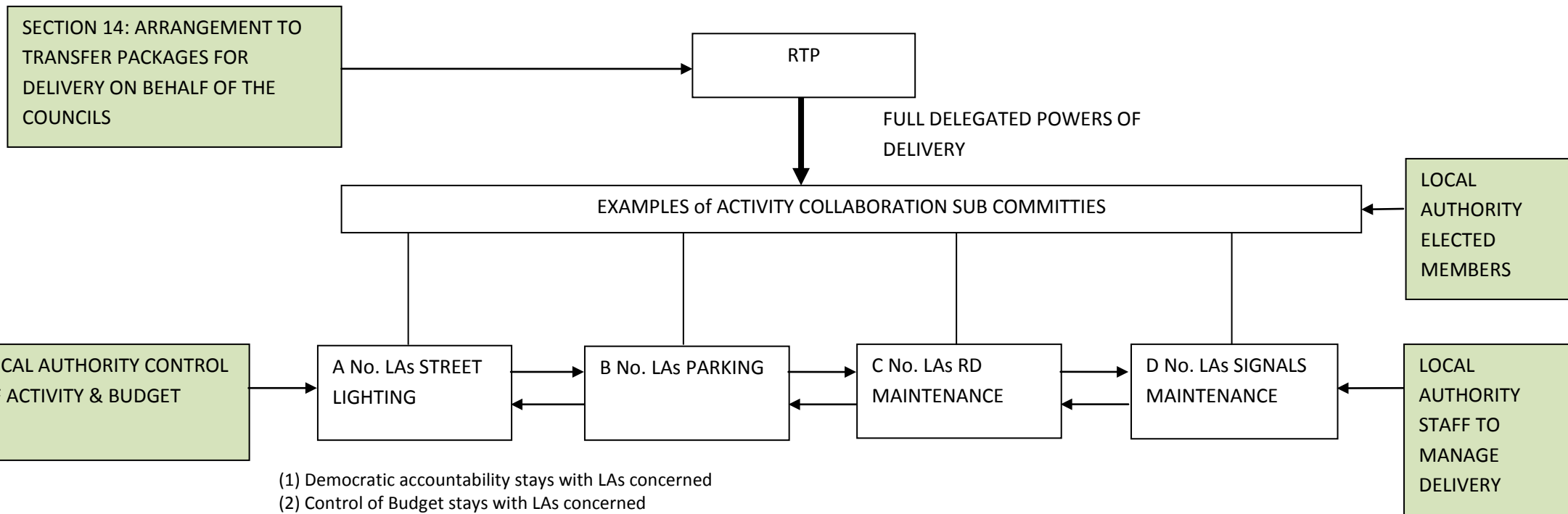
through the RTP without losing direct political control.'

# ALREADY ESTABLISHED LEGAL MECHANISM FOR LOCAL AUTHORITIES TO COLLABORATE IN SELECTED ACTIVITIES

**“14 Arrangements for performance by regional Transport Partnership of certain transport functions etc.**

A Transport Partnership may enter into arrangements with the Scottish Ministers, a council or any other person having statutory functions relating to transport being arrangements under which the Partnership—

- (a) does, on behalf of the Scottish Ministers, the council or that other person, such things relating to transport as are specified in the arrangements;
- (b) provides such services for the purposes of, or in connection with, transport as are so specified.” – Transport (Scotland) Act 2005 (asp12)



- (1) Democratic accountability stays with LAs concerned
- (2) Control of Budget stays with LAs concerned
- (3) Best qualified staff delivering service continue to do so (no TUPE)
- (4) No new legal entity and therefore no external legal fees
- (5) Does not diminish or enhance the role of RTP (facilitator)
- (6) No additional layers of governance required within the already complex transport environment and future governance consistency

## **Appendix 2**

### **RTP Role in Roads Collaboration and other shared services - executive summary of legal position**

#### **Introduction**

Discussions have taken place between the Regional Transport Partnership (RTP) and Improvement Service (IS) legal advisers on whether, legally, there are impediments to RTPs participating in shared service arrangements in the transport sector. Such as the Roads Collaboration Programme (RCP).

#### **Legal Basis of RTPs**

RTPs were established under the Transport (Scotland) Act 2005. Their statutory functions relate to the strategic planning and, in certain areas, delivery, of regional transport projects. Their membership comprises, in the main, local authority elected members. Their legal personality includes broad powers to enter into contracts etc.

#### **Extending RTP Functions**

Section 10 of the 2005 Act allows the Scottish Ministers to extend the statutory functions of an RTP. The main requirement for such an order is that the constituent local authorities are consulted. This power could be used to fix any perceived 'gaps' in the RTP's legal powers to carry out shared service activity like the RCP.

Section 14 of the Act allows RTPs to enter into arrangements with local authorities and others to provide services or do other things relating to transport which would be normally done by the other body. This is another useful power in this context.

#### **Collaboration Model**

The other main concern about RTP involvement is in terms of procurement law. However, the proposed model of collaboration between RTPs and local authorities would seem to fall within existing case law such as the *Hamburg* case (C-480/06) and the new Directive 2014/24. The participating RTP may need a section 10 Order, as above, to acquire the relevant functional capability.

In the proposed model, the RTP would act as a 'hub,' co-ordinating the delivery of the shared service and providing support services such as procurement. However, democratic accountability, staff, and budget would remain with the local authorities, who could determine the extent of their involvement in the shared service.

An added advantage would be a relatively simple governance structure which elected members would be familiar with. Under s.14 of the 2005 Act, the participating local authorities would enter into collaboration agreements with each other and the RTPs: the decision making body would be a committee of the RTPs comprising representatives of the participating local authorities; the local authorities having agreed to transfer the relevant decision making powers on operational matters to that committee.





## Low Emission Strategy RESPONDENT INFORMATION FORM

Please Note this form **must** be returned with your response to ensure that we handle your response appropriately

### 1. Name/Organisation

Organisation Name

Scotland's Regional Transport Partnerships

Title Mr  Ms  Mrs  Miss  Dr  *Please tick as appropriate*

Surname

Robertson

Forename

Ranald

### 2. Postal Address

c/o Hitrans

7 Ardross Terrace

Inverness

Postcode IV3 5NQ

Phone 01463: 719002

Email [info@hitrans.org.uk](mailto:info@hitrans.org.uk)

### 3. Permissions - I am responding as...

Individual

Group/Organisation

*Please tick as appropriate*

- (a) Do you agree to your response being made available to the public (in Scottish Government library and/or on the Scottish Government web site)?

*Please tick as appropriate*  Yes  No

- (b) Where confidentiality is not requested, we will make your responses available to the public on the following basis

*Please tick ONE of the following boxes*

Yes, make my response, name and address all available

or

Yes, make my response available, but not my name and address

or

Yes, make my response and name available, but not my address

- (c) The name and address of your organisation **will be** made available to the public (in the Scottish Government library and/or on the Scottish Government web site).

Are you content for your **response** to be made available?

*Please tick as appropriate*  Yes  No

- d) We will share your response internally with other Scottish Government policy teams who may be addressing the issues you discuss. They may wish to contact you again in the future, but we require your permission to do so. Are you content for Scottish Government to contact you again in relation to this consultation exercise?

*Please tick as appropriate*

Yes

# Low Emission Strategy for Scotland Draft Consultation Response

April 2015

The Scottish Government published its Consultation Draft of a Low Emission Strategy (LES) for Scotland in January 2015. A report was considered by the Chairs of Scotland's seven Regional Transport Partnerships at their meeting in Kirkwall on 4 March 2015 and the following comments were approved as a joint response to the consultation.

Scotland's Regional Transport Partnerships are statutory organisations working closely with local authorities and other bodies to provide strategic transport policy and guidance for transport in their regions. Each has an approved, statutory Regional Transport Strategy, which contain policies including those to reduce the effects of transport on climate, noise and air quality and to reduce the environmental impacts of transport, in support of national targets.

The draft Low Emission Strategy recognises the role of Regional Transport Partnerships and the importance of collaborative working, acknowledging the need for strategic and region-wide policies. Reflecting this, RTPs should specifically be included in the Governance arrangements for the LES as illustrated in Figure 1 on page 8. Although RTPs are members of STEP they should also be represented on the Low Emissions Strategy Partnership Group and/or the Transport sub-group of LESPG.

It is noted that the LES is focussed on air quality and that other "co-benefits" are seen as secondary, although recognising that "natural synergies" exist. The Strategy could benefit by being clearer in proposing solutions that contribute to multiple objectives, for example that reducing carbon emissions should be a stated aim through complementary policies, rather than a co-benefit. It should not be assumed that improving air quality will necessarily result in reduced carbon – policies should be developed which contribute widely rather than on a single high level factor in the hope that wider benefits will accrue. One example has been the move to diesel cars, with lower carbon emissions but harmful emissions affecting air quality and human health.

## CONSULTATION QUESTIONS

### **Q1 Do you think the Mission, Vision and Objectives for the Low Emission Strategy are appropriate? If not, what changes would you suggest?**

The Mission “To protect and enhance health, wellbeing, environment, place-making and sustainable economic growth through improved air quality across Scotland” is supported and welcomed.

We would suggest rewording the Vision statement for clarity to read “Scotland’s air quality **will be** amongst the best in Europe”.

The six Objectives on page 4 are supported, although it is suggested that the Transport Objective should be re-ordered and widened to recognise that technology and flexibility may also have a role to play in reducing emissions from transport through more flexible working practices, video-conferencing, online retailing, etc. It is suggested that the Objective should be changed to read “A Scotland that reduces transport emissions through enabling fewer trips; promoting modal shift away from the car; encouraging more efficient and sustainable freight and urban logistics; and supporting the uptake of technology and cleaner fuels, to lower emission alternatives.”

### **Q2 Do you think the proposed actions will deliver the Mission, Vision and Objectives? If not, what changes to the actions would you suggest? Are additional actions required? If so, please suggest what these might be.**

Yes, subject to the following comments.

The Actions on pages 5, 6 and 7 do not correspond to the Actions contained throughout the document. Many of the Actions on pages 22 to 34 lack any target dates for implementation (e.g. a 100% declassification of Local Air Quality Management Areas). The Actions appear to be unfunded and aspirational – the actions should be clearer and should be focussed on what Scottish Government can do working in partnership with others. For example, rather than “Local authorities should ensure...”, the wording should be along the lines “The Scottish Government will work with and support local authorities to...”. Many of the actions are vague and not SMART e.g. Consider, Review, Assess etc.

As a general point of presentation, there are many sections in the document which refer to Local Authorities where RTPs will also have a major role and contribution to make – e.g. in relation to promoting Active Travel, Travel Planning and improving public transport (see specific Action comments below). It is suggested that the term “Transport Authorities” should be used to include both Local Authorities and RTPs.

In its current form, the strategy includes reference to many supporting and related policies and legal obligations which are likely to change over time

resulting in a strategy that will be increasingly outdated. There may be merit in preparing a high level strategy document with a separate action plan(s). This would set broad policy aims which would remain relevant over time, aid clarity of purpose while enabling the action plan(s) to be sufficiently flexible to accommodate a changing policy and regulatory landscape. This also applies to references to various funding streams such as the Green Bus Fund which are currently in place but which may be superseded or ended over time. More generic terms might better apply in the strategy.

**Action 9a** needs to recognise the conflicting demands placed on traffic management. Measures which optimise traffic flow could result in dis-benefits for public transport users, pedestrians and cyclists, potentially undermining efforts to promote Active Travel and more sustainable travel generally. The priority should be to optimise sustainable travel.

**Action 9b** is unclear and is not explained in the supporting narrative on page 25 – presumably this refers to parking policies ?

**Action 10b** should also include reference to RTPs, reflecting the work that all RTPs undertake on promoting cycling and the joint Active Travel officer relationships which most RTPs have with Sustrans.

**Action 10c** should also refer to the statutory Regional Transport Strategies, which are more current and are refreshed periodically – many, non-statutory, Local Transport Strategies have not been updated since their original production some 15 years ago.

**Maximising the role of softer behavioural change measures** should be listed as a specific action under 10 : Active Travel. These can include Travel Plans for existing public and private sector employers, promotion of car-sharing, car clubs etc. Travel awareness raising also ties in effectively with Greener Scotland and air quality awareness.

**Action 11a** should refer to RTPs as well as Local Authorities, reflecting the fact that RTPs are eligible and indeed have bid successfully for Green Bus Fund funding to support bus improvements. This could be covered by simply referring to working with “operators and transport authorities”.

**Action 13a** should recognise that there may be other schemes to address this issue – for example Transport for London intends that the Fleet Operator Recognition Scheme (FORS) should be expanded outside London. There is also an issue with continuing affordability for transport authorities funding ECOstars or similar schemes.

**Action 13b** should include reference to RTPs as a Lead Partner with TS, reflecting the fact that regional FQPs have already been established by the RTPs, as acknowledged on pages 28 and 29.

**Action 14a** should also be considered by SDPAs, linking with Action 14e.

**Action 14e** should include RTPs given the close working which already exists between RTPs and SDPs on integrating strategic transport and land use policy and planning. It is also suggested that HOPS should be involved in taking forward this action.

**Action 14h** should include reference to RTPs as well as LAs – RTPs employ Travel Plan officers who work closely with both the public and private sectors to embed Travel Planning and maximise its effectiveness.

**Action 14j** should include SDPAs and RTPs as partners reflecting the fact that many transport-related emissions relate to cross-boundary travel and solutions which would potentially benefit from the proposed central low-emissions fund will include cross-boundary infrastructure and facilities (e.g. strategic Park & Ride as defined in RTSs and STPR).

Reflecting the above comments the Glossary on page 7 should include RTPs.

**Q3 Does the Setting the Scene section summarise accurately the current policy situation? Please suggest changes if not.**

It is considered that section 5 covers the main issues. Acknowledgement of the role of RTPs and their statutory Regional Transport Strategies on page 14 is welcomed. It is also noted that between 1990 and 2012, Scotland has seen a 59% reduction in particulates, 65% decrease in oxides of nitrogen and a 79% decrease in sulphur dioxide and that air quality in Scotland compares favourably with the rest of the UK and other EU member states. Transport emissions account for 30% of Carbon Monoxide, 38% of NOx and 20% of particulates.

**Q4 Does the Way Forward section give a reasonable outline of what further action is needed to deliver an effective Low Emission Strategy? Please suggest changes if not.**

The LES states that “Central Government cannot deliver improvements to air quality on its own”. However, although this is accepted, Government does need to accept its responsibility and take the lead, working collaboratively and consistently with partners to achieve common aims. Trunk roads carry 38.6% of traffic in Scotland, and many Air Quality Management Areas relate to trunk roads. We would therefore welcome a clearer statement in the strategy on the split of national, regional and local responsibilities.

In addition, it will be crucial that the LES is reflected in wider Scottish and UK Government policy (albeit the Scottish Government cannot dictate the latter). While local actions may improve air quality, decisions taken at a national level may undermine the LES or be contradictory to it. This would include decisions in areas like renewable energy or determinations by Ministers on referred or “called in” planning applications, UK Government decisions on fuel duty etc.

One way of encouraging more sustainable development and with it reducing emissions would be to strengthen current planning policy to ensure that public transport, walking and cycling are given greater priority in planning decisions about housing and other development. Currently, planning applications often fail to embed public transport and walking and cycling as part of the design of new housing, retail developments etc. Indeed many

housing applications are positively hostile to public transport and walking with little opportunity for buses to penetrate housing developments and little by way of walking and cycling routes. Often the only way to easily or realistically access local services is by car.

Related to this is the need to ensure that the whole life costs of decisions about transport but also a range of other government investments are captured and not simply accounted for at the point of delivery. For example, while electrification of the rail network is welcome, this should also reflect the fact that the electricity is derived from a mix of energy sources including fossil fuel.

The Scottish Government needs to ensure that sufficient funding is available to enable implementation of the LES and to enable local authorities to conduct the actions required of them.

The section on Active Travel should provide an opportunity to better influence active travel policy towards achieving the Government's key objectives. For example, proposals contained in the National Planning Framework (NPF3) to develop a national walking network has missed the opportunity to focus where real difference could be achieved, by linking communities and focussing on urban areas – there needs to be an appropriate re-balancing of priorities and resource allocation between the need to improve active travel infrastructure within and between communities with the significant investment which has previously been made in leisure and long-distance networks for recreation. Similarly, funding for cycling should be focussed on providing real change in every day journeys, short trips within urban areas, emphasis on commuter cycling and focussed on communities.

As noted above, there is a need to more effectively define and align the roles and responsibilities of the various national, regional and local agencies and this particularly applies to those involved in promoting and delivering active travel. Regional Transport Partnerships, working with their partner local authorities and other bodies such as Transport Scotland, Sustrans, Cycling Scotland and Paths for All, offer an effective means of developing and managing locally appropriate initiatives and programmes to promote active travel, focussing on the key issues relating to transport and environmental objectives in their regions. The collaboration between RTPs and Sustrans on embedded Active Travel officers, to support the development and implementation of Active Travel strategies and programmes, could usefully be developed to perform a greater role in the development and coordination of national programmes and funds for active travel at a regional level.

The Action to “Consider how statutory Quality Bus Partnerships could be more effective” should be more outcome focussed, along the lines of “Promoting partnerships between bus operators and transport authorities to promote more fuel efficient services and deliver improved services for the

benefit of passengers and the environment”.

References to the potential for changes in the bus regulatory framework which might make it easier to set up SQPs are welcome. Given the level of public investment and subsidy provided to the bus industry, not simply through BSOG, Green Bus Fund and Bus Improvement Fund, but also through supported and schools’ contracts, investment in bus stations, bus stops and shelters, the purchase of vehicles for lease, administration of ticketing products and machines, development of smartcard, investment in road infrastructure including bus boarders and bus laybys, real time bus information systems, quality bus corridors and bus priority signalling,

Given this level of public investment it is essential that bus operators are seen to be proactive in meeting LES objectives. There is scope to strengthen SQP arrangements to encourage and / or require bus operators to green their fleets and to drive improved quality standards generally to encourage modal shift from car.

The action for “All local authorities to ensure that they have a corporate travel plan consistent with any local air quality action plan” should be extended to “**All public sector organisations...**”.

Through their existing role and work on Travel Planning at a regional level, RTPs are well placed to support this and the achievement of national objectives to extend the implementation of Travel Planning contained within RPP2.

The section on Behaviour Change also needs to recognise the number of campaigns and organisations working in this field. There is a need to align and coordinate these to ensure greater collaboration, consistency, efficiency and effectiveness.

Finally, reference to Community Planning is welcome since there are few references or commitments in recent SOAs to air quality targets or indeed transport generally.

## **Q5 What are your views on the proposals for the National Modelling Framework?**

Developing a National Modelling Framework provides the opportunity to ensure a standardised approach in a consistent and meaningful manner. Initial focus on Strategic Development Plan areas could miss an opportunity to involve all relevant local authorities and Regional Transport Partnerships in developing local models and assessments to ensure that all relevant transport interventions are also included. As indicated in the response to Q2 above, RTPs and their strategies have an important role and contribution to make to the proposed LES and should be involved in the development of the proposed modelling framework.

It will be important that the National Modelling Framework is more than simply about representing air quality but should be about testing interventions and scenarios to tackle air quality issues and considering the interplay between air quality modelling and transport modelling. For example, SPT already has the functionality through its policy model to consider the implications of transport scenarios on emissions and air quality which is used to support the development of the Glasgow and Clyde Valley Strategic Development Plan and it will be important to build on this established framework.

The role of new developments should not be over-emphasised. Existing air quality issues will continue to be generated and influenced by existing land uses. New developments are likely to have a more limited effect on these.

The AQA modelling process should recognise that RTS reviews are increasingly being aligned with the SDP review process and should also incorporate progress/review of relevant STPR proposals.

#### **Q6 What are your views on the proposals for the National Low Emission Zone Framework?**

Low Emission Zones will require a level of consistency and Scottish Government should take the lead in providing consistent guidance and overview. However, it is important that decisions are made locally, including a regional dimension through coordination with neighbouring authorities and Regional Transport Partnerships to be appropriate for local circumstances. It is important that measures are agreed within regional groupings and are in line with national guidelines.

The proposed framework is concerned with new vehicles but consideration should also be given to standards for existing vehicles – e.g. can these be upgraded to Euro VI and, if so, at reasonable cost? Also, with regard to enforcement, Police have withdrawn the national traffic warden service and the wider implications of this also need to be considered.

It is suggested that the timescale in section B1 should be reviewed. The ability of authorities to undertake an LEZ assessment within 12 months of publication of the Strategy will be dependent upon finance and is unduly restrictive. Flexibility may be needed if it is considered that alternative measures are not working or if, for example, at some point in the future a downward trend in pollutants changes and re-consideration of an LEZ may be needed in response.

It will be important to consider how to enforce LEZs e.g. who will control access to LEZs and it will be necessary to work with the DVLA to access vehicle records to link with the ANPR system.



**Q7 What are your views on the proposed Key Performance Indicators? Are any different or additional Indicators required?**

Eight KPIs are proposed. The collection of related data, including for the modal split KPIs, can be costly but it is unclear how the data should be collected, who should collect it and whether funding will be available where this entails new information gathering. It is agreed that to be effective, the LES will require meaningful monitoring to take place, but it is necessary to produce data or to offer funding for data to be collected.

The mean travel to work time indicator may not tie in with reduced emissions as a shift in mode from car to public transport, cycling and walking could increase travel time, while reducing car traffic and alleviating congestion, with a consequent reduction in pollutants. In addition, the mean travel to work time indicator remains broadly constant as improvements in journey time often have the effect of encouraging people to live further afield from their place of work.

The cycle path network density indicator would need careful consideration – i.e. does this refer to on-street cycle lanes or off-street paths? – and how effective, for example, are off street routes that may take longer than on-street routes and be less attractive for non-leisure journeys?

There does appear to be a split of responsibilities here which is quite concerning as local authorities are assigned the KPIs and Scottish Government is assigned the outcomes and objectives. This would appear to place the onus very much on local authorities to deliver without a recognition that success will be driven by external factors, including the need for behavioural change and Scottish Government policy.

Finally, many KPIs are influenced by a host of factors including economic and behavioural that need also to be factored.

**ACCESS TO HEALTH & SOCIAL CARE MEETING**

**10.00AM WEDNESDAY 8<sup>TH</sup> APRIL 2015**

**CLAREMONT HOUSE, EDINBURGH**

**Present**

<b>Name</b>	<b>Organisation</b>
John Jack (Chair)	Non Councillor Member SEStran
Mark Craske	NHS Forth Valley
William Dove	NHS Fife
Lisa Freeman	SEStran
Danny Gillan	NHS Lothian
Alex Macaulay	SEStran
John MacDonald	CTA UK
Alastair Short	SEStran
Emily Whitters	SEStran

**Apologies**

<b>Name</b>	<b>Organisation</b>
Sam Carlin	Scottish Ambulance Service
George Curley	NHS Lothian
Tom Steele	NHS Forth Valley

<b>Ref</b>	<b>Actions</b>
<b>1</b>	<b>Welcome &amp; Introductions</b>
	Mr Jack welcomed the group and conducted round table introductions.
<b>2</b>	<b>Review of Actions so far</b>
	Mr Jack proposed that the group review the 3 previous site visits that had taken place and illustrate the principal lessons learned from these.
<b>2.1</b>	<p><b>NHS Lothian ‘Transport Hub’, Astley Ainslie Hospital 16<sup>th</sup> May 2014</b></p> <p>Mr Gillan gave a short update on the transport hub as follows:</p> <ul style="list-style-type: none"> <li>• All patient transport for NHS Lothian is now co-ordinated through the hub.</li> <li>• NHS Lothian have taken action in the last year on removing private ambulance companies from use. They are now working on replacing these services.</li> <li>• Mr Gillan confirmed that the transport hub service is only for inpatients, with the exception of renal outpatients. The cost of providing outpatient transport is prohibitive and some patients do not require an ambulance.</li> </ul>
<b>2.2</b>	<p><b>Scottish Ambulance Control Centre, South Queensferry, 20<sup>th</sup> June 2014</b></p> <p>Mr Craske stated that the control centre had potential to be a national integrated transport unit and that they were very proficient, however there is some reticence from the Scottish Ambulance Service (SAS) about this.</p>

	<p>Mr MacDonald identified a missing link between those who were not eligible for the ambulance service and those who used the voluntary transport organisations. Mr MacDonald has a list of organisations that the SAS currently signpost people to when they are ineligible for ambulance transport and he is looking at this to ensure that it's the right people on the list.</p> <p>Mr Jack summarised that the Ambulance Control Centre was a professional organisation but that opportunities exist to enhance it in a more integrated way if there was a willingness and the resources existed.</p> <p>Following on from this discussion Mr Dove raised the issue of the changing political landscape. Community health partnerships are being dissolved and councils are now looking toward integrated social and healthcare. The group noted that it was important that transport be seen as an important issue within these new organisations, however Mr Jack added that the legislation to introduce these new organisations has now been delayed.</p> <p><b>2.3 SPT Offices and contact centre</b></p> <p>Mr Craske highlighted that SPT have been very successful in providing concessionary travel and DRT that operates through section 22 permit and is financially viable. Mr Macaulay noted that the success of SPT is that they are able to save Glasgow city council money by co-ordinating transport. The group queried why this was not being adopted further throughout Scotland to which Mr Macaulay responded that all local authorities and health boards have their own organisational and management structures and that current difficulties and desired improvements would need to be identified. Mr Macaulay also noted that localisation is often used as a counterpoint to the argument for co-ordination.</p>	
<b>3</b>	<b>Proposed Action Plan</b>	
	<p>Mr Macaulay raised the point that for several years the aim has been to provide patients with a travel plan when they receive appointment letters, however there have been difficulties in launching this. Mr Craske noted that within NHS Forth Valley there is no standardisation on letters from different departments but that each department is encouraged to send as much transport information as possible with patient letters. Mr Dove illustrated some of the issues as a requirement for extra resources for time and the paper. NHS Fife conducted a trial with outpatients, providing all patients with this information, however Mr Dove stated that the trial was not successful as many patients thought that the information provided was a waste of resources. Mr Dove suggested that targeted information for those who would like it would be more effective.</p> <p>Mr Gillan stated that the E-Health department at NHS Lothian are currently conducting a review of the cost of patients' letters with a view to sending them by email rather than post. The group agreed that if this was to be adopted then Traveline would easily become an automated part of the process.</p> <p>Mr Jack asked that the group review the proposed action plan that had previously been put together. Mr Jack queried whether group members had participated in the health and social toolkit. Most group attendees had but noted that the toolkit would now need to be revised.</p>	

	<p>Mr Macaulay raised the issue of how effective SEStran’s involvement in the group is. SEStran has been involved in the group as there are potentially areas where they can add value but currently each of the health boards and local authorities were working on the issues independently. Mr Macaulay suggested that members feed the information from their health and social toolkits to the shared group to allow the group to identify areas where SEStran could contribute.</p> <p>Mr Gillan suggested that the group could take actions in parallel with preparing the toolkits.</p> <ul style="list-style-type: none"> <li>• Taking steps to gain Scottish government support and increased awareness for access to healthcare issues</li> <li>• Encouraging health boards to bring transport up their agenda</li> <li>• Meet on a more regular basis</li> <li>• Write letters to key people to introduce the issues of access to healthcare.</li> </ul> <p>Mr Macaulay agreed that SEStran are able to raise the issues while waiting for members of the group to complete the toolkits. These toolkits could then be used as a basis for examining whether the group, or a variant of the group, can collectively provide cross health board added value. Mr Macaulay suggested the following actions:</p> <ul style="list-style-type: none"> <li>• A letter to be sent out on behalf of the group to key people within group members organisations, regarding the toolkit but also detailing positive points from on-site visits and raising the profile of the access to healthcare group.</li> <li>• Contact the Scottish Government regarding the three trials currently being conducted to see whether there are any emerging results at this time.</li> <li>• Request further documentation from SPT in terms of the successful initiatives they have undertaken for access to healthcare.</li> </ul> <p>Mr Jack raised the point that the primary healthcare function that most people access is their GP. Mr MacDonald highlighted a scheme that is currently running in Renfrewshire where a group of 14 practices have combined to provide transport to GPs through a voluntary scheme. Mr MacDonald noted that the majority of practices involved are very good and that the scheme has been largely successful.</p>	<p>Mr Short</p> <p>Mr Short</p> <p>Mr Short</p>
<b>4</b>	<b>Future Actions</b>	
	<p>The group agreed to meet on a quarterly basis going forward and dates are to be sent out in due course.</p> <p>Mr Macaulay asked that attendees pass along the key contacts within their organisations to SEStran as soon as possible in order to send out the letter discussed in item 3. Mr Craske suggested that the 8 local authority chief executives and the 4 chief executives of the health boards within the SEStran area should receive these letters which will then be funnelled down to chief officer level.</p>	<p>Mr Craske/ Mr Dove/ Mr Gillan/ Mr Macdonald</p>

SESTRAN RAIL FORUM

10:00AM FRIDAY 10<sup>TH</sup> APRIL 2015

CITY CHAMBERS

**Present**

John Martin (Chair)	Non-Councillor Member
Cllr Donald Balsillie	Clackmannanshire Council
Cllr Jim Bryant	Midlothian Council
Cllr James Fullarton	Scottish Borders Council
Cllr Michael Veitch	East Lothian Council
Graham Bell	Non-Councillor Member
Kevin Collins	Falkirk Council
Chris Day	City of Edinburgh Council
Jane Findlay	Fife Council
Peter Forsyth	East Lothian Council
Catherine Hall	Network Rail
Trond Haugen	SEStran
Niamh Hegarty	Network Rail
Damien Henderson	Virgin Trains
Graeme Johnstone	Scottish Borders Council
Chris Lawton	Caledonian Sleeper
Peter Lloyd	Transport Scotland
Alex Macaulay	SEStran
William Murchison	First Transpennine Express
Sandy Scotland	Non-Councillor Member
Barry Turner	Non-Councillor Member
Rose Tweedale	Transport Scotland
Karl Vanters	Midlothian Council
Emily Whitters	SEStran
Iain Wilson	Scotrail
John Yellowlees	Scotrail

**Apologies**

Cllr Stephen Bird	Falkirk Council
Cllr Tony Boyle	West Lothian Council
Cllr Gordon Edgar	Scottish Borders Council
Cllr Nick Gardner	City of Edinburgh Council
Cllr Norman Hampshire	West Lothian Council
Cllr Alex Lunn	City of Edinburgh Council
Cllr Joanna Mowat	City of Edinburgh Council
Cllr Cathy Muldoon	West Lothian Council
Charlie Anderson	Non-Councillor Member
Sarah Cunningham	First Group
Louise Ebbs	First Group
Annette Filby	Network Rail
Ian Forbes	West Lothian Council
Carol Foster	Audit Scotland
Richard Gibson	Cross Country Trains
Gordon Macleod	Transport Scotland
Graeme Malcolm	West Lothian Council

Katheryn O'Brien  
 Douglas Proudfoot  
 David Ray  
 Robert Samson  
 Tom Steele

First Group  
 East Lothian Council  
 Transport Scotland  
 Passenger Focus  
 NHS Forth Valley

Ref.		Actions
<b>1.</b>	<b>Minutes and Actions/Matters Arising from Rail Forum on 5<sup>th</sup> September 2014</b>	
	<p>Mr Martin conducted round table introductions and apologies were noted as above.</p> <p>The minutes of the previous meeting held on the 5<sup>th</sup> September 2014 were accepted.</p>	
<b>2.</b>	<b>East Coast Franchise; Presentation by Virgin East Coast</b>	
	<p>Mr Henderson gave a presentation (to be circulated with the minutes) giving an overview of the current position of the new East Coast franchise for Virgin trains. Main points as follows:</p> <ul style="list-style-type: none"> <li>• Virgin Trains East Coast is a Stagecoach and Virgin partnership with a 90/10 split in favour of Stagecoach.</li> <li>• The plan is to build on the achievements of the East Coast. The franchise was acknowledged as being in a good state.</li> <li>• The new franchise was launched on the 1<sup>st</sup> March 2015 and is to be an 8 year franchise. The largest feature is the IEP fleet which is to be introduced in phases between 2018-2020.</li> <li>• New services will be starting from December including: services from Stirling, faster journeys and more regular 4 hour journeys between Edinburgh and London.</li> <li>• There will be £21 million invested in the trains during the first two years of the franchise. This will be used for various upgrades such as new upholstery, carpets, improved on board catering, improved on board Wi-Fi and luggage hubs.</li> <li>• There will be a further £25 million investment in stations including encouraging a more customer facing role for front line colleagues, making a 50% increase in cycle storage, creating more than 500 car parking spaces across the network and partnering up with car sharing schemes.</li> <li>• As part of the personalised travel scheme there will be a mobile app with the ability to order food delivered to your seat and order a taxi while on the train.</li> <li>• There is currently a bid in for track access rights.</li> </ul> <p>Mr Bell asked Mr Henderson to elaborate on the luggage hubs. These will be similar to an airline style check in baggage system, Mr Henderson did not have the exact details of how this would work but stated he would come back to the group about this.</p> <p>Mr Haugen had the following two queries: Would the new services have a gradual or immediate rollout and would Dunbar be receiving any change in services. Mr Henderson stated that there were be two roll outs, first in 2019 and full timetable in 2020 and that he would need to come back to the group regarding Dunbar services. Cllr Veitch noted that the number of East Coast services that currently stop at Dunbar are very low and most commuters currently have to change at</p>	<p>Mr Henderson</p> <p>Mr Henderson</p>

	<p>Newcastle which is creating a large disincentive.</p> <p>Cllr Fullarton asked if a multi-modal smart ticketing was part of the plans for the new franchise. Mr Henderson stated that while Virgin East Coast do want to make onward journeys easier, the industry as a whole seems to be looking more at individual ticketing rather than multi-modal.</p> <p>Mr Johnstone queried if there were any plans to reduce the cost of Wi-Fi on board. Mr Henderson stated they are looking at the cost of this and also pointed out that the ultimate ambition is to have free Wi-Fi on board but this is dependent on improved track side infrastructure.</p>	
<b>3.</b>	<b>Caledonian Sleeper Franchise; Presentation by Serco</b>	
	<p>Mr Lawton gave a presentation (to be circulated with minutes) showcasing the Caledonian Sleeper Franchise with main points as follows:</p> <ul style="list-style-type: none"> <li>• The ambition is to create an iconic sleeper service</li> <li>• Unique opportunity to revitalise the service. Serco view it as a hospitality experience rather than a rail journey.</li> <li>• Currently operate 6 nights a week, serving 48 stations, 43 of which are Scottish. There are around 270,000 customer journeys a year but capacity is below where it could be.</li> <li>• Fares policy is to be simplified and Serco are in discussions with Abellio about smart ticketing.</li> <li>• The key to the franchise is the creation of an exemplary Scottish business.</li> <li>• 12 month booking horizon has been introduced. This is still to be ironed out but allows flexibility for families</li> <li>• The new app has been launched which includes features such as the ability to pre-order your food.</li> </ul> <p>Mr Johnstone enquired if there was any flexibility to take bikes on the service. Mr Lawton stated that there was limited capacity but a key part of the franchise agreement is that they will take all bikes that are booked by courier if required. With the new rolling stock there is provision for enhanced space for bikes on board.</p> <p>Mr Haugen raised the issue that going forward there will be significant works at Euston for HS2 and asked how the sleeper service would cope with this. Mr Lawton stated that Serco are aware of the issue and it is currently under discussion.</p> <p>Following concerns from members of the group over comfort of the ride on the sleeper service, Mr Lawton stated that this is a priority issue and that they are hoping that the new rolling stock will solve the problem. Further, they have undertaken an intensive driver education programme to improve the shunting process.</p>	
<b>4.</b>	<b>ScotRail Franchise; Presentation by Abellio/Scotrail</b>	
	<p>Mr Wilson gave a presentation on the new Abellio/Scotrail franchise. Main points as follows:</p> <ul style="list-style-type: none"> <li>• There will be major infrastructure investments including new trains, integrated transport schemes, cycle huts and national smartcards which will all take time to implement.</li> <li>• Abellio is focused on meeting Scottish Government social objectives. They are very focused on areas such as education and communities, growing the</li> </ul>	

	<p>railways and the Scottish economy.</p> <ul style="list-style-type: none"> <li>• They will be working closely with Network Rail on key areas such as engineering and communications. This will improve reliability and service quality as well as being more efficient.</li> <li>• Abellio will deliver 70 new Hitachi trains. The full fleet will be maintained at Craigentiny. 24 of these will be running by December 2017 and the remainder will be running by December 2018. There will also be electric running between Edinburgh and Glasgow before December 2016.</li> <li>• There will be a new fleet for travel between cities. This is due in 2018 and will be fully refurbished hi-speed. This will increase capacity by 20% and improve journey times between major cities in Scotland.</li> <li>• The Great Scenic Railways scheme has been launched. This will promote tourism across 5 scenic lines in Scotland. This is a run up to the launch of Borders Railway in September.</li> </ul> <p>Mr Martin raised the point that Club 55 has been removed from Scotrail which has resulted in increased travel costs for previous club members. Mr Wilson stated that Club 55 has been replaced by Club 50 which is a year round scheme involving a membership cost and subsequently 20% off all rail travel. Mr Wilson stated that he would feed back the issues that Mr Martin raised with the cost of rail travel to Oban now that Club 55 is no longer in operation.</p> <p>ClIr Fullarton questioned if the transition with the leased rolling stock from Scotrail to Abellio would cause any problems for ongoing timetabling. Mr Wilson stated that there would be an impact but it would not be dramatic.</p> <p>Mr Haugen stated that he was looking forward to the launching of the Borders Rail service but noted that the cross Edinburgh service from Newcraighall and Fife circle has been lost. Scotrail previously promised that they would look in to this again when they have experience of borders rail and Mr Wilson stated that he would pick this up.</p> <p>Mr Bell queried if there was a definitive answer for the number of cycles allowed on Borders Railway. Mr Martin stated that at a previous presentation given by Abellio they had stated that there would be 2 spaces of bikes and the ability to hire bikes at the station. The group noted that this could prove difficult for families or groups on cycling holidays.</p> <p>Mr Veitch stated that there was an issue with the car parking at Dunbar and there was a large space of wasteground that could potentially be extended into. He noted that this would only be successful if parking fee was removed or reduced. Mr Wilson stated he will look in to it.</p> <p>Mr Macaulay raised the point that SEStran are currently involved in distributing RTPi digital signage with the opportunity for these screens to be placed in rail stations. He asked Mr Wilson to raise this with Abellio.</p>	<p>Mr Wilson</p> <p>Mr Wilson</p> <p>Mr Wilson</p> <p>Mr Wilson</p> <p>Mr Wilson</p>
<b>5.</b>	<b>Future TransPennine (TPE) Express Franchise (report attached)</b>	
	<p>Mr Murchison gave an update on the franchise as follows:</p> <ul style="list-style-type: none"> <li>• This franchise is currently out to tender. The incumbent franchisee is a consortium of First Group and Keolis.</li> <li>• New bidders for the franchise include First Group, Keolis and Stagecoach</li> </ul>	



	<p>all as separate entities.</p> <ul style="list-style-type: none"> <li>• The current franchisee have been awarded an extension to run until 1<sup>st</sup> April 2016.</li> <li>• At present there is an issue with the supplier of the train carriages now transferring 4 of these to a different company (Chiltern). The current intention is for this not to affect the Manchester – Scotland route as TPE will sub-hire some other units.</li> </ul> <p>Mr Haugen went over the paper that was circulated with the minutes regarding the TPE franchise. Submissions for the bid are due from the 28<sup>th</sup> May 2015 and Mr Haugen stated that it is his intention that SEStran will write to all bidders. The successful bidder is to be announced in autumn this year.</p>	Mr Haugen
<b>6.</b>	<b>Operations Issues and Future Development</b>	
6.1	<p><b><u>Scotrail</u></b> Mr Yellowlees gave an update as follows:</p> <ul style="list-style-type: none"> <li>• At the end of the last franchise Edinburgh Park acquired ticket gates and has become a staffed station</li> <li>• May timetable changes – Sunday service will be introduced between Edinburgh and Newcraighall in anticipation of extension to borders</li> <li>• Winchburgh tunnel closure – 6 weeks from mid June to end July, all Glasgow to Edinburgh trains terminating at Linlithgow. Edinburgh to Dunblane services will divert via Dalmenny and will not call at Edinburgh Park. There will also be some weekend engineering works leading up to the closure.</li> <li>• The Forth rail bridge will be closed throughout the 3<sup>rd</sup> weekend in May for new signalling system.</li> <li>• SEStran area now has 2 community rail partnerships. Borders are awaiting the arrival of train service. East Lothian community rail partnership has made good progress and are supporting production of various leaflets and a scenic line guide.</li> </ul> <p>Mr Veitch raised the issue of the car parking situation at Drem station which is over capacity and requested an update on the situation. Abellio have appointed an economic manager, James Ledgerwood, who will be looking to address issues such as these.</p>	
6.2	<p><b><u>Virgin East Coast</u></b> Covered in item 2</p>	
6.3	<p><b><u>Virgin West Coast</u></b> Covered in item 2</p>	
6.4	<p><b><u>Arriva Cross Country</u></b> There was not a representative at the meeting.</p>	
6.5	<p><b><u>First TransPennine Express</u></b> Covered in item 5</p>	
6.6	<p><b><u>Serco Sleeper Service</u></b> Covered in item 4</p>	

<b>7.</b>	<b>Borders Rail (update)</b>	
	<p>Ms Hall stated that the Borders Rail Project was on target for the 6<sup>th</sup> September 2015.</p> <p>Ms Tweedale noted that there is a golden ticket scheme to travel on the opening date, further details can be found at the below link:  <a href="http://www.bordersrailway.co.uk/launch-information/opening-celebrations.aspx">http://www.bordersrailway.co.uk/launch-information/opening-celebrations.aspx</a></p>	
<b>8.</b>	<b>EGIP and other relevant Network Rail Investments; including</b>	
	<p>Ms Hall gave an update on the Network Rail items as follows:</p> <p>8.1 <u>Winchburgh Tunnel</u> Covered in item 6.1</p> <p>8.2 <u>Electrification</u> This is progressing to plan.</p> <p>8.3 <u>Glasgow Queen Street</u> This is progressing and is on plan for the end of control period. Network Rail are working with Buchanan galleries on the programme.</p> <p>8.4 <u>Portobello Junction and Millarhill Depot</u> Network Rail are nearing end of some timetable development work and linking this in to the route study. This is to ensure that the number of passenger trains and the ECS moves for Millarhill can be facilitated.</p> <p>8.5 <u>Additional/longer platforms at Waverley</u> This is on plan for 2017. Mr Haugen suggested that Network Rail should have a formal consultation once the proposals have been further developed.</p> <p>8.6 <u>Dunbar 2<sup>nd</sup> Platform</u> Network Rail are expecting the outline design by the end of year for this.</p> <p>8.7 <u>Carstairs Junction</u> The development on this is continuing but is unlikely to be funded for CP5 delivery. The work on this will also be incorporated into the route study.</p>	
<b>9.</b>	<b>Update on £30 million Station Fund Projects and other projects/studies</b>	
	<p>Mr Haugen gave a brief update as follows:</p> <ul style="list-style-type: none"> <li>• East Linton and Reston are making progress</li> <li>• The Leuchars station fund bid has been positive. Fife council have been given a grant for this.</li> <li>• Falkirk High – Ms Hall stated that Network Rail have received clarification from the local authority and have put it out to all panel members.</li> <li>• Currently in talks with Midlothian about a bid for stations.</li> <li>• Newburgh station pre-STAG study should be completed by end of April</li> <li>• Levenmouth station will have a STAG refreshment led by Fife Council. This is out to tender currently to return the first week in May.</li> </ul>	
<b>10.</b>	<b>Planning for CP6 2019-24</b>	

	Ms Hall stated that Network Rail are developing the 30 year strategy for railways and looking at 5 year control steps to secure funding. The first regional group will be held in November and the second meeting held the following June. Ms Hall stated that the strategy will focus on what the network needs to look like in 30 years and what interventions need to be done to get there. This document will then go to the Transport Scotland and Department for Transport with Network Rail suggestions. Mr Haugen suggested that the regional planning authorities should be invited to the group.	
<b>11.</b>	<b>Passenger Focus Issues</b>	
	Mr Samson could not attend the meeting but provided an update to be circulated with the minutes (attached.)	
<b>12.</b>	<b>Rail Freight</b>	
	There was not a representative from the Rail Freight Group to provide an update.  Mr Yellowlees noted that the closure at Longannet power station would remove the largest single rail freight flow in the SEStran area. Mr Macaulay stated that they have a request in from local MPs to look at the implications of this and whether this makes a stronger case for extending the Stirling to Alloa route through to Edinburgh.	
<b>13.</b>	<b>AOCB</b>	
	Mr Haugen gave a short update on concordats between East Lothian and Fife and Scotrail with the expectation that these will be renewed by the new operator and local authorities.  Mr Macaulay thanked Mr Martin for his service as chair of the Rail Forum and welcomed Mr Bell as the incoming chair.	
<b>14.</b>	<b>Date of next Rail Forum</b>	
	The next Rail Forum will be held on Friday 2 <sup>nd</sup> October 2015.	

SESTRAN SUSTAINABLE TRANSPORT FORUM

10:00AM THURSDAY 30<sup>TH</sup> APRIL 2015

SUSTRANS OFFICES, ROSEBERY HOUSE, 9 HAYMARKET TERRACE, EDINBURGH

**Present**

Sandy Scotland (Chair)	Non Cllr Member
Cllr Jim Bryant	Midlothian Council
Gillian Bathgate	Midlothian Council
Gary Bell	Paths for All
Garry Bertie	Scottish Water
Nikki Boath	SEStran
Aileen Brand	Sustrans
Clive Brown	City of Edinburgh Council
Emma Crowther	University of Edinburgh
Pauline Donaldson	Forth Valley College
William Dove	NHS Fife
Andy Keba	Sustrans
Kate Fitzpatrick	SRUC
Carlyn Fraser	Clackmannanshire Council
Lisa Freeman	SEStran
Rona Gibb	Paths for All
Stuart Hay	Living Streets
Andrew Hutt	SEStran
Susan Keelyside	Fife Council
Scott Leitham	Peter Brett Associates
Alex Macaulay	SEStran
Deborah Paton	West Lothian Council
Jamie Pearson	Edinburgh Napier University
John Pinkard	Ansons Consulting
Iain Reid	East Lothian Council
Sarah Ryan	SEStran
Keith Stark	City Car Club
Adam Watson	Falkirk Council
Martin Webb	Edinburgh College
Andrew Weir	Peter Brett Associates
Emily Whitters	SEStran
Paul Wright	Cycling Scotland

**Apologies**

Cllr Donald Balsillie	Clackmannanshire Council
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Cllr Tony Boyle	West Lothian Council
Cllr Nick Gardner	City of Edinburgh Council
Cllr Lesley Hinds	City of Edinburgh Council
Cllr Alex Lunn	City of Edinburgh Council
Cllr Adam McVey	City of Edinburgh Council
Cllr Cathy Muldoon	City of Edinburgh Council
Cllr Michael Veitch	East Lothian Council
Barbara Aitken	St Andrews University
Charlie Anderson	Non Cllr Member
Heather Cameron	CHANGES Community Partnership
Laura Copley	Young Scot
Lesley Deans	Clackmannanshire Council
Ronnie Fisher	West Lothian Council
Karen Furey	Transport Scotland
John Martin	Non Cllr Member
Christine McDougall	Edinburgh College
Kevin Murphy	Edinburgh Airport
Cecilia Oram	Sustrans
Simon Parsons	SQA
Kate Thornback	SRUC
Stacey Skelton	City of Edinburgh Council
Mac West	Clackmannanshire Council

Ref.		Actions
<b>1.</b>	<b>Introduction/Apologies</b>	
	Mr Scotland welcomed the group and conducted round table introductions.	
<b>2.</b>	<b>Minutes of Last Meeting</b>	
	The minutes of the last meeting were approved with no changes.	
<b>3.</b>	<b>Matters Arising</b>	
	There were no matters arising.	
<b>4.</b>	<b>Sustrans – Community Links</b>	
	<p>Mr Keba gave an update on the Community Links project. Main points as follows:</p> <ul style="list-style-type: none"> <li>• The grant allocation for the coming year has been awarded. £14.5 million worth of applications were received. Sustrans have 50% matched £9.7 million worth of projects, on top of second year projects that were allocated last year. The total matched fund will be £21 million.</li> <li>• The SEStran region was allocated £3.4 million, which in matched terms comes to around £9 million worth of active travel and infrastructure projects.</li> <li>• Most projects are with City of Edinburgh Council, thereafter it is a fairly even split between the other SEStran region council areas.</li> <li>• The community links fund have a new partner in the Edinburgh Lothians Greenspace trust.</li> </ul>	

	<p>Mr Scotland queried if Sustrans were looking for other non-councils to participate in the fund. Mr Keba stated that they have tried to engage more partners to come forward with projects and are interested in those organisations who have the capacity to deliver a project. Ms Paton identified community development trusts in West Lothian who may in the future have access to funding and asked if Sustrans have training to help groups such as these to apply. While this is not currently in place Mr Keba responded that this could potentially be a good idea although Sustrans do engage bidders on an officer level already.</p> <p>Mr Hay asked whether there had been any shift towards more high street style projects. Mr Keba stated there's both traditional community link projects and bigger streetscape projects ongoing. Mr Scotland noted that there is recently launched toolkit with advice for projects in town centres that could be of use.</p> <p><a href="http://www.scotlandstowns.org/town_centre_toolkit">http://www.scotlandstowns.org/town_centre_toolkit</a></p> <p>Mr Macaulay noted that being able to use European funding for cycling projects with Sustrans would be beneficial, but this funding tends to be longer term than just one year. Mr Keba stated that Sustrans are currently in discussion with Transport Scotland regarding this and are waiting for the next spending review to look at the issue. Mr Macaulay responded that even if longer term support was not guaranteed that letters of support from Sustrans indicating that the project fit in to a longer term strategy would help the European funding bid process.</p>	
<b>5.</b>	<b>Living Streets</b>	
	<p>Mr Hay gave a presentation on the current work that Living Streets are involved in. Main points as follows:</p> <ul style="list-style-type: none"> <li>• Living Streets work with supporters to create safe, attractive, enjoyable streets for pedestrians.</li> <li>• Most of their work is delivered with Paths for All who provide a grant through the Scottish Government.</li> <li>• Their big programme in Scotland is WOW (walk once a week to school). This is targeting 20,000 pupils across Scotland. Data is collected on the programme through the web app as pupils take part in the scheme.</li> <li>• There is also a walk to school week that is considered an easier intervention to encourage children to walk. Living Streets have set a target of 33% to make sure that schools that take part are involved again the following year. The scheme has so far resulted in over a 10% boost in walking to school.</li> <li>• There are some training events lined up – some of which will be focused on local authorities and working with communities. Living Streets are hoping to produce some case studies showing best practice from these events.</li> <li>• They are involved in policy development and best practice. Aim is to ensure that key strategies take account of walking. The</li> </ul>	

	<p>aspiration is to show walking as a mainstream mode of transport and to give it a higher media profile as part of a universal behaviour change programme.</p> <ul style="list-style-type: none"> <li>• Looking to deliver on the national walking strategy objectives and secure resources against that.</li> <li>• Have started to look at RTPs and how their strategy documents treat walking. This is a pilot piece of work with 37 indicators currently however this may need to be tweaked for strategic documents. Living Streets want to compare all the RTPs with the aim of doing some best practice and addressing gaps. The areas they are looking at include: strong leadership vision for walking, promoting better design for walking, high quality walking routes, land use planning, element of promoting behaviour change and finally road safety.</li> </ul> <p>Mr Scotland stated that the council spends a large amount of the capital budget on items such as pavement repair and street lighting which is to the benefit of pedestrians. He also noted that walking loses out at a strategic level as the pavement infrastructure is already in place. Mr Hay agreed but pointed out that this infrastructure has been poorly designed and degraded over several years. Mr Macaulay indicated that the issue with walking on a strategic level is that it is taken for granted as a mode of transport and this is reflected in policy documents but that he would be happy to consult with Living Streets during the second refresh of the SEStran Regional Transport Strategy.</p> <p>The group raised the issue of parking on pavements impeding pedestrians and damaging pavements. Mr Scotland identified that in Edinburgh approximately £20 million was spent a year on road repairs and around 20% of that goes to footway repairs.</p> <p>The issue of indiscriminate parking was raised as a problem across all council areas and Ms Paton enquired whether this was something that Living Streets could constructively help with to encourage some kind of behaviour change. Mr Scotland noted that there is a bill that is to be raised in the Scottish Parliament on pavement parking which would make pavement parking a ticketable offence. The group expressed concern over enforcement of the bill as Police Scotland largely no longer enforce traffic violations.</p>	
<b>6.</b>	<b>Smart Choices Smarter Places – Programme Overview</b>	
	<p>Mr Bell gave an overview of the Smarter Choices, Smarter Places programme:</p> <ul style="list-style-type: none"> <li>• Paths For All is a Scottish charity promoting everyday walking as part of a happier, healthier nation.</li> <li>• The 2015/16 programme is building on the pilot programme that ran from 2009-2012 where £15 million was spent over 3 years in Kirkwall, Dundee, Barrhead, Dumfries, Larbert, Kirkintilloch and Lenzie.</li> <li>• Local authorities received an allocation of £5 million and attracted</li> </ul>	

	<p>over £6.5 million in match funding.</p> <ul style="list-style-type: none"> <li>• Over 160 projects will be delivered across Scotland in 2015/16. The allocation for local authorities within the SEStran region was around £1.5 million.</li> <li>• There are a wide range of projects such as public awareness events, schools and workplace based campaigns, signing and mapping, walking and cycling routes, cycle training, improvements at bus stops and services and promoting car clubs.</li> <li>• It is a 1 year programme but there is hope that this will extend. The focus on monitoring and evaluation will ensure that the value of the programme is shown in encouraging future funding which would ideally be on a regular basis for projects between 1-3 years.</li> </ul>	
<b>7.</b>	<b>SEStran Regional Cycle Network</b>	
	<p>Mr Weir from Peter Brett Associates gave a presentation on a review of the strategic cross boundary cycle network that they have been commissioned by SEStran to carry out. Main points as follows:</p> <ul style="list-style-type: none"> <li>• The core focus of the review was to look at cross boundary commuter cycling opportunities and the key barriers to this.</li> <li>• The key flows are in to Edinburgh from surrounding areas</li> <li>• The SHS travel diary data showed that commuting by bike has been steadily increasing and that there has been a trend for the average trip to increase. This trend is expected to continue.</li> <li>• While surveying the routes a number of missing links and barriers were found to exist</li> <li>• The study has produced a region wide map of existing networks for cycling.</li> <li>• However there is now a need to extend the scope in the context of the wider network.</li> </ul> <p>Mr Macaulay noted that SEStran had previously carried out an urban cycle network study that formed the basis of grant awards and queried if the work carried out by Peter Brett Associates had included this study. Mr Weir stated that it had not currently been included but there was potentially scope for this to be the case.</p>	
<b>8.</b>	<b>SEStran Grant Schemes for 2015/16</b>	
	<p>Ms Freeman summarised the two grant schemes that are currently being run by SEStran:</p> <ul style="list-style-type: none"> <li>• The sustainable and active travel grant is open for applications and is aimed at organisations looking to encourage sustainable travel. Applications are on a first come, first served basis.</li> <li>• The regional cycle network grant is for infrastructure projects. Worth £100,00 and is 50% match funded. This is to have cross boundary benefits and applications are open throughout the year.</li> </ul> <p>Ms Freeman directed attendees to the SEStran website for more information.</p> <p><a href="http://www.sestran.gov.uk/grant-applications/">http://www.sestran.gov.uk/grant-applications/</a></p>	



<b>9.</b>	<b>AOCB</b>	
9.1	Ms Ryan raised the point that the Sustrans cycle friendly design handbook, which shows examples of best practice, is available on their website at the below link:  <a href="http://www.sustrans.org.uk/news/new-handbook-cycle-friendly-design">http://www.sustrans.org.uk/news/new-handbook-cycle-friendly-design</a>	
9.2	Mr Hutt informed the group that SEStran currently have funding for distributing £500,000 worth of digital signage as part of the RTP1 project. This is intended to be used in public places to encourage more travel by public transport and the grant is to be used this financial year. Mr Hutt encouraged members of the group who were interested in the scheme to speak with him after the meeting.	
<b>10.</b>	<b>Close</b>	
	Mr Scotland thanked attendees for their time and stated that the next meeting of the forum would be held on the 29 <sup>th</sup> October 2015.	



SESTRAN AIR FORUM

10:00AM FRIDAY 29<sup>TH</sup> MAY 2015

DEAN OF GUILD ROOM, CITY CHAMBERS, EDINBURGH, EH1 1YJ

**Present**

Barry Turner (Chair)	Non Cllr Member
Cllr Donald Balsillie	Clackmannanshire Council
Cllr Jim Bryant	Midlothian Council
Cllr Ian Chisholm	Fife Council
Cllr Tom Coleman	Falkirk Council
Cllr Gordon Edgar	Scottish Borders Council
Cllr Bill Henderson	City of Edinburgh Council
Cllr Russell Imrie	Midlothian Council
Cllr Michael Veitch	East Lothian Council
Michael Cairns	Tactran
Kyle Drummond	City of Edinburgh Council
Jane Findlay	Fife Council
Lisa Freeman	SEStran
Trond Haugen	SEStran
Rachel Keys	Edinburgh Airport
Douglas King	Stagecoach
Alex Macaulay	SEStran
Graeme Marsden	SESplan
John Martin	Non Cllr Member
Kevin Murphy	Edinburgh Airport
Martin Ritchie	Transport Scotland
Sandy Scotland	Non Cllr Member
John Scott	First Scotland East
Emily Whitters	SEStran
Gareth Williams	SCDI

**Apologies**

Cllr Tony Boyle	West Lothian Council
Cllr Nick Cook	City of Edinburgh Council
Cllr Lesley Hinds	City of Edinburgh Council
Cllr Adam McVey	City of Edinburgh Council
Cllr Joanna Mowat	City of Edinburgh Council
Charlie Anderson	Non Cllr Member
Graham Bell	Non Cllr Member
Sarah Boyd	Lothian Buses
Julie Cole	Falkirk Council
John Jack	Non Cllr Member
Kieran Jackson	COSLA
Amber Moss	East Lothian Council
Derick Murray	Nestrans
Ranald Robertson	Hitrans
Harry Thomson	Swestrans
Martin Wanless	Scottish Borders Council

Ref		Actions
<b>1.</b>	<b>Welcome and Introduction; background to the SEStran Air Forum</b>	
	<p>Mr Turner welcomed the group and conducted round table introductions. Mr Murphy noted that DHL and TNT send their apologies for the meeting.</p> <p>Mr Haugen gave a brief background to the forming of the Air Forum. SEStran had previously had a relationship with the airport during the airport surface strategy and airport masterplan strategy but the previous surface access forum had ceased. In common with SEStran's practice of convening forums for other modes of transport, it was considered beneficial to establish an air forum this being the first meeting.</p>	
<b>2.</b>	<b>Draft Remit/Terms of Reference</b>	
	<p>Mr Haugen summarised the draft remit that was circulated with the agenda with main points as follows:</p> <ul style="list-style-type: none"> <li>• SEStran has been increasingly involved in freight and would like to include air freight in this.</li> <li>• Local authorities and SEStran currently have a strong involvement with the Surface Access Strategy and this is set to continue.</li> <li>• The last airport masterplan was in July 2011 and will be due for a refresh soon. Therefore now is an opportune time to discuss what should be included.</li> <li>• There will also be an airport liaison group but this will focus on specific individual issues where the forum will be further reaching and more strategic.</li> </ul> <p>Cllr Balsillie questioned why other airports were not included in the forum. Mr Macaulay stated that as the airports are in direct competition with Edinburgh airport then it was not in the groups interest to have them in attendance. Cllr Chisholm requested that Glenrothes Airport could have a role at the forum. Mr Macaulay agreed that the secretariat would write to Glenrothes airport as there would not be the same commercial friction.</p>	Mr Haugen
<b>3.</b>	<b>Air Connectivity at Edinburgh Airport</b>	
	<p>Mr Turner introduced the topic of air connectivity at Edinburgh Airport with key issues including:</p> <ul style="list-style-type: none"> <li>• What are the opportunities for introducing more long distance flights</li> <li>• What can be done to avoid the need for local people to travel further to reach destinations not available locally.</li> </ul> <p>Mr Haugen questioned if charter flights had a future at Edinburgh Airport. Mr Murphy confirmed charter flights are being targeted as part of the business plan. Mr Murphy outlined some figures on current connectivity at the airport:</p> <ul style="list-style-type: none"> <li>• In the last 3-4 years Edinburgh have more than doubled the number of long haul flights.</li> <li>• There are now 3 destinations in America, Etihad have started operating a route to Abu Dhabi and a route to Qatar will be available in the summer.</li> </ul>	

	<ul style="list-style-type: none"> <li>• There are 13 new routes to commence next year with a mix of destinations and around 55 routes a day to London currently.</li> <li>• Edinburgh Airport have invested significantly in infrastructure including £20 million on a new extension to the terminal building and a further £50 million on back up facilities.</li> </ul> <p>Mr Ritchie stated that as part of the drive to make long haul flights more attractive the Scottish Government is looking at air passenger duty which will be devolved under the Smith Commission. Initially under 12s will go free with the view to decreasing APD by 50% and subsequently abolishing it. The hope is that this should see an increase in passengers flying to and from Scotland long haul.</p> <p>Mr Martin noted that there had previously been a Government Development Fund from which money was put in for the start up period of new flights in and out of Scotland and questioned if there was anything like the fund now or anything in prospect. Mr Murphy stated it is now the airport who make the business case to help fund routes to start up. Mr Ritchie specified that the fund had been successful but would now fall outwith European Union rules. Instead, Transport Scotland now organise co-operative marketing assistance with airlines which has been successful. Further, Mr Ritchie noted that the plans for APD could provide Scottish airports with a competitive advantage, short term.</p> <p>Mr Marsden raised the issue of connectivity to Heathrow following the withdrawal of Little Red and Virgin. Mr Ritchie acknowledged that it has been difficult to raise interest in these slots and that British Airways currently have a monopoly on the route. While he noted that it would be concerning if these slots were not taken up it may be that there is no interest this year in taking up the slots in Edinburgh and Aberdeen.</p> <p>Mr Macaulay posed the following questions to the group:</p> <ul style="list-style-type: none"> <li>• The potential loss of connectivity between Aberdeen and Heathrow would be a serious concern for colleagues in the North East of Scotland. With this withdrawal is there a market opportunity for Edinburgh to provide this connectivity?</li> <li>• Is there a scope for encouraging operators who currently run seasonal services to extend these services beyond the summertime peak situation?</li> <li>• What can the forum do to assist in improving the connectivity in and out of Edinburgh Airport?</li> </ul> <p>Mr Williams stated that SCDI have worked previously with Edinburgh Airport on research with the business community regarding priorities with routes that exist at present and route development and would be happy to do so again.</p>	
<b>4.</b>	<b>Air Freight Provision</b>	
	<p>Mr Haugen gave an overview of current freight provision statistics at the airport:</p> <ul style="list-style-type: none"> <li>• Edinburgh airport is the busiest air freight provider in Scotland however it only handles 1.5% of the UK total as opposed to Heathrow which carries 93% total.</li> <li>• The majority of freight from Edinburgh is carried by freight or mail planes as opposed to in large passenger aircraft as is the norm elsewhere.</li> </ul>	

	<p>With the increase in long haul flights from Edinburgh, Mr Haugen noted that there may now be scope for further freight opportunities. Mr Murphy stated that Edinburgh airport are looking to grow freight provisions going forward and that DHL, TNT and Royal Mail currently have facilities at the airport.</p> <p>Mr Macaulay noted that SEStran are currently in the first round of a bid for creating a sustainable logistics gateway focused on the forth estuary. The aim is to pull together all the operators in the estuary to create a neutral platform for idea sharing to make freight logistics more sustainable and environmentally friendly and to set up a partnership of organisations involved. SEStran are hoping to engage fully with Edinburgh Airport on this.</p> <p>Cllr Coleman suggested that it would be useful to conduct a scoping exercise to know what it being transported in and out of the airport and then to approach the chambers of commerce with the information. Mr Murphy agreed that members could formulate the questions that need to be answered and he would take this to the airlines and then report back to the group. Further, Mr Haugen suggested that it would be useful to find out what is trucked to Heathrow for freight. Mr Macaulay agreed that this information would be valuable but that it is difficult to extract multi-modal trips from the statistics available and that close involvement with the industry would be required.</p>	Mr Haugen
<b>5. Surface Access Strategy and Issues</b>		
	<p>Mr Turner questioned if the statistics on public transport usage to the airport were going in the right direction.</p> <p>Mr Murphy gave an overview of the current position of public transport at Edinburgh Airport as follows:</p> <ul style="list-style-type: none"> <li>• The target for public transport usage is 35% by 2017. This figure is due to be reviewed following 1 year of tram service.</li> <li>• Public transport usage declined drastically while the tram was being built but this is slowly recovering.</li> <li>• Current figure for public transport usage is 29.2% which includes 5 bus routes.</li> <li>• Car parking accounts for 16% of passengers and this revenue is invested back in to the airport.</li> <li>• Taxi usage is currently at 21.5% and over 50% of passengers are dropped off.</li> <li>• The airport surface access strategy is available online at <a href="http://www.edinburghairport.com/about-us/airport-expansion">http://www.edinburghairport.com/about-us/airport-expansion</a></li> </ul> <p>The group agreed that currently public transport access from Edinburgh and Fife is very good however from the other SEStran areas it is somewhat more difficult. Mr Haugen noted that Edinburgh gateway station is opening next year which should improve public transport access.</p> <p>The lack of cross Edinburgh rail services were raised as an impediment to those travelling to the airport from outwith Edinburgh. Mr Haugen noted that Scotrail are going to look at the potential of a through Edinburgh service in 2-3 years once the borders rail service has been established.</p>	

	<p>The group discussed congestion issues on the roads accessing the airport and noted that the current infrastructure was causing problems. Mr Scott noted that if the road access was made seamless then there would be potential for more services to stop at the airport dependent on a positive business case. Mr Haugen noted that there is a proposal for an Edinburgh Orbital Bus scheme which could help with access to the airport however this has so far not been able to attract funding.</p> <p>Mr Marsden noted Transport Scotland are funding a study which will involve looking at what multi-modal interventions can be funded to help mitigate the implications of housing and planned employment development across the SESplan region, looking up to 2024. Mr Marsden added that the SESplan main issues report looks at trying to make the city region a better connected place and will be going to public consultation this summer and welcomed feedback on this.</p> <p>The use of Ferrytoll Park and Ride as a form of airport access was noted however Mr King stated that long term parking was limited there due to capacity and use of the car park by commuters. Mr Cairns noted that this is not advertised by the airport as a way to access the airport and wondered if this information could be more prominent to the public.</p> <p>Mr Macaulay stated that the remit for the forum is how to better promote travel to the airport and surface access via sustainable modes and that in terms of surface access there was a need to work together to maximise use of public transport and be open minded about the need for investment for surface access. He stated that there is potentially a scope for SEStran to promote park and ride throughout the region and revisit the SEStran park and ride website for updating.</p>	
<b>6.</b>	<b>Long Term Strategy for the Airport; connectivity with surface modes</b>	
	<p>Mr Murphy gave an overview of the long term strategy for the airport:</p> <ul style="list-style-type: none"> <li>• Looking to have an increase of 400,000-600,000 passengers a year.</li> <li>• Currently looking at new car parking as a revenue source.</li> <li>• In discussions with the Scottish Government about the potential for new road access to the airport including a new M8 link.</li> <li>• There is no immediate need for a second runway. This would not be required until around 2040 and air travel may have changed by then.</li> <li>• Hoping to start consultation on a draft masterplan refresh later this year with the final masterplan being produced next year.</li> </ul> <p>Following a query regarding a wider public transport investment to support the improvements and expansion, Mr Murphy stated that as Edinburgh grows a business case will be built for public transport operators to serve this growth. Mr Ritchie stated that the aim was to make public transport as attractive an option for getting to the airport as possible and suggested inviting some Transport Scotland colleagues to the group to deal with some of the issues discussed.</p> <p>Mr Macaulay stated that it was worthwhile to recognise that while the Scottish Government has invested heavily in the new Forth replacement crossing, this has not been designed to provide any new capacity for private travel and that the public transport strategy for the new crossing is that the growth and demand for the crossing will be taken up by improved public transport. This has resulted in</p>	Mr Ritchie

	<p>investment in the Forth railway bridge for extra signalling and investment in Halbeath Park and Ride. Mr Macaulay noted the Transport Minister has announced a review of the National Transport Strategy and that Transport Scotland will be consulting on and developing this throughout the year. SEStran recently submitted a review of the Regional Transport Strategy which strengthened the international connectivity element of the strategy and Mr Macaulay noted that they hoped this would encourage the NTS to do the same.</p> <p>Mr Macaulay noted for information that SEStran are hosting a transport conference, on the theme of regional growth, to be held on the 5<sup>th</sup> November 2015 with the Transport Minister as keynote speaker.</p>	
<b>7.</b>	<b>AOCB</b>	
	<p>Mr Drummond noted that Edinburgh Council are currently in the process of crafting a better understanding with Edinburgh Airport between the Chief Executive and Gordon Dewar at the airport. They will be working together on several issues discussed with specific projects including how to relieve pressure on Eastfield road.</p>	
<b>8.</b>	<b>Future Meeting and Dates (TBA)</b>	
	<p>Mr Turner suggested that the next meeting be held in November, a few weeks after the SEStran Transport conference. The date of the next meeting will be circulated to members.</p>	

**SOUTH TAY P+R STEERING GROUP MEETING  
10.00 AM TUESDAY 19<sup>TH</sup> MAY 2015**

**Present:**

Angela Chambers	SEStran
Steven Feeney	Transport Scotland
Jane Findlay	Fife Council
Niall Gardiner	Tactran
Ewan Gourlay	Dundee City Council
Jim Grieve	SEStran
Trond Haugen	Adviser to SEStran (Chair)
Alex Macaulay	SEStran
Adam Priestly	Transport Scotland (from 10:35am)

**Apologies:**

Eric Guthrie	Tactran
Carron Flockhart	Transport Scotland

Ref.		Actions
<b>0.</b>	<b>Welcome and Apologies</b>	
	Mr Haugen welcomed the group to the meeting, followed by round table introductions.  Apologies were noted as above.	
<b>1.</b>	<b>Minutes and Matters Arising from 18<sup>th</sup> Feb 2015</b>	
	<u>Minutes</u> Approved as a correct record.  <u>Matters Arising</u> It was noted that Fife Council expressed concerns about the ability to fund a share of the project.	
<b>2.</b>	<b>Update on Land Acquisition</b>	
	Mr Haugen provided an update to the group and advised that there were some issues surrounding the procurement of the site and planning application. The group discussed planning consent options and also communication with Tay Bridge Joint Board. It was agreed that talks were required with the Bridge Board and Mr Gourlay agreed to contact Board Member Alan Hutchison in advance of any meetings.	<b>EG</b>



<b>3.</b>	<b>Update on Policy Position</b>	
	<p>Mr Feeney provided an update from Transport Scotland, including the Minister's current thoughts on P+R:</p> <ul style="list-style-type: none"> <li>• Following the Commonwealth Games and Ryder Cup, TS are keen to build on the successful use of P+R sites and to manage motorways and the trunk road network to optimise capacity on key routes.</li> <li>• Information gathering exercise being conducted with a view to putting a case to Ministers for strategic P+R sites.</li> <li>• SG are keen to support RTP's, in a non-financial sense, to build a strong case for funding for further sites.</li> </ul> <p>Mr Macaulay noted that SEStran have produced a P+R Strategy for the region which identifies a number of viable sites, ready for investment.</p> <p>Mr Feeney commented that the Minister has announced there will be a refresh of the National Transport Strategy (NTS) and suggested raising issues with the Minister at forth coming meetings in advance of the SG funding review.</p> <p>Mr Gardiner noted that Tactran also have a P+R Strategy and that Dundee City Council has reconfirmed that P+R is a priority.</p> <p>The group discussed the Strategic Projects Review and Mr Feeney agreed to circulate a copy of the projects list to the group.</p> <p>Mr Haugen noted that the suitability of South Tay as a P+R site has been specifically highlighted.</p>	<b>SF</b>
<b>4.</b>	<b>Update on Funding</b>	
	<p>Ms Findlay noted that she had circulated a comprehensive list of various sources of funding to the group.</p> <p>Mr Macaulay stated that no progress had been made since the last meeting and noted that Fife Council have confirmed that they have no funding available for the project.</p> <p>A discussion took place on the European funding awarded to Halbeath P+R site and the elements of the build that qualified, as there were restrictions. The group agreed that information regarding current eligibility criteria was required to determine a more accurate cost estimate.</p> <p>Mr Feeney to speak to the relevant contacts within SG and confirm the details to Mr Haugen.</p>	<b>SF</b>
<b>5.</b>	<b>Update on Procurement</b>	
	<p>Ms Findlay summarised the various options for attracting ERDF funding into projects, including training, charging points for electric vehicles and wind energy etc.</p>	

<b>/5.</b>	<b>Update on Procurement</b>	
	<p>This led to a discussion on incorporating clauses into a contract to secure funding, including design and build options and using in-house staff/local contractors. Ms Findlay to circulate guidance on scheme rules to the group.</p> <p>Parking space provision and on-site building and facilities options were also discussed.</p> <p>South Tay P+R Technical report, business case and background reports to be sent to Mr Feeney for information.</p>	<p><b>JF</b></p> <p><b>TH</b></p>
<b>6.</b>	<b>Programme</b>	
	<p>Mr Macaulay noted that a programme cannot be established until funding and procurement options are finalised. However, work would be progressed on taking the design and build forward, utilising the existing contributions.</p> <p>Work already completed by URS to be picked up by Fife or Dundee Council or via a consultancy. The logical option would be to use the services of Fife Council as the site is within their boundary. A meeting is to be arranged with Fife Council to assess if resource is available to submit a planning application.</p>	<b>JF</b>
<b>7.</b>	<b>AOCB</b>	
	Nothing to report.	
<b>8.</b>	<b>Date of Next Meeting</b>	
	Provisional Date – Tuesday 18 <sup>th</sup> August 2015.	

CHIEF OFFICER LIAISON GROUP MEETING  
10.00 AM TUESDAY 2<sup>ND</sup> JUNE 2015

**Present:**

Nikki Boath	SEStran
Angela Chambers	SEStran
Neil Dougall	Midlothian Council
Peter Forsyth	East Lothian Council
Ken Gourlay	Fife Council
Jim Grieve	SEStran
Andrew Hutt	SEStran
Alex Macaulay	SEStran
Graeme Malcolm	West Lothian Council
Bob McLellan	Fife Council
Iain Shaw	CEC – Treasurer Services to SEStran
Alastair Short	SEStran

**Apologies:**

Julie Cole	Falkirk Council
Andrew Ferguson	Fife Council
Amber Moss	East Lothian Council

Ref.		Actions
<b>1.</b>	<b>Welcome and Apologies</b>	
	Noted as above.	
<b>2.</b>	<b>Minutes and Matters Arising from Chief Officers – 24<sup>th</sup> Feb 2015</b>	
<b>2.1</b>	<u>Minutes</u> Approved as a correct record.	
<b>2.2</b>	<u>Matters Arising</u> <b>B2 Scotrail Franchise - Concordat</b> Mr Macaulay noted that CEC have indicated that they are signing up to a concordat with Abellio. Mr Forsyth reported that he had met with James Legerwood, Head of Econ Dev in Abellio and he had discussed a change in style, moving towards a sustainable development rail partnership that councils could be involved in.	
<b>2.3</b>	<b>A6.2 Revenue Budget</b> <u>Minister to attend future Board meeting</u> Mr Macaulay confirmed that the Minister will attend the Partnership Board meeting on Wednesday 23 <sup>rd</sup> September 2015 in The Glasshouse Hotel. Officers' were asked to note the change of date and venue and to advise Members accordingly.	

<b>/2.</b>	<b>Minutes and Matters Arising from Chief Officers – 24<sup>th</sup> Feb 2015</b>	
<b>2.4</b>	<u>SEStran Conference</u> Mr Macaulay advised that the conference – Transport for Regional Growth - has been arranged for Thursday 5 <sup>th</sup> November 2015 and the Minister has confirmed that he will deliver the keynote speech. Other speakers to confirm include reps from SESplan, SCDI, and Forth Ports. Topics include City Deal, NTS, NPF3 and alternative sources of funding.	
<b>2.5</b>	The group discussed the NTS review and noted that information had been sent out via the COSLA Leaders Meeting. Mr Macaulay stated that SEStran had not been included as they cannot be COSLA members and requested Officers to share any information that they had received.	
<b>3.</b>	<b>Shared Services</b>	
<b>3.1</b>	<u>Decriminalised Parking Enforcement (DPE) CEC Services</u> Mr Grieve advised that he had been approached by CEC who are keen to assist other authorities with DPE, as there is capacity within their contracts to do so. Mr Forsyth noted that he met with CEC Parking to explore options. A paper will be presented to the Board under the A Agenda.	
<b>3.2</b>	<u>Improvement Service - Road Maintenance</u> Mr Macaulay provided an update to group and advised that the RTP Joint Chairs have produced a report, which sets out how the RTP's could deliver a shared services model. This report has been submitted to the Improvement Service and a meeting was held between the RTP Officers, Legal Reps and Improvement Service.  The group discussed the paper and issues in detail and the general consensus was that it should be shared with the partner authorities, in advance of their Council meetings. It was agreed that the SEStran Legal Adviser issues the paper to the Partnership Authorities Chief Exec's and Legal Officers, outlining the current position. The paper will be presented to the Board under the B Agenda.	<b>AF</b>
<b>4.</b>	<b>Draft Agenda for the Partnership Board – Friday 19<sup>th</sup> June 2015</b>	
<b>A1</b>	<b>Minutes of the Partnership Board meeting – Friday 20<sup>th</sup> March 2015</b>	
	The minutes were noted.	
<b>A2</b>	<b>Matters Arising</b>	
	N/A	
<b>A3</b>	<b>Minutes of the Performance and Audit Committee – Friday 5<sup>th</sup> June 2015</b>	
	Meeting scheduled as above.	
<b>A4</b>	<b>Matters Arising</b>	
	N/A	

<b>A5</b>	<b>Projects Report</b>	
<b>A5.1</b>	<p>Mr Grieve presented the report, highlighting the following key points;</p> <ul style="list-style-type: none"> <li>• <u>Expenditure</u> – BIF and ERDF grant funding received.</li> <li>• <u>RTPI</u> – New kit on First Buses by July, transfer of kit originally scheduled for Stagecoach to First fleet to be completed by 16<sup>th</sup> June. All First and Stagecoach buses in the area will be kitted out by the end of the year.</li> <li>• <u>BIF 3 – TV Screens</u> – Launch event was hosted in April, which has resulted in a number of promising leads. The media campaign has also been successful. Scottish Enterprise bid has secured £20k for a trial on commercial properties.</li> <li>• <u>Sustainable Travel</u> – Fund open.</li> <li>• <u>European Projects</u> – Completion dates and new bids summarised.</li> </ul> <p>Mr Macaulay asked Officers to share the details of the RTPI TV screen project with other divisions within their councils who have publicly accessed front offices, as the funding needs to be spent by the end of this financial year. Kit will be issued on a first come, first served basis.</p>	
<b>A6</b>	<b>Finance Reports</b>	
<b>A6.1</b>	<p><u>Unaudited Statement of Accounts 2014/15</u></p> <p>Mr Shaw provided a verbal update and advised that the Finance Officers report will be the unaudited accounts. The report is currently being finalised to include management commentary and will be issued in time for the P &amp; A Committee. In summary, the accounts will be fully compliant and will show a £26k under spend and subject to audit confirmation, will be put to the Board for approval to include in the remainder of the RTPI project.</p>	
<b>A6.2</b>	<p><u>Finance Officer's Report</u></p> <p>As discussed under item A6.1</p>	
<b>A7</b>	<b>RTS Delivery Plan</b>	
	<p>Mr Short presented the report and advised that the RTS was with Ministers for approval. The proposal is to start the delivery plan, which will be split into two parts; Projects and Action Plan. Discussions with TS and Local Authorities will be required to address the Projects element and the Action Plan will detail what SEStran will be doing on an annual basis. Dr McLellan suggested that para 2.4 could be boosted to reflect current issues.</p>	
<b>A8</b>	<b>SEStran Stations</b>	
	<p>To be moved to the B Agenda.</p> <p>Mr Malcolm recommended that para 8 is reworded to provide a more positive introduction.</p>	<b>TH</b>

<b>A9</b>	<b>Access to Healthcare</b>	
	Mr Short introduced the report, which publicises what SEStran are doing in relation to access to healthcare. One area of interest is sharing best practice, to improve services within Central Scotland. A two part draft action plan has been produced, which has been approved by the Access to Healthcare Group and will now be presented to the Board. One objective is to raise the profile of the group and Mr Short noted that letters were being drafted to be sent to health boards. Mr Malcolm commented that an explanation of what the Government trials are would be helpful.	
<b>A10</b>	<b>SEStran Strategic Cross Boundary Cycle Development</b>	
	Mr Macaulay noted that Peter Brett Associates had been appointed to do cross boundary analysis and will form the basis of report. Once report has been finalised, it will be circulated.	
<b>A11</b>	<b>HR Policy Review - Provisional</b>	
	Report subject to review of policies by HR Adviser.	
<b>B1</b>	<b>Annual Treasury Management Report</b>	
	Mr Shaw presented the item and advised that it is the standard Treasury Management report, which highlights the indebtedness between SEStran and CEC. This report will be presented to the P & A Committee for consideration.	
<b>B2</b>	<b>Annual Internal Audit Report</b>	
	Report will be presented to the P & A Committee for approval.	
<b>B3</b>	<b>Decriminalised Parking Enforcement – CEC Services</b>	
	Discussed under item 3. Report will be moved to the A Agenda.	
<b>B4</b>	<b>East Coast Mainline Authorities (ECMA)</b>	
	This report provides an update to Members, including current funding/budget requirements and the continuation of the group.	
<b>B5</b>	<b>Rail Franchises - Provisional</b>	
	To be removed from the agenda.	
<b>B6</b>	<b>Minutes of SESplan Cross Boundary Impacts Group</b>	
	Strategic model still being updated and summary note of minutes will be presented to the Board.	<b>AS</b>
<b>B7</b>	<b>High Speed Rail Update</b>	
	Most recent progress report to be presented to the board.	
<b>B8</b>	<b>Consultation Responses by SEStran – For Noting</b>	
<b>B8.1</b>	Network Rail Inclusive Design Strategy	
<b>B8.2</b>	Tactran RTS	

<b>/B8</b>	<b>Consultation Responses by SEStran – For Noting</b>	
<b>B8.3</b>	Fife Sustainable Development	
<b>B8.4</b>	Infrastructure and Capital Investment Committee – Freight Transport	
<b>B8.5</b>	Midlothian Council Local Development Plan	
<b>B9</b>	<b>Consultation Responses by Joint RTP Chairs</b>	
<b>B9.1</b>	Road Collaboration – Discussed under Item 3.	
<b>B9.3</b>	Climate Change	
<b>B10</b>	<b>Minutes of Sub-Groups – For Noting</b>	
<b>B10.1</b>	<u>Access to Healthcare</u> – 8 <sup>th</sup> April 2015	
<b>B10.2</b>	<u>Rail Forum</u> – 10 <sup>th</sup> April 2015	
<b>B10.3</b>	<u>Sustainable Transport Forum</u> – 30 <sup>th</sup> April 2015	
<b>B10.4</b>	<u>Airport Forum</u> – 29 <sup>th</sup> May 2015	
<b>B10.5</b>	<u>Chief Officer Liaison Group Meeting</u> – 2 <sup>nd</sup> June 2015	
<b>B9.</b>	<b>Minutes of the Joint RTP Chairs – 4th March 2015</b>	
	For noting.	
<b>5</b>	<b>AOCB</b>	
	As this was his last Chief Officers' meeting, Dr McLellan noted his thanks to Mr Macaulay and SEStran. Mr Macaulay responded by thanking Dr McLellan for his hard work and always being an active participant and wished him well for the future.	
<b>6</b>	<b>Date of Next Meeting</b>	
	The date of the next meeting has been scheduled for <b>Tuesday 8<sup>th</sup> September 2015 at 10:00am in SEStran Offices, 130 East Claremont Street, Edinburgh.</b>	

**Regional Transport Partnerships Joint Chairs Meeting  
Held in the Ayre Hotel , Kirkwall on 4<sup>th</sup> March 2015 at 9.30am**

**Draft Minute of Meeting**

Present: Cllr Michael Stout, Chair, ZetTrans (Chair)  
Cllr James Stockan, Chair HITRANS  
Cllr Peter Argyle, Chair Nestrans  
Cllr Russell Imrie, Chair SEStran  
Cllr Will Dawson, Chair Tactran

In attendance: Michael Craigie, ZetTrans (MC)  
Ranald Robertson, HITRANS (RR)  
Derick Murray, Nestrans (DM)  
Alex Macaulay, SEStran (AM)  
Eric Guthrie, Tactran (EG)  
Fiona McInally, HITRANS (Minutes)

Apologies: Ewen Milligan, Transport Scotland (EM)  
Tom Davy, Transport Scotland (TD)  
George Eckton, CoSLA (GE)  
Kieran Jackson, CoSLA (KJ)  
Cllr Tom McAughtrie, SWestrans  
Harry Thompson, SWestran  
Cllr James Coleman, SPT  
Bruce Kiloh, SPT  
Cllr Ramsay Milne, Nestrans

<b>Item</b>	<b>Action</b>
<b>1. Welcome and Apologies</b> Cllr Stout welcomed everyone to Orkney and noted the apologies received above.	
<b>2. Presentation by ZetTrans and Orkney Islands Council on Ferry Service Working Group</b>  A presentation was provided by Michael Craigie and Gavin Barr on the work of the Ferry Service Working Group.	
<b>3. Minutes of the meeting held on 3<sup>rd</sup> December 2014</b> The minutes were approved.	
<b><u>Matters Arising</u></b>	
<b>(i) Roads Collaboaration Board.</b> EG raised RCP letter from Colin Mair and the circulated response from RTP chairs. Tactran have underlying concern regarding mission creep from improvement service. RTP secretariat has been liaising	



with RCB and RTP's. Discussion at Lead Officers meeting with legal advisers was very useful.

RTP Legal advisers are continuing to liaise with each other. The Improvement Service have invited the legal advisers to a meeting in SPT offices on 11<sup>th</sup> March. Both the RTP lead officers and legal advisers agree that a consensus is required before meeting with Improvement Service. Additionally, a RTP representative has been invited to attend the RCB/Improvement Service meeting on 22<sup>nd</sup> April.

It was agreed that the meeting on 11<sup>th</sup> March should not go ahead, as the timescale is too tight to enable a consensus being reached. Additionally the RTP lead officers wished to pursue their request from 11<sup>th</sup> Feb that 3 RTP leads attend the meeting on 22<sup>nd</sup> April.

MS asked if RTPs could ask RCB legal representatives Burness Paul to provide legal reasons why the RTP model couldn't work?

Additionally questions were asked regarding the Improvement Services end date for this work?

**Action: Secretariat to liaise with RCB to ask questions.**

Moving forward AM has volunteered the SEStran legal representative to lead the discussion between the legal advisers to help reach a consensus between them, while liaising with RTP lead officers.

**Action: AM to liaise with SEStran legal representative**

#### **Items for Discussion/Decision**

#### **4. RTPs/Scottish Government/CoSLA Working Group Paper – Update on Actions (BK/EG)**

EG provided an update to the paper provided to chairs. No update from SG or CoSLA has been provided following the RTP chairs meeting on 11<sup>th</sup> Feb.

EG raised concerns that RTPs need to be recognised as an asset within all teams within Transport Scotland, for example improving links with the Sustainable and Active Travel team to ensure a key role going forward.

RR updated chairs that the Minister for Transport and the Islands, Derek Mackay has been sent the dates of 2015 meetings, and that he could not attend today.

It was agreed that if the minister cannot attend June meeting, a separate meeting date should be requested for RTP Chairs and Leads to meet with the minister to discuss the working group paper,

and also to discuss key RTP engagement going forward. Key issues for discussion:

- Funding
- RCP
- Role of RTPs as statutory bodies

RR

**Action: RTP secretariat to liaise with SG to define meeting dates.**

Note: It was highlighted in news that several LA's including Glasgow, Aberdeen, Renfrew and South Lanarkshire have left CoSLA and are setting up their own group. RTPs need to engage with this group going forward, to discuss our role as statutory bodies.

## 5. Active Travel/Behaviour Change Issues

### (i) Smarter Choices Smarter Places (AM)

AM circulated a paper on the outcomes of the SCSP applications. Each LA was provided a nominal sum of money, which required match funding, and was administered via applications to Paths for All. The 31 LA's who applied were successful in receiving funds, subject to the agreement of an action plan and recommended monitoring and evaluation techniques.

Additionally, it is worth noting that not all LA's applied for their full entitlement due to match funding/ budget restrictions, while others indicated that additional monies could be spent for further work. Details of LA's gaining additional funds are still being finalised, dependant on strength of further projects.

As work progressed during 2015, objective is that there will be regional seminars where LA's can provide progress on their work, and the organisation and co-ordination of these events would be through RTP's. To expect this request from PFA.

### RTP/Cycling Scotland Update (EG)

#### (ii) EG provided a verbal update following attendance at CS board on 24<sup>th</sup> Feb:

- **Pedal for Scotland.** Looking to extend outside Edinburgh, Glasgow, Aberdeen. More likely to be future events in 2016.
- **Give me cycle space.** CS looking to engage with secondary schools as well as primary schools. This will result in a different focus on campaign this year.
- **Bikeability level 3.** This will be targeted towards secondary schools.
- **£60k for HGV training.** CS have set up a steering group to take this forward. Essential for training LA HGV staff in the first place. BK invited to attend.

- **Cycle Friendly Communities Fund** has been launched.
- CS conference likely to be around 12<sup>th</sup> November.
- **Action: EG to meet with Keith Irving to discuss CAPS, with specific focus on KPIs and RTP involvement.**

## 6. Rail Issues

### (i) High Speed Rail Report (AM)

AM circulated an update on the current situation on HSR following recent meetings. Currently two outstanding reports. One is with Scottish Govt regarding Edinburgh/Glasgow opportunities, and the other with Westminster Govt. It is worth noting:

-Key messages from meeting with SCDI /SG/ Sir David Higgins:  
3 hr journey time to Scotland would we welcomed.

-Sir David provided a lengthy case for a HS2 line to Scotland, taking into account the delays for any improvement to lines.

-Likely that HS2 Phase 3 would go to Scottish Govt, as a devolved matter. Not likely to be seen as a priority to National Govt.

-HS3 over the Pennines may possibly 'jump the queue' due to the political support for this south of border.

### ECMA Report (AM)

#### (ii) AM provided a verbal update following meeting ECMA meeting:

ECMA has been in a state of flux for several months. Chair of ECMA changed, due to political changes within York City Council, and dependant on May elections this may change again. Suggestions of people who could chair ECMA have been suggested, subject to LG elections.

York City Council have overspent in consultation, due to others' not paying funds into the consultation process. Going forward there are 3 proposals for ECMA budget. All 33 LA have said they would contribute individually, or as part of a partnership, result in just under £59k budget, which is considerably less than the £160k required to continue current work.

For under £65k budget, the question of ECMA continuing has been raised. A further request has been made to each of the 33 authorities to try and reach £70k, which would result in a proportion of an officer's time, and engagement with government and rail industry, rather than commissioning further technical consultancy moving forward.

**Action: AM to agree RTP budget moving forward with other**

AM

**RTPs, which was suggested at £26k if reaching overall target of £160k, £14K if reaching £70k.**

2 subgroups: Technical. This will be disbanded.  
Communication and Economics to continue.

AM has arranged to meet Jim Eadie MSP, Chair of Transport and Infrastructure committee in Scottish Govt in March. Cllr Imrie and AM to attend, along with a councillor from northern England.

Do ECMA have a list of up to date Chief Executives within the LA's?  
**Action: All to check this within their RTP area.**

**ALL**

## **7. Bus Issues**

### **(i) Note of Chairs meeting with CPT 3<sup>rd</sup> Dec 2014**

EG action regarding Bus Registration is awaiting update, will progress at future meetings.

Meeting notes approved.

## **8. Aviation Issues**

### **(i) Davies Commission /National Connectivity Task Group (DM)**

The task force provided an update to the commission by February deadline. There will be a press event on the 16<sup>th</sup> March in London, hoping to do something in Scotland, to launch report.

Report is backed by a large amount of information and research focusing on legal, economic, finance, and historic details, all with the aim of reinforcing that if a new runway is developed in London that it should improve connectivity to the whole of the UK, including Scotland.

DM highlighted that RTP chairs should be happy with this report, as Scotland is well represented. A STAG analysis has been carried out and DM verbally listed the objectives.

Overall the report suggested that the UK Government looks at current legislation and current conditions, which may allow for a 3<sup>rd</sup> runway in the south of England, which could be at either Heathrow or Gatwick.

**Action: DM to circulate report on 16<sup>th</sup> March to all.**

**DM**

## **9. Low Emission Strategy Consultation Response (DM)**

DM provided a copy of the Low Emission Strategy for Scotland Consultation.

An additional paper was provided in the meeting for members' consideration, which provided Nestrans response, highlighting the cluttered active travel landscape across Scotland. Sustrans are not happy with this response.

Additionally, the article within LTT has raised concern.

EG highlighted a consultation regarding public sector Climate change, and whether there could be a joint response to the Low Emissions Strategy and also the Climate Change consultation.

**Action: EG to circulate details of other consultation.**

EG

Additionally National Walking and Cycling Network due for release on 19<sup>th</sup> March.

**10. AOB**

RR- RCP. Ranald provided a verbal update following communication received via email during Chairs meeting from Improvement Service which was discussed.

**Action: Secretariat to provide a written response on the RTP position, which will be copied to the minister with signatures of all RTP chairs.**

RR

**11. Dates of next Meetings**

2/3<sup>rd</sup> June, HITRANS

WD apologies as in Brussels.

**Items for Noting**

The Chair moved and it was agreed that the papers submitted for the following items be noted.

**12. Infrastructure and Capital Investment Committee Freight Inquiry (EG)**

**13. SCA Hydrogen Bus Initiative (RR)**

**14. Highland ITP Project (RR)**