PERFORMANCE & AUDIT COMMITTEE

Meeting Room 3E-91, Victoria Quay, Edinburgh, EH6 6QQ
Friday 17th February 2017 – 10am

_____

AGENDA

1. **ORDER OF BUSINESS**

2. **APOLOGIES**

3. **DECLARATIONS OF INTEREST**

4. **MINUTES OF THE P&A COMMITTEE – FRIDAY 18th NOVEMBER 2016**

5. **MODEL 3 SESTRAN PROGRESS REPORT –** Report by George Eckton and Andrew Ferguson

6. **AUDIT REPORTS**
    (a) External Audit – Introduction

    (b) External Audit – Audit Plan 2016/17

    (c) Internal Audit – Annual Audit Report – Report by Hugh Thompson

7. **FINANCE REPORTS –** Reports by Iain Shaw

    (a) Revenue Budget 2017/18

    (b) Treasury Management

8. **CODE OF CONDUCT CONSULTATION –** Report by Andrew Ferguson

9. **RECORDS MANAGEMENT PLAN –** Report by Angela Chambers

10. **PLACES, PEOPLE & PLANNING CONSULTATION –** Report by George Eckton

11. **REVIEW OF FORUMS –** Report by George Eckton

12. **PROCUREMENT –** Report by Jim Grieve

13. **PARTNERSHIP STAFFING UPDATE –** Report by George Eckton

14. **EQUALITY MAINSTREAMING / EQUALITY OUTCOMES 2017 – 2021 –** Report by Emily Whitters

15. **SCOTTISH GOVERNMENT CONSULTATION ON GENDER REPRESENTATION ON PUBLIC BOARDS (SCOTLAND) BILL –** Report by George Eckton & Emily Whitters

16. **BOARD DIVERSITY SUCCESSION PLAN –** Report by George Eckton

17. **UPDATE ON NON-COUNCILLOR MEMBER BOARD VACANCY** – Report by George Eckton

18. **BUSINESS PLAN 2017-18 –** Report by Jim Grieve

19. **PROJECTS UPDATE / CITY DEAL / EU UPDATE –** Report by Jim Grieve

20. **REVIEW OF NATIONAL PERFORMANCE FRAMEWORK NATIONAL OUTCOMES–** Report by George Eckton

21. **AOCB**

22. **DATE OF NEXT MEETING**

Emily Whitters
Business Support Officer
Area 3D (Bridge)
Victoria Quay
Edinburgh
EH6 6QQ

10th February 2017

Telephone: 0131 524 5150 or E-mail: emily.whitters@sestran.gov.uk
Agendas and papers for all SEStran meetings can be accessed on www.sestran.gov.uk

PERFORMANCE & AUDIT COMMITTEE MEETING

HELD IN THE SESTRAN OFFICES, MEETING ROOM 3D-34, VICTORIA QUAY, EDINBURGH, EH6 6QQ

ON FRIDAY 18th NOVEMBER 2016

10:00 AM – 12:30 PM

PRESENT:	<u>Name</u>	<u>Organisational Title</u>
	Councillor George Edgar (Chair)	Scottish Borders Council
	John Jack	Non-Councillor Member
	Sandy Scotland	Non-Councillor Members
	Councillor Tom Coleman	Falkirk Council
	Councillor Tony Boyle (from Item 9)	West Lothian Council
IN ATTENDANCE:	<u>Name</u>	<u>Organisation Title</u>
	George Eckton	SEStran
	Jim Grieve	SEStran
	Angela Chambers	SEStran
	Emily Whitters	SEStran
	Iain Shaw	City of Edinburgh Council
	Andrew Ferguson	Fife Council

Action by

1. **ORDER OF BUSINESS**

   The Chair confirmed that the order of business would be as per the agenda.

2. **APOLOGIES**

   Apologies were received from:

   Councillor Kenneth Earle, Clackmannanshire Council
   Councillor Michael Veitch, East Lothian Council

3. **DECLARATIONS OF INTERESTS**

   None.

4.   MINUTES

Decision

The minute of the meeting held on 9th September 2016 was approved.

5.   GOVERNANCE REVIEW

The Board considered a report by Andrew Ferguson, informing the committee of the conclusion of the recent review of governance documents as regards standing orders and scheme of delegation, and recommending a change to the standing orders as regards the committee's remit and membership.

Decision

The Committee agreed to recommend to the Board:
  i.   That the committee's membership be expanded to include two further non-councillor members;
  ii.   That the committee's quorum be four, with a minimum of two Councillor members;
  iii. That all policy matters continue to be decided by the Board; and
  iv.   That Councillor members should be allowed one nominated substitute per authority   **AF**

6.   FINANCE REPORTS

  (a) Financial Planning 2017/18 – Iain Shaw, on behalf of the Treasurer, presented details of a revenue budget for 2017/18 to the Partnership for approval in March 2017.

  The Committee noted the assumptions presented in the report were based on a prudent assessment of anticipated changes in external funding, but did not commit the Partnership to the planning assumptions at this stage. It was also noted that the most recent forecast of external council funding (excluding Council Tax) now pointed to a reduction of 3.5% to 5% per year in cash terms over the period to 2020/21.

  ### Decision

  The Performance & Audit Committee noted:
  i.   The financial planning assumptions currently being processed for 2017/18 revenue budget;
  ii.   The risk that Scottish Government funding allocations to RTPs will be reduced, given the uncertainty around the Scottish Government budget for 2017/18.

iii. That the report will be presented to the Partnership Board meeting on 2nd December 2016; and

iv. The revenue budget for 2017/18 will be presented to Members for approval at the meeting of the Partnership in March 2017. **IS**

(b) Treasury Management Report – Iain Shaw, on behalf of the Treasurer, presented a report reviewing the investment activity undertaken on behalf of the Partnership during the first half of the 2016/17 financial year.

(c) Purchase Card Policy – Iain Shaw, on behalf of the Treasurer, presented a report on the Partnership's Purchase Card Rules and Procedures for review, by the Committee, prior to approval by the Board at its meeting on 2nd December 2016. It was noted the Partnership's Internal Auditors had previously recommended the Partnership develop a formal procurement card policy.

Decision

The Committee:
i. Noted the draft Purchase Card Rules and Procedures; and
ii. Referred the Purchase Card Rules and Procedures to the Partnership Board for approval. **IS**

(d) Travel & Subsistence Policy – Emily Whitters presented a draft Travel & Subsistence Policy for review by Performance & Audit Committee, following a request by the Partnership Board on the 23rd September 2016 that the Business Travel Policy be applied to Board members as well as staff. It was noted the Business Travel Policy had been updated and renamed the Travel & Subsistence policy to reflect these changes.

Decision

The Committee:
i. Noted the Travel & Subsistence Policy; and
ii. Agreed that the policy be tabled for approval by the Partnership Board. **EW**

7. **RISK FRAMEWORK**

The Committee considered a report by Angela Chambers, Business Manager, outlining the six monthly update on the Risk Register. The Risk Management Framework for SEStran was considered for the following 6 – 9 months.

Decision

The Committee:
  i.   Noted the latest version of the Risk Register and agreed that the proposed new risks should be added to the register; and
  ii. Agreed to give a mandate to SEStran officials for the **AC** current framework in terms of format and scope, up to summer 2017.

8.   SESTRAN EQUALITY OUTCOMES 2017 – 2021

The Committee considered a report by Emily Whitters and Angela Chambers outlining the requirement for SEStran as a listed public body under the Equality Act 2010 and the Equality Act 2012 (Scotland).

Decision

The Committee:
  i.   Noted the review of the 2013 – 2017 Equality Outcomes and on the development of the two new outcomes; and
  ii. Agreed to table the draft outcomes to the December Board for approval of a 4 -6 week consultation period.   **EW**

9.   RECORDS MANAGEMENT FRAMEWORK DOCUMENTS

The Committee considered a report by the Business Manager on SEStran's Records Management Framework, which was subject to assessment by The Keeper of the Records of Scotland.

Decision

The Committee:
  i.   Noted the terms of the Records Management Framework;
  ii.   Agreed that the Records Management Framework documents be presented to the Board for approval;
  iii. Noted that further work will be undertaken to develop a Business Classification scheme and Retention schedule in parallel with the IT upgrades and the Business Manager seeking a mandate from the Board, implementing a range of support to continuous improvement procedures.
  iv.   Noted that the Records Management Plan would be submitted to The Keeper of the Records by the 31st January 2017 for approval; and

v. Noted that The Keeper of the Records Assessment Report would be tabled to a future meeting of the Performance & Audit Committee. **AC**

10. DELIVERY PLAN 2015 – 18 UPDATE / PROJECTS UPDATE / EU UPDATE

The Committee considered a report by Jim Grieve, Head of Programmes who reported on the updates to the Delivery Plan.

Decision

The Committee noted the reports.

11. REVIEW OF FORUMS

The Committee considered a report by George Eckton, Partnership Director, which received comments from Board Members. In discussion, it was noted that some Members, particularly Non-Councillor Members, retained concerns about the proposed reforms. It was suggested that a review of agreed changes be built in after an appropriate period.

Decision

Subject to the above the Committee noted the report. **GE**

12. REGIONAL TRANSPORT STRATEGY UPDATE

The Committee noted an update on the renewal of the RTS and a proposal for a period of reflection on major issues and trends before committing to a Main Issues Report given the current legislative and policy development scheduled to occur in the next few months.

Decision

The Committee:
  i.   Noted the report;
  ii. Noted the further verbal update from the Partnership Director; and
  iii. Recommended to the Board that the Partnership undertake a period of reflection on creating the new RTS, whilst there is a period of legislative and policy fluidity ahead of the new Planning White Paper and renewal of the National Transport Strategy. **GE**

13.   SESTRAN MODEL 3 PROCESS UPDATE

The Committee considered a report by George Eckton providing an update on Professor Tom Rye's research to scope out the implications of SEStran moving to a form of (Model 3) passenger transport authority model as part of the City Deal.

Decision

The Committee:
  i.   Noted the ongoing work by Professor Rye on Passenger Transport Authorities;
  ii. Recommended that Board consider the matter more fully once they were in receipt of Professor Rye's full report;
  iii. Suggested that Professor Rye's report should include a section summarising the potential benefits and disbenefits of moving to a Model 3 Partnership.   **GE/TR**

14.   CONTRACT / PROCUREMENT UPDATE

The Committee considered a report by George Eckton providing an update on a number of significant procurement issues considered at the September meeting.

Decision

The Committee noted the terms of the report and proposed actions.

15.   PARTNERSHIP STAFFING UPDATE

The Committee considered a report by the Partnership Director relating to proposals for future SESplan and SEStran joint management arrangements.

Decision

The Committee noted the terms of the report.

16.   DATE OF NEXT MEETING

Angela Chambers updated the Committee verbally that the next Partnership Board had been set for Thursday 2nd March. Members were therefore asked to check which of Thursday 16th or Friday 17th February were more suitable for the next Committee meeting.

<u>Decision</u>

The Committee noted to contact Angela with their preferred date
for the next meeting.

MODEL 3 SESTRAN CONSULTATION UPDATE

1. **INTRODUCTION**

1.1 The report provides the Committee with an update on the progress with "Model 3" consultation initiated by the Board in December 2016.

2. **Model 3 Order Consultative Process**

2.1 The SEStran Partnership Board agreed in December 2016 to a "Stage 1 of 2" consultation with constituent councils on the potential interest from them in supporting an Order making request to Scottish Ministers under Section 10 (4) of the Transport (Scotland) Act 2005 "the Act", to support an initial Parliamentary Order (3 month statutory instrument laid in Parliament and assumed to be negative) SEStran moving from a Model 1 to a Model 3 RTP.

2.2 A letter from the SEStran Chair was sent to all SEStran Council Leaders on the 9 December seeking their views on which if any parts of Section 10 (4) or Section 14 of the Act their council would be interested in being subject of such an Order and a generic copy of the letter is attached as an Appendix.

2.3 The Act outlines as examples some of the functions which may be the subject of an order under Section 10 (4): entering into quality partnership schemes; entering into quality contract schemes; entering into ticketing arrangements and ticketing schemes; providing information about bus services; installing bus lanes; providing subsidised bus services; making and implementing road user charging schemes; operating ferry services; managing tolled bridges; operating airports and air services; and entering into public service contracts. Chapter 2 Transport Functions: Further Provisions, Section 14 of the Act also provides for arrangement for performance by RTPs of certain transport functions etc., albeit this part of the Act does not provide an exhaustive definition of statutory functions relating to "transport".

2.4 Transport Scotland officials did highlight that any order supported by Scottish Ministers would before making an Order and it passing through Parliament, requiring a 3 month public consultation on the proposals. This would be a "Stage 2" of consultation, after any decision by the Partnership at a future Board meeting to progress after Stage 1 consultation with the process of making SEStran a Model 3 RTP.

2.5 The current timescale for this consultation, is between the December 2nd board meeting and the 2 March 2017 Board meeting. This would then enable an initial request to support an order to be made to Scottish Ministers prior to them launching the review of transport governance (Recommendation 21 of the Independent Review of Planning) as part of National Transport Strategy 2 consultation in early 2017.

2.6 At the time of writing the report, it is looking unlikely that all SEStran member councils will have been able to accommodate the Chair's request for consideration by Council and a consultation response by 2 March. In light of the timescale for any City Region Deal announcement, it would appear that the Stage 1 consultation outcome for SEStran to move to a Model 3 will need to be "de-coupled" from any offers made by partner councils to the City Region Deal and consider later in 2017 by the new SEStran Board.

2.7 There has at present been two reports to relevant council committees:
- Falkirk
  http://www.falkirk.gov.uk/coins/viewSelectedDocument.asp?c=e%97%9Db%93n%7D%8D
- Clackmannanshire
  http://www.clacksweb.org.uk/document/meeting/1/763/5574.pdf

3. RECOMMENDATION

3.1 The Committee are invited to note the update on the current consultation process with constituent councils on the proposal for Model 3 status for SEStran.

George Eckton   Andrew Ferguson
Partnership Director   **Secretary**
10th February 2017

Appendix 1 – Model 3 Consultation Letter

Policy Implications	Potential delay in concluding the consultation under Transport (Scotland) Act 2005
Financial Implications	N/A
Race Equalities Implications	N/A
Gender Equalities Implications	N/A
Disability Equalities Implications	N/A
Climate Change Implications	N/A

Area 3D (Bridge), Victoria Quay, Edinburgh, EH6 6QQ, Tel: 0131 524 5150

Chairperson: Cllr Lesley Hinds   Partnership Director: George Eckton

Council Leader
Address

9th December 2016

Dear Councillor

Consultation in respect to transfer of functions pursuant to Section 10 of the Transport (Scotland) Act 2005

Further to recent discussions at the September and December 2016 South East of Scotland Transport Partnership (SEStran) Board meetings. I write to inform you that at the meeting on Friday 2 December, the Board agreed to undertake a consultation under Section 10(6) of the Transport (Scotland) Act 2005 ("the Act") in regard to SEStran moving from a Model 1 to a Model 3 Regional Transport Partnership. Further information on the process is contained in annex 1.

At the meeting the Board of SEStran collectively viewed it to be in the best interests of the partnership to undertake this consultation. I have included a copy of the Board report and associated research report by Professor Tom Rye on the proposal tabled at the 2 December meeting for your reference.

The benefits from the Board's standpoint is focussed on the need to connect more people to jobs, promote greater inclusion, sustainability and integration of public transport and the potential improvements to services by having a combined transport authority for the SE of Scotland.

The fuller potential benefits of making SEStran in to a Model 3 RTP are laid out in annex 2 which is a summary of Professor Rye's report.

I'm aware that discussions and correspondence have been undertaken with your Chief Executive on this matter either within the context of the Edinburgh Region City Deal or separately and your Head of Service/Chief Officers over recent months. I have copied this letter to your Chief Executive and Head of Transportation for information. I, the Vice Chairs and Partnership Director would be happy to meet with you and your Chief Executive to discuss matters further if helpful.

I would be grateful if you could consider the request and the functions your council would wish to consider for transfer to SEStran so that at either the 2 March SEStran Board meeting or if possible a special meeting before or after that date, we can consider and seek to agree a request to Scottish Ministers to support the request from some or all constituent councils. I realise that this decision may require a decision by your full Council and/or Executive body.

Yours sincerely

Cllr Lesley Hinds
Chair of SEStran

Annex 1

Section 10 (6) of the Act outlines that the first stage of consultation is required to be with constituent councils around the proposed contents of the request to Scottish Ministers to support an order transferring wholly or concurrently a function/functions.

Currently SEStran is a Model 1 Regional Transport Partnership (RTP), with a primary duty to produce a Regional Transport Strategy. A Model 3 RTP is an enhanced method of partnership delivery with the collective delivery of some or all the functions listed in section 10 of the Act. Section 10 (4) outlines the main functions which may be subject of such an Order, albeit this is not an exclusive list:

• Part 2 of the Transport (Scotland) Act (bus services) and Part 3 of that Act (road-user charging)

• Management or maintenance of a bridge;

• Section 1 to 4 of the Road Traffic Regulation Act 1984 (c.27) (traffic regulation orders) and local traffic authorities by section 19 of that Act (regulation of use of roads by public service vehicles);

• Sections 63 and 64 of the Transport Act 1985 (c.67) (securing the provision of passenger transport and related consultation and publicity)

 The Act also outlines as examples some of the functions which may be the subject of an order under Section 10 (4):

➢ entering into quality partnership schemes;

➢ entering into quality contract schemes;

➢ entering into ticketing arrangements and ticketing schemes;

➢ providing information about bus services;

➢ installing bus lanes; providing subsidised bus services;

➢ making and implementing road user charging schemes;

➢ operating ferry services;

➢ managing tolled bridges;

➢ operating airports and air services; and

➢ entering into public service contracts.

The Chief Officers group of SEStran's constituent councils have agreed to consult member councils on the transfer of all functions listed in section 10 to SEStran. Section 14 of the Act also provides for arrangement for performance by RTPs of certain transport functions etc., on behalf of local authorities, albeit this part of the Act does not provide an exhaustive definition of statutory functions relating to "transport." This route offers an opportunity for SEStran to deliver functions and services on behalf of local authorities and others without having to undergo the full process of a Parliamentary Order under section 10. Alternatively, the two routes could be used in combination.

Accordingly, officers of SEStran's constituent councils have agreed to consider as part of this consultation to seek your views on the potential for collaborations around the Audit Scotland proposals for wider network maintenance/management and other transportation functions, in terms of section 14.

If there were appropriate levels of support for a request to Scottish Ministers to support a Transfer of Functions Order and subsequent support from Scottish Ministers, the detail of the functions to be transferred would need to be set out in a letter outlining in clear legal terms the specific of the requests for a wholly or concurrently transfer of functions. This would then form the basis for support from Ministers. Then there would be a further 3 month parliamentary consultation period on a statutory instrument laid in Parliament which if passed would allow SEStran moving from a Model 1 to a Model 3 RTP. Your council would be consulted again at that stage.

Annex 2

Potential Benefits of making SEStran into a Model 3 Regional Transport Partnership

A Model 3 partnership would take on powers and functions from its constituent local authorities and exercise these functions either exclusively, or in parallel with those authorities. If it were to be funded in a similar way to existing Model 3 RTPs then its funding would come from levies on its constituent authorities. Its governance would be similar to that of the current SEStran Model 1 RTP. Likely benefits, based on a review of existing Model 3 RTPs and similar Combined Authority/PTE organisations in the English metropolitan regions, could be as follows:

• Improved cross-regional mobility for regional labour, education and training, and employability; and improved community connectivity, due to higher levels of subsidised socially necessary bus services and demand responsive transport.

• This could then open up more and better employment opportunities to the region's communities that currently have high unemployment, by ensuring that key employment sites are well connected regionally; by providing bus services that correspond with working patterns; and providing more integrated information and advice that may encourage people to look for job opportunities across a wider area.

• Reduced/free bus fares for those attending job interviews and then for the first month in employment, in order to reduce this barrier to getting into work. This is a typical service in English CA areas, but not in comparable unitary authority areas.

• Planning and delivering transport solutions for all modes of transport across the region: English combined authorities have consistently delivered more transport investments such as new busways, new light rail and statutory quality partnerships compared to their unitary council counterparts. They have also delivered multi-modal ticketing over many years at a scale not found in other areas of England or outside the SPT area in Scotland.

• As advocates for improved public transport on behalf of a greater level of population and an entire region, Model 3 authorities tend to have more effective engagement with national agencies and, often major operators.

• TfGM, the transport arm of the Greater Manchester Combined Authority, is delivering transport investments worth £1.5 billion over 10 years funded from the GM Transport Fund. It is likely that its ability to secure permission from central government to borrow this additional money was in part because of its status as an organisation with sufficient capacity to be able to deliver these schemes. It is more difficult for smaller unitary authorities to demonstrate this.

• A larger regional public transport authority has more organisational resilience in general than single unitary authorities delivering the same services individually. SEStran and council expertise and resources could be pooled and shared with clear benefits arising. The procurement process could also benefit from being centralised and from large scale tenders.

• Better integration of land-use planning with existing public transport networks, walking and cycling routes and encouraging town centre locations is a probable benefit of a stronger RTP due to the integration of strategic public transport planning and strategic land use planning at the city region level.

• Research by KPMG (2015) indicates that every £1 spent on investment in bus priority measures delivers an average of £3.32 of net economic benefit. A Model 3 RTP would be better placed to lobby for and plan region wide bus priority measures to deliver these benefits.

• Passenger transport authorities in other EU countries are able to limit fare increases and set fares in relation to affordability or in comparison with motoring costs. (It should be noted that in the Scottish context new primary legislation would be needed to bring this about.)

 Potential costs of moving to a Model 3 RTP

The primary disbenefit of moving to a Model 3 RTP would be the organisational costs of moving services currently provided by individual unitary authorities to a single organisation. This organisational change would require very careful planning and management in order to minimise any discontinuities in service delivery.

Secondly, debates about the correct spatial distribution of limited resources to support socially necessary bus services that occur now within individual authorities would move to the regional level. A very robust mechanism would need to be

developed to ensure that these resources were distributed across the region in a way that would maximise their impact on a set of pre-agreed outcomes.

Scott-Moncrieff
business advisers and accountants

South East of Scotland Transport Partnership

An Introduction to Scott-Moncrieff
2016/17 – 2020/21

February 2017

1

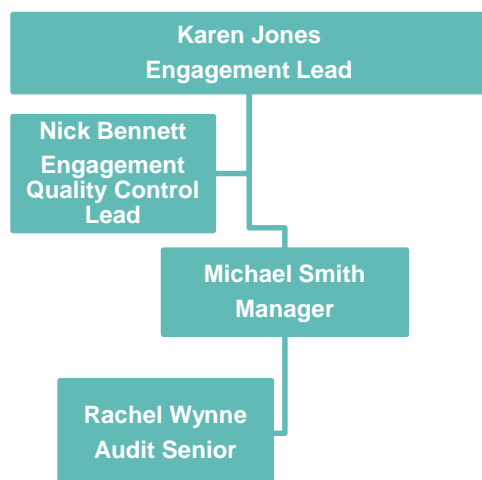# Introducing the Firm and your audit team

Introducing the Firm and your audit team

Scott-Moncrieff

1. Scott-Moncrieff is a long-term partner firm to Audit Scotland and a leading provider of public sector audit services in Scotland. We are the only independent Scottish-based firm to specialise in public sector audit. It is our appreciation of public sector culture, our depth of experience, and our service provision that has seen us earn the trust and respect of the public bodies we have worked with, past and present.

2. Our recently-expanded firm has 19 partners and some 200 staff based in our Edinburgh, Glasgow and Inverness offices. We also have an association with Moore Stephens LLP, a top 10 global firm and one of the largest providers to the National Audit Office in England and Wales.

3. Our public sector team of over 40 staff is widely acknowledged as a leading external audit, internal audit and advisory services provider to the Scottish public sector. We are the largest provider of audit services within the Scottish public sector, based on the number of clients served.

Your audit team

4. The external audit team will be led by Karen Jones and managed by Michael Smith. We will draw upon the expertise of our wider public sector management team during the course of our audit appointment.

Karen Jones
Engagement Lead

Nick Bennett
Engagement Quality Control Lead

Michael Smith
Manager

Rachel Wynne
Audit Senior

Karen Jones CPFA – Engagement Lead

5. Karen has over 15 years' experience in auditing the public sector. She has extensive experience in auditing NHS bodies and central government, although her main experience is in auditing local authorities. She also manages a number of external audit appointments to arms-length external organisation of local authorities.

6. Karen is responsible for delivering high quality financial statements audits, governance reviews and best value reviews and in advising public sector bodies on financial accounting, internal control and corporate governance matters. She maintains regular contact with senior officials at her clients, offering both constructive challenge and support to them. Karen has presented at and attended various public sector technical events, such as CIPFA's local government technical practitioners update. She has also delivered training sessions to her clients; including training for audit committee members.

7. Karen contributes to the sharing of good practice in areas including governance, risk management and financial accounting. She is currently a member of the Local Authority Accounting Panel (LAAP). In the past she also participated in Audit Scotland's local government managers' pension group.

Nick Bennett CPFA ACA CA - Engagement Quality Control Lead

8. Nick has been involved in UK public sector auditing for 25 years. Nick has been engagement partner on the firm's local authority external audit appointments for 25 years. He has worked extensively with the Audit Scotland senior team to ensure good communication in relation to issues arising on the firm's audit appointments. Nick has had extensive involvement in central government external audit and is the appointed auditor to three Scottish public corporations. In addition he is engagement lead to five central government external audit appointments under

a framework agreement Moore Stephens holds with the National Audit Office. These cover Agencies and NDPBs covering MOD, DWP and the FCO.

9. As engagement quality control lead, Nick is responsible for providing an objective evaluation of the significant judgements the engagement team has made and the conclusions it has reached in formulating the auditor's report.

Michael Smith ACCA – Manager

10. Michael has over five years' experience in delivering external and internal audit services to a range of public sector bodies, including local authorities, health boards, colleges and non-departmental public bodies. He has led on the external audit of NHS 24 and Glasgow Kelvin College for a number of years. Michael heads up the Firm's Internal Audit Technical Committee to ensure our service is at the forefront on internal auditing. Michael also led on our NHS waiting times work in 2012, which received national coverage.

11. Michael has a wealth of technical accounting expertise, coupled with strong interpersonal and client relationship skills. He regularly attends Audit Scotland technical accounting workshops.

2

Our experience

Our experience

Our portfolio of new and previous/outgoing Audit Scotland external audit appointments is set out below. We have also included details of selected clients from across our wider public sector client base.

New Audit Scotland external audit appointments

Local Government	NHS	Further Education	Central Government
City of Edinburgh Council	Lothian Health Board	City of Glasgow College	Disclosure Scotland
Lothian Pension Fund	Mental Welfare Commission for Scotland	Glasgow Kelvin College	Scottish Housing Regulator
Edinburgh IJB	NHS 24	Glasgow Colleges Regional Board	Police Investigation and Review Commissioner
Lothian VJB	National Waiting Times Centre Board	Glasgow Clyde College	Scottish Courts Service
SESTRAN	The State Hospitals Board for Scotland	Dumfries and Galloway College	Scottish Prison Service
Strathclyde Partnership for Transport		Borders College	Scottish Road Works Commissioner
Strathclyde Concessionary Travel Scheme Joint Committee			Lothian and Borders CJA

Previous/outgoing Audit Scotland external audit appointments

Local Government	NHS	Further Education
North Lanarkshire Council	Lanarkshire Health Board	City of Glasgow College
Comhairle nan Eilean Siar	Borders Health Board	Glasgow Kelvin College
North Lanarkshire IJB	Mental Welfare Commission for Scotland	Glasgow Colleges Regional Board
Western Isles IJB	NHS 24	Inverness College
	National Waiting Times Centre Board	Lews Castle College
	The State Hospitals Board for Scotland	
	NHS Health Scotland	

Some of our relevant clients beyond the Audit Scotland appointments

12. The table below lists some of our wider clients which demonstrate our strength and depth across the Scottish public sector, and a flavour of the range of services we provide.

Client	Service provision
Lothian Buses plc	External audit and tax
Transport For Edinburgh Limited	External audit and tax
Hub South East Scotland Limited	External audit and tax
Edinburgh International Conference Centre	External audit and tax
Scottish Futures Trust	External audit and tax
VisitScotland	Internal audit, Risk workshops
Scottish Police Authority	Internal audit
Scottish Environmental Protection Agency	Internal audit

Scott-Moncrieff – expertise beyond internal and external audit

13. We can, and do, bring added value both to and beyond the audit process by involving our recognised specialists when required to solve client problems. We have a broad range of assurance and technical experts across such fields as:

- **Business Technology Consulting**; including new systems development support, IT security, IT efficiency and effectiveness, project management, BCP/disaster recovery and change management

- **VAT**: compliance, health check, capital developments, consultancy and HMRC support

- **Corporate Finance**; funding, finance, valuation, options appraisal, buy outs, consultancy

- **Employer Solutions and Tax**; PAYE, employee benefits, compliance, efficiency and effectiveness reviews, remuneration and reward

- **Charity and not-for-profit**; accounting and governance expertise

- **Lean expertise**; strategic, operational and cross-organisational consulting, for developing, new and established systems and processes

- **Governance & risk management**; workshops, advice and best practice support to continuously improve all aspects of organisational governance and risk management arrangements

- **Anti-fraud and regulatory support**; specialist advice to help clients risk-assess, deter, identify and respond to potential and alleged incidences of impropriety and any wider regulatory issues

14. Our network of experienced professionals can and do work alongside the audit team to help identify efficient and effective solutions to strategic and operational problems.

3

Our audit approach

Our audit approach

15. We have been appointed as your external auditor for the period 2016/17 to 2020/21. We are very much looking forward to working with you in this capacity over the next five years.

16. We anticipate that our audit will have a similar underlying approach to that of your previous external auditor, with continuity of the general role and responsibilities of external auditors in the public sector. However, we firmly believe that the best and most effective audits are underpinned by establishing good, professional working relationships with key client contacts right from the outset and this will be our key aim in the coming weeks and months. The benefits of our audit approach include:

- Fully compliant with the Audit Scotland Code of Practice

- Dedicated, specialist public sector team

- Proactive planning and communication - being open and constructive

- Tailored audit approach

- Clear and concise reporting

- Risk based audit; understanding significant organisational and audit risks

- Value-added review of internal controls, governance and performance arrangements

- Proactive liaison with internal audit, for efficiency

- Responsiveness, sector-expertise and independence of thought

- Partner and manager-led service, with a focus on team continuity

Adding value

17. All of our clients quite rightly demand of us a positive contribution to meeting their ever-changing business needs. We aim to add value by being constructive and forward looking, by identifying areas of improvement and by recommending and encouraging good practice. In this way we aim to help you promote improved standards of governance, better management and decision making and more effective use of public money.

18. We can, and do, bring added value to the audit process by involving our recognised specialists, as noted above. More widely, we are always looking to develop new and improved ways of exceeding our client expectations. Therefore, any comments you may have on the service we provide would be greatly appreciated.

Karen Jones

karen.jones@scott-moncrieff.com

Edinburgh	Glasgow	Inverness
Exchange Place 3 Semple Street Edinburgh EH3 8BL (0131) 473 3500	25 Bothwell Street Glasgow G2 6NL (0141) 567 4500	10 Ardross Street Inverness IV3 5NS (01463) 701 940

Scott-Moncrieff
business advisers and accountants

South East of Scotland Transport Partnership
External Audit Plan
2016/17

February 2017

Contents

1

Introduction

Introduction

1. This document summarises the work plan for our 2016/17 external audit of the South East of Scotland Transport Partnership ("the Partnership").

2. The core elements of our work include:

   - an audit of the 2016/17 financial statements and related matters;

   - an assessment of the Partnership's arrangements as they relate to financial sustainability, financial management, governance and transparency and value for money; and

   - any other work requested by Audit Scotland.

Audit appointment

3. The Accounts Commission is an independent body appointed by Scottish Ministers responsible for securing the audit of local authorities and other local government bodies. The Commission's work is governed mainly by the Local Government (Scotland) Act 1973.

4. Audit Scotland is an independent statutory body that provides the Accounts Commission with the services required to carry out its statutory functions, including monitoring the performance of auditors through a quality control process.

5. The Accounts Commission has appointed Scott-Moncrieff as external auditor to the Partnership for the five year period 2016/17 to 2020/21. This document comprises the audit plan for 2016/17 and summarises:

   - the responsibilities of Scott-Moncrieff as external auditor;

   - our audit strategy;

   - our planned audit work and how we will approach it;

   - our proposed audit outputs and timetable; and

   - background to Scott-Moncrieff and the audit team.

Adding value through the audit

6. All of our clients quite rightly demand of us a positive contribution to meeting their ever-changing business needs. Our aim is to add value to the Partnership through our external audit work by being constructive and forward looking, by identifying areas of improvement and by recommending and encouraging good practice. In this way we aim to help the Partnership promote improved standards of governance, better management and decision making and more effective use of resources.

7. Any comments you may have on the service we provide would be greatly appreciated at any time. Full contact details for your audit team can be found in Appendix 1.

8. While this plan is addressed to the Partnership, it will be published on Audit Scotland's website www.audit-scotland.gov.uk.

2

Responsibilities of Scott-Moncrieff

Responsibilities of Scott-Moncrieff

Code of Audit Practice

9. The Code outlines the responsibilities of external auditors appointed by the Accounts Commission and it is a condition of our appointment that we follow it.

10. A new Code of Audit Practice was published in 2016 and applies to external audits for financial years starting on or after 1 April 2016. This Code replaces the previous one issued in 2011.

Auditor responsibilities

11. The special accountabilities that attach to the conduct of public business, and the use of public money, mean that public sector audits must be planned and undertaken from a wider perspective than in the private sector. This means providing assurance, not only on the annual accounts, but providing audit judgements and conclusions on the appropriateness, effectiveness and impact of corporate governance and performance management arrangements and financial sustainability.

12. The Code sets out four audit dimensions that frame the wider scope audit work into identifiable audit areas. These are summarised in Exhibit 1.

Exhibit 1: Audit dimensions of wider scope public audit

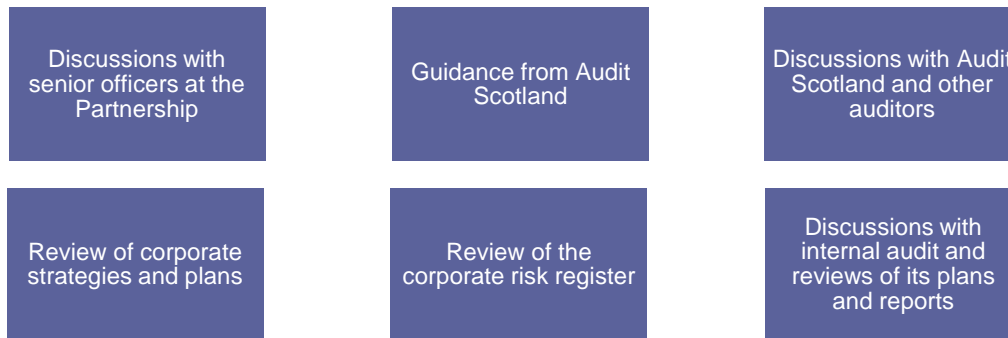| Audit area	Scope
Financial sustainability	Financial sustainability looks forward to the medium (two to five years) and the longer term (over five years) to consider whether the body is planning effectively to allow it to continue to fulfil its functions in an affordable and sustainable manner.
Financial management	Financial management is concerned with financial capacity, sound budgetary processes and whether the control environment and internal controls are operating effectively.
Governance and transparency	Governance and transparency covers the effectiveness of scrutiny and governance arrangements, leadership and decision-making and transparent reporting of financial and performance information.
Value for money	Value for money is concerned with using resources effectively and continually improving services.

3

Audit Strategy

Audit strategy

Risk-based audit approach

13. We follow a risk-based approach to audit planning that reflects our overall assessment of the relevant risks that apply to the Partnership. This ensures that our audit focuses on the areas of highest risk. Our audit planning is based on:

Discussions with senior officers at the Partnership	Guidance from Audit Scotland	Discussions with Audit Scotland and other auditors
Review of corporate strategies and plans	Review of the corporate risk register	Discussions with internal audit and reviews of its plans and reports

14. Planning is a continuous process and our audit plans are therefore updated during the course of our audit to take account of developments as they arise.

Communications with those charged with governance

15. Auditing standards require us to make certain communications throughout the audit to those charged with governance. We have agreed with the Partnership that these communications will be through the Performance & Audit Committee (P&AC).

Professional standards and guidance

16. We perform our audit of the annual accounts in accordance with International Standards on Auditing (UK and Ireland) (ISAs), the International Standard on Quality Control 1 (UK and Ireland), Ethical Standards, and applicable Practice Notes and other guidance issued by the Auditing Practices Board (APB).

Partnership working

17. We will coordinate our work with Audit Scotland, internal audit, other external auditors and relevant scrutiny bodies, recognising the increasing integration of service delivery and partnership working within the public sector.

Audit Scotland

18. Although we are independent of Audit Scotland and are responsible for forming our own views and opinions, we do work closely with Audit Scotland throughout the audit. This helps, for example, to identify common priorities and risks, treat consistently any issues arising that impact on a number of audited bodies, and further develop an efficient and effective approach to public audit. We will share information about identified risks, good practices and barriers to improvement so that lessons to be learnt and knowledge of what works can be disseminated to all relevant bodies.

Internal audit

19. We are committed to avoiding duplication of audit effort and ensuring an efficient use of the Partnership's total audit resource. The Partnership's internal audit service is provided by City of Edinburgh Council's internal audit team. We will consider the findings of the work of internal audit within our audit process and look to minimise duplication of effort, to ensure the total audit resource to the Partnership is used efficiently and effectively.

4

Annual accounts

Annual accounts

Introduction

20. Audited bodies' annual accounts are an essential part of accounting for their stewardship of the resources made available to them and their financial performance in the use of those resources. This section sets out our approach to the audit of the Partnership's annual accounts.

Approach to audit of annual accounts

21. Our opinion on the annual accounts will be based on:

Risk-based audit planning

22. We focus our work on the areas of highest risk. As part of our planning process we prepare a risk assessment highlighting the audit risk relating to each of the key systems on which the annual accounts will be based.

An audit of key systems and internal controls

23. We evaluate the key accounting systems and internal controls and determine whether they are adequate to prevent material misstatements in the annual accounts.

24. The nature of the work we perform will be based on the initial risk assessment. We will examine and test compliance with best practice and the Partnership's own policies and procedures.

25. We will take cognisance of any relevant internal audit reviews of systems and controls.

26. We will update the risk assessment following our evaluation of systems and controls and this will ensure that we continue to focus attention on the areas of highest risk.

A final audit of the annual accounts

27. During our final audit we will test and review the material amounts and disclosures in the annual accounts. The extent of testing will be based on our risk assessment.

28. Our final audit will seek to provide reasonable assurance that the annual accounts are free from material misstatement and comply with the Code of Practice on Local Authority Accounts in the United Kingdom 2016/17 (the Code).

Independent auditor's report

29. Our opinion on whether the annual accounts give a true and fair view of the financial position and its expenditure and income will be set out in our independent auditor's report which will be included within the annual accounts.

Materiality

30. Materiality is an expression of the relative significance of a matter in the context of the annual accounts as a whole. A matter is material if its omission or misstatement would reasonably influence the decisions of an addressee of the auditor's report. The assessment of what is material is a matter of professional judgement over both the amount and the nature of the misstatement.

31. Our initial assessment of materiality for the annual accounts is £34,000, being 1% of the Partnership's 2015/16 expenditure.

32. We set a performance (testing) materiality for each area of work which is based on a risk assessment for the area. We will perform audit procedures on all transactions, or groups of transactions, and balances that exceed our performance materiality. This means that we perform a greater level of testing on the areas deemed to be of significant risk of material misstatement.

Area risk assessment	Weighting	Performance materiality
High	45%	£15,300
Medium	55%	£18,700
Low	70%	£23,800

33. We will report any misstatements identified through our audit that fall into one of the following categories:

- All material corrected misstatements;

- Uncorrected misstatements with a value in excess of 5% of the overall materiality figure (i.e. over £1,700); and

- Other misstatements below the 5% threshold that we believe warrant reporting on qualitative grounds.

Key audit risks in the annual accounts

34. Auditing standards require that we inform the P&AC of our assessment of the risk of material misstatement in the annual accounts. We have set out our initial assessment below, including how the scope of our audit responds to those risks. We will provide an update to the P&AC if our assessment changes significantly during the audit.

Exhibit 2 – Key audit risks in the annual accounts

1. Revenue Recognition

Under ISA 240 - *The auditor's responsibilities relating to fraud in an audit of financial statements* there is a presumed risk of fraud in relation to revenue recognition. The presumption is that the Partnership could adopt accounting policies or recognise revenue transactions in such a way as to lead to a material misstatement in the reported financial position.

35. Our work on income will include an evaluation of each type of revenue transaction and review the controls in place over revenue accounting. We will consider the Partnership's key revenue transactions and streams and carry out testing to confirm that the Partnership's revenue recognition policy is appropriate and has been applied consistently throughout the year.

2. Management override

In any organisation, there exists a risk that management have the ability to process transactions or make adjustments to the financial records outside the normal financial control processes. Such issues could lead to a material misstatement in the annual accounts. This is treated as a presumed risk area in accordance with ISA 240 - *The auditor's responsibilities relating to fraud in an audit of financial statements*.

36. In response to this risk we will review the Partnership's accounting records and obtain evidence to ensure that any significant transactions outside the normal course of business were valid and accounted for correctly.

5

Wider scope audit

Wider scope audit

Introduction

37. The Code frames a significant part of our wider scope responsibilities in terms of four audit dimensions. As part of our annual audit we are required to consider and report against these four dimensions; financial sustainability, financial management, governance and transparency and value for money.

38. The Code does however recognise that the full application of its requirements may be impractical or inappropriate due to the nature or size of the organisation. As such our planned work should be risk based and proportionate.

39. Where the application of the full wider scope is judged by us not to be appropriate then our annual audit work on the wider scope is restricted to:

- Audit work to allow conclusions to be made on the appropriateness of the disclosures in the governance statement; and

- Consideration of the financial sustainability of the organisation and the services that it delivers over the medium and longer term.

40. During the audit planning process we have considered the Partnership's self-evaluation arrangements as they relate to these four dimensions. From review of this information, along with discussions with the Partnership, we have concluded that our audit work on the wider scope will be restricted to the two areas noted above; appropriateness of the disclosures in the governance statement and financial sustainability (Exhibit 3).

Exhibit 3 - Wider scope audit

Financial sustainability	Our audit approach
The Partnership is responsible for putting in place proper arrangements to ensure the financial position is soundly based having regard to: • Such financial monitoring and reporting arrangements as may be specified; • Compliance with any statutory financial requirements and achievement of financial targets; • Balances and reserves, including strategies about levels and their future use; • How the organisation plans to deal with uncertainty in the medium and long term; and • The impact of planned future policies and foreseeable developments on the financial position.	During our 2016/17 audit we will consider the Partnership's financial standing. This will involve a review of the arrangements in place for short, medium and long term financial planning, budgetary control and financial reporting. It is important that such arrangements are adequate in order to properly control the Partnership's operations and use of resources. **Key audit risk** The Partnership has produced a Regional Transport Strategy 2015-2025 and a supporting Business Plan 2016/17. The Strategy sets out the long-term objectives of the Partnership, but revenue funding is generally only confirmed for the forthcoming financial year. This therefore challenges the Partnership's long-term financial sustainability and the ability to agree detailed long-term plans and objectives. There is therefore a risk that there is a disconnect between medium and long-term objectives and the associated budgets. In addition, the Partnership is currently undertaking three projects which receive European funding and is planning to apply for funding for an additional four projects. Given the UK's decision to leave the European Union, there is a risk that the Partnership will lose access to this key funding source, which may impact on the delivery of key

Exhibit 3 - Wider scope audit

Financial sustainability	Our audit approach
	projects and the achievement of objectives.
	During our audit we will consider whether the Partnership has adequate arrangements in place for managing its financial position and its use of resources. Our conclusion will be based on a review of the Partnership's financial performance, underlying financial position, financial plans, financial reporting and achievement of savings targets.

Governance statement	Our audit approach
The Partnership is responsible for ensuring appropriate disclosures are made in the Governance Statement. These should cover the period to when the financial statements are authorised for issue and should consider:	There is a risk that the appropriate disclosures are not made in the Governance Statement.
• Any impact from the local government elections in May 2017;	During our 2016/17 audit we will consider the appropriateness of disclosures made in the Governance Statement.
• Any other governance issues arising during the year;	
• The governance framework within which the Partnership operates and its effectiveness; and	
• Any other disclosures deemed necessary.	

5

Audit outputs, timetable and fees

Audit outputs, timetable and fees

Audit output	Format	Description	Target month
External audit plan	Report	This report sets out the scope of our audit for 2016/17.	February 2017
Independent Auditor's Report	Report	This report will contain our opinions on the truth and fairness of the annual accounts.	September 2017
Annual Report to the Partnership and the Controller of Audit	Report	At the conclusion of each year's audit we will issue an annual report setting out the nature and extent of our audit work for the year and summarising our opinions, conclusions and the significant issues arising from the work. This report will pull together all of our work under the Code of Audit Practice.	September 2017

Audit outputs

41.   Prior to submitting our outputs, we will discuss all issues with management to confirm factual accuracy and agree a draft action plan where appropriate.

42.   The action plans within our outputs will include prioritised recommendations, responsible officers and implementation dates. We will review progress against the action plans on a regular basis.

Audit fee

43.   Audit Scotland has completed a review of funding and fee setting arrangements and as a result revised its fee strategy. It now sets an expected fee for each audit carried out under appointment that assumes the body has sound governance arrangements in place, has been operating effectively throughout the year, prepares comprehensive and accurate draft accounts and meets the agreed timetable for audit. The expected fee will be reviewed by Audit Scotland each year and adjusted if necessary based on auditors' experience, new requirements, or significant changes to the audited body.

44.   As auditors we negotiate a fee with the audited body during the planning process. The fee may be varied above the expected fee level to reflect the circumstances and local risks within the body.

45.   For 2016/17 the expected fee for the Partnership is £9,370. We propose setting the fee above this level at £10,000; to take cognisance of the audit work we will carry out on the priorities and risks facing the Partnership which are identified in this plan.

46.   The total proposed fee for the Partnership for 2016/17 is as follows:

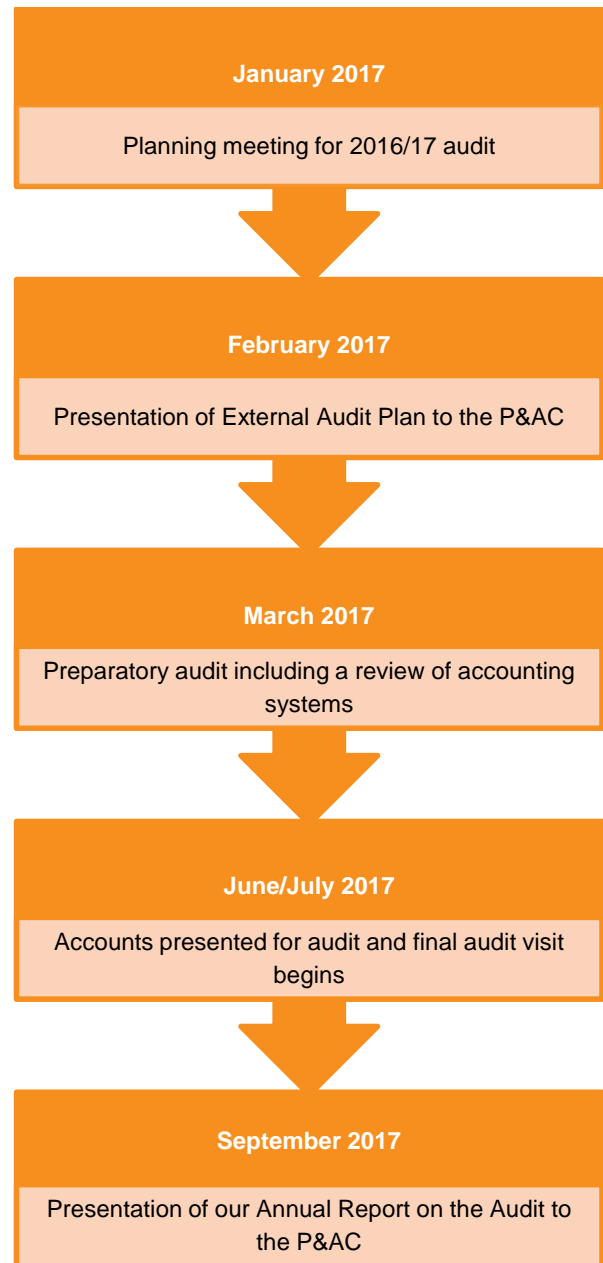|	2016/17
Auditor remuneration	£8,800
Pooled costs	£710
Performance audit and best value	-
Audit support costs	£490
Total fee	**£10,000**[1]

47.   We will take account of the risk exposure of the Partnership and the management assurances in place. We assume receipt of the draft

[1] The audit fee in 2015/16 was £9,530.

working papers at the outset of our on-site final audit visit. If the draft accounts and papers are late, or agreed management assurances are unavailable, we reserve the right to charge an additional fee for additional audit work. An additional fee will be required in relation to any other significant exercises not within our planned audit activity.

Audit timetable

48. The dates for our preparatory and final audits have been discussed with the Partnership Director and the Finance Team. A summary timetable, including audit outputs, is set out below:

January 2017

Planning meeting for 2016/17 audit

February 2017

Presentation of External Audit Plan to the P&AC

March 2017

Preparatory audit including a review of accounting systems

June/July 2017

Accounts presented for audit and final audit visit begins

September 2017

Presentation of our Annual Report on the Audit to the P&AC

6

Appendices

Appendix 1: Your audit team

Scott-Moncrieff is one of the largest independent accountancy firms in Scotland. We have 18 partners and over 200 staff operating from Edinburgh, Glasgow and Inverness. We are also part of the global Moore Stephens network.

We have been external auditors within the public sector for at least fifty years. We provide a comprehensive range of services to clients across the public sector, including NHS bodies, local authorities, central government bodies and FE colleges. We also provide services to charities, schools, as well as private and public limited companies.

Edinburgh	Glasgow	Inverness
Exchange Place 3 Semple Street Edinburgh EH3 8BL	25 Bothwell Street Glasgow G2 6NL	10 Ardross Street Inverness IV3 5NS
(0131) 473 3500	(0141) 567 4500	(01463) 701 940

Your core audit team

Karen Jones

Director

karen.jones@scott-moncrieff.com

Karen has over 15 years' experience in auditing the public sector. She has extensive experience in auditing in auditing local authorities. She also manages a number of external audit appointments to arms-length external organisation of local authorities.

Karen will be your appointed Engagement Lead.

Michael Smith

Audit Manager

michael.smith@scott-moncrieff.com

Michael has over six years' public sector experience. He has delivered external audit services to a range of public sector bodies, including local government, NHS and central government.

Michael will manage the onsite audit team and work alongside Karen to deliver the audit engagement.

Rachel Wynne

Audit Senior

rachel.wynne@scott-moncrieff.com

Rachel has been part of our public sector external audit team since she started with the Scott-Moncrieff four years ago.

Rachel will be responsible for the delivery of the onsite work.

Confirmation of independence

ISA 260 requires us to communicate on a timely basis all facts and matters that may have a bearing on our independence.

We confirm that we will comply with APB Ethical Standard 1 – Integrity, Objectivity and Independence. In our professional judgement, the audit process is independent and our objectivity has not been compromised in any way. In particular there are and have been no relationships between Scott-Moncrieff and the Partnership, its Board members and senior management that may reasonably be thought to bear on our objectivity and independence.

Appendix 2: Statement of understanding

Introduction

The purpose of this Statement of understanding is to clarify the terms of our appointment and the key responsibilities of the Partnership and Scott-Moncrieff.

Annual accounts

We will require the annual accounts and supporting working papers for audit by the agreed date specified in the audit timetable. It is assumed that the relevant the Partnership staff will have adequate time available to deal with audit queries and will be available up to the expected time of completion of the audit. We will issue a financial statement strategy which sets out roles, responsibilities and expectations in terms of audit deliverables. This document helps to ensure we can work together effectively to deliver an efficient and effective audit.

Scope of audit

As auditors we will take reasonable steps to plan and carry out the audit so as to meet the objectives and comply with the requirements of the Code of Audit Practice. Audit work will be planned and performed on the basis of our assessment of audit risks, so as to obtain such information and explanations as are considered necessary to provide sufficient evidence to meet the requirements of the Code of Audit Practice.

As auditors we do not act as a substitute for the Partnership's responsibility to establish proper arrangements to ensure that public business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for and used economically, efficiently and effectively.

As part of our normal audit procedures, we will ask you to provide written confirmation of certain oral representations which we have received from the Partnership during the course of the audit on matters having a material effect on the annual accounts. This will take place by means of a letter of representation, which will require to be signed by the Treasurer.

Internal audit

It is the responsibility of the Partnership to establish adequate internal audit arrangements. The audit fee is agreed on the basis that an effective internal audit function exists.

We will liaise with internal audit to ensure an efficient audit process.

Fraud and irregularity

In order to discharge our responsibilities regarding fraud and irregularity we require any fraud or irregularity issues to be reported to us as they arise. We also require a historic record of instances of fraud or irregularity to be maintained and a summary to be made available to us after each year end.

Ethics

We are bound by the ethical guidelines of our professional body, the Institute of Chartered Accountants of Scotland.

Fees

We base our agreed fee upon the assumption that all of the required information for the audit is available within the agreed timetable. If the information is not available within the timetable we reserve the right to charge a fee for the additional time spent by our staff. The fee will depend upon the level of skill and responsibility of the staff involved. The indicative financial statements strategy referred to above is a key means for us to clarify our expectations in terms of quality, quantity and extent of working papers and supporting documentation.

Service

If at any time you would like to discuss with us how our service to you could be improved or if you are dissatisfied with the service you are receiving please let us know by contacting Karen Jones or Nick Bennett (Engagement Quality Control Lead). If you are not satisfied, you should contact our Ethics Partner, Bernadette Higgins. In the event of your not being satisfied by our response, you may also wish to bring the matter to the attention of the Institute of Chartered Accountants of Scotland.

We undertake to look at any complaint carefully and promptly and to do all we can to explain the position to you.

Reports

During the course of the audit we will produce reports detailing the results and conclusions from our work.

Any recommendations arising from our audit work will be included in an action plan. Management are responsible for providing responses, including target dates for implementation and details of the responsible officer.

Agreement of terms

We shall be grateful if the P&AC would consider and note this Statement of understanding. If the contents are not in accordance with your understanding of our terms of appointment, please let us know.

Internal Audit – Audit Work 2016/17

February 2017

1. PURPOSE OF THIS REPORT

This report sets out the internal audit work undertaken by Internal Audit for the Financial Year 2016/17.

2. SUMMARY

2.1 The accompanying Internal Audit report was conducted for SEStran under the auspices of the 2016/17 internal audit plan approved by City of Edinburgh Council Governance Risk and Best Value Committee on 3 March 2016. Reporting is however to the SEStran Performance and Audit Committee (PAC).

2.2 Early completion of the planned internal audit work this year has allowed the opportunity to submit Internal Audit's report on the internal audit work undertaken in 2016/17 to this Committee meeting for scrutiny. The Annual Internal Audit and Governance Report will include reference to this internal audit work but will only be submitted to PAC and the SEStran Board after the year end, subsequent to the conclusion of the corporate governance self-assurance process.

2.3 The work undertaken by Internal Audit focussed on the controls and process in place within the Partnership surrounding:
- Horizon Scanning in place to identify and consider potential threats, emerging issues and opportunities; and
- The Sustainability of the Real Time Passenger Information project.

Internal Audit also considered whether recommended actions from previous reviews had been undertaken.

2.4 Internal Audit did not make any new recommendations for improvement within their report. The report also noted that the remaining open actions identified in previous years had been closed. Furthermore, Internal Audit identified a number of areas of good practice. See Appendix 1 for a copy of Internal Audit's report.

3 PROMOTION OF INTERNAL CONTROL

3.1 Management are responsible for development and maintenance of sound risk management, internal control and governance and for the prevention and detection of irregularities and fraud. Internal Audit act as an independent, objective assurance function designed to review and report on the operational effectiveness of the organisation. The work undertaken by Internal Audit is based upon a risk analysis of the Partnership's activities to ensure that Internal Audit's limited resources are used in the most effective way.

4   RECOMMENDATION

4.1   The Committee is requested to:

- Note the contents of this report.
- Identify any areas which they consider would benefit from being reviewed in 2017/18

Hugh Thomson
Principal Audit Manager

Appendices	Appendix 1 – 2016/17 Internal Audit Report SEStran
Contact/Tel	Hugh Thomson, Principal Audit Manager (0131) 469 3147
Background Papers	None

The City of Edinburgh Council
Internal Audit

Annual Audit

SESTRAN

Final Report

February 2017

JB1602

·EDINBVRGH·
THE CITY OF EDINBURGH COUNCIL

Contents

This internal audit review is conducted for SEStran under the auspices of the 2016/17 internal audit plan approved by the Governance, Risk and Best Value Committee in March 2016. The review is designed to help SEStran assess and refine its internal control environment. It is not designed or intended to be suitable for any other purpose and should not be relied upon for any other purpose. The City of Edinburgh Council accepts no responsibility for any such reliance and disclaims all liability in relation thereto.

The internal audit work and reporting has been performed in line with the requirements of the Public Sector Internal Audit Standards (PSIAS) and as a result is not designed or intended to comply with any other auditing standards.

It is management's responsibility to design, implement and maintain an effective control framework, and for the prevention and detection of irregularities and fraud. This is an essential part of the efficient management of SEStran.

Executive summary

Total number of findings

Critical	0
High	0
Medium	0
Low	0
Advisory	0
Total	**0**

Summary of findings

The key strategic issues which are likely to impact on the future state of SEStran are:

- The Edinburgh and South East Scotland City Region Deal;

- Review of the National Transport Strategy; and

- Scottish Planning System White Paper.

There is significant momentum behind the City Deal so this is likely to be the key driver for change. Scrutiny of previous City Deal Applications and the Planning Consultation document gives an indication that an integrated Planning and Transport Function will be required going forward.

The following risks have been identified by the Partnership Director:

- SEStran and SESplan do not have identical Local Authority makeup. It is considered unlikely that there will be unanimous support for a move to a model 3 Transport Authority;

- Local Authority Chief Executives, Council Leaders, Senior Officials and SEStran Board Members may not agree on strategic direction and resourcing of required changes; and

- Regional Transport Authorities may be not be part of the revised National Transport Strategy.

The following areas of good practice were identified:

- Management have in place a robust mechanism to ensure key strategic issues are identified and measures are put in place as far as practical to get ready for future state and mitigate any key risks. These include:

  o Active engagement with Scottish Government, Transport Scotland, Partner Members and Chief Officers, and associated transport organisations;

  o Commissioning independent research to inform decision making;

  o Equalities measures being put in place to increase Board diversity;

  o Submission of proposals for future EU funding in partnership with Universities in developing areas relevant to planning and transport;

  o Realignment of staffing roles to maximize use of relevant skillsets; and

  o Future proofing staff by way of development opportunities.

- Real Time Passenger Information (RTPI):
  - Proactive management of the RTPI project; and
  - Focus on the ongoing sustainability and future direction of RTPI.

- Successful implementation of outstanding audit actions from previous years.

1. Background and Scope

The South East of Scotland Transport Partnership (SEStran) is one of seven Regional Transport Partnerships in Scotland. The Partnership area includes eight Local Authorities, and is home to 28% of Scotland's population.

There is a huge diversity of transportation issues within the SEStran Partnership area, from urban congestion to rural public transport and from ferry ports to airports.

SEStran aims to address these issues and work towards a more sustainable and efficient transport network. SEStran's Regional Transport Strategy (RTS) is the cornerstone of their work. It lays out their vision for the strategic development of transport in south east Scotland up to 2028 and includes a particular focus on links to and from Edinburgh, as the economic hub of the region.

Current strategic issues facing the Partnership include:
* A consultation paper on the future of the Scottish Planning system, issued by the Chief Planner in January 2017 includes proposals that land use and transport planning should be integrated.

* Transport Scotland has begun a review of the National Transport Strategy which will inform the next Strategic Transport Projects Review and will consider transport governance, including the role of Regional Transport Partnerships.

* Six of the SEStran Partner Local Authorities that make up the Edinburgh and South East Scotland City region are working collectively on a bid to the UK and Scottish Governments for a City Region Deal. It is considered that closer integration of strategic development activities would improve the success of this bid.

Scope

The scope of this review was to review the processes & controls in place over key strategic issues.

The sub-processes and related control objectives included in the review are:

Horizon Scanning:
* There is a strategy and processes in place to identify potential threats, risks, emerging issues and opportunities, including but not restricted to, the proposals to realign SEStran and SESplan (the Strategic Development Planning Authority for Edinburgh and South East Scotland), and / or move to become a model 3 authority.

Sustainability of Major Projects: Real Time Passenger Information (RTPI):
* There is a strategy in place to identify alternative sources of funding to cover the expansion of information services provided;

* There is a strategy in place to engage with all Partner Authorities, and key public and private sector organisations to maximise the access to information services across all sectors and regions; and

* There is a strategy in place to cover funding of ongoing maintenance, repairs, fees and replacement costs for RTPI hardware and software in use.

Follow Up Work:
* All agreed recommendations from the previous audits have been successfully implemented.

For the full terms of reference see appendix 2.

Appendix 1 - Basis of our classifications

Finding rating	Assessment rationale
Critical	A finding that could have a: • *Critical* impact on operational performance; or • *Critical* monetary or financial statement impact; or • *Critical* breach in laws and regulations that could result in material fines or consequences*; or* • *Critical* impact on the reputation or brand of the organisation which could threaten its future viability.
High	A finding that could have a: • *Significant* impact on operational performance; or • *Significant* monetary or financial statement impact; or • *Significant* breach in laws and regulations resulting in significant fines and consequences*; or* • *Significant* impact on the reputation or brand of the organisation.
Medium	A finding that could have a: • *Moderate* impact on operational performance; or • *Moderate* monetary or financial statement impact; or • *Moderate* breach in laws and regulations resulting in fines and consequences; or • *Moderate* impact on the reputation or brand of the organisation.
Low	A finding that could have a: • *Minor* impact on the organisation's operational performance ; or • *Minor* monetary or financial statement impact; or • *Minor* breach in laws and regulations with limited consequences; or • *Minor* impact on the reputation of the organisation.
Advisory	A finding that does not have a risk impact but has been raised to highlight areas of inefficiencies or good practice.

Appendix 2 – Terms of Reference

SEStran

Terms of Reference – Annual Audit, ref JB1602

To: George Eckton, Partnership Director

From: Magnus Aitken, Chief Internal Auditor,   Date: 30th November 2016

Cc: *See Key Contacts List*

This review is being undertaken as part of the 2016/17 internal audit plan approved by the Governance, Risk and Best Value Committee in March 2016.

Background

The South East of Scotland Transport Partnership (SEStran) is one of seven Regional Transport Partnerships in Scotland. The partnership area includes eight local authorities, and is home to 28% of Scotland's population. There is a huge diversity of transportation issues within the SEStran partnership area, from urban congestion to rural public transport and from ferry ports to airports. SEStran aims to address these issues and work towards a more sustainable and efficient transport network. SEStran's Regional Transport Strategy (RTS) is the cornerstone of their work. It lays out their vision for the strategic development of transport in south east Scotland up to 2028 and includes a particular focus on links to and from Edinburgh, as the economic hub of the region.

Scope

The scope of this review will be to review the processes & controls in place over key strategic issues. The sub-processes and related control objectives included in the review are:

Sub-process	Control Objectives
Horizon Scanning	• There is a strategy and processes in place to identify potential threats, risks, emerging issues and opportunities, including but not restricted to, the proposals to realign SEStran and SESplan (the Strategic Development Planning Authority for Edinburgh and South East Scotland), and / or move to become a model 3 authority.
Sustainability of Major Projects: Real Time Passenger Information (RTPI)	• There is a strategy in place to identify alternative sources of funding to cover the expansion of information services provided; • There is a strategy in place to engage with all partner authorities, and key public and private sector organisations to maximise the access to information services across all sectors and regions; and • There is a strategy in place to cover funding of ongoing maintenance, repairs, fees and replacement costs for RTPI hardware and software in use.
Follow Up Work	• All agreed recommendations from the previous audits have been successfully implemented.

Approach

Our audit approach is as follows:
- Obtain an understanding of the processes through discussions with key personnel, and review of systems documentation and walkthrough tests where applicable;
- Identify the key risks;
- Evaluate the design of the controls in place to address the key risks; and
- Test the operating effectiveness of the key controls.

Our Responsibilities

The role of Internal Audit is to act as an independent, objective assurance and consulting function, designed to add value and improve the operational effectiveness of the organisation. Internal Audit has unrestricted access to all activities undertaken in the organisation in order to independently review and report on the governance, risk management and control processes established by management.

Internal auditors will ensure they conduct their work with due professional care and in line with the requirements of the Public Sector Internal Audit Standards and other relevant professional standards.

The responsibilities of Internal Audit in respect of individual audit assignments are detailed in Appendix 2.

Your Responsibilities

It is Management's responsibility to develop and maintain sound systems of risk management, internal control and governance and for the prevention and detection of irregularities and fraud. Internal Audit work should not be seen as a substitute for Management's responsibilities for the design and operation of these systems.

Management will co-operate with Internal Audit on assignments and provide access to records, systems and staff as required within a reasonable timeframe following the request.

Where an audit report is delivered, management are required to provide formal responses to all recommendations, including specifying responsibility and anticipated dates for the implementation of the solutions within two weeks of the draft report being issued. They are also responsible for the implementation of the solutions and this implementation will be monitored and subject to follow-up review.

Internal audit work is performed solely for SEStran and solely for the purposes outlined above. Reports and documents prepared by Internal Audit should not be provided to anyone else.

The responsibilities of the Auditee in respect of individual audit assignments are detailed in Appendix 2.

Internal Audit Team

Name	Role	Contact Details
Magnus Aitken	Chief Internal Auditor	0131 469 3143
Hugh Thomson	Principal Audit Manager	0131 469 3147
Christine Shaw	Internal Auditor	0131 469 3075

Key Contacts

Name	Title	Role	Contact Details
George Eckton	SEStran Partnership Director	Review Sponsor	0131 524 5152
Angela Chambers	SEStran Office Manager	Key Contact	0131 524 5154
Jim Grieve	SEStran Programme Manager	Key Contact	0131 524 5160
Andrew Ferguson	SEStran Secretary & Legal Advisor	Key Contact	03451 555555 x442241
Iain Shaw	CEC Principal Accountant	Key Contact	0131 469 3117

Timetable

Fieldwork Start	28th November 2016
Fieldwork Completed	23rd December 2016
Draft report to Auditee	6th January 2017
Response from Auditee	20th January 2017
Final Report to Auditee	27th January 2017

Appendix 1: Information Request

It would be helpful to have the following available prior to our audit or at the latest our first day of field work:

- Not applicable; relevant background papers provided following scoping meeting.

This list is not intended to be exhaustive; we may require additional information during the audit which we will bring to your attention at the earliest opportunity.

Appendix 2:   Key Audit Stages, Responsibilities and Timetable

Area	Principles	Further guidance
Planning the audit	Agreeing the audit scope and objectives	• Internal Audit will determine and make arrangements for sufficient resources to achieve audit engagement objectives. This will be based on an evaluation of the nature and complexity of each engagement, time constraints and available resources. • An initial planning meeting will be held between Internal Audit and the Partnership Director. The planning meeting will be held in advance of the audit fieldwork commencing. The purpose of the meeting will be to agree the scope and objectives for the review, requirements during the audit and a reporting and closeout timetable. • The Partnership Director will identify the personnel who have the relevant knowledge and are best placed to answer questions in relation to the audit scope. The Partnership Director will be responsible for notifying these staff of the audit scope and any other requirements agreed with Internal Audit during the planning meeting. • Internal Audit shall be responsible for organising meetings with relevant staff.
Audit fieldwork and planning	Timely communication of issues identified during fieldwork	• The Auditee will be informed of the progress of the audit on a regular basis. • Any issues identified during the fieldwork by Internal Audit will be discussed with the relevant staff to ensure that they are accurate and proposed recommendations are valid and achievable. • Any material issues (Critical) will be raised by Internal Audit with the Partnership Director immediately as they arise.
Reporting	Closeout meeting to discuss and agree the internal audit report	• The closeout meeting will be undertaken with the Partnership Director within two weeks of the audit fieldwork being completed. • Internal Audit will provide the Partnership Director with a copy of the draft report within 2 weeks of completing the fieldwork.
Reporting	Management response to internal audit report	• The Partnership Director will have 2 weeks to provide management comments on the findings and recommendations in the Internal Audit report. • Internal Audit will issue the final report to the Partnership Director within 1 week of receipt of management comments.
Reporting	Reporting of internal audit findings to the Performance & Audit Committee	• Internal Audit shall prepare an internal audit update report annually for the Performance & Audit Committee. The update report will summarise the findings arising from the finalised internal audit report. It will also include progress on implementation of prior year internal audit recommendations.

Area	Principles	Further guidance
Follow up	Monitoring the implementation of internal audit recommendations	• A questionnaire will be issued to be completed by the Auditee to allow opportunity to comment directly to the Chief Internal Auditor on the satisfaction of the audit service provided. This forms part of the Internal Audit Quality Review program. • Internal audit will track the status of all open recommendations. Recommendations that are overdue will be reported to the Performance & Review Committee on an annual basis. Internal Audit will advise management of all open recommendations and invite them to provide evidence that the recommendations have been actioned.

REVENUE BUDGET 2017/18

1.   Introduction

1.1   This report presents to the Performance and Audit Committee, for review, the proposed revenue budget for 2017/18, together with the share of net expenses to be paid by each constituent council.

1.2   The proposed revenue budget for 2017/18 will be presented to the Partnership Board for approval at its meeting on 2nd March 2017.

2.   Proposed Revenue Budget 2017/18

2.1   Section 3 of the Transport (Scotland) Act requires the constituent councils of each Regional Transport Partnership to fund the Partnership's net expenses.

2.2   A financial planning report was considered by the Performance and Audit Committee on 18th November 2016 and subsequently by the Partnership Board on 2nd December 2016. The Board noted the potential risk of reductions in Scottish Government grant and funding to councils. Until funding allocations were confirmed, budget planning was progressed on the basis of a 5% cash reduction in resources available to the Partnership in 2017/18.

2.3   On 25th January 2017, the Scottish Government advised that, for planning purposes, Regional Transport Partnership budgets are based on the same level of Scottish Government grant as 2016-17. For SEStran, this is £782,000. Until the Scottish Government's draft budget is approved by the Scottish Parliament, the actual level of grant cannot be formally confirmed.

2.4   Following the passing of the First Stage of the Budget (Scotland) Bill on 2nd February 2017, the draft Local Government Finance Settlement has reduced General Revenue Grant by 2.6% across Scotland, based on a year-on-year comparison of grant funding and excluding funding provided for specific new commitments. The rate of reduction varies from council to council.

2.5   The terms of the Settlement mean that the additional income raised through changes to Council Tax band multipliers (estimated at £110.5m across Scotland) will be retained by the councils, where this income is collected. When this additional income is offset against the reduction in General Revenue Grant, the net reduction in funding in the Settlement is estimated at 1.4% across Scotland; this excluding funding provided for specific new commitments.

2.6   The proposed revenue budget has been prepared on the basis of a range of estimates and assumptions and in consultation with the Partnership Director. Revenue budget lines have been updated to take account of known cost commitments and savings.

2.7 A council requisition of £190,000 in 2017/18 is proposed. In line with the financial planning assumptions presented in the report to the Partnership Board in December 2016, this represents a 5% reduction from the 2016/17 council requisition.

2.8 Within the proposed revenue budget, provision is made for the following:

- staff recharges to projects to remain fixed at £137,000;
- pay award provision of up to 1% - £2,937;
- increment pay provision of up to £7,000;
- the Partnership's contribution of 12 hours per week to a Cycle Training Development Officer - £11,352;
- no change to the current employer pension contribution rate, based on the result of the latest actuarial review as at 31st March 2014.

2.9 These costs have been absorbed through realignment of employee costs, following changes to the Partnership's staffing structure.

2.10 If approved, the Partnership will have operated at the same level of Scottish Government grant funding of £782,000 since 2011/12. Council requisitions have reduced by 5% over the same period.

2.11 For 2017/18, external income of £355,000 is anticipated to fund 27% of proposed expenditure. Scottish Government grant funding would meet 59% of proposed expenditure with council contributions funding 14% of expenditure.

SEStran Budget 2011/12 – 2016/17 and Proposed Budget 2017/18

	2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000
Core	467	461	463	465	550	551	478
Projects	791	709	504	1,076	2,384	725	510
RTPI	110	117	222	286	230	344	339
Total Budget	**1,368**	**1,287**	**1,189**	**1,827**	**3,164**	**1,620**	**1,327**
External Funding							
EU Grants	313	245	146	233	131	152	95
Other income	48	60	61	266	1,051	486	260
Bus Investment Fund				346	1,000	0	0
Total External Funding	**361**	**305**	**207**	**845**	**2,182**	**638**	**355**
Scottish Government	782	782	782	782	782	782	782
Council Requisition	225	200	200	200	200	200	190
Total Funding	**1,368**	**1,287**	**1,189**	**1,827**	**3,164**	**1,620**	**1,327**

2.12 A detailed analysis of the proposed core revenue budget for 2017/18 is shown in Appendix 1, with the proposed projects budget detailed in Appendix 2.

2.13 Risk and contingency planning have been considered as part of the budget development process. A risk assessment is included at Appendix 3.

3. Revenue Budget - 2018/19 and Later Years

3.1 The proposed revenue budget is for the financial year 2017/18 only. Longer-term funding assumptions remain subject to uncertainty. There remains a considerable risk that there will be further cash-reductions in funding provided through the Scottish Block grant for 2018/19 and beyond.

3.2 A revenue budget proposal for 2018/19 will be developed for consideration by the Partnership Board in the autumn of 2017.

4.   Recommendations

It is recommended that the Performance and Audit Committee:

4.1   comments as appropriate on the proposed revenue budget for 2017/18 and refers any comments to the Partnership Board;

4.2   notes that the Partnership Board will be asked to approve the following recommendations at its' meeting on 2nd March 2017:

It is recommended that the Partnership Board:-

(i)   approve the proposed core revenue and revenue projects budget for 2017/18, as detailed in Appendices 1and 2, and agree that I be authorised to requisition the individual constituent authorities for amounts as follows:

Clackmannanshire	£6,256
East Lothian	£12,553
Edinburgh	£60,763
Falkirk	£19,303
Fife	£44,838
Midlothian	£10,645
Scottish Borders	£13,891
West Lothian	£21,751
	£190,000

(ii)   note that financial planning for 2018/19 will be developed for consideration by the Partnership Board in autumn 2017;

(iii)   note 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.

HUGH DUNN
Treasurer

Appendices   Appendix 1 – Proposed Core Revenue Budget 2017/18
                   Appendix 2 – Proposed Revenue Projects Budget 2017/18
                   Appendix 3 – Risk Assessment

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

Policy Implications	There are no policy implications arising as a result of this report.
Financial Implications	There are no financial implications arising.
Race Equalities Implications	There are no race equality implications arising as a result of this report.
Gender Equalities Implications	There are no gender equality implications arising as a result of this report.
Disability Equalities Implications	There are no disability equality implications arising as a result of this report.
Climate Change Implications	There are no climate change implications arising as a result of this report.

Proposed Core Revenue Budget 2017/18   **Appendix 1**

	Approved 2016/17	Proposed 2017/18	Proposed Cost Commitments
	£000	**£000**	
Employee Costs			
Salaries, National Insurance and Pension Fund	460	381	7.8 FTE permanent employees
Premises Costs	16	16	Lease for office in Victoria Quay and related costs.
Staff Travel	9	9	
Supplies and Services			
Marketing	20	20	£10,000 Car Share/£10,000 general marketing and sustainable travel
Communications & Computing	31	37	
Hosted Service – Routewise	53	53	£50,000 saving per annum in total to participating constituent councils
Printing/Stationery/Supplies	10	10	
Insurance	4	4	Employer/employee liability insurance
Equipment/Furniture/Materials	1	1	
Training/Conferences	10	10	
Interview Expenses/Advertising	2	2	
Miscellaneous Expenses	11	11	

	Approved 2016/17	Proposed 2017/18	Proposed Cost Commitments
	£'000	£'000	
Support Services			
Finance	25	25	Per Service Level Agreement with City of Edinburgh Council. Statutory financial statements, payroll, invoice payments, debt recovery, banking and cash management, budgeting, internal audit.
Legal Services / HR	7	7	Per Service Level Agreements with Fife Council and Falkirk Council
Corporate and Democratic			
Clerks Fees	15	15	Per Service Level Agreement with Fife Council
External Audit Fees	10	10	
Members Expenses	3	3	Non-Council Members expenses – Partnership meetings
Interest	1	1	Net cost of borrowing per Partnership's Treasury Management Strategy
Funding			
Recharges:			
• EU Projects	(70)	(117)	Recovery of employee costs – Social Car, Share-north, Regio-mob projects. 3 further EU projects could be forthcoming with recharges in 2017/18 - applications are pending.
• RTPI	(47)	0	Recharge of fixed-term contracts ceased
• Sustainable Transport	(20)	(20)	Recovery of employee costs - SUStrans
Scottish Government Grant	(351)	(288)	
Net Core Expenditure	**200**	**190**	**To be met by constituent councils**

Proposed Project Budget 2017/18 **Appendix 2**

	Approved 2016/17	Proposed 2017/18	EU /Other Grant	Net Expenditure	Proposed Cost Commitments
	£'000	£'000	£'000	£'000	
EU Projects					
Chums	6	0	0	0	Project ceased
Social Car	0	47	(47)	0	EU grant funded project
Share-north	20	40	(20)	20	EU grant funded project
Regio-mob	12	33	(28)	5	EU grant funded project
Total	**38**	**120**	**(95)**	**25**	
RTPI	171	339	(160)	179	Maintenance - contractual committed (£0.226m), partially offset by bus operators' income
Sustainable Travel	130	200		200	Provision of match funding to constituent councils, universities and colleges, Police Scotland
Rail Stations Development	15	0		0	
South Tay Park and Ride	20	10		10	Agreement with TACtran
Rail/Bus Advice	15	0		0	Included in Research and Development (see below)
SDP/LDP	20	0		0	Included in Research and Development (see below)
RTS Monitoring	5	0		0	Included in Research and Development (see below)
Urban Cycle Networks	20	120	(100)	20	Contractually committed on a year to year basis. Includes funding for Cycling Officer
Equalities Action Forum	10	10		10	Funding for the Equalities Action Forum is included to fund a minimal level of actions identified by the Forum.
Research and Development	0	50		50	Funding for Rail/Bus Advice, SDP/LDP and RTS Monitoring
One Ticket	(13)	0		0	Agreement ceased
Total	**431**	**729**	**(260)**	**494**	

Risk Assessment

Risk Description	Existing Controls
Pay awards. The proposed budget assumes provision for a pay award of up to 1% in 2017/18. A 1% increase in pay award uplift equates to an increase in cost of approximately £3,000.	Alignment with Scottish Government Public Sector Pay Policy.
There is a risk that the proposed budget does not adequately cover price inflation and increasing demand for services.	Allowance has been made for specific price inflation and other budgets have been adjusted in line with current demand / forecasts. The proposed budget includes a small contingency.
There is a risk that the deficit on the staff pension fund could lead to increases in the employer's pension contribution.	Lothian Pension Fund has developed a contribution stability mechanism as part of the strategy to manage potential volatility in employer contribution rates arising from the 2014 actuarial review. For 2017/18, there will be no change to the current employer contribution rate, based on Lothian Pension Fund's stability of pension fund contributions mechanism.
Following the outcome of the EU Referendum, the Partnership is unable to access EU funding	The Partnership is looking towards alternative funding sources to progress knowledge exchange/transfer and to seek to successfully bid for EU projects in anticipation of the United Kingdom servicing notice under Article 50 and the eligibility/match-funding rates changing significantly.
Delays in payment of grant by the EU results in additional short-term borrowing costs.	SESTran grant claims for EU funded projects were submitted in compliance with requirements of EU control processes to ensure minimal delay in payment of grants. Ongoing monitoring of cash flow will be undertaken to manage exposure to additional short-term borrowing costs.
There is a risk that current levels of staffing cannot be maintained due to funding constraints and that the Partnership will incur staff release costs.	The Partnership Director continues to seek additional sources of funding for activities aligned to the Partnership's objectives to supplement resources.

ANNUAL TREASURY STRATEGY

1   Purpose of report
1.1   The purpose of this report is to propose an Investment Strategy for 2017/18.

2   Annual Treasury Strategy
2.1   The Partnership currently maintains its bank account as part of the City of Edinburgh Council's group of bank accounts. Any cash balance is effectively lent to the Council, but is offset by expenditure undertaken by the City of Edinburgh Council on behalf of the Partnership. Interest is given on month end net indebtedness balances between the Council and the Partnership in accordance with the former Local Authority (Scotland) Accounts Advisory Committee's (LASAAC) Guidance Note 2 on Interest on Revenue Balances (IoRB). These arrangements were put in place given administration arrangements with the City of Edinburgh Council and the relatively small investment balances which the Board has. Although the investment return will be small, the Partnership will gain security from its counterparty exposure being to the City of Edinburgh Council.

3   Recommendations
3.1   It is recommended that the Committee refers the Strategy to the Partnership Board to approve the continuation of the current arrangement outlined in Appendix 1.

Hugh Dunn
Treasurer

Appendix   Appendix 1 - Annual Treasury Strategy

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

Annual Treasury Strategy

(a) Treasury Management Policy Statement

1. The Partnership defines its Treasury Management activities as:

    The management of the Partnership's investments, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.

2. The Partnership regards the successful identification monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the organisation.

3. The Partnership acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management, and to employing suitable comprehensive measurement techniques, within the context of effective risk management.

Treasury Management is carried out on behalf of the Partnership by the City of Edinburgh Council. The Board therefore adopts the Treasury Management Practices of the City of Edinburgh Council. The Board's approach to investment is a low risk one, and its investment arrangements reflect this.

(b) Permitted Investments

The Partnership will maintain its banking arrangement with the City of Edinburgh Council's group of bank accounts. The Partnership has no Investment Properties and makes no loans to third parties. As such the Partnership's only investment / counterparty exposure is to the City of Edinburgh Council.

(c) Prudential Indicators

Whilst the Partnership has a Capital Programme this is funded by grant income therefore no long term borrowing is required. The indicators relating to debt are therefore not relevant for the Partnership. By virtue of the investment arrangements permitted in (b) above, all of the Partnership's investments are variable rate, and subject to movement in interest rates during the period of the investment.

Consultation on Proposed Changes to Councillors' Code of Conduct

1.   INTRODUCTION

1.1   The Scottish Government is currently undertaking a consultation on proposed changes to the Councillors' Code of Conduct. The consultation can be accessed at http://www.gov.scot/Publications/2016/12/5065

1.2   The background to the proposed change is concerns raised by NEStrans about perceived conflicts of interest which could arise where councillor members of Regional Transport Partnerships were also members of planning committees determining applications the RTP had an interest in. In that situation, councillors would have to declare an interest and withdraw from the planning committee – whether or not they had been directly involved in the RTP's consideration of the application.

2.   ISSUES

2.1   The proposed change would certainly seem to be beneficial to councillor members of RTPs like SEStran. It would, in the normal course, allow such members to take part in both the RTP's consideration of, for example, a major strategic development proposal; and the Planning Authority's consideration of the technical approval of such a proposal.

2.2   Councillor members will be aware that the normal provisions of the Code would continue to apply and that the change is unlikely to give them carte blance to comment on applications in such a way that, prior to the consideration of a planning application, they have indicated that they have closed their mind on the issue of whether such a development should go ahead or not.

2.3   However, the proposed change is in principle advantageous to RTPs as it will allow councillor members from the relevant local authority area to contribute to debates on such proposals and still take part in the subsequent planning application determination. There is a slight concern that the wording of the proposal goes beyond what is strictly necessary, as it refers to 'external organisations' generally, rather than RTPs. That seems to go wider than is necessary to fix the perceived problem.

3.   CONCLUSIONS

3.1   The proposal to amend the Code appears beneficial to councillor members of SEStran in that it removes an automatic necessity to declare an interest and withdraw from planning committees where SEStran has expressed a view on a proposed development.

3.2 There is delegated authority to officers to respond on behalf of the Partnership on consultations of this nature. However, in view of the subject matter and the deadline of responses, the committee's views are sought.

4. RECOMMENDATIONS

It is recommended that the Committee:

4.1 Discuss the subject matters of the consultation, and;

4.2 Agree recommend to the Board a response on the lines set out at 2.3.

Andrew Ferguson
Secretary & Legal Adviser, SEStran
Fife House
North Street
Glenrothes
Fife
KY7 5LT

Telephone: 08451 55 55 55 Ext. 442241
Email: andrew.ferguson@fife.gov.uk

Policy Implications	None
Financial Implications	None
Race Equalities Implications	None
Gender Equalities Implications	None
Disability Equalities Implications	None.
Climate Change Implications	None

Records Management

1. INTRODUCTION

1.1 The purpose of this report is to provide the Committee with an update on the progress on SEStran's Records Management Plan and IT upgrades.

2. RECORDS MANAGEMENT PLAN (RMP)

2.1 SEStran's Records Management Plan was submitted to the Keeper of the Records for assessment on 30 January 2017. As part of the assessment process, the Keeper will engage with key Officers and provide SEStran with an interim report by the end of April 2017. SEStran Officers will have the opportunity to review the report and make any necessary representations before the final version is passed back to the Keeper for his consideration. The Keepers decision will be sent to the Partnership Director and published on the National Records of Scotland website.

2.2 The Committee will be aware that the Partnership Board, at its meeting on the 2nd December 2016, approved a mandate to allow Officers to develop and implement a range of protocols and continuous improvement procedures as part of the Records Management framework.

2.3 Work undertaken to date includes arranging staff training days on the topics of records management, data protection, FOI and information security. These courses will be delivered by the end of the financial year. Protocols for naming conventions are currently in development.

3. IT UPGRADE

3.1 Programme is on track to be delivered by the end of the financial year: the replacement server, mailbox migration and laptop build/installation will completed by the end of February and work will commence on the creation of a new electronic file structure on the shared drive soon after. The file structure will be based on the Patrnership's main functions, as per the Business Classification scheme and folders will be managed in accordance with the retention schedule.

4. WEBSITE

4.1 The website is currently being redesigned with a go live date planned for the end of February. SEStran will continue to follow its procedure of publishing its key records and data to the website, in line with FOI and records management compliance principles.

5. RECOMMENDATIONS

5.1 The Committee are asked to note the contents of this report

Angela Chambers
Business Manager
10th February 2017

Policy Implications	As outlined above.
Financial Implications	All costs are contained within the current year budget.
Race Equalities Implications	None
Gender Equalities Implications	None
Disability Equalities Implications	None
Climate Change Implications	None

Places, People and Planning Consultation

1. **INTRODUCTION**

1.1 The report seeks to summarise the key issues emerging from the recently published Scottish Government's publication "Places, people and Planning: A consultation on the future of the Scottish planning system" and seeking to start the process of collating a SEStran response by the deadline of the 4 April 2017.

2. **Proposals for Change**

2.1 The proposals outlined in the consultation seek to deliver a planning system for Scotland which helps growth to happen and unlocks the potential of our people and places. The proposals have been developed in response to the independent review of planning report published in May 2016, which was the subject of a report to the SEStran Board in June 2016. A copy of the consultation can be accessed at this link: http://www.gov.scot/Publications/2017/01/3486

2.2 In the Consultation the Scottish Government outline four key areas of change and 20 specific proposals within these areas, not all of which are of direct relevance to SEStran and in that regard the rest of the report focuses on proposals and question of greatest appropriateness to SEStran:

- Aligning Community Planning and Spatial Planning (Proposal 1)
- Regional partnership working (Proposal 2)
- Infrastructure Planning, Funding and Innovation (Proposals 13, 14 & 15)

2.3 However, there are other aspects of the 20 proposals, the P&A Committee may wish to discuss. For example, Proposal 4 on Stronger Development Plans has a suggestion that at an early stage there should be an audit of existing infrastructure levels and necessary interventions, including the plan's transport appraisal. As discussions progress, there will be similar aspects of the proposals identified and brought into the final response, but it was felt best to focus on core issues.

2.4 As community planning partners, is it proposed that SEStran should support the proposal for a statutory link between land-use and community planning. It would also be a clear opportunity to discuss the infrastructure requirements of transport service delivery, within a context of an outcome-focussed approach to service delivery which could be significantly beneficial to those stakeholders suffering transport connectivity and accessibility inequalities at present, through the integration of land-use and other forms of service delivery. It is welcomed that the proposal references spatial planning and not just land-use planning as the requirement for greater alignment.

2.5   The Royal Town Planning Institute in their 2016 "Poverty, Place and Inequality" report highlight the significant severance effect of area-based disadvantage for individuals. Those living in certain less affluent areas are from evidence less mobile, more reliant on public transport and less able to commute to job opportunities given expensive and/or fragmented transport networks. Previous studies have highlighted that those who are least skilled or most remote from the labour market have the least locational flexibility in seeking new job or training opportunities and that this rather than lack of skills or training has particularly afflicted some communities and individuals within them in terms of receipt of positive outcomes. RTPs could be a key mechanism for addressing these gaps and delivering the outcomes required across several Local Outcome Improvement Plans (LOIPs) on the strategic and cross-boundary issue of transport infrastructure and services from the proposed greater alignment.

2.6   In terms of regional partnership working, Scottish Government have agreed with the Independent Panel that the duty to prepare Strategic Development Plans (SDPs) are removed from the planning system. However, it is welcomed that Scottish Government have recognised that strategic planning has an important contribution to make to a successful planning system in Scotland. Going forward, it is proposed that the National Planning Framework (NPF) sets out regional planning priorities and that in the place of SDPs it is proposed that new duties or powers for local authorities to work together as introduced to able the definition of regional priorities. The consultation invites views on what needs to be done at this scale including co-ordination of delivery programmes especially housing delivery, cross-boundary infrastructure investment audit, and potential co-ordination of a regional infrastructure levy and a widening of the partnerships to involve business representatives to provide a forum for discussion of regionally significant matters.

2.7   The consultation advises that Scottish Government is open to considering making these actions discretionary powers which local authorities could decide to enact, if deemed of value in a regional context. However, the consultation does state that they are keen to avoid creating new partnerships where tasks can be achieved through existing arrangements. In the consultation paper and the ongoing review of the National Transport Strategy with its proposed consideration of transport governance / regional partnership working, Scottish Government also outline that they would welcome views on the potential to reconsider the roles, responsibilities and areas of influence of regional transport partnerships in relation to land-use planning and associated transport appraisals, prioritisation and delivery. In that context, the report highlights the discussions SEStran and SESPlan have had regarding the increasing alignment of regional transport and planning functions, linking to economic development and proposals for a City Region Deal.

2.8   They would also welcome views on certain aspects of the scale or regional partnership working. Firstly, in terms of a greater flexibility for localities to define their own geography of partnership working, rather than having it defined by legislation, allowing strategic planning to better align with City

Deals. Or conversely, using the NPF to identify priority areas where future regional partnership working should take place. There is also mention about how regional partnerships and Enterprise regional working in the South of Scotland could fit with this geography.

2.9 SEStran has previously concluded that there are potential benefits to be realised from a closer integration of strategic development activities and the City Region Deal. These should include more efficient working and a clear alignment of activities. Support arrangements are currently progressed on a joint basis at a regional level for planning, transport, housing and economic development. Similar support arrangements will be required to progress and implement the City Deal. Clearly, there is a strong case for integrating the support and service arrangements for planning, transport, housing and economic development at a regional level. This could result in a single team with appropriate professional expertise which would service the interests of each subject area. However, it's not been possible reach an agreement at present. While the City Region Deal will require an implementation facility, any future joint team could prepare, monitor and support the development strategy and the projects within this for City Region Deal. However, we have previously stopped short of asking for a removal of the statutory footing for Regional Transport Partnerships and in the context of the Independent Panel seeking to recognise RTPs as key agencies it would seem counter-intuitive to remove their statutory status implicitly or explicitly through the consultation when there is also an ongoing review of transport governance.

2.10 On the issue of infrastructure planning, the consultation suggests an infrastructure first approach to development, ensuring existing capacity is properly scoped and identifies where additional capacity is needed. The Scottish Government outline that they do not agree with the proposal of the Independent Panel to set up a national infrastructure agency or working group and instead propose the establishment of a national infrastructure and development delivery group. In the first instance this group would contribute to developing more detailed proposals for an infrastructure levy, how this could work with wider funding and finance solutions and also there could be a role for the group in overseeing and considering regional infrastructure audits – including transport, prepared by regional partnerships.

2.11 The consultation paper highlights that the Strategic Transport Projects Review (STPR) should work alongside spatial planning to form an essential part of strategic investment planning at both the regional and national scale. It would be welcomed if in further developments there could be greater reference to Regional Transport Strategies, as an existing statutorily required regional planning document and clearly would have a role in a regional audit of transport infrastructure capacity.

2.12 The consultation outlines that improvements in Section 75 practice will not fully close a gap in infrastructure funding which has emerged following the 2008 recession and the steep decline in housing delivery that followed. The Scottish Government recognise that it will not address challenges surrounding securing collective contributions for strategic infrastructure. Therefore the

proposal in the forthcoming Planning Bill is to introduce an enabling power for a new infrastructure levy for Scotland, following further detailed consultation on the development types involved, how permission to charge is granted by Scottish Ministers to a planning authority/authorities. It is not proposed that the levy replaces national investment or investment secured via Section 75 agreements.

2.13 The consultation also highlights that the Scottish Government wish to explore wider opportunities for innovative infrastructure planning. In this context, the consultation proposes that Land use and transport planning should be integrated to ensure that their impact on connectedness, accessibility and active travel are brought together and used to improve quality of place. The review of transport governance is highlighted and it is suggested that the review should consider the role of regional transport partnerships.

2.14 In terms of infrastructure planning and funding it will be fundamental that any arrangements provide a strong focus for a more joined up, sustainable and extensive approach to prevent of negative outcomes. The provision of an infrastructure first approach is welcomed, as a clear commitment to early intervention in line with the ethos of the Christie Commission on Public Sector Reform. It is also welcomed that a focus on the collective nature and impact of infrastructure requirements are in many cases cross-boundary and by implication require joint planning and implementation programmes. The importance of adequately accessible, efficient and affordable transport infrastructure; especially the scale, nature and connectivity of investments linking need and opportunity within – and between – communities can be overstated in its importance to the proposals for change outlined in the consultation paper.

3. CONCLUSION / RECOMMENDATIONS

3.1 The Committee are invited to comment on the summary of key issues raised by the Scottish Government consultation on the future of the Scottish planning system, ahead of the presentation of a paper to the SEStran Board in March and a subsequent mandated final consultation response in early April.

George Eckton
Partnership Director
10th February 2017

Appendix 1 – Selected Consultation paper Questions

Selected Consultation Questions

- Do you agree that local development plans should be required to take account of community planning?
- Do you agree that strategic development plans should be replaced by improved regional partnership working?
    - How can planning add greatest value at a regional scale?
    - Which activities should be carried out at national and regional levels?
    - Should regional activities take the form of duties or discretionary powers?
    - What is your view on the scale and geography of regional partnerships?
    - What role and responsibilities should Scottish Government, agencies, partners and stakeholders have within regional partnership working?
- Do you agree that rather than introducing a new infrastructure agency improved national co-ordination of development and infrastructure delivery in the shorter term would be more effective?
- Would the proposed arrangements for regional partnership working support better infrastructure planning and delivery?
    - What actions or duties at this scale would help?
- Do you agree that future legislation should include new powers for an infrastructure levy?
    - At what scale should it be applied?
    - To what type of development should it apply?
    - Who should be responsible for administering it?
    - What type of infrastructure should it be used for?
    - If not, please explain why?

<u>**Review of Forums**</u>

1.   INTRODUCTION

1.1   Further to the September 2016 Board Review of Governance
        Documentation report, the Partnership Director has received comments
        from Board members on the proposals for a change in the structure of
        SEStran's consultative forums which were tabled at the December 2016
        meeting. A brief summary of progress is detailed below for the members
        information and noting.

2.   SUMMARY OF COMMENTS

2.1   By the end of October 2016, SEStran had received comments from 4
        board members. Review of the 4 sets of comments submitted, highlighted
        a clear desire for the retention of the status quo and some suggested the
        review should be paused until there is clarity on the wider legislative /
        governance context. There was a further governance review proposal
        tabled at the December Board which couldn't be agreed but there was an
        agreement to seek further comments from members. There has been
        subsequent comments from members about retaining the Bus and Rail
        Forums and removing all other forums. The Equalities and Healthcare
        Forum have subsequently merged and the Air Forum is going to transition
        at the request of Edinburgh Airport into an Air Transport Forum lead by
        the operator to further their Surface Access Strategy during 2017 and
        beyond. The SEStran Air Forum will cease to meet. Edinburgh Airport
        have offered continued representation for SEStran on the new forum and
        also to review Board representation on the Airport Consultative
        Committee.

2.2   The suggestion from the Chair of the Board is that further discussion on
        this matter is postponed until the September or December 2017 Board
        meeting when there will be a new SEStran board. There is not the same
        pressing timescales to be proactive due to the closure of discussions with
        SESplan about possible joint managerial oversight, due to the workload
        implications without review of current governance structures. However,
        there has been stakeholder requests for change in the structures going
        forward. It will also enable any decision to be taken in reaction to the
        emerging draft Planning Bill legislation or NTS 2 Review of Transport
        governance proposals for any regional partnerships, as discussed
        elsewhere on the Agenda.

3.   CONCLUSION

3.1   The paper seeks to update Members on the current progress with the Review of Forums, highlight the transfer of the Air Forum to the airport operator and seeks their agreement to postpone further debate to a future Board meeting, when there may be emerging legislative proposals on Regional Partnerships.

3.2   The Committee is asked to note, and provide comment for transmission onward to the Board, as appropriate.

George Eckton
Partnership Director
10th February 2017

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

Procurement WYG INEO

1. INTRODUCTION

1.1 Consultants WYG have been assisting SEStran with the Real Time Passenger Information (RTPI) project, from the design and tender document preparation stage, to date. They were originally procured under an EU process and have been extended by means of a direct award up until the end of the last financial year (2015/16). The Performance and Audit Committee will also be aware that in September 2016 there was a paper brought on the Procurement of the INEO contract in future years. The paper provides an update on discussions with SEStran's legal advisers.

2. BACKGROUND

2.1 In addition to having an intimate and unparalleled knowledge of the RTPI system, WYG have also developed the digital display element of the facility, which has proved to be reliable and deliverable at a cost well below any "off the shelf" equivalents.

2.2 At the beginning of the current financial year WYG were awarded two distinct pieces of RTPI related work, each of estimated value £24k;

1. further development of the RTPI system to accommodate small operators and to finalise the inclusion of scheduled timetabled data for all operators within the system, which is a prerequisite for the RTPI output and
2. further work on the development of the digital screen element, through the "xibo client" software, to make the platform more reliable and simpler to manage.

Work beyond that which was funded by the estimated £24k in each case has proved necessary, to be able to complete the tasks.

2.3 The cost of the additional work, covering both briefs, is estimated to be approximately £11000. Work is in progress for the 2017-18 year to publicly tender for the provision of services.

2.4 Further to the P&A paper in September 2016 outlining the award of grant to INEO to deliver maintenance to the RTPI system in 2016/17. Sestran have had further discussions with legal advisers around the provisions of the original contract. It would appear that within the original contract, maintenance was foreseen and may be included within the original terms of contract. At present discussions are ongoing with SEStran's legal advisers to finalise procurement of future maintenance in line with procurement legislation. A further update will be provided to the meeting.

3. CONCLUSION / RECOMMENDATIONS

3.1 The Committee is asked to:
- Note that on the basis that there was no practical alternative, in view of the short time left until the end of the financial year, the Partnership Director, in consultation with the Chair using his emergency powers, decided to instruct the necessary additional work.
- As a result of budget efficiencies created in the current year, sufficient funding is available from the 2017/18 budget.
- For future such RTPI support consultancy, it is intended to go to the market for any work envisaged to be carried out in year 2017/18 and beyond.
- Note that a verbal update on discussions with SEStran's legal advisers will be given to the meeting on subsequent year's procurement of the INEO contract.

Jim Grieve
Head of Programmes
17th February 2017

Policy Implications	Re-tender of consultancy support work to be carried out with immediate effect, to have party in place for next financial year.
Financial Implications	None, covered in this year's budget
Race Equalities Implications	None
Gender Equalities Implications	None
Disability Equalities Implications	None
Climate Change Implications	None

Partnership Staffing Update

1. INTRODUCTION

1.1 This paper provides the Performance and Audit Committee with an update on the organisational structure of staffing at SEStran.

2. Background

2.1 The organisational structure of SEStran was subject to a report to Committee in September 2016 and subsequently to the Board in the same month. There have been further developments in staffing over the last 4-5 months and it was deemed appropriate to report back to Committee and Board. An updated Organisational Structure for February 2017 is attached as an Appendix.

2.2 Members should also be aware that since the last meeting, the employment of Coachline Ltd as consultants to Sestran and our provision of Administrative Services concluded on 30 November as advised to the last meeting of the Committee. There has also been a retirement of the previous postholder of SEStran Communications Officer and it is proposed that this post is deleted from the staff roster. It would then be possible to focus this capacity on delivering other outcomes in the new financial year, with the potential to revisit the proposed post of Head of Policy, Planning and Partnerships (PPP) or other posts to support projects. Albeit at present this the Head of PPP is not featured on the structure diagram attached. The capacity made available by the retirement of two permanent employees in 2016/17 has enabled the Partnership Director to move to secure 2 fixed term employees on permanent contracts.

2.3 The Job Evaluation process is continuing with grading being carried out by colleagues at Falkirk Council. The aim is to complete the process before the end of April, to allow reporting to inform our actions in the SEStran Equality Outcomes for 2017-2021. The process has raised some issues of re-grading which have been initially addressed in year ahead of an agreement of a final SEStran grading structure in early 2017/18. The annual increment is also proposed to be moved in line with other public sector bodies and be payable to from 1 April for eligible employees.

2.4 As advised in previous Equality Outcomes 2017-2021 reports, we have worked with Equate Scotland[i] to recruit a Student placement opportunity and will interview applicants on 10 March for a 12 week placement over Summer 2017.

2.5 Members should also be aware that we have employed a Marketing professional in January 2017 to seek further opportunities for siting of RTPI TV Screens. This is a temporary appointment via an agency, following the submission of no bids from a tender process carried out in Autumn 2016.

The current timescale is that it will be an appointment until the end of the financial year, subject to potential extension depending upon results and future resources available.

2.6 The Committee should also note in line with the Equality Outcomes and other policies, we have applied to the Department for Work and Pensions to be become a Disability Confident [committed] employer. Further details are available at: https://www.gov.uk/government/publications/employing-disabled-people-and-people-with-health-conditions/employing-disabled-people-and-people-with-health-conditions

3. CONCLUSION/RECOMMENDATIONS

3.1 The Committee is asked to note the update provided.

George Eckton
Partnership Director
10th February 2017

Appendix – SEStran Organisation Chart February 2017

Policy Implications	None
Financial Implications	Salary/increment changes are contained within the current budget and the savings identified in year.
Race Equalities Implications	None
Gender Equalities Implications	None
Disability Equalities Implications	Disability Confident scheme seeks to work with employers to ensure that disabled people and those with long term health conditions have the opportunities to fulfil their potential and realise their aspirations.
Climate Change Implications	None

---

i http://www.equatescotland.org.uk/projects/careerwise/2017-placements/

SEStran Organisational Chart 2017

```
                        ┌─────────────────────┐
                        │ Partnership Director │
                        └─────────────────────┘
              ┌──────────────────┴──────────────────┐
    ┌──────────────────┐                    ┌──────────────────┐
    │ Head of          │- - - - - - - - -   │ Business         │
    │ Programmes       │                    │ Manager          │
    └──────────────────┘                    └──────────────────┘
```

| Projects Officer | Strategy & Projects Officer | Graduate Technical Officer (Vacant) | Active Travel & Strategic Development Officer | Business Support Officer | Business Support Assistant | Cycle Training & Development Officer |
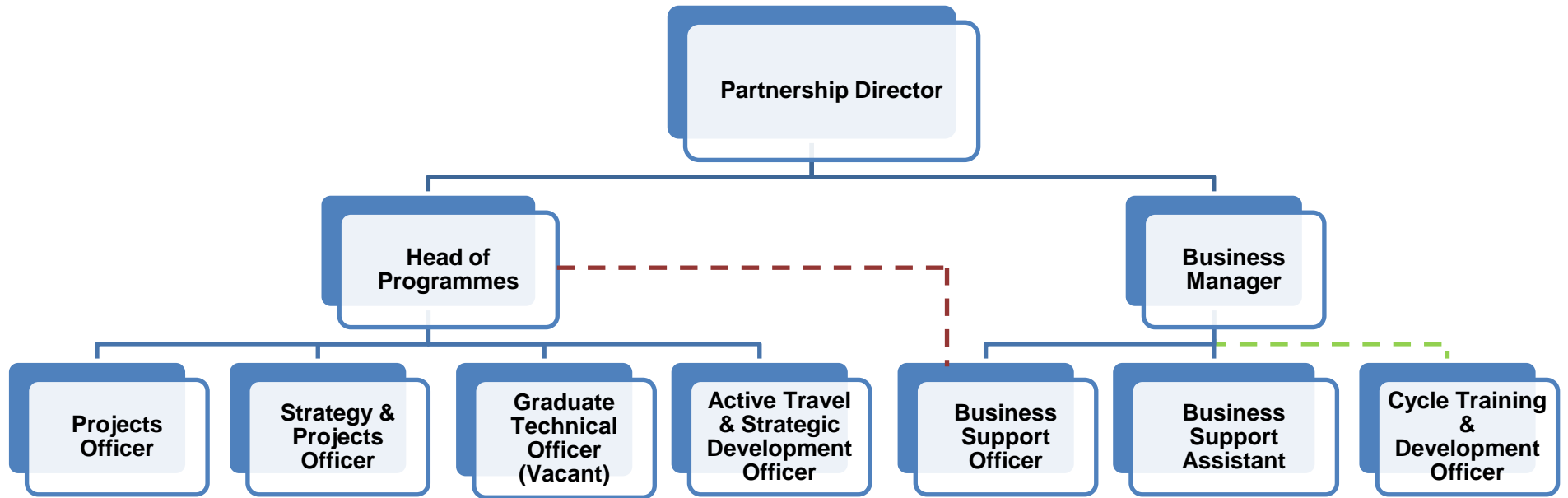
Support Provision – – –

External – – –

89

SEStran Equality Mainstreaming Report & Equality Outcomes 2017 – 2021

1. **BACKGROUND**

1.1 SEStran is a listed public body under the Equality Act 2010 and the Equality Act 2012 (Scotland) Specific Duties Regulations, and as such we have a duty to publish a biennial Equalities Mainstreaming Report and a new set of Equality Outcomes covering the period April 2017 – 2021 to enable us to better perform the equality duty.

1.2 The General Equality Duty requires public authorities, in the exercise of their functions, to have due regard to the need to:
   - Eliminate unlawful discrimination, harassment and victimisation and other conduct that is prohibited by the Equality Act 2010
   - Advance equality of opportunity between people who share a relevant protected characteristic and those who do not
   - Foster good relations between people who share a protected characteristic and those who do not.

1.3 The public sector equality duty covers the following protected characteristics: age, disability, gender, gender reassignment, sexual orientation, pregnancy and maternity, race and religion or belief.

1.4 The Specific Duties were introduced in 2012 and are intended to help listed authorities in their performance of the general equality duty.

2. **EQUALITIES MAINSTREAMING REPORT**

2.1 The specific duties require a listed authority to publish a report on the progress it has made in integrating the general equality duty to the exercise of its functions, so as to better perform that duty. These reports are to be published at intervals of no more than two years.

2.2 The Mainstreaming Report should include:
   - An annual breakdown of the information it has gathered under its duty to gather and use employee information, and
   - Details of the progress that has been made in gathering and using that information to enable it to better perform the general equality duty
   - The gender composition of members (or board of management) and report on the steps taken or intend to take towards ensuring diversity in relation to the protected characteristics of those members.

2.3 A draft Mainstreaming Report has been developed, and can be seen at appendix 1.

2.4 One of the requirements of the mainstreaming report duties is the requirement to publish the gender balance of the organisation's current Board

and show how this information will be used to develop a more diverse organisation. This has been done and is included within the Board Diversity Succession plan at item 16 on the agenda.

3. EQUALITY OUTCOMES 2017 – 2021

3.1 Equality Outcomes must be published every four years, the last set having been developed and published in 2013. There was therefore a need to review these outcomes and develop a new set to cover the period 2017 – 2021.

3.2 A review of the previous set of outcomes was carried out in autumn 2016. A clear result of this review was the need to focus on clearer outcomes, rather than actions/outputs. A number of the previous outcomes were based on the existing Regional Transport Strategy, developed in 2006/07 when SEStran had a considerable capital budget. In the course of subsequent years, this funding was removed from SEStran's control, reducing the capability of SEStran to directly influence delivery of many of the outcomes.

3.3 SEStran employees met several times over the autumn months to discuss the process of reviewing the set of outcomes and developing new outcomes. From these meetings a project plan and participation statement was developed to better enable the involvement of individuals and groups representing those with protected characteristics under the Equality Act to know how and when they can engage with shaping SEStran's Equality Outcomes. The participation statement was subsequently endorsed by the Equalities Forum on the 24th October.

3.4 As SEStran currently has a very specific remit to produce a Regional Transport Strategy, alongside our duties as an employer, two outcomes were developed on the following 2 strategic issues:
- An equitable, diverse and representative organisation
- A safe, accessible and equitable regional transport network.

3.5 SEStran officers recognise that the two areas of focus above do not cover all that we aspire to do on equality, but they focus on our main functions and duties. We recognise that there are other important issues in terms of equality, but these are within the duties of other public bodies. Clearly, if SEStran was in the future to receive further powers, functions and resources e.g. a move to a Model 3 RTP, we would seek to develop further relevant outcomes.

3.6 At the Partnership Board meeting of the 2nd December, the Board approved a 4-6 week consultation period on the Outcomes. This was issued on the 15th December and closed on the 17th January. Three responses were received and in the main outlined broad support or agreed on both Outcomes. The key requests were that there be a greater inclusion of learning disability groups and local groups along with a request to address information gaps for certain groups who couldn't access RTPI. The Equalities forum has an open membership but officers will seek to engage the types of groups outlined above and consider how to progress the request on RTPI.

3.7 The Equality Outcomes 2017 – 2021 were taken to the SEStran Equalities Forum on the 27th January for a final review. There were no further significant comments and the Forum agreed that the Outcomes were proportionate to the size of the organisation.

3.8 A draft report of the SEStran Equality Outcomes 2017 – 2021 has been prepared and is available at appendix 2.

4. CONCLUSIONS / RECOMMENDATIONS

4.1 The Committee are asked to:
1. Comment on the draft Equality Mainstreaming Report & Equality Outcomes Report; and
2. Recommend both reports for approval to the Partnership Board
3. Agree that moving forward the implication boxes that follow each report be amended from race, gender and disability implications to Equalities Implications to cover all protected characteristics as well as cover future implementation of a socio-economic duty.

Emily Whitters   George Eckton
Business Support Officer   **Partnership Director**
10th February 2017

Appendix 1 – Draft Equalities Mainstreaming Report

Appendix 2 – Draft Equalities Outcomes 2017 – 2021 Report

Policy Implications	As outlined above.
Financial Implications	N/A
Race Equalities Implications	As outlined above.
Gender Equalities Implications	As outlined above.
Disability Equalities Implications	As outlined above.
Climate Change Implications	N/A

SEStran Equalities Mainstreaming Report 2015 - 2017

Foreword / Corporate Commitment

SEStran recognise our ethical and statutory obligations to proactively promote equality, equity and diversity outcomes. Unfair treatment on the grounds of any protected characteristic or societal position cannot be justified, must be shown not to be justified and in doing so demonstrated clearly that it is taken seriously.

SEStran in our projects, priorities and policies will treat all employees and stakeholders with dignity, fairness and respect. Equality and Diversity are essential preconditions to all of our strategic objectives for the organisation, not just to the continuous improvement in our achievement of our Public Sector Equality Duties. Equality mainstreaming is a corporate aim for our decision-making, we need to consider and co-design the outcomes of actions for all groups, to seek to intervene at the earliest opportunity to prevent negative outcomes and sustainably resource actions and positive outcomes.

Through our Equalities Forums and other actions, SEStran is committed to bring all groups and particularly those currently marginalised into the core of the policy and project political decision making process.

SEStran values diversity, recognising the positive impact that people with different backgrounds, skills and attributes can bring to the delivery of actions. SEStran seeks to enable positive change to established methods leading to innovation and greater equality, equity and diversity. I recognise that colleagues, communities and co-design partners will have different needs, different strengths and different goals but we commit through the publication of our Equality Outcomes 2017-21 to welcome and embrace the continuing challenge to eliminate discrimination, advance equality and equity of opportunity where possible and foster good relations with all users of transport networks across the South-East of Scotland.

Since taking up post in June 2016 I have sought and will continue to provide personal leadership on the mainstreaming of equality, equity and diversity. The outcomes above are key tenants of the strategic priorities foreseen for SEStran in 2017-18 and beyond. Within the Business Plan 2017/18 we have outlined our aims to deliver a number of priorities, which in promoting will also promote equality and further embed within our structures equality as a core decision-making component of our work, in place from the start of any project influencing the structures we adopt for work, the behaviours we transmit to partners and the culture promoted within the organisation.

We will act to continuously mainstream positive equality, diversity and cohesion outcomes for the transport network of the South-East of Scotland.

George Eckton

G D Eckton

Partnership Director

About SEStran – Role & Function

SEStran is one of seven Regional Transport Partnerships (RTP's) in Scotland. Our partnership area includes 8 local authorities, including City of Edinburgh, East Lothian, Midlothian, West Lothian, Fife, Falkirk, Clackmannanshire and Scottish Borders. This covers an area of 3180sq miles and is home to 28% of Scotland's population. SEStran aims to develop a sustainable transportation system for the South East of 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. SEStran is a Model 1 RTP, as defined under the Transport (Scotland) Act 2005, with a main function to deliver a Regional Transport Strategy (RTS) for the area. SEStran's RTS is the cornerstone of our work, it lays out our vision for the strategic development of transport in South East Scotland up to 2028 and includes a particular focus on links to and from Edinburgh, as the economic hub of the region. SEStran is currently a small organisation with a total of eight staff.

Legal Context

The Public Sector Equality Duty came in to force in April 2011. The Equality Duty was created under the Equality Act 2010. The Equality Duty replaced the race, disability and gender equality duties. The Equality Duty was developed in order to harmonise the equality duties and to extend it across the protected characteristics. It consists of a general equality duty, supported by specific duties which are imposed by secondary legislation. Those subject to the equality duty must, in the exercise of their functions, have due regard to the need to:

- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act.
- Advance equality of opportunity between people who share a protected characteristic and those who do not.
- Foster good relations between people who share a protected characteristic and those who do not.

The Act explains that having due regard for advancing equality involves:

- Removing or minimising disadvantages suffered by people due to their protected characteristics.
- Taking steps to meet the needs of people from protected groups where these are different from the needs of other people.
- Encouraging people from protected groups to participate in public life or in other activities where their participation is disproportionately low.

The equality duty covers the nine protected characteristics: age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation. Public authorities also need to have due regard to the need to eliminate unlawful discrimination against someone because of their marriage or civil partnership status.

This report demonstrates our progress and continuous improvement action to regarding the exercising our functions and delivery of our Equality Duties.

Equality Outcomes

SEStran published a set of Equality Outcomes in 2013 to cover the period 2013 – 2017.[1] These outcomes were reviewed as part of the development of the new set of Equality Outcomes and officers found that the Outcomes were disproportionate to the size of the organisation and many of them were actions/outputs rather than deliverable outcomes. As a result of this review, officers developed two outcomes to cover the main functions of the organisation both in our duties as an Employer and in our remit to produce a Regional Transport Strategy (RTS). The Equality Outcomes 2017 – 2021 can be seen in full in the separate SEStran Equality outcomes 2017 – 2021 report.

How we seek to Mainstream equality

Over the period 2015 – 2017, SEStran have sought to mainstream Equality in to our core functions in several ways, as outlined below.

1. **How we assess impact on equality**
   In the spirit of the Equality Duties, we seek to involve and inform equality groups right from the start of discussions of proposals, policies or projects, progressing on to a more structured assessment in any subsequent stages. For example, in our current discussions on a move to a Model 3 authority, we asked Professor Rye, as part of the remit of his report, to assess equality groups impact and intersectionality. We aim to operate a proportional approach to the specific duties dependent on the scale of the progress, and if a policy/proposal/project progressed we would undertake a more formal equality impact assessment (EQIA) at present as an appropriate mechanism to asses continuing impact of proposals. We have the relevant impacts front and centre in any policy development and decision making.

   SEStran is very clear we need to ensure the needs of people are taken in to account during the development and implementation of a new policy or service or when a change is made to a current policy or service. Whilst there isn't a hard and fast rule of EQIA, we are seeking to develop and inform our projects in a spirit of co-design.

2. **How our relevant policies e.g. public procurement, HR address equality**
   SEStran have endeavoured to mainstream the equalities duty in to all relevant policies and procedures. The Corporate Procurement Policy was updated in September 2016[2] and takes account of the Scottish Government's Public Services Reform Agenda and the subsequent Procurement Reform (Scotland) Act 2014 and the associated Public Contracts (Scotland) Regulations 2015.

---

[1] LINK TO EQUALITY OUTCOMES 2013 – 2017 REVIEW DOCUMENT
[2] http://www.sestran.gov.uk/uploads/SEStran_CorporateProcurementPolicy_FINAL_Sep_16.pdf

There are several principles that govern this policy, including "Consider how procurement can improve the economic, social and environmental wellbeing of the SEStran area with particular reference to reducing inequality in the SEStran area, facilitate the involvement of small and medium enterprises, third sector bodies and supported business, and promote innovation." & "Demonstrate through the procurement process that SEStran has given due regard to whether the award criteria and conditions relating to the performance of a relevant contract should include consideration to enable it to better perform its equality duty."

Equality and diversity is a fundamental principle in all HR policies and procedures which are actively promoted in SEStran. All policies are compliant with the Equality Act 2010 and seek to promote an inclusive and accessible workplace. In September 2016 SEStran rolled out a flexitime scheme to staff within a revised Flexible Working Policy in order to assist staff in balancing their work and home life.

SEStran have consulted with outside organisations on how to make our recruitment process as accessible as possible in attracting a diverse range of candidates, both in the application process and in the advertising of posts to reach a wide audience. The selection process emphasises individual skills, abilities and experience necessary for any role. We also carry out equality monitoring on the recruitment and selection process through the use of questionnaires.

3. **Thistle Card & App**
   SEStran has, since 2011, run the Thistle Card scheme. This has been an extremely successful scheme that aims to give disabled and elderly transport users more confidence in using public transport. Between 2015-2017, 2201 Thistle Cards were distributed. This has been a significant reduction since the Card was introduced in 2011 where 25,000 cards were distributed, however this can be attributed to perhaps having reached saturation. However, SEStran will seek to continue to promote the Card. SEStran also made the decision to make the design freely available for the Thistle Card in order that it could be easily used in other areas of Scotland. In early 2017 another RTP launched the Card in their area, allowing more people to utilise the Card and increasing accessibility to public transport across Scotland.

   In 2016 SEStran developed a Thistle Card App, designed to replicate the original card. The app is not a replacement for the Card, but seeks to increase use and awareness of the Thistle Card Scheme. The app is free to download and SEStran are in discussions with developers to further the potential of the app. By promoting the use of the Thistle Card & App, SEStran look to reduce barriers to accessing public transport for all and promote social inclusion for those who have no other means of transport.

4. Equate Scotland Placement

SEStran will seek to address the gender imbalance currently in STEM subjects in Scotland by working with Equate Scotland to take positive action in employing a female student for a summer placement.

5. Equalities Forum

SEStran holds an Equalities Forum which has met 3-4 times a year, involving local equalities groups, to discuss the work that SEStran is doing and how it operators, to get feedback and suggestions on how we can usefully improve on equalities issues. This Forum is an important way for SEStran to co-design on all projects and policies and gain input from individuals with protected characteristics or from groups representing the interests of those with protected characteristics. In this way we seek to mainstream Equalities in to the work of the Partnership. Further, SEStran is undertaking to reinvigorate the membership of the Forum in order to engage with as wide a range of people and groups as possible.

6. Disability Confident Scheme

SEStran are signed up to the Disability Confident scheme in a clear commitment to ensure that disabled people and those with long term health conditions have the opportunities to fulfil their potential and realise their aspirations.

- Ensure our recruitment process is inclusive and accessible
- Communicate and promote vacancies
- Offer an interview to disabled people
- Anticipate and provide reasonable adjustments as required
- Support any existing employee who acquires a disability or long term health condition, enabling them to stay in work
- At least one activity that will make a difference for disabled people.

7. Job Evaluation

Job evaluation is a systematic and transparent mechanism of determining an equitable and fair value of a job in relation to other jobs within the same or similar organisation. It tries to undertake an equitable and impartial approach to establishing an evidence and competency based pay structure. This was seen as fundamental to addressing the issues of SEStran as an employer.

The job evaluation is progressing with grading being carried out by colleagues at Falkirk Council. The process has sought to address some issues of historical responsibilities allocation and also provide a grading structure that seeks to enable progression which have accumulated since the original structure was put in place in 2007. It is seeking to report by the end of April 2017.

8. Board Diversity

SEStran is committed to making progress on improving the diversity of our Board to encourage new and innovative thinking and maximise use of talent, leading to better decision making and governance. The current gender balance of the Board is XX/XX, as surveyed by Scottish Government. While the majority of the SEStran Partnership Board is made up of elected members, we will seek to influence the gender balance of our non-elected members through signing the voluntary One Scotland 50/50 pledge, as endorsed by the Equalities Forum, and by undertaking an inclusive application process when the next term for non-councillor members begins in 2018. In order to fully develop Board Diversity, we have produced a Board Diversity Succession Plan, published in conjunction with this report that lays out in full the process we will take in order to deliver a more diverse Board.

9. CIHT Charter

SEStran have further demonstrated a commitment to the diversity and inclusion agenda by signing the Chartered Institute of Highways & Transportation (CIHT) diversity and inclusion charter. Through this Charter we will:

- Strive to achieve best practice in our recruitment, retention and career progression practices as employers
- Support the development of good diversity and inclusion practice by collecting and sharing examples of practical activities that contribute to progress with CIHT and other signatories
- Assign responsibility for meeting our Charter Commitments to a named, senior level individual.
- Work together to develop and adopt future protocols and practice that support the implementation of the aims of this Charter.
- Recognise, respect, capitalise and celebrate contributions from different people to strengthen team performance
- Display the CIHT diversity and inclusion logo to publically demonstrate our commitment to this agenda.

Employee Data

SEStran have collected staff data but due to the small numbers of staff we are not required to publish the data for data protection. SEStran will use the collected data to better understand the workforce profile, enabling us to identify areas of improvement and eliminate any adverse impact on equality. It will allow the targeting of support for areas of under-representation within the workforce, enable us to take positive action and produce a longitudinal term dataset to inform long-term workforce planning and assess our current policies and procedures. To be effective in assessing equality data we rely on data from staff to undertake the widest possible analysis and we will strive to increase response rates over the period of 2017-2021. SEStran is committed to effective monitoring of equality impact data for our workforce, as a

clear sign to all that we are committed to equality and supporting a diverse workforce, in line with our Public Sector Equality duties.

Statement on Equal Pay & Gender Pay Gap

The gender pay gap at SEStran over 15/16 – 16/17 was 58%. This gap is based on the percentage difference between men's average hourly basic pay on a full time equivalent basis and women's. Overtime and other allowances have been excluded from this calculation. In 15/16 the staff makeup was 57% female and 43% male and the gender pay gap was 52%. In 16/17 the gender balance was 58% female and 42% male and the pay gap was 62%.

As a smaller organisation SEStran has no requirement to publish our Gender Pay Gap but wish to demonstrate a commitment to the principles of the Public Sector Equality Duty.

At SEStran there is no discrimination in terms of equal pay for work of equal value. However, there remains a pay gap resulting from the fact that the two most senior positions are occupied by men. In terms of occupation segregation, it is noted that there are proportionately more female than male staff.

SEStran is committed to providing a flexible working culture. There are a range of policies which enable staff with other responsibilities to work flexibly.

Performance Reporting

SEStran will publish a review in April 2019 on the progress of implementing the new set of Equality Outcomes.

We will also continue to monitor all Partnership Board reports for any implications arising from them that may affect any equalities issues.

The SEStran Business Plan for 16/17 will incorporate the Equalities Duty directly with one of our strategic priorities for the year to be to Meet the Public Sector Equality Duties and become a more inclusive organisation.

Identification of Responsible Officers

Emily Whitters – Business Support Officer

Angela Chambers – Business Support Manager

George Eckton – Partnership Director

SEStran Equality Outcomes 2017 - 2021

Foreword

Equality, Equity and Diversity are positive outcomes for all and fundamental tenants of any organisations corporate planning.

- Equality in terms of the state of everyone being equal and having equal status, rights or opportunities

- Equity in terms of the fairness and impartial aspects of the outcomes we seek

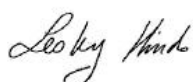- Diversity is a strength, it avoids a uniformity of view and brings welcome challenge.

As Chair of SEStran since July 2016 I've been keen to challenge and support officers to continuously improve the implementation of our previous Equality Outcomes and the co-design of our new Equality Outcomes for the next 4 years. The document outlines where as a small public body [less than 10 full-time employees] we have sought and will continue to seek to continuously improve our processes, policies and projects to address the need to eliminate discrimination, foster good relations and enhance opportunity.

I've chaired and lead our Board Diversity Working Group and the Board in March outlined a desire to set up a Succession Planning Committee groups, working with our Equalities Forum and Changing the Chemistry amongst others to offer Board observing opportunities, which also contributes to our commitment to the Department of Work and Pensions Disability Confident scheme this year. I've also encouraged officers to work with Equate Scotland to deliver positive action to under-represented groups in the STEM sector of the economy and we have sought to continue to innovate around the delivery of the Thistle Card for those travelling with disabilities. I've also challenged officers despite not required to do so, to calculate our Gender Pay Gap and seek to use it as a mechanism alongside employee data in the consideration of equality and diversity workforce planning.

I've been keen to emphasise that this process is an integral and integrated part of the wider corporate planning process and included as a key priority in SEStran's Business Plan. There are clear key performance indicators and targets included in our work plan. Whilst I will not be in post for the delivery of the outcomes, I will watch with interest as I hope my successor as Chair can continue to foster, encourage and challenge SEStran and its partners to continuously delivery improvement in the Equality Outcomes until 2021 and beyond.

The journey to equality for many groups has been one long upward struggle for equality. I want SEStran as a transport partnership and public body to play its part, albeit small, in making the journey from here, challenging of the past processes and continue to seek with the resources available the destination of equality for all.

Cllr Lesley Hinds

Chair of SEStran

Background

SEStran is one of seven Regional Transport Partnership (RTPs) in Scotland. Our partnership area includes 8 local authorities, including City of Edinburgh, East Lothian, Midlothian, West Lothian, Fife, Falkirk, Clackmannanshire and Scottish Borders. This covers an area of 3180sq miles and is home to 28% of Scotland's population. SEStran is a Model 1 RTP, as defined under the Transport (Scotland) Act 2005, with a main function to deliver a Regional Transport Strategy (RTS) for the area. SEStran's RTS is the cornerstone of our work, it lays out our vision for the strategic development of transport in South East Scotland up to 2028 and includes a particular focus on links to and from Edinburgh, as the economic hub of the region. SEStran aims to develop a sustainable transportation system for the South East of 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.

Engagement

Other Relevant Equality Evidence

In order to develop our Equality Outcomes, we have undertaken an engagement process with staff and stakeholders through the SEStran Equality Forum, along with a public consultation. This process has informed our Equality Outcomes but will also enable us to better understand the needs of all stakeholders and will assist us in the development of policy and delivery of projects.

We used a range of methods to involve and engage our staff and stakeholders as detailed below:

When developing the Equality Outcomes 2017 – 2021, SEStran considered a wide range of evidence relating to the nine protected characteristics. This desk research was taken to the SEStran Equalities Forum in order to assist us in identifying groups which are currently under –represented in the Forum Membership. SEStran have since sought to increase the membership of the Forum and will continue to seek to foster good relations between the identified groups and the regional transport network issues.

Research

The 2011 census showed that Scotland has an estimated population of 5,295,403 people, the highest ever population with a rise of 4.6% since 2001[1]. The SEStran region comprises the local authority areas of City of Edinburgh, Fife, Falkirk, Clackmannanshire, Scottish Borders, East Lothian, Midlothian and West Lothian. The total estimated population of the SEStran area is 1,521,148 people. The population of Scotland is projected to grow further[2], and both East Lothian and City of Edinburgh have been subject to large population increases from 2005 – 2015, by 11.1% and 11% respectively[3].

Age

---

[1] http://www.scotlandscensus.gov.uk/ods-web/area.html
[2] http://www.scotlandscensus.gov.uk/ods-web/area.html
[3] http://www.scotlandscensus.gov.uk/ods-web/area.html

While the population of Scotland is growing, it is also an aging population with an increase of 17% in the number of people aged 75 and over and 18% in the 60-74 age group[4]. In the SEStran area 16.1% of the population is aged 65 years and older, 66.6% is aged between 16 – 64 years old and 17.3% is under 16 years old.

The Scottish Health Survey published most recently in 2015, shows that as people age they are less likely to describe their health as "very good" or "good"[5]. A number of health problems have been identified that may affect elderly people's ability to use varying transport options, which could also come under the disability protected characteristic such as:

- Limited mobility
- Visual impairments
- Hearing conditions

Disability

Within the SEStran area, 29.3% of the population is affected by a long term health condition or disability which impacts on their daily activities. The Scottish Government has collated data that states that adults with a disability or long-term illness were more likely to use a local bus service than those with no disability or long-term illness. In 2015, 50.4% of adults who had a long term health condition or disability had used a bus service in the previous month compared to 49.3% of adults who had no long term health condition or disability[6].

- 1.6% of the adult population has a long-standing illness, health problem or disability that meant they find using a car difficult to manage on their own.
- 4.7% of the adult population had a long-standing illness, health problem or disability that meant they find using a bus difficult to manage on their own.
- 3.6% of the adult population had a long-standing illness, health problem or disability that meant they find using a train difficult to manage on their own.[7]

The bus industry has in recent years become far more accessible with 94% of buses being accessible or having a low floor in 2014/15, up from 33% in 2004/5.

Race

The proportion of black and ethnic minority people living in the SEStran area is 4.02%, with a higher proportion in the City of Edinburgh of 8.3%. Indian, Pakistani and Chinese households were most likely to have access to a car. African households were least likely to have access to a car. At the time of the 2011 census, three quarters of households in Scotland had access to a car or van. The proportion was over 80% for Pakistani and White: Other British households and lowest (47%) for African households. Pakistani households were most likely to have access to three or more cars; 20% of Pakistani households had three or more cars, compared to a Scottish average of 9%.

---

[4] https://www.nrscotland.gov.uk/files/statistics/high-level-summary/j11198/j1119802.htm
[5] http://www.gov.scot/Topics/Statistics/Browse/Health/scottish-health-survey
[6] http://www.gov.scot/Topics/People/Equality/Equalities/TransportTravel
[7] Transport Scotland, Transport & Travel in Scotland 2011

Religion or Belief

In the 2011 census, 56.3% of the Scottish population reporting currently having a religion. 36.7% of the Scottish population reporting having no religion. Within the SEStran area 49.9% of people reported having a religion and 43.2% reporting having no religion. Sikhs had the highest car access with the majority (52%) having access to two or more cars or vans. Hindus had the lowest car access, with over two fifths (42%) living in households with no access to a car or van.

Sex

In 2011 the gender balance across Scotland was recorded as 51.5% female and 48.5% male. The gender balance across the SEStran area was broadly the same.

As stated in the Transport and Travel in Scotland study 2015, women are more likely to use public transport than men. 49% of women had used the bus in the last month compared to only 42% of men. 13% of women used the bus everyday compared to 11% of men. 8% of men and 31% of women had used the train within the past month.

Sexual Orientation

The Scottish Household Survey introduced a question on sexual orientation in 2011 as one of their core questions. In 2015 98.1% of respondents identified themselves as heterosexual, 0.8% as gay/lesbian, 0.2% as bisexual and 0.2% as other.[8] 16% LGBT people say they have experienced poor treatment because of their sexual orientation or gender identity when accessing a public service in the last three years[9]

Gender Reassignment

There is currently no formal monitoring to collect information on gender identity through the census or Scottish Household Survey.

Pregnancy & Maternity

There is limited available quantitative evidence on use of transport with regard to those on maternity leave, or those caring for children. Within the SEStran area, Lothian Buses are a major provider of bus travel. As of December 2011, buses with buggy space make up around 40% of the Lothian Bus fleet[10].

Staff Engagement

One of the first suggestions from guidance is the need to involve staff with the process of developing Equality Outcomes. SEStran employees met several times during 2016 to discuss the process of reviewing the set of outcomes and developing

---

[8] http://www.gov.scot/Resource/0050/00506173.pdf
[9] http://www.stonewallscotland.org.uk/sites/default/files/ysys_report__lgbt_2014.pdf p.4
[10] https://lothianbuses.co.uk/assets/files/Accessibility_Review.pdf

new outcomes. From these meetings a project plan and participation statement was developed to better enable the involvement of individuals and groups representing those with protected characteristics, under the Equality Act, to know how and when they could engage in shaping SEStran's Equality Outcomes.

Stakeholder Engagement

At each stage of the development of the SEStran Equality Outcomes, SEStran took a paper to our Equality Forum to invite their help in developing the Equality Outcomes. The SEStran Equality Forum consists of a wide range of people including service users with protected characteristics and those from groups representing protected characteristics. Staff also undertook individual meetings with various individuals representing equalities expertise or groups representing protected characteristics. Further, SEStran undertook a 4 week consultation on the draft Outcomes to engage with as wide a range of people and organisations as possible.

Outcomes

Our Equality Outcomes for 2017 – 2021 are:

Outcome 1: An Equitable, Diverse and Representative Organisation

Outcome 2: A Safe, Accessible and Equitable Regional Transport Network

1. An Equitable, Diverse and Representative Organisation

SEStran is committed to creating a culture in which diversity and equality of opportunity are promoted actively, discrimination is eliminated and good relations are fostered amongst all staff, members and stakeholders.

SEStran seeks to increase the diversity in the nature of its members who they represent and the workforce of the organisation. We recognise that we need to evaluate both the current monitoring of the diversity of our workforce and governance, and are committed to activity and plans to achieve these outcomes over the next 4 years. SEStran has conducted staff monitoring but due to the small size of the organisation are not obligated to publish these figures. SEStran will use the collected data to better understand the workforce profile, enabling us to identify areas of improvement and eliminate any adverse impact on equality. It will allow the targeting of support for areas of under-representation within the workforce, enable us to take positive action and produce a longitudinal term dataset to inform long-term workforce planning and assess our current policies and procedures. To be effective in assessing equality data we rely on data from staff to undertake the widest possible analysis and we will strive to increase response rates over the period of 2017 – 2021. SEStran is committed to effective monitoring of equality impact data for our workforce, as a clear sign to all that we are committed to equality and supporting a diverse workforce, in line with our Public Sector Equality Duties.

SEStran's commitment to improving the diversity of our workforce is constrained by the wider public sector financial situation at present, which means increasing diversity solely through recruitment will be limited and we are also constrained by the current legislative context at time of issuing these outcomes around governance

diversity. However, we will seek to take all possible steps to enhance opportunities within the current policy and parliamentary legislation context over the next 4 years. SEStran has committed to undertake positive action with Equate Scotland over the summer of 2017 to address the wider under-representations in gender terms with the Science, Technology, Engineering and Mathematics (STEM) sector, but also recognises our wider public duties to the wider workforce of Scotland.

This will build on the existing commitment made by the SEStran Partnership Board in Summer 2016 to set up a Board Diversity Working Group to address issues of under-representation as far as possible, committing to producing a Board Diversity Succession Plan. The Board Diversity Working Group will now evolve in to a Succession Planning Committee in order to deliver the outputs of the SEStran Board Succession Plan. While SEStran will seek to influence the advancement of equality of representation on our Board, there is a legislative recognition that over two-thirds of our Board are elected members appointed by constituent councils. Therefore this will depend to a large extent on the diversity of members appointed by constituent councils and the impacts of the proposed Gender Balance Bill for Parliament in 2016/17 on the requirement for public bodies such as SEStran to seek to improve the diversity of its Board through the appointment of non-councillor members by April 2018.

Equality Outcome 1	**An Equitable, Diverse and Representative Organisation**
Activity / Plans	Employee information should be collected with an 80% response rate across all characteristics by 2019 and 100% response rate by 2021.
	Undertake awareness raising of SEStran as an employer and use positive action as appropriate to address under-representation within certain areas.
	Develop a plan for moving towards a more representative workforce and Board by 2021.
	Work with our stakeholders to ensure that a wide range of applicants are encouraged to apply for non-councillor member appointments using a variety of mechanisms, including application support and other positive action initiatives.
	Monitor and review our promotion, training and progression opportunities to ensure they are fair and transparent for workforce and Board members.
	Work with staff networks to ensure that staff are able to work in a supportive and inclusive environment

where they feel safe and respected through the delivery of relevant policies and procedures.

Measuring Progress	Employee data, disaggregated by protected characteristic.
	Annual employee survey responses provided by staff across protected characteristics on an annual basis.
	Regular survey of diversity of Board members in line with 2016 Equality Act regulations.
	Calculate a non-statutory analysis of SEStran's gender pay gap.
	Qualitative feedback mechanisms on staff experience and training and development policy monitoring.
Public Sector Equality Duty	Eliminate discrimination
	Advance Equality of Opportunity
	Foster good relations
Protected characteristics	Age
	Disability
	Gender Reassignment
	Race
	Religion or Belief
	Sex
	Sexual Orientation
	Marriage & Civil Partnership
	Pregnancy & Maternity

2. A Safe, Accessible and Equitable Regional Transport Network

SEStran is committed to producing a delivery strategy that seeks to make transport easier to use for all by promoting measures to further improve the safety, accessibility and equity of the transport network across the South-East of Scotland.

The journeys which take place across the transport network within the region, start in the planning/decision stage of an individual citizen or business choosing which method of transport to utilise for their travel. These types of journeys should be fully accessible to all, and particularly those who share a protected characteristic. There is evidence that shows that issues such as lack of support, comfort and safety when travelling or lack of availability of suitable forms of transport may mean that some users with protected characteristics are unable to make these journeys.

A contributing factor to this is that transport users can sometimes be unaware of the level of accessible travel information provided or where to find it.

In 2011, SEStran launched the Thistle Assistance Card to make it easier for older and disabled people to use public transport. The initial idea was raised by the SEStran Equality Forum following the demise of the nationally funded assistance card by Enable Scotland. Forum Members believed that the card was essential for helping people with all types of disability to access and use public transport. Since its launch SEStran has distributed around 45,000 cards and the design has been adopted by other Regional Transport Partnerships making it a nationally recognised card.

Safety and security can also be a concern for young and older people, women and certain BAME people, more so than other groups. There can be a fear of crime particularly when travelling alone on certain modes/routes of transport, particularly in terms of antisocial behaviour or sexual harassment of women on public transport and/or hate crime towards other groups. This can affect the frequency of travel for these groups and curtail their mobility. There is also the difference in road safety outcomes especially for children / young people or older people in terms of greater likelihood for negative outcomes in road use. There are a number of protected characteristics shared by those who experience or are most vulnerable to serious incidents on roads.

Equality Outcome 2.	**Safe, Accessible and Equitable Regional Transport Network**
Activity / Plans	Continue to roll out Real Time Passenger Information system to increase users confidence of using the bus at certain times.
	Undertake a full Equality Impact Assessment for the renewal of the Regional Transport Strategy during 2017 – 2021.
	Continue and extend engagement to groups with or

representing groups who have/share a protected characteristic. It has been identified through officer research and engagement with the Equalities Forum that certain groups are under-represented currently within the Forum. SEStran will seek to address this.

Seek to influence national strategy and policy of key partners on the issue of safety, accessibility and equity for all users of transport during 2017 – 2021.

Work with our stakeholders to ensure that equality advances through the work of a range of partners within the SEStran area and act as an advocate for equality issues across all transport modes.

Monitor and review existing equality actions to see if further advances promoting opportunity can be undertaken through further developments of existing projects.

Measuring Progress

Conduct passenger surveys on bus networks to analyse perceptions of accessibility, safety and security.

Qualitative feedback from protected characteristics groups via the SEStran Equality Forum.

User satisfaction surveys and general feedback on the delivery of projects such as the Thistle Card and App.

Public Sector Equality Duty

Eliminate Discrimination

Advance Equality of Opportunity

Foster good relations

Protected Characteristics

Age

Disability

Gender Reassignment

Race

Religion or Belief

Sex

Sexual Orientation

Marriage & Civil Partnership

Pregnancy and Maternity

1. BACKGROUND

1.1 The Scottish Government published a consultation on the draft Gender Representation on Public Boards (Scotland) Bill on the 5th January 2017. The consultation closes on the 17th March. This was made as a key commitment in the Scottish Government's Programme for Government 2016-17. [1]

1.2 Using new competence transferred to the Scottish Parliament through the Scotland Act 2016, the Bill will require positive action to be taken to: redress gender imbalances on public sector Boards. The purpose of the consultation is to seek views on the practical application of the Bill's provisions and to offer consultees an opportunity to offer views on how the Bill might be strengthened.

1.3 The Scottish Government have set out a clear objective to progress to having gender balanced public boards. As laid out in the consultation paper, women make up 35% of members of the Scottish Parliament, 29% of members of the House of Commons, 24% of local government councillors in Scotland and 26.1% of FTSE 100 boards. However, there have been advances made. In 2015, for the first time, Scottish Ministers appointed more women than men to regulated public boards at 53.6%, helping to bring the overall percentage of women to a historic high of 42%.

1.4 Scottish Government make a recognition that candidates will still have to demonstrate the relevant qualifications, skills, knowledge and experience that the Board requires.

2. CONSULTATION OVERVIEW

2.1 The Gender Representation Objective of the Bill is that a public board has:

(a) 50% of non-executive members who are female or who identify as female, and
(b) 50% of non-executive members who are male or who identify as male.

Where there is an odd number of non-executive members, the requirement for 50/50 applies as if the board had one fewer non-executive member. No action is required in relation to executive members and there are also certain other members of boards excluded by virtue of being elected to the board.

2.2 There is also a tie-breaker provision included within the bill. Where there are two or more equally qualified candidates for an appointment, the appointing person must appoint a candidate of the under-represented sex unless there are exceptional circumstances which tip the balance in favour of another candidate.

---

[1] http://www.gov.scot/Resource/0051/00512727.pdf

2.3 Further, the Bill places a duty on all appointing persons and listed public authorities to take steps, as appropriate, to encourage persons of the under-represented gender to apply to become a member of a public body.

2.4 There are a total of 11 questions asked in the consultation, although there is no requirement to answer all questions. A list of these questions is included in appendix 1.

2.5 Two of the questions seek views on the impact of the draft Bill on equality groups, and the business and financial impacts. Responses to these questions will support the development of an Equality Impact Assessment and a Business Regulatory Impact Assessment.

3. INCLUSION IN THE BILL

3.1 The consultation paper states that only bodies that are "Scottish public authorities with mixed functions or no reserved functions" are covered by the Bill. The Bill does not therefore cover private companies or voluntary organisations. Listed bodies are included at Schedule 1. [2]

3.2 Regional Transport Partnerships are not currently included in the Schedule. SEStran have had correspondence with the Scottish Government Equality Unit and they have advised that it was not an unintentional omission and they would be happy to receive representations from SEStran and other RTPs as to why we should be included within the provisions of the Bill.

3.3 While SEStran are not currently included in the Bill, we would still wish to demonstrate our commitment to the principles laid out in the draft Bill, and would therefore consider signing the Scottish Government 5050 by 2020 pledge. This is a voluntary commitment for organisations to work towards gender balance on their boards by 2020. [3] This proposal was taken to the Equalities & Access to Healthcare Forum, where they supported SEStran in making this commitment. We would further welcome the support of the P&A committee prior to Board approval.

4. RESPONSE

4.1 SEStran will be responding to the consultation, which closes on the 17th March 2017. The main points of the response will include:
- The exclusion of RTPs in Schedule 1. Under the Public Sector Equality Duty, SEStran have a requirement to produce a Board Diversity Succession Plan and to publish the gender balance of the Board. It would therefore seem that without the legislative support of the Bill, it may be more difficult to implement the requirements of the Board Diversity Succession Plan.
- The Bill makes no provision within it for those who identify as a non-binary gender. The Bill is therefore not future proofed given the

---

[2] http://www.gov.scot/Resource/0051/00512727.pdf pg. 16
[3] http://onescotland.org/equality-themes/5050-by-2020/

Scottish Government pledge to reform gender recognition law in 2016.
- SEStran will query if there is an option Public Bodies, who have Boards with the majority being elected members, to use all non-executive positions to achieve wider Board balance.

5. RECOMMENDATIONS

5.1 The Committee are asked to:
1. Comment on the consultation on the Draft Gender Representation on Public Boards (Scotland) Bill
2. Recommend and support SEStran in signing up to the 5050 by 2020 pledge.

George Eckton   Emily Whitters
Partnership Director   **Business Support Officer**
10th February 2017

Appendix 1 – Consultation Questions

Scottish Government Consultation on the Draft Gender Representation on Public Boards (Scotland) Bill – Consultation Questions

1. What, if any, comments would you make in relation to section 1 [Gender representation objective] of the draft Bill?

2. What, if any, comments would you make in relation to section 2 [Key definitions] of the draft Bill?

3. What, if any, comments would you make in relation to section 3 [Duty when appointing non-executive members] of the draft Bill?

4. What, if any, comments would you make in section 4 [Consideration of candidates] of the draft Bill?

5. What, if any, comments would you make in relation section 5 [Encouragement of applications] of the draft Bill?

6. What if any, comments would you make in relation to Schedule 2 (introduced by section 7) [Application of Act to Certain Listed Authorities] of the draft Bill?

7. What, if any, comments would you make in relation to Schedule 1 (introduced by section 2) [Listed Authorities] of the draft Bill?

8. The draft Bill does not specify any requirement for reporting. Do you have any comments on reporting arrangements under the legislation, including timescales, location and content of reports?

9. Do you have any comments on the draft Bill, not already expressed in response to previous questions, including on how the Bill could be strengthened to deliver Minister's stated objective of gender balanced public boards?

10. To help with the development of our Equality Impact Assessment, please provide any comments on the impact of the draft Bill on people who share certain protected characteristics: age, disability, sex, gender reassignment, sexual orientation, race and religion or belief; or any further information you think is relevant.

11. To help with the development of our Business Regulatory Impact Assessment, please provide any comments on the costs and benefits of the draft Bill, or any further information you think is relevant.

Board Diversity Succession Plan

1.	**INTRODUCTION**
1.1	The report provides an update of progress with a final Board Diversity Succession Plan for SEStran, required under the 2016 Scotland Regulations of the Equality Act.
2.	**Background**
2.1	The Equality Act 2010 (Specific Duties) (Scotland) Amendment Regulations 2016, Regulation 6A specifically repeated below, require listed public authorities with appointed Board members to use information about their Board's Diversity to better perform the Public Sector Equality Duty (PSED). However, at present Scottish Government have yet to our knowledge survey members of Public Boards in Scotland.
	"Use of member information *6A.—(1) The Scottish Ministers must from time to time take steps to—* *(a)gather information on the relevant protected characteristics of members of a listed authority; and* *(b)provide information gathered by them to the listed authority in question.* *(2) A listed authority in receipt of information provided to it under paragraph (1) must use the information to better perform the equality duty.* *(3) Each relevant listed authority is to include in any report published by it in accordance with regulation 3 details of—* *(a)the number of men and of women who have been members of the authority during the period covered by the report; and* *(b)the way in which—* *(i)the information provided to it under paragraph (1) has been used; and* *(ii)the authority proposes to use the information,* *in taking steps towards there being diversity amongst the authority's members so far as relevant protected characteristics are concerned.*
2.2	SEStran is a listed public authority and we are expected as part of our mainstreaming reports to detail the steps we plan to take across all relevant protected characteristics to promote member diversity. However, other than numbers of men and women as members of the authority, we do not have a duty to publish any other information on protected characteristics within the mainstreaming report.
2.3	Members should be aware that whilst we have a duty under the 2016 regulations we have not been initially included as a relevant public body in

	the draft Gender Balance on Public Boards bill highlighted in Item xx on this agenda. The final plan will be published alongside our mainstreaming report 2015-17 and Equality Outcomes 2017-2021 detailed in Item xx on this agenda. Sestran is clear that under present legislation the majority of actions on the issue of board diversity can for legal reasons only be applied to non-councillor board members, as not quota or other barrier can at present be placed on nominated councillor members from constituent councils.
2.4	The Scottish Government in January 2017 published guidance[1] on Succession Planning for Public Body Board and the appended Plan has been developed in line with this and other published guidance, to better achieve our PSED and also the associated purpose of delivering highly effective and diverse Boards. In doing so, the Plan has sought to balance two distinct but related concepts of Diversity: • Member's Skills, experience, knowledge and other relevant attributes such as personal values; and • Diversity of members in relation to their protected characteristics as defined by the Equality Act 2010: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief; sex and sexual orientation.
2.5	The guidance highlights that Boards may wish to consider establishing a dedicated Succession Planning Committee to evaluate the existing skills of Board members and those that will be needed in future. The Scottish Government guidance highlights the importance of any such Committee operating in a fair and transparent manner so that it enables the delivery of an effective, diverse Board as its central purpose so as not to reinforce the status quo. The Board in June 2016 agreed to the establishment of a Board Diversity Working Group and it is proposed that an annual or biennial Succession Planning Committee would be a logical extension of that to demonstrate the commitment of SEStran to our PSED requirements.
3.	**CONCLUSION/RECOMMENDATIONS**
3.1	The Committee as requested to agree to recommend to the Board that: • Agree and Comment upon the Board Diversity Succession Plan agreed that SEStran should commit to a transparent, inclusive and outreaching process of appointment of new Non-Councillor Board members in 2018. • SEStran set up transition from a Board Diversity Working Group, to set up a Succession Planning Committee which should meet annually; • Note that the Scottish Government have still survey member of Public Boards and an update will be provided at the meeting.

George Eckton
Partnership Director

---

[1] http://www.gov.scot/Resource/0051/00513554.pdf

10th February 2017

Appendix 1 – Draft Terms of Reference for a SEStran Succession Planning Committee

Appendix 2 – Board Diversity Succession Plan

Policy Implications	In line with the agreed SEStran Equality and Diversity policy.
Financial Implications	None
Race Equalities Implications	The Plan seeks to remove of minimise disadvantage, takes steps to meet the needs of people from protected groups and encourages people from protected groups to participate in public life.
Gender Equalities Implications	The Plan seeks to remove of minimise disadvantage, takes steps to meet the needs of people from protected groups and encourages people from protected groups to participate in public life.
Disability Equalities Implications	The Plan seeks to remove of minimise disadvantage, takes steps to meet the needs of people from protected groups and encourages people from protected groups to participate in public life.
Climate Change Implications	None

Draft Terms of Reference for a SEStran Succession Planning Committee

Terms of reference for the Succession Planning Committee

Purpose

Inclusive and diverse Boards are more likely to be effective, to be better able to understand their stakeholders and benefit from fresh perspectives, new ideas, vigorous challenge and broad experience.

The role of the SEStran Succession Planning Committee is to:
- ↗ *lead on meeting the Board's responsibilities in relation to planning for succession through appointments and Board member development;*
- ↗ *offer advice to the Board on future appointments and reappointments;*
- ↗ *review and evaluate the skills, knowledge, expertise, diversity (including protected characteristics) of current Board members, and requirements of future members, on an annual basis; and*
- ↗ *monitor the development and continuous improvement a succession plan that can be presented to the Board.*

Constitution

1. *The Succession Planning Committee shall consist of the Chair, two Board members, the Partnership Director, the Secretary and representative from SEStran's Human Resources advisers. Other officers may be invited to attend for all or part of any meeting as and when appropriate.*
2. *The Chair of the Committee will be the Chair of the Board.*
3. *The quorum required to be present at any meeting of the Committee shall comprise no fewer than three members.*
4. *The Committee will meet [at least annually/bi-ennally]. The meeting will be timed to align with the Board planning cycle. The Committee will also*

convene on an ad hoc basis to deal with issues such as unanticipated Board member departures and changes to the operating environment.

5. The Committee will report to the Board. A copy of the minutes will normally form the basis of the report.

6. The Committee will review its own effectiveness and provide an overview report to the Board annually on the Committee's work and key considerations.

7. The Succession Planning Committee may co-opt additional members for a period not exceeding one year to provide specialist input.

Remit

1. Review and evaluate skills, knowledge, experience and diversity (including in relation to protected characteristics) of the Board including the attributes required for all or the majority of Board members (both now and in the future).

2. Identify skills and diversity gaps and shortages in light of Sestran's long-term strategy.

3. Further Develop, monitor and continuously improve a succession plan in response to the skills and diversity needs that have been identified, and in so doing, ensuring that new members appointed to the Board reflect the needs identified, thus avoiding appointments being made in the image of the current Board members.

4. Consult and seek advice from various sources on ways of attracting the type of applicant required, identify and advise on different methods and approaches to recruitment including the application process, information pack and interviews.

5. Give consideration to participation of users of services or members of the SEStran Eqaulities/Healthcare Forum in the recruitment process.

6. Consider recommending one or more committee members taking part in the assessment of applicants.

7. Keep the Board apprised of the committee's work and prepare an annual report to the Board.

8. *Involve, as appropriate, the executive resources of the body such as HR and legal professionals, to enhance and support appointment activity and to ensure that it is aligned with the body's brand, values and other corporate communications.*

9. *Adhere at all times to the relevant Code of Practices and appropriate guidance and advice from the office of the Commissioner for Ethical Standards in Public Life in Scotland.*

General

1. *The work of the Committee needs to be fully informed by:*
   - ↗ *Strategic planning,*
   - ↗ *Business planning,*
   - ↗ *Risk register,*
   - ↗ *Information presented to the Board on its composition in accordance with the Equality Act 2010 (Specific Duties) (Scotland) Amendment Regulations 2016, and*
   - ↗ *Performance assessment (which will also be linked to external and internal audit).*

SEStran Board Diversity Succession Plan

INTRODUCTION

Under the Equality Act 2010 (Specific Duties) (Scotland) Regulations 2016, listed public bodies are required to produce a Board Diversity Succession Plan in April 2017. This document aims to outline the current make-up of the SEStran Partnership Board and to outline ways in which SEStran will commit to making progress on improving the diversity of our Board. SEStran recognises that increasing diversity on the Board will encourage new and innovative thinking and maximise use of talent, leading to better decision making and governance.

The Scottish Government and a number of other parties at the Scottish Parliament have a commitment to greater diversity and equality of representation on public boards. The 2015 "On Board" guidance issued to Board Members of Public Bodies in Scotland recognises this commitment to redressing the current imbalance of representation with gender parity outlined as a particular area of focus. The guidance outlines that Public Boards themselves should give consideration to establishing a committee to consider matters such as; planning for succession and Board performance, as this should lead to more diversity at Board level. The guidance outlines a clear aim of 50:50 gender balance by 2020.

The "On Board" publication outlines an expectation that all public bodies will champion diversity and mainstream equal opportunities in their work. Public Boards are also challenged to give specific consideration to the impact on equality of opportunity when developing policies and making decisions. Having greater diversity of representation on the Board when making decisions is one clear mechanism for driving greater value in this regard and there is a growing level of evidence that "groupthink" or having a non-diverse Board can be a risk to an organisation and that having a more diverse Board can lead to more nuanced discussions and more informed decisions.

It is recognised by Scottish Government that a Board made up of people who are "visibly diverse" will not necessarily be immune to "Groupthink". Visible diversity is simply an indicator but no guarantee that the Board's members have the diversity of skills, knowledge, experience and perspectives needed to make it effective. However, the Scottish Government acknowledge that there is currently an insufficient visible and invisible diversity on the Board's of Scotland's public bodies, which can be evidenced in relation to factors ranging from gender to black and minority ethnic (BME) status, employment sectors and income.

The Scottish Government published in January 2017 Guidance[1] on Succession Planning for Public Body Boards and this Plan has been developed in line with the suggested actions for Scottish Public Bodies. SEStran aims to deliver the dual purpose of ensuring the diversity of skills, experience, knowledge and attributes of

---

[1] http://www.gov.scot/Topics/Government/public-bodies/BoardChairs

Board members and ensuring diversity in terms of members' protected characteristics.

SESTRAN STRATEGIC OUTLOOK

SEStran was established as a statutory body in December 2005 under the Transport (Scotland) Act 2005 and tasked with producing a Regional Transport Strategy (RTS)[2] for South East Scotland. The vision of SEStran is for a regional transport system that "Provides all citizens of South East Scotland with a genuine choice of transport which fulfils their needs and provides travel opportunities for work and leisure on a sustainable basis." The development of the RTS was an opportunity to plan for the needs of 1.5 million people living in Scotland's most economically vibrant region. The strategy lays out our vision for the strategic development of transport in South East Scotland up to 2028. The RTS was refreshed in 2015, but the key aims and objectives remain at the heart of SEStran's work. Our objectives, which are laid out in the RTS, include:

- **Economy**: to ensure transport facilities encourage growth, regional prosperity and vitality in a sustainable manner.
- **Accessibility**: to improve accessibility for those with limited transport choice or no access to a car; particularly those living in rural areas.
- **Environment**: to ensure that development is achieved in an environmentally sustainable manner.
- **Safety & Health**: to promote a healthier and more active SEStran area population.

KEY SKILLS FOR GOVERNANCE

It is important we have people with a variety of different skills, knowledge, experience and understanding which will enable the Board to work effectively. All Board Members need to have some general skills so they can make a full contribution to the work of the Board but these do not have to have been gained by working in a management post or at a senior level; you may have a natural aptitude in these areas or you may have gained them through being active in your community, in a voluntary capacity or through your own personal life experience – these are listed below:

- The ability to contribute to policy and strategy formulation;
- The ability to provide leadership and direction;
- Excellent, interpersonal, communications and networking skills;
- The ability to engage others in debate and participate in constructive group discussions.
- Knowledge and understanding of the investment, financial or legal community;
- A broad understanding of the strategic environment in which transport operates at Scottish, UK and international level;

---

[2] http://www.sestran.gov.uk/uploads/sestran_regional_transport_strategy_refresh_2015_as_published.pdf

- Good understanding of government policy, national/ regional priorities and the distinction between these and local issues;
- Knowledge and experience in relation to equality, diversity and accessibility.

BOARD MAKEUP

SEStran has 20 Board members drawn from constituent local authorities and 9 non-Councillor members.

http://www.sestran.gov.uk/uploads/elected_members_feb_2017.pdf

The number of Councillor Members has been allocated on the basis of relative population within the partnership area. Non-Councillor Members are appointed to the Board based on Scottish Government guidance on membership for RTPs which states that the following principles should govern the selection and appointment of members, albeit the Gender Balance on Public Boards Bill may alter these requirements:

- Transparency
- Appointment on merit
- Achieving a balance among the Non-Councillor membership

The current diversity of the Partnership Board will be surveyed by Scottish Government and data will be relayed back to SEStran on a confidential basis in by April 2017. SEStran will only publish the current Gender Balance of the Partnership Board, no other data on protected characteristics will be made available.

Insert statistic when available: Identified as Male XX; Identified as Female XX; Didn't Answer xx%

Actions:

- On the basis of the survey, a key target group for SEStran board membership is persons who identify as female, alongside a general objective to increase the diversity of representation from across all social groups and those who have protected characteristics.
- SEStran is also developing a new website for Spring/Summer 2017 and will seek to publish profiles of all Board members, their skills and a specific focus on value added by the diversity generated to the collective governance of the organisation.
- The Partnership Director will ensure that the Board is kept up-to-date with any new developments in equality and diversity relevant to the organisation's strategic outlook and responsibilities as a public body.
- Encourage all Board members with protected characteristics to volunteer as role models and take part in relevant corporate communications

- Encourage and support Board members to be visible and use their contacts or networks to promote Board positions and the work of the SEStran board.
- The Partnership Director is identified as the responsible officer for ensuring compliance with the Equality Act 2010 (Specific Duties) (Scotland) Amendment Regulations 2016 and any subsequent related legislation.

COUNCILLOR MEMBERS

As stated above, the majority of the SEStran Partnership Board is made up of Councillor Members from constituent local authorities. They are appointed solely by local authorities, a process governed by the Transport (Scotland) Act 2005 and over which SEStran has no input.

Action:

- To address this, the SEStran Chair will write to the constituent local authorities ahead of the May 2017 elections to advise them of the Board's diversity in 2016/17 and ask them to assist SEStran in achieving our objectives of improving the Partnership Board diversity.

NON-COUNCILLOR MEMBERS

The current term for SEStran Non-Councillor Members finishes in April 2018. Under the 2005 Regional Transport Partnership (RTP) guidance for membership, produced by the Scottish Government, RTP's appoint their own Non-Councillor Members. SEStran aim to produce a gender balance for non-executive appointments on the Board, in line with the final requirements of Scottish Government Gender Balance on Public Boards Bill and the voluntary One Scotland 50/50 pledge, and will consult with a range of equalities organisations to ensure that the application process is not exclusionary. We have benefited from advice from Changing the Chemistry (CtC) to seek to make our application process and forms[3] more inclusive to a wider range of applicants and will continue to seek to continuously improve our procedures and processes.

The RTP membership guidance states that non-councillor members should bring a range of benefits to the work of the RTP such as:

- Experience and knowledge from working at board/strategic level in business, the public sector and the voluntary sector
- Regional rather than local perspective
- Political and media awareness
- Transport knowledge
- Financial awareness
- Communication skills

---

[3] https://applications.appointed-for-scotland.org/files.axd?id=932ab80c-e38e-44cd-97f2-b251ab12189f

Further, the guidance states that "lay members" will bring a different perspective to the Board.

7 of the 9 Board Members period of current appointment will lapse in summer 2018. The Scottish Ministers consent will be required for any re-appointment. The 2005 RTS Guidance advises that there needs to be a balance between continuity and refreshing the Board. There may also be a requirement by next year for these appointments to be balanced on the basis of gender identity: male and female as outlined in the draft Gender Balance on Public Boards Bill.

Actions:

- SEStran will seek to transition the current Board Diversity Working Group into a SEStran Succession Planning Committee to meet annually and oversee appointments and the continuous improvement in Board Diversity Succession Planning.
- Undertake a full appointment process for all Board Member appointments lapsing in Summer 2018, overseen by the Succession Planning Committee to audit the skills, knowledge and experience needed for future Board appointments and also identify/remove any potential barriers to opportunities for greater diversity presented by for example, format of Board papers, timing or location of meetings etc.
- SEStran will aim to publicise Non-Councillor Board vacancies through a wide range of sources including SEStran corporate publications, partner equality organisations and social media to encourage a wide range of good candidates with a diverse range of skills and experience.
- SEStran will sign the One Scotland 50/50 pledge by 2020 for Gender Balance on Public Boards in relation to Non-Councillor members appointments.

Training and Development

The RTP guidance on membership states that RTP's can appoint observers, who as advisers can make a valuable contribution. This provision would allow SEStran to involve people on the Board who were not appointed as Non-Councillor Members but who would have useful input to make. The SEStran Board agreed in September 2016 to appoint observers to the Board. These observers would not have a vote on the Board and would not be expected to participate in all discussions or all meetings. The aim of this is to provide wider opportunities to suitable representatives to gain experience of attending meetings with the intention that they are able to then go on and gain a seat on a Board. The appointment of observers will also benefit the work of the SEStran Partnership Board by engaging with those who may have new ideas and who may bring an alternative viewpoint to the Board.

Actions:

- SEStran anticipate appointing these observers in early 2017. Officers have progressed this and will now appoint Observers from Changing the Chemistry and the SEStran Equalities/Healthcare Forum. A Role Description is included in Annex 2.
- SEStran will continue to engage with relevant Equalities organisations, through our long-established Equalities and Healthcare forum, to seek their advice on reaching out to further groups/organisations representing those with protected characteristics and addressing potential barriers to participation.
- Will ensure that; Equality & Diversity training is included in the Induction of new members from Spring 2017 onwards, specific training is offered to all members of the Succession Planning Committee and all members will be encouraged to attend Scottish Government Board training and development events
- Seek volunteer Board members to mentor Board observers and members of SEStran committees/forums who are interested in progressing onto a Board
- In early 2018 and late 2020, run targeted training events for people from currently underrepresented groups to raise awareness and familiarity with the work of SEStran and its non-councillor board members and seek to enhance attendees apply to successfully apply for Board positions or Board Observer roles.

Statement of Purpose and Use

The SEStran Board Diversity Succession Plan seeks to consider the issue of board succession in a context of the long-term strategy for the organisation and the area's regional strategic transport network. The actions outlined in the plan seek to enable SEStran to nurture a talent pool of existing and future board members.

SEStran is clear that our Succession Plan relates to two distinct but related concepts:

1. Members skills, experience, knowledge and other relevant attributes such as personal values; and
2. Diversity of members in relation to their protected characteristics as defined by the Equality Act 2010.

Board Diversity is good for governance, co-design and understanding of all the organisation's stakeholders and partners. It contributes to better corporate governance and the delivery of new ideas, constructive challenge and positive outcomes. All of which support the continuous improvement of public services in Scotland.

The Plan seeks to outline our point of departure, on our journey via many different methods to reach our destination of a Board that reflects the people and communities of the South East of Scotland, increase the credibility with communities and in doing so be far more likely to be able to demonstrate our compliance with the legal requirements of the Public Sector Equality Duty.

February 2017

Annex 1 – South East of Scotland Transport Partnership Skills Matrix Card

	Board Member 1	Board Member 2	Board Member 3	Board Member 4	Board Member 5	Board Member 6	Board Member 7	Board Member 8	Board Member 9
Key Skills								TBC	TBC
The ability to contribute to policy and strategy formulation								TBC	TBC
The ability to provide leadership and direction								TBC	TBC
Excellent interpersonal, communications and networking skills.								TBC	TBC
The ability to engage others in debate and participate in constructive group discussions.								TBC	TBC
Knowledge and understanding of the investment/financial or legal community.								TBC	TBC
A broad understanding of the strategic environment in which transport operators at								TBC	TBC

Scottish, UK and international level.									
Good understanding of government policy, national priorities and local issues								TBC	TBC
Knowledge and experience in relation to equality, diversity and accessibility.								TBC	TBC

Annex 2 – Board Observer Role Description

SESTRAN BOARD OBSERVER – Role Description

This is not an appointment, it is a developmental opportunity and positive action that SEStran are seeking to take as part of their Public Sector Equality Duties to promote opportunity and increased diversity of representation in the governance of public bodies.

The Role

The Role of a Board Observer is someone who attends SEStran Board meetings but is not an official member of the Partnership Board. The statutory regulations which provide the detail on membership of Regional Transport Partnerships set out the role of observers.[4]

SEStran aims to provide an environment where observers feel comfortable in listening, in their own time asking questions, and ultimately providing counsel and advice from their own perspective. Observers are not expected to vote on anything, albeit the Board decisions are predominantly based on consensus decisions and voting is rare. We would hope as well as providing a learning opportunity to the Observer, we can benefit as much from their influence and experience when they feel in their development journey they are ready to contribute. We hope we can benefit from you being able to, in time:

- bring different points of view to a discussion; and/or

- give insight into your transport users' needs and experience; and/or

- make new contacts in the communities of place or characteristic; and/or

- think of new ways of doing things.

The selected individual(s) will be invited, on a pre-arranged and closely supported and supervised way, to sit in on 3-4 Board meetings (and, if possible, a board committee twice) to observe first-hand how Boards work. These will be held in fully accessible locations and generally between the hours of 10am – 2pm weekdays.

This opportunity seeks to build the understanding, confidence and capacity of individuals to fill appropriate Board member posts in the future.

The position will be held for a maximum of 12 months.

Background

---

[4] See Schedule 2 of The Regional Transport Partnerships (Establishment, Constitution and Membership) (Scotland) Order 2005, and in particular paragraph 1

As outlined in SEStran's emerging Board Diversity Succession Plan as required by the Public Sector Equality Duty Amendment Regulations 2016[5], the Board of SEStran have agreed to the appointment of Board Observers to offer a clear and tangible developmental response to the issue of promoting Board Diversity for SEStran within the wider context of our approach to our Equality Duties and published Equality Outcomes 2017-2021, particularly Outcome 1: promoting a diverse and representative organisation.

The guidance on membership of Regional Transport Partnerships[6] states that RTP's can appoint observers, who as advisers can make a valuable contribution to overall diversity of governance, irrespective of technical expertise or knowledge of transport systems. This provision would allow SEStran to involve people on the Board who were not appointed as Non-Councillor Members but who would have useful input to make. The SEStran Board agreed in September 2016 to appoint 4-5 observers to the Board. These observers would not have a vote on the Board and would not be expected to participate in all discussions or all meetings.

The aim of this developmental opportunity is to provide wider opportunities to those interested in furthering their involvement in the work of the Partnership to gain experience of attending meetings with the intention that they are able to then go on and gain a seat on a Board.

The appointment of observers will also benefit the work of the SEStran Partnership Board by engaging with those who may have new ideas and who may bring an alternative viewpoint to the Board. SEStran will work with a range of equality organisations to publicise and appoint these observers

Objective:

The aim is twofold:

1. To give prospective board members a practical insight into how a Board operates and a good understanding of what the expectations are of a Member of a Board; and
2. To deliver outcomes concerning the outcomes required by SEStran's Board Diversity Succession Plan.

The role of Board Observer is targeted at individuals who consider that they have the skills, attributes and potential to be a Member of a Board, but have no experience at

---

[5] http://www.gov.scot/Resource/0049/00497889.pdf
[6] http://www.gov.scot/Resource/Doc/47121/0020877.pdf

Board level. We would hope even without previous experience, Board Observers could help SEStran in collectively delivering the Principles of Good Corporate Governance through their involvement:

- Focus on the organisation's purpose and on outcomes for citizens and service users
- Perform effectively in clearly defined functions
- Promote values for the whole organisation and demonstrate the values of good governance through behaviour
- Take informed, transparent decisions and manage risk
- Develop the capacity and capability of the governing body to be effective
- Engage stakeholders and make accountability real.

Further background information on corporate governance processes and principles is available in the On Board publication.[7]

The Process:

The Board will ensure that new members receive induction training and that effective

arrangements are in place to maintain and enhance the skills and motivation of all

Bboard observers over their period of involvement with SEStran.

Chairperson or Vice-chairperson (and/or nominated Board Member/Partnership Director to:-

   o provide information about the company/organisation, the Board, the RTS and current issues faced;

   o explain how the Board operates, composition, committee structure etc;

   o explain how the observer should or should not interact at meetings (generally it is recommended that the individual should not be expected to contribute as that relieves some of the pressure they may feel otherwise);

   o offer an opportunity to review board papers in advance of each meeting and after each meeting discuss the meeting and its outcomes;

   o allocate the individual to a relevant board sub-committee.

- Confidentiality agreement to be signed by both parties;

- Any potential conflict of interest will need to be avoided or at a minimum declared;

---

[7] http://www.gov.scot/Resource/0047/00475242.pdf

- Observers will be expected to sign an undertaking to follow the model Code of Conduct for members of Devolved Public Bodies.

- Individual to be involved for at least a full cycle of board meetings (usually one year) as an observer;

- Chairperson (or nominated Board member) and individual to have follow up discussion about the experience of attending the meeting and provide some mentoring.

Remuneration

No payment for Board Observer

Reasonable expenses will be met in accordance with SEStran's Business Travel Policy.

Equality and Diversity

Accessibility to public appointments is a fundamental requirement and the public appointments process promotes, demonstrates and upholds equality of opportunity and treatment to all applicants.

SESTRAN will always give consideration to disability-related reasonable adjustments that an applicant might request to enable them to meet the requirements of the development opportunity and participate fully in the selection process.

SESTRAN is committed to appointment on merit, diversity and equality for public appointments. However, this opportunity is positive action under the Equality Act 2010 and is not employment, in the view of SESTRAN this is the implementation of positive action measures to overcome disadvantage, meet different needs and/or increase participation of people from a protected characteristics, as identified in our Board Diversity Succession Plan 2017 and our Equality Outcomes 2017-2021.

The Act does not limit the action that could be taken, provided it satisfies the statutory conditions and is a proportionate way of achieving the aim of overcoming a genuine disadvantage.

Non-Councillor Member Board Vacancy Appointment Update

1.	INTRODUCTION
1.1	The paper provides the Performance and Audit Committee with an update on progress with the appointment to the current Non-Councillor member vacancy on SEStran's Board.
2.	Background
2.1	In late 2016, following the consideration of the issue of Board Diversity at the September 2016 Board meeting, SEStran advertised for a vacancy of a Non-Councillor Board member. These were advertised on the Scottish Public Appointments website: https://applications.appointed-for-scotland.org/pages/job_search_view.aspx?jobId=1147&JobIndex=1&categoryList=&minsal=0&maxsal=150000&workingPatternList=&keywords=&PageIndex=1&Number=11 , SEStran's website and relayed through other methods.
2.2	SEStran received 7 applications. There was a delay in the original timescales for appointment but the selection panel shortlisted for interview on 1 March and interviews will be held on 22 March at Victoria Quay.
2.3	The panel will make a recommendation to the Board on 2 March from the candidates interviewed, this decision will then be communicated to Scottish Ministers for approval with the aim of confirming the appointment in time for the June 2017 Board meeting. A further update will be provided at the meeting of the Committee.
3.	CONCLUSION
3.1	The Committee are asked to note the update on the recruitment of a Non-Councillor Board Member.

George Eckton
Partnership Director
10th February 2017

Policy Implications	None
Financial Implications	None
Race Equalities Implications	Addressed in Application Process
Gender Equalities Implications	Addressed in Application Process
Disability Equalities Implications	Addressed in Application Process
Climate Change Implications	None

DRAFT BUSINESS PLAN 2017-18

1. **INTRODUCTION**

1.1 The purpose of this report is to outline the changes to the format of the forthcoming year's Business Plan for SEStran.

2. **BUSINESS PLAN**

2.1 SEStran officers have reviewed the structure and contents of the Business Plan 2016-17[1]. The general view was that the format was due a refresh, and that, therefore, it would be beneficial to produce a more concise document that clearly outlined and highlighted SEStran's proposed work programme for next year to all stakeholder and identified relevant monitoring indicators.

2.2 As a result of this discussion it was agreed that SEStran would produce a streamlined report, focusing on the varied project portfolio and include the key outcomes of the Regional Transport Strategy.

3. **CONCLUSION**

3.1 The Committee are asked to comment the contents of the draft Business Plan 17/18 for publication and agree to recommend it to the Board.

Jim Grieve
Head of Programmes
10th February 2017

Appendix 1 – Draft Business Plan 17/18

---

[1] http://www.sestran.gov.uk/uploads/SEStran_Business_Plan_2016-17_v2.pdf

Annual Business Plan 2017/18

The South East of Scotland Transport Partnership (SESTRAN) presents our Business Plan for the next twelve months, outlining how we plan to achieve even more during 2017/18 towards our Vision:

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

To achieve this vision we have 4 comprehensive objectives and one new corporate objective.

Strategic Objectives:

- Economy – to ensure transport facilitates economic growth, regional prosperity and vitality in a sustainable manner
    - To maintain and improve labour market accessibility to key business/employment locations, from all localities and communities
    - To maintain and improve connectivity to the rest of Scotland, the UK and beyond.
    - To support other strategies, particularly land-use planning and economic development.
    - To reduce the negative impacts of congestion, in particular to improve journey time reliability for passengers and freight.
- Accessibility – to improve accessibility for those with limited transport choice (including those with mobility difficulties) or not access to a car, particularly those living in rural areas
    - To improve access to employment
    - To improve access to health facilities
    - To improve access to other services, such as retailing, leisure/social and education.
    - To influence decisions on the provision of public transport to make it more affordable and socially inclusive.
- Environment – to ensure that development is achieved in an environmentally sustainable manner
    - To contribute to the achievement of the UK's national targets and obligations on greenhouse gas emissions
    - To minimise the negative impacts of transport on natural and cultural resources
    - To promote more sustainable travel
    - To reduce the need to travel
    - To increase transport choices, reducing dependency on the private car
- Safety and Health – to promote a healthier and more active SEStran area population

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

- **Corporate** – to continually improve performance to achieve greater efficiency, effectiveness in SEStran service delivery.

Key Priorities for 2017/18

SEStran's key priorities for the year include targeting governance reform, contributing to the debate on the future of regional planning as well as continuing to strengthen our projects involvement. We will also seek proactively emerging opportunities to deliver our Strategic Objectives and seek to support our local government partners to achieve mutual beneficial outcomes.

1. Explore opportunities with partners for greater sharing of services via a regional partnership approach.

The Board has previously highlighted the increasing disaggregation of strategic transport planning across Scotland. Identifying that, with the expected growth of Edinburgh City Region up to 2050 there should be active consideration and evaluation of some form of strategic integrated authority involving service aggregation from more local tiers of governance currently.

Currently SEStran is a Model 1 RTP, with a primary duty to produce a regional transport strategy. A Model 3 is an enhanced method of partnership delivery as described in previous paragraphs. In the light of the City Region Deal proposals relating to transport and infrastructure, active consideration has been given in 2016/17 to utilising the provision in the Transport (Scotland) Act 2005 for the Regional Transport Authority to become a Model 3 authority. In effect this would mean assuming the powers of a Passenger Transport Executive. The outcome of the consultation process will be known by March 2017 and the decision will affect how SEStran will operate during 2017/18 and will be a key work priority especially given the Scottish Government's White Paper on Planning and consultative proposals for Regional Partnerships.

SEStran will also continue to work closely with SESplan on the region's strategic development plan to ensure that sustainable growth is achieved by carefully managing the region's assets that provide the most benefits and by making well designed, successful places where people can thrive with cross boundary transport projects that will make travel by public transport easier and facilitate walking and cycling to work

2. Ensuring a sustainable strategy for Real Time Passenger Information in the South East of Scotland

Independent studies, carried out in recent years, have confirmed that the availability of real time passenger information for public transport does encourage people to use

the various modes. Reliability of these services is a key factor in the decision making process when making travel choices. RTPI not only provides an expected time of arrival but more fundamentally also reassure the potential user that the bus (tram or train) will arrive.

The introduction of SEStran's RTPI system began in 2010, in partnership with First Scotland East and Stagecoach Fife bus companies. In 2014 Stagecoach made a decision to install their own system which is connected to BustrackerSEStran by means of a Siri interface, the net effect of which is that the full operating fleets of these two companies throughout the SEStran region are operating with RTPI.

In addition, through a similar interface, Lothian buses are connected to the system and First and Stagecoach RTPI, on relevant routes, is available on the fixed signs at bus stops throughout the city and parts of the Lothians.

SEStran's focus for now and throughout 2017/18 is on the region's smaller operators, to bring them in to the system. In January 2017 SEStran won an ERDF 40% contribution towards equipping 5 of these smaller operators with GPS enabled ticket machines which are capable of providing RTPI. SEStran's aim is to have these 5 operators, plus a number of others in the region who have invested in the kit themselves, within Bustracker SEStran early in 2017/18. This will also require Ineo, the system provider, to complete work to be able to receive other operators' schedule data and RTPI. This work is currently underway. A key priority for 2017/18 is the need to ensure that the RTPI network is resilient and maintained for the long-term.

SEStran will pursue bus facility improvements with local authorities and bus companies, not least in respect of RTPI. It is also SEStran's intention to complete the upgrade of the Routewise system to Novus FX which will ensure that entering data into the Traveline system is streamlined.

3. Continuing to contribute to the appraisal and analysis of transport infrastructure projects within City and Growth Deals across the SEStran area.

SEStran is represented on the Infrastructure Group associated with the Edinburgh and East of Scotland City Region Deal and is joint chair (along with Transport Scotland) of the Transport Appraisal Group looking at the detail and justification for the various projects associated with the bid. The bid involves the 6 local authorities associated with SESplan and is being led by a Council Joint Committee and a Chief Executive's group. SEStran will assist the local authorities in seeking to optimise investment in the region's infrastructure that will ease congestion, encourage economic development and get people in to work.

Sestran has also made the offer of data and resource to Clackmannshire as part of their City Deal bid with Stirling and seeks to continue to engage with and resource the work in Falkirk Council area around the Grangemouth Investment Zone.

There will also be a general appraisal as part of this Strategic Priority to measure progress towards the corporate SEStran target that will contribute towards reducing

traffic congestion and carbon emissions and encouraging the use of sustainable modes of transportation, which is:

"By 2022, to reduce the percentage of people commuting to Edinburgh by single occupant car from each local authority area in South East Scotland by 10% compared to a 2001 base. For Edinburgh residents working outwith the City Council area, to reduce their reliance on the single occupant car for commuting by 10% also over the same period."

4. Contribute to the NTS2, associated review of transport governance and all relevant aspects of Programme for Government 16-17 & 17-18

In the last year, SEStran's Partnership Director has been involved in Working Group for Planning Review. The publication of the Planning White Paper in January 2017 precedes a busy year for policy and strategy work. The Scottish Government has outlined it's intention to review the National Transport Strategy including a Review of Transport Governance. This will have clear strategic and corporate implications for SEStran and we will work with other RTPs to lobby on proposals as they emerge.

Alongside the NTS review, there is also related review of Enterprise Agencies, Planning, as well as Strategic Transport Projects Review. There are relevant and emerging proposals for Roads Collaboration Programme as well as emerging specific proposals on subjects such as Low Emission Zones, Responsible Parking and Active Travel.

We have contributed to the Scottish Government's Rail Freight Strategy, Science and Engineering Strategy and also Planning White Paper in 2016/17 and will continue to engage post consultation in the development of this proposals. We have also responded with evidence and representation to the Scottish Government's draft Climate Change Plan.

Sestran has also sought to engage with Office of Rail Regulation on its proposals for Strategic Business Planning. We will continue to proactively seek to respond to all relevant consultations throughout 2017/18.

There may also be further consultation on primary legislation for Planning, Transport and Climate Change Bills during 2017/18, as well as a review of Scotland's National Outcomes. SEStran will seek to respond and provide evidence to any consultation or Parliamentary scrutiny.

SEStran has also contributed in the past year to the Royal Society of the Arts Inclusive Growth Commission and also the Scottish Cities Knowledge Centre and will seek to respond to relevant external research reports in 2017/18.

5. Deliver and monitor our new Equality Outcomes 2017 – 2021

SEStran have developed a new set of Equality Outcomes to cover the period 2017 – 2021, a requirement under the Equality Act 2012 (Scotland) Specific Duties Regulations to further our achievement of our Public Sector Equality Duty. Our Outcomes for the next 4 years were developed by engaging both with the SEStran Equalities Forum and through a wider consultative process. The two outcomes are:

- An equitable, diverse and representative organisation
- A safe, accessible and equitable regional transport network.

If SEStran was in the future to receive further powers, functions and resources, we would seek to develop further relevant outcomes.

We are committed to promoting equality, equity and diversity. We want an open and inclusive South East of Scotland and SEStran in terms of opportunity to provide accessible transport infrastructure and information, making services inclusive and also reflecting this within our organisational workforce and governance. We will continue to engage and consult through our Equalities/Healthcare forum promoting projects such as RTPI and Thistle App as actions to address issues which disproportionately affect some customers more than others. As a public body and employer we will also seek to continue to work with Equate Scotland and Changing the Chemistry to address workforce and organisational diversity. We will also seek to continue to promote inclusive working practices encouraging flexible hours and reasonable adjustments and engage in other initiatives such as Work Shadowing to give as much opportunity as resources allow to all to engage in work experience. We will also strive to increase diversity and reduce the gender pay gap with SEStran, concluding a review and job evaluation of all posts with SEStran in 2017/18.

In addition to working towards increased diversity for SEStran employees, SEStran are also committed to working towards a more diverse governance structure. A Board Diversity Succession Plan has been developed to help us work towards this goal. The main actions of this plan are to:

- Communicate with constituent local authorities that we would encourage them to appoint Board members in line with the Equality Act duties for Public Bodies
- Appoint observers to the Board to provide development opportunities
- Appoint a diverse range of Non-Councillor Board members in 2018.

SEStran will work with the SEStran Equalities & Healthcare Forum and Changing the Chemistry in order to give opportunities to a wide range of people to act as observers on the Board.

6. Implement and continuously improve our performance of corporate processes with specific focus on our Records Management, Procurement, Climate Change and Public Reform duties

Sestran in January 2017 submitted their first Records Management Plan to the Keeper of the Records. A priority for next year will be to improve our current Business Classification scheme, Data Protection and Information Security policies and practices.

We have also during 2016/17 evolved the manner we have analysed and reported our duties under the Procurement Reform Act 2014, Climate Change Act 2009 and Public Sector Reform Act 2011. We will continue to seek to continuous improve our application of these duties to deliver best value from SEStran resource and produce

transparency of the information and services we deliver to contribute to wider national outcomes.

7. Continue to maximise revenue and knowledge transfer through engagement in EU projects and other forms of funding.

While the EU exit process, under Article 50, will be underway by the end of March 2017, SEStran has been assured by the EU and by the Scottish Government that existing projects will be funded through to completion and that it is "business as usual" in respect of applying for new projects.

SEStran is currently involved in two live European projects; REGIO-MOB and SHARE-North, each briefly described below.

REGIO-MOB aims to promote "learning, sharing of knowledge and transferring best practices between the participating regional and local authorities to design and implement regional mobility plans (or Regional Transport Strategies) bearing in mind the stakeholders with regional relevance and contributing to the sustainable growth of Europe." Accordingly this project provides an opportunity for SEStran to attract European funding towards the necessary development of the RTS and to learn and share knowledge with other cities throughout Europe. The project will attract 85% funding from Europe.

SHARE-North addresses the concept of Shared Mobility and looks at the development, implementation and promotion of Car Clubs, Bike Sharing and Car Sharing. The planned living labs will integrate modern technology with activities to support changes in mobility behaviour. The objectives are: resource efficiency, improving accessibility (incl. non-traditional target groups), increased efficiency in the use of transport infrastructure, reduction of space consumption for transport, improving quality of life and low carbon transport.

In addition, SEStran is a partner in each of the following bids (fund in brackets) to be submitted during the coming year:

SURFLOGH Interreg North Sea Region (NSE)

This proposal is aiming at improving the role of logistic hubs in the network of urban logistics in the North Sea Region. Many urban regions in Europe face huge challenges regarding the optimisation of urban freight distribution, both in terms of efficiency and sustainability. Connecting long-distance freight transport and last-mile distribution in strategically located urban freight centres is perceived as one of the possible solutions brought forward by scholars and experts in the field, as they contribute to reducing individual transport movements in urban areas by creating opportunities for bundling of goods flows. In addition, these logistics consolidation centres might also be stepping stone for creating new value-adding services in the region fostering regional economic growth.

SEStran is a partner, along with Napier TRI, for Surflogh, which is being led by the Dutch province of Drenthe. A second application was submitted in early February 2017 and a result is expected in June.

SCRIPT Interreg North West Europe (NWE)

It is well understood that transport, in general, is a major contributor to carbon emissions totals and freight transport's contribution is significant; with a particular concentration around ports and their hinterland as a result of the necessary traffic required to transfer goods to and from the ports.

SEStran and partners' objective is to engage with ports and freight transport operators and their supply chains in selected estuarine and inland waterway locations within the NWE area to effect large-scale behavioural change with respect to the use of low carbon logistics and transportation and the implementation of different low carbon solutions. Work continues towards a stage 1 submission in the Spring this year.

I-MASS – Inclusive Mobility As A Service (Horizon 2020)

To develop and deliver innovative ways to provide inclusive mobility and accessibility solutions to all young people aged 16-25 years living in the South East of Scotland based on co-produced identification of needs and innovative solutions.

The project will specifically aim to explore the diversity of young people's needs and multiple vulnerabilities in relation to transport and travel experiences and how to overcome these in innovative ways in the context of the increasingly privatised model of public transport delivery within the UK context.

INSTINCT – Land use planning with public transport planning (Horizon 2020).

This project will address the long-standing problem of the integration of transport infrastructure and urban development policies. It will focus on the development and take-up of practical measures by municipal, regional and national governments, and public transport companies and organisations, to improve this integration and so deliver more sustainable transport and spatial development on the ground.

If successful these projects will assist in funding progress towards SEStran's strategic objectives in 2017/18 beyond, until the EU exit process is concluded.

8. More people cycling and walking, and working with more stakeholders on this issues through our joint working with Sustrans Scotland and Cycling Scotland

SEStran will continue its work in the region to aid the CAPS vision that "by 2020, 10% of all journeys taken in Scotland will be by bike." To achieve this we will continue our partnership working with Sustrans Scotland, Cycling Scotland and Local Authorities to offer grant funding and support to look at infrastructure, behavioural

change and development to increase the levels of walking and cycling across the region.

SEStran actively encourages the development of cross-boundary utility cycling through the Regional Cycle Network Grant Scheme which is used to invest in strategic links between local authorities to encourage modal shift for commuter journeys by ensuring better connectivity along routes that link population with employment centres and services. The grant funding is provided by Sustrans Scotland who we will continue to work jointly with on active travel infrastructure in the SEStran area.

In partnership with Cycling Scotland, SEStran will seek to enable access to training opportunities at all life stages through promotion and support of Play on Pedals Training in the early years setting, Essential Cycling Skills for adults, and Practical Cycle Awareness Training for professionals in and around the SEStran region. Complementing these training opportunities, SEStran will promote 'Cycle Friendly' behaviour change packages for workplaces, campuses, communities and schools. Additionally through programmes such as Make Cycling Mainstream, promote to local authorities and other agencies a nationally accredited programme on cycling design and best practice.

9. Promote Travel Planning, Inclusion and Shared Mobility

Travel Planning and Car Sharing are both identified as a high priority for SEStran within the Regional Transport Strategy. SEStran will offer support and guidance to Local Authorities and Large Employers with travel planning and help to implement travel planning measures. The 2017/18 Sustainable and Active Travel Grants (SATGS) will be used again this year to assist the facilitation of workplace travel plans and their measures across the SEStran Region. SATGS offers matched grants from £500 to £25,000 for the establishment and promotion of Travel Plans and their measures.

Shared mobility can drastically reduce the environmental impact of transport, and help to achieve the emissions targets set out by the Scottish Government. Shared mobility such as car club cars, car sharing (sometimes referred to as car pooling or ride sharing), shared bikes are a suitable and environmentally way to compliment public transport, and is an alternative to the privately owned, single occupancy car.

One way in which SEStran hopes to address this is through car sharing. In 2017/18, SEStran will continue to promote its car sharing website TripshareSEStran.com. At the time of writing, Tripshare membership totals at around 8,500, and members have saved 8,846,342 miles and 1,738 tonnes of CO2 (since 2007). In 2017/18, TripshareSEStran.com members are forecast to save an additional 3,257,136 miles and 639.83 tonnes of CO2 emissions. SEStran aim to exceed this target through the promotion of TripshareSEStran.com through its European Projects (Social Car and SHARE-North) and working in partnership with Regional Car Share Stakeholders Including; Local Authorities, Health Boards, Colleges, Universities and Private Sector Organisations (such as Edinburgh Airport, and Edinburgh Park).

We will continue to engage and consult through our Equalities/Healthcare forum promoting projects such as RTPI and the Thistle Card/App as actions to address inclusion issues which disproportionately affect some customers more than others within the regional transport network.

10. To increase recognition of SEStran among our key audiences and support wider engagement to build our reputation

The proposal for 2017/18 is that the priority for Communications is to strengthen our brand identify and the key communication methods we use to engage our key audiences. Strong brands take considerable effort and SEStran has to be proportionate in its approach to Communications and Engagement. Our prime method of engagement is our staff who work with partners and whilst we need to be positive in promoting SEStran, we also need to carefully balance perception and reality in terms of the scale of our resources currently, which may not match the desire and enthusiasm of our staff and partners to deliver the outcomes of the Regional Transport Strategy. We need to continue to move away from a Brand focussed approach to marketing, our brand is not our name and logo, it's our reputation for delivery quality outcomes and we need to balance the perception of scale equalling resources with our desire to engage as many partners as possible. We need to invest in our website making it more user focussed and relevant for present day, we need to engage in proportionate social media to build our recognition and reputation and utilise all our engagement opportunities to promote positively the organisation key objectives of the Regional Transport Strategy. Developing SEStran's strategic narrative and communications with external stakeholders in a useable, engaging and concise format. We also need to consider how we engage with our stakeholders such as Councils and wider organisations out with the formal methods of Chief Officers meeting and formal reports to the SEStran Board. Options will be explored for a regular e bulletin to our internal and external stakeholders on general news, development, Board decisions. The publication will be main directly produced channel of external engagement alongside targeted engagement of certain groups dependent on policy or project priorities.

Co-operation in Delivery

Whilst, the Business Plan sets out our current key priorities, as a public body we are committed to participatory design approach to service delivery and will seek to actively involving all communities, citizens and partners in a co-design approach to deliver positive outcomes from an equitable and efficient transport system now and in the future for South East Scotland.

Annex 1 outlines a summary of the proposed budget for the forthcoming financial year for SEStran and Annex 2 outlines the current staff of SEStran available to implement the proposed actions for the 2017-18 Business Plan. Annex 3 outlines a proposed performance management framework to measure the achievement of the proposed key priorities over the course of 2017-18.

Annex 1

	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Core	467	461	463	465	550	545	515
Projects	791	709	504	1,076	2,384	785	479
RTPI	110	117	222	286	230	402	323
Total Budget	**1,368**	**1,287**	**1,189**	**1,827**	**3,164**	**1,732**	**1,317**
External Funding							
EU Grants	313	245	146	233	131	64	95
Other income	48	60	61	266	1,051	686	250
Bus Investment Fund				346	1,000	0	0
Total External Funding	**361**	**305**	**207**	**845**	**2,182**	**750**	**345**
Scottish Government	782	782	782	782	782	782	782
Council Requisition	225	200	200	200	200	200	190
Total Funding	**1,368**	**1,287**	**1,189**	**1,827**	**3,164**	**1,732**	**1,317**

Annex 2

Staff list

Name	Role	Email	Phone
George Eckton	Partnership Director	George.eckton@sestran.gov.uk	0131 524 5152 07720 824 490
Jim Grieve	Head of Programmes	Jim.grieve@sestran.gov.uk	0131 524 5160 07734 954 427
Angela Chambers	Business Manager	Angela.chambers@sestran.gov.uk	0131 524 5154 07703 974 311
Catriona Macdonald	Projects Officer	Catriona.macdonald@sestran.gov.uk	0131 524 5158 07730 210 863
Lisa Freeman	Project & Strategy Officer	Lisa.freeman@sestran.gov.uk	0131 524 5159 07889 010 290
Peter Jackson	Regional Cycle Training & Development Officer	Peter.jackson@sestran.gov.uk	0131 524 5155 07715 407 720
Moira Nelson	Active Travel Strategic Development Officer	Moira.nelson@sestran.gov.uk	0131 524 5162 07889 010 287
Emily Whitters	Business Support Officer	Emily.whitters@sestran.gov.uk	0131 524 5164 07889 010 289
Nikki Boath	Business Support Assistant	reception@sestran.gov.uk	0131 524 5150

Annex 3 – Performance Monitoring Framework

Strategic Priority	Activities	Targets	Outcomes	Outcome indicators	SEStran Strategic Objective
1) Explore opportunities with partners for greater sharing of services via a regional partnership approach	Complete Transport (Scotland) Act 2005 consultation Seek Scottish Ministers consent for a further consultation Discussions with Regional Partners about joint working	Initial Outline Business Case to the September 2017 Board Agree new Governance framework for SEStran and other regional partners by March 2018	Councils agreed to number and type of Functions to be transferred Support of Scottish Ministers received for Order	Level of Involvement across councils and partners Number of Functions transferred or concurrent Number of Hosted Joint Services	Economy Accessibility Safety Environment Corporate
2) Ensuring a sustainable strategy for Real Time Passenger Information in the South East of Scotland	Continue to promote RTPI (including screens, apps and website) Attract more bus operators to join the RTPI system	Install all RTPI Screens Secure best value contracts for maintenance and consultant support	Users are more aware of RTPI services Increased reliability and confidence Increased usage	Number of App downloads Number of RTPI Scheme operators	Economy Accessibility Corporate
3) Continuing to contribute to the appraisal and analysis of transport infrastructure projects within City and Growth Deals across the SEStran area.	Co-chair Edinburgh City Region Transport Appraisal Group Supporting the justification of selected transport projects Contribute resource to support Clackmannanshire in their City Deal	Establish programme for early projects in the City Deal in association with partner councils.	Delivery of data to partners Review progress with SEStran target for modal share of modal share	Level of investment secured for City Deals Monitoring of targets	Economy Accessibility Environment
4) Contribute to	Respond to all relevant	Respond to all	Increased Awareness	Number of	Economy

Strategic Priority	Activities	Targets	Outcomes	Outcome indicators	SEStran Strategic Objective
the NTS2, associated review of transport governance and all relevant aspects of Programme for Government 16-17 & 17-18	Consultations Proactive engagement in events and working groups Develop SEStran positions for External Lobbying	Committee Bill Scrutiny opportunities Attend all relevant Strategic Events on Core Strategic Priorities SEStran positions influence final legislative or policy proposals	and impact of SEStran agreed policy/positions Contribute or Lead on relevant collective policy submissions e.g. SCOTS, RTP Chairs	Consultation responses Level of Influence on Final proposals Board Reports	Accessibility Safety Environment Corporate
5 Meet the Public Sector Equality Duties & Become a more Inclusive Organisation	Publish Equality Outcomes 2017 – 2021 as part of an Equalities Mainstreaming Report Publish and Monitor a Board Diversity Succession Plan Promote inclusive working practices encouraging flexible hours and reasonable adjustments. Complete the DWP Disability Confident Committed Scheme	Publish both the Equality Outcomes & Mainstreaming Report by April 2017. Evolve the current Board Diversity Working Group to a Succession Planning Group. Continually review policies to achieve inclusive working. Achieve the requirements of the committed outcomes.	Implementation of Equality Outcomes, helping SEStran contribute to a more equal and diverse society. A more diverse Board. Reduce barriers to employment. Progress to Employer Status of the Scheme	Number of Thistle Cards or App distributed. Progress monitored through biennial mainstreaming report Annual survey carried out by Scottish Government on Board Diversity. Awarded Employer status	Accessibility Safety Corporate

Strategic Priority	Activities	Targets	Outcomes	Outcome indicators	SEStran Strategic Objective
6. Implement and continuously improve our performance of corporate processes with specific focus on our Records Management, Procurement, Climate Change and Public Reform duties	Approve Records Management Plan and implement key actions Submit Carbon Emissions Report for 16/17 Publish PSRA report Continuously review Procurement framework in line with EU legislation	RMP approved by Keeper of the Records Reduced spend on Consultancy Reduced expenditure on Corporate Travel expenses Reduction in transport carbon emissions Fully compliant procurement procedures	SEStran manage Records efficiently Achieve sustainability targets set out in RTS and previous years Carbon Emission report Efficient use of resources & transparency. Increased efficiency of the procurement process	Review by internal audit and P&A committee Annual monitoring of carbon emissions Clean audit report Level of expenditure on coded Public Sector Reform spending categories	Economy Corporate
7) Continue to maximise revenue and knowledge transfer through engagement in EU projects and other forms of funding.	Complete Interreg and Horizon 2020 Project Applications Continue to Scope out Funding opportunities from EU, UK and Scottish funds	Number of successful bid applications Number of project outcomes achieve	Increased investment in SEStran area Knowledge transferred from interdisciplinary learning	Level of Match Funding drawn down Number of EU partners engaged Number of UK/ Scottish partners engaged	Economy Accessibility Corporate

Strategic Priority	Activities	Targets	Outcomes	Outcome indicators	SEStran Strategic Objective
8) More people cycling and walking, and working with more stakeholders on this issues through our joint working with Sustrans Scotland and Cycling Scotland	Liaise with all SEStran Councils and partner authorities over use of resource Promote Cycle Friendly Employer status across SEStran Area Deliver Play on Pedals training Active Travel Officer resource shared amongst authorities and stakeholders Maintain a comprehensive list of potential funding sources for active travel schemes	10 Cycle Friendly employers achieved in 2017/18 Use RCNGS to fund infrastructure improvements for cross-boundary active travel Work with all eight SEStran local authorities on active travel projects	Increased awareness of SEStran support	Full spend of RCNGS fund Continued partnership working with Sustrans Scotland, Cycling Scotland and key stakeholders	Accessibility Economy Environment Health
9. Travel Planning and Shared Mobility	• SHARE-North Project • Social Car Project • National Liftshare Week 2017 • Working closely with car share managers/stakeholders in the Region • Thistle Card • Sustainable Travel Grant Scheme	• Increase membership to 9000 by March 2018 • Conduct Focused Tripshare promotion during National Liftshare Week (Oct 2017) • 500 downloads of Thistle Card app	• Reduction of single occupancy vehicles • Reduction of CO_2 Emissions • Raised awareness of TripshareSEStran.com • Increased awareness of Thistle Card	• Membership Numbers • CO_2 Emissions reduction calculation from Liftshare Monitoring • Full spend of Sustainable Travel Grant Scheme	• Economy • Accessibility • Environment

149

Strategic Priority	Activities	Targets	Outcomes	Outcome indicators	SEStran Strategic Objective
10. To increase recognition of SEStran among our key audiences and support our wider engagement to build our reputation	• Twitter/LinkedIn • New Website • Marketing Campaigns • Sponsorship / Attendance at Events • Thistle Card • Develop Core Set of Marketing Materials • RTPI • Consultation responses	• Increase Twitter followers by 300 & relaunch LinkedIn page • Increase traffic through website [insert unique visits stats • Also could reference targets from other priorities • New SEStran Quarterly newsletter	• Increased awareness of SEStran as an organisation • Raised awareness of Regional Transport Strategy • Enhanced interest in working with SEStran	• Greater number of partners directly engage with SEStran • Invitations to contribute to projects • Level of Enquiries about Regional Transport Strategy	Economy Accessibility Environment Safety Corporate

Projects Update/EU Update

1.	**REAL TIME PASSENGER INFORMATION**
1.1	SEStran has now appointed a marketing specialist to accelerate the roll-out of the remaining RTPI digital screens. The appointment was effective from 16 January 2017 and it is hoped to have most of the remaining 130 screens distributed by the end of the financial year.
1.2	As advised in the report to the December 2016 Partnership Board, SEStran are currently working with INEO and transport consultants WYG to enable a link between bustrackerSEStran and GPS-enabled ticket machines operated by smaller bus operators in the SEStran region. This work is also programmed to be complete by the end of this financial year.
1.3	SEStran is delighted to inform the Board that its bid to the Smart Ticketing Challenge Fund, launched by Transport Scotland in October 2016, was successful. The fund provides capital funding to public sector organisations looking to develop interoperable smart ticketing. As reported previously, modern ticket machines are also equipped with a GPS facility which can facilitate a connection to the RTPI system. Work will now progress to procure the necessary equipment, through a Transport Scotland framework contract, and thereafter to kit-out the following bus operators: Blue Bus Ltd., Peter Hogg of Jedburgh, A1 Coaches, Edinburgh Coachlines Ltd. and Eve's Coaches. The total investment is £100,800 with an ERDF contribution of £40,320. Again the installation will be complete by 31st March 2017.
2.	**SESTRAN THISTLE CARD – APP DEVELOPMENT UPDATE**
2.1	The Thistle Card App is designed to replicate the original SEStran Thistle card with an initial page for the customer to input their protected characteristic using the same previously agreed symbols. The second page displays the information to be shown to the bus driver.
2.2	The new Thistle Card App was added to the app store in a soft launch to gain feedback. SEStran has now incorporated the feedback received from stakeholders to date, and would now like to encourage Forum members to circulate the app through their own communications channels.
2.3	SEStran are now in discussions with experts such as Code Clan and xDesign to identify further potential for the apps development.
2.4	Hitrans (Highlands and Islands Strategic Transport Partnership) alongside Tactran (Tayside and Central Scotland Transport Partnership) have both now launched their own versions of the Thistle Card using templates provided by SEStran.
3.	**Sustainable and Active Travel Grant Scheme (SATGS)**

3.1	The SEStran Sustainable and Active Travel Grant Scheme aims to support and encourage Travel Planning and Active Travel measures. SATGS can be used to support physical measures implemented as part of a Travel Plan and provide support for organisations actively developing a Travel Plan.
3.2	Grants may range from £500 to £25,000 and will normally be up to a maximum of 50% of any proposal, although in exceptional circumstances higher awards may be made. The applicant will be responsible for securing the remaining 50% matching funding which should include a contribution directly from the applicant and may not come wholly from another grant scheme.
3.3	SEStran aim to launch the 2017/18 scheme in April. Application forms, guidance and further information on eligibility criteria will be published on the SEStran website.
4.	**Regional Cycle Network Grant Scheme (RCNGS)**
4.1	SEStran operates the Sustrans funded Regional Cycle Network Grant which aims to encourage the development of the Cycle Network throughout the Region, in particular cross-boundary infrastructure.
4.2	The RCNGS can be used to support feasibility studies, design work, the development of infrastructure and monitoring, as well as supporting innovation and public engagement. Grants may range from £500 to £25,000 although higher sums will be considered.
4.3	The Grant Scheme is now closed for this financial year as the funding, plus an additional £25,000 offered by Sustrans, has been allocated. The P&A's agreement is sought for the following grants:

BioQuarter Topographical Survey to complement existing feasibility work	£8,000
Transition St Andrews- Crail to St Andrews cycle link further landowner consultation	£3917.50
Edinburgh and Lothians Greenspace Trust- Diaches Braes surface upgrade	£65,000

4.4	As advised in the financial update to the previous Partnership Board meeting, an under spend of £56,000 relative to the approved budget was predicted and, as recommended, this would be used for increased investment in projects. The Diaches Braes upgrade is recognised as a strategic link in SEStran's Cross-Boundary Cycle Development study. The total cost of the upgrade work amounts to £105,000 and the P&A is requested to agree to a further investment from SEStran of £40,000.
5.	**European Projects Update**

5.1	**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.
5.2	The last Social Car meeting was held in Brussels as part of the mid-term conference on the 22nd of November. Local Stakeholder groups will resume in February/March of this year, and will seek additional test users later in 2017.
5.3	**'SHARE-North'** addresses the concept of 'Shared Mobility' and looks at the development, implementation and promotion of Car Clubs, Bike Sharing and Car Sharing. The planned living labs will integrate modern technology with activities to support changes in mobility behaviour. The objectives are: resource efficiency, improving accessibility (incl. non-traditional target groups), increased efficiency in the use of transport infrastructure, reduction of space consumption for transport, improving quality of life and low carbon transport.
5.4	As part of the project's dissemination tasks, a series of webinars are to be held during the lifetime of the project. The first took place on the 20th of January, with an introduction to the 'Sharing Economy'.
5.5	**REGIO-MOB** aims to promote "learning, sharing of knowledge and transferring best practices between the participating regional and local authorities to design and implement regional mobility plans (or Regional Transport Strategies) bearing in mind the stakeholders with regional relevance and contributing to the sustainable growth of Europe." Accordingly this project provides an opportunity for SEStran to attract European funding towards the necessary development of the RTS and to learn and share knowledge with other cities throughout Europe. The project will attract 85% funding from Europe.
5.6	The last REGIO-MOB consortium meeting was held in Edinburgh at the City Chambers on the 11th and 12th of January. Park and Rides and Edinburgh's A90 Queue Management System were two examples of best practice chosen by the REGIO-MOB project partners. Presentations from both Edinburgh City Council and Stagecoach East Scotland were given, and a subsequent workshop was hosted by SEStran.
6.	**Opportunities For New European Projects**
	Interreg, North West Europe
6.1	**SCRIPT** (Sustainable Carbon Reduction in Port Transport) It is well understood that transport, in general, is a major contributor to carbon emissions totals and freight transport's contribution is significant; with a particular concentration around ports and their hinterland as a result of the necessary traffic required to transfer goods to and from the ports.
6.2	SEStran and partners' objective is to engage with ports and freight transport

		operators and their supply chains in selected estuarine and inland waterway locations within the North West Europe area to effect large-scale behavioural change with respect to the use of low carbon logistics and transportation and the implementation of different low carbon solutions. Work continues towards a submission in March this year with a meeting due to be held in Brussels in February.
		Interreg, North Sea Region
6.3		**SURFLOGH (Sustainable Urban Logistics Hubs)** The original SURFLOGH project bid, aimed at improving the role of logistic hubs in the network of urban logistics in the North Sea Region, submitted in the previous call last year, was unsuccessful. However, led by the Province of Drenthe in the Netherlands, the partnership and bid has been re-cast with SEStran remaining as a full partner along with Napier University's Transport Research Institute (TRI) and re-submitted at the beginning of February. A response to the bid is expected in June 2017.
		Horizon 2020
6.4		**I-MAsS** (Inclusive Mobility As a Service) In partnership with Leeds University, Institute for Transport Studies and CENIT in Spain, SEStran is currently pursuing a bid to Horizon 2020. The consortium for this project now includes 8 academic/research institutes, 5 cities/regions and approximately 10 demonstration projects in total. SEStran's role in this project will be a demonstration project in partnership with Young Scot, called yTravel. yTravel will aim to develop and deliver innovative ways to provide inclusive mobility and accessibility solutions to all young people aged 16-25 years living in the South East of Scotland, based on co-produced identification of needs and innovative solutions. The deadline for submission of this project is February 2017.
6.5		**INSTINCT** A further bid in partnership with Napier's TRI which will address the long-standing problem of the integration of transport infrastructure and urban development policies has been submitted. It will focus on the development and take-up of practical measures by municipal, regional and national governments, and public transport companies and organisations, to improve this integration and so deliver more sustainable transport and spatial development on the ground. This in turn will increase the attractiveness and convenience of sustainable modes of transport (public transport, cycling and walking) and at the same time reduce transport-related energy use and greenhouse gas emissions.
7.		**EU Exit**
7.1		The UK government has reaffirmed that the Article 50 process will be initiated at the end of March 2017. In January, the Prime Minister outlined her approach to the process and intended strategy to achieve the best deal for the UK. This will include coming out of the single market and will

	necessitate making new arrangements with individual countries, following the exit process.
8	RECOMMENDATION
8.1	The Committee are asked to note the updates provided.

Jim Grieve
Head of Programmes
10th February 2017

Review of the National Performance Framework's National Outcomes

1.	**INTRODUCTION**
1.1	The National Performance Framework[1] (NPF sets out the Scottish Government's vision for Scotland and the review of the NPF's national outcomes has started and this report seeks the Committee's views to an initial response to a Stakeholder engagement exercise ahead of presumably a fuller public consultation and opportunity for a formal SEStran response.
2.	**Background**
2.1	The National Performance Framework (NPF) sets out the Scottish Government's vision for Scotland, and supports the government and wider public sector to improve the quality of life for the people of Scotland. Following the Community Empowerment (Scotland) Act 2015, Scottish Ministers are now under a duty to consult on, develop and publish a new set of National Outcomes for Scotland. The current set of national outcomes is: - We live in a Scotland that is the most attractive place for doing business in Europe. - We realise our full economic potential with more and better employment opportunities for our people. - We are better educated, more skilled and more successful, renowned for our research and innovation - Our young people are successful learners, confident individuals, effective contributors and responsible citizens. - Our children have the best start in life and are ready to succeed. - We live longer, healthier lives. - We have tackled the significant inequalities in Scottish society. - We have improved the life chances for children, young people and families at risk. - We live our lives safe from crime, disorder and danger. - We live in well-designed, sustainable places where we are able to access the amenities and services we need. - We have strong, resilient and supportive communities where people take responsibility for their own actions and how they affect others. - We value and enjoy our built and natural environment and protect it and enhance it for future generations. - We take pride in a strong, fair and inclusive national identity. - We reduce the local and global environmental impact of our consumption and production. - Our people are able to maintain their independence as they get older and are able to access appropriate support when they need it. - Our public services are high quality, continually improving, efficient and responsive to local people's needs.

---

[1] http://www.gov.scot/About/Performance/purposestratobjs
http://www.parliament.scot/ResearchBriefingsAndFactsheets/S4/SB_12-12.pdf

2.2	The purpose of the review is to determine a set of National Outcomes which reflect the values and aspirations of the people of Scotland. In addition, the aim is to create an overall framework for the outcomes which is meaningful, accessible and appealing. Phase One of the review has involved consulting with the public on what kind of Scotland they would like to live in. This has been carried out through a series of public discussions as well as street stalls run by the Carnegie UK Trust and Oxfam Scotland. For Phase Two of the review we are seeking the views of expert stakeholders (e.g. practitioners, analysts and policy makers) on a new set of National Outcomes as well as possible changes to the current NPF format. We are seeking views on: • What kind of Scotland would people like to live in? • How do we need to change the national outcomes to reflect these visions? • Does the current NPF format successfully reflect, measure and report on people's ambitions for Scotland, and if not, how should it be changed?
2.3	Recent national reviews such as the Community Planning Review and prior to that the Christie Commission on Public Sector Reform have provided a focus and the building blocks for a stronger, more joined up and extensive approach to prevention, early intervention and a focus on local place. This is in addition to the recent work of the Commission on Strengthening Local Democracy with its focus on equality, diversity and environmental justice as key outcomes for local communities. Transport as a derived demand for many related services perhaps needs to be strongly articulated within any response and lobbying to ensure a clear profile and priority is given to transportation within the new set of national outcomes.
2.4	The Royal Town Planning Institute in their 2016 "Poverty, Place and Inequality" report highlight the significant severance effect of area-based disadvantage for individuals. Those living in certain less affluent areas are from evidence less mobile, more reliant on public transport and less able to commute to job opportunities given expensive and/or fragmented transport networks. Previous studies have highlighted that those who are least skilled or most remote from the labour market have the least locational flexibility in seeking new job or training opportunities and that this rather than lack of skills or training has particularly afflicted some communities and individuals within them in terms of receipt of positive outcomes. RTPs could be a key mechanism for addressing these gaps and delivering the outcomes required across several Local Outcome Improvement Plans (LOIPs) on the strategic and cross-boundary issue of transport infrastructure and services from the proposed greater alignment if these issues are recognised within the new set of national outcomes.
2.5	The National Performance Framework was utilised to set the Regional Transport Strategy strategic objectives in 2008 and again upon refresh in 2015. It would therefore be beneficial to comment on the emerging NPF research to seek to inform up the hierarchy of strategies, ahead of the public

	formal consultation later in 2017-18 under the Community Empowerment (Scotland) Act 2015.
3.	**CONCLUSION/RECOMMENDATIONS**
3.1	The Committee is invited to comment on the proposals in the short survey to inform an initial SEStran response from the Partnership Director focussing on the greater promotion of transport in all its facets: sustainability, connectivity, inclusion and accessibility within the new National Outcomes to be developed.

George Eckton
Partnership Director
10the February 2017

Appendix 1 – Copy of Consultation Survey

For P&A/ Partnership Board Papers

Policy Implications	National Outcomes will have a significant impact on the activities of Government in Scotland.
Financial Implications	None
Race Equalities Implications	None
Gender Equalities Implications	None
Disability Equalities Implications	None
Climate Change Implications	None

Appendix 1 National Outcomes Review - Stakeholder Survey

The National Performance Team in the Scottish Government are carrying out this survey as part of a wider consultation on the National Outcomes which are set out in the National Performance Framework (NPF). The NPF was first introduced in 2007. It consists of broad measures of national wellbeing that cover a range of economic, health, social and environmental indicators and targets.

Following the introduction the Community Empowerment (Scotland) Act 2015, Scottish Ministers are under a duty to consults, develop and publish a new set of National Outcomes for government, which:

- reflect the values and aspirations of the people of Scotland, and
- are integrated into a meaningful, accessible and appealing framework.

Through this survey we are seeking your views, both as citizens of Scotland and as policy and/or practitioner experts in your own field. You may find you draw on your personal ideas in some sections and on your professional views in others. We would like to know your views on:
　　(1) your vision for Scotland
　　(2) what should be included in the National Outcomes, and
　　(3) the format, function and impact of the NPF.

Your views, alongside those of the public, will inform the development of a new set of National Outcomes.

Please note that this consultation does not seek views on Scotland's constitutional future and therefore we will not report responses about Scottish independence or Brexit.

The survey will take approximately **15 minutes** to complete. Your responses will be treated with **confidentiality** - the survey is designed so that information cannot be traced back to an individual.

Your perceptions of present day Scotland

As a short warm-up, please tell us three things that you like most about living in Scotland in 2017 and three things that you like least. Think about what you appreciate and value about living in Scotland and where you think there is room for improvement.

The three things that I like MOST about Scotland in 2017 are…

1.
2.
3.

The three things that I like LEAST about Scotland in 2017 are…

1.
2.
3.

Your vision for Scotland in 2027

We are interested in what kind of country you think Scotland should become in ten years' time. What would make Scotland a good place to live for you, your family and your community?

Please complete the statement below as many times as you like.

In 2027, I want a Scotland that….

1.
2.
3.
4.
5.
6.
7.
8.
9.
10.

National Performance Framework – How it functions

We are interested to find out if the current NPF successfully reflects, measures and reports on people's ambitions for Scotland.

Do you use the National Performance Framework in your work?

○ Yes

○ No

National Performance Framework - Format

The current NPF was developed by the Scottish Government in 2007 and we would like your views on its format.

You may wish to refer to a copy of the NPF to answer the following questions.

The wording of the National Performance Framework is clear and easy to understand.

○ Strongly agree

○ Agree

○ Neither agree or disagree

○ Disagree

○ Strongly disagree

The NPF currently has six levels – The Government's Purpose, High Level Targets relating to the purpose, Strategic Objectives, National Outcomes, Purpose Targets and National Indicators.

I understand how the six levels link together.

○ Strongly agree

○ Agree

○ Neither agree or disagree

○ Disagree

○ Strongly disagree

The National Performance Framework has...

○ the right number of levels.

○ too few levels.

○ too many levels.

○ I don't know.

If there is anything that you would like to add about the format of the NPF, please use the space below.

National Performance Framework – Impact

As an expert in your field, we would also like your views on the impact of the NPF and how it could be enhanced.

What are three most useful aspects of the National Performance Framework for improving people's lives in Scotland?

1.
2.
3.

What are the three least useful aspects of the National Performance Framework for improving lives in Scotland?

1.
2.
3.

Do you have any suggestions for how we might improve the NPF to ensure it has greater impact on people's lives?

If there is anything else that you would like to add about the NPF, please use the space below.