SESTRAN PARTNERSHIP BOARD MEETING

Conference Room 3, Victoria Quay, Edinburgh, EH6 6QQ
Thursday 2nd March 2017 – 14:00 PM

AGENDA

b. **PERFORMANCE & AUDIT COMMITTEE – 17th FEBRUARY 2017**
Standing Orders - in terms of paragraph 5 of the minute of 18th November 2017, Members should note that the changes to Standing Orders agreed at the meeting shall now come into effect.

Members should note that Board approval is needed for the following items of the minute:
Item 13. Partnership Staffing Update

ITEMS LIKELY TO BE CONSIDERED IN PRIVATE IN TERMS OF PART 1 OF SCHEDULE 7A TO THE LOCAL GOVERNMENT (SCOTLAND) ACT 1973

20.   **PROCUREMENT UPDATE –** Report by Jim Grieve

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

22.   **AOCB**

23.   **DATE OF NEXT MEETING –** Friday 23rd June 2017, Conference Room 1, Victoria Quay, Edinburgh, EH6 6QQ

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23rd February 2017.

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Address by Minister for Transport and the Islands

1.   INTRODUCTION

1.1   The Minister for Transport and the Islands, Mr Humza Yousaf MSP will address the Board and answer questions on a range of issues.

2.   BACKGROUND

2.1   In our invitation to the Minister, SEStran have invited him to outline his vision for transport, how it can contribute to inclusive growth of South East of Scotland and to Scotland as a whole. We have also asked given they are covered separately on the March Board agenda, for his views on the National Transport Strategy 2, Strategic Transport Projects Review, the Planning Review, the Draft Climate Change Plan and proposals for Active Travel in progressing his vision to reality and the role of Regional Transport Partnerships in delivery and governance.

2.2   We would hope the Minister can, diary permitting, following his address, take questions for a period of time from Members.

2.3   I have indicated to the Minister's staff that board members may wish to ask him their views on Model 3 for SEStran in the context of the proposed Review of Transport Governance for NTS2, issues around bus regulation and bus priority measures to grow patronage, air quality/ low emission zones alongside regional rail priorities and how to get more people walking and cycling.

3.   CONCLUSION / RECOMMENDATIONS

3.1   Members are asked to note the attendance and planned address from the Minister for Transport and the Islands at the 2 March Board meeting.

George Eckton
Partnership Director
23rd February 2017

Policy Implications	None
Financial Implications	None
Equalities Implications	None
Climate Change Implications	None

Model 3 SEStran Consultation Update

1. INTRODUCTION

1.1 The report provides the Board 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.

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 need to pass through Parliament, require 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, was between the December 2nd board meeting and the 2nd March 2017 Board meeting. This would then have enabled 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 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 by the latest at the December 2017 board meeting by the new SEStran Board.

2.7 There has at time of writing to SEStran's knowledge, been 4 reports to relevant council/executive committee meetings, links below. Whilst, City of Edinburgh Council intended to take a paper to a special meeting in February, in light of the extended consultation now intend to take a paper to Committee later in March:

- 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
- Fife
  http://publications.fifedirect.org.uk/c64_ExecutiveCommitteePDF280217Whiteonly.pdf
- West Lothian
  http://coins.westlothian.gov.uk/coins/submissiondocuments.asp?submissionid=33766

2.8 We have also been advised that Midlothian Council have taken a report to the Council's Corporate Management Team with the following recommendation: "Midlothian Council requests that further work be undertaken to develop a detailed business case, including issues, impacts, uncertainties, opportunities and guarantees etc., for constituent councils before meaningful consideration of the can be mad[e]". The report recommendations were agreed at the CMT meeting held on 8 February.

2.9 Building on the Guidance for Business Cases issued by Transport Scotland in March 2016, further engagement post the Local Government elections will seek to collate further information to enable the construction of a strategic case, once indications have been received from all 8 SEStran local authorities on the desire to proceed with a Model 3 process.

3. **RECOMMENDATION**

3.1 The Board are invited to note the update on the current consultation process with constituent councils on the proposal for Model 3 status for SEStran and the need to continue the consultative process until later this year before an initial analysis of consultation responses can be tabled to the Board by December 2017 at the latest following further work as requested by certain constituent councils.

George Eckton   Andrew Ferguson
Partnership Director   **Secretary**
23rd February 2017

Policy Implications	Potential delay in concluding the consultation under Transport (Scotland) Act 2005
Financial Implications	N/A
Equalities Implications	The Equalities/Healthcare Forum have been informed and briefed on the current progress with Model 3 consultation and asked for comment.
Climate Change Implications	N/A

National Transport Strategy – Early Engagement Survey

1.   **INTRODUCTION**

1.1   Transport Scotland have issued an early engagement survey seeking opinions on transport policy at all levels in the context of the development of a National Transport Strategy 2 by Scottish Ministers as outlined in the Programme for Government 2016-17.

2.   **EARLY ENGAGEMENT SURVEY**

2.1   As part of the development of a new National Transport Strategy (NTS2) Transport Scotland have issued an early engagement survey which is open to responses until 31 March 2017. It is proposed that SEStran will respond to the survey following any comments from the Board.

2.2   The review of the NTS will set out an updated vision for transport for the whole of Scotland in 20 years' time and outline a plan to achieve this vision. The NTS2 will also look at how we can successfully address the strategic challenges facing our transport network and how we can make the most of the opportunities that present themselves. Transport Scotland has committed to delivering a collaborative co-design of NTS2 by giving individuals and communities across Scotland a greater say in influencing the development of transport policy at local, regional and national level. As such, they are keen to gather your views at an early stage to help them shape the key themes of the NTS review.

2.3   Transport Scotland have stated that following the early engagement survey, there will be a wider programme of national engagement beginning in Summer 2017 ahead of a full public consultation. A copy of the consultation questions are outlined in appendix 1 and the link to the early engagement survey is below: http://www.transport.gov.scot/news/have-your-say-scotland%E2%80%99s-national-transport-strategy

3.   **CONCLUSION / RECOMMENDATIONS**

3.1   The paper seeks to invite comment from the Board on the pre-engagement survey, which will be incorporated into a response from SEStran and signed off by the Chair.

George Eckton
Partnership Director
23rd February 2017

Appendix 1 – List of Survey Questions

Policy Implications	There could be significant change to national transport strategy and policy.
Financial Implications	As detailed in this report, particularly the sections highlighted in the 'Recommendations'.
Equalities Implications	Potential to significantly advance accessibility and equality matters for transport
Climate Change Implications	New NTS could have significant impact on delivering climate change ambitions for Scotland

List of Consultation Questions

1. Have you used, or referred to, the 2006 National Transport Strategy (NTS)?

2. When did you use it and did it meet your requirements? What, if anything, would you change about how the 2006 NTS is presented?

3. The current strategy sets out three outcomes: improved journey times and connections; reduced emissions; improved quality, accessibility and affordability. Do you think each of these will still be relevant over the next 20 years?

4. If not, what strategic outcomes should transport be trying to achieve?

5. If there was one thing that needs to change substantially now in transport, what would that be?

6. What do you think the main transport challenges and opportunities will be over the next twenty years?

7. How would you like us to engage with you during the development of the future strategy that will lead to a formal public consultation?

Places, People and Planning Consultation

1.   **INTRODUCTION**

1.1   The report seeks to summarise the key issues emerging from the Scottish Government's "Places, People and Planning: A consultation on the future of the Scottish planning system" publication and seeks to agree the key aspects of a mandated SEStran response by the deadline of the 4th April 2017. The key aspect of any response is to what extent do the Board wish to engage with a process of change in the statutory footing or policy focus of Regional Partnerships including RTPs.

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. The consultation paper is accessible here: http://www.gov.scot/Publications/2017/01/3486 and is also attached at appendix 2. The Partnership Director has also been invited on the 20th March to a further meeting of the Planning Review Working Groups.

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)
- Improving national spatial planning and policy (Proposal 3)
- Stronger Local Development Plans (Proposal 4)
- Giving people an opportunity to plan their own place (Proposal 6)
- Getting more people involved in Planning (Proposal 7)
- Embedding an infrastructure first approach (Proposal 13)
- A more transparent approach to funding infrastructure (Proposal 14)
- Innovative Infrastructure Planning (Proposal 15)
- Developing skills to deliver outcomes (Proposal 16)

2.3   As community planning partners, is it proposed that SEStran should support Proposal 1 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.

2.4   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 spatial deficiency rather than lack of skills or training has particularly afflicted some communities and individuals within them in terms of receipt of positive outcomes. The alignment of planning systems may also need to be increasingly reflected in the context of the new set of national outcomes being developed for the National Performance Framework under the requirements of the Community Empowerment Act 2015 and drive setting of local outcomes in Local Outcome Improvement Plans (LOIPs). These new national outcomes will implement the Scottish Government's previous commitment to incorporate the United Nations Sustainable Development Goals, which include specific actions on climate change and inequalities amongst other actions. If a "barrier" is cross sector working, we ask for specific reference to alignment on these issues in the NPF to drive work on it in LOIPs? 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.

2.5   In terms of Proposal 2 regional partnership working, The Royal Town Planning Institute (RTPI) have in the past recommended that rather than removal, sub-regional plans should have a greater focus on promoting economic opportunity and social justice. Integrated poverty reduction strategies tailored to their particular places and communities need to be developed. Rather than these being narrowly conceived through housing provision or area regeneration these strategies should instead encompass better transport links, access to local services and amenities which can in turn promote greater economic participation and more cohesive communities. This would seem in alignment with the UK Government's Industrial Strategy Green Paper which supports regional partnership working especially around transport e.g. Transport for the North.

2.6   Scottish Government through Proposal 2 have agreed with the Independent Panel that the duty to prepare Strategic Development Plans (SDPs) should be 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 there should be new duties or powers enacted for local authorities to work together to define and implement 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 but there was agreement of the potential for delivering improved outcomes and efficiencies between all parties.

2.10   This is undoubtedly a key, if not, the key corporate issue of the response for SEStran. To what extent is the Board open to change? It is proposed that SEStran should make an offer in their response for change to be based on the existing RTP statutory context, broaden out to cover other policies and with a recognition of the need for a review of all structures as part of this process. Should we argue for a retention of the statutory basis of any regional partnerships going forward: planning for transport, planning, economic development but with the ability to enact further discretionary powers as deemed appropriate by local stakeholders within the region. The Board's views on this issue will be key in framing the rest of our response to

this consultation but also the emerging governance aspects of the second National Transport Strategy (NTS2).

2.11 In terms of proposal 3, to try and reflect regional priorities in national plans it would seem appropriate at this stage to would need to await the outcomes of the review of transport governance to enable an aligned responses to improve spatial planning policy across a number of sectors but especially focussed on transport and land-use planning integration. 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 to enable any transition as part of City Deals 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. SEStran is currently bidding with the Transport Research Institute of Edinburgh Napier University to secure Horizon 2020 funding to research the best practice on transport and land-use integration.

2.12 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. There is clearly a role for RTPs as part of the development of a statutory Regional Transport Strategy (RTS) and associated delivery plan and in the context of seeking to build on what is already there and what is planned for the future. SEStran would welcome further articulation of these proposals and how these could fit with ongoing consultation/monitoring on RTS's and associated main issues reports.

2.13 Proposal 6 outlines potential changes to legislation which will allow communities to prepare local plans that set out where development requirements, as defined by the broader local development plan, can be met and place a duty on planning authorities to adopt these plans as part of the statutory development plan if the above requirement is met. We welcome the proposal to increase local democratic involvement and community engagement but with a clear proviso that this can't be a mandate to promote unreasonable protectionism, or in the absence of regional planning potentially going forward, a singular community veto on important regional strategic infrastructure projects. The action for further research is welcomed to explore options for local place plans and how they can be integrated with strategic planning in order to develop inclusive growth for Scotland.

2.14 The Independent panel previously recommended that for all statutory plans, a working group is established to look at mechanisms that would increase participation in all forms of planning and also proposed a statutory right for young people to be consulted upon the development plan. In light of SEStran's positive experience with the Young Scot X-Route[1] study over the

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[1] http://www.youngscot.net/getting-active-with-xroute/

past year, this might be a case study of co-production which the Board may wish to highlight in supporting these participatory recommendations under Proposal 7. The positive engagement we had from young people and also the need for actions under this proposal to be integrated by public bodies within their statutory Equality Outcomes 2017-2021 and actions to increase participation in public life of currently under-represented groups should be an integral part of implementing this proposal given Public Sector Equality Duties.

2.15 On the issue of infrastructure planning, under Proposal 13, 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, as highlighted by earlier comments on Proposal 4, SEStran would request the key role of RTS is recognised in this proposal.

2.16 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 of this proposal there was greater reference to Regional Transport Strategies, as an existing statutorily required regional planning document which clearly would have a role in a regional audit of transport infrastructure capacity.

2.17 The consultation outlines in Proposal 14 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 they propose in the forthcoming Planning Bill to introduce an enabling power for a new infrastructure levy for Scotland, following further detailed consultation on the development types involved which will outline 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. SEStran would welcome the proposal to facilitate additional investment in infrastructure based on a targeted levy as a vital further funding stream to deliver existing and future commitments made in the RTS Delivery Plan.

2.18 The consultation also states that, under Proposal 15, 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.

2.19 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 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 cannot be overstated in its importance to the proposals for change outlined in the consultation paper.

2.20 As mentioned earlier in the report in regard to Proposal 2, the increasing alignment of functions in the South-East of Scotland may have relevance to Proposal 16 on developing skills to deliver outcomes and the independent panel's recommendations of further work on skills development and shared services especially concerning the sharing of specialism between local authorities/delivery of shared outcomes. SEStran's Partnership Director responded with focussed comments to the recent Scottish Government's consultative draft plan for education and training on Science, Technology, Engineering and Mathematics (STEM). The aim being to provide Scotland with a resilient and enhanced workforce to drive forward the research, development and implementation of these policies and proposals over the next 3 decades. It is crucial that in terms of the Planning Review, NTS2 and RPP3 that whatever path we take towards the 2050 targets it needs to be well-resourced, not only in terms of financial resources but Scotland also need to develop and retain STEM based expertise to deliver the innovative and forward-thinking proposals.

2.21 The Board in their consideration on the Independent Panel's final report last year observed that there is no doubt that economies of skill and scale in Scotland could potentially be gained by integrating some currently separately managed and governed services under one roof, joining together with other areas to commission or share larger scale services and staff where appropriate, and aggregating functions into regional shared support services. As well as strengthening local democracy, this may be a necessity if, politically, local communities wish their representatives to protect services of public interest in emerging financial and legislative contexts.

2.22 The Commission on Strengthening Local Democracy's 2014 final report observed that centralisation over several decades has fragmented service arrangements and patterns of accountability, and localisation would improve integration and simplify accountability for communities. The Commission's final report said that we need a culture of change that can bring democratic decision making much closer to local people, and spoke in the final report of

the need to take steps to confront and challenge a culture of centralisation at all levels, and deliver progress towards the vision of empowered and strengthened local democracies in Scotland. This may be a line the Board wish to take to any future lobbying given the implied potential of taking transport infrastructure planning away from a Regional Partnership/Planning system.

2.23 The Commission was also clear the achievement of this vision didn't negate the change in delivery of services to a more regional or national level and continuous pursuit of best value for communities, but it did mean that governance of services was retained by locally elected representatives. The Commission concluded that intelligent collaboration and sharing was a necessary element of fundamental subsidiarity and this is a position the Board may wish to articulate in future lobbying as key tenants in drawing up cultural and legislative change proposals on the future of the Scottish planning system.

3 UK INDUSTRIAL STRATEGY

3.1 The UK Government have also recently published a consultation[2] on their proposed strategy to address long-term challenges for industry. The consultation identifies 10 pillars that the UK Government believe are important to drive forward their industrial strategy across the entire economy: science, research and innovation; skills; infrastructure; business growth and investment; procurement; trade and investment; affordable energy; sectoral policies; driving growth across the whole country; and creating the right institutions to bring together sectors and places.

3.2 It is proposed that SEStran also respond to this consultation with an amalgamated submission based upon relevant aspects of the Planning review consultation but also Rail Strategy, RPP3 and our previous responses to other consultations such as the Royal Society of Arts Inclusive Growth Commission.

4. CONCLUSION / RECOMMENDATIONS

4.1 The Board are invited to:

- comment on the summary of issues raised by the Scottish Government consultation on the future of the Scottish planning system;
- Have a focussed debate at the meeting specifically upon their view of whether SEStran should proactively engage in debate around changing the policy focus and potentially statutory context of RTPs; and
- Mandate the Chair to sign off the final response to the Scottish Government Planning consultation prior to the 4 April.
- Mandate the Chair to sign off the final response to the UK Industrial Strategy consultation prior to the 17 April.

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[2] https://www.gov.uk/government/consultations/building-our-industrial-strategy

George Eckton
Partnership Director
23rd February 2017

Policy Implications	Potentially significant further changes to transport legislation, policy and strategy.
Financial Implications	Potentially significant change to infrastructure funding mechanisms.
Equalities Implications	Impact on encouraging participation in planning for under-represented groups
Climate Change Implications	Impact of greater integration of transport and land-use planning is a key aspect of the Government's plans for emissions reductions.

Appendix 1 – Selected Consultation paper Questions

Appendix 2 – Places, People & Planning Consultation Paper

7. Appx 1

Selected Consultation Questions

- Do you agree that our proposed package of reforms will improve development planning?
    - 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 our proposed package of reforms will increase community involvement in planning?
    - Should communities be given an opportunity to prepare their own local place plans?
        - Should these plans inform, or be informed by, the development requirements specified in the statutory development plan?
    - How can we ensure more people are involved?
        - Should planning authorities be required to use methods to support children and young people in planning?
- Will these proposals help to deliver more homes and the infrastructure we need?
    - 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?
- Do you agree the measures set out here will improve the way that the planning service is resourced?
    - What are the priorities for developing skills in the planning profession?
    - Are there ways in which we can support stronger multidisciplinary working between built environment professions?

Places, people and planning

A consultation on the future
of the Scottish planning system

Scottish Government
Riaghaltas na h-Alba
gov.scot

CONTENTS

FOREWORD

Scotland needs a great planning system.

The places where we live, work and play can have a major impact on our health, wellbeing, sense of identity and prosperity. Planning can nurture our places, our environment and our communities and guide future change so that it benefits everyone. Planning can co-ordinate and support investment, ensure that future growth reflects the needs of communities and is sustainable. Planning has a key role to play in delivering Scotland's Economic Strategy. The efficiency and reputation of the system has an important role to play in making Scotland an attractive place to invest.

We need to change the planning system so that it realises its full potential. Procedures and perceptions can be improved. Planning should not be bureaucratic and dull, but inspiring and influential. It should be dynamic, focused on outcomes, inherently efficient and effective. Our planning system should play a more active role in making development happen in the right places.

Our planning system has important strengths that have helped shape Scotland and there are examples of good practice around the country. However, we need to improve the performance of the system further so that it more effectively delivers for all of us. We need to improve the way the planning profession performs and is valued by others. This will need everyone's support – we all have a contribution to make. We can build on previous reforms and much can be done within the existing planning system through culture change and improvements to existing practices. We can also make some targeted changes to our planning legislation.

The independent panel who reviewed the system heard from communities, developers, professional planners and a wide range of organisations with an interest in planning. The panel set out clear recommendations for change. Since the panel's report was published in May 2016, the Scottish Government has discussed, with many different people, how we can make the system work better. The panel's ideas, and the enthusiasm of people who are interested in planning, have helped to shape our proposals for change. I am very grateful to those who have contributed to the review of the planning system.

I hope our proposals inspire you to comment on the future of planning in Scotland, and I look forward to hearing your views and ideas.

Kevin Stewart MSP
Minister for Local Government and Housing

OUR PROPOSALS FOR CHANGE

Planning should be central to the delivery of great places and a force for positive change. Scotland's economy needs a planning system which is open for business, innovative and internationally respected. Our people need a planning system that helps to improve their lives by making better places and supporting the delivery of good quality homes.

We recognise the unique contribution that the planning system can make to shaping the future of our places.

Scotland needs a planning system which helps growth to happen and unlocks the potential of our people and places. Our proposals have been developed in response to the independent review of the planning system which was published in May 2016. We believe that there should be four key areas of change:

- **Making plans for the future**. We want Scotland's planning system to lead and inspire change by making clear plans for the future. To achieve this, we can simplify and strengthen development planning.

- **People make the system work**. We want Scotland's planning system to empower people to have more influence on the future of their places. To achieve this, we can improve the way we involve people in the planning process.

- **Building more homes and delivering infrastructure**. We want Scotland's planning system to help deliver more high quality homes and create better places where people can live healthy lives and developers are inspired to invest. To achieve this, planning can actively enable and co-ordinate development.

- **Stronger leadership and smarter resourcing**. We want to reduce bureaucracy and improve resources so Scotland's planning system can focus on creating great places. To achieve this, we can remove processes that do not add value, and strengthen leadership, resources and skills.

Responding to this consultation

We would like to hear your views on 20 proposals for improving the planning system. To help you respond to this consultation, we have set out a key question for each of the four areas of proposed change. More detailed technical questions are also provided for those who wish to answer them.

KEY CHANGES

Making Plans for the Future

We want Scotland's planning system to lead and inspire change by making clear plans for the future. We propose:

1___Aligning community planning and spatial planning. This can be achieved by introducing a requirement for development plans to take account of wider community planning and can be supported through future guidance.

2___Regional partnership working. We believe that strategic development plans should be removed from the system so that strategic planners can support more proactive regional partnership working.

3___Improving national spatial planning and policy. The National Planning Framework (NPF) can be developed further to better reflect regional priorities. In addition, national planning policies can be used to make local development planning simpler and more consistent.

4___Stronger local development plans. We believe the plan period should be extended to 10 years, and that 'main issues reports' and supplementary guidance should be removed to make plans more accessible for people. A new 'gatecheck' would help to improve plan examinations by dealing with significant issues at an earlier stage.

5___Making plans that deliver. We can strengthen the commitment that comes from allocating development land in the plan, and improve the use of delivery programmes to help ensure that planned development happens on the ground.

People Make the System Work

We want Scotland's planning system to empower people to decide the future of their places. We propose:

6___Giving people an opportunity to plan their own place. Communities should be given a new right to come together and prepare local place plans. We believe these plans should form part of the statutory local development plan.

7___Getting more people involved in planning. A wider range of people should be encouraged and inspired to get involved in planning. In particular, we would like to introduce measures that enable children and young people to have a stronger voice in decisions about the future of their places.

8___Improving public trust. Pre-application consultation can be improved, and there should be greater community involvement where proposals are not supported in the development plan. We also propose to discourage repeat applications and improving planning enforcement.

9___Keeping decisions local – rights of appeal. We believe that more review decisions should be made by local authorities rather than centrally. We also want to ensure that the system is sufficiently flexible to reflect the distinctive challenges and opportunities in different parts of Scotland.

Building More Homes and Delivering Infrastructure

We want Scotland's planning system to help deliver more high quality homes and create better places where people can live healthy lives and developers are inspired to invest. We propose:

10___Being clear about how much housing land is required. Planning should take a more strategic view of the land required for housing development. Clearer national and regional aspirations for new homes are proposed to support this.

11___Closing the gap between planning consent and delivery of homes. We want planning authorities to take more steps to actively help deliver development. Land reform could help to achieve this.

12___Releasing more 'development ready' land. Plans should take a more strategic and flexible approach to identifying land for housing. Consents could be put in place for zoned housing land through greater use of Simplified Planning Zones.

13___Embedding an infrastructure first approach. There is a need for better co-ordination of infrastructure planning at a national and regional level. This will require a stronger commitment to delivering development from all infrastructure providers.

14___A more transparent approach to funding infrastructure. We believe that introducing powers for a new local levy to raise additional finance for infrastructure would be fairer and more effective. Improvements can also be made to Section 75 obligations.

15___Innovative infrastructure planning. Infrastructure planning needs to look ahead so that it can deliver low carbon solutions, new digital technologies and the facilities that communities need.

Stronger Leadership and Smarter Resourcing

We want to reduce bureaucracy and improve resources so Scotland's planning system can focus on creating great places. We propose:

16___Developing skills to deliver outcomes. We will work with the profession to improve and broaden skills.

17___Investing in a better service. There is a need to increase planning fees to ensure the planning service is better resourced.

18___A new approach to improving performance. We will continue work to strengthen the way in which performance is monitored, reported and improved.

19___Making better use of resources – efficient decision making. We will remove the need for planning consent from a wider range of developments. Targeted changes to development management will help to ensure decisions are made more quickly and more transparently.

20___Innovation, designing for the future and the digital transformation of the planning service. There are many opportunities to make planning work better through the use of information technology. The planning service should continue to pioneer the digital transformation of public services.

01

MAKING PLANS FOR THE FUTURE

25

We want Scotland's planning system to lead and inspire change by making clear plans for the future.

Proposal 1
Aligning community planning and spatial planning

Proposal 2
Regional partnership working

Proposal 3
Improving national spatial planning and policy

Proposal 4
Stronger local development plans

Proposal 5
Making plans that deliver

1.1___Development plans should provide a clear vision of how a place can grow and flourish. They should be of interest to everyone and inspire the confidence of communities and investors alike. Change is needed to make that happen and ensure plans better reflect the needs and expectations of society now, and in the future.

1.2___Plans should show where development will happen, and how our places may change over time. They should help us to design and deliver places where people can lead healthier lives, move around easily and have access to the homes, services, facilities, education and employment they need. They should set out a vision for places which are low carbon and resilient to the future impacts of climate change. Our planning system evolved to provide healthier places for people. We need to make sure that purpose continues to guide the plans we prepare today.

1.3___At present development plans are often complex, focused on technical written policies and restricted by procedures, rather than being inspirational and creating confidence. It can be difficult for people to understand what change is proposed, why it is needed, and where, how and when it will happen. Developers and investors also need to have confidence in a plan. While there are examples of good practice around the country, there is also often frustration with the process required to prepare them. At present, many plans are considered to be out of date by the time they are adopted – we need plans that can keep pace with the way that society works today.

1.4___Our proposals aim to simplify the existing system of development plans to make sure that planning authorities, and those they work with, focus on delivering outcomes rather than following lengthy and complicated procedures.

Proposal 1: Aligning community planning and spatial planning

1.5___The independent panel found strong support for a plan-led system. We want to see plans that allow planners to lead and innovate, delivering priorities that have been agreed through an open and evidence-led process.

1.6___Given the range of interests involved in planning, there should be an open and inclusive approach to understanding issues, considering options, defining priorities and agreeing proposals. People are at the heart of the system and our proposals seek to build more effective opportunities for people to influence their places. A much wider range of stakeholders, including all relevant local authority services, communities and developers, should share ownership and responsibility for preparing, promoting and delivering development plans. One of the keys to this is making sure that local authorities recognise the value of the development plan in realising their corporate objectives.

1.7___We propose introducing a statutory link between the development plan and community planning. This link could be achieved by ensuring that development plans take account of the work of Community Planning Partnerships. We will also support this as we bring forward guidance on both community planning and spatial planning. Co-ordinated working and including planners as key community planning partners will be essential.

Aligning Community Planning and Spatial Planning – East Ayrshire

The East Ayrshire Community Plan 2015-2030 sets out aspirational outcomes for East Ayrshire in the coming years. There are three shared priority areas, led by different community planning partners: Economy and Skills (East Ayrshire Council); Safer Communities (Police Scotland); and Wellbeing (the Health and Social Care Partnership). The East Ayrshire local development plan reaffirms the shared vision – in particular, the drive to promote the economy and skills is fully embedded across all aspects of the plan. The plan was used to explore land use issues including strategic locations for development, infrastructure and town centres. Key to the success of this alignment were partnership working, a shared focus on outcomes, governance and dynamic leadership.

Proposal 2: Regional partnership working

1.8___The Planning etc. (Scotland) Act 2006 reflected a two-tiered system of development plans, with strategic development plans covering our largest city regions (Glasgow, Edinburgh, Perth and Dundee, and Aberdeen) and local development plans for each local authority and the two national parks.

1.9___At present, strategic development planning authorities are tasked with preparing a plan which is approved by Scottish Ministers after a comprehensive examination process. The procedures for preparing strategic development plans mean that there is little time to actively work on delivering them. Strategic development planning authorities have no duties or powers to make sure their plans have a strong influence, either nationally or locally.

1.10___The independent panel recommended that strategic development plans are removed from the system and that we should focus instead on co-ordinating development and infrastructure at this scale. We agree, but we recognise that strategic planning has an important contribution to make to delivering a high performing planning system. Any changes to the system should support cross-boundary collaboration, and improve the co-ordination of strategic development and infrastructure priorities.

1.11___Planners working at a regional scale should play an active role in partnership working. Strategic planners could add significant value by helping to shape future spatial priorities for investment and providing timely evidence to support stronger joint decision making. Planning should contribute to wider regional activities, including economic and social infrastructure delivery, as well as supporting a clear dialogue between national and local tiers of government. Working together at a regional level would also allow local authorities to combine resources and share potential risks.

1.12___We agree that strategic development plans should be removed from the system, so that planners can better respond to and be involved in wider regional partnership working. Instead, we propose that the National Planning Framework (NPF) sets out regional planning priorities. By incorporating regional strategies at a national scale we would remove the procedural requirements associated with preparing and adopting four stand-alone strategic development plans. This would also give more weight to the spatial strategies for the regions as the National Planning Framework (NPF) is prepared and adopted by Scottish Ministers with input from the Scottish Parliament.

Regional working

1.13___We propose to replace these plans with new duties or powers for local authorities to work together on defining regional priorities. Views on what needs to be done at this scale are invited, but we suggest that the following actions would be beneficial:

- Helping to develop a strategy and delivery programme to be adopted as part of the National Planning Framework (NPF). We would want to see regional partnerships working with the Scottish Government, agencies and local authorities to make sure there is evidence to support the National Planning Framework (NPF) and then to implement their regional commitments through the delivery programme.

- Co-ordinating the work of local authorities to support the aspirations for housing delivery, as set out in the National Planning Framework (NPF).

- Bringing together infrastructure investment programmes to promote an infrastructure first approach, provide a co-ordinated audit of economic and social regional infrastructure, identify the need for strategic investment and support necessary cross-boundary working.

- Co-ordinating funding of infrastructure projects, potentially including an infrastructure levy, and working with others, in both the public and private sectors, to develop regional funding and finance packages that support their strategies for growth.

- Acting as a 'bridge' between local and national levels by making sure that local development plans support the delivery of wider strategic priorities. Partnerships involving business representatives as well as the public sector could provide a forum where regionally significant matters and common goals can be discussed and used to inform local strategies and development planning.

1.14___We would welcome views on the above actions. We believe they could form the basis of new duties to help planning authorities to be actively involved in regional partnership working. We are also open to considering making these actions discretionary powers which allow local authorities to decide whether this level of co-ordination would be of value. We would welcome views on working arrangements and governance. We are keen to avoid creating new partnerships where tasks can be achieved through existing arrangements.

1.15___Within the above context, the ongoing review of the National Transport Strategy and the consideration of regional partnership working. We would also 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.

Regional geography

1.16___The way in which local authorities and their partners are currently working together at a regional scale is dynamic, and this is relevant to the future of strategic spatial planning in Scotland.

1.17___The emerging Tay Cities Deal (Perth and Dundee, together with Angus and the North of Fife) is bringing together economic development, planning and transport programmes to provide a joined up and branded approach to supporting future investment. In South East Scotland, regional planning and transport functions are increasingly aligning and linking with economic development and proposals for a city region deal. The three Ayrshire authorities are working together to prepare their own 'growth deal'. Joint working on the Glasgow and Clyde Valley City Region Deal, driven by economic development, is now established and moving forward. Aberdeen City and Shire have a long tradition of co-operation to provide a North East perspective on growth and development and their city deal supports taking this forward with strong private sector representation.

1.18___There is also wider work across all seven cities, supported by the Scottish Cities Alliance. Regional land use partnerships, to help deliver the aims of the Land Use Strategy, will be explored further. Regional Marine Partnerships are being established to undertake marine planning. Our commitment to addressing climate change is also driving wider partnership working, for example in the Climate Ready Clyde Project.[1] The ongoing

enterprise and skills review[2] has been exploring the regional geography of economic development and includes proposals that combine stronger national oversight with additional regional coverage for the South of Scotland and developing regional partnerships across Scotland. This could also connect with emerging work on the development of a Scottish Rural Infrastructure Plan.

1.19___All of these arrangements are potentially relevant to the future of strategic planning. We need planning to respond to changing regional priorities and groups, rather than focusing on fixed boundaries. We propose that existing strategic development planning authorities form part of, or are replaced with, partnerships whose membership extends beyond planning to include all those with a role in planning, prioritising and delivering regional economic development and investment in infrastructure.

1.20___We would welcome views on the following options for the scale and coverage of regional partnership working:

- Rather than defining or fixing the boundaries of partnerships which may or may not reflect changing regional partnerships that emerge over time, local authorities could define the geography of their involvement in regional partnerships locally. This would allow, for example, strategic planning to better align with emerging city and growth deals.

- We could link strategic planning with the ongoing Enterprise and Skills Review and its proposals for regional working covering the Highlands and Islands, South of Scotland and regional partnership network.

- We could use the National Planning Framework (NPF) to identify priority areas where future regional partnership working should take place.

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[1] http://www.sniffer.org.uk/knowledge-hubs/sustainable-places/climate-ready-clyde/

[2] http://www.gov.scot/Resource/0050/00508466.pdf

The Tay Cities Region – Partnership for Growth

The opportunity to secure a City Region Deal has brought together the leaders and chief executives of local authorities across the region to work together as a strategic partnership. The four authorities (Angus, Dundee City, Fife and Perth and Kinross Councils) are collaborating with their Community Planning Partners, the private sector and voluntary organisations to develop and deliver on an agreed vision for the region as a distinctive place. The partnership has identified how the region's potential can be unlocked, including by supporting key growth sectors and fostering innovation and skills development. The need to address social and economic inequalities in both urban and rural areas and support transport and digital infrastructure investment are also identified as key regional priorities.

Proposal 3: Improving national spatial planning and policy

1.21___The role of Scotland's National Planning Framework (NPF) has developed and grown since the first, non-statutory NPF was adopted in 2004, and through its two versions as a statutory document in NPF2 (2009) and NPF3 (2014).[3] We want to build on the growing awareness of NPF, and support our proposals for stronger co-ordination of regional planning by producing a spatial strategy that is prepared following even more joint working and involvement.

Alignment with wider policy

1.22___We have already announced in the Programme for Government[4] that the next Strategic Transport Projects Review (STPR) will be in line with the next iteration of the National Planning Framework (NPF) and a review of the National Transport Strategy is underway and will inform the next STPR. We recognise that we should consider spatial planning priorities as part of future reviews of the Infrastructure Investment Plan. This will allow for spending on infrastructure to be more clearly aligned with proposals for future growth, regeneration and development.

1.23___We will continue to ensure that the National Planning Framework (NPF) brings together wider Scottish Government policies and strategies across all sectors, including but not limited to the Scottish Planning Policy (SPP), Energy Strategy, Climate Change Plan and Scottish Climate Change Adaptation Programme, Land Use Strategy, Digital Strategy, National Marine Plan and our national policy on architecture, Creating Places. We will also ensure that planning at this scale maintains its role as the spatial expression of Scotland's Economic Strategy.

1.24___An enhanced national spatial strategy which provides greater clarity on regional priorities (informed by the work of regional partnerships) would have greater significance and relevance across Government policy areas. We therefore propose building on the provisions for the National Planning Framework (NPF) introduced by the 2006 Act by:

• Extending the review cycle to 10 years (with a 30-year vision), whilst making provision for interim updates to be made where necessary.

• Extending the existing period of 60 days of Parliamentary consideration to 90 days to allow for enhanced transparency and national democratic engagement.

• Giving the National Planning Framework (NPF) (together with the Scottish Planning Policy (SPP)) stronger status. Consistency of local development plans with the National Planning Framework (NPF) should also be independently tested and confirmed.

• Working closely with infrastructure providers to contribute to the delivery of the National Planning Framework (NPF). This will require careful consideration owing to the varying roles, responsibilities, legal and regulatory context within which each infrastructure provider works. A delivery programme for the National Planning Framework (NPF) should be developed in close collaboration with regional partnerships and there should be a strong sense of shared ownership of the actions it contains.

Streamlining planning policy

1.25___Despite the aims of previous reforms for local development plans to be map-based, many are still lengthy and include a great deal of policy content. We believe this needs to change and that the National Planning Framework (NPF) and Scottish Planning Policy (SPP) could better support the planning system by having a stronger statutory status. This could be achieved by either making them part of the statutory development plan, or by ensuring that both are given due weight in decision making through their local implementation.

1.26___Depending on the changes that are taken forward, we would consider whether the Scottish Planning Policy (SPP) preparation process also needs to be updated. For example, if it is given statutory weight, the Scottish Planning Policy (SPP) could be prepared alongside the National Planning Framework (NPF) and given the same level of consultation and consideration by Parliament.

1.27___Either option could allow local development plans to focus on providing a clear and engaging spatial strategy, rather than acting as a rule book for decision making with very detailed and repetitive policies. However, place-based planning must recognise and reflect the diversity of planning in different parts of the country. Local development plans could still include policies where they are required to identify departures from the Scottish Planning Policy (SPP) that are justified on the basis of distinctive local circumstances.

Proposal 4: Stronger local development plans

1.28___As well as being engaging, development plans need to be strong and practical. Building on previous reforms, our proposals aim to ensure local development plans can better respond to their changing context. We agree with the independent panel that the 'main issues report' has not been an effective way of involving people. For consultation to be more effective, planning authorities should produce draft plans which are easy to access and understand, and set out clear proposals for people to comment on. It is important that draft plans are fully informed by robust evidence from the outset. We also agree that the lifespan of plans should be longer, and the time it takes to prepare them should be reduced.

1.29___We propose the following changes to local development plans:

- Removing the requirement for a main issues report to be prepared and consulted on. We would replace this with a requirement for a draft plan to be published and fully consulted on, before it is finalised and adopted. This would mean responses to the draft plan could be used to guide changes, and these changes could be explained in feedback to those who have been involved.

- Requiring local development plans to be reviewed every 10 years. We agree in principle with the independent panel that there should be a shorter plan preparation period to allow more time to focus on delivering the plan. However, we believe this could be better supported through guidance and training rather than by setting a fixed period.

- Making provision for plans to be updated within the 10-year review cycle. This would allow plans to be more responsive to change, but care will be required to avoid confusion. Our view is that the 'triggers' for updating a plan could be outlined nationally and agreed locally to provide some stability and make sure that plans are flexible but not in a constant review cycle. This is intended to improve scope to focus on delivery.

- Removing the provisions for statutory supplementary guidance to form part of the development plan so that people can find out everything they need to know about the future of their area in one place. This will mean that important content is included in the main body of the plan and therefore subjected to full consultation and scrutiny through the examination process.

1.30___Alongside these changes, we propose working with local authorities to better define the relationship between development plans and development management, and the role of non-statutory supplementary guidance in informing decision making. At both the national and local level, there would be benefit in streamlining planning guidance on specific types of development, to provide a manual or set of advice that guides how applications for planning consents are considered. This would help to remove significant amounts of policy detail from the development plan.

Examinations

1.31___We accept the independent panel's view that local ownership and responsibility for the development plan is undermined by current arrangements for a centrally administered examination of the plan, which is undertaken at the end of the preparation process. Current arrangements can be lengthy and result in a significant financial cost to local authorities. As the examination takes place late in the process, it is very difficult to address any significant issues that are outstanding at this stage.

1.32___It is important that a clear national and regional picture of requirements informs local development plans. However, decisions on the future of a place, including where development should happen, should be made locally, and local people should be fully involved. We want to ensure that people have more meaningful opportunities to influence where development should take place. However, this needs good evidence and input from professionals, so that everyone involved can properly understand the level of development required and how an area can support it, before specific development sites and proposals are considered and agreed.

1.33___Many people value the credibility that comes with a rigorous and independent process of scrutiny provided by examinations. Some planning issues can be very challenging and difficult decisions should not be avoided. Independent scrutiny can help to establish what is needed from a plan, that appropriate information has been gathered, that people will be properly involved and that, ultimately, developments will be delivered in line with the vision in the local development plan.

1.34___We do not suggest removing examinations altogether but we agree with the independent panel that earlier scrutiny in the plan preparation process would be helpful. We propose that plans should be 'gatechecked' by an independent reporter at an early stage before the draft plan is prepared. Planning authorities would need to pass this stage before they can go ahead with developing and consulting on their draft plan. The gatecheck would establish whether the technical evidence is sufficiently sound to prepare a deliverable spatial strategy. We believe the following matters could usefully be assessed at this early but critical stage:

• That the development plan scheme sets out how the local community will be involved in developing proposals for change and has been framed in consultation with the relevant community councils.

• That the plan takes account of community planning.

• That the key outcomes required from the plan have been clearly defined.

• That the amount of land needed for housing over the plan period has been agreed.

• That the required environmental assessment work, including a flood risk appraisal, is carried out.

• That there has been an audit of existing infrastructure levels and necessary interventions have been prioritised, including the plan's transport appraisal and other types of infrastructure

1.35___We propose that gatechecks are chaired by independent reporters from the Directorate for Planning and Environmental Appeals (DPEA) and supported by relevant specialists. Including the views of a citizen's panel at this stage would also support our broader aim of empowering communities. If necessary and appropriate, consideration could be given to using professional mediation to further resolve any issues arising at this stage.

1.36___We recognise that as the preparation stage of a plan progresses, there may still be some issues to deal with and that an examination towards the end of the process may still be needed. Before the plan is finalised, we propose that unresolved issues would still be dealt with by an examination. We expect that the earlier gatecheck would mean there is less scrutiny at this stage and that this would reduce costs and timescales.

1.37___Alongside these proposals for change, we believe we can work with planning authorities to make sure that the evidence base for local development plans is more streamlined and effective. Research into the Strategic Environmental Assessment (SEA) of development plans is underway, with a report due to be published later this year. We expect the findings of this research will help us to better understand how future assessment and reporting requirements could support and be proportionate to a new planning system. We have also made proposals on planning for housing in section 3 which aim to simplify requirements for defining housing figures within development plans.

1.38___The whole local development plan process must be accompanied by strong project management and this should be a priority for further planning skills development.

South Ayrshire Local Development Plan (LDP)

The 2016 overall winner of the Scottish Awards for Quality in Planning was South Ayrshire Council. Its South Ayrshire Local Development Story Map is an online, interactive LDP, designed to be in a user-friendly and non-technical format. Layers of information, reflective of the local area, and building on a solid approach to mapping, have led to transformational change across the authority.

Proposal 5: Making plans that deliver

1.39___Decisions on planning applications should be made in accordance with a development plan which has been properly evidenced and prepared with the involvement of local people. However, at present some practices undermine the role of development plans. We want that to change, so that allocation of a site in a development plan gives more certainty that development will happen.

1.40___Where a plan is prepared with the local community and developers, it should be accepted that other proposals, which could undermine the plan's aims, will only be supported following additional scrutiny. Local authorities and infrastructure providers should be clear that they have shared responsibility to fulfil the commitments set out in the plan.

1.41___Proposed housing developments should be fully supported by the development plan. For developers and investors, an allocated housing site within a plan should bring certainty and confidence in the principle that development of the site will proceed in line with the delivery programme, providing more detailed considerations are addressed. Infrastructure providers also need to be convinced that allocated sites will be taken forward as programmed. Greater confidence in the deliverability of allocated sites should also mean there is greater confidence that other areas will be protected.

Planning permission in principle for allocated sites

1.42___We commissioned research[5] to consider whether planning permission in principle should be attached to allocated sites within the development plan. The research has found that there is 'conditional support' for the proposed reform, but that this is 'complex and nuanced.' We have reservations about the amount of upfront work that would be needed to achieve this, and the implications arising for all those concerned as well as for development planning procedures. This would also need to be fully in line with and meet all European obligations for environmental assessment.

1.43___Whilst we agree that this approach has potential benefits, we are concerned that it may provide limited benefits which do not outweigh the extra time and complexity it would add. We would

like to hear people's views on whether this change would be either necessary or helpful, taking into account the research findings. We believe that a more strategic, zoning approach to housing allocations, such as improving the use of Simplified Planning Zones, could be a simpler way of strengthening the development plan and establishing the need for development at an early stage (see section 3).

A stronger commitment to delivery

1.44___There are other ways in which plans can provide more certainty. We propose the following:

- Setting out the minimum level of information needed to support allocations within the development plan. This will ensure consistent information is available and that there is enough detail to allow the planning authority to make an informed appraisal. It will also increase confidence that if a site is included in a plan, it can be delivered.

- Information on site assessment to be submitted by the site proposer and appraised before any site is allocated in the plan. This would include economic and market appraisal information to provide greater confidence about the effectiveness of sites and when they can be delivered. This could also allow for closer monitoring of performance. We recognise that this could have implications for resources – we would consider the practicalities of this in more detail if it is agreed that it should be taken forward.

- Encouraging a broader, zoned approach to meeting short and longer-term housing needs. Rather than piecing together individual sites promoted by developers, we want planners to have the confidence to guide how an area should grow over the long term. Priority sites should also be identified and enabled as far as possible.

- Stronger measures for public involvement for sites that have not been included in the plan. There must be good involvement in the development plan, so that sites which are allocated are fully discussed with communities before they are confirmed as allocations. For sites where there has not been this involvement as part of the plan making process, we think it is reasonable to expect developers to engage more with communities. Our proposals for fees (section 4) and increased community involvement (section 2) support this. It could also be argued that there should be less consultation on allocated sites, for example by reducing or removing

[5] Research project to consider planning permission in principle for sites allocated in the development plan: Ryden in association with Brodies (December 2016) https://beta.gov.scot/policies/planning-architecture/reforming-planning-system/

requirements for consultation before the application is made. We would welcome views on this.

• Working with the statutory key agencies to make sure that their engagement at the development plan allocation stage is meaningful and informed by appropriate evidence. If they have agreed to a site being allocated in a plan, the key agencies and other infrastructure providers should not be in a position of advising against the principle of development on the site later on, unless there has been a clear and significant change in circumstances. Further front loading of engagement and evidence gathering in this way could have resource implications that will need to be considered further.

Programming delivery

1.45___Plans must lead to development on the ground. In practice this has proved challenging. While planning can set out what should happen in the future, achieving this depends on partnership with and buy-in from a wide range of public and private sector bodies.

1.46___We propose replacing 'action programmes' which support development plans with stronger 'delivery programmes' which have a clearer purpose. Delivery programmes would be a more major part of the development plan and we would want to see a stronger requirement for local authority-wide involvement in them, as well as other stakeholders with an interest in their delivery. We would expect delivery programmes to be detailed and practical. We would also expect planning authorities to monitor the programmes to identify whether commitments to deliver are being met. There may be scope for wider improvements to how information is managed to support delivery programmes. This will be considered further by the digital task force (section 4).

1.47___A sharper focus on delivery could introduce extra demands on time and resources for local planning teams. The move towards a longer review period is also intended to enable a stronger focus on delivery to emerge. Wider expertise may be required to address matters such as development economics, programming and costing of infrastructure. However, this would be a worthwhile investment if it leads to a far more thorough assessment of how the plan performs and stronger evidence for action. It would also help to reduce the level of work required at the development management stage.

1.48___We will therefore work with partners to support additional training and guidance to improve the preparation and monitoring of local development plan delivery programmes. We recognise that there are different delivery challenges in different parts of the country and will use pilot work to explore this further in collaboration with the Scottish Futures Trust. This will help to build skills and provide insights into how they can become more purposeful delivery programmes in the future system.

MAKING PLANS FOR THE FUTURE – CONSULTATION QUESTIONS:

KEY QUESTION

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A: Do you agree that our proposed package of reforms will improve development planning? Please explain your answer.

Optional technical questions

1. Do you agree that local development plans should be required to take account of community planning?

2. Do you agree that strategic development plans should be replaced by improved regional partnership working?

2(a) How can planning add greatest value at a regional scale?

2(b) Which activities should be carried out at the national and regional levels?

2(c) Should regional activities take the form of duties or discretionary powers?

2(d) What is your view on the scale and geography of regional partnerships?

2(e) What role and responsibilities should Scottish Government, agencies, partners and stakeholders have within regional partnership working?

3. Should the National Planning Framework (NPF), Scottish Planning Policy (SPP) or both be given more weight in decision making?

3(a) Do you agree with our proposals to update the way in which the National Planning Framework (NPF) is prepared?

4. Do you agree with our proposals to simplify the preparation of development plans?

4(a) Should the plan review cycle be lengthened to 10 years?

4(b) Should there be scope to review the plan between review cycles?

4(c) Should we remove supplementary guidance?

5. Do you agree that local development plan examinations should be retained?

5(a) Should an early gatecheck be added to the process?

5(b) Who should be involved?

5(c) What matters should the gatecheck look at?

5(d) What matters should be the final examination look at?

5(e) Could professional mediation support the process of allocating land?

6. Do you agree that an allocated site in a local development plan should not be afforded planning permission in principle?

7. Do you agree that plans could be strengthened by the following measures:

7(a) Setting out the information required to accompany proposed allocations

7(b) Requiring information on the feasibility of the site to be provided

7(c) Increasing requirements for consultation for applications relating to non-allocated sites

7(d) Working with the key agencies so that where they agree to a site being included in the plan, they do not object to the principle of an application

8. Do you agree that stronger delivery programmes could be used to drive delivery of development?

8(a) What should they include?

02

PEOPLE MAKE THE SYSTEM WORK

35

We want Scotland's planning system to empower people to decide the future of their places.

Proposal 6
Giving people an opportunity to plan their own place

Proposal 7
Getting more people involved in planning

Proposal 8
Improving public trust

Proposal 9
Keeping decisions local – rights of appeal

2.1 People are at the heart of our proposals for reform. Everyone should have an opportunity to get involved in planning. People care about the places where they live, work and play, but many find the planning system complicated and uninspiring.

2.2 We need a planning system that reaches out to people and encourages them to welcome and influence change. Previous reforms and legislation aimed to achieve this by giving people better opportunities to be informed and consulted early in the planning process. However, since then, a movement of community empowerment has grown across Scotland and public service reform has required service providers to respond to the principles of prevention, partnership, people and performance.[6]

2.3 People rightly expect to have a stronger say in the decisions that affect them and their communities. Future changes to the planning system offer a valuable opportunity to achieve this. Moving from just informing or consulting people to involving them will take time and effort, but will improve confidence and trust in planning and lead to better outcomes.

Proposal 6: Giving people an opportunity to plan their own place

2.4 We want to give people a stronger say in the future of their own place. New opportunities can arise where local people actively design, rather than comment on plans for the future. Local people know how their places work now, and are well placed to be involved in deciding how they can be improved in the future. Within any community there are many different views and priorities. However, where there are good opportunities for these to be fully discussed, people can reach a shared understanding on how future change and development can improve, rather than undermine, quality of life.

2.5 Planning can lead a full and open discussion on the location, scale, pace, and design of change and development in our communities. To make that happen, planners need to do much more than simply consult communities on proposals from their local authorities or developers. People, and the relationships between them, are the key to successful planning. Community trust in the system can only grow if everyone is given a meaningful opportunity to get involved.

2.6 We think that it is important to create a new right for communities to prepare plans for their own places. This could be achieved by giving communities the powers to create their own 'local place plans' and for these plans to be used as a framework for development within local development plans.

2.7 We do not want to promote unreasonable protectionism. We believe that local place plans should help to deliver development, so that the choices that one community makes do not unfairly put pressure on others to take on a greater share of development. We want to see plans where communities say what they themselves will do to help deliver change in a sustainable way. Some communities have been doing this already, and we want others to get involved.

2.8 In England 'neighbourhood plans' brought forward under the Localism Act (2011) give people the opportunity to influence the future of the place where they live or work. We want to consider similar opportunities for communities in Scotland. Whilst there is an existing space for community-led plans, there is no statutory link between such plans and the local development plan. We agree with the independent panel that community-led plans should have a clear connection with the statutory development plan. However, we also recognise that it is unlikely that all communities will have their own plans for some time. Building a culture of empowerment in planning so that people feel willing and able to bring forward their own plans will take time and an investment of resources.

2.9 We have set out some possible key ingredients of local place planning in Figure 1. We propose changes to legislation which:

• Allow communities to prepare local place plans that set out where development requirements, as defined by the broader local development plan, can be met; and

• Place a duty on planning authorities to adopt these plans as part of the statutory development plan if the above requirement is met.

2.10 We would support this with policy and guidance which makes sure that these plans begin to emerge as early as possible in the local development plan making process. To help inform this, we will commission further research to explore options for local place plans in more detail.

[6] Commission on the Future Delivery of Public Services (2011) www.gov.scot/resource/doc/352649/0118638.pdf

Figure 1: Key considerations for local place plans

Pre-plan preparation

- Community bodies should be able to register their interest with a local authority if they want to prepare a local place plan. Community bodies could include existing groups (for example community councils) or any group of a certain size/location. Definitions of a range of community bodies can be found in land reform and community empowerment legislation and we would consider this further.

- Local authorities would have a duty to consider applications from community bodies to prepare a local place plan and will need to monitor activity in its area. Where available this could be supported by the use of digital mapping.

- Community bodies should give some indication of:

  - The boundary of the area the local place plan will cover. In many cases communities could define their own areas, but in others the local development plan or locality plans could highlight where they would add most value.

  - Who they have (and intend to) involve and how, whether there is wider community interest in a local place plan, and the issues it would cover.

- If a community body is endorsed by the local authority, it would be this body the local authority empowers to prepare a local place plan.

- Where another body wants to make proposals under community empowerment or land reform legislation, these proposals could help to shape both the local place plan and local development plan. We would encourage communities to work together and with others.

Plan preparation

- It is the community body's responsibility to prepare the plan. They must make sure that the plan is: generally in line with local and national planning policies and other legislation; that they consult their community and get their approval; and that the plan plays a positive role in delivering development.

- Local place plans need a mechanism to 'sign them off'. In England, a referendum is held and if more than 50% of the vote is in favour of the plan it is approved. While we agree with this in principle, it can introduce further costs and so we will look at using information technology to make this part of the process affordable in the event that this proposal is supported.

- Local authorities would have a duty to adopt the local place plan as part of the local development plan, unless they think the plan opposes the wider aims of the local development plan. The issues above can be assessed at the proposed development plan gatecheck.

- Arrangements for local place plan proposals to be rolled forward into replacement plans would need to be included in legislation or guidance but could be partly addressed by new powers to update plans.

- If the local authority does not adopt the local place plan as part of the development plan, the community body could appeal to Scottish Ministers.

Building local community capacity

2.11___We will also continue to support innovation and the use of new techniques for involving communities in development planning and decision making.

2.12___Through our design-led 'charrette' programme we have supported communities to take part in planning. Whilst there are many excellent examples of communities being proactively involved, we believe that action needs to be prioritised in and around communities where change is needed most. By refocusing and adding to our funding programme to support involvement, including charrettes, in the coming years we will help communities with the greatest levels of need to develop plans for their area as a priority. Community Planning can help to show where that investment can best be targeted.

2.13___We recognise that communities vary and they may come up with a range of plans. Our proposals would not try to fully control the form that local place plans might take. For example locality plans which emerge as part of wider community planning could also be used in development planning where land use is relevant. We would welcome views on how communities might be identified and defined in the legislation and your ideas on the process that communities could follow when preparing local place plans, as set out in Figure 1.

2.14___Section 1 sets out our proposals to improve development plans. It is vital that communities play an active role in preparing local development plans for their areas. Community councils already have a statutory role in the planning system and could play a key part in empowering people to get involved in planning. There are also many other organisations which could contribute to local place planning, and we expect that growing empowerment will add to this in the future. Current legislation says that community councils must be told when a development plan main issues report has been published. While we recognise that this is the legal minimum and that many planning authorities will do much more, we consider that there is value in providing more opportunities for community councils to be involved in preparing local development plans.

2.15___We propose giving community councils a stronger role in planning by introducing a new duty to consult them in preparing plans. While in many cases, community councils will already be actively engaged in development planning, we believe that wider changes to the way in which plans are prepared (as set out in section 1) could include a stronger role for communities at key stages of decision making.

Isle of Rum – Community Land Use Plan

In 2015 the Isle of Rum Community Trust were assisted by PAS to produce a community land use plan. The community worked in partnership with organisations including The Highland Council and Scottish Natural Heritage to explore how its aims of increasing Rum's population to a more sustainable level, offer a better range of housing and improve tourism could be achieved. The plan needed to carefully balance these aims with protection of the unique natural and built heritage of the island. The collaboration produced a plan which was effectively 'owned' by the community. The plan was subsequently adopted by The Highland Council as supplementary guidance, which in turn forms part of the statutory local development plan.

2.16___We also recognise that we need to provide support, training and guidance to help make sure community councils realise their full potential to contribute to the planning process. We offer support to community councils by working with the Improvement Service, Edinburgh Napier University and the Community Council Liaison Officers to encourage networking and the sharing of good practice. This has included launching a community council website (www.communitycouncils.org.uk); funding a series of digital engagement workshops for community councillors; hosting networking events for Community Council Liaison Officers (CCLO) twice a year; and setting up a CCLO knowledge hub to support improvement and development.

2.17___As these organisations are voluntary and therefore limited in what they can achieve, we will continue to encourage them to engage earlier in the process to help them actively shape proposals rather than just react to them. We do not believe that existing arrangements for community councils to be consulted on planning applications should be removed.

Design-led Charrettes and the 2016-2017 Activating Ideas Fund

The Scottish Government provides funding to help community groups, local authorities and third sector organisations design the future of their areas. Charrettes can bring together views about how an area should change and use these views to form proposals which are explored and tested in a collaborative way over a focused timeframe. The approach is design-led – it allows options for change to be clearly visualised, and in turn this has helped to inspire a much wider range of people to get involved in planning. This year, the programme has been accompanied by an opportunity to access further funds which can be used to help deliver the outputs from charrettes.

Proposal 7: Getting more people involved in planning

2.18___Local authorities and organisations, including community councils, can do more to make sure that a broader cross-section of society takes on the challenge of active citizenship and gets involved in planning.

Children and young people

2.19___Children and young people have a significant and particularly relevant contribution to make to deciding the future of our places. The United Nations Convention on the Rights of the Child[7] states that the best interests of the child must be a top priority in all decisions and actions that affect children. This underlines the role that planning should play in creating good quality places that provide opportunities for leisure, play and culture, and support the children's right to have the best possible health. Plans which are put in place now will decide where and how today's children will live and work in the coming decades. For example, decisions affecting climate change are relevant not only to people now, but also to future generations.

2.20___The independent panel recommended that there should be a new right for young people to be consulted on the development plan. Set within the framework of public bodies duties under both equalities legislation and arising from Article 12 (the right to an opinion and for it to be listened to and taken seriously) of the Convention, we are already aware that planning authorities are working to involve children and young people in their development plans. Examples in Aberdeen City, Dundee City, Tayplan and Highland have been recently recognised in our Scottish Awards for Quality in Planning.

2.21___It could therefore be suggested that planning authorities already have the scope to involve children and young people in their development plans. Recent draft guidance on Children's Service Plans noted a wide range of existing structures to support the engagement of children and young people e.g. local youth councils, pupil councils, young people's organisations, young people's committees and other formal and informal structures.

2.22___However, the independent panel reported that they had found little evidence of engagement with young people. We agree that more can be done to actively promote these examples rather than introduce a statutory requirement prioritising enhanced engagement for one set of people over another.

2.23___We will therefore bring forward proposals that will require planning authorities to consult more widely, including by using methods that are likely to involve children and young people in the process. We will do this as a priority through secondary legislation using existing powers and recommend that the early examination gatecheck includes a test of the steps taken by the planning authority to engage children and young people in preparing the development plan. In addition, we will encourage planning authorities to work with organisations such as YoungScot, Youth Scotland, the Children's Parliament and PAS to develop and expand the use of innovative methods for involving children and young people in planning.

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[7] https://www.unicef.org.uk/what-we-do/un-convention-child-rights/

2.24___We would like to work with other organisations to support planning authorities to work with schools to educate and involve young people across Scotland in planning. We will also show what can be achieved by specifically seeking to involve children and young people in preparing national planning policies. The Place Standard[8], a simple tool that is available for anyone to use, provides an excellent opportunity to involve people of all ages and have conversations about the quality and future of our many different places. The Royal Town Planning Institute has also been working to inspire young people who may be interested in a career in planning, and Scotland benefits from an active network of young planners.

Barriers to engagement

2.25___We recently commissioned research to identify the factors that limit involvement in the planning system. We will consider the findings of this work and take appropriate steps to ensure that the barriers to involvement for all groups within society are tackled.

Greening Dunfermline Town Centre – A Placemaking Approach Led by Young People

The Scottish Government supported Greenspace Scotland to work with Youth Scotland, Youth First and the Fife Youth Advisory Group on a pilot placemaking project to improve the town centre in Dunfermline. The project trained and empowered young people to develop their role in helping to lead changes to their places. It used innovative, interactive ways of engaging people in planning and delivering town centre improvements. The young people used tools (the Place Standard and the Town Centre Toolkit) and this led to working with the local community to find opportunities for urban greening and increasing the connections between local greenspaces and the town centre, and making it a more attractive and enjoyable place. You can find out more details about the project at: http://www.scotlandstowns.org/greening_dunfermline_town_centre

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8 http://www.placestandard.scot/#/home

Proposal 8: Improving public trust

2.26___Planning authorities can go further to make sure they actively involve people. In preparing a development plan, there is already a requirement to set out how consultation will be undertaken. Some authorities have used imaginative and inspiring ways to involve people in preparing their development plan, but there is still room for improvement. People are contributing their own time when they get involved in planning, and we must use that time effectively.

Development Plan Schemes

2.27___Development Plan Schemes define how and when people will be involved in preparing development plans. There is currently no requirement to consult on the content of development plan schemes. We propose requiring that community councils are involved in their preparation and will also extend this to the key agencies and other infrastructure providers. Measures to involve children and young people should be set out within the Development Plan Scheme. To reflect the need for shared corporate 'ownership' of the development plan, the development plan scheme should also have the input and authorisation of the local authority convenor and chief executive.

2.28___While additional involvement at this stage may add a little time to the plan preparation process, this will help to ensure that people are able to shape how, when and why they get involved at each stage in the development planning process. We also propose that the new early stage independent examination of development plans allows for the approach to community engagement to be agreed alongside key components of the plan's evidence base.

Engagement in development management

2.29___Involvement in planning is not just a matter for the public sector. Developments where the existing community have been fully involved from the start can often have a smoother journey through the planning process. At present, many developers consult local people on their plans for major developments but the effectiveness of current arrangements varies. While there are examples of good practice, limiting consultation to the current statutory requirements can mean that communities remain frustrated, uninvolved and often disappointed that their views do not appear to have been heard. In turn, this can lead to conflict, undermine positive

outcomes and eventually result in substantial costs and delays.

2.30___Developers can benefit where they take communities with them, rather than meeting local resistance to change at every stage. Communities also have much to gain from helping to shape change, rather than reacting to it. Planning must be done with, rather than to, communities.

2.31___Involving people more fully at an early stage is essential. Whilst we can achieve much through training and good practice, we also want to look at how the statutory requirements can be improved to encourage everyone to get involved at the earliest stage possible. Planning authorities are already able to require further involvement beyond the statutory minimum.
We propose:

• To improve and clarify the statutory requirements for pre-application consultation (PAC) for major and national developments, for example to require developers to hold more than one public meeting. We will consider how any second meeting or event can focus on giving more active feedback to communities. This will make sure that communities hear how their views have been taken into account before any formal planning application is submitted. We also recognise that the quality of the conversations which are held is fundamentally important, and that procedures will need to be supported by training and improved practice to make sure that people are listened to properly. We would welcome views on whether this can be accommodated within the current 12 week statutory timescale.

• To strengthen requirements for community involvement in the case of development sites which have not been allocated in the development plan. As noted in section 1, we believe developers should have to undertake fuller and more meaningful engagement as the site will not have been discussed with the community while the plan was being prepared. We propose requiring that both the local authority and relevant community council should agree the approach to be taken for these cases and the cost should be met by the site promoter.

2.32___Alongside this, we also want to see high quality and innovative training of the development sector in community involvement as a further priority. Much can be achieved from our continued work to mainstream the use of the Place Standard tool in informing plans and decisions.

Repeat and retrospective applications

2.33___The independent panel reported that repeat applications can cause communities concern by contributing to a sense of frustration and undermining their trust that views are being listened to. Some applicants may also be reluctant to withdraw inactive or so-called 'legacy cases' from the system in order to keep their right to submit a further application for no additional fee.

2.34___We propose:

• Removing the applicant's right to submit a revised or repeat application at no cost if an application is refused, withdrawn, or an appeal is dismissed. Requiring a fee for all applications for planning permission is proposed to encourage a 'right first time' approach, to help to address community concerns and reflect the cost of processing repeat applications.

• Substantially increasing fees in cases requiring retrospective planning consent.

2.35___Our wider proposals on planning fees (section 4) also aim to encourage fuller involvement in the planning process and deter practices which undermine community trust in the planning system.

Enforcement

2.36___It is important that development receives appropriate consent and that unauthorised development is minimised. People lose confidence in the system where unauthorised development is undertaken whilst the vast majority respect due process.

2.37___The integrity of the development management process depends on the ability of planning authorities to take effective enforcement action where necessary. Public trust can be undermined where unauthorised development, which is unacceptable in planning terms, is allowed to go ahead without intervention. Research[9] into planning enforcement in Scotland shows that the overwhelming majority of enforcement cases are resolved informally and flexibly. As a result, much of the enforcement activity carried out by authorities may go unrecorded in national data. Nevertheless, appropriate powers must be available to deal with

those breaches which cannot be resolved like this or in cases which merit formal action.

2.38___The Planning etc. (Scotland) Act 2006 introduced stronger powers for planning authorities to take formal action to deal with cases where there has been a breach of control. We believe that there is scope to further improve how planning enforcement works. As well as proposals to increase fees for retrospective applications, we propose the following:

• To make it easier for planning authorities to recover costs associated with taking enforcement action. If, for example, planning authorities incur costs through taking direct action against a landowner who has not complied with the requirements of enforcement notices, the landowner could be required to pay these costs. Introducing charging orders similar to those available in building standards legislation could help to ensure that planning authorities can recover their costs from the person responsible.

• To substantially increase the financial penalties for breaches of planning control.

2.39___We will also continue to work with Heads of Planning Scotland (HoPS) and planning enforcement officers to develop good practice and consistent approaches to planning enforcement across Scotland.

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[9] Planning Enforcement in Scotland: Research into the use of existing powers, barriers and scope for improvement. https://beta.gov.scot/policies/planning-architecture/reforming-planning-system/

Proposal 9: Keeping decisions local – rights of appeal

2.40___There have been calls for planning reform to introduce a third party right of appeal, also referred to as an 'equal' or 'balanced' right of appeal. We believe that this would work against early, worthwhile and continuous engagement that empowers communities by encouraging people to intervene only at the end of the process rather than the beginning where most value can be added. This would also ignore the important role of elected members in representing communities in planning decisions and community involvement in the development plan process, whilst delaying and undermining much needed development. Nationally, it would be a disincentive to investment in Scotland, compared to other administrations and, moreover, mean that more decisions are made by central government, without such a right necessarily being representative of the wider community. We support the view of the independent panel on this issue and do not propose a new right of appeal for third parties to challenge development decisions.

2.41___However, we recognise that there are opportunities to look at how we can improve communities' trust in the planning system in a more positive way, and so we are now asking for views on the degree to which more decisions should be considered locally.

2.42___It is important that applicants have recourse to a review of a decision on a planning application. Local review bodies were established by the Planning etc. (Scotland) Act 2006 to review decisions on certain 'local developments'[10] where that decision was taken by a planning officer, rather than by elected members. We believe there is scope to build on this move towards greater local responsibility by:

• Expanding the range of planning applications which are subject to local review. We will review the hierarchy of developments to explore the extent to which reviews of decisions can be handled locally.

• For major developments which accord with the development plan, we think there could be scope for decisions granting permission to be determined under delegated powers and reviewed by the local review body rather than appealed to Scottish Ministers.

• Making provision for a wider range of other consents to be delegated. This would allow decisions on applications to be reviewed by the local review body, rather than appealed to Scottish Ministers.

2.43___Apart from the cases that are currently handled by local review bodies, all other appeals are submitted to Ministers and most are decided by an independent reporter. If fewer appeals are determined centrally, this would allow Ministers to make more decisions themselves, rather than delegating most decisions to reporters. We would welcome views on whether this would help to ensure there is democratic accountability at all levels. In all cases, a professional planning view would still be needed, and that view would need to be taken into account when making decisions.

2.44___We realise that the success of this change depends on the ability of the decision makers to make sound decisions that are rooted firmly in clear planning principles and policies. We are therefore also proposing training for all local elected members who are involved in a planning committee or a local review body and would welcome views on whether they should be tested on completion of training.

2.45___The appeal process can add significant administrative cost and, where decisions are not made swiftly, this can involve all parties in further delay. We therefore propose to introduce a fee both for appeals to Ministers and for a review of a planning decision by the planning authority. These measures, together with those in section 4, are intended to move decision-making to the appropriate level of government whilst recognising the need to fund the planning system more effectively.

2.46___In all these decisions, we agree with the independent panel that those making the decisions should clearly summarise in their decision notice how community views have been taken into account. We will address this through guidance and practice.

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[10] Local developments are those which are not categorised as either major developments in the Town and Country Planning (Hierarchy of Developments) (Scotland) Regulations 2009 or as national developments in the National Planning Framework (NPF).

Recognising the distinctiveness of all our communities

2.47___We recognise that planning in our island communities presents a different set of issues to many other parts of Scotland. Whilst Scotland's inhabited islands are diverse, they share particular challenges, including added development and infrastructure costs. Development in an island setting tends to be more gradual and finely grained and so changes to the planning system which focus on larger scale development are less likely to be relevant. Island communities can be particularly vulnerable to the impacts of climate change, including increased severe weather events and coastal erosion. More immediately, running a planning service in these circumstances can bring logistical challenges.

2.48___There are also island-specific opportunities, including a more readily identifiable community, strong local relationships extending to a tradition of self-sufficiency in many places, and a resource-rich high quality environment that supports good quality of life.

2.49___An improved planning system should respond to the unique circumstances of all our communities and this principle underpins many of the wider proposals set out here. For example, some scope to depart from national policy within the local development plan will benefit island communities where their circumstances demand a more tailored approach. Island communities could also lead the way in putting many of the proposed changes in place, including by preparing local place plans. The proposals to broaden the scope for regional working could help the authorities to share skills to help address resourcing challenges.

2.50___Alongside our work to develop more detailed proposals for the Planning Bill and accompanying non-legislative changes, we will continue to work with the six local authorities who are represented on the Islands Strategic Group, to ensure any proposals for change are sufficiently flexible to respond to their unique but varied local circumstances. We will also look at opportunities for innovation, including using digital technology to overcome travel and distance barriers.

2.51___We have also considered the independent panel's recommendation that the powers of the Cairngorms National Park Authority should be reviewed. Whilst the arrangements for planning in the Cairngorms vary from those in the Loch Lomond and The Trossachs National Park, we recognise that the character, capacity and sensitivities of each park are also quite distinctive. As a result, we are not proposing to debate or change these arrangements as part of the wider review of the system as a whole.

2.52___We are aware that a well-functioning planning system is vital for the business activities of Scotland's farmers and rural communities. We will be examining a number of planning issues, such as permitted development rights, which could potentially contribute to the development of economic activity in rural Scotland. We will also be examining what measures need to be taken to increase the supply of affordable housing available for retiring tenant farmers.

PEOPLE MAKE THE SYSTEM WORK – CONSULTATION QUESTIONS

KEY QUESTION

B: **Do you agree that our proposed package of reforms will increase community involvement in planning? Please explain your answer.**

Optional technical questions

9. Should communities be given an opportunity to prepare their own local place plans?

9(a) Should these plans inform, or be informed by, the development requirements specified in the statutory development plan?

9(b) Does Figure 1 cover all of the relevant considerations?

10. Should local authorities be given a new duty to consult community councils on preparing the statutory development plan?

10(a) Should local authorities be required to involve communities in the preparation of the Development Plan Scheme?

11. How can we ensure more people are involved?

11(a) Should planning authorities be required to use methods to support children and young people in planning?

12. Should requirements for pre-application consultation with communities be enhanced? Please explain your answer(s).

12(a) What would be the most effective means of improving this part of the process?

12(b) Are there procedural aspects relating to pre-application consultation (PAC) that should be clarified?

12(c) Are the circumstances in which PAC is required still appropriate?

12(d) Should the period from the serving of the Proposal of Application Notice for PAC to the submission of the application have a maximum time-limit?

13. Do you agree that the provision for a second planning application to be made at no cost following a refusal should be removed?

14. Should enforcement powers be strengthened by increasing penalties for non-compliance with enforcement action?

15. Should current appeal and review arrangements be revised:

15(a) for more decisions to be made by local review bodies?

15(b) to introduce fees for appeals and reviews?

15(c) for training of elected members involved in a planning committee or local review body to be mandatory?

15(d) Do you agree that Ministers, rather than reporters, should make decisions more often?

16. What changes to the planning system are required to reflect the particular challenges and opportunities of island communities?

03

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BUILDING MORE HOMES AND DELIVERING INFRASTRUCTURE

We want Scotland's planning system to help deliver more high quality homes and create better places where people can live healthy lives and developers are inspired to invest.

Proposal 10
Being clear about how much housing land is required

Proposal 11
Closing the gap between planning consent and delivery of homes

Proposal 12
Releasing more 'development ready' land for housing

Proposal 13
Embedding an infrastructure first approach

Proposal 14
A more transparent approach to funding infrastructure

Proposal 15
Innovative infrastructure planning

3.1___More must be done to support the delivery of the homes that people need, now and in the future. This is a high priority. While many factors are currently limiting the number of homes being built across Scotland some of the solutions need to come from the planning system. Planning can assist by ensuring enough land is available for development, but can go further by actively enabling development. Infrastructure has a critical role to play in supporting housing delivery.

3.2___The benefits of housing development go beyond making sure that everyone has somewhere to call home. Health and improved quality of life is supported by well designed, functional places. Housing in the right places can help to sustain community facilities, contribute to the economy and support jobs in the construction sector. The need to deliver more homes is in all our interests.

3.3___We agree with the independent panel that planning must move away from debating overly complicated housing figures and focus much more on enabling development. We must all adapt to different market circumstances if the development sector is to contribute to the wider outcomes communities need. Existing communities have a critical role to play in accepting that further development is necessary if we are to ensure that everyone has a home. Developers also need to work effectively with planning authorities and communities to achieve this.

Proposal 10: Being clear about how much housing land is required

3.4___We believe that there is a need to change the way we plan for housing. We agree with the independent panel that there is too great a focus on debating precise numbers rather than delivering development and creating good quality places to live.

3.5___We need to act now to resolve ongoing challenges in housing delivery. Changes in practice could have a more immediate impact than statutory amendments. We want to introduce a more strategic and aspirational approach to establishing the number of homes required at a higher level. By agreeing the amount of land required for housing much earlier in the plan preparation process, planning and housing authorities, developers and communities can move forward and focus on delivery.

National aspirations for housing development

3.6___The independent panel called for housing targets to be set nationally. We are also aware that planning and housing authorities will need to continue to collaborate and engage with stakeholders locally, to make sure there is proper consideration of local circumstances and commitment to delivering on the targets which are agreed. National or regional targets within the National Planning Framework (NPF) could provide some clarity, but would have little practical effect if it is not consistent with local and developer priorities and commitments to investment.

Glasgow Commonwealth Games Athletes' Village – Low Carbon Infrastructure

The Athletes' Village is a 35-hectare residential community now established in the East End of Glasgow. The 700 homes and 120-bed care home, as well as the adjacent Emirates Arena, are powered by a district heating system comprising a combined heat and power energy centre and 28km of pre-insulated pipes supplying heat and constant hot water. The system is approximately 30%–40% more efficient than conventional heating schemes, providing residents with substantial cost benefits. This system, alongside a Fabric First Approach to housing design as well as the use of solar PV panels, contributed to a 95% carbon reduction on 2007 levels. To ensure the site remains sustainable for years to come, the energy centre has been future-proofed to include capacity for an additional combined heat and power engine, boiler and thermal store. This will accommodate connection to further phases of housing development planned for the site. When fully operational it will also generate and export electricity to the national grid.

3.7___Fundamentally, we want to improve the focus on delivery and quality of place-making but also provide greater clarity and confidence on planning for all those involved. To support this, we agree that the National Planning Framework (NPF) should be clear on our national and regional aspirations for housing delivery, and for these aspirations to be used to guide and inform the way we plan for housing at the local level. The estimated range of homes required over a 10-year period could provide a clear picture of what we are working towards, but also be sufficiently flexible to allow for changing market circumstances.

3.8___We have undertaken some initial work to explore how this could be achieved. The independent panel recommended that we strengthen the links between local authority housing strategies and local development plans. We have already made progress in reducing the debate around housing figures, by ensuring that the Housing Need and Demand Assessment (HNDA), which provides the evidence base for land use planning and housing policy, is submitted to our Centre for Housing Market Analysis for appraisal as 'robust and credible'. This, together with the development of the HNDA Tool, is helping to reduce the cost and complexity of HNDAs, and limits the debate on numbers to an extent.

3.9___Several changes could be explored further:

• The HNDA tool can be used to quickly derive housing estimates under a range of scenarios. These estimates could be produced on the basis of agreed policy assumptions so that the National Planning Framework (NPF) provides a strategic steer on national and regional aspirations for housing.

• Providing more support to local authorities and certainty to developers by 'signing off' the number of homes that are needed at an early stage in the production of local development plans. This could be done either centrally, or through the early gatecheck that is proposed to form part of the examination process.

• Improving monitoring of housing land availability, including by making audit information more transparent through publication of a housing sites register online.

3.10___Views on these options would be welcome. On the basis of the responses to the consultation, we will revisit policy and guidance on effective housing land and related guidance to housing managers.

Proposal 11: Closing the gap between planning consent and delivery of homes

3.11 We are already taking steps to support housing delivery. Our More Homes Scotland approach supports an increase in the supply of homes across all tenures, and a commitment to deliver 50,000 affordable homes over the current parliamentary term. The approach includes more investment for housing, from support for the affordable housing target to a Rural Housing Fund and Housing Infrastructure Fund.

3.12 To further support housing delivery, planning needs to play a different role in delivering good quality homes in the right locations. More attention needs to be given to delivery, including place making principles. Planners should be pro-actively involved in securing development on the ground rather than reacting to proposals for housing. Planning authorities should work with others to define where development should take place in an agreed plan, and secure commitments to its delivery from all relevant parties. They need to be clear on infrastructure requirements, its cost and how it will be financed.

3.13 The development of housing can be complex, involving developer, market and financial confidence. The gap between the numbers of planning consents which are granted each year and the number of homes which are built needs to be closed.

Actively enabling development

3.14 Sites which are not being progressed are not only lost opportunities, but undermine the purpose of the local development plan by adding to the pressure for land to be released elsewhere. A stronger focus on the local development plan delivery programme can go some way towards improving our understanding of what makes a development happen or not happen. In turn this can improve the capacity of planning authorities to make informed decisions when allocating land for housing in the plan and granting consent.

3.15 Land allocated in development plans needs to be supported by appropriate evidence that it can be developed. More can also be achieved by having a sharper focus on delivery of development proposals at the application stage. We propose also requiring, as part of national standards on validation requirements, that all major applications for housing are accompanied by appropriate information on the development viability. This will help planning authorities to identify and address any delivery blockages. We recognise that there are some challenges, as well as benefits arising from this proposal. To ensure clarity and to avoid delay at validation stage, further guidance on this would be needed.

3.16 If a site does not progress as predicted in the local development plan delivery programme or if there is insufficient evidence that an application is deliverable, a range of tools are already available to planning authorities so that they can manage the situation. Using existing land assembly powers, local authorities can enable development themselves, remove the allocation from the plan or bring forward alternative sites instead. We want to see more planning authorities and their partners intervening to unblock developments using these and other tools.

3.17 It is currently unusual for a planning authority to take such steps. A change in direction is needed so that we can unlock housing sites for development, make sites available at a range of scales, and ensure that rates of house building increase. Rather than simply allocating land and waiting for development to commence, planning authorities should actively seek out new ways of delivering development where progress is slow. There is a need to increase choice in the housing market, and to support progressive local authorities who want to shape their area and drive development. This will complement delivery by the private sector and reduce over-reliance on others to find solutions.

3.18 In moving to a more active delivery role, we have a significant opportunity to diversify housing provision to support the expansion of new and alternative delivery models so that we can deliver a greater choice and range of housing. This can include models such as custom and self-build (which already makes a significant contribution in rural and island areas), Build to Rent, Private Rented Sector (PRS), and specialist provision such as supported homes for the elderly. Alternative models and the promotion of a broader range of sites through the development plan could be considered, together with more targeted use of publicly-owned land. Expanding how we deliver homes would also support small and medium-sized developers and expand capacity within the development industry if we can achieve greater rates of construction.

Planning and land reform

3.19___Proposals that emerged from earlier work on land reform could be instrumental in helping planning to fulfil this role. We are determined to see more land across Scotland in community ownership and have set an ambitious target of reaching one million acres by 2020. We will continue to support and encourage local communities to take advantage of opportunities that are open to them in this area, including through the Scottish Land Fund which makes £10 million per year available for developing plans and buying the land itself. In some cases, communities themselves may choose to exercise their right to buy land to help deliver development. We are currently consulting on a Land Rights and Responsibility Statement. The vision states that 'A fair system of land rights and responsibilities should deliver greater public benefits and promote economic, social and cultural rights.'

3.20___We want to see a clear, accessible, effective and efficient system of legislation and policy which allows for the compulsory acquisition and purchase of legal interests in land and property for the public benefit. We will support interim measures, such as amendments to guidance, ahead of changes to legislation. Although they will not form part of the Planning Bill, we will investigate proposals which give local authorities more confidence and tools to acquire land which is not being used as allocated within the development plan. We will also explore how best the intended Compulsory Sale Orders legislation could complement existing tools to tackle the problem of abandoned buildings and land, and support wider measures that aim to secure the productive use of vacant and derelict land.

3.21___The responsibility for delivery should be shared, not just by local authorities and agencies but also by those who have control of the land. Ministers are committed to consult with stakeholders on whether a development land tax approach could help to tackle the issues associated with sites being held in the hope of improved market conditions. Such an approach would require sites to be released or a tax paid.

3.22___Collectively, these proposals will play a critical role in helping to deliver more homes and tackling market failures. They will also help the planning system to enable development and achieve place making objectives.

Self-build – Maryhill, Glasgow

Glasgow City Council is bringing forward serviced plots for self-build as part of its housing strategy. The project will test the local appetite for self-build homes and offer an alternative option for those who want to stay living in the city. The small site, accommodating six plots, forms part of a wider regeneration area where a contemporary urban village is planned. If a design passport and code is followed, there is no need for self-builders to go through the formal planning process.

Proposal 12: Releasing more 'development ready' land for housing

3.23___Our proposals for development planning aim to make plans more flexible but also stronger and more certain. We believe that longer-term planning, supported by zoning for housing, could help to achieve this. We are currently piloting the use of Simplified Planning Zones (SPZs) for housing development. Within these areas, development can go ahead without the need for an application for planning consent, as long as it is in line with a clear and agreed scheme which sets out development parameters, design guidelines and other criteria, and environmental assessment requirements have been met.

3.24___We believe greater use can be made of this type of approach (effectively a way of consenting masterplans) to support development. To encourage their use we want to broaden the use and scope of a zoned approach to housing by updating provisions for Simplified Planning Zones. The independent panel recommended SPZs be rebranded. We would like to invite views on this idea of creating these as 'Ready Planned' or 'Consented Development' zones. Where potential locations for these zones are identified in the development plan, community involvement could form an integral part of the process. An alternative approach for this could be for the local authority to put in place a general consent for key sites or areas they want to promote for development.

3.25___We propose using the outcomes from the ongoing pilot work to identify how the statutory requirements and procedures can be made more flexible, to allow them to be introduced in a wider range of circumstances, to consider linkages with development planning, and to look at ways to speed up the preparation process. Figure 2 sets out the relevant procedures that could be updated.

3.26___We recognise that preparing SPZs requires time and potentially financial support from planning authorities, with no planning application fee to follow. We want the development sector to be willing to frontload their investment and contribute to scheme preparation work, including masterplanning and assessments. As SPZs provide certainty about the concept of development earlier on in the process without going through the planning application process, they can offer an uplift in the value of the land and possibly an earlier return on investment.

3.27___SPZs are often put in place through partnership involving the planning authority and developer. To strengthen this, we will consider how we can resource the procedures for delivering SPZs on a wider scale. We are aware some planning authorities have had reservations about SPZs due to concerns that without a planning consent to provide a framework for discussions it would be harder to access developer contributions. We will look at the use of conditions or unilateral obligations to secure greater certainty on delivery. We will also look at how the proposed new finance and funding mechanisms for an infrastructure first approach could support the use of SPZs.

3.28___To continue to build momentum and experience in the meantime, we will continue to provide financial support to encourage additional SPZs for housing in the coming months.

Figure 2: Better use of zoning to support the long-term planning of housing

Preparation of SPZ schemes has parallels with preparing local development plans, with opportunities for engagement, a draft placed on deposit for representations and opportunities for modification and a Public Local Inquiry at the end of the process. However, the current legislative requirements predate the last planning reform, and we want to ensure the process is brought in line with this wider review. We propose:

• Encouraging the preparation of SPZs as an integral part of preparing the development plan, as recommended in the existing guidance.[12]

• Promoting more inclusive community engagement such as charrettes informing SPZs.

• Removing the requirement for a Public Local Inquiry to be held at the end of the process of preparing a SPZ.

• Removing the blanket restriction for SPZs in conservation areas.

• Accompanying SPZs by a commitment to ensure that other consents supporting development will be managed by the planning authority drawing on the success of the planning protocol supporting Enterprise Areas.

• Including SPZs in the plan delivery programme.

• Examining the interface between plan and project level environmental assessment requirements, and scope for technical guidance to ensure a robust but proportionate approach is taken.

[12] Planning and Compensation Act 1991: Simplified Planning Zones, (1995) Circular 18/1995
www.gov.scot/Publications/1995/08/circular-18-1995

The Hillington Park Simplified Planning Zone

This award-winning SPZ Scheme was prepared in a partnership between Renfrewshire Council and Glasgow City Council, and MEPC Hillington Park (now Patrizia), who owns and manages the majority of the site. Initiated by the landowner, preliminary studies and a risk assessment were prepared by consultants instructed by the landowner to shape and inform the SPZ scheme. The scheme deals with the planning issues 'up front' and confirms what type of development, and how much, is allowed, providing greater certainty for developers and stakeholders. It removes the need for repetitive planning applications, covering the same range of planning issues, which will save time and cost for the existing organisations and new businesses looking to invest in the park. It also benefits the planning authorities by reducing the resources needed to manage development in this dynamic area.[11]

[11] www.gov.scot/Publications/2015/11/4983/10
www.renfrewshire.gov.uk/article/2480/Hillington-Park-Simplified-Planning-Zone

Proposal 13: Embedding an infrastructure first approach

3.29___Good quality places have to function properly, and infrastructure plays a critical role in supporting this. Infrastructure can have a significant effect on the quality of a place, with new construction offering wider opportunities for improvements. We want infrastructure to help us build places that function properly so people have choices about how they move around, can access the facilities they need, and can live sustainable and healthy lives. Infrastructure planning, like housing development, should be recognised as key part of place making.

3.30___We agree with the independent panel that infrastructure is the most significant challenge for planning at this time. It also presents a significant opportunity to support the delivery of the homes that we need. An infrastructure first approach to development should ensure that existing infrastructure capacity is properly understood, can help to identify where additional investment should be prioritised to enable future development, and can be achieved where delivery is co-ordinated. Better infrastructure planning can help to achieve efficiencies, build in long-term resilience and support innovation. We need to ensure that we understand and make best use of our existing capacity and make improvements to meet the needs of future generations.

National level co-ordination

3.31___The independent panel proposed that a national infrastructure agency or working group be set up to better co-ordinate infrastructure delivery. An enhanced National Planning Framework (NPF), which informs and is informed by, the Infrastructure Investment Plan, could play a key role in helping to prioritise future infrastructure spend.

3.32___Our view is that this is not the right time to create a new, additional infrastructure agency at a national level. This would take time to establish, would need significant extra resourcing and, rather than bringing them closer together, may further distance infrastructure planning from spatial planning. We recognise, however, that all infrastructure providers should be behind our shared commitment to sustainable growth and development.

3.33___Instead, to support our commitment to delivering 50,000 affordable homes this Parliamentary term and to address failings in the delivery of market housing, we propose establishing a national infrastructure and development delivery group, comprising appropriate representation from the Scottish Government and its agencies, public and private sector infrastructure providers and the Scottish Futures Trust. The group would:

- Ensure that knowledge about the key areas for growth and future development, as set out in the National Planning Framework (NPF) and local development plans, is used to help prioritise our future infrastructure spending as reflected in the Infrastructure Investment Plan.

- Work with local government and the development industry to broker solutions and support delivery at key housing sites across Scotland.

- In the first instance, contribute to developing more detailed proposals for an infrastructure levy.

- Consider how developer contributions could work with wider funding and finance solutions, including city deals, to secure investment that fully supports regional priorities for growth.

- Encourage better co-ordination of development plan strategies and infrastructure capital investment plans and programmes. It is also essential that development plans better understand and reflect on infrastructure investment priorities in order to achieve an infrastructure first approach. The group could oversee and consider regional infrastructure audits, prepared by regional partnerships.

3.34___This group would not need additional legislation to become established or deliver on the duties set out above.

Regional partnerships

3.35___Stronger co-ordination in infrastructure planning and investment at a regional scale is particularly relevant to planning and delivering development. We agree with the independent panel that co-ordination should be significantly improved at this level. As set out in section 1, our proposals aim to ensure that planning is better placed to respond to the partnerships at the regional level that are already, and will continue to, emerge and develop.

3.36___Our proposals to replace strategic development plans with regional partnership working would empower planners to advise on spatial priorities for infrastructure investment. At this scale, the infrastructure first approach would be supported where partnerships provide fuller and more reliable evidence for strategic decisions about investment. This could be achieved by a regional audit of infrastructure capacity which brings together, for example transport, schools, healthcare facilities, water, flooding, drainage, sewerage, energy, telecommunications, digital and green networks. The Strategic Transport Projects Review, carried out by Transport Scotland, should also work alongside spatial planning to form an essential part of strategic investment planning at both the regional and national scale.

3.37___We have considered the independent panel's recommendation that infrastructure providers are given duties to support proposals set out in the development plan. While we agree with this in principle, we recognise that different corporate structures exist across the various infrastructure providers. A general duty could be introduced, but it would have little value if it cannot be clearly defined or if compliance with the duty is difficult to demonstrate or enforce. In addition, scope for such a duty to be imposed on some infrastructure providers will be limited by matters reserved to the UK Government.

3.38___Improved communication and co-ordination is needed to strengthen awareness of, and commitment to, development plan delivery. In return, development plans must provide the clarity and certainty that is needed to support the case for investment in infrastructure. We will work with the key agencies and wider infrastructure providers, including those relating to digital and telecommunications and the energy networks, to see how we can achieve a greater level of commitment to development plans.

Dundee Waterfront – Regeneration – Infrastructure and Placemaking

This £1 billion transformation over 30 years comprises of 240 hectares split into five focused zones, and aims to enhance physical, economic and cultural assets. Led by infrastructure, the Central Waterfront zone has created ready-made development sites. Dated infrastructure and buildings have been removed to make way for a newly formed grid iron street pattern mixed-use extension to the city centre, which provides plots ready for development. These sites have been promoted in brochures showing the plot sizes and dates for site availability, whilst design and planning guidance is provided for developers, making the city investor ready. Beyond this, connecting the city with the River Tay, providing open space and other cultural assets means that this infrastructure first approach is carried out with placemaking at its heart.

Proposal 14: Creating a fairer and more transparent approach to funding infrastructure

3.39___Planning and development already contributes significantly to funding any required expansion in infrastructure that is needed to deal with the effects of development. We agree with the independent panel that existing arrangements focusing on the use of Section 75 planning obligations need to be reconsidered, taking into account the delay and uncertainty associated with current arrangements. We will consider changes to clarify the scope of current provisions in Section 75.

3.40___Current legislation allows those who enter into planning obligations to apply to modify or discharge the agreement, regardless of how recently these have been entered into and how fundamental these have been to supporting development delivery. We have seen increasing uncertainty about whether commitments to providing infrastructure will come forward in the longer term. We propose restricting the ability to modify and discharge terms of planning obligations introduced by the 2006 Planning Act so that commitments made when planning permission is granted are respected by those who entered into the obligation or who acquire the land.

3.41___In addition, in the coming year we will carry out an intensive and closely targeted improvement project involving a small number of authorities to improve timescales for concluding Section 75 obligations. This will build on earlier work which developed the 10 good practice principles[13], and will develop, test, measure and put in place changes which reduce the timescales for planning obligations. The aim is to share lessons learned more widely across the country.

Infrastructure levy

3.42___Improvements to practice in Section 75 obligations will not fully close a gap in infrastructure funding which has emerged following the 2008 recession and the steep decline of housing delivery that arose at that time. In addition, it will not tackle challenges in securing collective contributions for strategic infrastructure. Following the recommendations of the independent panel, we commissioned research into a new development charging mechanism for Scotland. This could help to deliver strategic infrastructure that is needed to support development across a wider area and

would help to build a more confident, infrastructure first approach to planning and development.

3.43___We have considered past measures to capture land value uplift and the experience of implementing the Community Infrastructure Levy in England and Wales. We have also considered how a new charge mechanism could be developed which takes into account market differences across the country as this will affect the viability of securing or recouping infrastructure costs.

3.44___Whilst the detailed design of such a mechanism will be challenging, we believe a solution can be found which strikes the right balance between simplicity and ability to respond to varying market circumstances. We propose that the Planning Bill includes an enabling power to introduce a new infrastructure levy for Scotland. Whilst we would develop and consult on more detailed proposals for this levy at a later stage, we propose that it should be based on the following key principles:

- It should be applied to most development types, with some potential exemptions.

- Permission to adopt and put in place a charging mechanism is granted by Ministers based on the submission of a business case prepared by the planning authority/authorities.

- The income from the charge should be collected locally.

- The fund will not replace national level infrastructure investment, as defined in the Infrastructure Investment Plan and National Planning Framework (NPF).

- The fund will not replace site specific contributions which are needed to mitigate the impacts of individual developments not covered by the levy and secured through Section 75 planning obligations or other methods.

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13 www.gov.scot/Topics/Built-Environment/planning/Roles/Scottish-Government/Reform-Projects/Planning

Proposal 15: Innovative infrastructure planning

3.45___We are exploring wider opportunities for innovative infrastructure planning.

3.46___An expert group involving all relevant parts of the Scottish Government, Heads of Planning Scotland, the Association of Directors of Education and the Scottish Futures Trust has been established. The group has considered the issues around funding and delivering new schools and is discussing how we can best address this in planning as well as in local authorities more widely. The work of this group will inform the need for future guidance as well as the more detailed proposals for an infrastructure levy as work progresses in the coming year.

3.47___Land use and transport planning should be integrated to ensure that their impact on connectedness, accessibility, and 'active travel' (walking and cycling) are brought together and used to improve quality of place. 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, as part of this. This should reflect the proposals for change set out here. In addition, we have confirmed that a review of the Strategic Transport Projects Review will be closely aligned with the review of National Planning Framework (NPF) 3.

3.48___Green infrastructure also has a critical role to play in supporting quality of life and sustaining the environment. The links between planning, place, environmental quality and health are very clear. Research, including work by the Glasgow Centre for Population Health underlines the importance of access to good quality greenspace and wider quality of place in helping to address inequalities and overcome longstanding patterns of poor health and vulnerability. This is a key aspect of the place standard and a priority for planning future development and regeneration. Green infrastructure also provides economic benefits, for example estimates value the benefits of the Central Scotland Green Network national development at around £6 billion over the 35 years to 2050. This should continue to be a key placemaking priority within development planning.

3.49___The forthcoming consultations on the draft Energy Strategy will raise opportunities to plan strategically in locating new low carbon energy infrastructure and to target a roll out of energy efficiency measures. These will need to be considered by planning in the context of an infrastructure first approach to development.

3.50___Section 72 of the Climate Change Act (2009) introduced a specific requirement for development plan policies to require new developments to install and operate low and zero-carbon generating technologies. An independent study recently found no evidence that there is any added value from this requirement – instead, building standards are driving down emissions. Whilst planning needs to be firmly committed to the principles of climate change mitigation and adaptation, this review provides an opportunity to streamline procedures that have not demonstrated added value and focus on where we can most benefit action on climate change, key to this being the location of development. We are therefore seeking views on whether to retain the current legislative requirements for these technology centred policies, or remove them.

3.51___We are liaising closely with the Scottish Government Digital Directorate to ensure that any proposals for change support wider government ambitions on digital connectivity (broadband and mobile coverage). Opportunities include extending permitted development rights and continuing to provide strong planning policy support for the development of infrastructure networks.

BUILDING MORE HOMES AND DELIVERING INFRASTRUCTURE – CONSULTATION QUESTIONS

KEY QUESTION

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C: Will these proposals help to deliver more homes and the infrastructure we need? Please explain your answer.

Optional technical questions

17. Do you agree with the proposed improvements to defining how much housing land should be allocated in the development plan?

18. Should there be a requirement to provide evidence on the viability of major housing developments as part of information required to validate a planning application?

19. Do you agree that planning can help to diversify the ways we deliver homes?

19(a) What practical tools can be used to achieve this?

20. What are your views on greater use of zoning to support housing delivery?

20(a) How can the procedures for Simplified Planning Zones be improved to allow for their wider use in Scotland?

20(b) What needs to be done to help resource them?

21. 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?

22. Would the proposed arrangements for regional partnership working support better infrastructure planning and delivery?

22(a) What actions or duties at this scale would help?

23. Should the ability to modify or discharge Section 75 planning obligations (Section 75A) be restricted?

24. Do you agree that future legislation should include new powers for an infrastructure levy? If so,

24(a) at what scale should it be applied?

24(b) to what type of development should it apply?

24(c) who should be responsible for administering it?

24(d) what type of infrastructure should it be used for?

24(e) If not, please explain why.

25. Do you agree that Section 3F of the Town and Country Planning (Scotland) Act 1997, as introduced by Section 72 of the Climate Change (Scotland) Act 2009, should be removed?

04

STRONGER LEADERSHIP AND SMARTER RESOURCING

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We want to reduce bureaucracy and improve resources so Scotland's planning system can focus on creating great places.

Proposal 16
Developing skills to deliver outcomes

Proposal 17
Investing in a better service

Proposal 18
A new approach to improving performance

Proposal 19
Making better use of resources – efficient decision making

Proposal 20
Innovation, designing for the future and the digital transformation of the planning service

4.1___Planners can help to make great places and we see strong examples of this across the country. However, good quality development and efficient service needs to be the norm. We want planning to re-establish itself as a visionary profession, rather than the micro-management of the built environment the panel referred to. We need to avoid planning activities that do not add value. Now, more than ever, we must focus properly on how cost effective the planning service is, and ensure that future changes make processes simpler and more efficient wherever possible.

4.2___We now have an exceptional opportunity to redesign the planning service to better reflect the principles of public service reform. People, partnership, prevention, performance and place have formed the foundations for the proposals for change we have set out here. Many of the wider changes aim to remove unnecessary procedures, and 'rebalance' the system so that we can focus on achieving outcomes through direct intervention, creativity and imagination.

Proposal 16: Developing skills to deliver outcomes

4.3___Planning can be recognised as a positive force for change. Like any public service it will be measured by what it delivers. Those outcomes must be the focus for all those involved in planning. By gaining a wider, place-based perspective, the valuable role that planning plays in ensuring that the public good is considered in decisions about the future of our places will be better understood and valued. Planning can provide a long-term perspective, and is therefore particularly well placed to tackle important issues such as development delivery, health, inclusion, environmental quality and climate change.

4.4___We will continue to work with Heads of Planning Scotland (HoPS) and the Royal Town Planning Institute (RTPI) Scotland to look at how planning can improve its reputation as a visionary profession that creates great places for people. Leadership is central to this. Planning needs to better articulate the value that it can contribute to society and the economy and should do more to highlight its achievements. The proposals we have outlined to improve community involvement and better align spatial and community planning are intended to support this.

4.5___Education is key to this and our proposals for involving children and young people will help to build greater awareness and involvement in place making. We also agree with the independent panel that planning graduates have a vital role to play. It is critical that we make future generations of planners resilient and adaptable to change, and give them the confidence to challenge and inspire others. An understanding of the different cultures and sectors will help with this. We have asked the RTPI Scotland to look into opportunities for a graduate intern scheme.

4.6___The capacity and resilience of the planning profession in Scotland as a whole needs to be considered in view of the recommendations set out here. The independent panel recommended further work on skills development and shared services.

4.7___We have asked the RTPI Scotland to undertake an audit of skills, and Heads of Planning Scotland to explore options for shared services. Given the many long established relationships between planners in and across the public and private sectors, we believe we can greatly improve the way we exchange knowledge, skills and experience. However we recognise that there may be a significant need for further training. The immediate priorities include: leadership; project management; mediation and brokerage; development finance and economics; viability; costing and funding solutions; working with communities; and creativity and innovation. The emphasis is on efficiency. Not every authority can be expected to have skills in every area. However, there is a need to ensure that they have access to specialist skills when necessary.

4.8___There are some challenges – mainly resources. However, much can be done to help authorities to help one another. This willingness to work together needs to be carefully balanced with the pressures on planners. Time away from desks to either assist others or improve personal skills is not always possible in the current climate. This needs to be addressed, and we look forward to seeing the results of the RTPI and Heads of Planning Scotland's work on skills and shared services.

4.9___It is also essential that the planning profession looks to other built environment professionals. The profession should continue to work with the Royal Town Planning Institute (RTPI) Scotland, Royal Institution of Chartered Surveyors (RICS), Royal Incorporation of Architects in Scotland (RIAS), Institution of Civil Engineers (ICE), the Chartered Institute of Housing and others to lead collaborative approaches to improving places and delivering development.

Royal Town Planning Institute – Future Planners Initiative

This initiative aims to reach out to young people aged 11-18 to raise awareness of and foster their interest in planning. Volunteer RTPI Ambassadors have been appointed to visit schools and discuss the importance of planning. This gives planners an opportunity to help develop a wider understanding of how the built environment affects everyone's lives. More than 100 Ambassadors have been participating in the initiative, visiting schools throughout the UK and Ireland. A short film 'How do we plan our world?' was also developed and posted online to support school visits.

Proposal 17: Investing in a better service

4.10___The planning service must have the resources it needs to deliver the world-class service our communities deserve and our economy needs.

4.11___Consultation on proposals to increase in the overall cap in planning fees for most types of development is ongoing.[14] We have been cautious about increasing fees, conscious of the need to align resourcing with performance improvement. It is critical that we continue to ensure that Scotland is an attractive place to do business. However, we are aware that the maximum planning fee in Scotland is currently less than 10% of that in England, Wales and Northern Ireland and that the overall cost of processing planning applications in planning authorities is not currently covered by the application fee for most categories of development. This is not a sustainable approach to resourcing a system that needs to be focused on quality and efficiency.

4.12___Development management is currently subsidised by other local authority service areas. Other organisations, including agencies and the Government's planning functions, are not funded under current arrangements but help to support the effectiveness of the service.

4.13___In light of our proposed reforms, now is the time to have a wider discussion on resourcing our planning system. We should be prepared to move towards full cost recovery that extends beyond the day-to-day business of processing applications in development management teams and into wider areas. Pre-application discussion, statutory consultees, central government support from brokerage to ePlanning and subsequent approvals of matters such as planning conditions can all contribute to creating investor confidence. This is not simply about increasing revenue. The performance of our planning system needs to be at the centre of any changes we make.

4.14___We will therefore bring forward further proposals for changes to current resourcing arrangements which are more flexible and will ensure that the costs to applicants are more closely aligned with the service provided. At this stage, we believe the consultation should include proposals for:

- A revised maximum fee.

- Higher fees for retrospective planning applications and for applications relating to sites not supported by the adopted local development plan (as described in section 1).

- Charging for appeals and reviews of decisions (see section 2).

- Agencies, who have a critical role to play in the development management process, having the ability to charge for services.

- Discretionary charging, including for pre-application discussions.

- Discretionary charging for establishing Simplified Planning Zones (see section 3).

- Removing the developer's right to submit a revised or repeat application at no cost (see section 2).

- Removing provisions for recovering advertising costs and including these within a revised planning fee.

- Arrangements for funding of relevant central government functions such as front line service delivery in the eDevelopment programme and other elements supporting operation of the planning service in Scotland provided by the Planning and Architecture Division.

- Improving clarity and ensuring the fees structure is proportionate and reflects the types of development coming forward, for example by providing a fixed rate fee for polytunnels.

- Enhanced service standards or fast tracked applications where a higher fee is paid and accompanied by a processing agreement.

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[14] https://consult.scotland.gov.uk/planning-architecture/consultation-on-raising-planning-fees

4.15___Our aim would be to fully recover the costs of a high performing development management process, and those other parts of public services that directly support it.

4.16___In recognition of the diversity of the planning service across Scotland, we will look at the extent to which authorities can opt out of charging fees where they believe this will support wider objectives, such as regeneration and reversing depopulation of remote island and rural areas. We should not look at a planning application as an opportunity to extract gain – these proposals are designed to meet processing costs, helping Scotland to be the best place to deliver the planning service and to do business.

Proposal 18: A new approach to improving performance

4.17___Higher fees must be accompanied by a much improved service. Whilst planning authorities' performance has improved in recent years, we fully understand the concerns of the development industry that fee increases need to be accompanied by strong performance in every authority. We agree with the independent panel that monitoring is important and that we need to provide better support for authorities to help them improve and learn from each other.

4.18___We already have a High Level Group to support improving performance and will continue to pursue delivery of an improved performance agenda.

4.19___It is the planning authorities' responsibility to improve their own performance and they have made significant progress since the introduction of their Planning Performance Framework (PPF). It is also important that all parties play their part in supporting the planning service through early engagement, provision of appropriate supporting information and striving to meet timescales. We think the time is right to improve the PPF monitoring system and suggest that Heads of Planning Scotland lead further consideration of the following improvements:

• A stronger focus on customers' experience of the planning service within service improvement plans.

• '360 degree' feedback from service users for all authorities in Scotland.

• Continued support from the Improvement Service.

• Improved peer review.

• Identifying a national performance co-ordinator who champions improvement across all planning authorities and leads the sharing of expertise and experience.

4.20___Given that planning should be measured by its outcomes, we will also explore the scope for measuring performance on the basis of the quality of places. To some extent, this is achieved by the Scottish Awards for Quality in Planning and the RTPI's annual Awards for Planning Excellence. Wider work to promote the role of the planning profession could be supported if we can show the level, type and quality of change which has been achieved. This would not only demonstrate success but also help to identify priorities for future action. We could achieve this, for example where the Place Standard is used to evaluate places 'before and after' development, and communities could also play a role by giving feedback. We will commission research to explore the scope to develop a practical plan to achieve this.

4.21___Our proposals to increase resourcing must be accompanied by a stronger assurance that performance will improve to a high standard in every authority. Whilst we have no current plans to implement the penalty clause in the Regulatory Reform Act, we have no plans to remove it. We believe it remains essential to have this option in place as an assurance that action can be taken where it is demonstrated that performance is consistently poor and actions are not being taken to improve. However, we strongly favour a more positive supportive approach, rather than a sanction, and we very much recognise the impact that applicant behaviour can have on planning authority performance. We are committed to continuing our work with the High Level Group on performance to ensure we provide a supportive and fair improvement agenda.

Proposal 19: Making better use of resources: efficient decision making

4.22___We want to simplify, streamline and clarify procedures so that planners can focus on activities that add most value.

Permitted development rights

4.23___Heads of Planning Scotland are looking at the scope to extend permitted development rights and remove the need to apply for planning permission for more development types. This could also be supported by making changes to the Use Classes Order. At this stage, the types of development where we think there is scope to remove certain applications from the system are:

• Digital telecommunications infrastructure.

• Development which helps to meet our wider commitment to reducing emissions that cause climate change. These could be wide-ranging and include different types of microgeneration equipment; installations supporting renewable heat networks; cycle networks, parking and storage; and facilities to support low carbon and electric vehicles.

• Development which supports the resilience of the farming sector. This includes polytunnels and changes of use from agricultural buildings to housing.

• Allotments and community growing schemes.

• Changes to the use of premises within town centres to stimulate vitality.

• Elements of development within the aquaculture sector

Handling applications

4.24___Where an application for planning permission is required, we agree with the independent panel that a more consistent approach to setting requirements for the validation of planning applications should help to overcome some of the delays and time spent on casework. Recent work undertaken by Heads of Planning Scotland, in collaboration with industry, will provide fuller guidance on this that can be used by all planning authorities, applicants and key agencies. In addition, we will strengthen planning advice to clarify the grounds upon which an application can be refused where the applicant has not provided the information required to reach a decision.

4.25___As recommended by the independent panel, we will commission research on aligning consents procedures. Based on advice from stakeholders, this work will particularly focus on scope to bring together the handling of applications which are administered by local authorities and will make recommendations which read across to the work of the digital task force. Effective brokerage of applications, such as the arrangements we introduced to support Enterprise Areas, can also have significant benefits for applicants and the Programme for Government confirms our commitment to develop this further.

Procedural improvements – development management

4.26___More generally, we would welcome views on whether targeted improvements can be made to further streamline development management procedures as a whole.

4.27___In particular, we believe there is scope to simplify and clarify procedures for approving the detail of proposals that are granted planning permission in principle. To provide greater flexibility, we would welcome views on whether a new provision should be introduced to amend the duration of a planning permission in principle, after permission has been granted. Annex H of Circular 3/2013[15] sets out current procedures on this.

4.28___We would also like to hear views on whether there is scope to make requirements for pre-determination hearings and determination of applications by 'full council' more flexible. For example, pre-determination hearings could be required for proposals which do not need a decision by full council, and we could allow planning authorities to choose whether pre-determination hearings should be in front of a committee or the full council.

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[15] www.gov.scot/Resource/0048/00485277.pdf

Proposal 20: Innovation, designing for the future and the digital transformation of the planning service

4.29___There are many benefits to be gained from digitally enabling transformation of our public services. We have already achieved much through the success of our eDevelopment programme over the past decade. It has led to the use of online applications and redesigning business practices around the user needs. However, in planning we are only now coming into line with the minimum capability of current and developing technology, and have yet to realise the full potential of the fast-moving information age.

4.30___As an example, we recently commissioned research on the potential of three-dimensional visualisations in planning. This is just one way in which technology might transform the way people become involved with, appreciate and get excited about the future of their places. We will continue to explore and promote new visualisation technology by taking forward the research recommendations in a new programme of work.

4.31___We will appoint a digital task force to look at opportunities to develop and integrate new information technology solutions in support of the continued digital transformation and improvement of the planning service. We expect the task force will explore a range of opportunities, including data sharing, mobile technology, the use of drones, and expanding online applications to wider development-related consenting regimes.

eDevelopment.scot

eDevelopment.scot is a business transformation programme, delivering digital planning and building standards services across Scotland. We have developed online application portals to support and enable the modernisation of these services. The planning and building standards application services have historically involved large volumes of paper documents and large-scale plans and architectural drawings. These days, most documents and plans supporting development-related applications are routinely created digitally. Now they can be submitted digitally too, which is much more convenient and cheaper for customers. The end result is less paper to handle, postage and the removal of all unnecessary practices and associated excess costs, radically changing public service processes to fit. Electronic delivery also saves time, with days being cut every time correspondence or documents transfer between applicant and authority. The eDevelopment services deliver what the customer wants – open, accessible online services, available 24/7.

STRONGER LEADERSHIP AND SMARTER RESOURCING –
CONSULTATION QUESTIONS:

KEY QUESTION

D: Do you agree the measures set out here will improve the way that the planning service is resourced? Please explain your answer.

Optional technical questions

26. What measures can we take to improve leadership of the Scottish planning profession?

27. What are the priorities for developing skills in the planning profession?

28. Are there ways in which we can support stronger multidisciplinary working between built environment professions?

29. How can we better support planning authorities to improve their performance as well as the performance of others involved in the process?

30. Do you agree that we should focus more on monitoring outcomes from planning (e.g. how places have changed)?

30(a) Do you have any ideas on how this could be achieved?

31. Do you have any comments on our early proposals for restructuring of planning fees?

32. What types of development would be suitable for extended permitted development rights?

33. What targeted improvements should be made to further simplify and clarify development management procedures?

33(a) Should we make provisions on the duration of planning permission in principle more flexible by introducing powers to amend the duration after permission has been granted? How can existing provisions be simplified?

33(b) Currently developers can apply for a new planning permission with different conditions to those attached to an existing permission for the same development. Can these procedures be improved?

33(c) What changes, if any, would you like to see to arrangements for public consultation of applications for approvals of detail required by a condition on a planning permission in principle?

33(d) Do you have any views on the requirements for pre-determination hearings and determination of applications by full council?

34. What scope is there for digitally enabling the transformation of the planning service around the user need?

NEXT STEPS

We are committed to taking forward a positive and ambitious programme of planning reform over the coming months. Some of our proposals for change will be achieved through a Planning Bill and related secondary legislation, but there also is much that can be achieved ahead of these changes.

Alongside consultation on the proposals set out here, in 2017 we will continue to take forward research that will help to support future changes to the system. We will also set up and develop the work of the digital task force and reconvene the six working groups who have helped us to develop this paper to explore the emerging proposals further.

We are keen to ensure that our national planning policies remain up to date and relevant to the wider planning system. We will therefore publish the National Planning Framework (NPF) 3 Monitoring Report later in 2017, and thereafter consider the timing of NPF 4 and revision of Scottish Planning Policy (SPP).

Additional consultations

We recognise that the proposals set out here remain at an early stage, and that in some cases there will be benefit from more detailed consultation on more detailed changes. In the coming year we will therefore consult further on:

- More detailed proposals for enhanced fees and discretionary charging, taking into account emerging proposals.

- Extended permitted development rights, informed by the ongoing work of Heads of Planning Scotland.

Impact assessments

We are considering the impact of implementing our proposals.

An Equalities Impact Assessment (EQIA) will help us understand policy impacts on people because of their age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation. This will allow us to identify (and mitigate) negative impacts and proactively look for opportunities to promote equality.

A Business Regulatory Impact Assessment (BRIA) will allow us to assess the likely financial costs and benefits and the associated risks of the proposals that might have an impact on the public, private or third sector.

A Children's Rights and Wellbeing Assessment (CRWIA) will allow us to assess whether the proposals will advance the realisation of children's rights in Scotland and protect and promote the wellbeing of children and young people.

You can find our partial impact assessments at: https://beta.gov.scot/policies/planning-architecture/reforming-planning-system/

In mid-2017 we will also provide an update on the outcome from this consultation, the analysis of consultation and a summary of the proposed legislative changes. Alongside this, we will publish a Strategic Environmental Assessment (SEA) Environmental Report. Views will be invited at this stage, in line with the requirements of the Environmental Assessment (Scotland) Act 2005. We will also update the BRIA and EqIA at this time.

Testing the proposals – research, pilots and exemplars

Several key changes to the planning system would benefit from further testing and practical consideration, not least the proposals that aim to improve development delivery. During 2017:

- We will commission further research to inform proposals for local place plans, alignment of consents and monitoring of the outcomes from the planning system.

- We will pilot Simplified Planning Zones. We have identified a number of early projects to explore a zoned approach to housing through early SPZs. We will continue to encourage involvement in this programme over the coming months.

- We will work with the Directorate for Planning and Environmental Appeals to explore proposals, including for an early gatecheck to support the development plan examination.

- We will further explore the ways in which we can significantly strengthen development plan action programmes. We will invite the Scottish Futures Trust to work with planning authorities to explore

the extent to which proposals can be more fully specified, costed and linked with sources of finance.

• We will design our 2017-18 charrette programme to reflect the opportunities for place planning and wider involvement outlined in section 2.

We would like to hear from any planning authorities, developers or communities, including community councils, who wish to work with us to explore how the proposals set out here could work in practice. Please contact planningreview@gov.scot

Culture change, skills and performance

Many of the changes will depend on continuing efforts to change the way the planning profession goes about doing its business on a day-to-day basis. We believe there is a need for culture change in the profession, on the part of professionals in the public and private sectors alike. We will therefore work with Heads of Planning Scotland, COSLA, the Improvement Service and the Royal Town Planning Institute Scotland to:

• Design and launch a graduate intern scheme.

• Establish a skills database.

• Design a training programme for the planning profession in Scotland, focusing on, but also extending beyond, planning authorities to include the development sector, communities and key agencies.

• Identify priorities for shared services.

• Revise the guidance on Planning Performance Frameworks.

Getting involved

Views are now invited on the proposals set out in this consultation paper. Respondents are asked to focus on the questions provided for each of the four areas of change.

Responses to the consultation should be submitted to Planning and Architecture Division of the Scottish Government by 5pm on Tuesday 4 April 2017.

NEXT STEPS – CONSULTATION QUESTIONS

Optional technical questions

35. Do you think any of the proposals set out in this consultation will have an impact, positive or negative, on equalities as set out above? If so, what impact do you think that will be?

36. What implications (including potential costs) will there be for business and public sector delivery organisations from these proposals?

37. Do you think any of these proposals will have an impact, positive or negative, on children's rights? If so, what impact do you think that will be?

38. Do you have any early views on whether these proposals will generate significant environmental effects? Please explain your answer.

RESPONDING TO THIS CONSULTATION

We are inviting responses to this consultation by 4th April 2017

Please respond to this consultation using the Scottish Government's consultation platform, Citizen Space. You can view and respond to this consultation online at https://consult.scotland.gov.uk/planning-architecture/a-consultation-on-the-future-of-planning. You can save and return to your responses while the consultation is still open. Please ensure that consultation responses are submitted before the closing date of 4th April 2017

If you are unable to respond online, please complete the Respondent Information Form (see "Handling your Response" below) to:

Planningreview@gov.scot or

Planning and Architecture Division
The Scottish Government
2-H South
Victoria Quay
Edinburgh
EH6 6QQ

Handling your response

If you respond using Citizen Space (http://consult. scotland.gov.uk/), you will be directed to the Respondent Information Form. Please indicate how you wish your response to be handled and, in particular, whether you are happy for your response to published.

If you are unable to respond via Citizen Space, please complete and return the Respondent Information Form which can be accessed at https://beta.gov.scot/policies/planning-architecture/reforming-planning-system/. If you ask for your response not to be published, we will regard it as confidential, and we will treat it accordingly.

All respondents should be aware that the Scottish Government is subject to the provisions of the Freedom of Information (Scotland) Act 2002 and would therefore have to consider any request made to it under the Act for information relating to responses made to this consultation exercise.

Next steps in the process

Where respondents have given permission for their response to be made public, and after we have checked that they contain no potentially defamatory material, responses will be made available to the public at http://consult.scotland.gov.uk. If you use Citizen Space to respond, you will receive a copy of your response via email.

Following the closing date, all responses will be analysed and considered along with any other available evidence to help us. Responses will be published where we have been given permission to do so.

Comments and complaints

If you have any comments about how this consultation exercise has been conducted, please send them to:

Planningreview@gov.scot or

Planning and Architecture Division
The Scottish Government
2-H South
Victoria Quay
Edinburgh
EH6 6QQ

Scottish Government consultation process

Consultation is an essential part of the policy-making process. It gives us the opportunity to consider your opinion and expertise on a proposed area of work.

You can find all our consultations online: http://consult.scotland.gov.uk. Each consultation details the issues under consideration, as well as a way for you to give us your views, either online, by email or by post.

Consultations may involve seeking views in a number of different ways, such as public meetings, focus groups, or other online methods such as Dialogue (https://www.ideas.gov.scot)

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Responses will be analysed and used as part of the decision making process, along with a range of other available information and evidence. We will publish a report of this analysis for every consultation. Depending on the nature of the consultation exercise the responses received may:

• indicate the need for policy development or review

• inform the development of a particular policy

• help decisions to be made between alternative policy proposals

• be used to finalise legislation before it is implemented

While details of particular circumstances described in a response to a consultation exercise may usefully inform the policy process, consultation exercises cannot address individual concerns and comments, which should be directed to the relevant public body.

Scottish Government
Riaghaltas na h-Alba
gov.scot

This document is also available on The Scottish Government website:
www.gov.scot

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PARTNERSHIP BOARD MEETING

HELD IN CONFERENCE ROOM 1, VICTORIA QUAY, EDINBURGH EH6 6QQ
ON FRIDAY 2ND DECEMBER, 2016
10.00 A.M. - 12.30 P.M.

	Name	Organisational Title
PRESENT:	Cllr. Lesley Hinds (Chair)	City of Edinburgh Council
	Charles Anderson	Non-Councillor Member
	Councillor Tom Coleman	Falkirk Council
	Councillor Kenneth Earle	Clackmannanshire Council
	Councillor Gordon Edgar (Vice Chair)	Scottish Borders Council
	Phil Flanders	Non-Councillor Member
	Councillor Jim Fullarton	Scottish Borders Council
	Councillor Russell Imrie (Senior Vice-Chair)	Midlothian Council
	John Martin	Non-Councillor Member
	Neil Renilson	Non-Councillor Member
	Sandy Scotland	Non-Councillor Member
	Barry Turner	Non-Councillor Member
	Cllr. Michael Veitch	East Lothian Council
	Cllr. John Wincott	Fife Council

	Name	Organisation Title
IN ATTENDANCE:	Craig Beattie	City of Edinburgh Council
	Gary Brown	The Vennie
	Lizzie Brown	The Vennie
	Paul Brown	The Vennie
	Angela Chambers	SEStran
	Julie Cole	Falkirk Council
	Lesley Deans	Clackmannanshire Council
	Neil Dougal	Midlothian Council
	George Eckton	Partnership Director SEStran
	Andrew Ferguson	Fife Council (Legal)
	Scott Forbes	The Vennie
	Peter Forsyth	East Lothian Council
	Lisa Freeman	SEStran
	Ken Gourlay	Fife Council
	Jim Grieve	SEStran
	Tom Heron	The Vennie
	Peter Jackson	SEStran
	Fiona Johnstone	City of Edinburgh Council
	Graeme Johnstone	Scottish Borders Council
	Ewan Kennedy	City of Edinburgh Council
	George Lowder	Transport for Edinburgh
	Catriona Macdonald	SEStran
	Alison McCormack	Deans High School
	Laura McLean	The Vennie
	Lisa Murphy	Young Scot
	Moira Nelson	SEStran
	Shirley Orr	The Vennie
	Steven Russell	Young Scot
	Tom Rye	Napier TRI
	Iain Shaw	City of Edinburgh Council
	Emily Whitters	SEStran

APOLOGIES FOR ABSENCE:	<u>Name</u>	<u>Organisational Title</u>
	Cllr. Derek Stewart	Clackmannanshire Council
	Cllr. Nick Gardner	City of Edinburgh Council
	Cllr. Nick Cook	City of Edinburgh Council
	Cllr. Ian Chisholm	Fife Council
	Cllr. Derek Rosie	Midlothian Council
	Cllr. Tony Boyle	West Lothian Council
	Cllr. Bill Henderson	City of Edinburgh
	Graeme Malcolm	West Lothian
	John Jack	Non-Councillor Member
	Graham Bell	Non-Councillor Member

ORDER OF BUSINESS

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

DECLARATIONS OF INTERESTS

None.

A4   PRESENTATION/REPORT ON YOUNG SCOT X-ROUTE

The Board considered a report by Moira Nelson, Active Travel Strategic Development Officer providing members with background information on the SEStran X-Route Study, and welcomed members of the Vennie Club in Livingston, one of the four groups of young people who participated in the project.

<u>Decision</u>

The Board noted the presentation and the final report and thanked the Vennie Club members for their contribution to the presentation.

A5.   MODEL 3 SESTRAN PROGRESS REPORT

The Board considered a report by George Eckton, Partnership Director and Andrew Ferguson, Secretary, updating members on the progress with "Model 3".

<u>Decision</u>

The Board:-

- noted the presentation from Professor Rye and the terms of his final report on Passenger Transport Authorities;

- noted that all 8 constituent councils would be formally consulted on the proposal of SESTRAN to change to a "Model 3" authority by means of an order under section 10 of the Transport (Scotland) Act 2005, ("the Act") and, specifically, in terms of section 10(6), what the order will do;

- agreed the functions outlined in paragraphs 3.3-3.4 should be the basis of the consultation order;

- agreed to consult the constituent authorities on possibilities for

collaboration or sharing of services under section 14 of the Act around wider network management as outlined within paragraph 3.5 of the report;

- agreed, following the consultation, to receive a paper for the 2nd March, 2017 Board meeting to enable consideration and a decision on the proposal for SESTRAN to move to a Model 3 authority and subsequent request for consent from Scottish Ministers to support an order under section 10;

- noted that a Stage 2 consultation process would be required to change SEStran from Model 1 to a Model 3 partnership in terms of the Act;

- agreed that Stage 1 of the consultation process should begin after the meeting and that if required a special Board meeting should be convened in early 2017.

A6.   MINUTES

The following minutes were approved:-

A6.a – Partnership Board Meeting – 23rd September, 2016; the Board
        agreed that no further Vice-Chair be appointed at this time;
A6.b – Performance & Audit Committee – 18th November, 2016
A6 c .- Regional Transport Partnerships Joint Chairs Meeting –
        14th September. 2016

A7   FINANCIAL REPORTS

(a)   Financial Planning 2017/18

The Board considered a report by Iain Shaw, presenting details of the financial planning being undertaken to present a revenue budget for 2017/18 to the Partnership for approval in March, 2017

Decision

The Board:-

- noted the financial planning assumptions currently being progressed for 2017/18 revenue budget;

- noted the risk that Scottish Government funding allocations to RTP's may be reduced, given the uncertainty around the Scottish Government Budget for 2017/18; and

- noted the revenue budget for 2017/18 will be presented to Members for approval at the meeting of the Partnership in March, 2017.

(b)   Finance Officer's Report 2016/17

The Board considered a report by the Treasurer presenting the second update on financial performance of the core revenue budget of the Partnership for 2016/17, in accordance with the Financial Regulations of the Partnership.
Decision

The Board noted:-

- the forecast that core expenditure in 2016/17 will under spend by £56,000 against the approved revenue budget of the Partnership and that this underspend will meet project costs in 2016/17;

- All income and expenditure will continue to be monitored closely with updates report to each partnership meeting; and

- The month end balance of indebtedness between the Partnership and City of Edinburgh Council and the reason for these balances identified at paragraph 2.7.

(c)   Treasury Management – Mid Term Review

The Board considered the report by the Treasurer, Hugh Dunn presenting the investment activity undertaken on behalf of the Partnership during the first half of 2016/17 Financial Year.

Decision

The Board noted the investment activity undertaken on behalf of the Partnership.

Neil Renilson left the meeting at this point

A8   REVIEW OF GOVERNANCE DOCUMENTS

The Committee considered a report by Andrew Ferguson, Secretary and Legal Adviser, advising the Board of the conclusions of the recent review of governance documents as regards standing orders and scheme of delegation, and recommend a change to standing orders as regards the Performance and Audit Committee's remit and membership, as recommended by them at their meeting on 18th November.

Decision

The Board approved:-

(i)   that the committee's membership be expanded to include a further two non-councillor members;

(ii)   that the committee's quorum be four, with a minimum of two Councillor members;

(iii) all policy matters should continue to be decided by the Board; and

(iv)   that Councillor members should be allowed one nominated substitute per authority for the Committee.

A9   REVIEW OF FORUMS

The Board considered a report by George Eckton, Partnership Director, regarding the proposals for change of structure of SEStran's consultative forums.

Decision

The Board agreed to defer a final decision on the structural changes to the forums until the March Board, with Members being asked to come forward with constructive suggestions as to how the Forums could be made as productive as possible.

A10   REGIONAL TRANSPORT STRATEGY UPDATE

The Board considered a report by George Eckton, Partnership Director and Lisa Freeman, Strategy Liaison Officer, providing the Board with 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 developments scheduled to occur in the next few months.

Decision

The Board:-

    (a) noted the report: and

    (b) agreed to a period of reflection and continuing research on key issues on creating the new RTS, in light of the current legislation and policy position.

A11.   EDINBURGH AIRPORT MASTER PLAN

The Board considered a report by Lisa Freeman, Strategy and Projects Officer regarding 'The future of Air Transport' requiring all UK airports to produce an airport master plan on how they propose to develop airport facilities.

Decision

The Board:-

    (i) approved a mandate for the Chair to respond to the consultation on behalf of SEStran; and

    (ii) invited members to provide additional comments to SEStran by 9th December, 2016.

A12.   SESTRAN EQUALITY OUTCOMES 2017 - 2021

The Board considered a report by Emily Whitters and Angela Chambers, SEStran, regarding the requirement for SEStran as a listed public body under the Equality Act 2010 and the Equality Act 2012 (Scotland) Specific Duties Regulations to publish a set of Equality Outcomes covering the period April, 2017 – March 2021.

Decision

The Board:-

    (a) noted the review of the 2013 – 2017 Equality outcomes and on the development of the two new outcomes; and

    (b) Approved a 4-6 week consultation period on the Equality Outcomes.

A13. **RECORDS MANAGEMENT**

The Board considered a report by Angela Chambers, Business Manager, SEStran presenting the Board with the SEStran's Records Management Framework, which is subject to assessment by The Keeper of the Records of Scotland.

Decision

The Board:-

i.   approved the Records Management Plan for submission to the Keeper of the Records and delegate authority to the Legal Adviser and Business Manager to implement any recommended changes if required;

ii. approved the information Security policy, Records Management Policy and Guidance for immediate implementation;

iii. noted that further work will be undertaken to develop a Business Classification scheme and Retention schedule in parallel with the IT upgrades and approved a mandate to allow the Business Manager to implement a range of supporting continuous improvement procedures;

iv. noted the Records Management Plan will be submitted to the Keeper of the Records for approval by 31st January, 2017; and

v.   noted that The Keeper of the Records Assessment Report will be tabled to a future meeting of the Performance and Audit Committee.

A14. **UPDATES ON RTS DELIVERY PLAN, CITY DEAL, PROJECTS AND EU EXIT**

The Board noted a brief report on the progress of each of the above topics.

Decision

The Board:-

(i)   noted the contents of the report; and

(ii) approved the grant of value £25000 to Edinburgh College, for the continuation of the Electric Vehicle Project.

A15 **DATES OF FUTURE MEETINGS**

The Board considered a report by Angela Chambers, Business Manager, SEStran, outlining the proposed calendar of SEStran Partnership Board, Performance and Audit Committee and Chief Officer Liaison Groups meetings for 2017.

Decision

The Board:-

1. approved the proposed programme of meetings for 2017;

2. noted that there may be a requirement to host an additional Board meeting prior to March; and

3. noted the dates of the Forum and sub-groups would be confirmed when discussions have been concluded.

A16   AOCB

None.

A17   DATE OF NEXT MEETING

The Board noted the next meeting of the Partnership would take place on Thursday 2nd March, 2017 at 2:00pm in Conference Room 3, Victoria Quay, Edinburgh, EH6 6QQ.

A18   PARTNERSHIP STAFFING UPDATE

The Board considered a report by the Partnership Director relating to various staffing matters.

Decision

The Board noted the report.

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PERFORMANCE & AUDIT COMMITTEE MEETING

**HELD IN SESTRAN OFFICES, MEETING ROOM 3E-91, VICTORIA QUAY, EDINBURGH, EH6 6QQ
ON FRIDAY, 17TH FEBRUARY, 2017
10.00 A.M. – 12.30 P.M.**

PRESENT:	Name	Organisation Title
	Councillor Gordon Edgar (Chair)	Scottish Borders Council
	John Jack	Non-Councillor Member
	Sandy Scotland	Non-Councillor Member
	Councillor Lesley Hinds (by Conference Call)	City of Edinburgh Council

IN ATTENDANCE:	Name	Organisation Title
	George Eckton	SEStran
	Jim Grieve	SEStran
	Peter Jackson	SEStran
	Iain Shaw	City of Edinburgh Council
	Andrew Ferguson	Fife Council
	Michael Smith	Scott-Moncrieff

1. **ORDER OF BUSINESS**   **Action by**

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

2. **APOLOGIES**

   Apologies were received from
   Cllr Tony Boyle, West Lothian Council
   Cllr Tom Coleman, Falkirk Council
   Cllr Kenneth Earle, Clackmannanshire Council
   Cllr Michael Veitch, East Lothian Council
   Cllr Stephen Bird, Falkirk Council
   Hugh Thomson, City of Edinburgh Council

3. **DECLARATIONS OF INTERESTS**

   Sandy Scotland declared an interest in item 18 as a director of Cycling Scotland.

A4   MINUTES

   The minutes of the Performance & Audit meeting of Friday 18th November, 2016 were noted and approved as a correct record.
   In discussion, it was agreed the minutes should indicate what aciton had been taken or whether the matter was covered elsewhere on the agenda.

Action by

A5   MODEL 3 SESTRAN CONSULTATION UPDATE

The Committee considered a report by George Eckton, Partnership Director and Andrew Ferguson, Secretary updating the Committee on the progress with "Model 3" consultation initiated by the Board in December, 2016

Decision

The Committee noted the report.

A6   AUDIT REPORTS

(a) External Audit – Introduction

The Committee welcomed Michael Smith, Scott-Moncrieff, to his first SEStran meeting.

(b) External Audit – Audit Plan 2016/17

The Committee expressed concern of the net increase in fees.

Decision

The Committee delegated to the Partnerhisp Director in consultation with the Chair to negotiate the proposed fee level with Scott-Moncrieff and Audit Scotland, subsequently reporting back to the Committee.

(c) Internal Audit – Annual Audit Report – the Committee considered a report by Hugh Thomson Principal Audit Manager setting out the internal audit work undertaken by Internal Audit for the Financial Year 2016/17.

Decision

The Committee noted the report.

A7   FINANCE REPORTS

The Committee considered a report by Hugh Dunn, Treasurer reviewing the proposed revenue budget for 2017/18, together with the share of net expenses to be paid by each constituent Council.

Decision/

Decision

The Committee:-

(1)   Noted the proposed revenue budget for 2017/18;

(2)   Noted that the Board would be asked to approve the following recommendations at its meeting on 2nd March, 2017:

(a)   Approve the proposed core revenue and revenue porjects budget for 2017/18, as detailed in appendices 1 and 2, and agree that authorisation is given 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
Total	£190,000

(b)   Note that the financial planning for 2018/19 will be developed for consideration in Autumn 2017;

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

(b)   **Annual Treasury Strategy –** the Committee considered a report by Hugh Dunn, Treasurer proposing the Investment Strategy for 2017/18

Decision

It was recommended that the Committee refer the Strategy to the Partnership Board.

A8   **CONSULTATION ON PROPOSED CHANGES TO COUNCILLORS' CODE OF CONDUCT**

The Committee considered a report by Andrew Ferguson, Secretary outlining proposed changes to the Councillor's Code of Conduct.

Decision/

Decision

(i)   noted the subject matter of the consultation; and

(ii)   Agreed recommendation to the Board a response on the lines set out at 2.3, namely that the introduction of a specific exclusion to cover councillors who were members of RTPS and were involved in planning decision making in their own councils was to be welcomed; and that SEStran offered no opinion on whether the exclusion should be widened to other public bodies.

A9.   **RECORDS MANAGEMENT**

The Committee considered a report by Angela Chambers, Business Manager, providing the Committee with an update on the progress on SEStran's Records Management Plan and IT upgrades.

Decision

The Committee noted the contents of the report.

A10   PLACES, PEOPLE AND PLANNING CONSULTATION

The Committee considered a report by George Eckton, Partnership Director summarising the key issues of emerging from the recently published Scottish Government's publication "Places, people and Planning: A consultation on the future of the Scottish planning system", seeking to start the process of collating a SEStran response by the deadline of 4th April, 2017.

Decision

The Committee noted the terms of the report, and noted that a fuller report and more detailed discussion would take place at the Board.

A11   REVIEW OF FORUMS

The Committee considered a report by George Eckton, Partnership Director advising members of the proposals for a change in the structure of SEStran's consultative forums.

Decision

The Committee noted the report, and that, since the invitation of the review, a full cycle of forum meetings had taken place. The Committee agreed it would be appropriate to hold over the next round of meetings until after the Council elections in May, and this would realistically mean September given, the need for administrations being identified and summer recess.

A12 PROCUREMENT WYG/INEO

The Committee considered a report by Jim Grieve, Head of Programmes advising members of the Passenger Information project to date, providing an update on discussions with SEStran's legal advisers, to the effect that a five year maintenance period on the INEO contract had formed a part of that contract, starting in April, 2014.

Decision

The Committee:-

- Noted 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 decided to instruct the necessary additional work;

- Noted that sufficient funding was available from the 2017/18 budget;

- Noted that it was ntended to go to the market for any work envisaged to be carried out in year 2017/18 and beyond; and

- Noted the update on dicussions with SEStran's legal advisers.

A13 PARTNERSHIP STAFFING UPDATE

The Committee considered a report by George Eckton, Partnership Director, updating members on the organisational structure of staffing at SEStran.

In doing so, the Committee noted with reget that passing of Andrew Dougal, SEStran's former Communications Officer.

Decision

The Committee noted the update provided on HR and staffing matters recommending it to the Board for approval; and passed on their sympathies to Andrew Dougal's family.

A14 SESTRAN EQUALITY MAINSTREAMING REPORT & EQUALITY OUTCOMES 2017-2021

The Committee considered a joint report by Emily Whitters, Business Support Officer and George Eckton, Partnership Director outlining the public body under the Equality Act 2010 and the Equaility Act 2012 (Scotland) to publish a biennial Equalities Mainstreaming Report and a new set of Equality Outcomes covering the period April, 2017 – 2021 to enable to perform the equality duty.

Decision

The Committee:-

    (i) Noted and welcomed the draft Equality Mainstreaming Report and Equality Outcomes Report, commending officers, in particular Ms Whitters for their work on the Report;

    (ii) Recommended both reports for approval to the Partnership Board; and

    (iii) Agreed 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

A15   SG CONSULTATION ON GENDER BALANCE ON PUBLIC BOARDS

The Committee considered a joint report by George Eckton, Partnership Director and Emily Whitters, Business Support Officer outlining the draft of the Gender Representation on Public Boards (Scotland) Bill on the 5th January, 2017. The consultation closes on the 17th March, having been made as a key commitment in the Scottish Government's Programme for Government 2016/17.

Decision

The Committee:

    (i) Noted on the consultation on the Draft Gender Representation on Public Roads (Scotland) Bill; and

    (ii) Recommended and supported SEStran in signing up to the 5050 by 2020 pledge.

A16   BOARD DIVERSITY SUCCESSION PLAN

The Committee considered a report by George Eckton, Partnerhsip Director, updating members on the progress with a final Board Diversity Succession plan for SEStran, required under the 2016 Scotland Regulations of the Equality Act.

Decision/

Decision

The Committee:-

- Recommended the Board agree 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;

- Recommended the Board agree to SEStran setting up a transition from a Board Diversity Working Group, to set up a Succession Planning Committee which would meet annually; and

- Noted that the Scottish Government have still to survey members of Public Boards and noted the verbal update given at the meeting..

A17   NON-COUNCILLOR MEMBER BOARD VACANCY UPDATE

The Committee considered a report by George Eckton, Partnership Director providing the Committee with an update on progess with the appointment to the current Non-Councillor members vacancy on SEStran's Board.

Decision

The Committee noted the update, and agreed to recommend to the Board that the current selection process be used to fill both vacancies.

A18   DRAFT BUSINESS PLAN 2017/18

The Committee considered a report by Jim Grieve, Head of Programmes, outlining the changes to the format of the forthcoming year's Business Plan for SEStran.

Decision

The Committee noted the contents of the draft Business Plan 17/18 and agreed to recommend it to the Board.

A19   PROJECTS UPDATE/EU UPDATE

The Committee considered a report from Jim Grieve, Head of Programmes outlining updates on the projects listed.

Decision

The Committee noted the updates provided.

A20   REVIEW OF THE NATIONAL PERFORMANCE FRAMEWORK'S NATIONAL OUTCOMES

The Committee considered a report by George Eckton, Partnership Director, seeking the views on an initial response to a Stakeholder engagement exercise ahead of a fuller public consultation and opportunity for a formal SEStran response.

<u>Decision</u>

The Committee noted and agreed the proposals in the short survey to inform an initial SEStran response from the Partnership Director under the Scheme of Delegation.

A21   AOCB

None

A22   DATE OF NEXT MEETING

<u>Decision</u>

The Committee noted that the next meeting would be held fixed following the May election.

Regional Transport Partnerships

Chairs Meeting

Buchan Braes Hotel, Boddam, Aberdeenshire

Minute of Meeting held in Boddam on Wednesday 7th December 2016 at 9.30am.

PRESENT	Cllr Ramsay Milne, Nestrans (Chair)
	Cllr Michael Stout, ZetTrans
	Cllr James Stockan, HITRANS
	Cllr Will Dawson, TACTRAN
	Cllr Lesley Hinds, Sestran
	Cllr Tom McAughtrie, Swestrans

IN ATTENDANCE	Mrs Joanne Gray, Transport Scotland
	Mr Ewen Milligan, Transport Scotland
	Mr Ranald Robertson, HITRANS
	Mr Bruce Kiloh, SPT
	Mr George Eckton, Sestran
	Mr Eric Guthrie, TACTRAN
	Mr Douglas Kirkpatrick, Swestrans
	Mr Michael Craigie, ZetTrans
	Mr Derick Murray, Netrans

APOLOGIES	Cllr Jonathan Findlay, SPT
	Cllr Stephen Hagan, COSLA
	Mr Eric Stewart, SPT
	Mr Robert Nicol, COSLA.

Welcome and Apologies	1	Cllr Milne welcomed everyone to Boddam for the RTP Chairs meeting and noted the apologies above.
Presentation by Iain Laidlaw, Chief Executive of Peterhead Port Authority.	2	Mr Laidlaw gave an informative presentation on Peterhead Harbour and the Peterhead Port Authority. After questions, the Chair thanked Mr Laidlaw for his presentation.
		The Chair and Mr Murray at this juncture then tabled a variation to the Agenda requesting that this be adopted as the Agenda for the meeting. The Chairs agreed to this change and the new Agenda was circulated in hard copy
Minute of RTP Chairs Meeting on 14 September 2016	3	The Minute was agreed as an accurate account of the meeting.
		Matters arising would be covered elsewhere on the agenda.

Discussion on current issues	4

a) Option to hold a one day workshop - The Chairs agreed to hold a one day workshop in January 2017, location to be determined but potentially Edinburgh to discuss the NTS, Transport Bill, Planning Review and other significant issues. The workshop would also provide the input to a letter to the Transport Minister following up from the RTPs recent meeting with him at the Scottish Parliament.

RTP Lead officers to liaise and arrange the workshop. Agreed that each RTP would lead on an agenda item for the workshop.

RTP Lead officers to draft note of recent meeting with Transport Minister and Planning Minister.

RTP Lead officers, after workshop, to draft letter for sending to Transport Minister on key issues.

b) Meeting with the Ministers – Outcomes / Next Steps – Noted that Minister would like to attend at RTP Chairs meetings twice a year.

RTP Secretariat to issue invitation to Minister for future Chairs meetings.

Mr Milligan noted that regarding the Transport Bill, an issue they had identified was the current lack of facility for RTPs to carry reserves into future years.

Regarding transport governance, Mr Milligan indicated that the Minister was thinking about reviewing the accountability of RTPs.

The Chairs agreed to consider this at the proposed workshop in January.

c) Scotrail public sector bidder –

The Chairs agreed that this be considered at the proposed workshop in January.

This proposal can happen due to the new Scotland Act and the Minister had indicated that options were being considered for how to take this forward. Next opportunity for a bid may be 2020 when there is the potential for a break in the ScotRail franchise contract.

d) NTS –

The Chairs agreed that the agenda for the Cities Alliance on the NTS could be considered for the proposed workshop in January.

e) Transport Bill –

The Chairs agreed that this be considered as part of proposed workshop in January

f) Planning Review –

The Chairs agreed that this be considered as part of proposed workshop in January.

Noted apparent lack of momentum of the Roads Collaboration programme.

g) City Deals / Growth Deals – each RTP gave brief update on the relevant ones for their areas.

Modal updates	5	(i) Active Travel – no update.

(ii) Bus – Mr Kiloh highlighted progress on Strathclyde Bus Alliance proposal and that the document would be circulated to RTPs in due course.

SPT to circulate SBA proposal document once complete.

Next Bus Stakeholders Group to be arranged for early 2017.

(iii) Ferries – Mr Craigie and Mr Robertson gave brief update on Northern Ferries contract.

(iv) Rail – update given on ECMA – recent event in London went well, although concerns raised over future of ECMA as some authorities were pulling out. The Chairs agreed to a joint RTP response to the TS Rail Infrastructure Strategy, responses due in February 2017.

RTP Lead officers to liaise and prepare joint response to Rail Infrastructure Strategy.

(v) Air – Mr Murray noted the UK Government's recent announcement on the third runway for Heathrow. Mr Robertson noted the importance of good connections to Heathrow and that the new Inverness – Heathrow service had made a very strong start.

Dates of Future Meetings　6　The Chairs agreed to these subject to the 6 September meeting being moved to late August, and the June meeting being cancelled due to local council elections.

RTP Secretariat to circulate updated list of dates of future Chairs meetings.

Next meeting - 8 March 2017 hosted by Sestran.

AOB　7　Mr Milligan also noted regarding the RTP members voting issue, that the Planning Minister had indicated that a consultation on this would be issued soon.

REVENUE BUDGET 2017/18

1.   Introduction

1.1   This report presents to the Partnership, for approval, a revenue budget for 2017/18, together with the share of net expenses to be paid by each constituent council.

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 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 | 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	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 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	

Proposed Core Revenue Budget 2017/18 (continued)   **Appendix 1**

	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

	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.

FINANCE OFFICER'S REPORT

1. INTRODUCTION

1.1 The purpose of this report is to present the third update on financial performance of the core revenue budget of the Partnership for 2016/17, in accordance with the Financial Regulations of the Partnership. This report presents an analysis of financial performance to the end of January 2017.

1.2 This report includes details of the cash flow position of the Partnership in respect of its' net lending to and borrowing from the City of Edinburgh Council.

2. CORE REVENUE BUDGET 2016/2017

2.1 The Partnership's core revenue budget for 2016/17 was approved by the Partnership Board on 18th March 2016. The core budget provides for the day-to-day running costs of the Partnership including employee costs, premises costs, supplies and services. The Board approved net expenditure of £551,000 on 18th March 2016. Details of the Partnership's core budget are provided in **Appendix 1** to this report.

2.2 Cumulative expenditure for the ten months to 31st January 2017 was £360,000. This is within the core budget resources available for the period.

2.3 All expenditure estimates have been updated to reflect current expenditure commitments and it is projected that expenditure for the year will under spend against the approved budget by £16,000. This under spend is mainly attributable to savings made on staff costs. It is anticipated that this underspend will be used to meet project costs in 2016/17.

BALANCES

2.4 The Partnership holds a balance of £87,000 as a result of the underspend on the 2015/16 budget. The Partnership Board approved on 4th December 2015 that this underspend should be utilised as funding for the Regional Real Time Bus Passenger Information System (RTPI). It is anticipated these funds will be fully spent in 2016/17.

CASH FLOW

2.5 As previously noted at Partnership Board meetings, the Partnership maintains its bank account as part of the City of Edinburgh Council's group of bank accounts. Cash balances are effectively lent to the Council, but are 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.

An update of month-end balances is shown in the following table:

Date	Net Balance due to SESTran (+ve) /due by SESTran (-ve)
	£
30 April 2016	+353,248.41
31 May 2016	+468,020.96
30 June 2016	+443,635.10
31 July 2016	+450,025.48
31 August 2016	+448,405.34
30 September 2016	+443,062.64
31 October 2016	+450,977.53
30 November 2016	+419,569.22
31 December 2016	+489,618.78
31 January 2017	+254,100.62

2.6 Interest is charged/paid on the month end net indebtedness balances between the Council and the Board in accordance with the Local Authority (Scotland) Accounts Advisory Committee's (LASAAC) Guidance Note 2 on Interest on Revenue Balances (IoRB). Although interest is not calculated until March in line with the guidance, interest rates averaged 0.193% during the first half of the financial year.

2.7 The positive cash flow in the first half of 2016/17 is attributable to funding received in advance, mainly from the Scottish Government grant, Councils requisitions and EU funding in respect of the Social Car project.

3.   RECOMMENDATIONS

It is recommended that the Partnership Board notes:-

3.1 it is currently forecast that core expenditure in 2016/17 will under spend by £16,000 against the approved revenue budget of the Partnership and that this underspend will meet project costs in 2016/17;

3.2 all income and expenditure will continue to be monitored closely with updates reported to each Partnership meeting;

3.3 the month end balance of indebtedness between the Partnership and City of Edinburgh Council and the reason for these balances identified at paragraph 2.7.

HUGH DUNN
Treasurer
February 2017

Appendix   Appendix 1 – Core Budget Statement at 31st January 2017

Contact/tel   Craig Beattie, Tel: 0131 469 3222
(craig.beattie@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 - the contents of this report point towards a minor underspend of £16,000 on the core budget outturn for 2016/17.
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.

Core Budget 2016/17 – as at 31st January 2017   **Appendix 1**

	Annual Budget £'000	Period Budget £'000	Period Actual £'000	Annual Forecast £'000	Forecast Variance £'000
Employee Costs					
Salaries	367	306	261	307	(60)
National Insurance	37	31	26	31	(6)
Pension Fund	56	47	45	50	(6)
Recharges – Projects	(137)	(114)	(110)	(153)	(16)
Training & Conferences	10	8	4	11	1
Interviews & Advertising	2	1	0	0	(2)
	335	**279**	**226**	**246**	**(89)**
Premises Costs					
Moto costs	16	12	12	16	0
	16	**12**	**12**	**16**	**0**
Transport					
Staff Travel	**9**	**8**	**4**	**5**	**(4)**
Supplies and Services					
Marketing	20	17	16	33	13
Comms & Computing	84	70	66	117	33
Printing, Stationery & General Office Supplies	10	8	5	7	(3)
Insurance	4	3	4	4	0
Equipment, Furniture & Materials	1	1	0	1	0
Miscellaneous Expenses	11	9	10	42	31
	130	**108**	**101**	**204**	**74**
Support Services					
Finance	25	0	0	23	(2)
Legal Services / HR	7	3	6	16	9
	32	**3**	**6**	**39**	**7**
Corporate & Democratic					
Clerks Fees	15	7	7	15	0
External Audit Fees	10	3	3	9	(1)
Members Allowances and Expenses	3	3	1	1	(2)
	28	**13**	**11**	**25**	**(3)**
Interest - Paid/ (Received)	**1**	**0**	**0**	**0**	**(1)**
Total Expenditure	**551**	**423**	**360**	**535**	**(16)**
Funding:					
Scottish Govt. Grant	(351)	(292)	(292)	(351)	0
Council Requisitions	(200)	(200)	(200)	(200)	0
Total Funding	**(551)**	**(492)**	**(492)**	**(551)**	**0**
Net Expenditure/ (Income)	**0**	**(69)**	**(132)**	**(16)**	**(16)**

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 Partnership Board 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.

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 Board 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

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.

South East of Scotland Transport Partnership

An Introduction to Scott-Moncrieff

2016/17 – 2020/21

February 2017

1

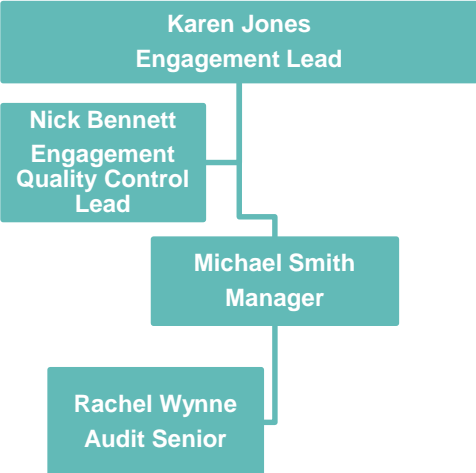# Introducing the Firm and your audit team

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	

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

Our audit approach

South East of Scotland Transport Partnership

External Audit Plan

2016/17

February 2017

Contents

1

Introduction

Introduction

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

20. 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

21. 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.

22. 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.

23. 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

24. 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.

25. 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.

26. 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

27. 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.

28. 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

29. 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.

30. 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

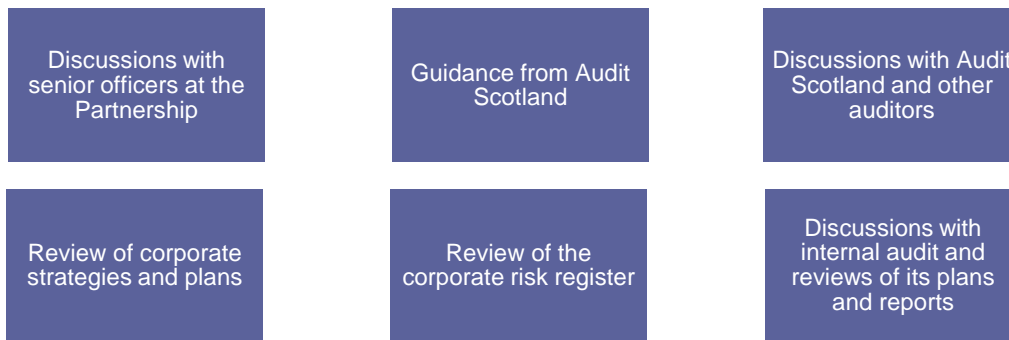| Audit area	Scope
Financial sustainability	Financial sustainability looks forward to the medium (two to five years) and the longer term (over five years) to consider whether the body is planning effectively to allow it to continue to fulfil its functions in an affordable and sustainable manner.
Financial 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

31. 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

32. 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

33. 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

34. 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

35. 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

36. 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

37. 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

38. 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

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

Risk-based audit planning

40. 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

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

42. 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.

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

44. 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

45. 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.

46. 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

47. 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

48. 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.

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

50. 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

51. 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

52. 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.

53. 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*.

54. 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

55. 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.

56. 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.

57. 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.

58. 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

Exhibit 3 - Wider scope audit

Financial sustainability	Our audit approach
	will lose access to this key funding source, which may impact on the delivery of key 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: • Any impact from the local government elections in May 2017; • 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.	There is a risk that the appropriate disclosures are not made in the Governance Statement. During our 2016/17 audit we will consider the appropriateness of disclosures made in the Governance Statement.

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

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

60. 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

61. 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.

62. 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.

63. 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.

64. 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]

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

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

66. 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 **i**n 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.

A. 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, as members of planning authorities determining applications the RTP had an interest in. In that situation, councillors would have to declare an interest and withdraw from the planning committee or council meeting – 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 blanche 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.

2.4   At its meeting on 17th February, the Performance and Audit Committee agreed to recommend to the Board that SEStran be supportive of the proposed change as regards RTPs, but offer no comment on whether it should be extended to other external bodies.

B. Changes to Constitution of Performance and Audit Committee

3   **Introduction**

3.1   At its meeting on 2nd December, the Board approved:-

(i)   that the committee's membership be expanded to include a further two non-councillor members;

(ii) that the committee's quorum be four, with a minimum of two Councillor members;

(iii) all policy matters should continue to be decided by the Board; and

(iv) that Councillor members should be allowed one nominated substitute per authority for the Committee.

3.2   As Standing Orders indicate that they can only be changed at the next meeting, the Board is now asked to delegate authority to the Secretary and Legal Adviser to make appropriate changes to Standing Orders to implement that decision.

Recommendations

4   It is recommended that the Board:

4.1   Agree a response to the consultation, on the lines set out at 2.4; and

4.2   Delegate authority to the Secretary and Legal Adviser, in consultation with the Partnership Director and the Chair of the Performance and Audit Committee, to implement changes to Standing Orders to reflect the decision of the Board on 2nd December 2016.

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
Equalities Implications	None.
Climate Change Implications	None

Consultation on Scotland's Rail Infrastructure Strategy

1. INTRODUCTION

1.1 The report provides the Board with a summary of Transport Scotland's consultation setting out their vision for rail infrastructure in Scotland. The consultation considers the challenges and opportunities for Scottish railways and outlines a number of proposals that Scottish Ministers believe can help to maximise investment in rail infrastructure to support the growth predicted and to deliver dependable customer services from 2019 onwards. SEStran have received an extension to the 24 February deadline to allow a position to be agreed by the Board and then submitted by Friday 3 March.

2. CONSULTATION

2.1 Transport Scotland are seeking views on their proposed approach to the rail infrastructure investment strategy from April 2019. A copy of the consultation document can be found here: https://consult.scotland.gov.uk/rail-policy/rail-infrastructure-strategy-from-2019 and a copy of the consultation questions are outlined in the Appendix 1 to this report for information. The results from this consultation will help to inform Scottish Minister's High Level Output Specification (HLOS) which is a process aimed at improving performance, reducing journey times and increasing capacity and capability of the Scottish rail network.

2.2 The recent Network Rail Scotland Route Study highlighted a historical trend of near 100% growth in passenger numbers in the last 2 decades for the SEStran area. The study detailed the first steps needed towards a future proofed, safe and resilient railway such as increasing capacity on the East Coast Main Line and increased capacity through Edinburgh Waverley. It also forecasts a continued maturing of the Edinburgh commuting market, with a morning peak constrained by a lack of available developmental land near gateways. SEStran's comment on that aspect of the study it that it is essential to avoid a situation where inclusive growth is seriously constrained due to an 'unchallenged' lack of development opportunities.

2.3 Rail in the South East of Scotland plays a significant and ever increasing role in the transport mix of the region and the outcome of the Rail Infrastructure Strategy, Network Rail's periodic review and forthcoming plans for specific rail investments will have great relevance to the region. Growth and development in South East Scotland has led to the location of important areas of employment and housing in new locations, and resulted in a more dispersed pattern of travel demand. One obvious effect of this is the rapid growth in traffic levels on the Edinburgh city bypass. Given the substantial increase in population and households anticipated over the next 10 to 15 years this trend can be expected to increase. It will be key for inclusive growth moving forward that we have a sustainable strategy for rail investment.

2.4 Rail services in the SEStran area were used by 43 million passengers in 2014/15, with a significant focus on gateways such as Waverley and Haymarket. This level of demand represents nearly a quarter of the total Scottish usage. Indeed, rail usage growth in the SEStran area since the end of the recession has been close to 6% per annum, higher than both Scottish and UK averages analysing Office of Rail Regulation (ORR) figures. There is also clearly a significant role for Rail Freight services. Albeit with a clear potential for reduction in volume, given amongst other factors, the ending of significant coal-fired power production within the SEStran area, but hopefully there is also an opportunity for greater inter-modal freight traffic.

2.5 Transport Scotland have been clear that this consultation is on the strategic pillars of an infrastructure strategy and not on specific projects (see Appendix 2). Therefore, this paper does not go into detail on specific priority projects for SEStran but Chief Officers were keen that a list was submitted as part of our consultation response. Instead it is proposed that we support the outlined vision and approach in our response. Whilst, highlighting that there continues to be key connectivity priorities around major Edinburgh gateways, Falkirk and Clackmannshire to both Edinburgh and Glasgow and also clear gaps in cross-regional connectivity with East Lothian and Midlothian, clear growth potential in West Lothian, as well as a need for continued analysis of further enhancement to Borders infrastructure and services, alongside increased investment in key Fife based infrastructure and service priorities.

2.6 One of the specific issues the Strategy consultation raises is the previous establishment of several broad-based funding streams e.g. Station Funds, a Freight Fund and the need for a discussion as to whether these should continue into the future. There has previously been clear support within SEStran for the continuation of these funds but also a recognition that whilst well-intentioned they may not be the best way in the future for delivering certain investments. It could also be seen as sensible given the scarcity of resource to consider a move towards a more flexible and responsive approach to planning scheme delivery which enables the delivery of a well-planned, realistically timetabled and robustly financed approach.

2.7 Within the SEStran area, rail is becoming an increasingly significant mode for local journeys, and is the best alternative to car use for longer distance commuter journeys. Between 2001 and 2011, the proportion of SEStran residents travelling to work by train increased by over 40%. Whilst, this may be due to as the Scotland Route Study suggests, that the regional geography prevents car-based commuting from achieving high market shares into many of the key employment areas, this shouldn't be a source of complacency in terms of continued objectives of a greater modal share for sustainable and collective modes of travel. It would seem integral to the Scottish climate change commitments that we continue with a strategic approach to rail infrastructure investment that facilitates outcomes that reduce further emissions from transport but also make our infrastructure resilience to the change in climate which is already unavoidable given previous cumulative emissions.

2.8 Members have pointed to the increasing need to continue with the electrification of the rail network within the SEStran area to deliver the ambitions of the Scottish Government's Draft Climate Change Plan (RPP3) and companion draft Scottish Energy Strategy, outlined in greater detail in Item 12 of this agenda. Indeed, SEStran has commented in our evidence to the Scottish Parliament's Committee scrutiny process of the RPP3, that the draft Strategy and RPP3 focus on reducing the emissions impact of individualised modes of transport must not implicitly or inadvertently be allowed to strategically promote greater use of individual motorised modes over collective or active modes and so potentially contribute to the further decline of rail modes of transport. Rail will have a critical role to play in the collective transport of goods and individuals over the next 30 years or so in order to meet the 2050 Climate Change Emissions targets. It is critical that the strategy for investment and pricing of rail to consumers reflects that and the wider national transport strategy or Climate Change Plan does not inadvertently impact on this mass form of transport by promotion of ultra low emission individualised modes of transport impacting albeit not environmentally but significantly in terms of the economic and social costs of congestion and accessibility for the wider economy.

2.9 Investment in Rail is also critical for the continued inclusive growth of not only South-East of Scotland but Scotland as a whole. Whether that is longer-term connectivity investment regarding High-Speed Rail or short/medium term investment in East Coast Main line connectivity for example. SEStran as part of the East Coast Mainline Authorities (ECMA) alliance view this line as not "just" a railway, but a key strategic economic artery for the UK. In Scotland it connects all of Scotland's 7 Cities with London and the intervening regional economies of the UK's East Coast. It is also critical that the complementary investment in High Speed 2 services to Yorkshire and the north is made by 2032, so that the East Coast route can be freed up to let the nation [and regions] benefit more easily economically e.g. expansion of commuter services and stations in the expanding Edinburgh City Region. ECMA research shows this investment will represent excellent value for money delivering up to well over £3 of economic benefit for every £1 spent. This ratio goes up to nearly £6 when through HS2 East services are added. However, with resources tight we need a discussion about how we best fund investment in the timescale of Strategic Transport Projects Review 2.

2.10 The consultation also seeks comment on how trade-offs between different types of investments will be prioritised, alternative sources of funding for an investment programme, proposes an approach to specifying performance outputs and how these are balanced with wider priorities. There are also specific questions on safety and in particular closure of level crossings, as well as how innovation can be supported in the future delivery of rail infrastructure. The report also asks about other sources of funding and it will be important that the Strategy moving forward is closely aligned with the Review of the Planning System, its proposals to put infrastructure first and associated Infrastructure Levy. The Scottish Government recognise that it will not address challenges surrounding securing collective contributions for strategic infrastructure. It is not proposed that the levy replaces national

investment or investment secured via Section 75 agreements but it may be important that it also relates to any specific delivery aspects of rail infrastructure and that other initiatives such as potential future discretionary taxation powers to Cities e.g. tourist taxes as part of City Deals, can be utilised and invested in the proposed strategic rail improvements with the current/future regulatory or legal frameworks.

2.11 There has been comments that in future the results of any performance framework should be explicitly utilised in determining the types of investment prioritised to enable a direct correlation between complaints and investment. There is also the related issue of the new powers devolved to the Scottish Government concerning consumer protection and the proposal outlined in the Strategic Assessment of Markets in Scotland for a Consumer Scotland taskforce. It would be useful to consider how transport and specifically rail users consumer experience could be considered in setting new performance targets to enhance consumer experience and prevent consumer detriment. The Scottish Government's recent statement in December 2016 on consumer protection highlighted the need to deliver better outcomes for consumers and business and to take action to better measure impact of outcomes.

2.12 The need to design future infrastructure so that there is "headroom" expansion for success e.g. Alloa and Borders railways released latent demand is perhaps a key trade-off to consider in prioritising different types of investment albeit it could delay the delivery of schemes given resource will be used to deliver capacity in the absence of current demand. Also the need for an increasing planning of transport strategy alongside land-use development to ensure preventative action at the start is built into the system could be a key innovation moving forward in the management and delivery of rail infrastructure. A large proportion of the SEStran population live within a small distance of a rail station(s) it will be key that smart ticketing and active travel provides opportunities for interchange between modes moving forward. There is also potentially a need to consider as Scotland's transitions to an Inclusive Growth pathway for economic development about how projects and services are analysed in terms of economic benefit return in order to capture the non-tangible and agglomeration impacts of an Inclusive Growth agenda on the investment in the Scottish and in particular SEStran rail network in the future.

3. CONCLUSION / RECOMMENDATIONS

3.1 The Board are invited to provide comment on the consultation paper and mandated the Chair to sign off the consultation response by 3 March.

George Eckton
Partnership Director
23rd February 2017

Policy Implications	Strategy has potential for significant impact on the delivery of rail aspirations for SEStran area.

Financial Implications	None
Equalities Implications	Potential to increase rail access to areas where currently under-represented in terms of direct access and enable the delivery of socio-economic regeneration.
Climate Change Implications	The potential for further growth of travel to be accommodated on collective modes of transport and reduce latent demand for space on the regional road network.

Appendix 1 – List of Consultation Questions

Appendix 2 – List of SEStran Strategic Projects

1. Do you agree with our vision and approach? Will they help us to achieve the Scottish Government's purpose of increasing sustainable and inclusive economic growth?

2. How might we make trade-offs and prioritise between different types of investments, while ensuring that our actions are aligned with our vision?

   Note that this question refers to the types of trade-offs that may be required (e.g. where improvements to journey times may impact on levels of connectivity, or vice versa) rather than actual names/locations of schemes promoted or supported by stakeholders.

3. Do you support the move to a more flexible 'pipeline' approach to scheme delivery, that does not force us to make early decisions on a detailed specification prior to the commencement of the five-year regulatory control period, without receipt of a robust business case?

4. What are your views on the retention or removal of individual ring-fenced funds?

5. What alternative sources of funding could be used to help deliver the rail investment programme?

6. Do you agree with our approach to emissions reductions and climate change adaptation? What else should be considered?

7. Do you agree with the proposed approach to specifying performance outputs?

8. How should performance be balanced against the wider priorities for reduced journey times and the full utilisation of existing and new capacity?

9. Do you have a view on our approach to safety? How can the closure of level crossings be better supported?

10. Do you support our approach to innovation and new technologies?

11. Do you have any other views on how innovation could be better supported through the HLOS process and Network Rail's broader management of the rail infrastructure?

- Further capacity enhancements in the Edinburgh suburban networks including as a priority the maintenance and development of 'Cross Rail' services across Edinburgh. This is considered this to be an essential component of tackling increasing demand for travel around the outer orbital corridor of the city.
- Re-opening of the Levenmouth railway line to passenger and freight services (feasibility work has already been undertaken) and the extension of the Borders line from Tweedbank to Carlisle.
- Improved local rail services throughout the area with the provision of new stations at locations including Winchburgh, Bonnybridge, Cambus, Grangemouth, East Linton, Reston, Newburgh and/or Oudenaarde. Some of these will be dependent on demand and funding from new development.
- Alloa – West Fife – Dunfermline services along the route to Longannet power station site.
- 4-tracking between Prestonpans and Wallyford and/or potentially between Prestonpans and Longniddry to form a dynamic loop for freight trains. This would have a significant advantage of enabling an additional (potential) station at Blindwells should the East Lothian Development Plan support a major development in this area.
- Winchburgh Junction and Almond Chaord – taking account of the new developer funded Winchburgh station.
- Grade separation of Upper Greenhill Junction and should incorporate in the design the possibility of a Bonnybridge station.
- Dunfermline Bypass – any scheme should incorporate without the design scope the potential development of a rail-halt at Halbeath P&R.

Scottish Government – Draft Climate Change Plan 2017 - 2032

1. INTRODUCTION

1.1 The Scottish Government passed the Climate Change (Scotland) Act in 2009, which in part requires the Scottish Government to publish regular plans for meeting future emission reduction targets. On the 19th January 2017, the draft Climate Change Plan (the draft third report on proposals and policies (RPP3) for meeting Scotland's annual greenhouse gas emissions targets) was laid in the Scottish Parliament to cover the period 2017 - 2032. The draft Plan is subject to a 60 day period of Parliamentary scrutiny. The Scottish Government on 24 January also published a companion document to RPP3, a draft Scottish Energy Strategy[1] with a consultation closing date of 30 May.

1.2 This report summarises the main targets of the Climate Change Plan and the measures that Scottish Government will look to implement in regards to transport to meet the aims of the Plan and the relevant aspects of the Draft Energy Strategy. The report also highlights for information details on the soon to be issued public consultations on Parking and Low Emission Zones.

1.3 SEStran also have a duty in regards to The Climate Change (Scotland) Act 2009. Further to the Act, in 2015 the Scottish Government introduced an Order requiring all 150 Public Bodies who appear on the Major Player list to report annually to Scottish Ministers on their compliance with the climate change duties. SEStran is included on this list and submitted their first annual report on 30th November 2016.[2]

2. CONTENT OF PLAN

2.1 The plan sets out the Scottish Government path to decarbonisation up to 2032. This includes both the use of low carbon fuels and technologies as well as other emission reduction action, including land use and reducing demand from our energy system.

2.2 Before setting a batch of annual targets, Scottish Ministers must request advice from the Committee on Climate Change (CCC). The CCC is an independent body established by the UK Climate Change Act 2009 to provide climate change advice to the UK Government and devolved administrations. Following advice from the CCC in March 2016 and then again in July 2016, the Scottish Parliament passed legislation setting the third batch of annual targets in October 2016, for the years 2028 to 2032. The targets set an emission reduction pathway to 2032 and in doing so establish a 2032 target that represents a 66% reduction below 1990 levels.

2.3 The Scottish Government envisages a significant decarbonisation of transport by 2032, with emissions reducing by 32% compared to 2014. The main aims to achieve this include:

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[1] http://www.gov.scot/Resource/0051/00513324.pdf
[2] http://www.keepscotlandbeautiful.org/media/1557740/sestran-ccr-2016.pdf

- Low emission cars and vans will be widespread and becoming the norm;
- Low emission HGVs will be more common;
- A third of the ferries owned by the Scottish Government will be low carbon;
- Aircraft fleets will be on the cusp of radical new designs;
- Freight infrastructure will feature more efficient HGVs operating from out-of-town consolidation centres; and
- Low emission vehicles will also play a role in energy storage within the wider energy system.

2.4 There is a recognition within the Plan that individuals and households account for over three-quarters of Scotland's consumption emissions. The Scottish Government have laid out, within the plan, 10 key behaviours to try and mitigate this impact. Three of these behaviours are directly linked to transport:

- Becoming less reliant on the car (walking, cycling, using public transport and/or car-sharing instead of driving)
- Driving more efficiently (using a low carbon vehicle (fuel efficient, hybrid, alternative fuel or electric), and/or following fuel-efficient driving principles)
- Using alternatives to flying where practical (e.g. train or teleconferencing for business)

2.5 The report is split into separate sectors, with transport being included as one. There are several policy outcomes included within the transport sector:

- Average emissions per kilometre of new cars and vans registered in Scotland to reduce in line with current and future EU/UK vehicle emission standards
- Proportion of ultra-low emission new cars and vans registered in Scotland annually to reach or exceed 40% by 2032.
- Average emissions per tonne kilometre of road freight to fall by 28% by 2032.
- Proportion of the Scottish bus fleet which are low emission vehicles has increased to 50% by 2032.
- By 2032 low emission solutions have been widely adopted at Scottish ports and airports.
- Proportion of ferries in Scottish Government ownership which are low emission has increased to 30% by 2032.
- We will have electrified 35% of the Scottish Rail network by 2032.
- Proportion of total domestic passenger journeys travelled by active travel modes has increased by 2032, in line with our Active Travel Vision, including the Cycling Action Plan for Scotland Vision that 10% of everyday journeys will be by bike by 2020.

2.6 The Plan makes a further comment that an increased number of journeys to be made by active travel will further reduce congestion and pollution, in addition to the associated benefits that come through living an active lifestyle. Active travel and lift sharing offer a potential route to combat transport poverty by increasing the availability of low-cost, low carbon transport options and reducing the need to own a car. Car clubs will allow households to access efficient vehicles without the costs associated with car ownership. These policies and the actions taken to achieve them are laid out in full in appendix 1.

2.7 The Draft Scottish Energy Strategy outlines a massive structural change in infrastructure and individual/collective behaviour for Scotland in terms of its energy use. Setting an ambitious "all-energy" target for 2030 to be delivered from renewable sources. For transport this will mean a significant shift in behaviours.

3.   CALL FOR EVIDENCE / SESTRAN RESPONSE

3.1 Four parliamentary committees have launched a joint call for views on the Scottish Government's plan on how it will meet climate change targets from 2017 to 2032. The Rural Economy and Connectivity Committee has a focus on rural affairs, agriculture, forestry and transport and SEStran will therefore be submitting evidence to them. The joint call for views is asking for opinions on the following questions, as they relate to their specific remits:

- Progress to date in cutting emissions within the sector/sectors of interest and implementing the proposals and policies set out in the RPP2;
- The scale of reductions proposed within their sector/s and appropriateness and effectiveness of the proposals and policies within the draft RPP3 for meeting the annual emissions targets and contributing towards the 2020 and 2050 targets;
- The appropriateness of the timescales over which the proposals and policies within the draft RPP3 are expected to take effect;
- The extent to which the proposals and policies reflect considerations about behaviour change and opportunities to secure wide benefits (e.g. environmental, financial and health) from specific interventions in particular sectors.

3.2 SEStran has submitted initial views, agreed by the Chair, to the Scottish Parliament's Rural Economy and Connectivity Committee's call for evidence. A copy of that response is included in Appendix 2. It is proposed that SEStran will make a further mandated representation to Scottish Ministers on the draft RPP3 itself, based on the response at appendix 2, after consideration by the Partnership Board on 2nd March.

4.   PARKING
4.1 The Partnership Director has represented SEStran on the Responsible Parking Stakeholder Group which has been providing comment on the development of a consultation paper to inform any forthcoming legislation on Parking. There may be a a public consultation issued prior to the next Board meeting. It is proposed that the Partnership Director is mandated to

response to the consultation, following dialogue with the Chair and correspondence with the Equalities and Healthcare Forum.

5. LOW EMISSON ZONES

5.1 On 30 January 2017 Transport Scotland held an all day workshop with practitioners from the Transport, Planning, Policy, Environmental Health, and Public Transport professions involved in delivering Vehicle Access Schemes. This Summary of Findings from the day has developed together with key comments from LA and RTP representatives. These key points will be translated into a series of questions and answers and in turn, be used to inform the shape and form of the NLEF appraisal guidance and delivery, which will be subject to a public consultation issued in the next few weeks. It is proposed that the Partnership Director is mandated to response to the consultation, following dialogue with the Chair.

6. CONCLUSION / RECOMMENDATIONS

6.1 The Board are invited to:

1. Note the evidence submitted to the Rural Economy and Connectivity Committee;
2. Comment upon the suggested proposals of the Draft Plan/RPP3 and the suggested points of a SEStran response;
3. Agree that SEStran should provide representations to Scottish Ministers on RPP3 prior to 20 March and that the Chair is mandated to sign off the final response;
4. Provide comment on a SEStran response to the draft Scottish Energy Strategy and mandate the Partnership Director to submit a final response by 30 May;
5. Note the proposal for a forthcoming public consultation on Parking in Scotland if issued between March-June 2017 and mandate the Partnership Director to submit a final response; and
6. Note the proposal for a forthcoming public consultation on Low Emission Zones if issued between March-June 2017 and mandate the Partnership Director to submit a final response.

Emily Whitters   George Eckton
Business Support Officer   **Partnership Director**
23rd February 2017

Appendix 1 – Scottish Government Draft Climate Change Plan, Transport Section

Appendix 2 – SEStran's evidence to the Rural Economy and Committee's RPP3 inquiry

Policy Implications	RPP3, Draft Energy Strategy and Low Emission Zones guidance could deliver significant change to the transport policy context at a regional level.
Financial Implications	Potential significant upfront costs associated with the changes proposed, with the associated potential for significant long-term savings in terms of reduction of negative outcomes.
Equalities Implications	Potential impact on certain modes of transport used by certain groups and access to certain areas will be required to be equality impacted assessed.
Climate Change Implications	Significant impact on the reduction of emissions needed to deliver Climate Change targets.

<table>
<tr><td>**9.**</td><td>**Transport**</td></tr>
</table>

The Transport sector covers all transport modes in Scotland, including public transport, freight, aviation, shipping, private motoring, active travel and the regulations, policies and infrastructure designed to support all of these.

9.1   Where we are now

Figure 8: Transport historical emissions
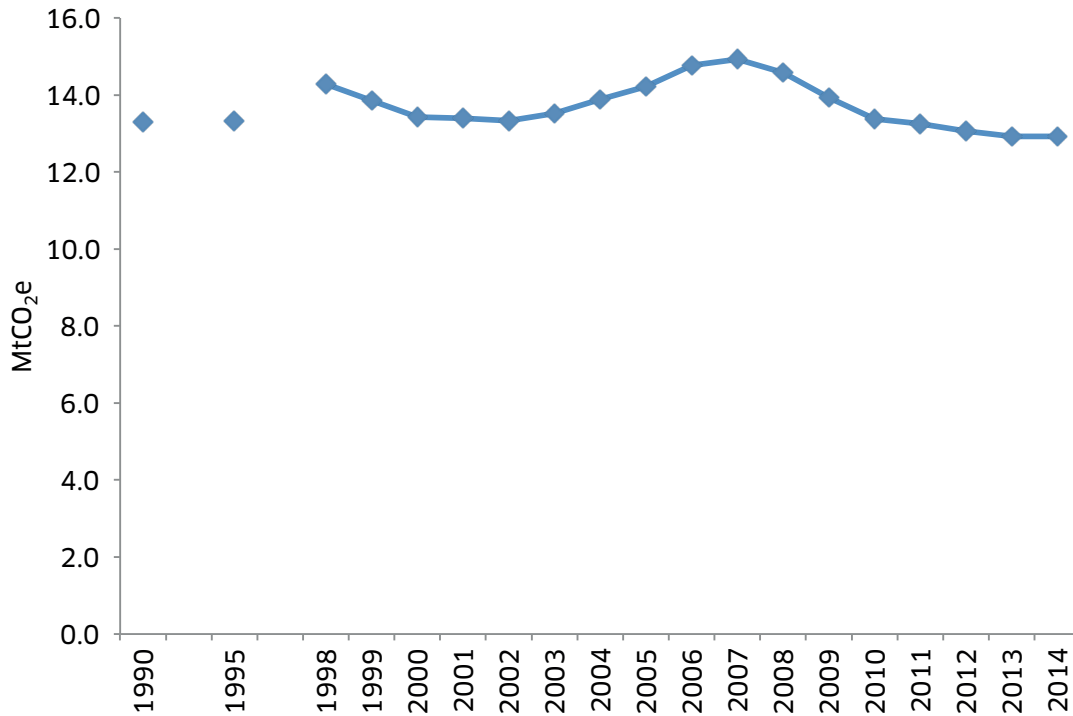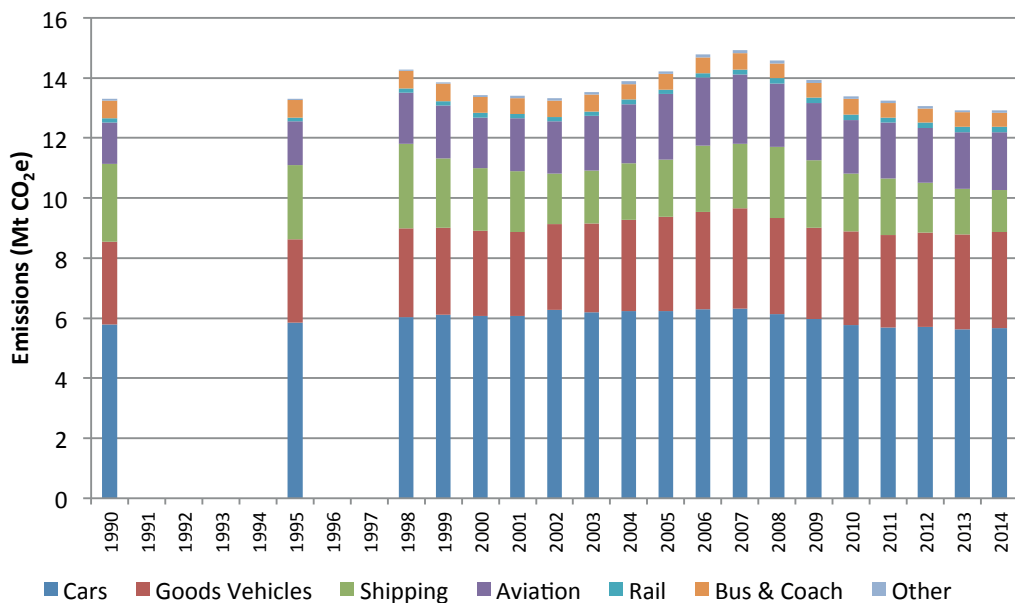

**Figure 9: Scottish transport emissions by mode, 1990 – 2014**

9.1.1   In 2014, transport emissions (including those from international aviation and shipping) amounted to 12.9 $MtCO_2e$, marginally below the 1990 baseline figure of 13.3 $MtCO_2e$. Currently, transport accounts for 28% of total Scottish emissions[48]. Within that long-term profile, we have seen significant reductions more recently: since transport emissions peaked at 14.9 $MtCO_2e$ in 2007, they have fallen year on year by a total of 2.0 $MtCO_2e$. This is a 13% reduction in seven years.

9.1.2   The composition of the numbers has changed significantly. For example, in 2014 demand for all road transport stood at 44.8 billion kilometres, as compared to 36.5 billion kilometres in 1995. This 22% increase in demand has been offset by significant improvements in vehicle efficiencies, combining to produce the broadly static but now reducing emissions figures.

Road transport emissions

9.1.3   The largest contributor to transport emissions is the road sector. In combination, cars, lorries, vans, buses and motor cycles accounted for 9.4 $MtCO_2e$ in 2014 (73% of total transport emissions). This compares with 9.2 $MtCO_2e$ in 1990.

**Figure 10: Road transport emissions, 1990 – 2014**
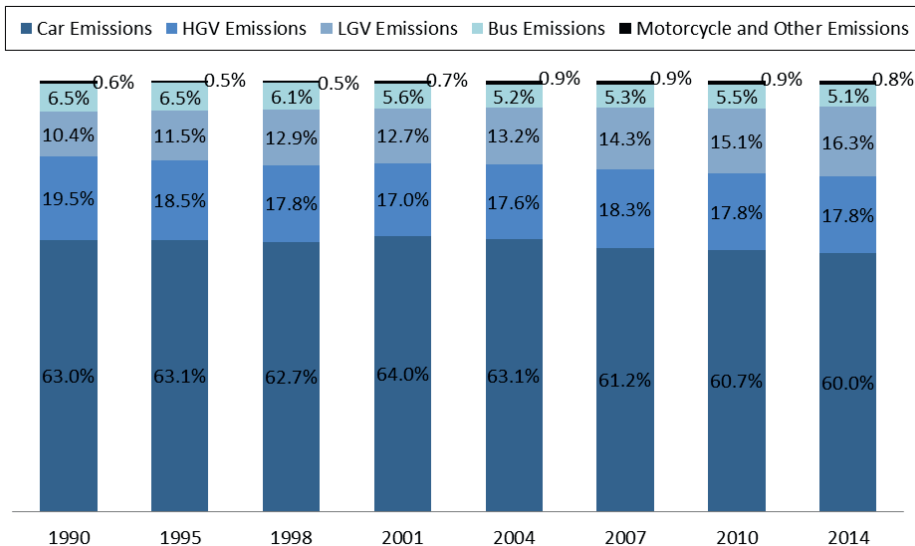
Maritime emissions

9.1.4   Emissions from maritime transport[49] in 2014 are estimated to be 1.4 $MtCO_2e$, or 11% of total transport emissions. This compares to 2.6 $MtCO_2e$ in 1990. Within that profile, emissions from international shipping have been volatile, while emissions from domestic shipping have decreased steadily since 1990.

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48   Excluding adjustments for the EU Emissions Trading System
49   Includes national navigation and international shipping

Figure 11: Shipping emissions, 1990 – 2014

Legend: Total Domestic Shipping — Total International Shipping — Shipping as a % of total transport emissions
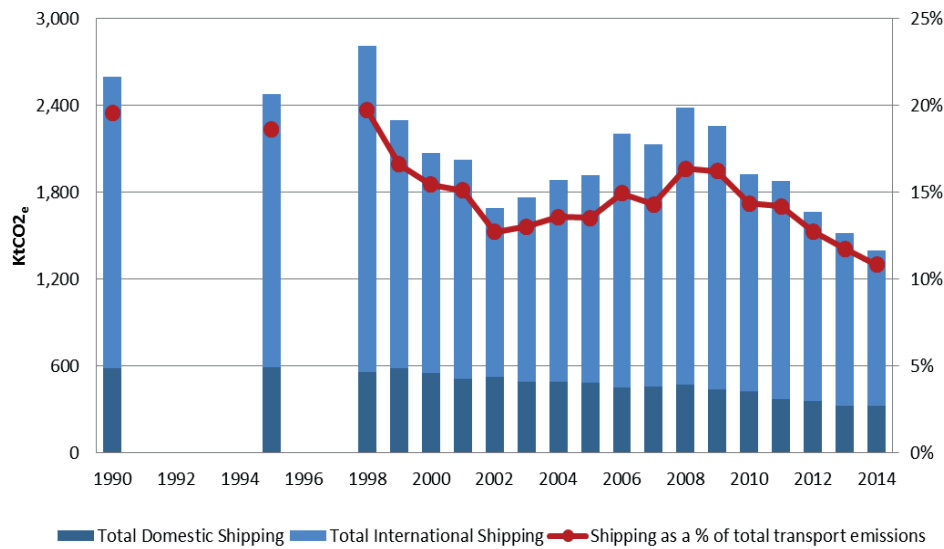
Aviation emissions

9.1.5   In 2014, aviation emissions stood at 1.9 MtCO$_2$e, or 15% of total transport emissions. This compares with 1.4 MtCO$_2$e in 1990. Passenger numbers in that period increased from just over 10 million to 24 million. The growth in demand of 134% was thus associated with a significantly lower growth in emissions of 38%, reflecting effective efficiency improvements, including increased load factors.

9.1.6   In 2014, international aviation emissions account for 63% of total Scottish aviation emissions, almost the reverse of the proportion in 1990, when it was domestic aviation that accounted for 61% of aviation's emissions total.

Figure 12: Aviation emissions, 1990 – 2014

Legend: Total Domestic Aviation — Total International Aviation — Aviation as a % of total transport emissions

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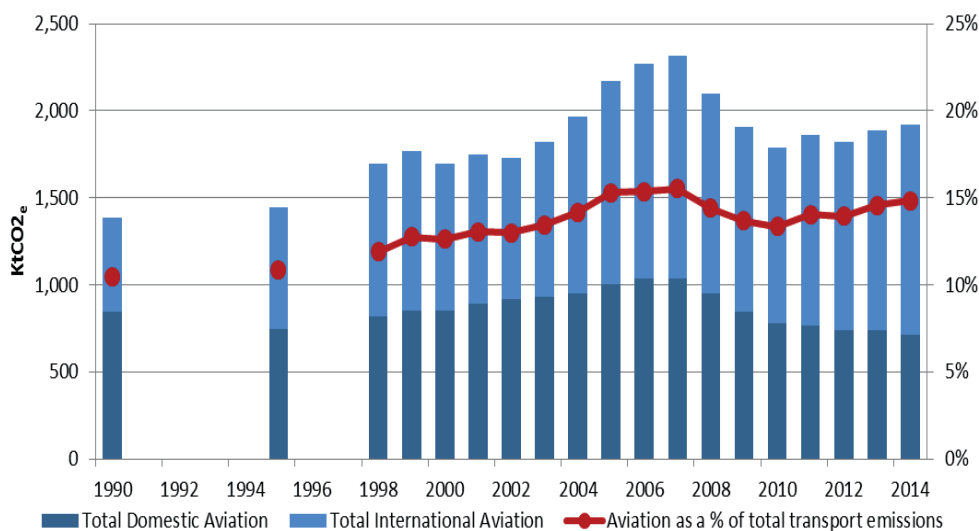
Rail emissions

9.1.7   At 0.2 MtCO$_2$e in 2014, rail accounts for only 1.3% of transport emissions. The 2014 figure is 44% above the equivalent 1990 figure of 0.1 MtCO$_2$e. and rail emissions have followed a generally rising trend over the period 1990 to 2014.

**Figure 13: Rail emissions, 1990 – 2014**
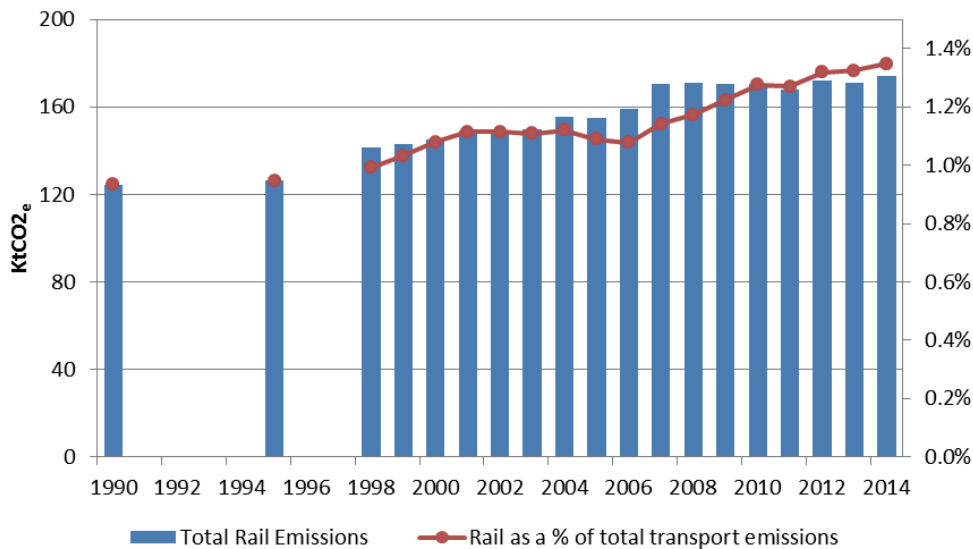
Active travel

9.1.8   In 2015, 1% of journeys had cycling as the main mode of transport and the average (mean) journey length was 4.7 km. For walking, the equivalent proportion cited in the Scottish Household Survey travel diary was 22%, with 14% of adults usually walking to work and 49% of children usually walking to school as their main mode of transport[50].

9.2   Our ambition

9.2.1   Our aim is to reduce emissions from transport in ways that promote sustainable environmental and socio-economic wellbeing. As historically, so in future we expect economic and population growth to increase the demand for the movement of goods, services and people. However, we also expect the pace of technological change to accelerate. Together with behaviour changes, that will allow for economic growth, while also reducing emissions significantly.

9.2.2   Future abatement will vary significantly across the individual transport modes. The availability of new technology; the cost of implementing technological, logistical and behaviour change; and the return on such investment will all have a bearing on which particular interventions we prioritise.

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50   Transport and Travel in Scotland 2015

Figure 14: Transport carbon envelopes
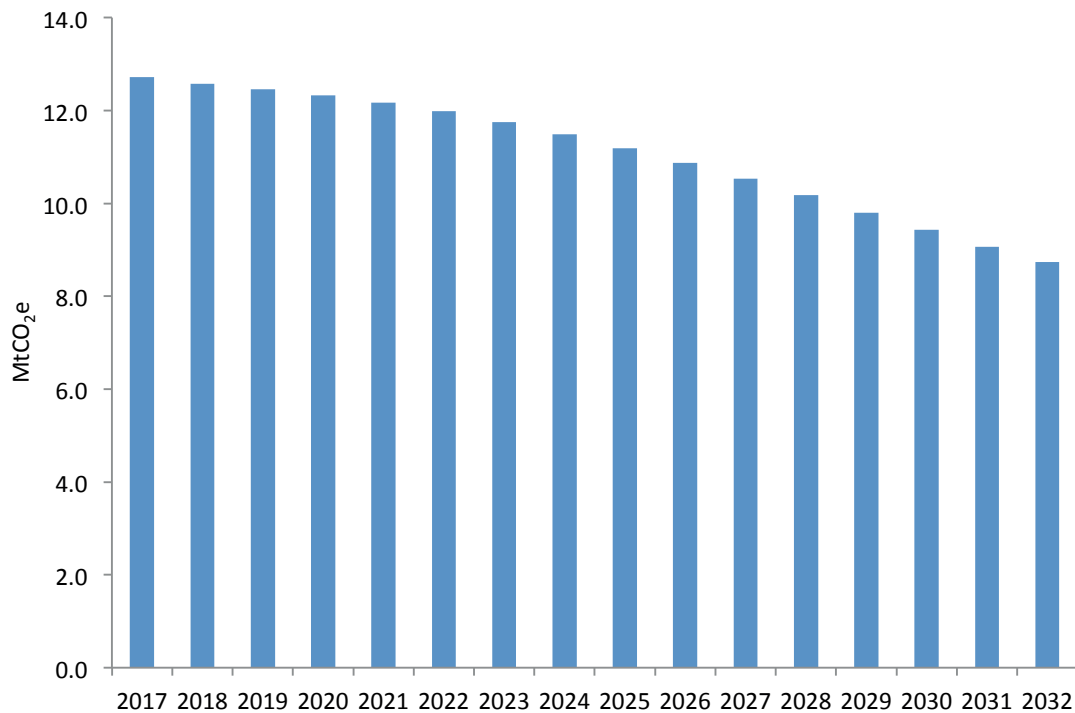
The role of technology

9.2.3   We have commissioned and will be publishing research from Element Energy: Greenhouse Gas Emissions Reduction Potential in the Scottish Transport Sector from Recent Advances in Transport Fuels and Fuel Technologies.

9.2.4   On the basis of this and other work, we have identified key technological, economic and commercial trends which will form the baseline against which to measure future policy interventions, whether in relation to technology or behaviour change. We will continue to collect and interpret such baseline data. For example, air passenger numbers will be one data source that will allow us to evaluate the impact of changes to Air Passenger Duty (currently thought to be marginal in emissions terms and easily offset by other policy interventions).

9.2.5   A key observation is that, based on market-led technological change alone, we estimate an annual abatement of around 2.5 $MtCO_2e$ by 2035, even allowing for the effects of population and associated economic growth.

Cars

9.2.6   With the conventional car, we expect fuel efficiency improvements of 30% – 40% by 2035; and with hybrids and electric vehicles we expect battery costs to halve and their performance to double incrementally over the period to 2035, with a step-change in market penetration from 2020 onwards.

Road freight

9.2.7   With conventional HGVs, we expect fuel efficiencies around 25% by 2035, based on improved aerodynamics, transmissions and operations. Low carbon HGVs (such as diesel electric and gas powered LNG) will become more common from the mid-2020s.

Shipping

9.2.8   We might expect a 35% improvement in the efficiency of new, larger shipping by 2035, based on hybrid and gas-powered engines, battery-electric engines, and the potential use of assistive technology, such as sails, kite, rotors and aerofoil hulls. Gradual uptake and stock differences mean that this may equate to 10% at the fleet level.

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Aviation

9.2.9   We might expect to see a 15% improvement in the efficiency of new aircraft by 2035, based on fleet modernisation, operational improvements, and improved aerodynamics and fabrication techniques (such as the use of composites). Step changes may occur in the 2030s and beyond, based on new engine technology (such as open rotors) and new aircraft designs (such as blended wing technology).

Policy implications

9.2.10   The detailed analysis underpinning these brief summaries suggests that technological change will be transformational, significantly reducing emissions, despite economic and population growth. Supporting such change remains a key priority.

9.2.11   Our research indicates that road transport can contribute most additional abatement, essentially because its high share of emissions is matched by the relative availability of technological and behaviour change interventions.

A future scenario

9.2.12   By 2032 transport emissions should have reduced by 4.2 $MtCO_2e$ or more compared to today.

9.2.13   Low emission cars and vans will be widespread and becoming the norm; low emission HGVs will be more common; a third of the ferries owned by the Scottish Government will be low carbon; aircraft fleets will be on the cusp of radical new designs; and ground operations at airports and ports will already involve low carbon solutions.

9.2.14   As one of several key results, air quality will have noticeably improved; and we will be enjoying the social, health and economic benefits from these improved transport systems.

Infrastructure

9.2.15   By 2035, we expect fully functioning market solutions for low carbon transport. Freight infrastructure will feature more efficient HGVs operating from out-of-town consolidation centres. Plug-in vehicles will be commonplace, with improved battery technology providing longer ranges and infrastructure supporting both electric and hydrogen powered vehicles.

Traffic management

9.2.16   Journeys made on our road network will also be more efficient due to the deployment of Intelligent Transport Systems (designed to ease the flow of traffic) and widespread uptake of fuel efficient driver training.

9.2.17   Low Emission Zones will limit the access of vehicles that exceed emissions benchmarks, while permitting unrestricted access for clean buses, vans and cars, as well as smaller goods vehicles relaying goods from consolidation centres.

9.2.18   Other measures, such as parking policies, will also incentivise public transport and active travel, as well as reducing congestion and contributing to improved air quality.

Wider synergies

9.2.19   Low emission vehicles will also play a role in the wider energy system. Electric and hydrogen vehicles will have a role in energy storage. The adoption of smart technologies could allow battery electric vehicles to play a wider role in balancing the grid.

The ultimate goal

9.2.20   By 2050, Scotland will be free from harmful tailpipe emissions from land transport, with other transport modes decarbonising at a slower pace, resulting in a healthier, more active population.

9.3   Policy outcomes, policies, development milestones and proposals

Policy outcome 1: Average emissions per kilometre of new cars and vans registered in Scotland to reduce in line with current and future EU/UK vehicle emission standards.

There are four policies, two policy development milestones and one proposal that will contribute to the delivery of policy outcome 1.

Policies which contribute to the delivery of policy outcome 1

1) With the EU and UK, negotiate stretching emission standards for new cars (and vans) beyond 2020 (and 2021).
2) With the UK, negotiate vehicle excise duty differentials between ultra-low emission vehicles (ULEVs) and diesel/petrol vehicles to support and encourage the uptake of ULEVs.
3) With the UK, negotiate biofuels policies that will enable them to be used sustainably in the decarbonisation of the whole transport sector.
4) Support fuel-efficient driver training.

Policy development milestones which contribute to the delivery of policy outcome 1

1) With local authorities and others, evaluate the scope for incentivising more rapid uptake of electric and ultra-low emission cars and vans, as through public procurement policies and preferential local incentives (such as access management and parking policies).
2) With local authorities and others, evaluate the scope for urban-wide low emission zones with a specific focus on CO_2 emissions, as well as air pollution more generally.

Proposals which contribute to the delivery of policy outcome 1

1) Collaborate with a local authority to model reductions in congestion and improvements in use of public transport, in possible association with a low emission zone.

Relative significance of policies, policy development milestones and proposals to the delivery of policy outcome 1

9.3.1   Outcome 1 will account for a significant proportion of overall emissions reduction, as cars currently emit 44% of all transport emissions.

Policy outcome 2: Proportion of ultra-low emission new cars and vans registered in Scotland annually to reach or exceed 40% by 2032.

There are six policies, one policy development milestone, and four proposals that will contribute to the delivery of policy outcome 2.

Policies which contribute to the delivery of policy outcome 2

1) With the EU and UK, negotiate stretching emission standards for new cars (and vans) beyond 2020 (and 2021).
2) With the UK, negotiate vehicle excise duty differentials between ultra-low emission vehicles (ULEVs) and diesel/petrol vehicles to support and encourage the uptake of ULEVs.
3) Enhance the capacity of the electric vehicle charging network (ChargePlace Scotland):
    • provide funding until at least August 2019 in order to support the on-going expansion of the publicly available network of EV charge points;
    • provide funding to support the safe and convenient installation of domestic and workplace charge points.
4) Provide interest-free loans through the Energy Saving Trust to enable the purchase of EVs by both consumers and businesses until at least March 2020.

5) With local authorities, review licensing regulations and consider introducing incentives to promote the uptake of ULEVs in the taxi and private hire sector, with loan funding for vehicle purchase until at least March 2020.

6) Promote the benefits of EVs to individuals and fleet operators and increase awareness and confidence in the viability of EVs as an alternative to fossil-fuelled vehicles.

Policy development milestone which contributes to policy outcome 2

1) Work with the UK Government, local authorities and other public and third sector partners to identify annually a package of financial and convenience ULEV incentives, such as free parking, access to LEZs and interaction with proposed workplace parking levies.

Proposals which contribute to the delivery of policy outcome 2

1) Building Standards:

   • consider draft proposals in the Energy Performance of Buildings Directive, relating to the provision of EV charge points/wiring in new residential and commercial developments

   • investigate how such measures could potentially be trialled in Scotland and consider developing guidance on charge point provision to support planning authorities

2) Continue to investigate the role that other alternative fuels, such as hydrogen, gas and biofuel, can play in the transition to a decarbonised road transport sector. Consider the scope for market testing approaches to alternative fuels infrastructure and supply.

3) Work with Scottish Enterprise, the UK government and other bodies to investigate the potential to undertake trials of connected and autonomous vehicles in Scotland.

4) Work with Scotland Excel, COSLA and other partners to determine whether a new procurement policy could be introduced in Scotland, which introduces a presumption that all new vehicles purchased by public sector organisations in Scotland are ULEVs.

Relative significance of policies, policy development milestones and proposals to the delivery of policy outcome 2

9.3.2   Policy outcome 2 will account for a significant proportion of overall emissions reduction, as cars currently emit 44% of all transport emissions.

9.3.3   The policies and proposals under policy outcome 2 are focused on removing some of the key domestic barriers identified to a more rapid take-up of in particular battery electric vehicles. There is a strong read across to the measures in policy outcome 1.

Policy outcome 3: Average emissions per tonne kilometre of road freight to fall by 28% by 2032.

There are four policies, two policy development milestones, and two proposals which will contribute to the delivery of policy outcome 3.

Policies which contribute to the delivery of policy outcome 3

1) With the EU and UK, negotiate an emission standard for Heavy Goods Vehicles from 2025.

2) With the UK, negotiate biofuels policies that will enable them to be used sustainably in the decarbonisation of the whole transport sector.

3) Deliver our Rail Freight Strategy.

4) Continue to support local authorities in delivering the ECO-Stars programme, reducing fuel consumption for HGVs, buses, coaches and vans.

Policy development milestones which contribute to the delivery of policy outcome 3

1) Consult on Intelligent transport Systems (ITS) Strategy by the end of March 2017.

2) With local authorities and others, evaluate the scope for urban-wide low emission zones with a specific focus on CO_2 emissions, as well as air pollution more generally.

Proposals which contribute to the delivery of policy outcome 3

1) Collaborate with a local authority to put in place a pilot low emission zone by 2018, examining the feasibility of low emission zones (LEZs) mitigating CO_2 emissions via the National Low Emission Framework.

2) Work with the freight sector to examine the scope for new freight logistics and infrastructure (potentially including freight consolidation centres on the outskirts of cities and urban areas following the introduction of LEZs); and to support market testing of local initiatives.

Relative significance of policies, policy development milestones and proposals to the delivery of policy outcome 3

9.3.4   Policy outcome 3 will account for a moderate proportion of total emissions reduction. Road freight carried on HGVs accounts for 1.7 MtCO$_2$e, and implementation of all the policies and proposals could reduce emissions from HGVs by 28% by 2032.

> **Policy outcome 4:** Proportion of the Scottish bus fleet which are low emission vehicles has increased to 50% by 2032.
>
> *There is one policy, one policy development milestone and two proposals which contribute to the delivery of policy outcome 4.*

Policy which contributes to the delivery of policy outcome 4

1) Provide financial support for the purchase and operation of low carbon buses.

Policy development milestones which contribute to the delivery of policy outcome 4

1) In the context of the current review of the National Transport Strategy and Transport Bill, we will examine the scope for climate change policies, as in relation to bus, across the public sector in high-level transport legislation, strategies and policies.

Proposals which contribute to the delivery of policy outcome 4

1) With local authorities and others, evaluate the scope for urban-wide low emission zones with a specific focus on CO_2 emissions, as well as air pollution more generally.

2) With local authorities and others, model and pilot reductions in congestion and improvements in use of public transport, in possible association with a low emission zone.

Relative significance of policies, policy development milestones and proposals to the delivery of policy outcome 4

9.3.5   Policy outcome 4 will account for a small proportion of overall emissions reduction, as bus and coach emissions account for under 4% of total transport emissions.

9.3.6   Any behavioural switch from private to public transport is likely to be limited by capacity of the sector to absorb significant new traffic.

> **Policy outcome 5:** By 2032 low emission solutions have been widely adopted at Scottish ports and airports.
>
> *There is one policy that will contribute to the delivery of policy outcome 5.*

Policy which contributes to the delivery of policy outcome 5

1) Encourage and support Scottish port authorities and airports to adopt low emissions solutions. These could include: cold ironing (the use of shore power by ships whilst in harbour); and measures to reduce emissions associated with airport ground operations and while planes are on the ground (for example single engine taxiing, the use of ground power for planes at stand, and low emission ground vehicles).

Relative significance of policies, policy development milestones and proposals to the delivery of policy outcome 5

Policy outcome 5 will account for a small proportion of overall emissions reduction. The key drivers in emission reduction from aviation and shipping will come from international organisation agreements and from ongoing improvements in design and materials.

Policy outcome 6: Proportion of ferries in Scottish Government ownership which are low emission has increased to 30% by 2032.

There is one policy development milestone that will contribute to the delivery of outcome 6.

Policy development milestone which contributes to the delivery of policy outcome 6
1) Examine the scope for procuring hybrid and low carbon powertrains in the public sector marine fleet as part of our vessel replacement programme.

Relative significance of policies, policy development milestones and proposals to the delivery of policy outcome 6

9.3.7 Policy outcome 6 will account for a small proportion of overall emissions reduction, as domestic maritime activity only accounts for 0.3 $MtCO_2e$ or 2.5% of transports total emissions.

Policy outcome 7: We will have electrified 35% of the Scottish rail network by 2032.

There are two policy development milestones that will contribute to the delivery of outcome 7.

Policy development milestones which contribute to the delivery of policy outcome 7
1) Electrification of the rail network in the High Level Output Statement for Control Period 6 (2019-2024).
2) Relative significance of policies, policy development milestones and proposals to the delivery of outcome 7.

Policy outcome 7 will account for a small proportion of overall emissions reduction, as rail makes up less than 1.5% of total transport emissions.

Policy outcome 8: Proportion of total domestic passenger journeys travelled by active travel modes has increased by 2032, in line with our Active Travel Vision, including the Cycling Action Plan for Scotland Vision that 10% of everyday journeys will be by bike by 2020.

There are two policies which will contribute to the delivery of outcome 8.

Policies which contribute to the delivery of policy outcome 8
1) Active travel: maintain funding for infrastructure and behaviour change programmes until at least 2021.
2) Support the Smarter Choices Smarter Places (SCSP) programme to encourage travel behaviour change.

Relative significance of policies, policy development milestones and proposals to the delivery of policy outcome 8

9.3.8 Policy outcome 8 will account for a small proportion of overall emissions reduction, as most journeys under a mile are already undertaken by walking.

9.4   Wider impacts

9.4.1   The following co-benefits and adverse side effects have been identified for policies in the transport sector:

Co-benefits to be realised

9.4.2   Many of the policies and proposals will bring additional co-benefits to communities, businesses and the third sector.

9.4.3   Individuals and businesses will benefit from increased electric vehicle uptake through improved air quality. Low emission zones, consolidation centres on the periphery of urban areas and support for the purchase of low emission buses will ensure the most polluting vehicles do not enter our towns and cities. Adverse health effects from exposure to pollutants are estimated to cause up to 50,000 deaths per year in the U.K. and reduce the average life expectancy by 7-8 months. Significantly reducing vehicle emissions in our towns and cities will improve health, reduce pollution related illnesses and consequently bring savings to healthcare.

9.4.4   Businesses and individuals will benefit from more reliable, faster deliveries in areas covered by consolidation centres. This is because the smaller vans travelling out of consolidation centres can travel directly to their locations, where as an HGV would travel round its delivery stops sequentially. A fleet of electric light goods vehicles will allow freight to be transported to its destination. Freight operators will be able to make more efficient use of their vehicles as they will not be delayed in congestion when delivering to inner city areas.

9.4.5   Further benefits will result from reduced noise pollution, which has a negative impact on health and wellbeing. The combined value of air quality improvements as a result of reduced emissions may be in excess of £500 million per year.

9.4.6   Taking cost projections for petrol and diesel cars into account, and the expected impact of future technological change, electric vehicles should become significantly cheaper to purchase and operate. This offers individuals and businesses the opportunity to make savings through reduced fuel and vehicle operating costs. Fuel efficient driving and travel planning offer further cost savings, as well as potentially reducing the risk of traffic accidents.

9.4.7   In the future, electric vehicles may be able to provide services to the power grid, smoothing out demand by drawing and returning power as needed by acting as a means of energy storage.

9.4.8   An increased number of journeys made by active travel will further reduce congestion and pollution, in addition to the associated benefits that come through living an active lifestyle. Active travel and lift sharing offer a potential route to combat transport poverty by increasing the availability of low-cost, low carbon transport options and reducing the need to own a car. Car clubs will allow households to access efficient vehicles without the costs associated with car ownership.

Adverse side effects to be managed

9.4.9   A significant proportion of the up-front funding required to implement many of these policies is likely to fall on the public sector. With electric vehicles, the Scottish Government has funded the roll out of the ChargePlace Scotland network of charge points and funds their operation. It is expected that there will be a need for the public sector to continue to incentivise electric vehicle uptake until they are competitive with conventional vehicles. As the price of electric vehicles fall, individuals and businesses will be encouraged to invest in low carbon alternatives.

9.4.10   The introduction of freight consolidation centres may present some disruption for logistics organisations, resulting from the need to relocate premises. Low emission zones may also present challenges to fleet operators as it will impact on fleet renewal decisions.

9.4.11   Other measures, such as the implementation of low emission solutions at ports and airports and the roll out of low emission solutions in the bus and maritime sectors will likely require initial public sector support.

9.4.12   These additional public sector costs should be balanced against the potential health, social and economic benefits arising.

9.4.13   The Scottish Government will ensure that potential adverse impacts are appropriately managed.

9.5   Summary of policies, development milestones and proposals

Policy outcome 1: Average emissions per kilometre of new cars and vans registered in Scotland to reduce in line with current and future EU/UK vehicle emission standards

Table 9-1: Policies that contribute to the delivery of policy outcome 1

Policy	EU, UK or Scottish policy	Public sector partners	Delivery route
With the EU and UK, negotiate stretching emission standards for new cars (and vans) beyond 2020 (and 2021)	EU and UK	N/A	Vehicle emission standards are currently set at a European level. Vehicle efficiencies have improved considerably over recent years, driven in large part by the existing EU vehicle emission standards. The current standards specify that average emission of new cars in 2021 must be 95 gCO_2/km and for new vans, 147 gCO_2/km by 2020. We will work with the EU and the UK Government to press for strong future emissions standards beyond those currently in place.
With the UK, negotiate vehicle excise duty differentials between ultra-low emission vehicles (ULEVs) and diesel/petrol vehicles to support and encourage the uptake of ULEVs	UK	N/A	VED differentials are in place for lower emission vehicles compared to higher emitting petrol and diesel vehicles. Zero emission vehicles are exempt, with a graded scale of differential for vehicles up to 100 gCO_2/km. Changes coming into force on 1 April 2017 may impact on adoption of low carbon vehicles as only zero emission vehicles will have reduced VED after year one on a vehicles life. It will be important to maintain this VED differential into the 2020s, as although the total cost of ownership premium between an ULEV and a petrol or diesel vehicle is likely to decrease in this period, some level of premium will still remain. VED is set by the UK Government, and we will continue to work with them and press the need for a VED differential for ULEVs through the 2020s.
With the UK, negotiate to introduce biofuels policies that will enable them to be used sustainably in the decarbonisation of the whole transport sector.	UK	N/A	The EU biofuels target is currently implemented in the UK through the Renewable Transport Fuel Obligation (RTFO) but is currently scheduled to end in 2020. We will press the UK Government to extend the RTFO (or equivalent) to ensure that biofuels (primarily as drop-in fuels) will make up a growing proportion of transport fuel and enable them to be used most effectively as a finite resource in the decarbonisation of transport.
Support fuel efficient driver training	Scottish	Local authorities	We will continue to fund Fuel Efficient driver training, improving fuel efficiency and encouraging safer driving. Almost 6,000 drivers completed training in 2014-16.

Table 9-2: Policy development milestones that contribute to the delivery of polcy outcome 1

Policy development milestone	Delivery route
With local authorities and others, evaluate the scope for incentivising more rapid uptake of electric and ultra-low emission cars and vans as through public procurement policies and preferential local incentives (such as access management and parking policies)	Procurement policies can be used to increase penetration of ULEVs through direct procurement by the public sector or by setting contract conditions for companies operating services for local authorities. Since 2014, Transport Scotland's Switched On Fleets initiative has provided £3.5 million to enable Scottish local authorities and their community planning partners to introduce an estimated 350 new electric cars and vans in the Scottish public sector fleet. There is potential to build on this strong foundation by strengthening public procurement policies in Scotland to positively favour ULEVs. We will therefore work with Scotland Excel, COSLA and others to determine whether a new procurement policy could be introduced in Scotland which introduces a presumption that all new vehicles purchased by public sector organisations in Scotland are ULEVs, unless there are very clear operational or technical reasons for not doing so. We will also encourage the public sector in advance of this work to set contract conditions for their suppliers, specifying the requirement for ULEV use. We will publish our findings by the end of 2017.
With local authorities and others, evaluate the scope for urban-wide low emission zones with a specific focus on CO_2 emissions, as well as air pollution more generally	We will build on the work being undertaken for the National Low Emission Framework (NLEF) to establish read across to low emission zones focusing on CO_2 emissions.

Table 9-3: proposals which contribute to the delivery of policy outcome 1

Proposal	Delivery route
Collaborate with a local authority to model reductions in congestion and improvements in use of public transport in possible association with a low emission zone	National Transport Strategy engagement begins in 2017.

Table 9-4: Policy outcome 1 over time

Policy outcome 1	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Total change in average gCO_2e/km (cars)	111	107	103	99	95	-	-	-	-	-	-	-	-	-	-	-
Total change in average gCO_2e/km (vans)	175	165	156	147	-	-	-	-	-	-	-	-	-	-	-	-

Policy outcome 2: Proportion of ultra-low emission new cars registered in Scotland annually to reach 40% by 2032

Table 9-5: Policies that contribute to the delivery of policy outcome 2

Policy	EU, UK or Scottish policy	Public sector partners	Delivery route
With the EU and UK, negotiate stretching emission standards for new cars (and vans) beyond 2020 (and 2021)	EU and UK	N/A	Vehicle emission standards are currently set at a European level. Vehicle efficiencies have improved considerably over recent years, driven in large part by the existing EU vehicle emission standards. The current standards specify that average emission of new cars in 2021 must be 95 gCO_2/km and 147 gCO_2/km by 2020 for new vans. We will work with the EU and the UK Government to press for strong future emissions standards beyond those currently in place.
With the UK, negotiate vehicle excise duty differentials between ultra-low emission vehicles (ULEVs) and diesel/petrol vehicles to support and encourage the uptake of ULEVs	UK	N/A	VED differentials are in place for lower emission vehicles compared to higher emitting petrol and diesel vehicles. Zero emission vehicles are exempt, with a graded scale of differential for vehicles up to 100 gCO_2/km. It will be important to maintain this VED differential into the 2020s, as although the total cost of ownership premium between an ULEV and a petrol or diesel vehicle is likely to decrease in this period, some level of premium will still remain. VED is set by the UK Government, and we will continue to work with them and press the need for a VED differential for ULEVs through the 2020s.
Enhance the capacity of the electric vehicle charging network (ChargePlace Scotland): • provide funding until at least August 2019 in order to support the on-going expansion of the publicly available network of EV charge points • provide funding to support the safe and convenient installation of domestic and workplace charge points	Scotland	All property owning public sector partners	Given the importance of an extensive and reliable EV charging network across Scotland to enabling the widespread adoption of EVs, TS will continue to provide funding to support the on-going expansion of the publicly available ChargePlace Scotland network. We will also continue to support the installation of domestic and workplace charge points and we will work with partners to identify solutions for households without off-street charging. The composition of this funding package will be reviewed annually to ensure funding is deployed in such a way as to maximise support for EV uptake. A review will be undertaken before August 2019, prior to the end of the current agreement with our network operator, Charge Your Car.

Policy	EU, UK or Scottish policy	Public sector partners	Delivery route
Provide interest-free loans through the Energy Saving Trust to enable the purchase of EVs by both consumers and businesses until at least March 2020	Scottish	N/A	In addition to the UK Government's plug-in car and van grant, TS are providing over £7 million of funding to EST in 2016/17 for a Low Carbon Transport Loan Scheme for both consumers and businesses. Individuals can apply for a loan of up to £35,000 to cover the cost of purchasing an ULEV, while businesses can apply for a loan of up to £100,000 which can be used towards a wide range of measures to reduce the business' transport carbon footprint (including the purchase of ULEVs, up to £35,000 per vehicle). Current Loan provision will continue until at least March 2020 and will be reviewed on a yearly basis to ensure it is proportionate to the level of demand.
With local authorities, review licensing regulations and consider introducing other incentives to promote the uptake of ULEVs in the taxi and private hire sector with loan funding for vehicle purchase until at least March 2020	Scottish	Local Authorities	There are more than 20,000 taxis and private hire cars in Scotland, offering potential for increased adoption of EVs. We will continue to fund the Energy Savings Trust's Low Carbon Transport Loan which offers an interest-free loan of up to £100,000 to businesses, including licensed taxi and private hire operators, to encourage them to switch to EVs. In addition, 'Hackney cab' operators can apply for a loan to replace cabs that are at least eight years old with a lower emission alternative. We will also consider expanding the loan scheme to include ultra-low emission 'Hackney cabs', when they are available to buy (expected 2017). At present, fewer than half of Scotland's local authorities allow EVs to be licensed as taxis and private hire vehicles. We will therefore work with EST to encourage authorities to review their interpretation of licensing regulations, learning from areas such as Dundee and Edinburgh, where EVs are already being used as taxis or private hire vehicles.
Promote the benefits of EVs to individuals and fleet operators and increase awareness and confidence in the viability of EVs as an alternative to fossil-fuelled vehicles	Scottish	Community Planning Partnerships	A combination of Greener Scotland marketing campaigns, major annual events such as Greenfleet Scotland/Evolution and a series of EV road shows by EST have enabled engagement with a significant number of individuals and businesses. This engagement has focused on promoting EV benefits, dispelling myths and providing test drives for a wide range of vehicles. This activity will continue, the exact nature and composition of the communication and marketing initiatives being determined on an annual basis to ensure maximum levels of engagement from available budget.

Table 9-6: Policy development milestones that contribute to the delivery of policy outcome 2

Policy development milestone	Delivery route
Work with the UK government, local authorities and other public and third sector partners to identify annually a package of financial and convenience ULEV incentives, such as free parking, access to LEZs and interaction with proposed workplace parking levies.	It is forecast that the cost of electric vehicles will fall and annual sales increase. This means that, over time, Government will review the incentive packages available to ensure these reflect market conditions. Instead, ongoing financial or time benefits that provide an incentive in the order of £1,000 over the vehicle lifetime are likely to play an increasing role. These could include discounted use of ferries (as previously trialled on all routes to Mull and Bute), free parking (already in place in Dundee), access to LEZs, interaction with proposed workplace parking levies and reduced licence fees for electric taxis. Furthermore, indirect or perceived financial incentives (such as permitted bus lane running and prioritised parking spaces for EVs) may also have a role to play in encouraging EV uptake. Such measures would be implemented at a local authority (LA) level, and financing options will be discussed as this develops. The Scottish Government role would be to address any legislative barriers; provide guidance and potentially financial support. Transport Scotland recently published a National Framework of Local Incentives for Electric Vehicles, providing guidance and technical assistance and an overview on the barriers and challenges associated with introducing such measures. As a next step, TS will work with partners and, by the end of 2017, publish initial plans for the introduction of a package of EV incentives in Scotland.

Table 9-7: Proposals which contribute to the delivery of policy outcome 2

Proposal	Delivery route
Planning/Building Standards Consider draft proposals in the Energy Performance of Buildings Directive, relating to the provision of EV charge points/wiring in new residential and commercial developments Investigate how such measures could potentially be trialled in Scotland and consider developing guidance on charge point provision to support planning authorities	The review of the Energy Performance of Buildings Directive (EPBD), contains proposals regarding the provision of pre-cabling and charging points in new residential and non-residential developments respectively (and those undergoing major renovations). SG has already strengthened the guidance in both Third National Planning Framework and the Scottish Planning Policy 2014, recognising the importance of considering plug-in vehicle charging infrastructure in new developments. Furthermore, as of August 2016, eleven (34%) out of 32 Local Development Plans (LDPs) include the consideration for provision of charge points in new developments. Building on this work, SG will consider the draft proposals in the EPBD, and investigate undertaking a trial with a developer in Scotland. The outputs of any trial would help shape potential national rollout of such provisions. In addition, when development plans are reviewed and updated, changes at the national level will filter down. Whilst it is important to maintain the flexibility that local authorities have to do what is best for local development in their own areas, Transport Scotland will consider developing guidance on charge points to support planning authorities.
Continue to investigate the role that other alternative fuels, such as hydrogen, gas and biofuel, can play in the transition to a decarbonised road transport sector Consider the scope for market testing approaches to alternative fuels infrastructure and supply	Building on our investment in both the Aberdeen H2 bus project and the Levenmouth community energy project, we will continue to work with key partners to investigate the use of hydrogen as a transport fuel, as well as exploring wider environmental and economic opportunities of using hydrogen for energy applications – especially in promoting renewables, energy balancing and storage. We will also continue to engage with our partners, including fuel supply companies, local authorities and developers on the role lower carbon intensive fuels such as liquid petroleum gas, compressed natural gas and biofuels can play in the transition towards a near zero emission road transport sector by 2050.
Work with Scottish Enterprise, the UK Government and other bodies to investigate the potential to undertake trials of connected and autonomous vehicles in Scotland	Over the next few years advances in connected and automated vehicle technologies will likely have a an impact on our transport system, with the potential to deliver major benefits; fewer crashes on our roads; freedom to travel for those who currently find that difficult; more efficient transport networks that are safer, smoother, and swifter; and, new jobs in the technology and automotive sectors. We want to make sure that Scotland is prepared for this potential transformation. We will work with partners and investigate the possibility of Scotland hosting large scale autonomous and connected vehicle trials.

Proposal	Delivery route
Work with Scotland Excel, COSLA and other partners to determine whether a new procurement policy could be introduced in Scotland, which encourages new vehicles purchased by public sector organisations in Scotland are ULEVs	Procurement policies can be used to increase penetration of ULEVs through direct procurement by the public sector or by setting contract conditions for companies operating services for local authorities.
	Since 2014, TS's Switched On Fleets initiative has provided £3.5 million to enable Scottish local authorities and their community planning partners to introduce an estimated 350 new electric cars and vans in the Scottish public sector fleet.
	There is potential to build on this strong foundation by strengthening public procurement policies in Scotland to positively favour ULEVs.
	We will therefore work with Scotland Excel, COSLA and others to determine whether a new procurement policy could be introduced in Scotland which introduces a presumption that all new vehicles purchased by public sector organisations in Scotland are ULEVs, unless there are very clear operational or technical reasons for not doing so. We will also encourage the public sector in advance of this work to set contract conditions for their suppliers, specifying the requirement for ULEV use. We will publish our findings by the end of 2017.

Table 9-8: Policy outcome 2 over time

Policy outcome 2	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Total share of sales that are classified as low emissions	2.5%	3.0%	3.5%	4.1%	4.9%	5.9%	7.2%	8.8%	11%	13%	15%	18%	22%	27%	32%	40%

Policy outcome 3 Average emissions per tonne kilometre of road freight to fall by 28%* by 2032

Table 9-9: Policies that contribute to the delivery of policy outcome 3

Policy	EU, UK or Scottish policy	Public sector partners	Delivery route
Lobby the EU and UK Governments to introduce an emission standard for new Heavy Goods Vehicles in line with proposals arising from the EU European Strategy for Low-Emission Mobility	EU and UK	N/A	We will work with the UK Government and our EU partners to encourage the introduction of a new binding carbon emission standard for new HGVs registered and operating in Scotland (and the rest of the UK/EU). Currently new HGVs must meet Euro VI standard – but this is focused on pollutants and does not include a CO_2 standard. The introduction of a fuel efficiency standard for newly registered HGVs (as has existed in the US for some time) will encourage HGV manufacturers to bring forward new models which are more efficient and produce lower levels of carbon emissions. As these new vehicles penetrate the HGV fleet operating in Scotland and replace higher emission vehicles more road freight miles will be driven in the most up to date, fuel efficient vehicles – thereby leading to a reduction in CO_2 emissions from the freight sector. The EU European Strategy for Low-Emission Mobility proposes a post 2020 strategy for lorries, buses and coaches. Given the 10 year average life of an HGV, the Commission argues that steps to address emissions must be in place by 2020. A first step will be the proposed legislation on monitoring/reporting of Heavy-Duty Vehicle fuel consumption and CO_2 emissions, with further proposals due in 2017. We will support efforts at this level to address emissions.
With the UK, negotiate biofuels policies that will enable them to be used sustainably in the decarbonisation of the whole transport sector	Scotland	N/A	See above.
Deliver our Rail Freight Strategy	Scotland	Network Rail, Scotrail, Local authorities, Office of Rail Regulation	"Delivering the Goods" Scotland's Rail Freight Strategy was published in March 2016 and set out 22 actions that Transport Scotland and/or other industry partners will take forward with a range of organisations to develop a sustainable rail freight industry, with identifiable growth potential over time. Currently, per tonne of freight, rail freight produces 76% less CO_2 than road freight so there is potential to reduce emissions by switching more freight from road to rail. A report setting out progress against the Strategy's six critical success factors will be published by June 2018 including the success factor of: longer, faster, greener freight trains. In the shorter-term a number of actions in the strategy relate to the Scottish Government's planning for the next rail control period and the ORR's periodic review both of which relate to the period 2019-2024.

Policy	EU, UK or Scottish policy	Public sector partners	Delivery route
Continue to support local authorities in delivering the ECO-Stars programme, reducing fuel consumption for HGVs, buses, coaches and vans	UK	Local authorities	ECO Stars is a UK wide fleet recognition scheme covering HGVs, buses, coaches, vans and taxis. The ultimate aim is to reduce fuel consumption and thereby lower emissions of both CO_2 and air pollutants. The scheme provides recognition for best operational practices and guidance for making improvements. Currently the Scottish Government provides funding support for 11 local authorities to operate ECO Stars schemes for HGVs, buses, coaches and vans, and three authorities for taxis. As of May 2016, these schemes collectively covered 148 unique members and 13,070 vehicles, representing approximately 11% of Scotland's HGV fleet and 23% of the public transport fleet.

Table 9-10: Policy development milestones that contribute to the delivery of policy outcome 3

Policy development milestone	Delivery route
Consult on Intelligent transport Systems (ITS) Strategy by the end of March 2017	The ITS strategy will set out our high level priorities for ITS development and asset management over the next 10 years and will be supported in due course by a series of action plans and delivery programmes. The strategy and its associated plans and programmes will address the changing roles that ITS systems and services will play in providing our road users with accurate and relevant traffic and travel information, incident response and transport resilience. The Strategy will take into account recent, current and near-future developments in information technologies, including an assessment of where customers want and expect to go for their traffic and travel information, and the role of Transport Scotland in the provision of these services. The Strategy will also consider existing ITS assets, in particular in respect of the maintenance, renewal and replacement of existing infrastructure.
With local authorities and others, evaluate the scope for urban-wide low emission zones with a specific focus on CO_2 emissions, as well as air pollution more generally	We will build on the work being undertaken for the National Low Emission Framework (NLEF) to establish read across to low emission zones focusing on CO_2 emissions.

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Table 9-11: Proposals which contribute to the delivery of policy outcome 3

Proposal	Delivery route
Collaborate with a local authority to put in place a pilot low emission zone by 2018 examining the feasibility of low emission zones (LEZs) mitigating CO_2 emissions via the National Low Emission Framework.	The Cleaner Air for Scotland strategy calls for a reduction in greenhouse gas emissions whilst delivering co-benefits for air quality, The National Low Emission Framework (NLEF) is a transport-based air quality appraisal which will inform discussions with individual local authorities on the most appropriate locations for any Low Emission Zones (LEZ). NLEF decision making will rely on National Modelling Framework (NMF) outputs, which can examine carbon emission trends in tandem with air pollution. In preparing the first LEZ to be put in place by 2018, we will work with local authorities to explore and assess the potential for co-benefits. This first LEZ will provide a legacy upon which other Scottish LEZ's could be introduced, perhaps in conjunction with other award schemes such as the Freight Facilities Grants.
Work with the freight sector to examine the scope for new freight logistics and infrastructure (potentially including freight consolidation centres on the outskirts of cities and urban areas following the introduction of LEZs); and to support market testing of local initiatives.	Through the Scottish Freight and Logistics Advisory Group (ScotFLAG), we are working with our partners across the public and private sectors to identify and facilitate any opportunities to increase the efficiency and sustainability of freight movements in cities – including exploring opportunities for load consolidation. A Scottish Freight and Logistics Advisory Group (ScotFLAG) Urban Freight sub-group has been set up with a remit to identify opportunities, share best practice, , and co-ordinate activity aimed at increasing the sustainability, safety and efficiency of freight movements in Scotland's urban areas' . This sub-group is Chaired by the Freight Transport Association.

Table 9-12: Policy outcome 3 over time

Policy outcome 3	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Total emissions (gCO_2e) per tonne kilometre of road freight Index 2017 =100[51]	100	98	96	94	92	91	89	87	85	83	81	79	78	76	74	72

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51 This is our initial indicator based on readily available and published data.
We will work with the industry and other interested parties to assess and if necessary develop a more appropriate indicator with which to measure the emissions efficiency of the HGV sector.

Policy outcome 4: Proportion of the Scottish bus fleet which are low emission vehicles has increased to 50% by 2032

Table 9-13: Policy development milestones that contribute to the delivery of policy outcome 4

Policy development milestone	Delivery route
Provide financial support for the purchase and operation of low carbon buses	Transport Scotland has developed targeted interventions to encourage operators to purchase and operate low emission buses in the Scottish fleet. These help the government to meet its aims for improved air quality and reductions in emissions of greenhouse gases.
	A review of the SGBF is currently underway and we are considering changing the basis for assessing applications, widening the criteria to include aspects such as technological ambition, amount of carbon saved/passenger/vehicle, value for money and previous organisational experience. Infrastructure is unlikely to be included as other funding processes (such as the Bus Investment Fund) could be used to help with these costs if funding is available. The SGBF will likely remain an annual fund.
	The intervention to help with the costs of low emission bus operation forms part of the Bus Service Operators Grant. The green incentive is worth 100% uplift in 2016/17 (28.8p/km compared with a basic rate of 14.4p/km) though this level of incentive is not sustainable and will be reviewed in 2017. The green incentive was worth £762,00 in 2013/14 but has now grown to £3,498,000 in 2015/16 and is forecast for £5,606,000 in 2016/17.
	It has proved successful in encouraging operators to invest in low emission buses, purchasing them outwith the SGBF as they become more commercially viable to operate.
	We are working with Confederation of Passenger Transport (CPT) and the Low Carbon Vehicle Partnership to more closely target the available funding to maximise the outputs. We are designing a more sophisticated and future-proofed green incentive scheme which will be banded to weight subsidy towards the most carbon efficient buses and to ensure better value for money across the BSOG incentive. That scheme will also be time limited, unlike the current one, to better reflect bus payback periods.
	Both of these schemes are flexible and scalable which enables them to respond to progress against targets.
In the context of the current review of the National Transport Strategy and Transport Bill, we will examine the scope for embedding climate change policies, as in relation to bus, across the public sector in high-level transport legislation, strategies and policies	National Transport Strategy engagement begins in 2017.

Table 9-14: Proposals which contribute to the delivery of policy outcome 4

Proposal	Delivery route
With local authorities and others, evaluate the scope for urban-wide low emission zones with a specific focus on CO_2 emissions as well as air pollution more generally.	We will build on the work being undertaken for the National Low Emission Framework (NLEF) to establish read across to low emission zones focusing on CO_2 emissions.
With local authorities and others, model and pilot reductions in congestion and improvements in use of public transport, in possible association with a low emission zone.	National Transport Strategy engagement begins in 2017.

Table 9-15: Policy outcome 4 over time

Policy outcome 4	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Proportion of bus fleet made up of low emission vehicles	10%	13%	15%	18%	20%	23%	25%	27%	30%	33%	36%	39%	42%	45%	48%	50%

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Policy outcome 5: By 2032 low emission solutions have been widely adopted at Scottish ports and airports

Table 9-16: Policies that contribute to the delivery of policy outcome 5

Policy	EU, UK or Scottish policy	Public sector partners	Delivery route
Encourage and support Scottish port authorities and airports to adopt low emission solutions. These could include cold ironing (the use of shore power by ships whilst in harbour); and measures to reduce emissions associated with airport ground operations and whilst planes are on the ground (for example – where appropriate – single engine taxiing, the use of ground power for planes at stand, and low emission ground vehicles)	Scotland	HIAL, Prestwick Airport, Local authorities, Ferry operators, Shipping companies, Ports, Maritime Industry bodies	We will work with port authorities, the shipping industry and airports to encourage and support them to introduce low emission solutions on a voluntary basis. For example, we will work with port authorities to identify the potential costs and benefits of cold ironing (the use of shore power by ships whilst in harbour) and other low emission measures to ship owners and operators. Similarly, we will work with airport owners [and operators?] to identify measures that can be taken to reduce emissions associated with ground operations and whilst planes are on the ground (for example (where appropriate) single engine taxiing, the use of ground power for planes at stand, and low emission ground vehicles). We will work with ports and airports, ship owners/operators and airlines to overcome barriers to the voluntary adoption of these measures and ensure they are taken into account when considering their future investment plans.

9.6.1   There are no appropriate quantifiable indicators here for measuring this activity as there will be ad-hoc specific actions by individual organisations, largely in the private sector.

Policy outcome 6: Proportion of ferries in Scottish Government ownership which are low emission has increased to 30% by 2032

Table 9-17: Policy development milestones that contribute to the delivery of policy outcome 6

Policy development milestone	Delivery route
Examine scope for procuring hybrid and low carbon powertrains in the public sector marine fleet as part of our vessel replacement programme	We are developing a programme of procurements to replace vessels in the CMAL ferry fleet with lower emission powertrains. For each project we will consider diesel-electric hybrid and liquid natural gas (LNG) fuelling options; in addition CMAL will continue to pursue technical designs which improve fuel efficiency and CFL will continue its operational work on reducing fuel consumption. We are supporting the Scottish-based Hyseas consortium with its initiative to trial a hydrogen-powered ro-ro vehicle ferry. We publish annual Vessel Replacement and Deployment Plans which will set out our evolving plans and projects in more detail.

Table 9-18: Policy outcome 6 over time

Policy outcome 6	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Proportion of bus fleet made up of low emission vehicles	3	3	4	4	5	5	5	6	6	7	7	7	8	8	9	9

Policy outcome 7: We will have electrified 35% of the Scottish rail network by 2032

Table 9-19: Policy development milestones that contribute to the delivery of policy outcome 7

Policy development milestone	Delivery route
Electrification of the rail network in the High Level Output Statement for Control Period 6 (2019-2024)	We will continue to roll out electrification across the rail network with plans announced as part of the High Level Output Statement for Control Period 6 (2019-2024). It is estimated that the use of electric trains across the rail network will result in an average reduction in emissions of 18% when compared with equivalent diesel trains. We will also investigate hybrid train and other emerging technologies to determine the suitability for application on Scotland's railways as a potential energy and cost-saving alternative to overhead wire electrification.

Table 9-20: Policy outcome 7 over time

Policy outcome 7	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Percentage of rail track electrified (kilometres)[52]	26%	27%	27%	28%	29%	29%	30%	30%	31%	32%	32%	33%	33%	34%	34%	35%

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52 Commitments in kilometres electrified do not extend beyond the current control period. The Italicised figures are simply indicative at this point and future plans will be announced as part of the new control period.

Policy outcome 8: Proportion of total domestic passenger journeys travelled by active travel modes has increased by 2032, in line with our Active Travel Vision, including the Cycling Action Plan for Scotland Vision that 10% of everyday journeys will be by bike by 2020

Table 9-21: Policies that contribute to the delivery of outcome 8

Policy	EU, UK or Scottish policy	Public sector partners	Delivery route
Active travel: maintain funding for infrastructure and behaviour change programmes until at least 2021	Scottish	Local authorities are our main delivery partners and have a critical role to play. In addition, Regional Transport Partnerships, the NHS, Further and Higher Education Institutions, Scottish Canals and the Trunk Road Operating Companies will all have a role to play	Increasingly we will plan infrastructure improvement projects that re-prioritise road space in our largest settlements away from cars in favour of walking and cycling. This will make out urban areas more liveable, increasing safety and enabling people to choose walking and cycling for short trips, for example through the Community Links Plus design competition. We will maintain the annual budget for active travel at until at least 2021 and will look to increase it whenever possible. That budget will fund both improvements and extensions to the infrastructure for walking and cycling throughout the country (particularly in our towns and cities) and a range of behaviour change initiatives that encourage and support people to choose walking and cycling for everyday journeys. Integration between walking, cycling and public transport will also be improved (for example through more and better bike parking and the development of a network of active travel hubs at public transport interchanges). We will continue to work with a range of delivery partners (including Cycling Scotland, Paths for All, Sustrans, Living Streets, Cycling UK Scotland and local authorities) to deliver behaviour change programmes that support people to overcome information, awareness, skills, confidence and attitudinal barriers to walking and cycling for everyday journeys. The exact mix of funding for infrastructure and behaviour change initiatives and the programmes that it supports will be reviewed regularly in partnership (e.g. through the National Walking Strategy Delivery Group and the Cycling Action Plan for Scotland Delivery Forum) to ensure that our approach is most effective in bringing about change in people's travel habits to encourage more active travel.
Support the Smarter Choices Smarter Places (SCSP) programme to encourage travel behaviour change	Scottish	Local authorities, Regional Transport Partnerships, Paths for All, Third Sector Delivery Partners	SCSP partnership project with COSLA is designed to increase walking and cycling for short journeys, car sharing and public transport use for longer journeys. Local Authorities target specific populations for travel behaviour change interventions. The projects include travel planning (at work, school or home), public awareness events, signage and mapping, supporting car clubs and work with public transport operations.

9.6.2 There are no appropriate quantifiable indicators here for measuring this activity as there will be ad-hoc specific actions by individuals and organisations.

9.6 Progress since RPP2

Table 9-22: Progress on RPP2 policies

RPP2 Policies	Summary of progress
EU Cleaner Vehicle Directives	EU regulations specify average emissions of new cars in 2021 must be 95g CO_2/km. These regulations have been the primary driver of reduced emissions in cars. The annual rate of car emissions reduction increased from 1% per year in the year before implementation to 4% per year in years afterwards. Efficiency improvements in fossil-fuelled cars will likely be significant in reaching the 2021 emissions targets.

Table 9-23: Progress on RPP2 proposals

RPP2 Proposals	Summary of progress
EU Biofuels target as implemented through the UK Renewable Transport Fuel Obligation (RTFO)	The main mechanism for the promotion of biofuel use, the Renewable Transport Fuel Obligation (RTFO), set by UK Department for Transport, results in the use of available biofuel across the whole of the transport sector. The UK DfT is currently developing a successor mechanism to RTFO from 2017 and there are indications that this may focus the deployment of sustainable biofuel on sectors such as heavy freight or aviation, that are difficult to decarbonise through electrification. Scottish Ministers support this principle, which could mean that sustainable biofuel penetration into those sectors could reach higher percentages than the expected maximum average across the wider transport sector.
Continued roll-out of EV charge points through ChargePlace Scotland	We have continued to expand our network of EV chargepoints since this proposal. The ChargePlace network now comprises over 1,200 charging, including 150 'rapid' chargers, one of the most comprehensive networks of rapid charge points in Europe.
Switched-on Fleets	Switched-on Fleets offers evidence based analysis to identify opportunities for the deployment of EVs in each of Scotland's 32 CPPs. Transport Scotland has provided £2.5 million to enable local authorities to buy or lease plug-in vehicles. The first phase of Switched-on Fleets resulted in over 240 EVs being introduced across 50 public sector fleets. Another £1.2 million of funding will be provided in 2016-17.
Scottish Green Bus Fund (SGBF)	Since its launch in 2010, six rounds of the SGBF have provided nearly £15 million to support the introduction of 315 new low carbon vehicles into the Scottish bus fleet. The fund is complemented by the Bus Service Operators' Grant, which currently pays double the standard rate of grant for services operated by low carbon vehicles.
Ferries Plan	Three diesel-electric hybrid ferries using a combination of battery and conventional diesel power have been procured and delivered within the last six years and are now all operating daily scheduled ferry services on the west coast.
Use of Intelligent Transport Systems (ITS) and Average Speed Cameras on the Trunk Road Network	Transport Scotland have utilised ITS to inform transport network users of issues, alternative routes and methods of travel to minimise transport disruption. Variable message signs located at key points along the trunk road network and regularly spaced overhead lane signals advise drivers of incidents and delays. Traffic Scotland provide real time information in response to traffic problems through their website, mobile app and radio.

RPP2 Proposals	Summary of progress
Development of community based travel planning strategies	Personalised travel planning was provided to over 5,000 households, 49 employers and 2101 staff across 85 schools in 2015 through the Smarter Choices, Smarter Places programme. Further behaviour change measures, including personal travel planning, will be delivered under the additional £5 million of funding for the SCSP enhanced roll-out in 2016-17. In 2015-16 and 2016-17 the £10 million funding attracted over £13 million in match funding for the local projects. Over 340 projects have been supported locally. The programme of work started on 1 April 2016 and has attracted £6.8 million in local match funding.
Cycling and walking	The second Active Travel Summit took place on 2 November 2016 in Stirling and the third iteration of CAPs will be published by the end of 2016, reaffirming the Scottish Government's commitment to the 10% vision of everyday trips by bike by 2020. The Programme for Government (2016) further commits to maintaining record levels of funding to support active transport, such as cycling and walking for the remainder of the parliamentary term.
Car Clubs	There are car clubs in 25 locations in 16 Local Authority areas. There are approximately 10,000 members across Scotland, with access to 342 vehicles. 23% of the Scottish Car Club fleet is electric.
Support for Workplace Travel Planning and fuel efficient driving	A new Scotland wide travel planning site, 'TravelKnowHow Scotland', was launched in September 2016 with 100 organisations registered. In addition, over 20 Business Improvement Districts took part in European Mobility week events. The Energy Savings Trust has trained over 13,400 drivers in fuel efficient driving techniques, which deliver an average 15% improvement in efficiency.
Freight Efficiencies	Annually, MSRS enables around 2.5 million tonnes of freight to move by rail rather than road, removing 100,000 HGV road journeys and delivering more than £7 million in environmental benefits. In addition, FFG funded operations deliver around £3.5 million in environmental benefits. Through ScotFlag and its Urban Freight and Last Mile Connections sub groups, we continue to engage with the industry and key stakeholders to increase efficiencies in respect of urban deliveries and connectivity to intermodal hubs.
Additional Emissions Reduction Potential from transport in 2025	We will continue to explore and consider alternative policies and proposals to achiaeve additional emissions reduction potential in transport.

12. Appx 2

Edward Mountain MSP

Convenor of Rural Economy and Connectivity Committee

Scottish Parliament

Call for Evidence – Draft Climate Change Plan

Dear Convenor,

Thank you for the opportunity to provide evidence to the Rural Economy and Connectivity Committee on your scrutiny of the Scottish Government's Draft Climate Change Plan: the draft third report on policies and proposals 2017-2032 (RPP3).

The South East of Scotland Transport Partnership (SEStran) is a Regional Transport Partnership under the Transport (Scotland) Act 2005. Our vision is:

"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."

Given the timescales for submission of evidence, we have been unable to table a report for agreement by the Board of SEStran and therefore this response is the initial views of the Partnership Director.

The ambition of the RPP3 is welcomed, as is the recognition of the role of RTPs. I feel there is a clear potential role in taking a new wider regional approach to tackling the challenges for the transport sector to deliver sustainable aggregated responses to certain transport-related climate change challenges.

An initial view of officers is that the draft RPP3 focuses predominantly on emissions reduction via supply side interventions. It would be welcomed going forward to also consider in greater detail a wider range of potential demand side interventions and the impact these could have on potential latent demand for transportation generated by the long-term achievement of inclusive growth in Scotland which may continue for the near future to generate unsustainable travel practices prior to the impact of supply side policies and proposals outlined in RPP3 being able to generate the emissions reductions planned for them. It may also generate externalities in terms of congestion with economic albeit much reduced environmental externalities in future years, which could

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impact on economic performance and the resultant ability to resource further emissions reduction proposals and policies.

While it is welcome to see within the draft RPP3 a focused policy on ULEVs, SEStran would encourage a greater discussion of workplace parking charges for all vehicles. Further, in terms of LEZs moving forward it would be useful to understand if councils will be able to charge, in order to cost recover, for LEZs given the potential magnitude of resources involved and as a further measure to alter behaviour alongside any access restrictions. It may also be appropriate to renew and revise strategic regional approaches to parking and demand restraint policies in order to strategically plan for the reduced boundary effects and therefore it would seem appropriate to reference RTPs as delivery partners. If LEZs are focussed on air quality and modal shift outcomes then it will be important to take a whole system approach to their implementation.

Within the Plan many actions require preventative spend and it is good that the co benefits section recognises this resourcing issue and observes it will bring benefits to healthcare budget. It also perhaps highlights the need to develop a strategic model of co-production of such transport policies and proposals to enable benefits to be realised and enable commitment to policies such as interest-free loans and active travel beyond 2020/21.

The draft RPP3 makes welcome references to the need for further engagement with public sector run partnerships such as SEStran freight quality partnerships. It would be welcome in the final document if greater reference could be made to Freight Quality Partnerships[1] run by RTPs and the potential for them to be involved in delivery of the outcomes required by various policies and proposals. Especially given the previous and future research ambitions of SEStran on green logistics and distribution centres[2].

We welcome the recognition of Intelligent Transport Systems within the document and would be keen to see any ITS strategy also cover the wider aspects of ITS. We currently run a Real-Time Passenger Information system[3] to seek to enable passenger confidence in using public transport. If future policies and proposals seek to encourage and enable a modal shift, it will be vital to cover maintenance and long term resilience of those systems as part of an ITS response to future travel demands. It will also be welcome if such a strategy could consider the costs of such maintenance and resilience of such systems.

On the proposals within the Transport Chapter, we would comment that RTPs could deliver greater efficiency and reach if we had greater access to funding such as Smarter Choices, Smarter Places alongside our constituent councils. In recent months for example we have just concluded a report entitled X-Route[4] with YoungScot investigating young people's attitudes to active travel and potential barriers to its update. Given the timescale of RPP3 many of the respondents to this report will be established commuters by the end of 2032 and many of the report recommendations highlight the need to engage and

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[1] http://www.sestran.gov.uk/news/30/minister-launches-sestran-freight-quality-partnership/
[2] http://www.instituteforsustainability.co.uk/lopinod.html
[3] http://www.bustrackersestran.co.uk/
[4] http://www.youngscot.net/getting-active-with-xroute/

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embed confidence to enable travel behaviour change for the long term. Certainly, an eye-catching result of the survey was that 75% of respondents hadn't heard of the term "active travel", which highlighted the need to manage our messages to young people better when seeking to initiative behaviour change.

In the context of our work on X-Route and other sustainable travel initiatives, we recognise clearly the significance of 3 of the 10 key behaviour areas outlined in RPP3 relate to transport behaviours. Furthermore, that 30% of consumption emissions associated with individuals and households relate to transport. Therefore, whilst current progress is welcome on active travel and low carbon transport, we need to continue to make significant progress within the transport sector going forward and we recognise that RTPs must play our part in delivering these outcomes.

The draft Climate Change Plan also makes welcome reference to the availability of trip-sharing. We would invite further promotion of trip sharing in the final RPP3. Given the predicted increase in population we will have to balance supply side measures with demand restraint to achieve emissions goals. SEStran has a successful and ever-growing Liftshare scheme[5] and it would be welcome if further proposals and policies could be considered in the final RPP3 alongside a recognition of the role of RTPs in promoting it. The increase in lift-sharing opportunities could have a related co-benefit in terms of potential inclusion and accessibility impacts across urban-rural geographies.

We welcome the ambition for Scotland to have reduced transport emissions by over a third by 2032 and with almost complete decarbonisation of the Scottish economy by 2050. This will be a challenge for all sectors but especially in our view transportation given long-standing behavioural habits, current fuelling technologies and long lead-in times for consumer purchasing habits to change in terms of asset renewal if targets, such as 40% of ULEVs by 2032, are to be realised. It is highly possible to achieve, given current rates of fleet renewal, however it requires significant and quick consumer buy-in and ability to purchase such ULEVs. There will need to be a clear focus on financing routes for households and SMEs.

In terms of the companion draft Scottish Energy Strategy it is recognised that there is a clear pick up in terms of ULEVs registered in Scotland but there is still a significant gap between that figure and other conveniently fuelled vehicles. There is a requirement for clear public leadership on this matter to drive behavioural change and instil in all consumers that they can confidently buy and drive ULEVs over the next 10-15 years. This will be critical if transport is to meet its share of the 2030 "all-Energy" target outlined in the draft Strategy. We welcome the balance outlined in the Strategy between Hydrogen, Electricity and Fuel Cells, as across the SEStran region, transport in the future may be fuelled in different manners dependent upon the urban or rural geography in question.

Further, we would comment that a lot of consumer confidence could be engendered by proposals for a Government Owned Energy Company (GOEC) working with regional or local stakeholders to equalise current short-term fluctuations in the pricing of transport fuelling due to global market

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[5] https://liftshare.com/uk/community/sestran

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conditions and also any price differentials as the outcome of geography e.g. current enhanced price of oil-based products due to transportation costs.

However, the draft Strategy and RPP3 focus on reducing the emissions impact of individualised modes of transport must not implicitly or inadvertently be allowed to strategically promote greater use of individual motorised modes over collective or active modes and so potentially contribute to the further decline of bus or rail modes of transport. There is a potential equity impact on those who in the future, despite interest-free loans, can't afford or access for other reasons individualised ULEVs. Alongside any equality impact, these ULEVs could still have externalities around economic and social impact e.g. congestion, albeit the environmental externalities of their carbon emissions would have been greatly reduced.

The Draft Energy Strategy also ends with a commitment to work with Local Authorities moving forward which is welcomed in terms of co-design principles. However, in terms of transport we would suggest that RTPs would offer a clear route for delivery of regional low-carbon outcomes and would be grateful if the final strategy made a similar commitment to work with RTPs on the issues of transport energy moving forward.

In conclusion we would welcome further discussion, in co-design terms, on policies that look at hypothecation of revenues back to further transport projects to deliver improvements to collective modes of transport and also resource the maintenance and adaptation of our existing networks to climate change and increased demand. At present it would appear that the RPP3 strategic approach is very much focussed on a supply-side revolution of fuelling of vehicles but if the incentives outlined in the document are not sufficient to change certain long-standing behaviour patterns, it may also be prudent to ensure that RPP3 also have policies and proposals to restrain demand in terms of equitable and re-distributive schemes.

That comment notwithstanding SEStran welcome proposals for access limitation policies for certain vehicles e.g. Low Emission Zones and would welcome further discussions with Scottish Government over how these can be resourced and rolled out over the period of 2017-2032. We also recognise the co-benefits such policies could have for air quality and healthier outcomes for Scotland, as well as their demand management impact on transport choices towards potentially greener and more sustainable modes of transport and distribution

We would be happy to provide further information to your Committee if required on any of the points raised and plan to submit a further response to the draft RPP3 itself after consideration by SEStran's Board on 2 March to Scottish Ministers.

Kind Regards,

George Eckton

Partnership Director

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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 stakeholders and identified relevant monitoring indicators.

3. CONCLUSION

3.1 The Board are asked to approve the contents of the draft Business Plan 17/18.

Jim Grieve
Head of Programmes
23rd February 2017

Appendix 1 – Draft Business Plan 17/18

Policy Implications	The Business Plan proposes to further develop a monitoring base for the delivery of key RTS policy statements and key business priorities.
Financial Implications	The proposed priorities are identified within the 17/18 Budget.
Equalities Implications	The Business Plan seeks to mainstream the continuous improvement of SEStran's Public Sector Equality duties within our Business Planning process.
Climate Change Implications	The priorities seek to promote SEStran's responsibilities as a major player under the Climate Change Act legislation and our associated duties.

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[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

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

- *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

George Eckton	Partnership Director	George.eckton@sestran.gov.uk	0131 524 5152 07720 824 490
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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

Audit report recommendations

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 CO2 Emissions • Raised awareness of TripshareSEStran.com • Increased awareness of Thistle Card	• Membership Numbers • CO2 Emissions reduction calculation from Liftshare Monitoring • Full spend of Sustainable Travel Grant Scheme	• Economy • Accessibility • Environment

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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.   INTRODUCTION

1.1   The report provides the Board with an update on key aspects of projects and appraisal undertaken in the last quarter, seeks their agreement on a number of project grant awards and potential strategy of focussing grant schemes on delivering maximum EU match funds for the SEStran region. The report then provides an update on the process for the UK leaving the EU and finally, within the recommendations, seeks agreement that should an underspend in the current year be evident, that such underspend should be carried forward and assigned to Sustainable and Active Travel Grant Scheme (SATGS) actions in 2017/18.

2.   REAL TIME PASSENGER INFORMATION

2.1   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.

2.2   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 Bustracker SEStran 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.

2.3   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 is underway to procure the necessary equipment, through a Transport Scotland framework contract and thereafter to kit-out the following bus operators: Blue Bus Ltd., Waverley Travel, A1 Coaches, Edinburgh Coachlines Ltd. and Eve's Coaches. The total investment is £79285 with an ERDF contribution of £31714. Again the installation will be complete by 31ˢᵗ March 2017.

3.   SESTRAN THISTLE CARD – APP DEVELOPMENT UPDATE

3.1   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.

3.2   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.

3.3 SEStran are now in discussions with experts such as Code Clan and xDesign to identify further potential for the apps development.

3.4 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.

3.5 Promotional campaigns with Forth 1 and Forth 2 to further publicise Bustracker SEStran and the Thistle Card were launched on 22 February and will run until the end of the financial year. These are intended to encourage more use of the bus and to increase awareness of the Thistle Card.

4. Sustainable and Active Travel Grant Scheme

4.1 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.

4.2 Grants have in the past ranged from £500 to £25,000 and normally up to a maximum of 50% of any proposal, although in exceptional circumstances higher awards may be made. However, as described in paragraph 5.5 other options for the use of this fund will be considered in the next financial year.

5. Regional Cycle Network Grant Scheme (RCNGS)

5.1 SEStran operates the Sustrans funded Regional Cycle Network Grant which seeks to encourage the development of the Cycle Network throughout the Region, in particular cross-boundary infrastructure.

5.2 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 generally range from £500 to £25,000 although higher sums will be considered.

5.3 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 Board's approval 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

5.4 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 Board is requested to agree to a contribution from SEStran of £40,000 in order to fully fund the project.

5.5 In anticipation of a reduced level of expenditure in the RTPI project, as a result of a reduced need for further development work, it is proposed to increase the budget under the heading of Sustainable and Active Travel Grant Schemes and look to achieve best value for investment by seeking to match fund potentially larger schemes in combination with the Regional Cycle Network Grant Scheme and EU funding.

6.   European Projects Update

6.1 **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.

6.2 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.

6.3 **'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.

6.4 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'.

6.5 **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.

6.6 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.

7.   Opportunities For New European Projects

7.1   Interreg, North West Europe

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.

7.1.1 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.

7.2   Interreg, North Sea Region

7.2.1 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.

7.3   Horizon 2020

7.3.1 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.

7.3.2 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.

8.   EU Exit

8.1   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.

9.   Scottish Transport Awards 2017

9.1   Now in its 15th year, the prestigious Scottish Transport Awards 2017 brings together the transport community to recognise and celebrate industry achievements across Scotland.

Supported by the Scottish Government and Transport Scotland, this year's ceremony will be held at the Radisson Blu Hotel in Glasgow on 15th June 2017.

Roy Brannen, Chief Executive, Transport Scotland on the Scottish Transport Awards:

"These Awards are a great opportunity to recognise the contribution by our professionals in improving and enhancing Scotland's transport networks. Everyday Transport Scotland sees the effort, collaboration and results from everyone involved in providing a successful journey for Scotland's travelling public, and I am delighted to be asked to take on the task of helping to judge and identify these nominated schemes that showcase the best approach."

9.2   SEStran has put forward four entries for the awards, as follows:

- **Bustracker SEStran**, with an emphasis on the digital screens element.

- **Thistle Card**

- **X-Route** To remind the Board, this involved groups of young people, from various socio-economic backgrounds across the south east of

Scotland, discussing the barriers they face when considering using active travel as a means of transport. The report was conducted using Young Scot's Co-design method, where young people are involved much earlier in decision making process through a highly participative approach developing informed insights, ideas, recommendations and solutions for service development, policy and practice.

- **Regio-mob**, which is described above and was entered under the category "Transport Team / Partnership of the Year", highlighting he international partnership and focus on sustainable transport.

10.   Recommendations

10.1   The Board is invited to:

- Note the content of the report;
- With reference to Item 5.3, as recommended by the Performance & Audit Committee (P&A), approve grant awards for City of Edinburgh Council for £8000, St Andrews University for £3917.50, and Edinburgh and Lothians Greenspace Trust for £65,000;
- With reference to Item 5.4, as recommended by the P&A, approve a contribution from SEStran of £40,000 to the Diaches Braes project;
- Agree to focus SEStran's two grant schemes (STATGS & RCNGS) on achieving greater value for money by seeking to attract EU match funding for investment in potentially larger projects.
- Agree any underspend evident at the end of the current year be carried forward into the financial year 2017/18 and assigned to the Sustainable & Active Travel Grant Scheme.

Jim Grieve
Head of Programmes
23rd February 2017

Policy Implications	Change of emphasis on SEStran's two grant schemes by potentially combining funds to seek larger levels of EU match funding.
Financial Implications	As detailed in this report, particularly the sections highlighted in the 'Recommendations'.
Equalities Implications	Promotional campaigns underway to attract more users to the Thistle Card and to public transport.

Climate Change Implications	RTPI promotional campaign seeks to increase usage of Bus services across the SEStran area.

ACTIVE TRAVEL TASK FORCE

1. **INTRODUCTION**

1.1 In late 2016, the Minister for Transport and the Islands, Humza Yousaf, announced that he would be establishing an Active Travel Task Force to "identify and make recommendations (to the Minister for Transport and the Islands) on ways to tackle the barriers to the delivery of ambitious walking and cycling projects in Scotland, to create more attractive places and to encourage more active travel."

1.2 The new taskforce is chaired by Transport Scotland. Key organisations such as Regional Transport Partnerships, Sustrans, COSLA and the Society of Chief Officers of Transportation in Scotland (SCOTS) have been invited to take an active part in the group. The SEStran Partnership Director is a member representing RTPs.

2. **ISSUES TO BE CONSIDERED**

2.1 The task force will identify the key barriers to the delivery of ambitious walking and cycling projects in Scotland and ways to overcome them. This is likely to include (but is not limited to) consideration of how to:
   - Simplify the TRO process;
   - Improve local consultation and communication to enhance local democracy;
   - Look at prioritising people and place over movement of vehicles in local areas through better implementation of designing streets and the place standard tool;
   - Link the Strategic Transport Projects Review and NPF3 (with the National Walking and Cycling Network) and the promotion of these. To help address issues with access to land (as very few compulsory purchase orders are used in rural areas for paths but are used for roads).
   - Links to the planning reform agenda, development proposals and area regeneration; and
   - Take in to account the findings from the Active Travel Implementation research which looked at policy implementation across SG policy areas including Designing Streets, the National Walking Strategy and the Town Centre Action Plan to see if any lessons can be learned to improve the outcomes for active travel.

3. **POTENTIAL RESPONSE AND EVIDENCE**

3.1 To begin the discussion amongst the SEStran Board members, one of the examples that SEStran is keen highlight in its response is the co-design project conducted with Yong Scot, the SEStran X-Route Study. The study actively involved young people from across Scotland and ensured that they were involved much earlier in the decision making process. This co-design approach should be used as an example to improve the local consultation

process. During the X-Route consultation, it became apparent that the challenges and barriers that would deter a young person from cycling are similar to those of the wider active travel community. This insight will allow young people's experiences and ideas to improve infrastructure and enable their ideal active travel experience to become a reality.

3.2 The second study that SEStran would like to reference as evidence is the SEStran Strategic Cross Boundary Cycle Development Study. The study produced a compiled list of recommendations for investment in cross boundary cycling structure in the SEStran Region. A combination of site audits, consultations and stakeholder workshops were used to identify the main barriers and missing links in the Region's Cycling Network. With a particular focus on routes suitable for commuters, funding for infrastructure will be maximised and will deliver a greater return on investment.

3.3 Appendix 1 outlines a draft of further issues for consideration of the Forum to be included in SEStran' submitted evidence:
- Integration of Planning, Duties and Powers to promote Active Travel
- Travel Planning and Access to Jobs and Services
- Co-Design with Communities
- Funding

3.4 The table in Appendix 1 illustrates access to bicycles, as reported in the Scottish House Survey 2015. It is clear that households with a low annual income have considerably less access to private use bicycles. Cycling still appears to be a pursuit for more affluent families, than a mode of transport for those at the lower end of SIMD. Within SEStran almost two thirds of respondents have no access to bicycles.

4. TIMELINE

4.1 The Task Force will draft a report with recommendations to the Minister by the end of the calendar year.

Key task	Date
First call for written evidence	March 2017
Evidence from key stakeholders involved in high-profile projects	April 2017
Possible second evidence day	Spring (April/May) or early autumn (September) 2017
Workshop in for elected councillors following the Local Elections in May. Invitations to include convenors of Transport, Health, Environment and others with interest in active travel benefits.	Mid-late June 2017

Discuss the emerging findings of the Taskforce at the Active Travel Summit	Oct/Nov 2017
Final report sent to Minister	December 2017

5. CONCLUSIONS / RECOMMENDATIONS

5.1 Moving forward, the Task Force are to review evidence collected from its stakeholders. SEStran would like to invite its Board members to consider some of the issues/barriers facing the delivery of active travel as mentioned above and to provide examples/evidence of what could be done to improve or enhance the delivery of active travel projects across Scotland. With the aim of maximising investment and improve community consultation. The deadline for comments to SEStran is 7th of March 2017.

Lisa Freeman   George Eckton
Project & Strategy Officer   **Partnership Director**
23rd February 2017

Appendix 1 - Integration of Planning, Duties and Powers to Promote Active Travel

Appendix 1

Integration of Planning, Duties and Powers to Promote Active Travel

The United Nations in the Secretary General's High Level Advisory Group on Sustainable Transport has suggested a single joint authority with oversight of all policy and planning aspects would be helpful across all types/stages of economies. Certainly, members of the partnership have viewed the need for a spatial strategy covering a number of policy areas including transport as fundamental to delivering cohesive, sustainable and inclusive growth for the South East of Scotland. This integration would ensure that transport and the impact of development was a key consideration during the initial stages of the planning process. It is often the case that Transport/Travel Planning is a reactive measure rather than a proactive part of the process, often leading to the retro-fitting of (and often compromised) sustainable transport infrastructure.

RTPs are community planning partners, is it proposed to the ATTF that they should support the proposal for a statutory link between land-use and community planning as outlined in the current Planning, Places and People consultation. It would also be a clear opportunity to discuss the infrastructure requirements of transport service delivery especially active and sustainable travel, 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.

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. This may also be reflected in the new set of national outcomes being developed for the National Performance Framework and drive setting of local outcomes in Local Outcome Improvement Plans (LOIPs). These new national outcomes will implement the Scottish Government's previous commitment to incorporate the United Nations Sustainable Development Goals, which include specific actions on climate change and inequalities amongst other actions. If a "barrier" is cross sector working, we ask for specific reference to Active Travel in the NPF to drive work on it in LOIPs? RTPs could be a key mechanism for addressing these gaps and delivering the outcomes required across several Local Outcome Improvement Plans (LOIPs) to deliver a functional regional network.

Under the current Transport (Scotland) Act 2005, all RTPs are obligated to produce Regional Transport Strategies. In addition to this, SEStran propose the addition of statutory Regional Active Travel Strategies; these would be produced in conjunction with a Transport Audit as part of a wider assessment of Transport Infrastructure and the upcoming renewal of the Strategic Transport Projects Review. This would provide each Region with a list of strategic active travel priorities, and create a platform for joint working across local authority boundaries.

Could a lack of regional or locally responsive powers or duties be a barrier to delivery of innovative approaches to addressing barriers? Scottish Ministers have said they will invoke Part 1 of the Equality Act in Scotland in terms of the socio-economic duty. Could this to be used to readdress current transport decision-making, given how vital and inclusive and accessible transportation infrastructure is to community regeneration, as highlighted so clearly by the Scottish urban regeneration network in their manifesto last year. This duty could be utilised alongside the existing power to advance well-being from the Local Government (Scotland) Act 2003 which could be extended to other public bodies such as Regional Transport Partnerships to achieve innovative active travel strategies and schemes

in new LOIPS. There could also be clear links here to partipcation requests from communities under Community Empowerment Act In terms of overcoming or preventing barriers occurring.

Proposal 15 of the current Planning consultation also highlights that the Scottish Government wish to explore wider opportunities for innovative infrastructure planning. We would suggest a "de-coupling" active travel network planning and funding into a longer-term railway type "control period" approach to planning infrastructure [this might reduce some of the barriers around scheme delivery prior to elections] where maybe 5 or 10 year timespans are introduced to use to decide priorities for investment and the timescale for delivery, with a bottom-up approach/co-design to the delivery of these programmes through a statutory regional active travel strategy.

Travel Planning and Access to Jobs and Services

In relation to Travel Planning, the RTPs have worked collectively with Transport Scotland to develop the national Travel Planning online toolkit, wwwtravelknowhowscotland.co.uk, an online resource which supports public and private sector organisations to develop, implement, promote and monitor effective Travel Plans for employee/business and other travel demands.   With limited promotional resource the site has already acquired 133 registrations (98 unique organisations).   SEStran would recommend further investment to promote this resource.   Further investment in this resource would be an effective and low cost way of addressing gaps in knowledge and enhance skills required to deliver travel planning measures.

The emerging findings of the recent RSA Inclusive Growth Commission report highlighted that there are numerous communities across the UK within a few miles of improvements to transport opportunities that do not always benefit, through either an ingrained mind-set or the cost of travel. Transport services and accessibility can be a preventative measure against low skilled or economically inactive areas becoming further excluded. Active travel could be a low cost intervention and an excellent opportunity to follow up on the suggestions of the report in enabling a focus on the elusive business of prevention and early intervention, focussing on genuinely geographically inclusive pace-based strategies tailored to the needs, ambitions and nuances of places' economic geography.

There is clear evidence that a lack of accessibility to transport options has a limiting effect on opportunities and that those who are least skilled, or remote from the labour market have the least location flexibility in seeking new job or training opportunities. Therefore SEStran views transport and accessibility/affordability of transport as integral to an inclusive economy. The links between transport, health and employability are complex but it is clear from academic evidence that mental and physical health are negatively affected if an individual is not able to participate fully in society, and lack of transport can be a factor in this outcomes but active travel could be part of the solution in breaking down such barriers. In terms of the Government's proposed free bus travel for the new Jobs Grant scheme, could there also be an option included utilising existing Bike refurbishment schemes to encouraging increased active travel upon entering or returning to employment/training?

The recent Blueprint 2020 childcare consultation asks what actions could be taken to support increased access to outdoor learning, exercise and play. One suggestion to encourage more outdoor activity would be to set up walking buses for children to travel to and from childcare in the more temperate months. This would provide a safe and healthy way to travel and may help to encourage children and parents to try a healthy active lifestyle and embed at an early age long term antecedents of behaviour change and sustainable model choice. Albeit we recognise that parents with children in ELC may face a number of barriers to physical activity as well, in trying to fit around their caring responsibilities.

Co-design

In order to address the issues laid out by the fact that some people within close distance of transport improvements do not always benefit, there is a need to co-design with communities. SEStran have recently engaged in a successful co-design project with Young Scot[2] to engage young people about the barriers they face in accessing active travel. The main goals of the project were; to support young people to shape and influence sustainable travel services and low carbon activity, improve the understanding of young people's cycle network needs and to develop young people's awareness and knowledge of active travel while improving their confidence working in teams and to celebrate and share the participating young people's achievements. Active travel is a key part of ensuring; inclusive and sustainable growth of regional economies, inclusive mobility in terms of sharing services and changing patterns of commuting with the result of less pollution.

In recent months SEStran for example has concluded a report entitled X-Route[3] with Young Scot investigating young people's attitudes to active travel and potential barriers to its update. Given the timescale of the recently published RPP3 many of the respondents to this report will be established commuters by the end of 2032 and many of the report recommendations highlight the need to engage and embed confidence to enable travel behaviour change for the long term. Certainly, an eye-catching result of the survey was that 75% of respondents had not heard of the term "active travel", which highlighted the need to manage our messages to young people better when seeking to initiative behaviour change. The survey received 902 responses from young people aged 11-25 and had responses from all 32 Scottish local authorities. 294 responses came from SEStran's eight authorities in the south east.

Of those surveyed, over 75% had never heard the term active travel before (72% in the South East). Of the 203 who had, the majority had heard of the term through school, university, or a youth engagement settings. 24% did not have access to a bike (23% in the South East). Across the project there was a range of prominent barriers raised through survey comments, live exploration, discussion, and ideas for improvement. The following issues/barriers were raised: 1) Promoting information for an understanding of cycling; 2) Cost of kit; 3) Safety; 4) Attitude; 5) Peer Influence; 6) Quality of Routes; 7) Local connections; and 8) Bike security and storage.

From the study it was evident that for a young person to develop an interest in cycling the biggest factor is having a positive social influence close to them, this could be an advocate in the family, friend, school or in the community. Cycling was frequently described as a niche interest and that there needs to be enjoyment and a social aspect for a young person to develop a sustained interest. Negative social influences were also raised with cycling being seen as 'clique' and bullying based on being part of a group or based on your skill or equipment. It was apparent that cycling was seen as a physical activity and became something that teenage girls were less likely to do. Young people's social perception of cycling has raised questions around how cycling can be made more accessible and desirable.

Funding

SEStran would encourage a greater discussion of workplace parking charges for all vehicles and the revenue recycling of charges into the delivery of sustainable transport infrastructure. If LEZs are focussed on air quality and modal shift outcomes then it will be important to take a whole system approach to their implementation including active travel. This also highlights the need to develop a strategic model of co-production of such transport policies and proposals to enable benefits to be realised and enable commitment to policies. SEStran

would comment that RTPs could deliver greater efficiency and reach if they had greater access to funding such as Smarter Choices, Smarter Places alongside their constituent councils.

Similar to other RTPs, SEStran now employs an embedded Sustrans Officer. From this partnership, SEStran has been allocated £100k of Sustrans funding. This funding has resulted in a Strategic Cross Boundary Cycle Development programme which aims to remove barriers across the regional cycle network. With other limited sources of funding, SEStran has managed to successfully deliver projects identified within the study and have embraced the co-design process in projects such as the SEStran X-Route Study.

However, SEStran would like to raise concerns on the allocation of such sources of funding. There has been an increasing amount of 'challenge funds' e.g. Low Carbon Transport and Travel, Community Links etc, which can promote best practice but unfortunately do not provide continuity.   Whilst there has been pre application support for Active Travel Hubs or path networks the lack of match funding, the tight timescales for delivery and the difficulty of 5 years revenue funding to ensure longevity of the scheme are clear barriers to delivery.

With a view to partnership and cross-portfolio working, the issue of funding may also require a co-design and co-resourcing outcome to be agreed between transport and health sectors to ensure a sustainably resourced system is in place from policy and proposal initiation. On the issue of active travel, we would hope that there could be a commitment past 2021 from the health and transport budgets to take a preventative and sustained early intervention approach to all generations to embed habit, overcome barriers and sustain active travel behaviours.

Availability of Bikes in Sestran area

No bikes available for private use by households: 2015 (%)							
Household type:							
Single adult	Small adult	Single parent	Small family	Large family	Large adult	Older smaller	Single pensioner
72.6	56.9	70.4	43.6	38.7	43.9	74.7	91.2
by annual net household income:							
up to £10,000 p.a.	over £10,000 - £15,000	over £15,000 - £20,000	over £20,000 - £25,000	over £25,000 - £30,000	over £30,000 - £40,000	over £40,000 p.a.	
83.0	83.6	74.3	67.0	59.4	49.4	37.7	
Scottish Index of Multiple Deprivation:							
1 - Most Deprived	2	3	4	5 - Least Deprived			
78.6	73.4	63.3	55.1	53.0			
SEStran	64.3						
Clackmannanshire	East Lothian	Edinburgh, City of	Falkirk	Fife	Midlothian	Scottish Borders	West Lothian
67.0	54.9	64.8	65.5	67.4	53.7	63.0	66.0

Scottish Household Survey 2015, Transport Scotland

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[2] http://www.sestran.gov.uk/uploads/XRoute_document_2016_Final_2.pdf
[3] http://www.youngscot.net/getting-active-with-xroute/

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 is an ongoing issue for the reasons highlighted within the

Board Diversity Succession Plan report at Item 19 on this 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 Board are asked to:
1. Approve the Equality Mainstreaming Report & the Equality Outcomes Report

Emily Whitters   George Eckton
Business Support Officer   **Partnership Director**
23rd 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
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

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 one format of EQIA, we are seeking to develop and inform our projects in a spirit of co-design and will develop a protocol to this effect.

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. 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

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

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, such as Changing the Chemistry and Equate Scotland, 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. In 2015 SEStran's work with the Thistle Card was recognised by the Scottish Accessible Transport Alliance (SATA) with an achievement award in recognition of outstanding achievement in facilitating transport services for disabled people.

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.

We have been invited to submit our progress towards these goals as part of the CIHT awards 2017.

10. X Route

SEStran have worked with 4 groups of young people over 2015 – 2017 to explore their attitudes to active travel and actively interest and engage them in the statutory transport planning process. We are proud of the partnership working with Young Scot to deliver this exciting and innovative study. Young people are often overlooked when considering transport issues and this report gives young people a platform and a voice to express the barriers they face when considering active travel options. Active travel plays a vital role in creating a sustainable transport network across the region and we must continue to strive to engage and encourage those who are often underrepresented if we wish to make active travel an easy and natural choice. Going forward, SEStran is committed to support its partnership with Young Scot, using their fantastic co-design method, to continue to engage and empower the future users of our transport network in the planning process and has submitted a funding bid as part of a consortium to Horizon 2020 fund to continue this type of work and also have approval from the Scottish Roads Research Board to implement some of the original X-Route suggestions from young people.

11. Stonewall Scotland

SEStran has actively engaged with Stonewall Scotland over the course of 2017 in terms of membership of their Diversity Champions programme. We have committed to join as part of our Equality Duties and have negotiated a wider membership proposal to all RTPs to access the programme as a collective membership, involve a strategic link up between all RTPs to ensure policies and practices are consistent and unified across Scotland, which will allow for further good practice in creating more cohesive regional work. The programme comes with a dedicated client account manager based in Edinburgh who is able to work with SEStran to develop LGBT inclusive policies and also offer wider support at any time on progressing equality &

diversity outcomes in line with our PSED both in terms of our duties as an employer but also in terms of the inclusivity of the regional transport network.

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 and women's mean hourly basic pay on a full time equivalent basis.[3] Overtime and other allowances have been excluded from this calculation. In 15/16 there were 14 members of staff, 57% female and 43% male and the gender pay gap was 52%. In 16/17 there were 12 members of staff, 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 occupational 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. It is hoped that collective membership of the Stonewall Diversity Champions programme will enable a monitoring and benchmarking framework to be developed across Scottish RTPs and potentially other relevant public bodies.

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.

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[3] http://gender.bitc.org.uk/sites/default/files/bitc_toolkit_1_measuring_your_pay_gap_final.pdf

Identification of Responsible Officers

Emily Whitters – Business Support Officer

Angela Chambers – Business Support Manager

George Eckton – Partnership Director

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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

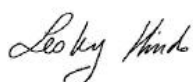- Diversity is a strength, it avoids a uniformity of view and brings welcome challenge.

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

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[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%.

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[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

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[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.

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[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, the Board would presumably 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 and P&A Committee, where they supported SEStran in making this commitment.

4. RESPONSE

4.1 It is proposed that SEStran should response 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 under the Equality Act 2010 (Specific Duties) (Scotland) Amendment Regulations 2016 as outlined in Item 19 on this Agenda.

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

- 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 Scottish Government pledge to reform gender recognition law in 2016.

5. RECOMMENDATIONS

5.1 The Board are asked to:

1. Comment on the consultation on the Draft Gender Representation on Public Boards (Scotland) Bill and mandate the Chair to sign off the final consultation response.
2. Agree to support SEStran in signing up to the 5050 by 2020 pledge as recommended by the Equalities & Healthcare Forum and Performance and Audit Committee.

George Eckton
Partnership Director
23rd February 2017

Emily Whitters
Business Support Officer

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, as part of SEStran's 2017-2021 Equality Outcomes, proposals for a Succession Planning Committee and the retrospective collection of SEStran Board Diversity data relating to gender.

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).

2.2 *"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.

2.3 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.

2.4 The Scottish Government informed SEStran by letter this month that during the process of testing the Scottish Government's data collection platform for gathering diversity information, there was a need identified to look again at the process and carry out further engagement work with listed public bodies to ensure a robust and secure process. The Scottish Government therefore plans over the course of 2017 to undertake further work with listed

authorities on the process for gathering Board diversity data and the mechanism for providing information to Boards.

2.5 In light of the revised timescale for providing data to public bodies, the Scottish Government recognises that information on the protected characteristics of Board members will not be provided to public bodies before the publication of Mainstreaming Report in 2017. Therefore, the following information on Board Diversity is what will be required in these reports:

- the number of men and women who have been members of your Board during the period covered by the report, and

- the action your authority proposes to take in the future to promote greater diversity of Board membership. As this is the first time public bodies are reporting on this area of work it is expected that the information published will be a sign-posting of future activity. However, where activity is already underway to improve the diversity of the Board, authorities may find this provides an opportunity to highlight these developments

2.6 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 17 on this agenda. The final Succession Plan will be published alongside our mainstreaming report 2015-17 and Equality Outcomes 2017-2021 detailed in Item 16 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 no quota or other barrier can at present be placed on nominated councillor members from constituent councils. We have also asked the Equality Unit at Scottish Government if we have to seek self-identification of gender from current and previous members 2015-17. They are not being prescriptive on the method of collection but given we also have duties under Data Protection legislation and Equality Act not to use information given for a different purpose or assume gender, it is therefore proposed that SEStran contact all members of the SEStran board during the period April 2015 to April 2017 to ask them to voluntarily identify their gender. This voluntary data will then be collated and published as solely a male/female ratio of Board consumption during that period and will be held in accordance with our Data Protection duties and used solely for the purpose of the Board Diversity Succession Plan.

2.7 The Scottish Government in January 2017 published guidance[1] on Succession Planning for Public Body Boards 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

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

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.

2.8 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 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 Board are requested to:

1. Agree the Board Diversity Succession Plan depending receipt of 2015-2017 Board Diversity data.
2. Agree that SEStran should commit to a transparent, inclusive and outreaching process of appointment of new Non-Councillor Board members in 2018.
3. Agree that SEStran transition from a Board Diversity Working Group to a formal Succession Planning Committee which should meet annually to oversee and monitor Board appointments;
4. Comment upon and agree the attached initial terms of reference for the Succession Planning Committee;
5. Note that the delay in the Scottish Government proposal to survey member of Public Boards; and
6. Agree that prior to the publication of the Board Diversity Succession Plan, SEStran board members should be sent a voluntary survey to enable retrospective identification of board gender balance between 2015-2017.

George Eckton
Partnership Director
23rd 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
Equalities Implications	The Plan seeks to remove 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

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[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;

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[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 XX, 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

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[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 Board observers in 2017. Officers have progressed this and will seek to appoint Observers via engagement with 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

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.

<u>The Role</u>

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

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

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

[5] http://www.gov.scot/Resource/0049/00497889.pdf

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

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[6] http://www.gov.scot/Resource/Doc/47121/0020877.pdf
[7] http://www.gov.scot/Resource/0047/00475242.pdf

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;

- 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.

Review of Forums

1. INTRODUCTION

1.1 Further to the September and December 2016 Board reports seeking to review current SEStran consultative and engagement forums, the Partnership Director has received further comments from Board members on the proposals. The Chair has proposed that the subject is effectively left to the next SEStran Board as a legacy issue pending the outcomes of the review of transport governance and planning review proposals.

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.

2.2 In early 2017, there have been a few subsequent comments from Members about retaining the Bus and Rail Forums and removing all other forums or operating a combined Bus and Rail Forum as a joint operator forum. 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 Airport to further their Surface Access Strategy during 2017 and beyond. Therefore, the SEStran Air Forum will cease to meet. Edinburgh Airport has offered continued representation for SEStran on the new forum and also to review Board representation on the Airport Consultative Committee.

2.3 The suggestion from the Chair of the Board is that further discussion on this matter is postponed until the September or December 2017 Partnership Board meeting when there will be a new SEStran Board and greater clarity on the future of Regional Partnership working. There is not the same pressing timescales to be proactive due to the closure of discussions with SESplan. Discussions explored possible joint managerial oversight of both bodies but were concluded due to the workload implications without review of current governance structures for members of staff. However, there have been stakeholder requests for change in SEStran governance structures going forward.

2.4 The Performance and Audit Committee and Chair of the Board therefore propose that, given there has been a full range of forum meetings in the last few months, that further meetings of all forums are paused until after the September 2017 Board meeting. This would enable a clear strategy for SEStran's internal consultative and engagement processes to be delivered in line with emerging proposals for transport governance and planning reform.

3.   CONCLUSION

3.1   The Board are asked to:

- Note the current position with regard to comments on the Review of Forums,
- Agree the transfer of the Air Forum responsibilities to the airport operator; and
- Agree with the recommendation of the Performance and Audit Committee and Chair of the Board to postpone further debate about meetings of SEStran forums until the September 2017 Board meeting , when there may be emerging legislative proposals on Regional Partnership working.
- Note that all outstanding Forum meetings have been held or scheduled.

George Eckton
Partnership Director
23rd February 2017

Policy Implications	None
Financial Implications	None
Equalities Implications	None
Climate Change Implications	None