



SESTRAN PARTNERSHIP BOARD MEETING

**Conference Room 4+5, Victoria Quay, Edinburgh, EH6 6QQ
Friday 11th August 2017 – 10:00 AM**

AGENDA

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Angela Chambers
Business Manager
Area 3D (Bridge)
Victoria Quay
Edinburgh
EH6 6QQ

4 August 2017.

Telephone: 0131 524 5154 or E-mail: angela.chambers@sestran.gov.uk

Agendas and papers for all SEStran meetings can be accessed on www.sestran.gov.uk

1. Introduction

- 1.1 The Transport (Scotland) Act 2005 placed a duty on Scottish Ministers to create Regional Transport Partnerships (RTPs) covering the whole of Scotland. This paper provides members of the Partnership Board with a summary of guidance published by the Scottish Government on the specific aspects of appointments to governance RTP positions and membership of RTPs committee. There are also references to guidance providing basic information on the role of the Board of a public body in Scotland, including specific guidance on the role of a Chairperson.

2. (a) Chairperson

- 2.1 The Scotland's Transport Future: Regional Transport Partnerships – Guidance on Membershipⁱ published in December 2005 assists all members of RTPs by amongst other matters: summarising the statutory requirements of RTPs and describing the key roles, skills and relationships required to exercise the statutory duty placed by the Transport (Scotland) Act 2005 on Scottish Ministers to create regional transport partnerships covering the whole of Scotland. The Guidance outlines that Paragraph 4(1) of Schedule 2 of The Regional Transport Partnerships (Establishment, Constitution and Membership) (Scotland) Order 2005 requires each RTP to elect a Chairperson from amongst its members. The Chairperson can be a councillor member or another member of the Partnership.
- 2.2 The Guidance highlights that the Chairperson will play an important role in building and leading the RTP and will be drawn from the membership (councillor or other). The appointed Chair, it is stated, will have a key role not just in guiding formal discussion and decision-making but in vital preparatory work, working closely with members and officers. The guidance goes on to suggest that the Chairperson should aim to avoid votes on matters as far as possible, find consensus by weighing up the points made in discussion by members and keeping the focus on the objectives and responsibilities of the RTP.
- 2.3 The 2005 Transport Scotland guidance also outlines that the Chairperson is also likely to be the most visible of the members i.e. the RTP's public face. This representational role will require a solid grasp of the issues and the ability to present the RTP as a serious player to a range of stakeholders, including the constituent councils. The Chairperson will also be the key point of contact for the Minister for Transport. A key part of the role will be to foster good working relationships between the Minister and the RTP Chairpersons, collectively and individually, which will help to foster open and positive collaboration between the Scottish Government and RTPs.
- 2.4 The 2005 Guidance also references "On Board: A Guide for Board Members of Public Bodies in Scotland", which it states provides a comprehensive standard induction pack covering a range of issues such as roles and responsibilities of public bodies, and accountability and governance arrangements to supplement tailored induction and training. The "On Board"

guidance was updated and re-published in March 2017. The 2017 guidance highlights that the Chair of any public body has additional responsibilities over and above those of Board members, particularly in relation to leadership and the conduct of Board business. The guidance highlights that communications between the public body Board and the Scottish Ministers should normally be through the Chair. They are responsible for ensuring that the public body's policies and actions support the Scottish Ministers' wider strategic policies and that its affairs are conducted with probity. Whilst not an exhaustive list, the "On Board" guidance summarises the role and key responsibilities of the Chair as follows:

- Leads representation and links with Ministers and Scottish Parliament;
- Leads the Board, ensures that the Board has the ability to carry out functions effectively and chairs Board meetings;
- Leads the Board's approach to strategic planning;
- Leads the Board's approach to the establishment of committees and ensures the Board considers substantive reports from any committees established;
- Ensures that the work of the Board and any committees is subject to regular self-assessment and that the Board is operating strategically and effectively;
- Ensures the Board has a balance of skills appropriate to directing the public body's business, in accordance with recognised good practice in corporate governance;
- Ensures the Scottish Ministers are advised of the body's needs when Board vacancies arise;
- Ensures the Board members are fully briefed on terms of appointment, duties, rights and responsibilities;
- Together with the other Board members, receives appropriate induction training, including financial management and reporting requirements and, as appropriate, on any differences that may exist between private and public sector practice;
- Ensures there is a Code of Conduct for Board members in place, approved by the Scottish Ministers;
- Assesses the performance of individual Board members on a continuous basis and undertakes a formal appraisal at least annually;
- In consultation with the Board as a whole, as appropriate, is responsible for undertaking an annual appraisal of the performance of the Chief Officer.

- 2.5 In late 2015, the Standards Commission for Scotland provided further advice on relations between members and employees of devolved public bodies, which includes relevant further information on the role and extent of responsibility of a Chairperson. Section 6 of the advice highlights that the Chair of the Board or any committee will often be consulted on the preparation of agendas and reports. Employees will always be fully responsible for the contents of any report submitted in their name, and have the right to submit reports to members on their areas of professional competence. The advice highlights that whilst employees will wish to listen to the views of members,

they must retain final responsibility for the content of the reports. The section concludes by drawing attention to a clear distinction of role between Chair and Director:

“It is clearly important that there should be a close professional working relationship between the Chair of a committee and the director or senior manager of any service which reports to that committee. However, such relationships should never be allowed to become so close, or appear to be so close, as to bring into question an employee’s ability to deal impartially with other members, and the ability of Chairs to deal impartially with other employees”.

- 2.6 The Standing Orders of The South-East of Scotland Transport Partnership, to be adopted under Item 6(a), outline a number of specific duties for the Chairperson and a number of the policies of the Partnership outline specific roles, responsibilities and powers for the Chairperson.

3. (b) Deputy Chairperson(s)

- 3.1 The office of Deputy Chairperson(s), does not have a specific remit within legislation or guidance, the main specified duty is that in the Chairperson’s absence a Deputy Chairperson, shall preside at all meetings of a Partnership. The standing orders of the Partnership do outline specific duties or responsibilities for the position in line with this provision. The Partnership has previously had 3 Deputy Chairperson’s but since late 2016 has progressed on the basis of 2.

4. Timescales for Chair and Deputy Chair(s) Appointments

- 4.1 The 2005 Order states that the maximum length of time a member can serve as either Chair and Deputy-Chair is two full Council terms. Transport Scotland have issued updated advice on 9 June 2017 which is included as an Annex which provides further clarification on the position of maximum term of office and that as either Chair or Deputy Chair, a member’s period of service cannot extend into a third council term.
- 4.2 This updated guidance confirms as previously discussed in Board reports, that Councillor Imrie cannot stand as Chair.

5. (c) Performance and Audit Committee

- 5.1 The remit of the Performance and Audit Committee is in summary: to scrutinise any matter relating to the Partnership having regard to the Partnership’s responsibility for Best Value and continuous improvement; to take certain decisions on Staffing matters including appeals and disputes; to advise and maintain Standards; and review the adequacy of Audit matters.
- 5.2 The Committee it is proposed should comprise 8 councillor members, one from each authority; and 4 non-councillor members, chosen (in the event of

disagreement) by the Partnership. Each councillor member shall be entitled to nominate a substitute from their own authority. The Chair of the Partnership shall be entitled to substitute for any member of the committee. The Committee's quorum shall be 4. At present, Mr Jack and Mr Scotland are Non-Councillor Members of the Committee.

- 5.3 The Partnership Board is asked to nominate a councillor member from each authority for the Committee and to nominate a further 2 Non-Councillor Members of the Committee. The Committee normally meets 2 weeks in advance of each Partnership Board meeting.

6 (d) Board Succession Planning Committee

- 6.1 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.
- 6.2 The Board in March 2017 agreed that the Succession Planning Committee shall consist of the Chairperson of the Partnership, two other Board members, the Partnership Director, the Secretary and representative from SEStran's Human Resources advisers.
- 6.3 The Partnership Board are asked to agree the nomination, alongside the Chairperson, of two Board members for the Committee.**

7 Recommendations

- 7.1 The Board are requested to agree:
- a) The Appointment of a Chairperson of the Partnership
 - b) The Appointment of Deputy Chairperson(s) of the Partnership
 - c) The Appointment of a member from each constituent council to the Performance and Audit Committee and 2 non-councillor members to the Committee
 - d) The Appointment of two members to the Succession Planning Committee.

George Eckton
Partnership Director
16th June 2016

Andrew Ferguson
Secretary

Appendices

1. RTP Guidance on Membership (Amendment)
2. On Board Guidance March 2017

Background Papers

2005 RTPs Guidance on Membership

<http://www.gov.scot/Resource/Doc/47121/0020877.pdf>

The Regional Transport Partnerships (Establishment, Constitution and Membership)
(Scotland) Order 2005

<http://www.legislation.gov.uk/sdsi/2005/0110697588/contents>

2017 On Board - A Guide for Board Members in Public Bodies

<http://www.gov.scot/Publications/2017/03/9182>

Standards Commission Advice Note

¹<http://www.standardscommissionscotland.org.uk/uploads/files/1452184352151218AdviceonRelationsbetweenMembersandEmployeesofDPBs.pdf>

Policy Implications	The Chairperson, Deputy Chairperson(s) and Committee members will have a key and lead roles to play in leading strategic planning, in accordance with recognised good practice in corporate governance.
Financial Implications	The appointment of a Chairperson, Deputy Chairperson(s) and Committee members will have positive impact on SEStran's internal audit and governance scrutiny processes and our statutory duties.
Equalities Implications	The Chairperson, Deputy Chairperson(s) and Committee members will have a key and lead roles to play in leading strategic planning on this issue and also ensuring that the Board has the balance of skills appropriate to direct business, in accordance with recognised good practice in corporate governance and our statutory duties.
Climate Change Implications	The Chairperson, Deputy Chairperson(s) and Committee members will have a key and lead role to play in leading the Board's approach to strategic planning on this issue where we have statutory duties.

RTP Lead Officers/relevant officer
 (by email)

Your ref:

Our ref:

Date:
 9 June 2017

Dear Sir Madam

I have recently been asked for clarity on the tenure of Chairs or Deputy Chairs of Regional Transport Partnerships (RTPs). I am therefore writing to you all to set out our interpretation of what the statute means.

The length of time a Chairperson or Deputy Chairperson can hold office is set out in Schedule 2, Section 4 of The Regional Transport Partnerships (Establishment, Constitution and Membership) (Scotland) Order 2005. This is supplemented with the Regional Transport Partnership, Guidance for Membership, issued in December 2005. Since the Guidance was issued there has been a change in the length of a council term, invoked by other legislation. For this this reason, and to avoid any misunderstanding we consider it appropriate to issue an amendment to the 2005 Guidance. As a result, we have updated paragraph 43 of the 2005 Guidance to describe in more detail what is intended by the 2005 Order. You should use the text below in place of the existing paragraph 43 in the Guidance. Please bear in mind that by doing so we are not altering the statute in any way

New Paragraph 43 – Regional Transport Partnership, Guidance for Membership

43. The Order restricts the maximum period that a single member can serve as either Chairperson or Deputy Chairperson to two full council terms. A member may serve in both roles at different times. For example, it may be that an RTP would want someone to serve as a Deputy before being elected Chairperson, although there is no requirement for this. A member could accordingly serve two council terms as Deputy then two as Chairperson; or any other combination within the prescribed limits. Within the limits set by the Order, this will be for the RTP to decide. As the maximum period of service is restricted to two full council terms (a full council term being the period between ordinary elections of councillors for local government areas), a member's period of service as either Chairperson or Deputy Chairperson cannot extend into a third council term.

I trust this is helpful.

Yours sincerely

JOANNE GRAY





ON BOARD

A GUIDE FOR MEMBERS OF
STATUTORY BOARDS

MARCH 2017



- Public bodies play an essential role in performing certain functions on behalf of, or alongside Government. They allow the public sector to benefit from the skills, knowledge, expertise, experience, perspectives and commitment of the members who sit on their Boards and focus in depth on clear and specific functions and purposes.

Public bodies come in a variety of forms, depending on their functions and relationship with Scottish Ministers and/or the Scottish Parliament. Public bodies are set up for specific purposes and there is no set template of what a public body should look like. **Annex A** provides an overview of the classification of public bodies. This classification has important implications for accountability and reporting arrangements. Information on individual bodies and contact details are available from the **National Public Bodies Directory**.

This guidance provides the basic information that you will need to understand your role as a member of the Board of a public body in Scotland and to help make your time with the Board fulfilling and effective. It supplements the information contained in your letter of appointment which formally sets out your specific roles and responsibilities as a Board member.

This guidance is for all those appointed under statute to be members of the Boards of our public bodies, primarily Non Departmental Public Bodies (NDPBs) and Public Corporations (which are “sponsored” by the Scottish Government and whose Boards are accountable to Ministers for the discharge of their statutory functions) and most Non-Ministerial Offices (whose Boards are directly accountable to the Scottish Parliament, rather than Ministers, for their statutory functions). Where relevant, the guide distinguishes between “sponsored” bodies and Non-Ministerial Offices.

As Management Advisory Boards in Executive Agencies and some Non-Ministerial Offices have different responsibilities to statutory Boards, **separate guidance** has been prepared for members of these Boards.

All public bodies should have in place supportive guidance which reflects the specific nature of their work and the extent to which separate arrangements may apply to the work of the Board.

INTRODUCTION

➤ Induction and Training

When a new Board member joins a public body, they may not have had much direct experience of that body. Effective induction serves as a valuable source of information and should provide material on specific job requirements, roles, responsibilities, policies and purposes. This guidance provides the starting point of your induction into the public body that you have joined. You should also receive further induction guidance and training from your public body on a range of topics, including:

- ➔ the structure, governing legislation and work of your public body and links with the sponsor Directorate (if appropriate), the Scottish Government and the Scottish Parliament
- ➔ the Ethical Standards Framework and Code of Conduct for Board members
- ➔ corporate roles and responsibilities as a Board member

Annex B provides a checklist of the types of induction guidance and training that may be available from your public body. You should refer to this checklist when discussing your induction requirements with the Chair and Chief Executive.

FURTHER GUIDANCE



Key reference materials and contacts are listed under each of the main sections of this guidance. The main source of further information and guidance will be the public body that you have just joined, particularly the Chair and Chief Executive. Between them, they will be able to provide you with most of the advice and information that you are likely to need during your time as a Board member of a public body in Scotland.

This guidance has been produced in an interactive format to allow users to view documents referenced through the use of hyper-links. The guide will be kept under review to ensure that it continues to help promote best practice for Board members. The guide will not be produced in hard copy by the Scottish Government.

Key to document navigation



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Guidance notes contents

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INTRODUCTION

Guidance notes

The guidance is organised into five main Sections:



Public Service Delivery and Reform Guidance Note 1



Principles of Corporate Governance Guidance Note 2



Roles, Responsibilities and Relationships Guidance Note 3



Effective Financial Management Guidance Note 4



Ethics and Standards of Behaviour Guidance Note 5



Annex A Classification of Public Bodies



Annex B Induction and Training for Board Members



Annex C The Organisation of Central Government Over Devolved Matters in Scotland

Public Service Delivery and Reform

Guidance Note 1





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Public Service Delivery and Reform

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National Performance Framework

Public Service Reform

The Scottish Approach to Government

Government Economic Strategy

Community Empowerment (Scotland) Act 2015

Health and Social Care Integration

Scotland's Digital Future

Best Value, Efficient Government and Relocation



➤ Overview

Scottish Ministers and all those within the wider Scottish Administration* are committed to high quality, continually improving, efficient public services that are responsive to local people's needs. To deliver on this commitment it is important that public bodies, third sector and private organisations work effectively in partnership with communities and each other.

This section explains the key policy developments and strategies on the delivery and reform of public services in Scotland, the relevance of public service delivery and reform to you as a Board member of a public body, and the influential role you can play in making a real change to the lives of the people of Scotland.

➤ Scottish Ministers, the Scottish Government and the Scottish Administration

Throughout this guidance you will see references to Scottish Ministers, the Scottish Administration or the Scottish Government. The diagram at [Annex C](#) explains the organisation of central government in Scotland.

➤ Key References and Contacts

National Performance Framework

Scottish Government Economic Strategy

Christie Report

Scottish Government's Response to the Christie Report

Scotland's Digital Future – Delivery of Public Services

Community Empowerment (Scotland) Act 2015

Key Messages

- ➔ As a Board member, you have a responsibility to ensure the effective governance and financial management of your public body within the context of public service delivery and reform for the benefit of the people of Scotland.
- ➔ Public bodies are required to demonstrate their commitment to public service delivery and reform by recognising their role in the delivery of the Programme for Government and the National Performance Framework.
- ➔ Public service reform is built on four pillars: Prevention, Performance, People and Partnership (supported by Place) – which should be reflected in public bodies' corporate strategic priorities and plans.
- ➔ The Scottish Government has developed a distinct approach to support the achievement of National Outcomes and public service reform. It is centred around empowerment and participation: enabling people to co-design, shape and deliver public services that they use; and building on the strengths of families and communities.

* The Scotland Act 1998 created the Scottish Parliament and the Scottish Administration. The Scottish Administration consists of the Scottish Ministers, including the Law Officers, and the key Non-Ministerial Offices and Officeholders in Scotland. The Scottish Administration performs its functions on behalf of Her Majesty the Queen and its staff are civil servants.



➤ PUBLIC SERVICE DELIVERY AND REFORM

In your role as a Board member of a public body in Scotland, you will be required to discharge specific duties in relation to the effective governance and financial stewardship of the body concerned. These duties are covered in sections three to five of this guidance, the body's Framework Document and your letter of appointment.

As a member of a public body in Scotland, you also have a general responsibility to discharge these duties within the context of public service delivery and reform to the benefit of the people of Scotland.

The main policy developments and strategies which have shaped the Scottish Government's approach to public service delivery and reform are:

- ➔ The outcomes-based approach of the **National Performance Framework**
- ➔ The **Christie Report** and the Scottish Government's **Four Pillars of Public Service Reform**
- ➔ The strategic priorities of the **Government Economic Strategy**
- ➔ **Community Planning** whereby local authorities, public bodies, the Scottish Government and the third sector work together and with the local community
- ➔ Increased participation and delivery of public services through digital technology as described in **Scotland's Digital Future: Delivery of Public Services**
- ➔ The **Scottish Approach** centred around the core concepts of **Participation and Co-production, Assets-based Approaches** and **Improvement Methodology**.

The next section expands upon these policy developments and strategies, and their relevance to you as a Board member of a public body in Scotland.

➤ NATIONAL PERFORMANCE FRAMEWORK

The Scottish Government's vision for a successful Scotland is set out in the **National Performance Framework**. The Framework actively supports wider engagement between the Scottish Government and its delivery partners, including local government, third sector and public bodies.

It consists of five main parts which support and reinforce each other:

- ➔ The Scottish Government's **Purpose**
- ➔ The **Purpose Targets** to track progress towards the Purpose
- ➔ Five **Strategic Objectives** to focus on action
- ➔ 16 **National Outcomes** describing what the Scottish Government wants to achieve
- ➔ 50 **National Indicators** to track progress towards the Purpose and National Outcomes.



National Outcomes

A shared approach to the achievement of National Outcomes encourages public service providers to direct attention towards the key long-term challenges for Scotland. As the achievement of shared outcomes is dependent on increased collaboration, effective partnership working and closer alignment of service provision, public bodies are required to ensure that their corporate strategies and plans support the National Outcomes described in the National Performance Framework.

It follows that all public bodies must demonstrate the role that their corporate strategies and plans have in delivering **National Outcome 16** which refers specifically to high quality, continually improving, efficient public services that are responsive to local people's needs.

Public bodies must also demonstrate their role in delivering the other National Outcomes which are relevant to the type of services they provide, working closely with partners to the benefit of the people of Scotland. This may involve crossing traditional organisational boundaries between public bodies which have separate and distinct roles but which also have a shared interest in the delivery and reform of particular areas of public service (e.g. health, justice and education). This focus on shared outcomes and partnership working can achieve outcomes which might not otherwise be possible by one body acting alone. It also opens up opportunities for sharing of limited resources to ensure more efficient, effective and sustainable public services.

Scotland Performs

The **Scotland Performs** website measures and reports on the wide range of indicators set out in the National Performance Framework. As such, it provides an open and transparent account of the progress of government in Scotland in the creation of a more successful country, with opportunities for all through increasing sustainable economic growth.

► PUBLIC SERVICE REFORM

The Christie Commission

In 2010 the Scottish Ministers invited Dr Campbell Christie to lead a Commission to identify the best ways to address the challenges of delivering public services, based on evidence of what works.

The Christie Commission concluded that to achieve the outcomes that matter most to the people of Scotland, public, third sector and private organisations had to work more effectively in partnership with communities and with each other to design and deliver excellent public services that meet the needs of local people. The need for new ways of delivering public services has never been more important than it is today.

The **Christie Report** provided an assessment of the challenges facing public services and recommended an urgent, sustained and coherent programme of public service reform.



THE SCOTTISH GOVERNMENT'S FOUR PILLARS OF PUBLIC SERVICE REFORM



In its response to the Christie Report, the **Scottish Government identified four pillars of reform** in order to deliver better outcomes for the people of Scotland, to reduce inequalities and to ensure the delivery of sustainable services now and in the future:

Prevention – reduce future demand by preventing problems arising or dealing with them early on. To promote a bias towards prevention, help people understand why this is the right thing to do, the choices it implies as well as the benefits it can bring.

Performance – to demonstrate a sharp focus on continuous improvement of the National Outcomes, applying reliable improvement methods to ensure that

services are consistently well designed, based on the best evidence and are delivered by the right people to the right people at the right time.

People – we need to unlock the full creativity and potential of people at all levels of public service, empowering them to work together in innovative ways. We need to help create ways for people and communities to co-produce services around their skills and networks.

Partnership – we need to develop local partnership and collaboration, bringing public, third and private sector partners together with communities to deliver shared outcomes that really matter to people.

The Scottish Government's approach to public service delivery and reform also focuses on the importance of "place" (locality) in the design and delivery of public services. The focus on place provides the basis for partnership and stronger community participation in the design and delivery of local services, harnessing the full spectrum of talents and capacities of public bodies, citizens, third sector organisations and local businesses.

In the next sections some of the information provided may not directly impact on your role as a Board member of a public body. However, it is essential that Board members have an awareness of work being taken forward by the Scottish Government in relation to public service reform.

➤ THE SCOTTISH APPROACH TO GOVERNMENT

The **National Performance Framework** and the **Government's response to Christie** describe 'what' we are trying to achieve, the 'Scottish Approach' describes 'how' it should be delivered; centering around three core elements of Participation and Co-production, Assets and Improvement, as summarised right. ➔

The approach seeks to safeguard essential services, preserve front-line jobs and secure higher quality services through, for example:

- ➔ greater integration of health and social care
- ➔ the move to single police, and fire and rescue services
- ➔ the reform of post-16 education.

➤ GOVERNMENT ECONOMIC STRATEGY

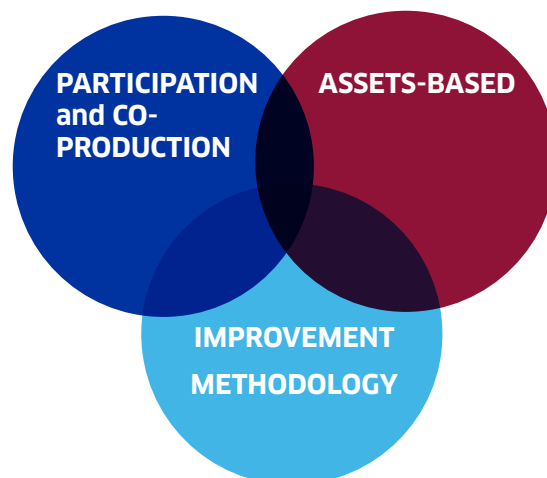
Scotland's Economic Strategy reaffirms the Scottish Government's commitment to creating a more successful country, with opportunities for all of Scotland to flourish, through increasing sustainable economic growth. It sets out an overarching framework for achieving the two mutually supportive goals of increasing competitiveness and tackling inequality in Scotland. It forms the strategic plan for existing and all future Scottish Government policy and prioritises boosting investment and innovation, supporting inclusive growth and maintaining a focus on increasing internationalisation.

➤ COMMUNITY EMPOWERMENT

Community Empowerment (Scotland) Act 2015

The **Community Empowerment (Scotland) Act 2015 (the 2015 Act)** provides a legal framework that will promote and encourage community empowerment and participation, by creating new rights for community bodies and placing new duties on public authorities. Part 2 of the 2015 Act includes duties which

The Scottish Approach



- **Participation and Co-production** – enabling people to shape and co-design the services they use.
- **Assets-based** – valuing the strengths of people and communities to build social capital and capacity, rather than focusing solely on perceived deficits.

● **Improvement Methodology:**

Creating Conditions for Change

- ➔ Setting out a compelling vision of the future to serve as a reference point as the change process moves forward;
- ➔ Backed by a story which helps people to recognise where they have been and where they are going;
- ➔ Identifying key actions towards realising the vision.

Making the Change

- ➔ A clear framework for improvement;
- ➔ A strategy to engage, empower and motivate the workforce and develop their skills;
- ➔ An understanding of how the change will work locally, recognising communities and their assets are different;
- ➔ Building the guiding coalitions, governance and data necessary to drive and sustain the change.



further strengthen community planning, replacing provisions in the **Local Government in Scotland Act 2003**.

The 2015 Act gives Community Planning Partnerships (CPPs) a statutory footing for the first time. It places specific duties on CPPs, and statutory partner bodies, in relation to improving local priority outcomes and tackling inequalities of outcome across communities within their area. The Act does a number of other things including: extending the community right to buy, making it simpler for communities to take over public sector land and buildings, and strengthening the statutory base for community planning. It also includes a new regulation-making power that will in future require that Scottish public authorities promote and facilitate the participation of members of the public in their decisions and activities, including in the allocation of their budget.

➤ HEALTH AND SOCIAL CARE INTEGRATION

Public Bodies (Joint Working) (Scotland) Act 2014

The shape of Scottish society is changing. People are living longer, healthier lives and as the needs of our society change, so too must the nature and form of our public services. New legislation in the form of the Public Bodies (Joint Working) (Scotland) Act 2014 requires Health Boards and local authorities to integrate their health and social care services.

Local teams and professionals across health and social care will work together to deliver quality, sustainable care and services resulting in improved outcomes for the people and families who use these services.

➤ SCOTLAND'S DIGITAL FUTURE

Scotland's Digital Future: Delivery of Public Services sets out the ambitions and actions including a "digital first" approach to service delivery, with public bodies working collaboratively with each other and service users to digitally transform the delivery of public services and to adopt the national products available through the digital ecosystem including **mygov.scot**, Scottish Wide Area Network and others. In addition, the Central Government Digital Transformation Service can support your organisation in understanding your digital maturity, developing your strategy and sourcing the skills and capability to deliver on your transformation ambitions.

Audit Scotland's report **Managing ICT Projects**, published in August 2012, set out recommendations for Senior Responsible Owners and Accountable Officers. In June 2015 Audit Scotland considered the Scottish Government's progress in strategic oversight and support of central government ICT programmes including the revision of the ICT Assurance framework, supporting guidance and templates. Key findings and recommendations were published in **Managing ICT contracts in central government: An update**.

➤ BEST VALUE, EFFICIENT GOVERNMENT AND RELOCATION

Best Value, Efficient Government and Relocation are all essential elements of the public service reform agenda. These issues are covered in **Guidance Note 4**.

FURTHER INFORMATION

Community Planning
Community Empowerment (Scotland) Act 2015
Improvement Framework
Improvement Service
Public bodies (Joint Working) (Scotland) Act 2014
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Principles of Corporate Governance

Guidance Note 2



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➤ Overview

Corporate governance concerns the strategic direction and effective stewardship of the organisation. A number of concerns have been raised about corporate governance in the private and public sectors in recent years, mainly relating to the perceived lack of control at the top of some organisations and inadequately designed systems that failed to prevent fraudulent, inefficient or inappropriate behaviour.

A number of initiatives have addressed these concerns and strengthened the approach to corporate governance in both the private and public sectors. This section explains the main developments that have led to the principles of corporate governance and how these translate into the conduct and management of public business.

➤ Key References and Contacts

UK Corporate Governance Code

Ethical Standards in Public Life etc. (Scotland) Act 2000

Good Governance Standard for Public Services

Key Messages

- ➔ Corporate governance is concerned with the strategic direction and effective stewardship of the organisation;
- ➔ There have been a number of reviews in the private sector which together led to the development and publication of a **UK Corporate Governance Code**;
- ➔ There are similarities between the public and private sectors in terms of corporate governance principles – but Board members should recognise that it is not always possible to draw a direct parallel between the two; and
- ➔ The **Nolan Committee** set new standards of conduct for Board members of public bodies in 1995 and the **Ethical Standards in Public Life etc. (Scotland) Act 2000** introduced the ethical standards framework, which includes Codes of Conduct for Board members, a Chief Investigating Officer and a Standards Commission.



➤ Corporate Governance

Corporate governance is the way in which organisations are directed, controlled and led. It defines relationships and the distribution of rights and responsibilities among those who work with, and in, the public body, determines the rules and procedures through which objectives are set, and provides the means of attaining those objectives and monitoring performance. Importantly, it defines where accountability lies throughout the public body.

Corporate governance has been a high-profile topic in recent years, principally because of concern about ensuring control at the top of, and within, organisations. There is a perception that, in certain cases, senior managers appear to have been able to act without restraint and that inadequately designed systems have failed to prevent fraudulent, inefficient or inappropriate behaviour. **The results of poor corporate governance cannot be underestimated.** The international financial crisis was partially attributed to failures in governance within the Boards of major financial institutions.

Key Developments in the Private Sector

A number of key corporate governance reports in the private sector have contributed to the development of the **UK Corporate Governance Code**:

Reports that shaped corporate governance in the UK

Cadbury, 1992

Greenbury, 1995

Hampel, 1998

Turnbull, 1999

Myners, 2001

Smith, 2003

Higgs, 2003

Tyson, 2003

Turnbull, updated 2005

Walker, 2009

Women on Boards, 2011

Francis, 2013



The UK Corporate Code – impact on the public sector

Although there are elements of the UK Corporate Code which are relevant to Board members of public bodies, it applies primarily to companies listed on the London Stock Exchange.

While there are a number of similarities between the public and private sectors in terms of corporate governance principles, Board members should be aware that it will not always be possible to draw a direct parallel between the two. Whilst public bodies face many similar challenges as private organisations, they cannot be considered to be exactly the same.

Effective strategic engagement between the Scottish Government and the public body is essential in order that they work together as effectively as possible to maintain and improve public services and deliver improved outcomes. There is greater accountability, with control over public services handed in greater measure to those who use them, while Scottish Ministers take strategic policy decisions. The varying size and nature of ‘arm’s length bodies’ and the range of functions they carry out means that there is no one absolute template for how the relationship between Scottish Government Directorates and the public body operates. Further consideration on the relationship between Scottish Government Directorates and public bodies is examined in **Guidance Note 3**.

Findings from the Financial crisis report – lack of diversity and groupthink

Although the **Walker Report** specifically related to the collapse of banks and financial institutions its findings had significant ramifications for the Boards of all types of bodies. A key finding of the review was that ‘groupthink’, attributable in turn to a lack of diversity, had been a major contributory factor to the governance failures of the relevant Boards.

Many subsequent studies have identified that companies with Boards that are apparently more diverse, such as in relation to gender, age and industry background, perform better than those companies with less diverse Boards. The different perspectives that different types of Board members bring mean that they are more likely to be able to constructively challenge proposals. If Board members are too similar to the executives, a Board’s decision-making risks being narrow and blinkered.

It is important to understand 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. Having said that, a lack of diversity on the Boards of Scotland’s public bodies, which can be evidenced in relation to factors ranging from gender to BME status, employment sector and income, is an indicator that our Boards are not yet sufficiently diverse.



The impact for Scottish Public Bodies

Scottish Ministers are committed to redressing this imbalance with gender parity being a particular area of focus. 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 aim should be to have 50:50 gender balance by 2020.**

Key Developments in the Public Sector

There have been a number of high-profile reports and inquiries in Scotland highlighting inadequacies in the governance of public bodies. In one report, a Parliamentary Committee concluded that the governance arrangements in a public body did not identify or prevent a crisis which it should have done. Although not the primary factor, the Committee believed that the Board failed sufficiently to challenge the Chief Executive over a significant operational development that ultimately failed.

In another report, the Scottish Parliament's Public Audit Committee concluded that, on the evidence received, members of the Board of a public body had acted with probity throughout a very difficult period but could not escape criticism for not being aware of problems of which they should have been aware.

As in the private sector, there have been a number of developments aimed at improving corporate governance in the public sector:

Nolan Principles

In 1995, the **Committee on Standards in Public Life (the Nolan Committee)** identified seven principles of conduct underpinning public life and recommended that public bodies should draw up Codes of Conduct incorporating these principles.

NOLAN COMMITTEE 1995



Recommendation

Public bodies should draw up Codes of Conduct incorporating seven Nolan Principles of:

- Selflessness
- Integrity
- Objectivity
- Accountability
- Openness
- Honesty
- Leadership.



The then Scottish Executive took the Nolan Committee recommendations one step further with the introduction of the **Ethical Standards in Public Life etc. (Scotland) Act 2000** which brought in a statutory Code of Conduct for Board Members of Devolved Public Bodies and set up a **Standards Commission for Scotland** to oversee the ethical standards framework.

The Scottish Executive also identified nine key principles underpinning public life in Scotland, which incorporated the seven Nolan principles and introduced two further principles, Duty (Public Service) and Respect. These nine principles and their practical implications for Boards and Board members are explored in **Guidance Note 5**.

ETHICAL STANDARDS IN PUBLIC LIFE ETC. (SCOTLAND) ACT 2000

Conduct for Board

- Statutory Code of Conduct for Board Members of Devolved Public Bodies;
- Appointment of a Chief Investigating Officer to investigate and report to the Standards Commission for Scotland (the Standards Commission;)
- Standards Commission to oversee ethical standards framework; and
- Seven Nolan Principles plus two further principles of Duty (Public Service) and Respect.

International Framework: Good Governance in the Public Sector

In 2014 the Chartered Institute of Public Finance and Accountancy and the International Federation of Accountants produced an updated **International Framework: Good Governance in the Public Sector**.

The 2014 Framework defines and describes one interpretation of the principles that should underpin good governance.

GOOD GOVERNANCE IN THE PUBLIC SECTOR

Core Principles

- Behave with integrity, demonstrating strong commitment to ethical values, and respect the rule of law;
- Ensure openness and comprehensive stakeholder engagement;
- Define outcomes in terms of sustainable economic, social and environmental benefits;
- Determine the interventions necessary to optimise the achievement of the intended outcomes;
- Develop the entity's capacity, including the capability of its leadership and the individuals within it;
- Manage risks and performance through robust internal control and strong public financial management; and
- Implement good practices in transparency, reporting and audit to deliver effective accountability.



➤ Translating Principles into Action

The remaining sections of this guidance provide the practical advice that is needed to enable public bodies and Board members to apply the concepts of good corporate governance to their own organisations. They pull together good practice from the private and public sectors to provide guidance to Board members across the three main dimensions of corporate governance:

- ➔ Roles, Responsibilities and Relationships (Guidance Note 3)
- ➔ Effective Financial Management (Guidance Note 4)
- ➔ Ethics and Standards of Behaviour (Guidance Note 5)

These guidance notes explain the meaning of these dimensions of corporate governance more fully and their relevance to you as a Board member of a public body in Scotland.



Roles, Responsibilities and Relationships

Guidance Note 3





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> Overview

Every member of a Board of a public body must be clear about their specific roles and responsibilities if the Board and the public body are to operate successfully.

This section outlines the roles and responsibilities of the Board, its committees, individual Board members and key internal and external stakeholders, such as the Chief

Executive, Scottish Ministers and the Scottish Government sponsor Directorate. It explains the importance of managing these relationships effectively, including a clear understanding of the strategic governance and decision-making responsibilities of the Board and the operational and statutory accountability responsibilities of the Chief Executive, including as the body's Accountable Officer.

> Key Messages

- The four main functions of the Board of a public body are: to ensure that the body delivers its functions in accordance with Ministers' policies and priorities; to provide strategic leadership; to ensure financial stewardship; and to hold the Chief Executive and senior management team to account.
- Board members must adhere to collective corporate responsibility, confidentiality and the highest standards of conduct.
- Individual Board members should contribute fully to Board deliberations and exercise a healthy challenge function. The Chair will ensure that all Board members have an opportunity to contribute to Board discussions.
- Committees are established to deal with particular areas of interest outside main Board meetings and are required to submit substantive reports to summarise issues, debates and decisions.
- The Chair has additional responsibilities to Board members, particularly leadership, directing a diverse team and harnessing the benefits of this, and the conduct of Board business.
- The Chief Executive is accountable to the Board for the overall organisation, management and staffing of the public body. Where a public body manages its own budget, the Chief Executive is normally designated as its Accountable Officer with responsibility for the proper management of public funds under the public body's control. The Board should have regard to the issues and concerns of the Accountable Officer.
- Where an Accountable Officer considers that any action that he/she is required to take is inconsistent with the proper performance of his/her duties as Accountable Officer, he/she should obtain written authority from the body for which he/she is designated.
- The Board focuses on strategy, performance and behaviour – the Chief Executive advises the Board on all matters and is solely responsible for operational issues. Board members have no authority to instruct the Chief Executive or any member of staff on operational matters.



> Key References

Audit Committee Handbook
 Audit Scotland – The Role of Boards
 Equality Act 2010
 NDPB Model Framework Document
 Scottish Public Finance Manual (Accountability)

> Fundamental Principles of Board Life

There are three fundamental principles of Board life to which all Board members (including the Chair) must adhere:

Principle 1 – Corporate Responsibility

While Board members must be ready to offer constructive challenge, they must also share collective responsibility for decisions taken by the Board as a whole. If they fundamentally disagree with the decision taken by the Board, they have the option of recording their concerns in the minutes. However, ultimately, they must either accept and support the collective decision of the Board – or resign. Board decisions should always comply with statute, Ministerial directions (where this is provided for in statute), Ministerial guidance and the objectives of the sponsor Directorate, as appropriate (noting of course that certain bodies are required to demonstrate independence in order to maintain credibility).

Principle 2 – Confidentiality

All Board members must respect the confidentiality of sensitive information held by the public body. This includes commercially sensitive information, personal information and information received in confidence by the organisation. It is also essential that debate of a confidential nature inside the Boardroom is not reported outside it.

Principle 3 – Conduct

Board members have a responsibility to set an example by demonstrating the highest standards of behaviour. It is important that nothing you do or say when you are acting as a Board member tarnishes in any way the reputation of the public body or the Board. If you have specific concerns about the manner in which the public body is being run, these should be raised with the Chair in the first instance. If you fail to achieve resolution with the Chair, it is open to you to take them to the relevant senior civil servant in the Scottish Government (usually a Director or Director-General) – but you should appreciate that this is a significant step.

> Role of the Board

The four main functions of the Board are: to ensure that the body delivers its functions in accordance with Ministers' policies and priorities; to provide strategic leadership; to ensure financial stewardship; and to hold the Chief Executive and senior management team to account. It has corporate (collective) responsibility, under the leadership of the Chair, for the following:

- ➔ Taking forward the strategic aims and objectives for the body agreed by the Scottish Ministers;
- ➔ Determining the steps needed to deal with changes which are likely to impact on the strategic aims and objectives of the body or on the attainability of its operational targets;
- ➔ Promoting the efficient, economic and effective use of staff and other resources by the public body consistent with the principles of Best Value, including, where appropriate, participation in shared services and/or collaborative service delivery arrangements;
- ➔ Ensuring that effective arrangements are in place to provide assurance on risk management, governance and internal control;



- Taking into account relevant guidance issued by Scottish Ministers;
- Receiving and reviewing regularly financial information concerning the management and performance of the public body and being informed in a timely manner about any concerns regarding the activities of the public body;
- Ensuring systems are in place to enable early notification to be provided to the Scottish Government about emerging issues which will impact on the operation or reputation of the public body;
- Appointing (with the approval of the Scottish Ministers) the public body Chief Executive and, in consultation with the Scottish Ministers, setting appropriate performance objectives and remuneration terms linked to these objectives which give due weight to the proper management and use of resources within the stewardship of the public body and the delivery of outcomes; and
- Demonstrating high standards of corporate governance at all times, including openness and transparency in its decision-making.

➤ **Providing Strategic Leadership**

The Board usually fulfils its leadership role by developing the public body's corporate strategy. The Board then agrees a corporate plan to turn the strategy into action over a period of about three years and promotes continuous improvements in corporate performance over this period. **Both the strategy and corporate plan must align with the remit of the organisation, the National Performance Framework and the National Outcomes and indicate how the public body will contribute to public service reform.**

The corporate plan will usually be approved by the Scottish Ministers. Ministers should write to sponsored bodies at least annually setting out the policies and priorities which they wish them to pursue.

➤ **Representing Ministerial Interests**

In the majority of cases, Boards of public bodies are appointed by Ministers to ensure delivery of Ministerial policies. **Board members should be clear about Ministerial policies and expectations for their public body.** If they are in any doubt on this point, they should seek clarification from the Chair or sponsor Directorate.



PROVIDING STRATEGIC LEADERSHIP



The Board

- Develops and agrees the organisation's strategy;
- Sets cost effective plans to implement the strategy;
- Ensures that the strategy and plans are aligned with the **National Performance Framework** and the public body's statutory duties, and the policies and priorities of the Scottish Government;
- Reviews the public body's corporate and business plans and performance on a regular basis, including their own performance as a Board;
- Establishes a performance management framework which enables under-performance of the body to be addressed quickly;
- Establishes the values and standards of the organisation and ensures that the organisation adopts and complies with Codes of Conduct for Staff and the Board;
- Ensures that the highest standards of governance are complied with, that the organisation complies with all Ministerial guidance, its Framework Document and legislation, and that a framework of prudent and effective controls is in place to enable risks to be assessed and managed;
- Focuses on the positive impact that the organisation is making in the outside world, i.e. effects on customers and citizens; and
- Ensures that the public body is a Best Value organisation and delivers Value for Money for the public sector as a whole.

> Ensuring Financial Stewardship

The Board is collectively responsible for ensuring that the organisation adheres to strict standards of financial propriety, and

complies with the financial requirements contained in the Framework Document and the **Scottish Public Finance Manual**.

ENSURING FINANCIAL STEWARDSHIP



The Board

- Satisfies themselves that financial information is accurate and that financial controls and systems of risk management are robust and defensible;
- Considers and approves forward budget allocations and financial targets within key strategic and planning documents, such as corporate and operational business plans;
- Monitors the financial position against budget allocations and key financial targets and takes corrective action where required;
- Has regard to the issues and concerns of the Accountable Officer; and
- Approves high value, novel or contentious expenditure proposals, for submission to the Scottish Government and Ministers for approval when it is necessary/appropriate to seek approval from the Scottish Government.



> Holding the Chief Executive to account

It is the Board's duty to hold the Chief Executive (and senior management team) to account for the operational management of the organisation and the delivery of agreed plans on time and within budget.

HOLDING THE CHIEF EXECUTIVE TO ACCOUNT ▾

The Board:

- Ensures an effective team and management arrangements are in place at the top level of the organisation;
- Oversees the development (and review) of the corporate strategies, plans and policies of the public body;
- Ensures the operation and work of the public body is closely aligned with the work of other service delivery public bodies in support of the wider aims of public service delivery and reform;
- Oversees the development of performance and key financial targets;
- Monitors performance and ensures that corrective action is taken to address any under-performance; and
- Provides continuity of direction and effective management by making appropriate arrangements for delegation.



➤ Role of the Board as an Employer ➤ Role of the Board Committees

In most cases the Board is the employer of the individuals who work for the public body, although the management of staff, apart from the Chief Executive (whose performance is appraised by the Chair), is a matter for the executive.

The Board should be satisfied that the public body is meeting its moral and legal obligations to its employees and that the senior management team is fulfilling its obligations in this regard.

The Board is usually responsible for the recruitment of the Chief Executive and, in some cases, other senior staff. If you take part in a recruitment exercise, you will need to be familiar with employment legislation and any codes of best practice in relation to equal opportunities issues. You should receive training in recruitment and selection before serving in that capacity.

Many Boards establish committees to deal with particular areas of interest outside of main Board meetings. The extent to which Boards use committees will be dependent on the size of the organisation. Examples of Board committees include:

- ➔ Remuneration Committee
- ➔ Audit Committee
- ➔ Succession Planning Committee
- ➔ Area or Regional Boards where appropriate.

Committees may also be set up to deal with specific aspects of the Board's role, such as:

- ➔ Staff Governance
- ➔ Finance
- ➔ Policy
- ➔ Development
- ➔ Clinical Governance (in the NHS).

ROLE OF THE BOARD AS AN EMPLOYER



This includes ensuring that the body:

- ➔ Has policies and procedures that comply with employment law;
- ➔ Avoids discrimination of any kind against current or potential employees and has policies to guarantee equal opportunities and value diversity;
- ➔ Has in place agreed terms and conditions of employment which should reflect the general standards set out in the Model Code for Staff;
- ➔ Has in place clear policies and strategies relating to staff; and
- ➔ Complies with all health and safety requirements.

Where appropriate, committees can allow for specialist areas relating to the Board's role to be debated in detail by members with the appropriate knowledge or skills. The key points can then be presented to the full Board for ratification, making more effective use of scarce time. As the Board cannot be expected to understand the issues dealt with by the committee from the minutes alone, it will generally require substantive reports from the committee to summarise issues, debates and recommendations.

For some organisations individuals with specific skills and/or expertise may be invited to serve on committees as co-opted members. Co-opted members do not hold Board member status and must never constitute a majority of the membership of any committee.



➤ Role and Responsibilities of the Board Member

Your specific role as a Board member will depend on the role of the Board to which you have been appointed and the capacity in which you have been appointed, but will normally cover a number of general duties and responsibilities.

Individual Board members should act in accordance with the responsibilities of the Board as a whole and comply at all times with

the Code of Conduct adopted by the public body and with the rules relating to the use of public funds and to conflicts of interest. In this context 'public funds' means not only any funds provided to the public body by the Scottish Ministers but also any other funds falling within the stewardship of the public body, including trading and investment income, gifts, bequests and donations. General guidance on Board members' responsibilities will be summarised in their letter of appointment.

ROLE AND RESPONSIBILITIES OF THE BOARD MEMBER



The Board member

- ➔ Understands the operational environment in which their public body operates within the context of the wider public service delivery landscape;
- ➔ Attends Board meetings on a regular basis and is well prepared by reading relevant papers in advance and, if necessary, seeks further information to ensure their understanding;
- ➔ Attends training events and keeps up to date with subjects relevant to the public body's work;
- ➔ Contributes to the work of any committees that have been established by the Board;
- ➔ Represents the Board at meetings and stakeholder events when required;
- ➔ Contributes to strategic development and decision-making;
- ➔ Clarifies which decisions are reserved for the Board and which should be delegated;
- ➔ Monitors the reporting of performance and holds management to account through purposeful and constructive challenge and scrutiny;
- ➔ As necessary, seeks further information than that which is provided to give assurance on organisational performance;
- ➔ Questions and, as necessary, challenges proposals made by fellow Board members and the executive team constructively and carefully to reach and articulate a considered view on their suitability;
- ➔ Provides a creative contribution to the Board by providing independent oversight on issues of strategy, performance and resources;
- ➔ Behaves in accordance with the agreed Code of Conduct; and
- ➔ Establishes and promotes the public body's role in the community.



Performance Appraisal

You have been appointed to the Board because your personal skills, knowledge and experience match the criteria for the post and meet the needs of the public body. Your performance as a Board member will be regularly reviewed throughout the term of your appointment, usually by the Chair of the public body. All Board members should receive a performance appraisal every year that assesses their performance in relation to certain pre-established criteria and objectives, and provides an opportunity for meaningful dialogue.

The Chair is responsible for the annual appraisal of the Chief Executive and the Chair will be appraised on an annual basis by the relevant Scottish Government Director or Deputy Director (as appropriate).

Re-appointment to the Board

The Scottish Ministers will determine the period for which an appointment, re-appointment or extension to an appointment term is to be made, based on the needs of the public body concerned.

Ministers will consider whether the needs of a Board will most effectively be met by an appointment, re-appointment or extension to an appointment term subject to any relevant provisions in the legislation which established the public body. They will balance the continuity provided by re-appointment and term extensions with the opportunity to increase the diverse range of relevant skills, knowledge and experience on a Board by making a new appointment through open competition.

You may be re-appointed for second and subsequent terms in the same role without open competition, if you possess the skills and knowledge required on the Board at the time of re-appointment. You will only be considered for re-appointment if your performance has been properly assessed as effective during the initial period of appointment. The final decision as to whether or not you are re-appointed ultimately rests with the Minister, subject to the specific nature of your public body's constitution, the needs of the Board for the foreseen period of the re-appointment and the terms upon which you are appointed. No member's total period of appointment in the same position may exceed eight years. This eight year maximum is based on the aggregate time in post and applies regardless of whether the time in post was continuous or not. The terms and conditions of re-appointment should be outlined in a re-appointment letter.

Nomination to the Board of Another Organisation

Some public bodies have the right to nominate one or more Board members to the Board of another organisation. If you are nominated to be a Board member on a public body which is also a limited company, you will assume personal responsibilities as a Company Director under the Companies Acts. Any breach of your legal responsibilities as a Company Director could have serious consequences for you personally. If you are in any doubt as to your position, you should take legal advice from the Board's legal advisers.



Civil Liability as a Board Member

If you, as an individual Board member, incur a civil liability in the course of carrying out your responsibilities for the Board, you will not have to pay anything out of your own pocket provided that you have acted honestly and in good faith. However, this indemnity does not protect you if you have acted recklessly or in bad faith.

Removal from Office

In many cases, the founding legislation or the Board's standing orders will set out the grounds on which you may be removed as a Board member, such as:

- Bankruptcy
- Becoming incapable of performing your duties as a Board member
- Consistent absence from Board meetings
- Being convicted of an indictable offence.

Charity Trustees

Some public bodies hold charitable status. This has implications for Board members who will also act as charity trustees for the purposes of the **Charities and Trustee Investment (Scotland) Act 2005**. A charity trustee is a person who has the general control and management of the administration of a charity. A charity may refer to its charity trustees in a number of ways including management committee members, directors and Board members. If a Board member is also the trustee of the charity, they will have the same general duties of any other charity trustee as set out at section 66 of the 2005 Act. **The Office of the Scottish Charity Regulator's guidance publication, 'Guidance for Charity Trustees'**, gives further details on the duties of charity trustees.

The Role of Non-Ministerial Appointed Members

The vast majority of Board members in Scotland are appointed by Scottish Ministers; however there are instances where Board composition varies to include a mix of directly elected or local authority nominated members. Provision for such arrangements will normally be set out in the public body's enabling legislation.

In circumstances where it is considered appropriate, a mix of Board membership is generally designed to deliver a balance between local and national representation in the decision-making process.

However, regardless of composition, all Boards are expected to play a key role in the delivery of the Scottish Government's Purpose through alignment with the **National Performance Framework**, and are required to adhere to the established principles of public sector accountability and governance set out in this guidance, including collective responsibility for decisions and actions and confidentiality. Further clarification about roles and responsibilities should be provided by the Chair and/or the Chief Executive.

➤ Role and Responsibilities of the Chair

The Chair has additional responsibilities over and above those of Board members, particularly in relation to leadership and the conduct of Board business. The Chair of a sponsored body is accountable to the Scottish Ministers and, in common with any individual with responsibility for devolved functions, may also be held to account by the Scottish Parliament. The Chair of a Non-Ministerial body is only held to account by the Scottish Parliament. Communications between the public body Board and the Scottish Ministers should normally be through the Chair. They are responsible for ensuring that the public body's policies and actions support the Scottish Ministers' wider strategic policies



if these apply to the body and that its affairs are conducted with probity. The Chair is appraised by the relevant Director or Deputy Director on behalf of Ministers. Mutual investment in a constructive relationship

between the Chair and the Scottish Government sponsor Directorate is important to supporting the effective performance and delivery of the public body.

ROLE AND RESPONSIBILITIES OF THE CHAIR



The Chair

- Leads representation and links with Ministers and Scottish Parliament;
- Leads the Board, ensures that the Board has the ability to carry out functions effectively and chairs Board meetings;
- Leads the Board's approach to strategic planning;
- Leads the Board's approach to the establishment of committees and ensures the Board considers substantive reports from any committees established;
- Ensures that the work of the Board and any committees is subject to regular self-assessment and that the Board is operating strategically and effectively;
- Leads the Board's approach to succession planning to ensure the Board is diverse and effective;
- Ensures that the Board, in accordance with recognised good practice in corporate governance, is diverse both in terms of relevant skills, experience and knowledge appropriate to directing the public body's business, and in terms of protected characteristics under the Equality Act;
- Ensures the Scottish Ministers are advised of the body's needs when Board vacancies arise;
- Ensures the Board members are fully briefed on terms of appointment, duties, rights and responsibilities;
- Together with the other Board members, receives appropriate induction training, including on financial management and reporting requirements and, as appropriate, on any differences that may exist between private and public sector practice;
- Ensures there is a Code of Conduct for Board members in place, approved by the Scottish Ministers;
- Assesses the performance of individual Board members on a continuous basis and undertakes a formal appraisal at least annually; and
- In consultation with the Board as a whole, as appropriate, is responsible for undertaking an annual appraisal of the performance of the Chief Executive.



➤ Role and Responsibilities of the Chief Executive

The Chief Executive of the public body is employed and appointed by the Board (with the approval of Scottish Ministers). They are the Board's principal adviser on the discharge of its functions and will be accountable to the Board. The Chief Executive's role is to provide operational leadership to the public body, and ensure that the Board's aims and objectives are met and the public body's functions are delivered

and targets met through effective and properly controlled executive action. The Chief Executive's general responsibilities will include performance management and staffing of the public body. In summary, the Board focuses on strategy, performance and behaviour – the Chief Executive advises the Board on all matters and is solely responsible for operational issues.

ROLE AND RESPONSIBILITIES OF THE CHIEF EXECUTIVE



Chief Executive

- ➔ Advises the Board on the discharge of its responsibilities – as set out in the Framework Document, in the founding legislation and in any other relevant instructions and guidance issued by or on behalf of the Scottish Ministers – and implements the decisions of the Board;
- ➔ Ensures that financial considerations are taken fully into account by the Board at all stages in reaching and executing its decisions, and that appropriate financial appraisal and evaluation techniques, consistent with the **Scottish Public Finance Manual**, are followed;
- ➔ Prepares the public body's corporate and business plans, in the light of the strategic aims and objectives agreed by the Scottish Ministers where the body is sponsored;
- ➔ Advises the Board on the performance of the public body compared with its aims and objectives;
- ➔ Ensures effective relationships with Scottish Government officials – across the wider organisation, as necessary, and with the sponsor Directorate in particular;
- ➔ Ensures that timely forecasts and monitoring information on performance and finance are provided to the Scottish Government; that the Scottish Government is notified promptly if overspends or underspends are likely and that corrective action is taken; and that any significant problems, whether financial or otherwise, and whether detected by internal audit or by other means, are promptly notified to the Scottish Government;
- ➔ Ensures robust performance and risk management arrangements, consistent with the **Scottish Public Finance Manual**, are in place to support the achievement of the public body's aims and objectives and facilitate comprehensive reporting to the Board, the Scottish Government and the wider public;
- ➔ Ensures that the public body adheres, where appropriate, to the **Scottish Government's Programme and Project Management Principles**;
- ➔ Ensures that adequate systems of internal control are maintained by the public body, including effective measures against fraud and theft consistent with the **Scottish Public Finance Manual**; and
- ➔ Establishes appropriate documented internal delegated authority arrangements consistent with the **Scottish Public Finance Manual**.



➤ Role and Responsibilities of the Accountable Officer

The Permanent Secretary to the Scottish Government is the Principal Accountable Officer of the Scottish Administration. The Principal Accountable Officer designates Directors-General as Portfolio Accountable Officers. The Portfolio Accountable Officer has specific responsibilities with regard to a sponsored public body with its own Accountable Officer. These are set out in a Memorandum sent by the Principal Accountable Officer on appointment. The Portfolio Accountable Officer has no responsibilities in respect of Non-Ministerial bodies.

Where a public body manages its own budget, the Chief Executive will normally be designated as its Accountable Officer. Accountable Officers are personally answerable to the Scottish Parliament for the exercise of their functions, as set out in the Memorandum to Accountable Officers for Other Public Bodies issued to the Chief

Executive at the time of formal designation (normally at the same time as they are appointed as Chief Executive).

It is incumbent on the Chief Executive to combine their Accountable Officer responsibilities to the Scottish Parliament with their wider responsibilities to the Board. The Board and Chair should be fully aware of, and have regard to, the Accountable Officer responsibilities placed upon the Chief Executive.

If the Board has serious concerns about the actions and performance of the public body's Accountable Officer, it can recommend to the Principal Accountable Officer that Accountable Officer status should be withdrawn or suspended. The same option is open to the Principal Accountable Officer in the exercise of their own responsibilities.

ROLE AND RESPONSIBILITIES OF THE ACCOUNTABLE OFFICER



The Accountable Officer

- ➔ Signs the annual accounts and associated governance statements;
- ➔ Ensures the propriety and regularity of the public body's finances and that there are sound and effective arrangements for internal control and risk management;
- ➔ Ensures that the resources of the public body are used economically, efficiently and effectively, and that arrangements are in place to secure Best Value for the organisation and deliver Value for Money for the public sector as a whole;
- ➔ Ensures compliance with applicable guidance issued by the Scottish Ministers, in particular the **Scottish Public Finance Manual**;
- ➔ Has a statutory duty to obtain written authority from the Board/Chair before taking any action which they consider would be inconsistent with the proper performance of the Accountable Officer functions. The Accountable Officer should also notify, where considered appropriate, the relevant Portfolio Accountable Officer;
- ➔ Represents the public body before the **Public Audit Committee of the Scottish Parliament**; and
- ➔ May have their Accountable Officer status withdrawn or suspended if the Principal Accountable Officer has serious concerns about their actions and performance.



> Role and Responsibilities of the Minister

Every public body is expected to be aware of, and work within, a strategic and operational framework determined by the Scottish Ministers. Most fall within the portfolio of a specific Scottish Minister who will set overall policy aims, define expected outcomes arising from implementation of that policy and review progress against outcomes.

Public bodies are sometimes described as operating at 'arm's length' from Ministers but this does not mean that they are outwith Ministerial control. The Minister will decide how much independence and flexibility the public body should have, depending on its size, constitution, the nature of its functions and the legislation under which it operates.

Ministers may seek to increase their understanding of the public body through formal meetings with the public body's Chair and Board and other more informal events. The founding legislation for a public body may also give Ministers the power to issue a formal direction requiring it to take particular action. However, the use of such formal powers is extremely rare.

As Ministers are responsible to the Scottish Parliament, they may be asked at any time to attend Parliament or one of its Committees to answer questions from Members of the Scottish Parliament (MSPs) about the activities of public bodies within their remit.

ROLE AND RESPONSIBILITIES OF THE MINISTER



The Minister

- Considers and approves the public body's strategic objectives and the policy and performance framework within which it operates;
- Secures and approves the allocation of public funds for public bodies;
- Approves key documents such as the Framework Document and corporate plan for most public bodies;
- Makes appointments to the Board;
- Approves the terms, conditions and remuneration of the Chair and Board members;
- Approves the Chief Executive's and staff pay remit in line with Scottish Government Pay Policy;
- Lays accounts, together with the annual report, of sponsored public bodies before Parliament (Non-Ministerial public bodies do this themselves);
- Fulfils any responsibilities specified in the founding legislation, charter or articles of association, such as approving the appointment of the Chief Executive; and
- Issues letters of strategic guidance to sponsored public bodies.



➤ The Role of the Scottish Government Sponsor Directorate

The day-to-day link between a sponsored body and the Minister is provided by the sponsor Directorate. Within the sponsor Directorate, a sponsor team will ensure that the public body is adequately briefed about the Scottish Government's policies and priorities. That team will monitor the body's activities on behalf of the Minister. However, civil servants from the sponsor Directorate will not normally attend Board meetings of the public body. On any occasion that they do, they should do so as observers, not participants, and are not party to decisions taken by the Board.

Responsibility for ensuring Non-Ministerial public bodies are appropriately briefed about the Scottish Government's policies lies with the relevant Director-General.

The sponsor team prepares a Framework Document which sets out formally the relationship between the public body and the Minister and officials. While Framework Documents vary according to the functions, powers and finances of the public body, the **Model Framework** in the **Scottish Public Finance Manual** provides a useful template.

The Framework Document for a Non-Ministerial public body is prepared by the body itself based on good practice examples in existence.

Where appropriate the Framework Document will be drawn up by the Scottish Government, in consultation with the public body, and it will be reviewed at least every two to three years.

The key focus for much of the sponsorship role is to support sponsored bodies in being accountable, high performing organisations, delivering Value for Money services, which meet people's needs, as outlined in their business plan. An excellent sponsorship function is underpinned by two key elements:

- ➔ good governance structures and processes; and
- ➔ good relationships with the public body, based on openness, trust, respect and mutual support.

MODEL FRAMEWORK DOCUMENT



Contents:

- ➔ The legislative basis under which the public body was established and its statutory functions, duties and powers;
- ➔ Aims and objectives, how these are to be delivered and the key targets to be achieved;
- ➔ The roles and responsibilities of Ministers, a sponsor Directorate, the Chair, Board members, the Chief Executive and other senior officials; and the public body's accountability to Ministers (where appropriate) and to the Scottish Parliament;
- ➔ Arrangements for the planning, budgeting and control of the public body's activities and expenditure, including funding, preparation of corporate and business plans and setting of performance targets;
- ➔ Arrangements for preparation and publication of the annual report and accounts and external audit procedures; and
- ➔ Responsibilities of the public body for recruitment, pay, grading and other personnel matters.



➤ Managing Relationships

Strategic and Operational Responsibility

It is important that the Board maintains a focus on strategy, performance and behaviour and is not diverted by detailed operational matters which are the responsibility of the Chief Executive and the Senior Executive Management Team.

The Board should clearly differentiate their role in strategic governance and leadership from that of operational management. The Board should protect the Chief Executive and Senior Executive Management Team from individual Board members becoming involved in operational matters. Individual Board members have no authority to instruct the Chief Executive or any member of their staff on such matters.

Decision-Making

The Board should give all matters reserved to them due consideration and take ownership of the decisions taken. For instance, the Board should not simply 'rubber stamp' strategy proposals or a draft corporate plan put forward by the Chief Executive. It is important that both the Chief Executive and the Board understand the distinct nature of their roles.

Audit Scotland's report on The Role of Boards provides useful information about the operation of Boards in the public sector, including a series of questions at Annex 3 for Boards and individual Board members to ask themselves about how well they are working.

The Chair and Board Members

Individual Board members should contribute fully to Board deliberations and exercise a healthy challenge function. This expectation extends to Executive Directors (where, as is the case in many NHS bodies, they are Board members). However, it is important that no individual Board member (or Chair) dominates the debates or has an excessive influence on Board decision-making. The Chair has an important role to play in ensuring that all Board members are enabled and encouraged to contribute to Board discussions.

As a Board member, you should support the Chair in their efforts to conduct Board business in an efficient and effective manner. However, you should not hesitate to challenge the Chair if you believe that a decision is wrong (even illegal) or is in contravention of the Framework Document or formal instruction from Ministers, or has been taken without a full and proper debate.

Relationships with Stakeholders

The Board needs to consider the concerns and needs of all stakeholders and actively manage its relationships with them. Stakeholders – and the general public – should have access to full and accurate information on the decision-making processes and activities of each public body and have the opportunity to influence decisions and actions.

Scottish Ministers expect all public bodies to communicate clearly with their stakeholders, make information widely available, consult thoroughly and imaginatively and seek feedback on the public body's performance, acting on it as appropriate.

COMMUNICATION WITH STAKEHOLDERS



The Board should consider:

- ➔ Holding an Annual Open Meeting;
- ➔ Holding Board meetings in public, unless there is a good reason not to;
- ➔ Publishing summary reports and/or minutes of meetings;
- ➔ Inviting evidence from members of the public in relation to matters of public concern;
- ➔ Consulting stakeholders and users on a wide range of issues; and
- ➔ Making business and corporate plans and the Annual Report and Accounts widely available.



➤ Diversity, Equality and Human Rights

Diversity

The Scottish Ministers expect all public bodies to champion diversity and mainstream equal opportunities. Equality, diversity and inclusion need to become central to the work and the way the public bodies operate. The Board should give specific consideration to the impact on equality of opportunity when developing policies and making decisions. The Board should also look at how information can be presented to different groups in formats that best suit their needs and find ways of consulting effectively with people with different needs and backgrounds.

Scottish Ministers particularly welcome applications for public appointments from groups that are under-represented on Scotland's public bodies, with the aim of ensuring that Boards of public bodies are broadly reflective of the wider Scottish population **and have a gender balance by 2020**. Public bodies are expected to take positive action to support and enable greater diversity of Ministerial appointments, through:

- ➔ taking an active role in **succession planning**, and providing advice to Ministers about the Board's membership needs, both for new and re-appointments;
- ➔ ensuring that suggested criteria for the selection of new Board members meet the needs of the body, are unbiased and are not unnecessarily restrictive;
- ➔ taking action both during and between Board member recruitment exercises to attract the broadest range of candidates to the work of the Board;

- ➔ providing mentoring, shadowing and training opportunities for potential Board members; and
- ➔ establishing a succession planning committee.

From April 2017, public authorities are required to report on the steps they are taking towards diversity amongst their members in terms of relevant protected characteristics. This will be through the mainstreaming reports that are published every two years as part of the requirements of the **Equality Act 2010 (Specific Duties)** (Scotland) Regulations 2012 and should form part of Board succession planning.

Equality

Equality and fairness are at the heart of the Scottish Government's ambition for a socially just and inclusive Scotland. They are central to its purpose, outcomes and approach to public service reform.

The public sector equality duty in the **Equality Act 2010** came into force in April 2011 – this is often referred to as the general duty. Scottish public authorities must have 'due regard' to the need to eliminate unlawful discrimination, advance equality of opportunity and foster good relations. Scottish Ministers made regulations in May 2012 placing specific duties on Scottish public authorities, as defined in the regulations, to enable the better performance of the public sector equality duty. These are also known as the Scottish Specific Duties.

Public bodies should ensure that they operate in a way which promotes equality of opportunity and all policies must meet the requirements of equality legislation.



Human Rights

Under the **Human Rights Act 1998**, it is unlawful for a public body to act in a way that is incompatible with a right under the European Convention on Human Rights. The Board should seek assurances from the Chief Executive that the policies and procedures in place within the public body are compatible with Convention rights. The Board should also be committed to protecting the privacy of individuals in relation to how personal information is used as required by the **Data Protection Act 1998**.

FURTHER INFORMATION AND CONTACTS



The Data Protection Act 1998

Equality Act 2010

Equality Act 2010 (Specific Duties) (Scotland)
Regulations 2012

Guidance on Succession Planning for Public Bodies

Freedom of Information (Scotland) Act 2002

Information Commissioner's Office (Data
Protection)

Human Rights Act 1998

Principles of Strategic Engagement – December
2011

The Commissioner for Ethical Standards in Public
Life

Scottish Information Commissioner (FOI)

Standards Commission for Scotland



Effective Financial Management Guidance Note 4





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Further Information



> Overview

The Board, Chief Executive and senior management team must demonstrate effective financial stewardship of public funds. They must meet the requirements of the [Public Finance and Accountability \(Scotland\) Act 2000](#) and the [Scottish Public Finance Manual](#), including the need to account for the use of public money and the safe keeping of public assets.

This section explains key aspects of the [Scottish Public Finance Manual](#) which aim to ensure proper stewardship of public funds. It covers the allocation of funds to public bodies by Scottish Ministers, the requirement for robust financial monitoring and reporting systems, the importance of effective risk management and internal controls, and the processes by which internal and external audit provide assurance on the proper management of public funds and resources.

> Key Messages

- The Board satisfies itself that the public body has proper processes, systems and controls in place and receives assurances from the Chief Executive that the [Scottish Public Finance Manual](#) is being complied with. The Board also seeks assurance that systems are in place to provide accurate and timely information to the Scottish Government as part of the management of the Scottish Budget.
- The Board receives regular financial reports showing expenditure against planned budgets and progress towards financial targets and efficiency savings.
- The Board scrutinises financial and corporate plans and provides challenge on performance against these plans and any underlying assumptions.
- The Board satisfies itself that the public body has systems in place to secure Best Value in the performance of its functions.
- The Board satisfies itself that systems are in place for risk management and internal control extending from front-line services through to the Board.
- Where an organisation is responsible for expenditure, an Audit Committee must be established to advise the Board on internal control (including corporate governance) and audit matters.
- The Board is responsible for approving the annual accounts;
- The Board of a sponsored body is responsible for ensuring the Minister is provided with the annual report and accounts to be laid before the Scottish Parliament. In the case of a Non-Ministerial body, the Board is responsible for ensuring the annual report and accounts are laid before Parliament. The Chief Executive as the Accountable Officer of the public body is responsible for signing the accounts and ultimately responsible to the Scottish Parliament for their actions.
- On completion of the external audit of the annual accounts, the appointed auditor sends a copy of the accounts and the audit opinion to the Auditor General, who may add a report of their own, before the accounts and reports are laid before the Parliament.
- The [Public Audit and Post-legislative Scrutiny Committee](#) uses reports of the Auditor General as the basis for conducting enquiries.



> Key References and Contacts

Scottish Public Finance Manual

Scottish Public Finance Manual (Best Value)

Audit Scotland

Audit Scotland (Improving Public Service Efficiency)

Public Finance Accountability (Scotland) Act 2000

Scottish Parliament (Public Audit and Post-legislative Scrutiny Committee)

> The Scottish Public Finance Manual

The primary document that governs all matters relating to public finance and reporting in Scottish public bodies is the **Scottish Public Finance Manual** (SPFM).

The SPFM provides guidance to your public body and its sponsor Directorate on the proper handling of public funds. It is mainly designed to ensure compliance with statutory and parliamentary requirements (in particular, the **Public Finance and Accountability (Scotland) Act 2000**) to promote Value for Money and high standards of propriety, and to secure effective accountability and good systems of internal control.

The Board must ensure that the public body has processes and systems in place to ensure compliance with the SPFM. Board members should look to the Chief Executive (Accountable Officer) and staff of the public body for advice and assurance that the SPFM is being complied with.

The Accountable Officer has a personal responsibility for the propriety and regularity of the finances under their stewardship and for the economic, efficient and effective use of all related resources. Accountable Officers are personally answerable to the Parliament for the exercise of their functions and have a statutory duty to obtain written authority from, as the case may be, the Scottish Ministers or relevant governing body before taking any action that they consider may be inconsistent with the proper performance of their functions. The system is designed to promote good governance.

It is important to recognise that the Accountable Officer's role in relation to Value for Money is not a narrow one, restricted to considerations affecting that body, but, as defined by the SPFM, **Value for Money is to be judged for the public sector as a whole.**

This wider consideration of Value for Money would be relevant to considerations of property and accommodation, for example, in relation to shared services.

> Budgeting in a Public Body

The resources allocated to bodies by Scottish Ministers are determined as part of the Spending Review process. Spending Reviews take place every few years.

This process dovetails with the United Kingdom Spending Review which largely sets the overall Scottish budget for each Spending Review period. After deduction has been made for the costs of the Scotland Office plus the Scottish Parliamentary Corporate Body and Audit Scotland, the Scottish Government has full discretion to decide how the Scottish budget should be divided between its various portfolios, Non-Ministerial Offices and programmes. The grant-in-aid necessary to support the agreed budgets of sponsored bodies is authorised by the Scottish Parliament in the annual Budget Act.

Sponsored bodies are expected to provide supporting material to the sponsor Directorate as part of the latter's contribution to both the Spending Review and the annual budgetary process. Non-Ministerial Offices provide supporting material to the Finance Directorate within the Scottish Government. Wherever possible, this should be done as part of their own annual planning arrangements and they should therefore take



all reasonable steps to harmonise the planning process with those of the Spending Review and annual budgetary process.

The Scottish Government should write to sponsored bodies at least annually setting out the policies and priorities which Ministers wish them to pursue. Where a public body receives grant-in-aid, this is most commonly done through a Budget Allocation and Monitoring letter issued in advance of the financial year. This letter confirms the resources that Ministers have allocated to the body and sets out the priority areas of work that Ministers wish the body to pursue.

Where a sponsored body does not receive grant-in-aid, an equivalent letter should be received from the Scottish Government covering the priority areas to be pursued. The letter should draw on material from the corporate plan and the Spending Review and any further instructions from Ministers.

Typically the Board of a sponsored body will be responsible for the approval of the corporate plan (and possibly operational plans) before submission to the sponsor Directorate. The Board should receive regular financial reports (at least quarterly) showing expenditure/use of resources against planned budgets and progress towards financial targets including projected efficiency savings. Board members should provide the 'challenge function', carefully scrutinising plans, performance against plans and underlying assumptions.

The Board will also approve high value, novel or contentious expenditure proposals for submission to the Scottish Government and Ministers for approval when it is necessary/appropriate to seek approval from the Scottish Government.

➤ **Best Value, Efficient Government and Relocation**

Best Value

Best Value provides a common framework for continuous improvement in public services in Scotland, and is a key foundation of the Scottish Government's public service reform agenda.

The principles of Best Value complement good governance standards and offer a sound approach to running a public service organisation.

The duty of Best Value, as set out in the SPFM, is to make arrangements to secure continuous improvement in performance whilst maintaining an appropriate balance between quality and cost and in making those arrangements and securing that balance, to have regard to economy, efficiency, effectiveness, the equal opportunities requirements and to contribute to the achievement of sustainable development. Best Value ultimately is about creating an effective organisational context from which public bodies can deliver their key outcomes.



Accountable Officers appointed by the **Principal Accountable Officer for the Scottish Administration** have a specific responsibility to ensure that arrangements have been made to secure Best Value. The Scottish Ministers expect all Accountable Officers to comply with the duty of Best Value and for any associated matters relating to Value for Money, judged for the public sector as a whole placed upon them. In addition the Boards (or equivalents) of relevant public service organisations have corporate responsibility for promoting the efficient and effective use of staff and other resources by the organisations in accordance with the principles of Best Value. Under the terms of the Public Finance and Accountability (Scotland) Act 2000 the implementation of the duty of Best Value by relevant public service organisations is subject to scrutiny by the Auditor General for Scotland.

As a Board member, you should always bear in mind the need for your public body to continually secure Best Value in the performance of its functions. In a tight financial climate, service improvements may need to be funded from internal efficiencies.

Audit Scotland has adopted a generic framework for Best Value for all public bodies. This enables a consistent approach to auditing against Best Value principles across the public sector. Sustainable development and equalities are themes that run through the framework. It is a risk-based approach, recognising the increasing focus on partnership working, with the specific aim of:

- ➔ Reporting on overall governance and management arrangements
- ➔ Reporting on the delivery of outcomes
- ➔ Protecting taxpayers' interests by examining the use of resources
- ➔ Increasing the emphasis on self-assessment by public bodies with audit support and validation.

Efficient Government

The Public Services Reform (Scotland) Act 2010, section 32(1)(b) provides that as soon as is reasonably practicable after the end of each financial year each listed public body must publish a statement of the steps it has taken during that financial year to improve efficiency, effectiveness and economy in the exercise of its functions. Efficiency is not about making cuts, it is about enhancing Value for Money, improving public service and raising productivity and as such efficient Government is focused on the sound management of resources and ensuring that public bodies continually review their operations to identify opportunities for efficiency improvements. Efficiency improvements are about improving the ratio of resource inputs to outputs and can be made in any area, including the administration and delivery of services and in the procurement of goods and services. By making efficiency savings, more resources are available for re-investing in the delivery of public services.

Opportunities for efficiency improvements within your body should be identified as part of the corporate and business planning processes. As a Board member you should ensure that such opportunities are being identified and that arrangements are in place for measuring, monitoring, and reporting on the delivery of efficiency savings to the Board.

This should include having efficiency performance indicators (such as a range of input/output ratios) that will allow you to routinely monitor the efficiency of your public body's operations.



Audit Scotland's report on Improving Public Service Efficiency identified that public bodies will need to improve productivity and efficiency in the delivery of public services to meet continued demands on public spending. Audit Scotland concluded that public bodies will need to take a more fundamental approach to identifying priorities, improving the productivity of public services, and improving collaboration and joint working. A **Good Practice Checklist** was produced to help leaders in public bodies check and challenge their approach and ultimately support better productivity and efficiency.

Relocation

Relocation policy is related to Best Value and Efficient Government. Location reviews are triggered by the creation or reorganisation of bodies, as well as by property events (such as lease breaks). Relocation remains an option as part of streamlining the public bodies landscape, but should only be pursued following a rigorous and transparent process that shows any move provides best possible Value for Money for the public finances and optimum service delivery. Ministers will expect Board members to have regard to this policy in decisions they make on the most efficient and effective way of delivering services.

> Annual Report and Accounts

The accounting guidance issued to those bodies that are subject to reporting requirements set by the Scottish Ministers will set out the applicable accounting policies and principles and disclosure requirements.

Where the Scottish Government makes funds available to a sponsored body the Scottish Government will account to the Parliament

for the provision of those funds in the Scottish Government's annual accounts. A body which is a separate accounting entity, such as a Non-Ministerial body, will account for the use of those funds (and of other funds in its stewardship) in its own annual accounts.

The Board of a sponsored body is responsible for approving the body's annual accounts and ensuring that the Minister is provided with the annual report and accounts to be laid before the Scottish Parliament. The Chief Executive as the Accountable Officer of the public body is responsible for signing the accounts and ultimately responsible to the Scottish Parliament for their actions.

The accounting requirements for a public body will normally be set out in its founding legislation and/or its Framework Document.

Performance Measurement and Reporting

Key targets for efficiency and effectiveness of operations and quality of service provided will be agreed as part of the planning process. The Board should ensure that robust systems are in place to monitor performance against these targets. A report on the extent to which performance targets have been achieved should be incorporated in the Annual Report, where appropriate giving a summary of trends over a five-year period.

> Risk Management and Internal Controls

Risk concerns uncertainty of outcome. The delivery of an organisation's objectives is surrounded by uncertainty which both poses threats to success and offers opportunities for increasing success. Risk is defined as this uncertainty of outcome, whether positive opportunity or negative threat, of actions and events.



Each public sector organisation's internal control systems should include arrangements for identifying, assessing and managing risks. Risk management should be closely linked to the business planning process and performance monitoring arrangements.

Public bodies are required to provide a **Governance Statement** in order to comply with best practice as recommended by the **Turnbull Committee Report**. As part of that process, Directors (in the case of public bodies, the Board) are required to review, at least annually, the effectiveness of all controls, including financial, operational and compliance controls. Organisations need to show that they have established and maintained effective and on-going procedures for identifying, evaluating and managing business risks.

The Board must ensure that there is a system in place for continuous risk management which extends from the front-line services through to the Board. This involves having a framework of prudent and effective controls in place to enable risks to be identified, assessed and managed. The Board itself should regularly review key business risks affecting the organisation.

Audit Committee

Where a body is responsible for a budget, an **Audit Committee** must be established to advise the Board and Accountable Officer on internal control (including corporate governance) and audit matters.

All accounting entities to which the **SPFM** is directly applicable should establish an Audit Committee. The Board (or Accountable Officer) should establish an Audit Committee of at least three members, all of whom should be either Board members or independent external members.

All Audit Committees in organisations to which the **SPFM** is directly applicable are subject to the guidance in the **Audit Committee Handbook** published by the Scottish Government. A degree of flexibility will be appropriate in applying the guidance in the Handbook, particularly with regard to smaller accounting entities.

The exact role of the Audit Committee will depend on the particular circumstances of the organisation. Examples of issues affecting the role of the Audit Committee include the strategic risk management arrangements that the Board and/or Accountable Officer have established, whether or not there is a separate Risk Committee and the whistleblowing arrangements which have been put in place as part of the anti-fraud and corruption arrangements. An Audit Committee should not have any executive responsibilities or be charged with making or endorsing any decisions, although it may draw attention to strengths and weaknesses in control and make suggestions for how weaknesses might be dealt with. The overarching purpose of the Audit Committee is to advise the Board and/or Accountable Officer; it is then the Board and/or Accountable Officer who makes the relevant decisions.

To fulfil its role, an Audit Committee should generally meet around three or four times per year. Additional meetings should be convened as deemed necessary, reflecting the needs of the organisation.

All Audit Committee members, whatever their status or background, will have training and development needs. Those who have recently joined the Audit Committee will need induction training, either to help them understand their role; or if they have audit committee experience elsewhere, to help



them understand the organisation. In particular, those joining a public sector Audit Committee for the first time will need training to help them understand public

sector standards, especially those relating to governance and accountability.

AUDIT COMMITTEE



The Audit Committee should:

- Have written terms of reference from the Board, which encompass all the assurance needs of the Board and Accountable Officer. Within this, the Audit Committee should have particular engagement with the work of Internal Audit, the work of the External Auditor and with financial reporting issues;
- Support the Board and Accountable Officer by reviewing the scope, reliability and integrity of the assurances provided to them;
- Highlight those aspects of risk management, governance and internal control that are functioning effectively and, just as importantly, those that need to be improved;
- Have at least three non-executive members, under the chairmanship of a non-executive member who should be someone other than the Chair of the public body or of any other sub-committee of the Board;
- Own corporately an appropriate skills mix to allow it to carry out its overall function. At least one of the Committee members should have recent and relevant financial experience;
- Have a Chair whose role goes beyond chairing meetings – this is key to achieving Committee effectiveness. The additional workload should be taken into account in the appointment of the Chair;
- Have a Chair who is involved in the appointment of new Committee members, including providing advice on the skills and experience being sought by the Committee, and is responsible for ensuring that the work of the Audit Committee is appropriately resourced;
- Be independent and objective; in addition each member should have a good understanding of the objectives and priorities of the organisation and of their role as an Audit Committee member;
- Encourage the Accountable Officer, Head of Internal Audit and Director of Finance to attend meetings (though not as members of the Audit Committee);
- Should have regular and on-going liaison with External Auditors; and
- Should ensure it has effective communication with the Board and Accountable Officer, the Head of Internal Audit, the External Auditor, and other stakeholders. In addition, the role of the Chair and provision of appropriate secretariat support are important elements in achieving Audit Committee effectiveness.



Internal Audit

In any government related organisation there will be two significant sources of assurance that the Audit Committee can be certain will be present: Internal Audit and External Audit. Internal Audit provides an independent, objective assurance and consulting activity designed to add value and improve an organisations operations.

Internal Audit is an internal appraisal service, established by the management of an organisation, to review the internal control system. It objectively examines, evaluates and reports on the adequacy of internal control as a contribution to the proper, economic, efficient and effective use of resources. The scope of the Internal Audit service should be unrestricted across the organisation's operations. The Internal Auditors should have sufficient authority to access assets, records and personnel as necessary for the discharge of their responsibilities.

The work of Internal Audit is likely to be the single most significant resource used by the Audit Committee in discharging its responsibilities. This is because the Head of Internal Audit, in accordance with the Public Sector Internal Audit Standards, has a responsibility to offer an annual opinion on the overall adequacy and effectiveness of the organisation's risk management, control and governance processes. There is consequently a major synergy between the purpose of the Head of Internal Audit and the role of the Audit Committee.

The role of the Audit Committee in relation to Internal Audit should include advising the Board and Accountable Officer on:

- The Audit Strategy and periodic Audit Plans, forming a view on how well they support the Head of Internal Audit's responsibility to provide an annual opinion on the overall adequacy and effectiveness of the organisation's risk management, control and governance processes;
- The results of Internal Audit work and the management response to Internal Audit findings; and
- Internal Audit coverage.



External Audit

External Audit provides independent scrutiny of an organisation's finances, performing an audit of the financial statement of an organisation. External Audit can also give assurance that organisations have used their resources in discharging their functions properly, efficiently and effectively e.g. through a performance audit. The Audit Committee should engage with the activity of the External Auditor, ensuring that examinations are carried out effectively. As well as considering the results of External Audit work, they should enquire about and consider the External Auditor's planned approach and the way in which the External Auditor is co-operating with Internal Audit to maximise overall audit efficiency, capture opportunities to derive a greater level of assurance and minimise unnecessary duplication of work.

The **Auditor General for Scotland** is the External Auditor of a number of public bodies.

The Auditor General may appoint a member of the staff of Audit Scotland or an appropriately qualified professional firm as the auditor of your body. Where a public body is incorporated under the Companies Act, the auditor is appointed by the members of the company (i.e. the Board members).

External Audit of the Annual Accounts

An External Audit of the annual accounts undertaken by the Auditor General is conducted in accordance with the **Public Finance and Accountability (Scotland) Act 2000** and the **Code of Audit Practice issued by Audit Scotland** on behalf of the Auditor General.

On completion of the External Audit, the appointed auditor sends a copy of the accounts and the audit opinion to the Auditor General. The Auditor General may then add a report (for example, on a qualification of the auditor's opinion or other matter drawn to their attention by the auditor) before sponsored bodies send their accounts and reports to the Scottish Ministers

for laying before the Parliament. Non-Ministerial bodies lay their accounts directly before the Parliament.

EXTERNAL AUDIT OF THE ANNUAL ACCOUNTS ▼

The appointed auditor will:

- Issue an opinion as to whether the accounts give a true and fair view of the state of affairs of the public body at the year end and of its income and expenditure for the year and whether the accounts have been prepared in accordance with any applicable legislation and accounts direction;
- Issue an opinion (known as the "regularity" opinion) as to whether the income and expenditure has been properly received or incurred in accordance with legislation, the Budget Act for the relevant year and any other guidance issued by the Scottish Ministers;
- Review the Governance Statement prepared by the body and report if it is not in accordance with the auditor's understanding of the body;
- Review the body's arrangements in relation to financial sustainability, financial management, governance and transparency and Value for Money;
- Consider the body's governance arrangements and arrangements for prevention and detection of fraud; and
- Provide reports to the Board, Audit Committee and/or management on matters arising during the course of the audit.



Performance Audit

Performance audits look at the performance of a public body and include a Value for Money audit which is an examination of the economy, efficiency and effectiveness with which a body has used its resources to carry out its functions.

The **Auditor General** has powers to conduct performance audits. These audits examine the economy, efficiency and effectiveness of aspects of the public sector. They can assess:

- performance across several public bodies in a particular theme – for example, managing changes in the workforce; or
- performance of an individual public body or a particular aspect of that body's performance.

Performance audits may be conducted by Audit Scotland staff, the appointed auditor, consultants or any combination of these. A draft report on the audit will be discussed with the public body (or bodies) to ensure factual accuracy. Once finalised, the report will be laid before the Scottish Parliament and published with an accompanying news release. In most cases, the **Auditor General** will present the report to the **Scottish Parliament's Public Audit and Post-legislative Scrutiny Committee**. Performance audit reports may contain material such as checklists to assist non-executive Board members in holding management to account.

For many public bodies, the founding legislation provides that the **Auditor General** will appoint the auditor. In such circumstances, the **Auditor General** has a statutory right to carry out a Value for Money examination.

Where the **Auditor General** is not the auditor of a public body and has not appointed the auditor, they should have rights under statute or by agreement to carry out an inspection of the use of resources by those bodies.

➤ The Public Audit and Post-legislative Scrutiny Committee of the Scottish Parliament

The **Public Audit and Post-legislative Scrutiny Committee** of the Scottish Parliament is one of the committees established under the Standing Orders of the Parliament. The Public Audit and Post-legislative Scrutiny Committee uses the reports of the Auditor General, which are laid before the Parliament, as the basis for conducting enquiries. It is chaired by a senior member of the Opposition and conducts its business on non-party political lines.



PUBLIC AUDIT AND POST-LEGISLATIVE SCRUTINY COMMITTEE

The key stages:

- The Auditor General's report is discussed with the body concerned and the facts are agreed;
- The report is laid before Parliament and published together with a Press Release;
- If an enquiry is to be conducted by the Public Audit and Post-legislative Scrutiny Committee, witnesses are called to give evidence – usually the Accountable Officer of the public body and the Accountable Officer of the sponsor Directorate. It is possible that the Chair or a Board member of a public body will be required to appear as a witness, where appropriate;
- After the evidence session, the Committee drafts and approves a report which is published; and
- A formal response to the Committee's report is provided by the Scottish Government (or by the body in consultation with the Scottish Government) within two months of the Committee's report being published.

FURTHER INFORMATION



Audit Committee Handbook

Audit Scotland (Auditing Best Value in Central Government Bodies)

Audit Scotland (Code of Audit Practice)

Audit Scotland (Efficient Public Services Good Practice Checklist)

Public Finance Accountability (Scotland) Act 2000

Public Services Reform (Scotland) Act 2010

Scottish Public Finance Manual (Best Value)

Scottish Public Finance Manual (Risk Management)

Scottish Public Finance Manual (Spending Reviews)

ISSUES ON WHICH BOARD MEMBERS SHOULD SEEK ASSURANCE

Typically the range of issues on which Board members should seek assurance will include:

- compliance with the SPFM, Framework Document and legislation (e.g. founding legislation, Equality Act 2010);
- financial monitoring and reporting arrangements and arrangements for delivering and reporting on efficiency savings;
- arrangements for securing Best Value for the organisation and Value for Money for the public sector as a whole;
- systems for identifying, assessing and managing risks;
- processes for preventing and detecting fraud, and, linked to this, whistleblowing procedures;
- arrangements for business continuity and disaster recovery;
- information management systems, including in relation to protection of personal data and compliance with Freedom of Information legislation;
- propriety and regularity of public finances;
- management systems that have clear lines of delegation and accountability;
- arrangements for meeting procurement requirements;
- arrangements for meeting the body's moral and legal obligations to its employees; and
- complaints handling procedures.

Boards will require to supplement these areas of assurance having regard to the purpose of the organisation and the nature of the business conducted.



Ethics and Standards of Behaviour

Guidance Note 5





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> Overview

The Scottish public has high expectations of those who serve on the Boards of public bodies and the way in which they conduct themselves in undertaking their duties. As a Board member, it is your personal responsibility to ensure that you meet these expectations by ensuring that your conduct is above reproach.

This section outlines how the Board exercises leadership in determining the values and standards of the organisation.

It describes the ethical framework introduced by the Ethical Standards in Public Life etc. (Scotland) Act 2000, particularly the nine key principles of the Model Code of Conduct which all Board members are required to observe when discharging public duties. Through this framework, the Scottish Ministers aim to ensure confidence in Scottish public bodies, the Boards of those bodies and individual Board members.

> Key Messages

- Board members of bodies listed in **Schedule 3 of the Ethical Standards Act** are subject to the nine key principles outlined in the **Model Code of Conduct**.
- It is important to take care when expressing views so you do not compromise your position as a member of a public body.
- All public bodies have a duty to publish a Register of Board Member Interests. There are specific interests which you must register and it is your personal responsibility to ensure that your entries are current.
- Board members must declare financial and non-financial interests which might be perceived to influence their contribution to a discussion or decision in Board proceedings. This requirement also applies to interests held by your close family, friends and business associates.
- The test on making a declaration is whether a member of the public, with knowledge of the relevant facts, would reasonably regard the interest as so significant that it is likely to prejudice your discussion or decision-making.
- You must ensure that the reputation of your public body is not damaged by the receipt (or provision) of inappropriate gifts and hospitality.
- The **Commissioner for Ethical Standards in Public Life in Scotland** (the Commissioner) considers complaints about members of devolved public bodies who are alleged to have contravened the Code of Conduct. On finding a contravention of the Code, the Commissioner reports to the **Standards Commission** for adjudication. Where a hearing is held by the Standards Commission and a contravention of the Code is established, the Standards Commission determines the level of sanction to be applied.
- **Part 4 of The Ethical Standards in Public Life etc. (Scotland) Act 2000** makes provision for Codes of Conduct for bodies not listed in Schedule 3 – such bodies and Board members are not subject to investigation by the **Commissioner**, or sanction by the **Standards Commission**.

> Key References and Contacts

The Commissioner for Ethical Standards in Public Life in Scotland

The Standards Commission for Scotland

Model Code of Conduct for Board Members
Standards Commission Guidance Note



> Introduction to Ethical Standards in Public Life

The Ethical Standards in Public Life etc. (Scotland) Act 2000 (Ethical Standards Act) introduced the power to specify the principles and rules that underpin public life in Scotland, putting ethical standards and probity at the heart of decision-making in public service. The principles set out below should be observed by all Board members of public bodies in Scotland.

> Key Principles

Duty

You have a duty to uphold the law and act in accordance with the law and the public trust placed in you. You have a duty to act in the interests of the public body of which you are a member and in accordance with the core functions and duties of that body.

Selflessness

You have a duty to take decisions solely in terms of public interest. You must not act in order to gain financial or other material benefit for yourself, family or friends.

Integrity

You must not place yourself under any financial, or other, obligation to any individual or organisation that might reasonably be thought to influence you in the performance of your duties.

Objectivity

You must make decisions solely on merit and in a way that is consistent with the functions of the public body when carrying out public business including making appointments, awarding contracts or recommending individuals for rewards and benefits.

Accountability and Stewardship

You are accountable for your decisions and actions to the public. You have a duty to consider issues on their merits, taking account of the views of others and must ensure that the public body uses its resources prudently and in accordance with the law.

Openness

You have a duty to be as open as possible about your decisions and actions, giving reasons for your decisions and restricting information only when the wider public interest clearly demands.

Honesty

You have a duty to act honestly. You must declare any private interests relating to your public duties and take steps to resolve any conflicts arising in a way that protects the public interest.

Leadership

You have a duty to promote and support these principles by leadership and example, and to maintain and strengthen the public's trust and confidence in the integrity of the public body and its members in conducting public business.



Respect

You must respect fellow members of your public body and employees of the body and the role they play, treating them with courtesy at all times. Similarly you must respect members of the public when performing duties as a member of your public body.

Board members should apply these principles in their dealings with fellow members of their public body, its employees and other stakeholders. Similarly Board members should also observe these principles in their dealings with the public when performing duties as a member of a public body.

➤ The Ethical Standards Framework

The key elements of the ethical framework introduced by the **Ethical Standards in Public Life etc. (Scotland) Act 2000** are:

- ➔ A **Standards Commission for Scotland** (Standards Commission) and a Chief Investigating Officer (now the **Commissioner for Ethical Standards in Public Life in Scotland**) to oversee the ethical framework;
- ➔ A **Model Code of Conduct for Members of Devolved Public Bodies** on a statutory basis for those bodies listed in Schedule 3 of the Act;
- ➔ Codes for smaller bodies; and
- ➔ Publicly available Registers of Members' Interests.

Through this ethical framework, the Scottish Ministers aim to ensure that Scottish public bodies and all who serve on them conduct their business in a way which merits and sustains public confidence.

➤ The Commissioner for Ethical Standards in Public Life in Scotland

The **Public Services Reform (Commissioner for Ethical Standards in Public Life in Scotland etc.) Order 2013** came into force on 1 July 2013. The Order transferred the functions of the Public Standards Commissioner for Scotland and the Public Appointments Commissioner for Scotland to a single **Commissioner for Ethical Standards in Public Life in Scotland** (the Commissioner).

The Commissioner is an independent office holder who works in two areas:

- ➔ Public appointments, regulating how people are appointed to the Boards of public bodies in Scotland; and
- ➔ Public standards, where the Commissioner can investigate a complaint about a councillor or a member of a devolved public body who is alleged to have contravened the councillors' or the appropriate public body's Code of Conduct.



Where the Commissioner identifies that a breach or breaches of a Code or Codes may have occurred, the Commissioner will report on the outcome of these investigations to the Standards Commission for adjudicatory action and application of sanctions, where appropriate.

➤ The Standards Commission for Scotland

The **Standards Commission** is an independent statutory body which has responsibility for enforcing compliance with the Codes of Conduct and providing general guidance on their interpretation. It adjudicates on cases of alleged contravention of the Codes of Conduct referred to it after investigation by the Commissioner and, where a hearing is held, has the power to impose sanctions. The Standards Commission has responsibility for various aspects of the ethical framework including:

- ➔ adjudicating on cases of alleged contravention of the Codes of Conduct for Members of Devolved Public Bodies reported to it by the Commissioner following investigation of a complaint;
- ➔ promoting and enforcing Codes of Conduct and providing guidance on the operation of Registers of Interests;
- ➔ providing **guidance** to public bodies on:
 - ➔ the promotion and observance of high standards of conduct by members of devolved public bodies and assisting them in that task;
 - ➔ the Commission's relationship with public bodies in carrying out its functions; and
 - ➔ the Registers of Interests for Members of Devolved Public Bodies.

On finding a contravention of a Code of Conduct for bodies listed in Schedule 3 of the **Ethical Standards in Public Life etc. (Scotland) Act 2000**, the **Standards Commission** can impose sanctions ranging from censure, or suspension from meetings of the public body for up to one year, to disqualification for up to five years. Details of the full range of sanctions available to the Commission are listed in **Annex A of the Members' Model Code of Conduct**.

The **Standards Commission** can also consider particular circumstances where it would be contrary to the spirit of the Code for it to be applied. In exceptional circumstances, it can issue dispensations to allow Members of public bodies, including councillors, to participate in discussion and vote on certain matters where, due to financial or non-financial interests, they would otherwise be prohibited from such participation.

➤ Code of Conduct for Board Members

Upon appointment to the Board, you should have been provided with a copy of your public body's Code of Conduct for Board Members, which forms part of your terms and conditions.

You must not at any time advocate or encourage any action contrary to the Code of Conduct. It is your personal responsibility to make sure that your actions comply with the provisions of the Code at all times as the Code contains the standards against which your conduct will be measured. You should review regularly, and at least annually, your personal circumstances against the requirements of the Code.

If you are uncertain about any aspect of the Code, you should seek advice from the Standards Officer in your public body. You



may also choose to consult your own legal and financial advisers. The **Standards Commission** also provides advice and guidance on the Code.

The nine key principles of public life are mentioned earlier in this section. The **Standards Commission guidance** to devolved public bodies will provide you with more detailed information on these principles. The following paragraphs provide a brief snapshot of information about parts of the Model Code of Conduct which Board members will require to give care and consideration to when undertaking their duties.

> Gifts and Hospitality

As a Board member, you should ensure that the reputation of your public body is not damaged through the receipt (or provision) of inappropriate gifts and hospitality. →

> Bribery

Board members must be familiar with the provisions of the **Bribery Act 2010** which came into force on 1 July 2011 and their organisation's policy in this area. The Act makes it a criminal offence for a person to take part in active bribery (making a bribe) or passive bribery (receiving a bribe). All public bodies operate a zero tolerance approach to bribery, with any allegations investigated in accordance with the relevant procedures and reported to the appropriate authorities.

> Conflicts of Interest

Public bodies should have in place clear rules and procedures for managing conflicts of interests. Together with the rules on registration of interests, this ensures transparency of your interests which might influence, or be thought to influence, your actions. You should note that the appearance of a conflict of interest in terms of public perception can be every bit as damaging as an actual conflict – both should be avoided.

GIFTS AND HOSPITALITY



- Do not canvass or actively seek gifts or hospitality;
- Your conduct should not foster the suspicion of any conflict between your official duties and your private interests;
- Your actions, when acting in an official capacity, should not give the impression of having been influenced by a gift or consideration to show favour or disfavour to any person or organisation;
- Do not accept any offer of a gift or hospitality from any individual or organisation that stands to gain from a decision that your public body may be involved in determining or that is seeking to do business with your public body;
- You should usually refuse offers of gifts and/or hospitality except in the following cases: gifts of an isolated and trivial character under £50; normal hospitality associated with your duties and reasonably regarded as appropriate; or gifts received on behalf of the public body;
- Do not accept repeated hospitality or repeated gifts from the same source; and
- If you are in doubt about the propriety of accepting a gift or an item of hospitality you should contact the Standards Officer and/or the Chair for advice.



Handling Conflicts of Interest

Public confidence in your public body and its Board members depends on it being clearly understood that decisions are taken in the public interest and not for any other reason. In deciding whether to declare an interest, the key test is whether a member of the public, acting reasonably, might think that a particular interest could influence you.

> Registration of Interests

All devolved public bodies subject to the **Ethical Standards in Public Life etc. (Scotland) Act 2000 (Register of Interests) Regulations 2003**, as amended, have a duty to set up, maintain and make available for public inspection a register of Board member interests. The regulations describe the detail and timescale for registering. The **Model Code** is very specific about the interests that you, as a Board member, must register and these include:

REGISTRATION OF INTERESTS



- Remuneration from employment, self-employment or directorships;
- Related undertakings i.e. certain unremunerated directorships;
- Contracts with the public body;
- Gifts and hospitality;
- Houses, land and buildings that you own or have an interest in which are of significance or relevance to, or bear upon the work and operation of, the public body;
- Shares and securities – holdings in a company or organisation which are of significance or relevance to, or bear upon the work and operation of, the public body; and
- Non-financial interests including membership or holding office in other public bodies, clubs, societies and organisations such as Trade Unions and voluntary organisations.

Your Code of Conduct will contain definitions of what is required under each of these categories and if you are in any doubt as to what you should or should not be registering, you should discuss this with the Standards Officer, the Chair and/or the Standards Commission.

The Register should also be available for inspection by the public (electronic and paper version). Public bodies should prepare a page for this purpose on their website and ensure that it is operational. The electronic version of the Register does not need to include any personal information that would compromise personal security although the full details would be made available for public inspection in hard copy.

Board members are required to keep their entries in the Register of Interests up-to-date and this involves notifying the Standards Officer of any new interest or change to an existing interest within one month of the change.

Declaration of Interests

In deciding whether to declare an interest, the key test is whether a member of the public, with knowledge of the relevant facts, would reasonably regard the interest as so significant that it is likely to prejudice your discussion or decision-making in your role as a member of a public body.

If you have a financial, or non-financial, interest you must declare your interest at Board meetings and withdraw from decision-making on the basis of such an interest when it is appropriate to do so.



Non-Declaration of Interest

Where a material conflict of interest exists and a Board member does not declare their interest and withdraw, the Chair should take appropriate action to ensure that the Board (and the Board member concerned) is not compromised. In the event that a Board member refuses to leave the room when asked by the Chair to do so, the Chair should suspend the meeting and reconvene without the Board member concerned being present. Board members should bear in mind that any such action on their part may lead to an investigation by the Commissioner and the matter thereafter referred to the Standards Commission, which may apply a sanction in the event that it determines a breach of the Code of Conduct has occurred.

Frequent Declarations of Interest

If as a Board member you are frequently declaring interests at meetings, you should consider whether it is appropriate for you to continue in your role. In such circumstances, you may wish to discuss your continued appointment as a Board member with the Chair.

Dispensations

The **Standards Commission** does have the power to issue dispensation (where it is deemed to be in the public interest) to allow Board members to participate in a discussion and vote, despite the fact they have financial or non-financial interests which would normally prevent them from participating in discussion and voting.

In addition to general dispensations, individual applications for dispensations in exceptional circumstances can be made to the **Standards Commission** and may be granted where it is in the public interest to do so. However, Board members must not take part in any discussion or vote on a matter (in which they are conflicted) unless and until they have actually received a dispensation.

> Confidentiality

On occasions, Board members will be required to treat discussions, documents and other information relating to the work of the body in a confidential manner. It is imperative that Board members respect this duty of confidentiality at all times. In particular, as a Board member you should never use information to which you have privileged access for personal or financial gain or in a way that brings the public body into disrepute.

> Lobbying

The Code of Conduct sets out clear guidance in respect of dealing with lobbyists and lobbying. If you have any concerns over the approach or methods used by anyone in their contacts with you, you should discuss the matter with your body's Standards Officer and/or the Chair.

> Use of Social Media

When using social media the distinction between work and private life can become blurred, and speedily made comments can be misconstrued. It is important to take special care when expressing views on social media not to compromise your position as a member of a public body. Social media offers many benefits in communicating with stakeholders and interested parties. However, you should always remember that hastily expressed views through social media can reach large (sometimes unintended) audiences instantaneously and can be difficult to retract if required to do so. Your public body should have a policy in place about the use of social media. You should familiarise yourself with the content of that policy to protect the public body's reputation, its legal obligations, its information and its systems. You will be expected to approach any use of social media platforms responsibly and with care.



> Whistleblowing

Although not directly covered by the Ethical Standards Framework, Board members have a responsibility to ensure that staff have confidence in the fairness and impartiality of procedures for registering and dealing with their concerns and interests. **The Public Interest Disclosure Act 1998** gives legal protection to employees who raise certain matters or concerns, known as 'qualifying disclosures', without fear of reprisal. As a Board member, you should ensure that your public body has a whistleblowing policy and appropriate procedures in place. This will allow staff to raise concerns on a range of issues such as fraud, health and safety etc. without having to go through the normal management structure. **Audit Scotland has published guidance on employers' and employees' responsibilities in relation to whistleblowing.**

Public Bodies not covered by the Ethical Standards in Public Life etc. (Scotland) Act 2000

The **Ethical Standards in Public Life etc. (Scotland) Act 2000** makes provision for Scottish Ministers to introduce a Code or Codes of Conduct under the Public Authorities Regime for bodies not listed in Schedule 3 to the Act. While such public bodies and their Board members will be expected to act in accordance with this Code of Conduct, they will not be subject to investigation by the Commissioner or to sanctions by the Standards Commission.

Irrespective of the extent to which a public body is covered by the Ethical Standards Act, Board members are required to adhere to the principles that underpin the ethical standards framework and have regard to the provisions set out in the **Model Code of Conduct** in carrying out their public duties.

> Complaints Handling

The Scottish Public Services Ombudsman (SPSO) is the independent body that provides the final stage for complaints from members of the public about devolved public services in Scotland.

As a Board member, you have a responsibility to ensure that complaints are considered as part of your organisation's overall governance and assurance arrangements.

You should be aware of the importance of having an effective complaints policy in place. You can also help to promote a culture which values complaints and has a proactive approach to effective resolution, monitoring and learning from complaints.

The Board has a collective responsibility and Board members, the Chair and the Chief Executive are also individually responsible for ensuring the public body has an effective, efficient, customer-focused approach to complaints resolution in place.

You should also be aware of the issues and concerns people are raising in their complaints. Your scrutiny of these issues will help to ensure that service users receive a high quality service and that taxpayers receive value for money.

The SPSO has a duty to publish model **Complaints Handling Procedures (CHP)** which public bodies have a statutory requirement to adopt. The CHP includes a commitment for public bodies to publish information against performance indicators, which will provide consistent complaints data across the various sectors of the public service in Scotland.

The SPSO has produced a **short briefing note** for Board members which will help you to consider complaints as part of your organisation's governance arrangements.



COMPLAINTS HANDLING



- Ensure the public body and executive team are learning from service failures and customer insight provided by complaints, with systems in place to record, analyse and report on complaints outcomes, trends and actions taken;
- Ensure that processes are in place for the public body and executive team to identify and respond immediately to critical or systemic service failures identified from complaints handling;
- Take an active role in monitoring and reviewing learning from complaints and reviewing individual complaints to obtain an understanding of how any failures occurred and have been addressed;
- Provide the necessary challenge and hold the senior officer(s) to account for the public body's performance in complaints handling, with Board / Board members themselves regularly monitoring and reviewing the complaints handling performance of the public body; and
- Ensure that service improvements are agreed, actioned and reviewed, possibly on a quarterly basis.

FURTHER INFORMATION



Audit Scotland – Employer's Guide to Whistle Blowing

Bribery Act 2010

Ethical Standards in Public Life Etc. (Scotland) Act 2000

Ethical Standards Registration of Interests (Regulations) 2003

Scottish Parliamentary Commissions and Commissioners etc. Act 2010

The Scottish Public Services Ombudsman

The model Complaints Handling Procedure (CHP) for the Scottish Government, Scottish Parliament and associated public authorities in Scotland

SPSO's Valuing Complaints



Annex A Classification of Public Bodies



There are occasions where bodies carrying out public functions should operate more at 'arm's-length' from Government. This may be appropriate for a variety of reasons. This can be to provide independent advice and expertise on technical, scientific or other complex issues and take this outside the political arena, e.g. on ethical issues, or funding decisions. Tribunals and other quasi-judicial bodies are set up to meet specific requirements for separation of decision-making and appeals. Public bodies carry out a wide range of functions such as independent regulation, advice, investigation, adjudication, ombudsman services, appeal, funding, partnership, commercial and health services. Such 'arm's-length bodies' focus in depth on clear and specific functions and purposes. These bodies have been established to meet particular needs and situations. This flexibility and responsiveness means that the landscape of public bodies is necessarily both complex and diverse.

The following provides a snapshot of the features of public bodies operating in Scotland.

Executive Agencies – although an integral part of the Scottish Government, Executive Agencies generally have a strong focus on the management and direct delivery of public services which do not require day-to-day ministerial oversight; in some cases they may also have responsibility for a discrete area of government policy. They are staffed by civil servants, including the Chief Executive who is directly accountable to Ministers. They are not statutory bodies but operate in accordance with a Framework Document approved by Ministers, which may be reviewed, amended or revoked at any time. This has the advantage that they can normally be set up by administrative action without the need for legislation.

Executive Non Departmental Public Bodies (NDPBs) – are not part of the Scottish Government or the Scottish Administration. They perform administrative, commercial, executive or regulatory functions on behalf of Government and operate within a framework of governance and accountability set by Ministers. They are funded by the Scottish Government through grant or grant-in-aid, but many generate additional income through provision of services. They are normally established by statute, employ staff (who are not civil servants) on their own terms and conditions subject to Scottish Public Sector Pay Policy, and manage their own budgets. They are accountable to a Board whose members are normally appointed by Ministers and publish their own annual report and accounts.



Advisory NDPBs – provide independent expert advice to Ministers and others or input into the policy-making process in relation to a particular subject. They are normally established by Ministers on a non-statutory basis, do not normally employ staff (administrative support is usually provided by the Scottish Government) and are not normally responsible for budgets or expenditure other than remuneration for Board members. They are accountable to a Board whose members are normally appointed by Ministers. Ministers are answerable to Parliament for the activities of the body and can dissolve the body at any time.

Tribunals – are established by statute and have specific responsibilities for prescribed judicial functions. They are not part of the court system and are independent of the Scottish Government. They have both specialist and lay members, do not employ staff and are not responsible for budgets or expenditure other than the remuneration of Tribunal members.

Non Ministerial Departments (NMDs) – are headed by non-ministerial offices (NMOs) (Boards or statutory officeholders) who are not part of the Scottish Government but are part of the Scottish Administration in their own right. Staff are civil servants. The NMOs are generally funded by Parliament and are required to publish their own annual report and accounts. They are directly accountable to the Scottish Parliament, not Ministers, for the discharge of their statutory functions.

Public Corporations – are industrial or commercial enterprises under Government control which recover more than 50% of their costs through fees charged for services provided to customers. They employ their own staff, who are not civil servants, manage their own budgets and report to a Board whose members are appointed by Ministers.

Health Bodies – currently comprise 14 territorial health boards, 8 special health boards and the Mental Welfare Commission for Scotland (MWCS). With the exception of MWCS, health bodies are part of NHSScotland and provide healthcare services or management, technical or advisory services.

Parliamentary Commissions, Commissioners and Ombudsman – are typically responsible for safeguarding the rights of individuals, monitoring and reporting on the handling of complaints about public bodies, providing an adjudicatory role in disputes and reporting on the activities and conduct of public Boards and their members. Commission Members, Commissioners and Ombudsmen are appointed by the Parliamentary Corporation. They are accountable, and report directly, to the Scottish Parliament.

Other Significant Bodies – do not fall within the recognised categories of public bodies set out above but they have a direct relationship with either the Scottish Government or the Parliament and operate within a framework set by Ministers.

A close-up photograph of a person's hand in a dark suit jacket pointing their index finger towards a document displayed on a laptop screen. The background is blurred, showing other people in business attire. The scene is set on a wooden desk with a pen and a notepad visible in the lower foreground.

Annex B Induction and Training for Board Members



Induction programmes, events and material should be a standard feature, with a public body providing information on a range of topics, e.g. policies, procedures, roles, responsibilities, rules and key personnel.

The following list of induction guidance and training is not prescriptive but is designed to give you an idea of the type of support that may be provided by your public body.

Meetings

A one-to-one meeting should take place with the Chair immediately following appointment to discuss in broad terms what is expected of a Board member in the first year and any individual role he or she is expected to play. (The Chair and Board member should meet on a regular basis as part of the appraisal process.)

An induction session within one month of appointment should explain:

- The legislative framework for the organisation and its remit
- Organisational structure
- The collective role of the Board
- Arrangements, formats etc. of Board meetings including agenda planning
- Details of any subsidiary Boards and committees (e.g. Regional Boards, Audit Committee) and their responsibilities
- The long-term strategy of the organisation
- The corporate planning system
- The role of the Chief Executive as the Accountable Officer
- Current priority areas of work
- Budget and financial information, including the monitoring role of the Board
- The public body's policies on openness – where appropriate, including the role of Board members in promoting the public body to the public and in the media
- Links between the public body/Board and the Scottish Government and the Scottish Parliament. This should include details of where the sponsor Directorate fits within the Scottish Government structure, details of sponsor Minister(s) etc
- Links to other key partner organisations and an outline of who the key stakeholders and customers are
- Arrangements for Board members' remuneration and expenses
- The organisation's Code of Conduct for Board members and Code of Conduct issues, including policies on the registration and declaration of interests, gifts and hospitality, use of social media by Board members etc. This should include guidance on completing the Register of Interests
- Whistleblowing procedures – how to raise concerns and how to respond to concerns being raised
- Details of arrangements for monitoring and reporting on the performance of Board members
- The Corporate Risk Register and approach to risk management

Ideally, this session should be attended by all new Board members and by some existing Board members to allow the latter to pass on experience. Some other members of the senior management team may also attend, including the Board secretary.

New Board members may require support in certain areas. The induction process should explore development needs for all new Board members and agree a development plan.

It may also be appropriate for a Board member to meet with other key staff in the organisation – for example the Chief Executive who will be able to advise of their role in their capacity as the Accountable Officer and, where the Board member is to sit on the Audit Committee, they may wish to meet audit and finance staff.



Obtaining feedback from new Board members on the induction they received will provide a useful source of information and will help ensure the process remains effective.

Publications

- The latest Annual Report and Accounts
- The latest Corporate Plan and Operational/Business Plan
- The Corporate Strategy or similar strategic document
- Any significant recent policy or consultation documents which the public body has published.

Written Material

- Guide to any legislation under which the public body was established
- Copy of the Budget Allocation and Monitoring letter from the sponsor Minister for the coming year
- National Performance Framework
- Strategic guidance from the Scottish Government
- Copy of the public body's current Framework Document
- Standing Orders for the conduct of Board meetings
- Organisational structure, staff directory, office addresses etc
- Biographical and contact details of other Board members (and, where appropriate, those in subsidiary Boards and Committees)
- Summary of key roles and responsibilities within the organisation – Board, subsidiary Boards and committees, Chief Executive/ Accountable Officer, management team, other senior staff
- Forward programme of Board meeting dates and any other key events (press launches, conferences etc.)
- The organisation's Code of Conduct for Board members
- The Standards Commission Guidance on the Model Code for Members of Devolved Public Bodies

- Copy of the organisation's Data Protection, Freedom of Information and other relevant policies and procedures relating to corporate governance and accountability – and if they exist:
 - Policy for Board members in dealing with the media
 - List of acronyms relating to the public body's area of work, partner organisations etc.
- The Corporate Risk Register
- Schedule of Matters Reserved for the Decision of the Board and Scheme of Delegation
- Action plan arising from most recent review of Board effectiveness
- The **Scottish Public Services Ombudsman** model Complaints Handling procedure and briefing note for Board members
- Minutes from at least the last four Board and Audit Committee meetings
- Copy of Corporate Parent Plan (should the public body be classified as a Corporate Parent in **Schedule 4** of the Children and Young People (Scotland) Act 2014

Terms and Conditions

- Guidance on claiming **travel and subsistence** expenses
- Guidance on claiming other allowances where appropriate (e.g. child care)
- Guidance on **tax issues** (e.g. for home to office travel)
- Guidance on Register of Interests, and Gifts and Hospitality

First Board Meeting

Time should be included so that the new Board member can be formally introduced to all present. In advance of this meeting, the new member should be made aware of any protocols, for example in relation to making points at meetings, presenting information and overall expectations as to behaviour (being inclusive, respecting others etc.). At the end of the Board meeting, the Chair should spend a few minutes with the new Board



member to allow them the opportunity to ask any questions or raise concerns that they may have.

Training

The public body should consider providing any further training deemed necessary to assist the Board, individually or collectively, to carry out its duties, particularly covering areas such as their roles and responsibilities, the financial management and reporting requirements of public bodies, appraisal systems both for individual members and collective functionality, ethical standards and any other differences which may exist between private and public sector practice.

To complement the induction that a Board member will have received from their own public body, they will find it beneficial to also attend any induction workshops for newly appointed members organised by the Scottish Government Public Bodies Unit and the Public Appointments Team.

Induction for Board Chair

The induction of a new Chair is the responsibility of the sponsor division and the Chief Executive of the body in question.

When a new Chair is appointed, sponsor teams should ensure that an early meeting is arranged with the appropriate Director-General, Deputy or Deputy Director to ensure that there is mutual agreement about what is expected of the body. It may also be appropriate for an early meeting to be arranged between the Chair and the Minister.

The induction of the new Chair should cover all the topics already mentioned. In addition, there are some topics that are specific to new Chairs including:

Appraisal

The relevant Scottish Government Director or Deputy Director (as appropriate) is responsible for setting objectives for the Chair and conducting their appraisal. There is **guidance on appraisal for Chair and Board members**.

Leadership

An important part of the induction process will be to explore with the Chair the experience they have, any training that is required and any development opportunities which may be appropriate for them.

Recruitment and Selection

It is likely that the Chair will be involved in the selection of other Board members. It is important to ensure that he/she has undertaken appropriate training in conducting interviews, including equality awareness training.



Annex C The organisation of central government over devolved matters in Scotland



The organisation of central government over devolved matters in Scotland: The Scottish Parliament, the Scottish Administration and bodies outwith the Scottish Administration

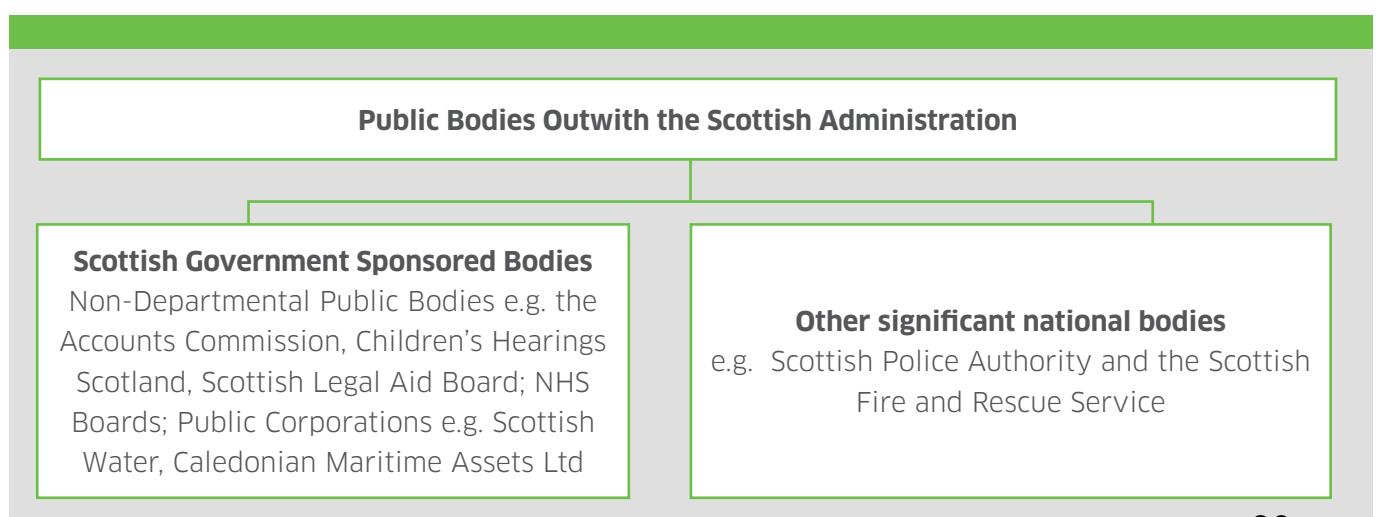
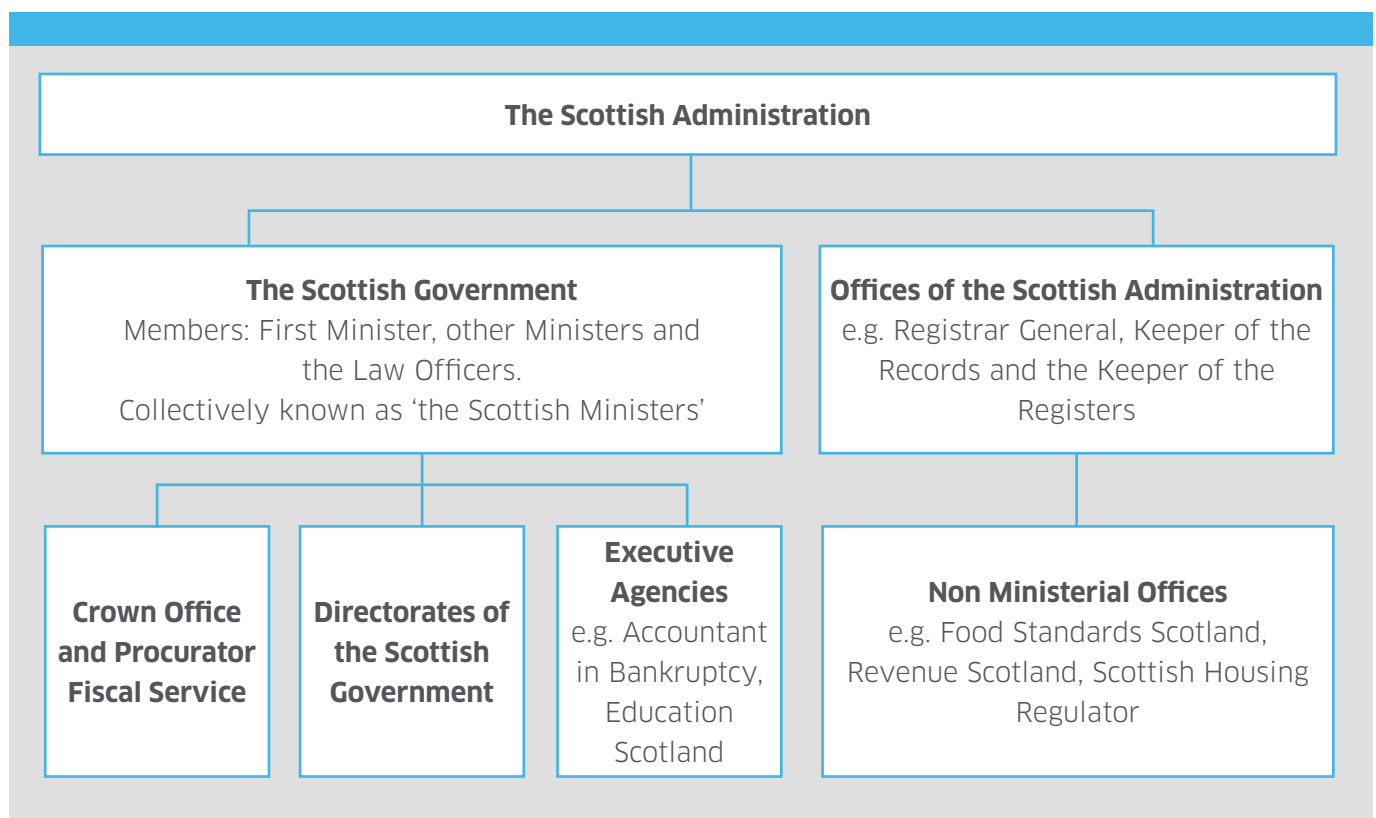
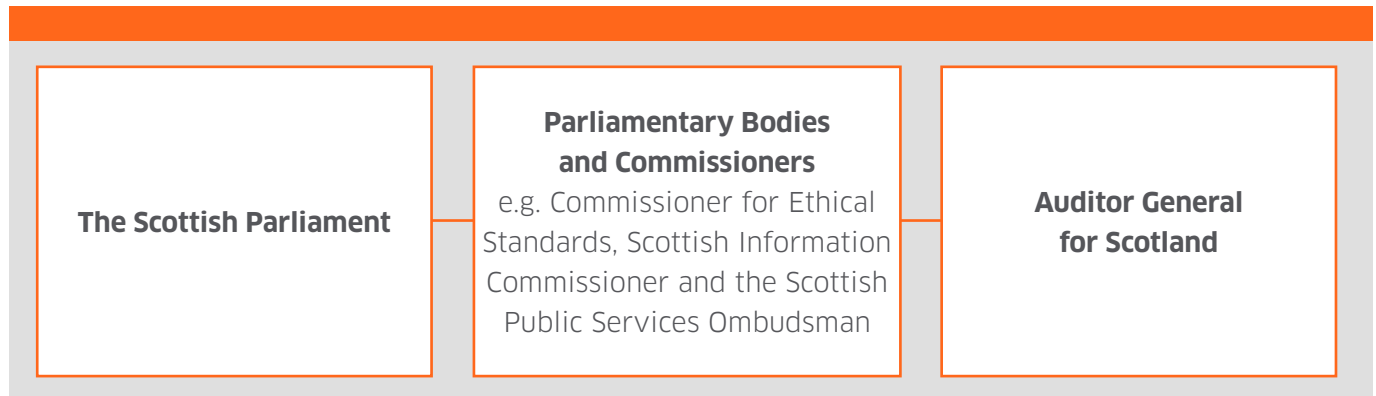


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Any enquiries regarding this publication should be sent to us at
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1. Introduction

- 1.1 The purpose of this report is to inform Members that the Board normally receives the minutes of previous Board meeting, the Partnership formal committees for approval, alongside the currently quarterly meetings of all 7 RTP Chairs and a copy of SEStran Chief Officers meetings for noting.

2. Background

- 2.1 The Schedule 1, Section 6 (4) of the 2005 The Regional Transport Partnerships (Establishment, Constitution and Membership) (Scotland) Order 2005 states that the secretary of a Partnership shall send copies of the minutes of all its meetings to each of its constituent councils for their information and this item on each agenda seeks to fulfil this statutory instruction.
- 2.2 Members will also normally receive for approval in line with our standing orders the minutes of constituted committees. The Succession Planning committee is proposed to meet annually and going forward the Performance and Audit Committee seeks to meet in advance of each Partnership Board. The tabling of minutes of other meetings such RTP Chairs and SEStran Chief Officers quarterly meetings in seen as helpful to Board members in terms of scrutiny of actions of Officer bearers and Officers in other forums, but also as good practice in terms of transparency of public records and our duties under the Public Records (Scotland) Act 2011 and associated SEStran Records Management Plan.

3. CONCLUSION

- 3.1 The Board is asked to approve the minute of the last Board meeting and Succession Planning Committee meeting and note the copies of the RTP Chairs and SEStran Chief Officers meetings.

George Eckton
Partnership Director
 16 June 2017

Andrew Ferguson
Secretary

Policy Implications	Collective responses agreed by RTP Chairs to a number of publications in line with SEStran responses.
Financial Implications	None
Equalities Implications	None
Climate Change Implications	None

PARTNERSHIP BOARD MEETING

**HELD IN CONFERENCE ROOM 3, VICTORIA QUAY, EDINBURGH EH6 6QQ
ON THURSDAY 2 MARCH 2017
2.00 P.M. – 4.50 P.M.**

PRESENT:	<u>Name</u>	<u>Organisational Title</u>
	Cllr Lesley Hinds (Chair)	City of Edinburgh Council
	Humza Yousaf MSP	Minister for Transport and the Islands
	Charles Anderson	Non-Councillor Member
	Councillor Tony Boyle	West Lothian Council
	Councillor Gordon Edgar (Vice-Chair)	Scottish Borders Council
	Phil Flanders	Non-Councillor Member
	Councillor Jim Fullarton	Scottish Borders
	Councillor Russell Imrie (Senior Vice-Chair)	Midlothian Council
	John Martin	Non-Councillor Member
	Councillor Adam McVey	City of Edinburgh Council
	Neil Renilson	Non-Councillor Member
	Sandy Scotland	Non-Councillor Member
	Barry Turner	Non-Councillor Member
	Councillor Michael Veitch	East Lothian Council
	Cllr John Wincott	Fife Council

IN ATTENDANCE:	<u>Name</u>	<u>Organisation Title</u>
	Craig Beattie	City of Edinburgh Council
	Julie Cole	Falkirk Council
	George Eckton	Partnership Director SEStran
	Andrew Ferguson	Fife Council (Legal)
	Ken Gourlay	Fife Council
	Joanne Gray	Transport Scotland
	Jim Grieve	SEStran
	Peter Jackson	SEStran
	Graeme Johnstone	Scottish Borders
	George Lowder	Transport for Edinburgh
	Graeme Malcolm	West Lothian Council
	Martin McDonald	Scottish Parliament
	Iain Shaw	City of Edinburgh Council
	Emily Whitters	SEStran

APOLOGIES FOR ABSENCE:	<u>Name</u>	<u>Organisational Title</u>
	Cllr Nick Gardner	City of Edinburgh Council
	Cllr Bill Henderson	City of Edinburgh Council
	Cllr Tom Coleman	Falkirk Council
	Cllr Stephen Bird	Falkirk Council
	John Jack	Non-Councillor Member
	Peter Forsyth	East Lothian Council
	Neil Dougall	Midlothian Council

ORDER OF BUSINESS

The Chair confirmed that the Order of Business was intended to be as per the agenda, but following a request from Neil Renilson, supported by John Martin and Charlie Anderson, it was agreed that item 19, Review of Forums would be accelerated if possible.

APOLOGIES

Apologies were received as above.

A4 ADDRESS BY MINISTER FOR TRANSPORT AND THE ISLANDS

The Board welcomed Mr Humza Yousaf MSP, Minister for Transport and the Islands, who outlined his vision for transport to contribute to growth of South East of Scotland and Scotland as a whole.

The Minister addressed the Board on a number of issues, including: National Transport Strategy consultation; the likelihood of a new Transport Bill in the first half of the current Parliamentary term, consisting of three elements: responsible parking, strengthening the powers of the Road Works Commissioner, and buses, focusing on local franchising; railway enhancement; active travel; and the Climate Change Plan.

The minister then answered questions from Members, on, amongst other topics, the East Linton/Reston station improvements; dualling of the A1; buses; performance management of transportation objectives; climate change/pollution; concessionary travel; the Strategic Transport Projects Review; electric car charging points; Air Passenger Duty; powers and functions of Regional Transport Partnerships, and their funding; City Deal; the Road Works Commissioner's powers; funding allocations; the Levenmouth Rail Project and the Selkirk bypass.

Decision

The Board noted and welcomed the attendance and address by the Minister for Transport and the Islands.

A5. MODEL 3 SESTRAN PROGRESS REPORT

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

Decision/

Decision

The Board noted the update, and the need to continue the consultative process until later this year, with an initial analysis of consultation responses to be tabled to the Board by December, 2017.

A6. NATIONAL TRANSPORT STRATEGY - PRE-ENGAGEMENT SURVEY

The Board considered a report by George Eckton, Partnership Director, advising of 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.

Decision

The Board noted the pre-engagement survey, and delegated a response to the Partnership Director.

A7. PLANNING WHITE PAPER

The Board considered a report by George Eckton, Partnership Director, summarising the key issues emerging from the Scottish Government's "Places, People and Planning: A consultation on the future of the Scottish planning system" publication. There was a discussion on the terms of the consultation, and in particular the proposals relating to regional planning and the statutory conflict of Regional Transport Partnerships.

Decision

The Board: -

- (i) Noted the summary of issues raised by the Scottish Government consultation on the future of the Scottish planning system;
- (ii) Delegated to the Chair to sign off the final response to the Scottish Government Planning consultation prior to the 4 April; with the final response being circulated to the Board;
- (iii) Partnership Director in consultation with the Chair to sign off the final response to the UK Industrial Strategy consultation prior to the 17 April.

A8. MINUTES

The following minutes were approved:-

A8.a – Partnership Board of 2nd December 2016; subject to change of location being amended;

A8.b – Performance & Audit Committee – 17 February 2017

A8.c - RTP Chairs - 7 December 2016 (noted)

A9 FINANCIAL REPORTS

The Board considered financial reports by Iain Shaw presenting 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.

(a) Revenue Budget 2017/18

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

Decision

The Board:-

- (i) approved the proposed core revenue and revenue projects budget for 2017/18, as detailed in Appendices 1 and 2, and agreed that the treasurer 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	<u>£21,751</u>
	<u>£190,000</u>

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

- (iii) noted that the proposed budget was 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.

(b)/

(b) Finance Officer's Report/

The Board considered a report by the Treasurer presenting 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.

Decision

The Board noted:-

- (i) it was currently forecast that core expenditure in 2016/17 would under spend by £16,000 against the approved revenue budget of the Partnership and that this underspend would meet project costs in 2016/17;
- (ii) all income and expenditure would continue to be monitored closely with updates reported to each Partnership meeting; and
- (ii) the month end balance of indebtedness between the Partnership and City of Edinburgh

(c) Treasury Management

The Board considered the report proposing an Investment Strategy for 2017/18.

Decision

The Board approved the continuation of the current arrangement outlined in Appendix 1 to the report.

(d) Internal Audit Report

The Board considered a report by Hugh Thomson setting out the internal audit work undertaken by Internal Audit for the Financial Year 2016/17.

Decision

The Board noted the contents of the report.

(e) External Audit Plan

The Board considered a report by Scott Moncrieff, the Partnership's External Auditors

Decision/

Decision

The Board noted the details in the report, also noting that there were ongoing discussions between the Partnership Director and Scott Moncrieff on fee levels.

A19 REVIEW OF FORUMS

The Board considered a report by George Eckton, Partnership Director seeking further comments from the Board members on the proposals. The Chair had proposed that the subject was effectively left to the next SEStran Board as a legacy issue pending the outcomes of the review of transport governance and planning review proposals.

Decision

The Board:-

- (i) noted the current position with regard to comments on the Review of Forums;
- (ii) agreed the transfer of the Air Forum responsibilities to the operator be delayed, pending further consideration by the Board at a future meeting;
- (iii) agreed with the recommendation of the Performance and Committee and Chair of the Board to post pone further debate meetings of SEStran Forums until the September, 2017 Board meeting, when there may be emerging legislative proposals on Regional Partnership working; and
- (iv) noted that all outstanding forum meetings have been held or scheduled.

A10 LEGAL OFFICER'S REPORT – CONSULTATION ON PROPOSED CHANGES TO COUNCILLORS' CODE OF CONDUCT

The Board considered a report by Andrew Ferguson, Secretary and Legal Adviser, relating to:

- (i) a consultation on the Councillor's Code of Conduct; and
- (ii) Changes to Standing Orders following the December Board

Decision

The Board:-

- (i) agreed a response to the consultation along the lines suggested at paragraph 2.4 of the report; and

- (ii) delegated authority to the Secretary and the Legal Adviser, to implement changes to Standing Orders to reflect the decision of the Board, in relation to membership, quorum and substitution provisions (including those relating to the Chair) as regards the Performance and Audit Committee.

A11. RAIL INFRASTRUCTURE STRATEGY

The Board considered a report by George Eckton, Partnership Director, providing the Board with a summary of Transport Scotland's consultation setting out their vision for Rail Infrastructure in Scotland to allow a position to be agreed by the Board and then submitted by Friday 3rd March.

Decision

The Board noted the consultation paper and mandated the Chair to sign off the consultation response by 3rd March, 2017.

A12. SCOTTISH GOVERNMENT CLIMATE CHANGE PLAN

The Board considered a report by Emily Whitters, Business Support Officer, and George Eckton, Partnership Director SEStran, outlining the reduction targets of the Climate Change Plan and the measures that Scottish Government would look to improve.

In discussion, the need to co-ordinate the responses to the Plan with those for the Planning Review and the National Transport Strategy was noted.

Decision

The Board:-

- (i) noted the evidence submitted to the Rural Economy and Connectivity committee;
- (ii) noted the suggested proposals of the Draft Plan/RPP3 and the suggested points of a SEStran response;
- (iii) agreed that SEStran should provide representations to Scottish Ministers on RPP3 prior to 20 March and delegated to the Partnership Director, consultation with the Chair, to sign off the final response;
- (iv) delegated to the Partnership Director, in consultation with the Chair, to provide a SEStran response to the draft Scottish Energy response by 30th May;

- (v) noted the proposal for a forthcoming public consultation on Parking in Scotland and, if issued between March-June, 2017 delegated the Partnership Director to submit a final response; and
- (vi) noted the proposal for a forthcoming public consultation on Low Emission Zones and, if issued between March-June 2017 and delegated the Partnership director to submit a final response.

A13. BUSINESS PLAN 2017-18

The Board 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 Board approved the contents of the Draft Business Plan 2017/18.

Sandy Scotland declared an interest in the following item as a Director of Cycling Scotland.

A14. PROJECTS UPDATE/EU UPDATE

The Board considered a report by Jim Grieve, Head of Programmes providing the Board with an update on the key aspects of projects and appraisal undertaken in the last quarter, seeking their agreement on a number of project grant awards and the potential strategy of focusing grant schemes on delivering maximum EU match funds for the SEStran region.

Decision

The Board:-

- (i) noted the content of the report;
- (ii) as recommended by the Performance and Audit Committee, approved the grant awards for City of Edinburgh Council for 38,000, St. Andrews university for £3917.50 and Edinburgh and Lothians Greenspace Trust for £65,000;
- (iii) as recommended by the Committee, approved the contribution from SEStran of £40,000 to the Diaches Braes Project;
- (iv) agreed 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; and

- (v) agreed any underspend evident at the end of the current year be carried forward into the financial year 2017/18 and assigned to the Sustainable and Active Travel Grant Scheme.

A15 ACTIVE TRAVEL TASK FORCE

The Board considered a report by Lisa Freeman, Project & Strategy Officer and George Eckton, Partnership Director outlining the recommendations 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.

Decision

The Board noted the report, and the deadline for responses on the Consultation of 7th March.

A16 EQUALITY OUTCOMES 2017 - 2021 & EQUALITY MAINSTREAMING REPORT

The Board considered a report by Emily Whitters, Business Support Officer and George Eckton, Partnership Director outlining a new set of Equality Outcomes covering the period April, 2017 – 2021 to enable SEStran to better perform the equality duty.

Decision

The Board approved the Equality Mainstreaming Report and the Equality Outcomes Report.

A17. SCOTTISH GOVERNMENT CONSULTATION ON GENDER REPRESENTATION ON PUBLIC BOARDS (SCOTLAND) BILL

The Board considered a report by Emily Whitters and George Eckton seeking views on the practical application of the Bill's provisions and offering consultees an opportunity to offer views on how to strengthen the Bill.

Decision

The Board:-

- (i) noted the consultation on the Draft Gender Representation on Public Boards (Scotland) Bill and delegated to the Partnership Director, in consultation with the Chair to sign off the final consultation response; and
- (ii) agreed to support SEStran in signing up to the 5050 by 2020 pledge as recommended by the Equalities & Healthcare Forum and Performance and Audit Committee.

A18./

A18/ BOARD DIVERSITY SUCCESSION PLANNING

The Board considered a report by George Eckton, Partnership Director, providing an update on 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.

Decision

The Board:-

- (i) agreed the Board Diversity Succession Plan, pending receipt of 2015-2017 Board Diversity data;
- (ii) agreed that SEStran should commit to the transparent, inclusive and outreaching process of appointment of new Non-Councillor Board members in 2018;
- (iii) agreed 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;
- (iv) agreed the attached initial terms of reference for the Succession Planning Committee, delegating to the Secretary and Legal Adviser, in consultation with the Chair, to make the necessary changes to Standing Orders;
- (v) noted the delay in the Scottish Government proposal to survey members of Public Boards; and
- (vi) agreed 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.

A20 PROCUREMENT UPDATE

The Board considered a report by Jim Grieve, Director of Programmes, on a number of procurement issues.

Decision

The Board noted the report

A21/

A21 UPDATE ON NON-COUNCILLOR MEMBER BOARD VACANCY

The Board considered a report by George Eckton, Partnership Director, updating the Board on the progress with the appointment to the current Non-Councillor member vacancy on SEStran's Board and subsequent further vacancy generated by the resignation of a further Non-Councillor Member.

Decision

The Board:-

- (i) Recommended the appointments of: Doreen Steele and Brian Sharkie as a Non-Councillor Board Members for subsequent approval by Scottish Ministers; and
- (ii) Noted the decision by the Chair to utilise the current recruitment process, following advice from the Secretary and Partnership Director, to fill a Board vacancy which arose before conclusion of the process and the use by the Partnership Director of Item 40 of SEStran's Standing Orders to progress the issue as a matter of urgency.

A22 AOCB

None

A23 DATE OF NEXT MEETING

Noted as Friday 23rd June, 2017, Conference Room 1, Victoria Quay, Edinburgh, EH6 6QQ

A24 VALEDICTORY

As this meeting was the Chair's last in office before the local government elections, she wished all Members well for the future and thanked Officers for their support.

SUCCESSION PLANNING COMMITTEE

**HELD IN CONFERENCE ROOM 12, VICTORIA QUAY, EDINBURGH EH6 6QQ
ON WEDNESDAY 29 MARCH 2017
2.00 P.M. – 3.00 P.M.**

PRESENT:	<u>Name</u>	<u>Organisational Title</u>
	Councillor Lesley Hinds Councillor Jim Fullarton	City of Edinburgh Council Scottish Borders Council
IN ATTENDANCE:	<u>Name</u>	<u>Organisation Title</u>
	George Eckton Angela Chambers Andrew Ferguson Emily Whitters Lynn McKenzie	SEStran Partnership Director SEStran Resources Manager Fife Council (Secretary/Legal Adviser) SEStran Business Support Officer Falkirk Council (HR Adviser)

ORDER OF BUSINESS

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

APOLOGIES

None.

A2. UPDATE ON INITIAL TERMS OF REFERENCE

The Committee considered a report by George Eckton, Partnership Director and Andrew Ferguson, Secretary outlining the initial terms of reference agreed by the Board on 2 March for a Succession Planning Committee. The Secretary updated the Committee on the need to amend the committee's remit to allow non-councillor members to be members of the Committee.

Decision

The Committee noted the initial terms of reference and the update from the Secretary.

A3. BOARD DIVERSITY SKILLS AUDIT

The Committee noted a draft proposed questionnaire to enable the completion and reporting to a future Board meeting of the skills of the current non-councillor member appointees to the SEStran Board.

Decision

The Committee noted the proposed skills survey, and agreed that it should be issued to non-councillor board members to inform an initial skills audit for the SEStran Board.

A4./

A4. GENDER DIVERSITY SURVEY

The Committee considered a report by George Eckton, Partnership Director outlining a draft proposed gender diversity questionnaire to enable the completion as far as possible of SEStran's Equality Mainstreaming Report.

Decision

The Committee noted the proposed gender diversity survey, and agreed that it should be issued to non-councillor board members to inform an initial skills audit for the SEStran Board.

A5. UPDATE ON BOARD OBSERVERS

The Committee considered a report by George Eckton, Partnership Director, relating to the decision of the Board in September 2016 to appoint four to five Board Observers.

Decision

The Committee noted the likely appointment of two Board Observers by the next meeting of the Partnership Board in Summer, 2017.

A6. NON-COUNCILLOR MEMBER BOARD VACANCY UPDATE

The Committee considered a report by George Eckton, Partnership Director and Emily Whitters, Business Support Officer, outlining the agreement that was made to the appointment of Non-Councillor Board members in 2018.

Decision

The Committee agreed (i) to recommend that subsequent non-councillor member Board appointments proposed over the next nine to twelve months were undertaken using the basis of the November, 2016 application pack appended and amended as required following the results of an initial skills audit; and (ii) delegated officers to investigate the feasibility of remuneration of the next cohort of non-councillor members.

A7. OTHER ACTIONS BEING PROGRESSED

Decision

A8. AOCB

Councillor Fullarton thanked the Chair for all her work on the Partnership, and wished her well for the future.

A9. DATE OF NEXT MEETING

Regional Transport Partnerships

Chairs Meeting

Victoria Quay, Edinburgh

Minute of Meeting held in Victoria Quay, Edinburgh on Thursday 9th March 2017 at 10.45am.

PRESENT

Cllr Ramsay Milne, Nestrans (Chair)
Cllr Michael Stout, ZetTrans
Cllr Jonathan Findlay, SPT
Cllr Will Dawson, TACTRAN
Cllr Lesley Hinds, Sestrans
Cllr Tom McAughtrie, Swestrans

IN ATTENDANCE

Mrs Joanne Gray, Transport Scotland
Mr Ranald Robertson, HITRANS
Mr Eric Stewart, SPT
Mr Bruce Kiloh, SPT
Mr George Eckton, Sestrans
Mr Eric Guthrie, TACTRAN
Mr Douglas Kirkpatrick, Swestrans
Mr Michael Craigie, ZetTrans
Mr Derick Murray, Nestrans

APOLOGIES

Cllr James Stockan, HITRANS
Cllr Stephen Hagan, COSLA
Mr Robert Nicol, COSLA.

- | | | |
|---|---|--|
| Welcome and Apologies | 1 | Cllr Hinds welcomed everyone to the RTP Chairs meeting and noted the apologies above. |
| Meeting with the Transport Minister, 9 March 2017 | 2 | Summary of points from this morning's meeting with the Transport Minister to be circulated. |
| Minute of RTP Chairs Meeting on 7 December 2016 | 3 | The Minute was agreed as an accurate account of the meeting.

ECMA – Mr Kiloh to circulate an update. |
| Note of RTP Chairs Workshop on 26 January 2017 (attached) | 4 | No matters arising or updates were noted. |
| Note of RTP Chairs Meeting with Transport and Planning Ministers on 30 November 2016 (attached) | 5 | No matters arising or updates were noted. |

a) Meeting with Minister – Outcomes / Next Steps

As noted at item 2, a summary of key points from this morning's meeting with the Transport Minister will be circulated. However, there was discussion on issues emerging from the meeting. Key points as follows:

- The proposed submission to the Transport Minister on the need for a greater role for RTPs in active travel should make reference to the following:
 - Point to best practice including agglomeration benefits of regional funding as demonstrated by Living Neighbourhoods experience in Australia.
 - Opportunities to reduce bureaucracy and achieve greater democratic accountability including RTP role in Community Planning.
 - Scope for some funding to be earmarked to RTPs for cross boundary projects.
 - Note that some councils struggle to resource the process – need to raise the bar across Scotland.
 - Edinburgh achieves 10% cycling spend but match funding remains a struggle. Regional approach without the need for match funding would be welcome.
 - Current system is not sufficiently outcome focussed with tendency to concentrate on easy spend rather than strategic approach.
 - Administration costs are significant. Cite examples in submission.
 - Pooled money can be better programmed.
- NTS / Planning Review
 - More information on timescales and key contacts would be helpful
 - Overall picture needed across NTS / Planning Review
 - Missing link comes at 11th hour when TS etc. need to feedback on key findings and conclusions. Presently there is a lack of feedback to RTPs
- Bus issues / Transport Bill
 - Transport Bill – need to highlight with TS the issue of TROs where one objection can significantly lengthen timescales
 - Need for closer collaboration on issues such as parking and active travel
 - Parking can be a major issue in smaller areas. Smaller local authorities do not have the capacity to take on decriminalised parking. Need to emphasis this is a real problem and include in Transport Bill. There is a missing link between where Police stop and Councils start
 - Swestrans has community wardens but for double yellow offences they can't act and Police don't have resource. Empowering community wardens would help.
 - Potentially unintended consequences emerging from Responsible Parking bill resulting in a different set of angry people. While the bill addresses issues around inconvenience and obstruction it does not tackle parking capacity or damage to footways.
 - Mr Eckton said parking issues being discussed by SCOTS and there will be a consultation in April prior to a response on the Bill
 - Mr Stewart said SPT had previously suggested giving special constable status to bus wardens which would include powers to impound dangerous vehicles. At the time the Police were not keen but this idea could be re-floated.

b) National Transport Strategy Review

Mr Eckton noted that Mr Kiloh and Mr Robertson are representatives on the NTS Partnership Group and that a pre-engagement survey has been circulated seeking views on the format and nature of proposed NTS supporting working groups. Mr Kiloh advised that SPT has responded advising that the structure is quite unwieldy and there are some omissions e.g digital not covered.

RTPs will be tasked with delivery so must be integral to the Review process. The suggestion raised previously was that RTPs should co-chair the Review but looks unlikely to happen. RTPs will be well represented but need to keep a close watching brief on developments.

Mr Robertson expressed concern about the capacity to resource so many working groups. RTPs have done well inputting to the process and have developed good working relationships. It will be important to share the RTP workload to resource this.

In response to Councillor Hinds, Mr Kiloh and Mr Robertson confirmed they were comfortable to continue representing RTPs on the NTS Review Working Group. Councillor Hinds said best use of officer should be used across RTPs to support input.

Responding to a comment made by the Transport Minister during the meeting earlier today, Mr Guthrie said RTPs were not looking for privileged position in the NTS Review process but rather a reflection of their statutory status.

DM noted that Jim Ballantyne has made some points re this:

- RTPs are not stakeholders but delivery agents and statutory authorities
- So much policy making going on but so little resource available to respond
- Good that RTPs are represented on NTS Review but politicians are not. This should be remedied with separate working groups for politicians

Councillor Hinds summarised key points from this discussion:

Mr Kiloh will coordinate RTP response on the NTS engagement survey, continuing to press to Co-chair the NTS Strategy Group and recommending a separate working group representing politicians

(i) Benefit Cost Ratios and Charging Mechanisms (both attached) (DM)

Benefit Cost Ratios - Mr Murray noted there were two reports arising from the previous Lead Officers' meeting, but maybe too late for NTS Review if they don't go to Chairs meeting until August.

Mr Murray said STAG was a good process but not for public transport projects. In urban areas buses and cycling can slow cars and this impacts negatively on BCR. The two papers are for discussion and consideration.

Mr Guthrie said STAG applies to everything e.g station re-openings. Also active travel and public transport apply in rural areas also so the paper should be broadened out to reflect this. Danger of tweaking STAG and making it better for urban areas but worse for rural areas.

DM understood these comments but said there was a need to include socio-economic considerations in the STAG process.

Mr Guthrie suggested the title of the paper should be changed and Councillor Hinds suggested 'Review of STAG economic assessment'.

Mr Milne pointed out that different STAG models were needed to reflect the needs of different areas.

Mr Guthrie said he agreed with the principles outlined in the paper but the issue was a complex one.

Mr Craigie noted that ferry projects were lifted into the national arena by virtue of their high costs. However, ferries are ultimately about ensuring the sustainability of island communities rather than a narrow concept of economic benefit. Ferries are required to compete nationally for scarce resources but sustainability is not properly valued.

Mr Guthrie complemented both papers and said the issue was to capture benefits that cannot easily be monetised.

Mr Kiloh advised that the Department for Transport is undertaking work on logic mapping and SPT is using this approach too. This may have wider applicability.

Mr Craigie said things had moved on and STAG is now a component of a wider business case model. Councillor Hinds confirmed that this model had been used.

It was agreed to write to the Transport Minister suggesting a review of the current STAG process to reflect the needs of public transport, the distinct needs of urban and rural areas and the need to capture socio-economic and sustainability benefits.

- In terms of the Charging Mechanisms paper, Councillor Hinds suggested this be re-titled to 'Investment in public transport' as charging is too negative and any income will go back into public transport.

Mr Guthrie suggested the scope of the paper be widened to include Active Travel and while agreeing that climate change provides a mechanism to deliver charging, expressed concern about transport taking the lead, particularly given the experience of promoting road charging in Edinburgh.

Mr Murray said he was happy to have this debate and noted this was started by RPP3 and we are required to give a view.

Mr Eckton said given discussions around Model 3 status, it was essential for SEStran to discuss this. This was good on the supply side of things but more analysis needed and discussion needed on the demand side.

Councillor Milne said that we may be able to solve climate change through technology but we will still have the problem of congestion unless we act and we may need to lead in more than one area.

Councillor Hinds said we should ask officers to begin the process of review.

Councillor McAughtrie said workplace charging etc. was ok for cities but would not work in rural towns.

Councillor Hinds said there should be the power to it and then decide where it could appropriately be applied.

Mr Stewart said we shouldn't be shy to lead – it was the right thing to do. If you leave parking and charging you will end up in a muddle.

Councillor Hinds suggested the matter be taken forward for further discussion.

c) Planning Review

The response is due by the end of March and Mr Kiloh agreed to prepare a joint RTP response and circulate for comment.

Mr Murray said Kevin Stewart had agreed to come back with the Planning Review before the end of the year but this timescale appears to be mismatched with the NTS Review for completion Summer 2018.

Councillor Hinds said this should be built into the RTP response.

d) City Deals / Growth Deals

Councillor Hinds said there was no point in economic growth without transport infrastructure. Councillor Milne said there was a strong argument for regional planning. Mr Kiloh pointed out there is a distinction between the terms City Deal and City Region but this was often blurred or used interchangeably i.e SPT is responsible for city region transport planning.

Councillor Findlay said the Chair had made a good point about the lack of coherence or strategy for City Deal. There was also often a lack of co-terminus boundaries – a concern for Ayrshire. It was important not to lose a strategic overview.

Mr Guthrie circulated an extract from the draft Tay City Deal submitted to the Tay City Deal Cabinet on 1 March. The Deal proposes the transfer of transport and SDP powers to a non-statutory Joint Committee with the creation of a single transport planning team aimed at a stronger alignment of resources. A direction of travel is being mapped out around how this fits with NTS / Planning review and a paper on this will go to the Tactran Board.

e) Industrial Strategy Green Paper (GE)

Mr Kiloh to coordinate Lead Officers views and respond

f) National Performance Framework (GE)

GE advised that there had been a short online survey consultation with the deadline extension until today. GE will circulate details of draft response.

g) Draft Climate Change Plan (RPP3) – RTP Response (attached (BK)

This has been discussed previously at length.

- a) Mr Eckton is Active Travel representative for RTPs and Mr Murray is the Deputy for SCOTS.

Consultation is taking place on the Active Travel Task Force and Mr Eckton agreed to gather comments and coordinate a joint RTP response.

- b) Bus

- (i) Bus Stakeholder Group

Mr Stewart reported that independent operators have taken a stance against moves to re-regulate. Latest bus patronage figures show a fall of 56 million passengers over the past decade. At the same time there is recognition that something needs to be done to improve air quality and one way of doing this is to increase running speed of buses.

- (ii) Bus Regulation Petition – RTP Response attached (EG)

A response has been submitted but awaiting Parliamentary feedback.

- c) Ferries (MC/RR)

The Minister has announced a ferries review and this will include public consultation.

Mr Craigie advised that Audit Scotland is undertaking a review of TS managed ferry services. Mr Craigie has met with TS and will keep Chairs and Officers up to date.

NESTRANS representatives left the meeting at this point to meet travel commitments.

- d) Rail (all)

- (i) Public Sector Bidder for the ScotRail Franchise (EG)

Mr Guthrie and Mr Murray attended a recent meeting with the Transport Minister and advised on the key points. Meeting dominated by discussion with Trade Unions. SPT referenced as operator of the Subway. The CalMac model was mentioned as a potential model among others. Elaine Hamilton (TS) is leading on this and has committed to ongoing dialogue with RTPs on the issue.

- (ii) Rail Infrastructure Strategy Response (BK)

RTPs submitted individual responses.

- e) Air (DM/RR)

Mr Robertson advised that DfT is consulting on Heathrow extension and how it relates to Glasgow and Edinburgh. There was good passenger growth at airports especially Edinburgh.

Councillor Stout advised there is an Air Services to the Islands scoping paper being undertaken by Highlands & Islands Airports and a meeting of relevant stakeholders has been arranged to discuss this on 23 March. There will be no public consultation on this so RTP input very important.

- f) Equalities (GE)

SEStran response to the Scottish Government consultation on Gender Representation on Public Boards notes the omission of SEStran as a RTP under the listed authorities.

Dates and 9.
Format of
Future Chairs
Meetings (GE)

BK said the recent workshop session at the Edinburgh Tram depot had worked well and suggested that in future fewer Chairs meeting take place but with more workshops focussed on specific issues.

It was also noted that the upcoming local government elections will have an impact on future meeting schedules.

Councillor Hinds agreed and said this approach enables more in-depth discussion and opportunities to learn from best practice and make discussion more meaningful.

Councillor Dawson said the trip to the Velodrome had proved very useful. However, a balance was needed on workshops and formal meetings and it would be premature to make a decision on this at this point ahead of the upcoming local government elections.

Councillor Hinds agreed and suggested this should be submitted as a proposal to the future Chairs meeting post May.

Councillor Dawson said travel was an issue both in terms of time and cost but technology not always the answer as face to face meetings often better.

Councillor Milne suggested the entire day be used for workshop / meal and have a more informed meeting the following day.

Mr Craigie agreed that Teleconference was poor – often interrupted, hard to hear and follow discussion.

Agreed that officers would prepare a report to the first meeting of the Chairs following the May elections recommending a suggested approach.

AOB

Traveline Scotland

Mr Stewart advised on the recent launch of the refreshed Traveline Scotland service which provides information in seven languages. It would be welcome if RTPs could spread the word on this locally.

Similarly MR Stewart asked members to review and consider the Access to Healthcare App. The cost is £40k annually for RTPs can become involved including RTP logos on vehicles.

Mr Kiloh to forward links for information and wider dissemination by RTPs.

Mr Kiloh will forward details of these initiatives.

LEZ Zones consultation is open and guidance has been produce.

Councillor Milne reported that £7.5 million has been made available from the ferries budget to promote smart ticketing but there had been no prior notice or opportunity for discussion in advance of announcement. **Consideration should be given to this as a future agenda item.**

DONM

TBA

**CHIEF OFFICER LIAISON GROUP MEETING
10:00AM THURSDAY 25 MAY 2017**

Present:

George Eckton (GE)	SEStran (Chair)
Angela Chambers (AC)	SEStran
Kevin Collins (KC)	Falkirk Council
Lesley Deans (LD)	Clacks Council
Neil Dougall (ND)	Midlothian Council
Keith Fiskin (KF)	SEStran
Peter Forsyth (PF)	East Lothian Council
Lisa Freeman (LF)	SEStran
Ken Gourlay (KG)	Fife Council
Jim Grieve (JG)	SEStran
Peter Jackson (PJ)	SEStran
Ewan Kennedy (EK)	City of Edinburgh Council
Graeme Malcolm (GM)	West Lothian Council

Apologies:

Andrew Ferguson	Fife Council
Graeme Johnstone	Scottish Borders Council
Iain Shaw	City of Edinburgh Council

Ref.		Actions
1.	Welcome and Apologies for Absence	
1.1	GE welcomed the group to the meeting and apologies are noted as above.	
2.	Presentations	
(a)	<u>Cycling Scotland</u> – by Peter Jackson The presentation covered topics including, Bikeability, Play on Pedals, Essential Cycling Skills, Practical Cycle Awareness Training, Cycle Friendly initiatives. PJ noted that he is available to Officers' to provide support/assistance.	
(b)	<u>Marketing Strategy</u> – by Keith Fiskin KF introduced himself and provided an overview of his role, marketing strategy and brand identity. The group discussed the SEStran "brand" and the confusion over the organisation name with a similarly named body.	
3.	Minutes	
(a)	<u>Chief Officer Liaison Group – 2nd Feb 2017</u> Agreed as a correct record.	
(b)	<u>Partnership Board – 2nd March 2017 (DRAFT)</u> For Noting.	

4.	Model 3 - SEStran Progress Report	
4.1	GE provided a verbal update to the group, advising that following consultation, responses had been received from all councils. A report will be presented to the September Board to seek the opinions of new Members. GE noted that Model 2 may be of interest.	
5.	Financial Reports – Briefing Note by Iain Shaw	
(a)	<u>Unaudited Annual Accounts 2016/17</u> <ul style="list-style-type: none"> The accounts are still in the process of being prepared for presentation to the Board meeting of 23rd June; The current position is an underspend of £49,000 after provision is made for all known liabilities, including any VAT not paid following issue of VAT-only invoices. The underspend is mainly on core staff costs and some additional income recoveries from capital; The Board agreed at its meeting on 2nd March that any underspend from 2016/17 would be allocated to the Sustainable & Active Travel Grant Scheme in 2017/18; The main area of audit scrutiny is potentially the write-off of the asset value of 40 units of Bustracker equipment (former First Bus East of Scotland equipment) at total write-down of value of £160,000. This does not impact on the year-end outturn as the expenditure was funded by BIF2 grant in 2015/16, but does need to be recognised on SEStran's balance sheet. If the equipment can be re-deployed in the future, it can be written back onto the balance sheet. The unaudited accounts will be submitted to Audit Scotland by 30th June, following review by the Board on 23rd June. 	
(b)	<u>Treasury Management Annual Report</u> This report provides details of the net borrowing/lending between SEStran and the City of Edinburgh Council during 2016/17. The Partnership received £628 of interest from the Council in 2016/17 for balances held by the Council on behalf of the Partnership over the course of the year.	
6.	National Transport Strategy 2/Planning Review	
6.1	A verbal update was provided by GE. The main points for noting are: <ul style="list-style-type: none"> Pre-engagement strategy discussed. GE noted that in his SCOTS role, he is Chair of the Strategic Framework Working Group. Timeline: NTS completed mid-2019, public consultation to take place 2018, STPR spring 2018, primary legislation in parliament in next parliamentary year, with aim to be involved in shaping legislation that looks at transport governance. 	
7/	Update on Council Administrations	
7.1	Officers' provided an update on the latest appointments to their respective administrations and discussed the unique situation of the general election being in such close proximity to local council elections.	

17.	Update on Council Administrations	
	GE noted that there may be a requirement to postpone the June Board meeting if there were a number of unstable administrations in place. A decision would be made mid-June.	
8.	Consultation Reports	
(a)	<u>Scottish Energy Strategy</u> Agreed to be submitted under delegated powers.	GE LF
(b)	<u>Parking Consultation</u> Comments invited from Officers prior to end-June submission. Group discussed enforcement issues and possible regional response.	
(c)	<u>Low Emissions Zone</u> Update to be provided when publication becomes available in late summer.	
(d)	<u>Scottish Expert Advisory Panel on the Collaborative Economy</u> Consultation closes 26 May and response will highlight areas of good practice.	
(e)	<u>National Transport Strategy Review: Call for Evidence</u> Early engagement response issued but continuing with further engagement activities. SEStran response to be shared with group with offer of assistance provided.	
(f)	<u>20mph Private Members Bill</u> Consultation closes August and SEStran are seeking views from group to shape response and happy to take forward.	
9.	Annual Report	
9.1	GE provided a verbal update advising that the draft report will be tabled to the first Board meeting and will highlight key projects and activities.	
10.	RTS – Update by Partner Authority	
10.1	GE reported that previously monitoring had been undertaken annually, however, the proposal is to report quarterly, incorporating KPIs and delivery of outcomes. Group agreed to having RTS monitoring as a standing agenda item and a monitoring template/pro-forma will be drafted for reporting purposes.	
11.	Projects Update	
11.1	JG presented the report, which provided a summary of projects updates and asked for any comments from the group.	
12.	Website	
12.1	AC provided a verbal update to the group on the soft launch of the new website, asking for feedback from Officers. Consensus was that it was much improved and easier to navigate.	
13	Service Level Agreements (SLA's)	
13.1	GE provided an update on options being explored for the Legal SLA. The group discussed capacity within their councils' and agreed SEStran should write direct to Chief Execs to consider available resources.	GE

14.	MaaS Scotland	
14.1	GE reported that SEStran could join on behalf of the partner authorities, without precluding individual membership. The group agreed that this was worthwhile and SEStran will seek to progress.	GE
15.	AOCB	
15.1	<u>Freight Strategy</u> KG asked if SEStran could provide assistance and GE advised that SEStran are happy to engage.	
16.	Date of Next Meeting	
16.1	The date of the next meeting is 10:00am on Thursday 24th August 2017, in Room 3E-91, Victoria Quay, Edinburgh, EH6 6QQ.	

Legal Officer's Report – Review of Governance Documents

1. INTRODUCTION

- 1.1 The report provides an update on the review of the governance documents of the Partnership and proposes a new Governance Scheme for SEStran.

2. Governance Scheme

- 2.1 The Partnership Board in June 2016 received a report, outlining the review to date of several of the governance documents of the Partnership: standing orders including contract standing orders, financial regulations, scheme of delegation, committee structure and key policies.
- 2.2 The Secretary was tasked with reviewing these documents considering changes in terms of legislation e.g. new procurement rules which lead to a new corporate procurement policy agreed in December 2016; also, changes to standing orders reflecting the creation of new committees and the desire to bring clarity to the public by having clearer titles, so the scheme of delegation is proposed to change to list of officer powers.
- 2.3 Appendix 1 shows the Standing Orders as amended by the March 2017 Board meeting. Appendix 2 shows the standing orders incorporating further amendments which the Board are asked to agree, with formal adoption being at the September 2017 meeting. These amendments are principally cosmetic, in that they recognise the list of committee powers and list of officer powers as separate documents.
- 2.4 Appendix 3 outlines the proposed list of committee powers (the document which in some councils is known as the scheme of administration). The current committee structure consists of the Performance and Audit Committee, which reports to the Partnership Board, itself a creation of statute. Again, it has not been necessary to change the structure since this committee was created shortly after the Partnership came into existence. However, the creation of a Succession Planning Committee and potentially others emerging from a national governance review means a list provides greater transparency in relation to the governance framework.
- 2.5 Appendix 4 outlines a proposed list of officer powers (the document previously known as the scheme of delegation). It is some time since the scheme of delegation was changed. It is relatively simple in its construction and appears to have served its purpose well. There are no changes to legislation which would necessitate a change but in line with practice elsewhere the change in title is clearer to wider stakeholders. Depending on the outcome of discussions as regards provision of legal services (see separate report) this may require further amendment at the September meeting.

- 2.6** It is proposed that a single holding document is created for these documents mentioned above and other key documents such as financial rules,¹ contract standing orders,² and the corporate procurement policy³. The SEStran Governance Scheme would collect together the key documents which form the basis for South East Scotland Transport Partnership's (SEStran's) decision making. A copy of the proposed scheme forms Appendix 5.

3. CONCLUSION / RECOMMENDATIONS

3.1 The Board is asked to:

Agree the proposed amendment of standing orders outlined at Appendix 2 which will be tabled for adoption at the September meeting;

Agree the proposed Governance Scheme for SEStran consisting of standing orders, list of committee powers, list of officer powers, financial rules, contract standing orders, and corporate procurement policy, as set out in this report and its appendices.

Andrew Ferguson
Secretary
3rd August 2017

Policy Implications	None
Financial Implications	N/A
Equalities Implications	N/A
Climate Change Implications	N/A

¹ http://www.sestran.gov.uk/wp-content/uploads/2017/01/Approved_Financial_Rules_Rev_June_2014.pdf

² http://www.sestran.gov.uk/wp-content/uploads/2017/01/SESTRAN_Contract_Standing_Orders_v4_-_24_Sept_2012.pdf

³ http://www.sestran.gov.uk/wp-content/uploads/2017/01/SEStran_CorporateProcurementPolicy_FINAL_Sep_16.pdf



APPENDIX 1
Standing Orders of
The South-East of Scotland Transport
Partnership

As amended 2nd March 2017

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Definitions

1. In these Standing Orders the following words and expressions have the following meanings:

"1973 Act" means the Local Government (Scotland) Act 1973 as amended;

"The 2005 Act" means the Transport (Scotland) Act 2005;

"The 2005 Order" means the Regional Transport Partnerships (Establishment, Constitution and Membership) (Scotland) Order 2005;

"constituent council" means constituent local authority as listed in paragraph 4;

"The Partnership" means the South-East of Scotland Transport Partnership;

"Chairperson" means the Chairperson of the South-East of Scotland Transport Partnership;

"Deputy Chairperson" means any deputy chairperson of the South-East of Scotland Transport Partnership;

"Partnership Director" means the officer appointed as Partnership Director by the Partnership and the "Treasurer", "Secretary", "Solicitor", and "Estates Functions Officer" similarly refer to officers as appointed by the Partnership; "appropriate officer", as contained in these Standing Orders refers to any of the appointed officers of the Partnership;

"councillor member" in reference to the Partnership means a member appointed by the constituent councils, that is the City of Edinburgh, Clackmannanshire, East Lothian, Falkirk, Fife, Midlothian, Scottish Borders and West Lothian Councils.

"non-councillor member" means a member not appointed as a councillor member, that is to say, a member appointed by the Scottish Ministers in the first year of operation of the Partnership, and thereafter by the Partnership.

"working day" means any day which is not a Saturday, a Sunday, or a public holiday in any part of the area for which the Partnership is responsible.

2. Applying the Interpretation Act

The Interpretation Act 1978 applies to these Standing Orders in the same way as it applies to an Act of Parliament.

3./

3. Commencement

These Standing Orders apply from 19 December, 2005. They shall constitute the Standing Orders of the Partnership under paragraph 6(5) of Schedule 2 of the 2005 Order, until otherwise amended or revoked.

4. The Partnership - Constitution

The Partnership was established under the 2005 Act and the 2005 Order which came into effect on 1 December 2005. The Order specifies the functions of the Partnership and its powers.

The Partnership is constituted under section 1(1) of the 2005 Act and comprises (Firstly) representatives of the constituent councils, as follows:-

Council	Member	Weighting of votes
The City of Edinburgh Council	5 members	2x
Clackmannanshire Council	2 members	1x
East Lothian Council	2 members	1x
Falkirk Council	2 members	2x
Fife Council	3 members	2x
Midlothian Council	2 members	1x
Scottish Borders Council	2 members	1x
West Lothian Council	2 members	2x

and (Secondly), between 7 and 9 other members.

5. Appointment of Members and Other Membership Arrangements

The provisions of paragraphs 1 and 2 of Schedule 2 of the 2005 Order are set out below at paragraph 6 and shall be held to be incorporated into these Standing Orders, subject always to:-

- a) such amendments, deletions or additions as may be made to the relevant part of the 2005 Order from time to time
- b) such minor amendments made herein for cross-referencing purposes, and
- c) such additional provisions as are set out in these Standing Orders insofar as the same do not contradict the requirements of the 2005 Order.

6. Appointment of members and other matters

6.1./

6.1 Appointment of Members

- (1) The Partnership shall have the number of councillor members appointed by and from each constituent council of the Partnership specified in Paragraph 4 of these Standing Orders opposite the name of that council (as shown in the second column).
- (2) The Partnership shall have such number of other members as they consider appropriate within the range specified in Paragraph 4, and each such member shall be appointed in accordance with sub paragraphs (3) and (4) below.
- (3) During the period ending with the holding of the poll at ordinary elections for councillors in 2007, each such other member shall be appointed by the Scottish Ministers.
- (4) After the period mentioned in sub paragraph (3), each such other member shall be appointed by the Partnership, subject to the consent of the Scottish Ministers.
- (5) The Partnership and the Scottish Ministers may each appoint such number of observers as they consider appropriate to the Partnership.
- (6) Observers may participate in proceedings of the Partnership in the same manner as councillor members and other members but may not hold office in it or participate in its decisions.
- (7) A person shall be disqualified from being appointed as a member or observer of the Partnership if that person is an employee of the Partnership.
- (8) Subject to sub paragraph (9) below, each constituent council of the Partnership shall:-
 - (a) at the first meeting of that council taking place after each ordinary election appoint as councillor members of the Partnership the number of persons specified in Paragraph 4 in respect of that constituent council; and
 - (b) on a vacancy occurring due to a person appointed by that council ceasing to be a member of the Partnership in the circumstances described in paragraph 6.2(2) to (6) below, appoint another person in that person's place unless the council, having regard to the length of time until the next ordinary election, consider it unnecessary to do so.
- (9)/

- (9) The first appointment of councillor members of the Partnership established under this Order shall be made by each constituent council as soon as is practicable after the coming into force of this Order and at the latest by a month after the coming into force of this Order.
- (10) As soon as possible after making the first appointment of councillor members each constituent council of the Partnership shall intimate in writing to the Secretary, the names of those persons appointed.
- (11) Each constituent council may appoint persons as substitute councillor members to attend meetings of the Partnership, or of any of its committees or sub committees, in the absence of any councillor members appointed to the Partnership by that council, and where any such substitute councillor members are appointed:-
 - (a) only one substitute councillor member may attend in place of a councillor member who is absent; and
 - (b) the substitute councillor member shall have the same powers as the councillor member who is absent.
- (12) Any person appointed as a councillor member, or substitute councillor member, of the Partnership must be a councillor for the area of the constituent council making the appointment.
- (13) A constituent council shall intimate in writing to the Secretary of the Partnership:-
 - (a) as soon as possible after appointing any person as a councillor member or substitute councillor member of the Partnership, the name of that person; and
 - (b) as soon as possible after a vacancy has occurred due to a person appointed by that council ceasing to be a councillor member or substitute councillor member of the Partnership in the circumstances described in paragraph 6.2(2) or (4) below, the name of that person.
- (14) The proceedings of the Partnership shall not be invalidated by any vacancy or vacancies among its members or by any defects in the method of appointment of any of its members.

Duration/

Duration and termination of membership

- 6.2.** (1) Subject to sub paragraphs (2) to (6) below, any person appointed by a constituent council as a councillor member of the Partnership shall hold office until the first meeting of that council held after the next ordinary election following the date of that member's appointment.
- (2) If, prior to the next ordinary election following the date of the member's appointment, a councillor member of the Partnership ceases to be a councillor for the area of the constituent council which appointed the member, the member shall immediately cease to be a member of the Partnership.
- (3) A councillor member of the Partnership may resign their membership at any time by written intimation to that effect to:-
- (a) the Secretary of the Partnership; and
 - (b) the constituent council which appointed the councillor member.
- (4) A constituent council may at any time terminate the membership of any person appointed by them as a councillor member of the Partnership if, immediately prior to this, the constituent council provides an explanation for the termination by written intimation to the Secretary of the Partnership, the Chairperson of the Partnership and that councillor member.
- (5) The Chairperson of the Partnership, following a vote to that effect by the Partnership, may write to a constituent council and request that the council terminates the membership of a councillor member.
- (6) Where the Chairperson of the Partnership writes to a constituent council in terms of sub paragraph (5) above, such a request shall not be refused unreasonably by the constituent council.
- (7) Subject to sub paragraphs (8) to (9) below, other members and observers appointed by the Partnership, or the Scottish Ministers as the case may be, shall hold office for a period of 4 years following the date of their appointment unless otherwise specified at the time of their appointment.
- (8) Other members of the Partnership and observers may resign their membership at any time by written intimation to that effect to the Secretary of the Partnership.
- (9)/

- (9) The Partnership may remove other members from office or observers if it is satisfied that:-
- (a) the other member's or observer's estate has been sequestrated or the other member or observer has been adjudged bankrupt, has made an arrangement with creditors or has granted a trust deed for creditors or a composition contract; or
 - (b) the other member or observer:-
 - (i) is incapacitated by physical or mental illness;
 - (ii) has been absent from meetings of the Partnership for a period exceeding whichever is the longer of (a) three consecutive months or (b) two consecutive meetings of the full Partnership, such period starting from the date of any meeting, without the permission of the Partnership; or
 - (iii) is otherwise unable or unfit to discharge the member's functions as a member or is unsuitable to continue as an other member or observer.

Voting arrangements of Partnerships

- 6.3.** (1) Where any decision of the Partnership is to be determined by a vote, each councillor member of the Partnership has a single vote and may vote on all matters.
- (2) Non-councillor members may vote on all matters with the exception of
- (a) questions arising under s.3(2)(a) of the 2005 Act, or on whether or not to make a request for the making of an order under s.10(1) of that Act, or any other matter excluded by law ;
 - (b) those matters which would require expenditure outwith the Partnership's existing, approved budget;
- declaring that, in interpreting such exclusions, they will be so interpreted so as to give non-councillor members as full participation in decision-making as practicable.
- (3) Subject to sub paragraphs (4) and (5) below, where any decision of the Partnership is to be determined by a vote, it shall be determined by a simple majority of the votes cast.
- (4)/

- (4) Each councillor member of each constituent council within the Partnership shall have their vote weighted by making it count as one, two, three or four votes as specified in the third column of Paragraph 4.
- (5) The Partnership may determine by a two-thirds majority of the votes cast, subject to sub paragraph (4) above, to amend these Standing Orders to require that certain specified decisions be determined by a two thirds majority of the votes cast.

Chairpersons and Deputy Chairpersons

- 6.4.** (1) The Partnership shall appoint from its membership a Chairperson and such number of Deputy Chairpersons as they consider appropriate. The Chairperson and Deputy Chairpersons shall each be from different Councils.
- (2) Subject to sub paragraph (3) below, the Chairperson and Deputy Chairpersons of the Partnership shall each hold office for a period to be determined by the Partnership not exceeding two full council terms.
- (3) If, prior to the end of their period of appointment, a Chairperson or Deputy Chairperson of the Partnership ceases to be a member of the Partnership, they shall immediately cease to hold office.
- (4) The Chairperson, or in the Chairperson's absence a Deputy Chairperson, shall preside at all meetings of the Partnership, but where both the Chairperson and all Deputy Chairpersons are absent from any meeting the members present shall appoint a Chairperson for that meeting.
- (5) In the event of an equality of votes at a meeting, the Chairperson of that meeting shall, subject to sub paragraph (6) below, have a casting vote as well as a deliberative vote.
- (6) Where there is an equality of votes at a meeting and the matter which is the subject of the vote relates to the appointment of a member of the Partnership to any particular office, committee or sub committee of the Partnership, the decision shall be by lot. Reference is also made to paragraph 28 on method of voting

Secretary of Partnership

- 6.5.** The Partnership shall appoint a Secretary, a Treasurer, an Estates Functions Officer and a solicitor any of whom may also be an officer of one of the constituent councils.

Meetings/

Meetings and quorum

- 6.6.** (1) The first meeting of the Partnership shall be held as soon as is practicable after the Partnership is established, and the Chief Executive or equivalent position of City of Edinburgh Council shall be responsible for its arrangement.
- (2) Subject to sub paragraph (1) above, the Partnership shall hold such meetings as it shall consider necessary for it to carry out its functions at such place or places as it may from time to time fix. Reference is made to paragraphs 8 to 40 for further provisions relating to meetings.
- (3) The secretary of the Partnership shall send copies of the minutes of all its meetings to each of the constituent councils for their information. Reference is made to paragraphs 21 and 22 for further provisions relating to minutes of meetings.
- (4) At a meeting of the Partnership one third of all members of the Partnership is a quorum.
- (5) If, at any time during a meeting, a question arises on whether there is a quorum, the Chairperson shall instruct a count of the members who are present. If a quorum of members is not present, then the meeting shall be adjourned to a time and date decided by the Chairperson.
- (6) If less than a quorum of members is entitled to vote on an item because of declarations of interest, then that item cannot be dealt with at that meeting.
- (7) For the avoidance of doubt, Members will be entitled by remote means such as teleconferencing or videoconferencing as long as arrangements can be made to ensure that effective communication between Members attending in this way and the rest of the meeting can be implemented.

Committees and Sub committees

- 6.7.** (1) The Partnership may appoint from its membership such committees or sub committees as it may from time to time consider necessary or desirable and may refer to any such committee or sub committee such matters as the Partnership may from time to time specify.
- (2) The Partnership may delegate any of its functions to any committee established by the Partnership. Further reference is made to the provisions on delegation set out at paragraphs 31 and 32.

Meetings

Arrangement of Meetings

7. All meetings of the Partnership and its committees will be called and arranged in accordance with the 1973 Act, as amended by inter alia the 2005 Act and the 2005 Order.

Special Meetings

8. A special meeting of the Partnership may be called at any time by: -
- the Chairperson requesting the Secretary to do so, or
 - a written requisition, signed by at least one quarter of the members, and specifying the business to be transacted at the meeting. In such case, the meeting is to be held within 14 days of receipt of the requisition by the Secretary.

Notice of Meetings

9. (1) At least 7 clear working days before a meeting of the Partnership, or, if in the opinion of the Secretary, a meeting needs to be called at shorter notice in circumstances of extreme urgency, then at the time it is called, the following must occur: -
- the Secretary must publish the time and place of the intended meeting at the offices of the Partnership and the headquarters of the constituent councils. If the meeting is called by members, then the notice must be signed by those members and must set out the business they want to deal with there;
 - a summons to attend the meeting must be sent to every member at his usual address. The summons must set out the business that is to be dealt with, and the Secretary must sign it.
- (2) Any summons issued under paragraph (1) must give a note of the business and the proposed order for dealing with business at the meeting. No other business may be dealt with unless it is brought before the Board as a matter of urgency. However, if members requisition a meeting, only the business listed in the requisition may be considered.
- (3) If 3 clear working days' notice has not been given for any item, the item may be considered at the meeting if the Chairperson rules that there are special reasons why it is a matter of urgency. The Chairperson must give those reasons. The item must be made known at the start of the meeting when the order of business is decided. If the Chairperson rules that the matter is not urgent, then it will be included as an item for the next ordinary meeting of the Partnership, unless it is dealt with before then.
- (4)/

- (4) If a summons is not served on any member the meeting will still be valid.
- (5) Publication and service of notices in relation to meetings, may be by written or electronic means except to the extent that any member has specified in writing to the contrary to the Secretary.

Chair

- 10. (1) The Chairperson will chair a meeting of the Partnership when he/she is present.
- (2) If the Chairperson is absent, the Vice-Chairperson will take the chair. If the Chairperson and Vice-Chairperson are both absent, then another member (chosen by the members present) will chair the meeting. Any person presiding over a meeting will have the same powers and duties as Chairperson of the Partnership in relation to any meeting and its business.
- (3) The Chairperson (or other person presiding at the meeting) will have a casting vote, as defined in Standing Order 6.4(5).

Attendance

- 11. The Secretary will record the names of the members present at each meeting.

Access for the Public and Press

- 12. (1) Except where this Standing Order says otherwise, every meeting of the Partnership and its committees shall be open to the public and the press.
- (2) The Partnership may keep any members of the public out of a meeting, or cause them to leave, if they are hindering or are likely to hinder the work of the Partnership. If a member of the public interrupts any meeting, the Chairperson may warn that person and, if the person continues with the interruption, the Chairperson may order the person to be removed from the meeting room. If there is general disturbance in any part of the meeting room, the Chairperson may order that part to be cleared.
- (3) For the avoidance of doubt, sections 50A to 50F inclusive of the 1973 Act shall be imported into these Standing Orders as applying mutatis mutandis to the Partnership.
- (4)/

- (4) The public will be kept out of a meeting when an item of business is being considered if it is likely that they will hear confidential information. Nothing in this Standing Order authorises or requires confidential information to be disclosed in breach of the obligation of confidence as defined in the 1973 Act.
- (5) The Partnership may decide to keep the public out of a meeting when an item of business is to be considered if it is likely that they will hear information that is defined as 'exempt' in the 1973 Act.
- (6) This Standing Order does not require the Partnership to allow the taking of photographs or access for radio or television broadcasting. Such access is at the discretion of the Chairperson or the person presiding at the meeting of the Partnership or any of its Committees.

Order of Business

13. The business of the Partnership at ordinary meetings will normally take place in the following order:-

- (1) Order of business.
- (2) Declaration of Interests by members.
- (3) Deputations.
- (4) Questions.
- (5) Minutes of previous meetings.
- (6) Motions of which notice has been given.
- (7) Election business, including any matters of appointments.
- (8) Special business (relating to annual estimates or budgets).
- (9) Ordinary business.
- (10) Motions given in at the start of the meeting, if the Chairperson rules they are matters of urgency, to be dealt with at that meeting.

Any item on the agenda may be taken out of its order if:-

- the Chairperson decides this; or
- a member suggests it and those at the meeting agree.

Chairperson - Powers and Duties

14./

14. On all points of order the Chairperson's decision is final. If asked, the Chairperson must explain the reasons for decisions. When the Chairperson speaks, any member who is addressing the meeting must stop. The Chairperson must keep order and make sure that members have a fair hearing. The Chairperson will decide all matters of order, competence and relevance arising at meetings. If two or more members want to speak, the Chairperson will decide who is to be first. If there is disorder at any meeting the Chairperson may adjourn the meeting to any other time or day that he may fix at the time or afterwards. In these circumstances, by simply leaving, the Chairperson will adjourn the meeting. The Chairperson may make a statement at the start of the meeting on any matter that affects the Partnership's interests.

Adjourning Meetings

15. (1) The Partnership may adjourn any meeting to any other time or day that the Chairperson may fix at the time or afterwards.
- (2) The Partnership may adjourn any meeting for a reasonable interval. This adjournment will be made if:-
- the Chairperson says so; or
 - a member proposes it, another seconds it, and the members vote in favour of it. There will be no amendments or discussion.

Order of Debate

16. A member who wants to speak will, when called on, address the chair. The member shall speak directly on the motion or amendment that is being proposed, seconded or discussed, or on a question of order. No member can speak more than once on any subject that is being discussed, except for a point of order or (with the permission of the Chairperson) to give an explanation. However, the person proposing a motion has a right of reply. A member who is speaking when a question of order is raised will stop speaking until the Chairperson has dealt with the question of order.

Motion "That the Question Be Now Put"

17. Any member who has not spoken on the question before the meeting may propose "that the question be now put". If this is seconded and the Chairperson thinks the question has been discussed enough, the Chairperson will order a vote on the motion (without amendment or discussion) by a show of hands. If the motion is carried, the proposer of the original motion will have a right to reply, and the question itself will then be put to the meeting. If the motion "that the question be now put" is not carried, a similar motion may be made after every two further members have spoken.

Length of Speeches/

Length of Speeches

18. Except with the Chairperson's permission, the proposer and the seconder of a motion or an amendment must not speak for more than five minutes and all other speakers for not more than three minutes. The proposer of the original motion may speak for up to five minutes in reply, and the reply must not introduce any new matter into the debate. After that the discussion will finish and the question will then be put by the Chairperson.

Obstructive or Offensive Conduct

19. If any member at any meeting disregards the Partnership or the Chairperson, or behaves obstructively or offensively, a motion may then be proposed and seconded to suspend the member for the rest of the meeting. The motion will be put without discussion. If it is carried, the Chairperson will order the member to leave the meeting.

Revoking a Resolution

20. A decision of the Partnership cannot be changed within 6 months unless: -
- the Chairperson rules that there has been a material change of circumstances; and
 - notice has been given of the proposed change.

Minutes of Meetings

21. The Secretary (or a person nominated by him or her in writing to do so in his or her absence) will take the minutes of all Partnership meetings. The minutes will be printed and, as far as possible, circulated among members at least seven working days before the next ordinary meeting of the Partnership. There they will be presented and corrected if necessary. If the minutes are held to be a true record of the proceedings of the meeting they relate to, the person chairing the next meeting will sign them as a correct record.

Validating the Proceedings

22. The proceedings at a meeting may be challenged on the ground that the meeting was not called properly. Confirming the minutes of the meeting at the next meeting will validate proceedings.

Questions in Writing

23./

23. (1) At any meeting of the Partnership, a member may put a question to the Chairperson about any relevant and competent business not already on the summons for the meeting. However, the question must have been given in writing to the Secretary by 12 noon on the seventh working day before the meeting.
- (2) A member may put a question to the Chairperson at a meeting of the Partnership about any matter that is on the summons for that meeting. He or she must give the question in writing to the Secretary by 10 am on the third working day before the meeting. The Chairperson will decide whether it will be answered verbally or in writing at the meeting.
- (3) Arising from each verbal or written answer, the member who put the written question may put one supplementary question. These will be answered verbally by the Chairperson.
- (4) The Chairperson may decide to disallow any supplementary question if:-
- the Chairperson rules the supplementary question is not relevant to the subject of any written questions answered at the meeting; or
 - the Chairperson gives another reason.
- (5) No discussion will be allowed on any verbal, written or supplementary questions or their answers.

Motions must be in Writing and Signed

24. Every motion and amendment except where the context otherwise requires must be put into writing. It must be signed by the person proposing it and handed to the Secretary.

Motions Intended for Consideration at the End of a Meeting

25. If there is a motion that does not relate to the business of the meeting, and the meeting has not been given adequate notice of the motion, it may be considered at the end of the meeting. However, this can only happen if the Chairperson rules there are special reasons why it is a matter of urgency. The Chairperson must give these reasons. Before the start of the meeting, the motion must be given to the Secretary who will read it to the meeting when the order of business is decided. If the Chairperson rules the matter is not urgent, it will be included as an item of business for the next ordinary meeting of the Partnership (unless it is dealt with before then).

Motions/

Motions Intended for Consideration at the Next Meeting

26. (1) Notice of motions intended for consideration at a meeting of the Partnership must be given in writing. The notice must be signed by the member or members giving notice and delivered to the Secretary by 12 noon on the tenth working day before the next ordinary meeting of the Partnership. (This does not apply if it is a matter of urgency dealt with under Standing Order 25). All such motions will be included in the summons for the next meeting in the order in which they are received.
- (2) If the Chairperson rules that more than one such motion deals with the same subject, only the motion that was proposed first will be considered.

Motions – Procedures

27. (1) All motions and amendments will be proposed and seconded and then given in writing to the Secretary as soon as they are moved. This does not apply to motions simply seeking to approve or disapprove of any matter, purely negative amendments, amendments proposing further consideration and reports, and motions and amendments that are fully set out in a minute of a meeting.
- (2) Every amendment must be relevant to the motion in question.
- (3) The proposer with the permission of the seconder may withdraw a motion or amendment.
- (4) A motion to approve a report or a minute of a Committee will be considered as an original motion. Any motion that involves altering or rejecting such a report or minute or any part of it will be dealt with as an amendment.
- (5) The Chairperson of a Committee will have the right to move the approval of the report or minute of that Committee.
- (6) Motions or amendments that are not seconded will not be discussed or recorded in the minutes. However, the proposer can ask for his dissent to be minuted. This does not apply if the vote is taken by roll call.
- (7) The mover of the motion or amendment may agree to add to it all or part of an amendment moved and seconded by other members, provided that:-

➤ his/

- his/her seconder consents;
- the mover and seconder of the added amendment consents; and
- the agreement takes place before the mover of the motion has replied.

Method of Voting

- 28.** (1) In a meeting of the Partnership or any Committee, the vote on any matter will be taken by calling the roll.
- (2) If a vote has been taken and someone immediately challenges the accuracy of the count the Chairperson will decide whether to have a recount.
- (3) Reference is also made to Standing Order 6.4 in relation to voting matters.

How Motions Must Be Put

- 29.** Where one or more amendments are made upon a motion, the vote shall be taken among the amendments and the motion in that order. In the event that the motion or any amendments, which shall include any motion or amendment relating to the appointment of a member to any particular office or Committee, receives an absolute majority of votes of the members present and voting, then that proposition shall be carried. Where no such absolute majority obtains, the proposition with the least number of votes shall be eliminated and a further vote (or further votes as may be required) taken until an absolute majority of votes is received for a proposition.

Taking a Vote

- 30.** After the Secretary has started to take the vote, no member will be allowed to offer an opinion, ask a question, or interrupt the proceedings until the result of the vote has been announced.

Delegating to Committees and Officers

- 31.** (1) The Partnership may appoint such committees as it considers necessary or desirable and to refer to such committees such matters as it may specify. Any committee may deal only with those matters referred to it from the Partnership.
- (2)/

- (2) The Partnership has resolved to have a Performance and Audit Committee, the terms of reference and functions of which are set out in the Appendix to these Standing Orders.
- (3) The Chairperson of any committee shall be appointed by the committee itself. Should the Chairperson be absent, then the members present will appoint someone from amongst themselves to chair the meeting.
- (4) The Partnership may delegate powers to officers of the Partnership as may be set out in any scheme of delegation as might be approved by the Partnership.
- (5) The Partnership may delegate powers to a sub group comprised of members and/or officers in relation to specific matters.

Exceptions from Delegation

- 32.** Subject to the terms of any law, the following will not be delegated to any committee: -
- (1) Introduction of new policies or changes in policies which might have a significant impact on the resources of the Partnership.
 - (2) Any matter involving expense not in accordance with financial regulations.

Attendance of Members of the Partnership at Committee Meetings

- 33.** (1) If a motion is referred to a committee, the proposer of the motion will be appointed as a member of the committee for that motion and any later consideration by the committee that directly relates to the motion.
- (2) A member of the Partnership cannot be present at a meeting of a committee of which he or she is not a member when: -
- the meeting is considering a matter where the decision may affect the interests of any person as an individual; and
 - the decision is made after a hearing by the committee where the person has a right to be heard (in person or through a representative).

Quorum/

Quorum for Committees

34. For the avoidance of doubt, the quorum for the Performance and Audit Committee shall be 4.

Application of Standing Orders to Committees

35. These Standing Orders shall apply to committees as they do to meetings of the Partnership, subject to the immediately preceding paragraph.

Deputations

36. (1) The Partnership or any committee can decide whether to hear any deputations from members of the public, staff or other interested parties on any matter that is referred or delegated to it. Any application for a deputation to speak to the meeting must be in writing, signed by a representative of the organisation or group wishing to be heard and delivered to the Secretary no later than one working day before the meeting concerned. However, the Chairperson can waive this requirement.
- (2) When the Partnership is considering whether to hear a deputation, it must not discuss the merits of the case itself. Unless the meeting agrees unanimously to hear or to refuse to hear the deputation, a vote will be taken without discussion on whether to hear the deputation. A deputation will have 10 minutes to present its case.
- (3) Any member can put a question to the deputation that is relevant to the subject but members must not discuss the merits of the case.

Code of Conduct

37. Members of the Partnership should comply with the Councillor's Code of Conduct, made under the Ethical Standards in Public Life etc. (Scotland) Act 2000, or in the case of non-councillor members such parts as apply to them.

Partnership Business - Responsibility of the Proper Officer

38. Subject to the provisions of paragraph 80 (financial instruments) the Partnership Director shall be the Proper Officer for the Partnership for the purposes of sections 190, 191 and 193 of the Local Government (Scotland) Act 1973. In execution of such deeds the Partnership Director shall ensure that s/he takes appropriate advice from the appropriate officer or adviser to the Partnership.

Financial/

Financial Arrangements

39. The Partnership will adopt such protocols for the financial administration of the Partnership and including all arrangements for budgeting and financial planning of the Partnership as are necessary for the proper financial administration of the Partnership and the delivery of Best Value in terms of the Local Government in Scotland Act 2003.

Items of Urgency

40. If a decision which would normally be made by the Partnership requires to be made urgently between meetings of the Board, the Partnership Director, in consultation with the Chairperson (whom failing, the Vice-Chairperson), can take action subject to the matter being reported to the next meeting of the Partnership.

Suspending or Altering Standing Orders

41. (1) A Standing Order can only be suspended or abolished at any meeting if three-quarters of the Partnership members present agree.
- (2) None of the Standing Orders can be cancelled or altered unless a resolution to do so is passed after notice has been given at a previous ordinary meeting of the Partnership.
- (3) if the Secretary considers that any decision of the Partnership, on the conduct of its business, has altered Standing Orders, he should report this to the Partnership.

Contracts and Tenders

General Procedures

42. (1) In these Standing Orders the word “contractor” means a works contractor, a supplier of consultancy services and a supplier of goods and services.
- (2) All procedures for approval of contractors, inviting and receiving tenders and all other arrangements affecting contracts shall -
- comply with relevant legal requirements, EC Procurement Directives and associated Statutory Instruments and Regulations; and
 - seek to ensure that tenders are genuinely competitive and that best value is achieved for the Partnership.
- (3) Subject to the above, detailed procedures relating to all such procedures shall be set out in the Contract Standing Orders from time

to time in force, which shall be observed by all members and officers of the Partnership, and are hereby deemed to be incorporated into these Standing Orders.

Financial Regulations

General Financial Regulations

43. (1) These regulations are made in terms of Section 95 of the 1973 Act, as applied to the Partnership by Section 106(1)(ba) of the said Act.
- (2) Section 95 of the 1973 Act empowers the Partnership to make arrangements for the proper administration of its financial affairs and to secure that the proper officer of the Partnership has responsibility for the administration of those affairs. The Partnership has appointed the Treasurer to be the proper officer. The Local Authority Accounts (Scotland) Regulations 1985 lay down that the system of accounting control and the form of the accounts and supporting records should be determined by the Treasurer. These regulations also provide that the Treasurer should ensure that the system of accounting control is observed and that the accounts and supporting records are kept up-to-date.

Accounts

44. The Treasurer, as proper officer, is statutorily responsible for all financial matters in which the Partnership is involved. As such the Treasurer, will provide means for procedural control which ensure that:
- all expenditure is a proper charge;
 - all income due to the Partnership is collected;
 - all assets are protected;
 - all liabilities are accounted for; and
 - proper financial reports are prepared.

The/

The supervision and control of accounting, costing and other financial systems, records and operations together with the production of financial management information and the closing of accounts will be done in accordance with procedures and instructions issued by the Treasurer. The Treasurer will ensure that the accounts are properly maintained and prepared in accordance with Partnership policy, the relevant legislation and appropriate Codes of Practice.

Budgets

45. The preparation of financial plans and budgets and their form will be done in accordance with procedures and instructions issued by the Treasurer in so far as such procedures and instructions do not exist in Standing Orders or any protocols that might be agreed by the Partnership.

Expenditure Authorised

46. The authorisation of expenditure and operation of budgetary control will be done in accordance with procedures approved by the Treasurer insofar as such procedures do not exist in Standing Orders.

Audit

47. The Treasurer will make arrangements for the internal audit of the accounts of the Partnership and the Partnership Director and other officers of the Partnership are to make available for inspection by internal auditors such cash, vouchers, documents, correspondence or other items as may be deemed necessary by the Treasurer. The Treasurer will ensure that arrangements for the carrying out of the Statutory Audit, in terms of Section 96 of the 1973 Act, are in order.

Irregularities

48. Any member of the Partnership or of its staff discovering any suspected fraud or irregularity in the financial transactions of the Partnership is to immediately inform the Treasurer. In consultation with the Partnership Director, s/he will then conduct such investigation as he considers necessary and will take such action as may appear to him to be appropriate.

Invoices, Salaries, etc.

49. The incurring of expenditure, the verification, certification, submission and payment of invoices, salaries, wages and pensions will be done in accordance with procedures and instructions issued by the Treasurer.

Travelling/

Travelling Claims, etc.

50. The submission and processing of travelling, subsistence, financial loss claims and attendance allowances will be done in accordance with procedures and instructions issued by the Treasurer.

Revenues

51. The collection of all revenues accruing to the Partnership is to be arranged by or in consultation with the Treasurer.

Debt Recovery

52. The Treasurer can sign petitions and certificates to the Sheriff Court for summary warrant applications. In consultation with the Treasurer, the Solicitor may settle or compromise any action of payment where the amount compromised does not reduce the amount recovered by more than £1,000.

Bad Debts

53. The Treasurer will have authority, having exhausted recognised means of debt collection, to authorise the writing off of bad debts up to a maximum of £1,000 in any case and for any sum where the debtor: -

- (a) is a company in liquidation; or
- (b) is untraceable.

Subject in the case of (a) above to an appropriate claim against the liquidator having been lodged. The Treasurer will report all other irrecoverable debts to the Partnership for authority to write off.

Charges

54. The Treasurer will ensure that charges are reviewed annually by the Partnership.

Bank Accounts

55. The Treasurer will operate the bank accounts on behalf of the Partnership.

Advances/

Advances

56. The Treasurer will advance such amounts to such persons as he deems necessary in order that such persons may defray petty expenditure and the Treasurer, in consultation with the Partnership Director, will determine the conditions relating to such advances.

Inventories

57. Records of stocks and stores will be kept in such form as shall be approved by the Partnership and the Partnership Director who will be jointly responsible for ensuring that up-to-date inventories of furnishings, office equipment, machinery, scientific apparatus, silverware, works of art and other valuable property are maintained.

Property Register

58. The Estates Functions Officer of the Partnership will maintain an up-to-date register of all land and heritable property owned by or leased by the Partnership whether in its own right or in trust and will ensure that all such property is readily identifiable at any time.

Insurance

59. The Treasurer will arrange for the insurance of all such risks as may be required to be covered and will negotiate all claims in respect of such insurance.

Staff Records, Pay etc

60. The Treasurer will give instructions regarding the maintenance of such staff records as are necessary for pay and superannuation purposes.

Signing

61. The Partnership Director is designated in terms of the 1973 Act as proper officer for the purposes of sections 193 (authentication of documents) and 194 (execution of Deeds) for signing (where necessary) of financial instruments or instruments effecting the transfer of any securities or otherwise giving effect to the powers of borrowing delegated to the Treasurer. In execution of such deeds the Partnership Director shall ensure that s/he takes appropriate advice from the Treasurer or, in the event of there being no Treasurer, such other appropriate adviser to the Partnership.

Investments/

Investments

62. The Treasurer can undertake any function, which might reasonably be deemed to be investment business and decide on specific purchases and sales of stocks, shares or any other allowable investments, as long as the Treasurer takes appropriate advice where necessary.

Treasury Management

63. The Partnership's treasury management will be carried out according to the Partnership's Treasury Policy Statement. Where practical, all Partnership money will be aggregated for the purposes of treasury management and will be under the control of the Treasurer. All executive decisions on the approved treasury management activities will be delegated to the Treasurer. The Treasurer will act according to CIPFA's *Code for Treasury Management in Public Service*. The Treasurer will arrange to borrow such sums as may be required from time to time by the Partnership in accordance with the Treasury Policy Statement and within the terms of section 3 of the 2005 Act. The signatories to any document or agreement relating to, constituting the security for, or acknowledging the existence of or receipt of any loan arranged under the terms of the Treasury Policy Statement and the foregoing powers will be those nominated by the Partnership in respect of the signing of cheques. Mortgage deeds in the name of the Partnership will be signed and sealed in accordance with Section 194 of the 1973 Act. The Treasurer will report to the Partnership each financial year on the activities of the treasury management operation.

(Reference: Standing Order 31(2))

The Terms of Reference and functions of the Performance and Audit Committee are to deal with the following matters:-

1. SCRUTINY

- 1.1. To scrutinise any matter relating to the Partnership having regard to the Partnership's responsibility for Best Value and continuous improvement.

2. STAFFING

- 2.1. To take decisions on all staffing matters which are not otherwise delegated to the Partnership Director, including performance appraisal and remuneration matters related to the Partnership Director, and changes to terms and conditions.
- 2.2. To consider and determine, with powers, appeals submitted by any employee who is entitled to appeal to the Partnership under any statutory provision, contract of employment, condition of service or any partnership policy or procedure on employment.
- 2.3. To act as the Disputes Committee of the Partnership in determining, with powers, the Partnership's position on any matter which is the subject for the formal dispute (except in so far as the decision has already been taken by the Partnership).

3. STANDARDS

- 3.1. Promoting and maintaining high standards of conduct by members
- 3.2. Assisting members and co-opted members to observe the Member's Code of Conduct and any Partnership Code of Conduct or protocol.
- 3.3. Advising the Partnership on the adoption or revision of any Code of Conduct for members including training or arranging for training to be provided.
- 3.4. Considering any report by the Standards Commission for Scotland and any Hearing held under the Ethical Standards in Public Life etc. (Scotland) Act.
- 3.5. Considering all matters concerning the establishment, maintenance and public availability of a register of interests that have been declared by members or employees of the Partnership including guidance for the assistance of members and employees on the registration of interests, gifts and hospitality.
- 3.6. Considering and updating where appropriate the Partnership's Code of Conduct for employees.
- 3.7/

- 3.7. Considering any protocol to guide members and officers in their relations with one another.
- 3.8. Considering guidelines on the standards of conduct required of agents and contractors acting for and on behalf of the Partnership.
- 3.9. Considering the Partnership's Customer Care and Complaints policies.
- 3.10. Considering all reports made by external bodies with a regulatory function in respect of the Partnership.

4. AUDIT

- 4.1. Reviewing with management the adequacy of the following matters:-
 - 4.1.1. internal control systems;
 - 4.1.2. policies and practices to ensure compliance with relevant statutes, directions, guidance and policies;
 - 4.1.3. financial information presented to the Partnership;
 - 4.1.4. risk assessment arrangements and procedures.
- 4.2. Reviewing with management the Partnership's financial statements, management letters or reports in compliance with Codes of Corporate Governance.
- 4.3. Ensuring that the internal audit function is properly resourced and has appropriate standing within the Partnership.
- 4.4. Reviewing the activities of the internal audit function, including its annual work programme, co-ordination with the external auditors, the reports setting out the investigations and the responses of management to specific recommendations.
- 4.5. Scrutinising and investigating any particular matter which the Committee consider requires further examination.

Membership

The Committee shall comprise 8 councillor members, one from each authority; and 4 non-councillor members, chosen (in the event of disagreement) by the Partnership. Each councillor member shall be entitled to nominate a substitute from their own authority. The Chair of the Partnership shall be entitled to substitute for any member of the committee.

The Committee's quorum shall be 4.



APPENDIX 2
Standing Orders of
The South-East of Scotland Transport
Partnership

As amended August 2017

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Definitions

1. In these Standing Orders the following words and expressions have the following meanings:

"1973 Act" means the Local Government (Scotland) Act 1973 as amended;

"The 2005 Act" means the Transport (Scotland) Act 2005;

"The 2005 Order" means the Regional Transport Partnerships (Establishment, Constitution and Membership) (Scotland) Order 2005;

"constituent council" means constituent local authority as listed in paragraph 4;

"The Partnership" means the South-East of Scotland Transport Partnership;

"Chairperson" means the Chairperson of the South-East of Scotland Transport Partnership;

"Deputy Chairperson" means any deputy chairperson of the South-East of Scotland Transport Partnership;

"Partnership Director" means the officer appointed as Partnership Director by the Partnership and the "Treasurer", "Secretary", "Solicitor", and "Estates Functions Officer" similarly refer to officers as appointed by the Partnership; "appropriate officer", as contained in these Standing Orders refers to any of the appointed officers of the Partnership;

"councillor member" in reference to the Partnership means a member appointed by the constituent councils, that is the City of Edinburgh, Clackmannanshire, East Lothian, Falkirk, Fife, Midlothian, Scottish Borders and West Lothian Councils.

"non-councillor member" means a member not appointed as a councillor member, that is to say, a member appointed by the Scottish Ministers in the first year of operation of the Partnership, and thereafter by the Partnership with the approval of the Scottish Ministers.

"working day" means any day which is not a Saturday, a Sunday, or a public holiday in any part of the area for which the Partnership is responsible.

"Governance Scheme" means the suite of governance documents for SEStran from time to time in force of which these standing orders form part, including the List of Committee Powers, List of Officer Powers, Financial Rules, Contract Standing Orders, and any other documents which the Partnership deems necessary for the proper governance of the organisation.

2. **Applying the Interpretation Act**

The Interpretation Act 1978 applies to these Standing Orders in the same way as it applies to an Act of Parliament.

3./

3. Commencement

These Standing Orders will apply from 22nd September, 2017. They shall constitute the Standing Orders of the Partnership under paragraph 6(5) of Schedule 2 of the 2005 Order, until otherwise amended or revoked.

4. The Partnership - Constitution

The Partnership was established under the 2005 Act and the 2005 Order which came into effect on 1 December 2005. The Order specifies the functions of the Partnership and its powers.

The Partnership is constituted under section 1(1) of the 2005 Act and comprises (Firstly) representatives of the constituent councils, as follows:-

Council	Member	Weighting of votes
The City of Edinburgh Council	5 members	2x
Clackmannanshire Council	2 members	1x
East Lothian Council	2 members	1x
Falkirk Council	2 members	2x
Fife Council	3 members	2x
Midlothian Council	2 members	1x
Scottish Borders Council	2 members	1x
West Lothian Council	2 members	2x

and (Secondly), between 7 and 9 other members.

5. Appointment of Members and Other Membership Arrangements

The provisions of paragraphs 1 and 2 of Schedule 2 of the 2005 Order are set out below at paragraph 6 and shall be held to be incorporated into these Standing Orders, subject always to:-

- a) such amendments, deletions or additions as may be made to the relevant part of the 2005 Order from time to time
- b) such minor amendments made herein for cross-referencing purposes, and
- c) such additional provisions as are set out in these Standing Orders insofar as the same do not contradict the requirements of the 2005 Order.

6. Appointment of members and other matters

6.1./

6.1 Appointment of Members

- (1) The Partnership shall have the number of councillor members appointed by and from each constituent council of the Partnership specified in Paragraph 4 of these Standing Orders opposite the name of that council (as shown in the second column).
- (2) The Partnership shall have such number of other members as they consider appropriate within the range specified in Paragraph 4, and each such member shall be appointed in accordance with sub paragraphs (3) and (4) below.
- (3) During the period ending with the holding of the poll at ordinary elections for councillors in 2007, each such other member shall be appointed by the Scottish Ministers.
- (4) After the period mentioned in sub paragraph (3), each such other member shall be appointed by the Partnership, subject to the consent of the Scottish Ministers, in line with the policies from time to time in force, including those related to equality of opportunity.
- (5) The Partnership and the Scottish Ministers may each appoint such number of observers as they consider appropriate to the Partnership.
- (6) Observers may participate in proceedings of the Partnership in the same manner as councillor members and other members but may not hold office in it or participate in its decisions.
- (7) A person shall be disqualified from being appointed as a member or observer of the Partnership if that person is an employee of the Partnership.
- (8) Subject to sub paragraph (9) below, each constituent council of the Partnership shall:-
 - (a) at the first meeting of that council taking place after each ordinary election appoint as councillor members of the Partnership the number of persons specified in Paragraph 4 in respect of that constituent council; and
 - (b) on a vacancy occurring due to a person appointed by that council ceasing to be a member of the Partnership in the circumstances described in paragraph 6.2(2) to (6) below, appoint another person in that person's place unless the council, having regard to the length of time until the next ordinary election, consider it unnecessary to do so.
- (9)/

- (9) The first appointment of councillor members of the Partnership established under this Order shall be made by each constituent council as soon as is practicable after the coming into force of this Order and at the latest by a month after the coming into force of this Order.
- (10) As soon as possible after making the first appointment of councillor members each constituent council of the Partnership shall intimate in writing to the Secretary, the names of those persons appointed.
- (11) Each constituent council may appoint persons as substitute councillor members to attend meetings of the Partnership, or of any of its committees or sub committees, in the absence of any councillor members appointed to the Partnership by that council, and where any such substitute councillor members are appointed:-
 - (a) only one substitute councillor member may attend in place of a councillor member who is absent; and
 - (b) the substitute councillor member shall have the same powers as the councillor member who is absent.
- (12) Any person appointed as a councillor member, or substitute councillor member, of the Partnership must be a councillor for the area of the constituent council making the appointment.
- (13) A constituent council shall intimate in writing to the Secretary of the Partnership:-
 - (a) as soon as possible after appointing any person as a councillor member or substitute councillor member of the Partnership, the name of that person; and
 - (b) as soon as possible after a vacancy has occurred due to a person appointed by that council ceasing to be a councillor member or substitute councillor member of the Partnership in the circumstances described in paragraph 6.2(2) or (4) below, the name of that person.
- (14) The proceedings of the Partnership shall not be invalidated by any vacancy or vacancies among its members or by any defects in the method of appointment of any of its members.

Duration/

Duration and termination of membership

- 6.2.** (1) Subject to sub paragraphs (2) to (6) below, any person appointed by a constituent council as a councillor member of the Partnership shall hold office until the first meeting of that council held after the next ordinary election following the date of that member's appointment.
- (2) If, prior to the next ordinary election following the date of the member's appointment, a councillor member of the Partnership ceases to be a councillor for the area of the constituent council which appointed the member, the member shall immediately cease to be a member of the Partnership.
- (3) A councillor member of the Partnership may resign their membership at any time by written intimation to that effect to:-
- (a) the Secretary of the Partnership; and
 - (b) the constituent council which appointed the councillor member.
- (4) A constituent council may at any time terminate the membership of any person appointed by them as a councillor member of the Partnership if, immediately prior to this, the constituent council provides an explanation for the termination by written intimation to the Secretary of the Partnership, the Chairperson of the Partnership and that councillor member.
- (5) The Chairperson of the Partnership, following a vote to that effect by the Partnership, may write to a constituent council and request that the council terminates the membership of a councillor member.
- (6) Where the Chairperson of the Partnership writes to a constituent council in terms of sub paragraph (5) above, such a request shall not be refused unreasonably by the constituent council.
- (7) Subject to sub paragraphs (8) to (9) below, other members and observers appointed by the Partnership, or the Scottish Ministers as the case may be, shall hold office for a period of 4 years following the date of their appointment unless otherwise specified at the time of their appointment.
- (8) Other members of the Partnership and observers may resign their membership at any time by written intimation to that effect to the Secretary of the Partnership.
- (9)/

- (9) The Partnership may remove other members from office or observers if it is satisfied that:-
- (a) the other member's or observer's estate has been sequestrated or the other member or observer has been adjudged bankrupt, has made an arrangement with creditors or has granted a trust deed for creditors or a composition contract; or
 - (b) the other member or observer:-
 - (i) is incapacitated by physical or mental illness;
 - (ii) has been absent from meetings of the Partnership for a period exceeding whichever is the longer of (a) three consecutive months or (b) two consecutive meetings of the full Partnership, such period starting from the date of any meeting, without the permission of the Partnership; or
 - (iii) is otherwise unable or unfit to discharge the member's functions as a member or is unsuitable to continue as an other member or observer.

Voting arrangements of Partnerships

- 6.3.** (1) Where any decision of the Partnership is to be determined by a vote, each councillor member of the Partnership has a single vote and may vote on all matters.
- (2) Non-councillor members may vote on all matters with the exception of
- (a) questions arising under s.3(2)(a) of the 2005 Act, or on whether or not to make a request for the making of an order under s.10(1) of that Act, or any other matter excluded by law ;
 - (b) those matters which would require expenditure outwith the Partnership's existing, approved budget;
- declaring that, in interpreting such exclusions, they will be so interpreted so as to give non-councillor members as full participation in decision-making as practicable.
- (3) Subject to sub paragraphs (4) and (5) below, where any decision of the Partnership is to be determined by a vote, it shall be determined by a simple majority of the votes cast.
- (4)/

- (4) Each councillor member of each constituent council within the Partnership shall have their vote weighted by making it count as one, two, three or four votes as specified in the third column of Paragraph 4.
- (5) The Partnership may determine by a two-thirds majority of the votes cast, subject to sub paragraph (4) above, to amend these Standing Orders to require that certain specified decisions be determined by a two thirds majority of the votes cast.

Chairpersons and Deputy Chairpersons

- 6.4.** (1) The Partnership shall appoint from its membership a Chairperson and such number of Deputy Chairpersons as they consider appropriate. The Chairperson and Deputy Chairpersons shall each be from different Councils.
- (2) Subject to sub paragraph (3) below, the Chairperson and Deputy Chairpersons of the Partnership shall each hold office for a period to be determined by the Partnership not exceeding two full council terms.
- (3) If, prior to the end of their period of appointment, a Chairperson or Deputy Chairperson of the Partnership ceases to be a member of the Partnership, they shall immediately cease to hold office.
- (4) The Chairperson, or in the Chairperson's absence a Deputy Chairperson, shall preside at all meetings of the Partnership, but where both the Chairperson and all Deputy Chairpersons are absent from any meeting the members present shall appoint a Chairperson for that meeting.
- (5) In the event of an equality of votes at a meeting, the Chairperson of that meeting shall, subject to sub paragraph (6) below, have a casting vote as well as a deliberative vote.
- (6) Where there is an equality of votes at a meeting and the matter which is the subject of the vote relates to the appointment of a member of the Partnership to any particular office, committee or sub committee of the Partnership, the decision shall be by lot. Reference is also made to paragraph 28 on method of voting

Secretary of Partnership

- 6.5.** The Partnership shall appoint a Secretary, a Treasurer, an Estates Functions Officer and a solicitor any of whom may also be an officer of one of the constituent councils.

Meetings/

Meetings and quorum

- 6.6.** (1) The first meeting of the Partnership shall be held as soon as is practicable after the Partnership is established, and the Chief Executive or equivalent position of City of Edinburgh Council shall be responsible for its arrangement.
- (2) Subject to sub paragraph (1) above, the Partnership shall hold such meetings as it shall consider necessary for it to carry out its functions at such place or places as it may from time to time fix. Reference is made to paragraphs 8 to 40 for further provisions relating to meetings.
- (3) The secretary of the Partnership shall send copies of the minutes of all its meetings to each of the constituent councils for their information. Reference is made to paragraphs 21 and 22 for further provisions relating to minutes of meetings.
- (4) At a meeting of the Partnership one third of all members of the Partnership is a quorum.
- (5) If, at any time during a meeting, a question arises on whether there is a quorum, the Chairperson shall instruct a count of the members who are present. If a quorum of members is not present, then the meeting shall be adjourned to a time and date decided by the Chairperson.
- (6) If less than a quorum of members is entitled to vote on an item because of declarations of interest, then that item cannot be dealt with at that meeting.
- (7) For the avoidance of doubt, Members will be entitled by remote means such as teleconferencing or videoconferencing as long as arrangements can be made to ensure that effective communication between Members attending in this way and the rest of the meeting can be implemented.
- (8) In all matters connected with Board or committee meetings, every effort shall be made to ensure that all members can fully participate in the meeting, and that all issues relating to equality are addressed and reasonable adjustments made to existing procedures where possible.

Committees and Sub committees

- 6.7.** (1) The Partnership may appoint from its membership such committees or sub committees as it may from time to time consider necessary or desirable and may refer to any such committee or sub committee such matters as the Partnership may from time to time specify.
- (2) The Partnership may delegate any of its functions to any committee established by the Partnership. Further reference is made to the provisions on delegation set out at paragraphs 31 and 32.

Meetings

Arrangement of Meetings

7. All meetings of the Partnership and its committees will be called and arranged in accordance with the 1973 Act, as amended by inter alia the 2005 Act and the 2005 Order.

Special Meetings

8. A special meeting of the Partnership may be called at any time by: -
- the Chairperson requesting the Secretary to do so, or
 - a written requisition, signed by at least one quarter of the members, and specifying the business to be transacted at the meeting. In such case, the meeting is to be held within 14 days of receipt of the requisition by the Secretary.

Notice of Meetings

9. (1) At least 7 clear working days before a meeting of the Partnership, or, if in the opinion of the Secretary, a meeting needs to be called at shorter notice in circumstances of extreme urgency, then at the time it is called, the following must occur: -
- the Secretary must publish the time and place of the intended meeting at the offices of the Partnership and the headquarters of the constituent councils. If the meeting is called by members, then the notice must be signed by those members and must set out the business they want to deal with there;
 - a summons to attend the meeting must be sent to every member at his usual address. The summons must set out the business that is to be dealt with, and the Secretary must sign it.
- (2) Any summons issued under paragraph (1) must give a note of the business and the proposed order for dealing with business at the meeting. No other business may be dealt with unless it is brought before the Board as a matter of urgency. However, if members requisition a meeting, only the business listed in the requisition may be considered.
- (3) If 3 clear working days' notice has not been given for any item, the item may be considered at the meeting if the Chairperson rules that there are special reasons why it is a matter of urgency. The Chairperson must give those reasons. The item must be made known at the start of the meeting when the order of business is decided. If the Chairperson

rules that the matter is not urgent, then it will be included as an item for the next ordinary meeting of the Partnership, unless it is dealt with before then.

(4)/

(4) If a summons is not served on any member the meeting will still be valid.

(5) Publication and service of notices in relation to meetings, may be by written or electronic means except to the extent that any member has specified in writing to the contrary to the Secretary.

Chair

10. (1) The Chairperson will chair a meeting of the Partnership when he/she is present.
- (2) If the Chairperson is absent, the Deputy Chairperson will take the chair. If the Chairperson and Deputy Chairperson are both absent, then another member (chosen by the members present) will chair the meeting. Any person presiding over a meeting will have the same powers and duties as Chairperson of the Partnership in relation to any meeting and its business.
- (3) The Chairperson (or other person presiding at the meeting) will have a casting vote, as defined in Standing Order 6.4(5).

Attendance

11. The Secretary will record the names of the members present at each meeting.

Access for the Public and Press

12. (1) Except where this Standing Order says otherwise, every meeting of the Partnership and its committees shall be open to the public and the press.
- (2) The Partnership may keep any members of the public out of a meeting, or cause them to leave, if they are hindering or are likely to hinder the work of the Partnership. If a member of the public interrupts any meeting, the Chairperson may warn that person and, if the person continues with the interruption, the Chairperson may order the person to be removed from the meeting room. If there is general disturbance in any part of the meeting room, the Chairperson may order that part to be cleared.
- (3) For the avoidance of doubt, sections 50A to 50F inclusive of the 1973 Act shall be imported into these Standing Orders as applying mutatis mutandis to the Partnership.

(4)/

- (4) The public will be kept out of a meeting when an item of business is being considered if it is likely that they will hear confidential information. Nothing in this Standing Order authorises or requires confidential information to be disclosed in breach of the obligation of confidence as defined in the 1973 Act.
- (5) The Partnership may decide to keep the public out of a meeting when an item of business is to be considered if it is likely that they will hear information that is defined as 'exempt' in the 1973 Act.
- (6) This Standing Order does not require the Partnership to allow the taking of photographs or access for radio or television broadcasting. Such access is at the discretion of the Chairperson or the person presiding at the meeting of the Partnership or any of its Committees.

Order of Business

- 13.** The business of the Partnership at ordinary meetings will normally take place in the following order:-

- (1) Order of business.
- (2) Declaration of Interests by members.
- (3) Deputations.
- (4) Questions.
- (5) Minutes of previous meetings.
- (6) Motions of which notice has been given.
- (7) Election business, including any matters of appointments.
- (8) Special business (relating to annual estimates or budgets).
- (9) Ordinary business.
- (10) Motions given in at the start of the meeting, if the Chairperson rules they are matters of urgency, to be dealt with at that meeting.

Any item on the agenda may be taken out of its order if:-

- the Chairperson decides this; or
- a member suggests it and those at the meeting agree.

Chairperson - Powers and Duties

14./

14. On all points of order the Chairperson's decision is final. If asked, the Chairperson must explain the reasons for decisions. When the Chairperson speaks, any member who is addressing the meeting must stop. The Chairperson must keep order and make sure that members have a fair hearing. The Chairperson will decide all matters of order, competence and relevance arising at meetings. If two or more members want to speak, the Chairperson will decide who is to be first. If there is disorder at any meeting the Chairperson may adjourn the meeting to any other time or day that he may fix at the time or afterwards. In these circumstances, by simply leaving, the Chairperson will adjourn the meeting. The Chairperson may make a statement at the start of the meeting on any matter that affects the Partnership's interests.

Adjourning Meetings

15. (1) The Partnership may adjourn any meeting to any other time or day that the Chairperson may fix at the time or afterwards.
- (2) The Partnership may adjourn any meeting for a reasonable interval. This adjournment will be made if:-
- the Chairperson says so; or
 - a member proposes it, another seconds it, and the members vote in favour of it. There will be no amendments or discussion.

Order of Debate

16. A member who wants to speak will, when called on, address the chair. The member shall speak directly on the motion or amendment that is being proposed, seconded or discussed, or on a question of order. No member can speak more than once on any subject that is being discussed, except for a point of order or (with the permission of the Chairperson) to give an explanation. However, the person proposing a motion has a right of reply. A member who is speaking when a question of order is raised will stop speaking until the Chairperson has dealt with the question of order.

Motion "That the Question Be Now Put"

17. Any member who has not spoken on the question before the meeting may propose "that the question be now put". If this is seconded and the Chairperson thinks the question has been discussed enough, the Chairperson will order a vote on the motion (without amendment or discussion) by a show of hands. If the motion is carried, the proposer of the original motion will have a right to reply, and the question itself will then be put to the meeting. If the motion "that the question be now put" is not carried, a similar motion may be made after every two further members have spoken.

Length of Speeches/ Length of Speeches

18. Except with the Chairperson's permission, the proposer and the seconder of a motion or an amendment must not speak for more than five minutes and all other speakers for not more than three minutes. The proposer of the original motion may speak for up to five minutes in reply, and the reply must not introduce any new matter into the debate. After that the discussion will finish and the question will then be put by the Chairperson.

Obstructive or Offensive Conduct

19. If any member at any meeting disregards the Partnership or the Chairperson, or behaves obstructively or offensively, a motion may then be proposed and seconded to suspend the member for the rest of the meeting. The motion will be put without discussion. If it is carried, the Chairperson will order the member to leave the meeting.

Revoking a Resolution

20. A decision of the Partnership cannot be changed within 6 months unless: -
- the Chairperson rules that there has been a material change of circumstances; and
 - notice has been given of the proposed change.

Minutes of Meetings

21. The Secretary (or a person nominated by him or her in writing to do so in his or her absence) will take the minutes of all Partnership meetings. The minutes will be printed and, as far as possible, circulated among members at least seven working days before the next ordinary meeting of the Partnership. There they will be presented and corrected if necessary. If the minutes are held to be a true record of the proceedings of the meeting they relate to, the person chairing the next meeting will sign them as a correct record.

Validating the Proceedings

22. The proceedings at a meeting may be challenged on the ground that the meeting was not called properly. Confirming the minutes of the meeting at the next meeting will validate proceedings.

Questions in Writing

23./

23. (1) At any meeting of the Partnership, a member may put a question to the Chairperson about any relevant and competent business not already on the summons for the meeting. However, the question must have been given in writing to the Secretary by 12 noon on the seventh working day before the meeting.
- (2) A member may put a question to the Chairperson at a meeting of the Partnership about any matter that is on the summons for that meeting. He or she must give the question in writing to the Secretary by 10 am on the third working day before the meeting. The Chairperson will decide whether it will be answered verbally or in writing at the meeting.
- (3) Arising from each verbal or written answer, the member who put the written question may put one supplementary question. These will be answered verbally by the Chairperson.
- (4) The Chairperson may decide to disallow any supplementary question if:-
- the Chairperson rules the supplementary question is not relevant to the subject of any written questions answered at the meeting; or
 - the Chairperson gives another reason.
- (5) No discussion will be allowed on any verbal, written or supplementary questions or their answers.

Motions must be in Writing and Signed

24. Every motion and amendment except where the context otherwise requires must be put into writing. It must be signed by the person proposing it and handed to the Secretary.

Motions Intended for Consideration at the End of a Meeting

25. If there is a motion that does not relate to the business of the meeting, and the meeting has not been given adequate notice of the motion, it may be considered at the end of the meeting. However, this can only happen if the Chairperson rules there are special reasons why it is a matter of urgency. The Chairperson must give these reasons. Before the start of the meeting, the motion must be given to the Secretary who will read it to the meeting when the order of business is decided. If the Chairperson rules the matter is not urgent, it will be included as an item of business for the next ordinary meeting of the Partnership (unless it is dealt with before then).

Motions/

Motions Intended for Consideration at the Next Meeting

26. (1) Notice of motions intended for consideration at a meeting of the Partnership must be given in writing. The notice must be signed by the member or members giving notice and delivered to the Secretary by 12 noon on the tenth working day before the next ordinary meeting of the Partnership. (This does not apply if it is a matter of urgency dealt with under Standing Order 25). All such motions will be included in the summons for the next meeting in the order in which they are received.
- (2) If the Chairperson rules that more than one such motion deals with the same subject, only the motion that was proposed first will be considered.

Motions – Procedures

27. (1) All motions and amendments will be proposed and seconded and then given in writing to the Secretary as soon as they are moved. This does not apply to motions simply seeking to approve or disapprove of any matter, purely negative amendments, amendments proposing further consideration and reports, and motions and amendments that are fully set out in a minute of a meeting.
- (2) Every amendment must be relevant to the motion in question.
- (3) The proposer with the permission of the seconder may withdraw a motion or amendment.
- (4) A motion to approve a report or a minute of a Committee will be considered as an original motion. Any motion that involves altering or rejecting such a report or minute or any part of it will be dealt with as an amendment.
- (5) The Chairperson of a Committee will have the right to move the approval of the report or minute of that Committee.
- (6) Motions or amendments that are not seconded will not be discussed or recorded in the minutes. However, the proposer can ask for his dissent to be minuted. This does not apply if the vote is taken by roll call.
- (7) The mover of the motion or amendment may agree to add to it all or part of an amendment moved and seconded by other members, provided that:-

➤ his/

- his/her seconder consents;
- the mover and seconder of the added amendment consents; and
- the agreement takes place before the mover of the motion has replied.

Method of Voting

- 28.** (1) In a meeting of the Partnership or any Committee, the vote on any matter will be taken by calling the roll.
- (2) If a vote has been taken and someone immediately challenges the accuracy of the count the Chairperson will decide whether to have a recount.
- (3) Reference is also made to Standing Order 6.4 in relation to voting matters.

How Motions Must Be Put

- 29.** Where one or more amendments are made upon a motion, the vote shall be taken among the amendments and the motion in that order. In the event that the motion or any amendments, which shall include any motion or amendment relating to the appointment of a member to any particular office or Committee, receives an absolute majority of votes of the members present and voting, then that proposition shall be carried. Where no such absolute majority obtains, the proposition with the least number of votes shall be eliminated and a further vote (or further votes as may be required) taken until an absolute majority of votes is received for a proposition.

Taking a Vote

- 30.** After the Secretary has started to take the vote, no member will be allowed to offer an opinion, ask a question, or interrupt the proceedings until the result of the vote has been announced.

Delegating to Committees and Officers

- 31.** (1) The Partnership may appoint such committees as it considers necessary or desirable and to refer to such committees such matters as it may specify. Any committee may deal only with those matters referred to it from the Partnership.
- (2)/

- (2) The Partnership's committees, their terms of reference and functions, are set out in the List of Committee Powers which also forms part of the Council's overall Governance Scheme.
- (3) The Chairperson of any committee shall be appointed by the committee itself. Should the Chairperson be absent, then the members present will appoint someone from amongst themselves to chair the meeting.
- (4) The Partnership may delegate powers to officers of the Partnership as may be set out in any List of Officer Powers as might be approved by the Partnership.
- (5) The Partnership may delegate powers to a sub group comprised of members and/or officers in relation to specific matters.

Exceptions from Delegation

32. Subject to the terms of any law, the following will not be delegated to any committee: -
 - (1) Introduction of new policies or changes in policies which might have a significant impact on the resources of the Partnership.
 - (2) Any matter involving expense not in accordance with financial regulations.

Attendance of Members of the Partnership at Committee Meetings

33. (1) If a motion is referred to a committee, the proposer of the motion will be appointed as a member of the committee for that motion and any later consideration by the committee that directly relates to the motion.
- (2) A member of the Partnership cannot be present at a meeting of a committee of which he or she is not a member when: -
 - the meeting is considering a matter where the decision may affect the interests of any person as an individual; and
 - the decision is made after a hearing by the committee where the person has a right to be heard (in person or through a representative).

Quorum/

Quorum for Committees

34. For the avoidance of doubt, the quorum for the Performance and Audit Committee shall be 4.

Application of Standing Orders to Committees

35. These Standing Orders shall apply to committees as they do to meetings of the Partnership, subject to the immediately preceding paragraph.

Deputations

36. (1) The Partnership or any committee can decide whether to hear any deputations from members of the public, staff or other interested parties on any matter that is referred or delegated to it. Any application for a deputation to speak to the meeting must be in writing, signed by a representative of the organisation or group wishing to be heard and delivered to the Secretary no later than one working day before the meeting concerned. However, the Chairperson can waive this requirement.
- (2) When the Partnership is considering whether to hear a deputation, it must not discuss the merits of the case itself. Unless the meeting agrees unanimously to hear or to refuse to hear the deputation, a vote will be taken without discussion on whether to hear the deputation. A deputation will have 10 minutes to present its case.
- (3) Any member can put a question to the deputation that is relevant to the subject but members must not discuss the merits of the case.

Code of Conduct

37. Members of the Partnership should comply with the Councillor's Code of Conduct, made under the Ethical Standards in Public Life etc. (Scotland) Act 2000, or in the case of non-councillor members such parts as apply to them.

Partnership Business - Responsibility of the Proper Officer

38. Subject to the provisions of paragraph 80 (financial instruments) the Partnership Director shall be the Proper Officer for the Partnership for the purposes of sections 190, 191 and 193 of the Local Government (Scotland) Act 1973. In execution of such deeds the Partnership Director shall ensure that s/he takes appropriate advice from the appropriate officer or adviser to the Partnership.

Financial/

Financial Arrangements

39. The Partnership will adopt such protocols for the financial administration of the Partnership and including all arrangements for budgeting and financial planning of the Partnership as are necessary for the proper financial administration of the Partnership and the delivery of Best Value in terms of the Local Government in Scotland Act 2003.

Items of Urgency

40. If a decision which would normally be made by the Partnership requires to be made urgently between meetings of the Board, the Partnership Director, in consultation with the Chairperson (whom failing, the Deputy Chairperson(s)), can take action subject to the matter being reported to the next meeting of the Partnership.

Suspending or Altering Standing Orders

41. (1) A Standing Order can only be suspended or abolished at any meeting if three-quarters of the Partnership members present agree.
- (2) None of the Standing Orders can be cancelled or altered unless a resolution to do so is passed after notice has been given at a previous ordinary meeting of the Partnership.
- (3) if the Secretary considers that any decision of the Partnership, on the conduct of its business, has altered Standing Orders, he should report this to the Partnership.

Contracts and Tenders

General Procedures

42. (1) In these Standing Orders the word “contractor” means a works contractor, a supplier of consultancy services and a supplier of goods and services.
- (2) All procedures for approval of contractors, inviting and receiving tenders and all other arrangements affecting contracts shall -
- comply with relevant legal requirements, EC Procurement Directives and associated Statutory Instruments and Regulations; and
 - seek to ensure that tenders are genuinely competitive and that best value is achieved for the Partnership.
- (3) Subject to the above, detailed procedures relating to all such procedures shall be set out in the Contract Standing Orders from time

to time in force, which shall be observed by all members and officers of the Partnership, and are hereby deemed to be incorporated into these Standing Orders.

Financial Regulations

General Financial Regulations

- 43.** (1) These regulations are made in terms of Section 95 of the 1973 Act, as applied to the Partnership by Section 106(1)(ba) of the said Act.
- (2) Section 95 of the 1973 Act empowers the Partnership to make arrangements for the proper administration of its financial affairs and to secure that the proper officer of the Partnership has responsibility for the administration of those affairs. The Partnership has appointed the Treasurer to be the proper officer. The Local Authority Accounts (Scotland) Regulations 1985 lay down that the system of accounting control and the form of the accounts and supporting records should be determined by the Treasurer. These regulations also provide that the Treasurer should ensure that the system of accounting control is observed and that the accounts and supporting records are kept up-to-date.

Accounts

- 44.** The Treasurer, as proper officer, is statutorily responsible for all financial matters in which the Partnership is involved. As such the Treasurer, will provide means for procedural control which ensure that:
- all expenditure is a proper charge;
 - all income due to the Partnership is collected;
 - all assets are protected;
 - all liabilities are accounted for; and
 - proper financial reports are prepared.

The/

The supervision and control of accounting, costing and other financial systems, records and operations together with the production of financial management information and the closing of accounts will be done in accordance with procedures and instructions issued by the Treasurer. The Treasurer will ensure that the accounts are properly maintained and prepared in accordance with Partnership policy, the relevant legislation and appropriate Codes of Practice.

Budgets

45. The preparation of financial plans and budgets and their form will be done in accordance with procedures and instructions issued by the Treasurer in so far as such procedures and instructions do not exist in Standing Orders or any protocols that might be agreed by the Partnership.

Expenditure Authorised

46. The authorisation of expenditure and operation of budgetary control will be done in accordance with procedures approved by the Treasurer insofar as such procedures do not exist in Standing Orders.

Audit

47. The Treasurer will make arrangements for the internal audit of the accounts of the Partnership and the Partnership Director and other officers of the Partnership are to make available for inspection by internal auditors such cash, vouchers, documents, correspondence or other items as may be deemed necessary by the Treasurer. The Treasurer will ensure that arrangements for the carrying out of the Statutory Audit, in terms of Section 96 of the 1973 Act, are in order.

Irregularities

48. Any member of the Partnership or of its staff discovering any suspected fraud or irregularity in the financial transactions of the Partnership is to immediately inform the Treasurer. In consultation with the Partnership Director, s/he will then conduct such investigation as he considers necessary and will take such action as may appear to him to be appropriate.

Invoices, Salaries, etc.

49. The incurring of expenditure, the verification, certification, submission and payment of invoices, salaries, wages and pensions will be done in accordance with procedures and instructions issued by the Treasurer.

Travelling/

Travelling Claims, etc.

50. The submission and processing of travelling, subsistence, financial loss claims and attendance allowances will be done in accordance with procedures and instructions issued by the Treasurer, including any travel policy from time to time in force.

Revenues

51. The collection of all revenues accruing to the Partnership is to be arranged by or in consultation with the Treasurer.

Debt Recovery

52. The Treasurer can sign petitions and certificates to the Sheriff Court for summary warrant applications. In consultation with the Treasurer, the Solicitor may settle or compromise any action of payment where the amount compromised does not reduce the amount recovered by more than £1,000.

Bad Debts

53. The Treasurer will have authority, having exhausted recognised means of debt collection, to authorise the writing off of bad debts up to a maximum of £1,000 in any case and for any sum where the debtor: -

- (a) is a company in liquidation; or
- (b) is untraceable.

Subject in the case of (a) above to an appropriate claim against the liquidator having been lodged. The Treasurer will report all other irrecoverable debts to the Partnership for authority to write off.

Charges

54. The Treasurer will ensure that charges are reviewed annually by the Partnership.

Bank Accounts

55. The Treasurer will operate the bank accounts on behalf of the Partnership.

Advances/

Advances

56. The Treasurer will advance such amounts to such persons as he deems necessary in order that such persons may defray petty expenditure and the Treasurer, in consultation with the Partnership Director, will determine the conditions relating to such advances.

Inventories

57. Records of stocks and stores will be kept in such form as shall be approved by the Partnership and the Partnership Director who will be jointly responsible for ensuring that up-to-date inventories of furnishings, office equipment, machinery, scientific apparatus, silverware, works of art and other valuable property are maintained.

Property Register

58. The Estates Functions Officer of the Partnership will maintain an up-to-date register of all land and heritable property owned by or leased by the Partnership whether in its own right or in trust and will ensure that all such property is readily identifiable at any time.

Insurance

59. The Treasurer will arrange for the insurance of all such risks as may be required to be covered and will negotiate all claims in respect of such insurance.

Staff Records, Pay etc

60. The Treasurer will give instructions regarding the maintenance of such staff records as are necessary for pay and superannuation purposes.

Signing

61. The Partnership Director is designated in terms of the 1973 Act as proper officer for the purposes of sections 193 (authentication of documents) and 194 (execution of Deeds) for signing (where necessary) of financial instruments or instruments effecting the transfer of any securities or otherwise giving effect to the powers of borrowing delegated to the Treasurer. In execution of such deeds the Partnership Director shall ensure that s/he takes appropriate advice from the Treasurer or, in the event of there being no Treasurer, such other appropriate adviser to the Partnership.

Investments/

Investments

62. The Treasurer can undertake any function, which might reasonably be deemed to be investment business and decide on specific purchases and sales of stocks, shares or any other allowable investments, as long as the Treasurer takes appropriate advice where necessary.

Treasury Management

63. The Partnership's treasury management will be carried out according to the Partnership's Treasury Policy Statement. Where practical, all Partnership money will be aggregated for the purposes of treasury management and will be under the control of the Treasurer. All executive decisions on the approved treasury management activities will be delegated to the Treasurer. The Treasurer will act according to CIPFA's *Code for Treasury Management in Public Service*. The Treasurer will arrange to borrow such sums as may be required from time to time by the Partnership in accordance with the Treasury Policy Statement and within the terms of section 3 of the 2005 Act. The signatories to any document or agreement relating to, constituting the security for, or acknowledging the existence of or receipt of any loan arranged under the terms of the Treasury Policy Statement and the foregoing powers will be those nominated by the Partnership in respect of the signing of cheques. Mortgage deeds in the name of the Partnership will be signed and sealed in accordance with Section 194 of the 1973 Act. The Treasurer will report to the Partnership each financial year on the activities of the treasury management operation.

LIST OF COMMITTEE POWERS

Document Version Control – List of Committee Powers

Date	Author	Version	Status	Reason for Change
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June 2017

List of Committee Powers

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Introduction

The following List of Committee Powers sets out what powers the South of Scotland Transport Partnership (SEStran) has delegated to specific committees. It should be read along with SEStran's Standing Orders and the other documents in the overall Governance Scheme.

Performance and Audit Committee

The Terms of Reference and functions of the Performance and Audit Committee are to deal with the following matters:-

1. SCRUTINY

- 1.1. To scrutinise any matter relating to the Partnership having regard to the Partnership's responsibility for Best Value and continuous improvement.

2. STAFFING

- 2.1. To take decisions on all staffing matters which are not otherwise delegated to the Partnership Director, including performance appraisal and remuneration matters related to the Partnership Director, and changes to terms and conditions.
- 2.2. To consider and determine, with powers, appeals submitted by any employee who is entitled to appeal to the Partnership under any statutory provision, contract of employment, condition of service or any partnership policy or procedure on employment.
- 2.3. To act as the Disputes Committee of the Partnership in determining, with powers, the Partnership's position on any matter which is the subject for the formal dispute (except in so far as the decision has already been taken by the Partnership).

3. STANDARDS

- 3.1. Promoting and maintaining high standards of conduct by members
- 3.2. Assisting members and co-opted members to observe the Member's Code of Conduct and any Partnership Code of Conduct or protocol.
- 3.3. Advising the Partnership on the adoption or revision of any Code of Conduct for members including training or arranging for training to be provided.
- 3.4. Considering any report by the Standards Commission for Scotland and any Hearing held under the Ethical Standards in Public Life etc. (Scotland) Act.
- 3.5. Considering all matters concerning the establishment, maintenance and public availability of a register of interests that have been declared by members or employees of the Partnership including guidance for the assistance of members and employees on the registration of interests, gifts and hospitality.

- 3.6. Considering and updating where appropriate the Partnership's Code of Conduct for employees.
- 3.7. Considering any protocol to guide members and officers in their relations with one another.
- 3.8. Considering guidelines on the standards of conduct required of agents and contractors acting for and on behalf of the Partnership.
- 3.9. Considering the Partnership's Customer Care and Complaints policies.
- 3.10. Considering all reports made by external bodies with a regulatory function in respect of the Partnership.

4. AUDIT

- 4.1. Reviewing with management the adequacy of the following matters:-
 - 4.1.1. internal control systems;
 - 4.1.2. policies and practices to ensure compliance with relevant statutes, directions, guidance and policies;
 - 4.1.3. financial information presented to the Partnership;
 - 4.1.4. risk assessment arrangements and procedures.
- 4.2. Reviewing with management the Partnership's financial statements, management letters or reports in compliance with Codes of Corporate Governance.
- 4.3. Ensuring that the internal audit function is properly resourced and has appropriate standing within the Partnership.
- 4.4. Reviewing the activities of the internal audit function, including its annual work programme, co-ordination with the external auditors, the reports setting out the investigations and the responses of management to specific recommendations.
- 4.5. Scrutinising and investigating any particular matter which the Committee consider requires further examination.

Membership

The Committee shall comprise 8 councillor members, one from each authority; and 4 non-councillor members, chosen (in the event of disagreement) by the Partnership. Each councillor member shall be entitled to nominate a substitute from their own authority. The Chair of the Partnership shall be entitled to substitute for any member of the committee.

The Committee's quorum shall be 4.

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 biennially. 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. Consider how SEStran can best meet its obligations under the Equalities Act 2010 and subsidiary regulations.
5. 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.
6. Give consideration to participation of users of services or members of the SEStran Equalities/Healthcare Forum in the recruitment process.
7. Consider recommending one or more committee members taking part in the assessment of applicants.
8. Keep the Board apprised of the committee's work and prepare an annual report to the Board.
9. 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.
10. 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).

LIST OF OFFICER POWERS

Document Version Control – List of Officer Powers

Date	Author	Version	Status	Reason for Change
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June 2017

List of Officer Powers

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1.0 **APPLICATION OF LIST OF OFFICER POWERS**

1.1 **Commencement**

This List of Officer Powers replaces SEStran's Scheme of Delegation and shall have effect from August 2017.

1.2 **Interpretation**

1.2.1 In this document the following words shall have the meanings assigned to them, that is to say:-

“Act” means the Transport (Scotland) Act 2005;

“Sustran” means the South East of Scotland Transport Partnership, constituted in terms of the Act and having their principal offices at Area 3D (Bridge) Victoria Quay, Edinburgh EH6 6QQ;

“Officer” means an official employed to carry out a function of Sustran, whether directly employed, seconded, or otherwise;

“Partnership Director,” “Treasurer,” “Secretary,” “Solicitor,” “Chairperson” and “Deputy Chairperson” have the meanings ascribed to them respectively by the Standing Orders;

“Standing Orders” means the current Standing Orders of Sustran as from time to time amended.

“Contract Standing Orders” means the current Contract Standing Orders of Sustran as from time to time amended.

1.2.2 Any reference to any Act of Parliament shall be construed as a reference to the Act of Parliament as from time to time amended, extended or re-enacted and to include any byelaws, statutory instruments, rules, regulations, orders, notices, directions, consents or permissions made thereunder. Any reference to any statutory instrument, regulation or order shall be construed as a reference to that instrument, regulation or order (as the case may be) as from time to time amended, extended or re-enacted.

1.2.3 Subject to the foregoing provisions of this paragraph, the Interpretation Act 1978 shall apply to this document's interpretation as it applies to the interpretation of an Act of Parliament.

1.3 **Alteration**

Subject to the provisions of the Act, Sestran shall be entitled to amend, vary or revoke this List of Officer Powers from time to time.

1.4 Rules Regulating Use of Delegated Powers

- 1.4.1 Officers must use the authority delegated to them according to the policies of Sestran. Sestran will decide new policy.
- 1.4.2 Where the Partnership Director has delegated authority the principle of subsidiarity should be applied and decisions should be further delegated to as close to the point of service delivery as is appropriate in the circumstances.
- 1.4.2 If the Partnership Director is not available, his or her nominated depute or other senior officer(s) can use the authority delegated, unless they cannot do so by law or because of this document.
- 1.4.3 All delegated powers must be exercised subject to adequate budgetary provision being available and having regard to the terms of Sestran's statutory powers, Standing Orders, Financial Rules and current policies.
- 1.4.4 An officer must not make any decision or take any action in accordance with powers conferred by this List of Officer Powers if the decision or outcome could create the perception that an officer is not strictly adhering to the key principles of public life as set out in the relevant Code of Conduct. These principles are selflessness, integrity, objectivity, accountability, openness, honesty, respect and leadership. Delegated powers must not be used where either the interests of the officer, the matter to which the decision relates or the identity of any other person involved could lead a member of the public to conclude that the powers had been used to avoid scrutiny by Sestran or a Committee of Sestran. If an officer is in any doubt as to whether they should make use of delegated powers then they should seek guidance from their line manager or the Solicitor.
- 1.4.5 The provisions of this List of Officer Powers to officers are intended to assist in the efficient and effective management of Sestran's activities and to foster a culture of responsiveness to customers and service users. In applying it, it is important that officers pay due regard to the need for appropriate periodic reporting of delegated decisions to members of Sestran, both for information purposes and to allow Members to properly discharge their scrutiny role.
- 1.4.6 Interpreting policy: if there is a question on whether a decision taken by or action authorised by an officer sets up or alters policy on any matter, it will be decided by the Partnership Director in consultation with the Chairperson. Any such decision shall be subject to review by the

Performance and Audit Committee, who will report their findings to Sestran for approval.

1.4.7 Disputes: The Partnership Director in consultation with the Chairperson will decide on all disputes on whether an issue is delegated to a particular officer. Any such decision shall be subject to review by the Performance and Audit Committee.

1.4.8 Reports will be submitted to Sestran on substantive decisions taken and actions authorised under delegated authority. These will be in the form and under the arrangements as determined by the Partnership Director.

2. DELEGATION TO PARTNERSHIP DIRECTOR:

GENERAL DELEGATION

The Partnership Director is authorised:-

2.1 Urgent matters

If a decision which would normally be made by the Partnership requires to be made urgently between meetings of the Board, to take, in consultation with the Chairperson (whom failing, a Deputy Chairperson), action subject to the matter being reported to the next meeting of the Partnership. Where such action involves incurring expenditure, the Treasurer shall be consulted. In appropriate circumstances the Solicitor shall be consulted in advance of taking action.

2.2 Appointments

to appoint officers within agreed staffing and expenditure levels.

2.3 Discipline

to conduct disciplinary and grievance proceedings for officers under Sestran's approved procedures.

2.4 Changes to the Establishment

to amend structures or gradings below the level of Partnership Director.

2.5 Performance Appraisal and Pay Scales

Within agreed staffing and expenditure levels, and subject to existing terms and conditions, carry out such performance appraisals and implement such performance related pay schemes as from time to time may be appropriate.

2.6 Other Personnel Matters

- (a) in relation to staffing matters, to instruct the immediate implementation of any circular from any officially recognised body which allows no discretion to Sestran. Where there is a choice of action, the circular should normally be referred to Sestran.
- (b) to decide in accordance with approved schemes and to take such decisions relating to terms & conditions e.g.:
 - paid or unpaid leave for special circumstances, secondment or leave to work or visit abroad
 - closing down early for a festive season/ public holiday
 - approval of transfer of annual leave
 - extending sickness allowance
 - approval of applications for car loans/leasing schemes
 - to approve the voluntary termination, early retiral or ill-health retiral of any officer in Sestran's service provided the terms and conditions relating to the termination or retirement are in accordance with the relevant Partnership policy
 - to administer and manage the various approved policies and procedures including disciplinary, grievance and absence management.

2.7 **Health & Safety Legislation**

to manage Sestran's Health & Safety policy and arrangements.

2.8 **Transferring funds (Virements)**

Subject to any policies and directions issued by the Treasurer, to authorise:-

- (a) transfer of funds between headings within their approved revenue budgets.
- (b) transfer of funds between capital budgets included in the capital budget.

In carrying out transfers, the Partnership Director must

- (1) report to Sestran if a change in Partnership policy is involved.
- (2) report to the Treasurer if the transfer will affect revenue or capital budgets for future years.

- (3) tell the Treasurer when a transfer is approved under delegated powers.

2.9 **Contracts**

- (a) to exercise the powers conferred on him contained in Contract Standing Orders.
- (b) subject to compliance with Contract Standing Orders, to appoint consultants/ specialist advisers as appropriate.

2.10 **Other Delegations in terms of Standing Orders**

In addition to the delegations in relation to Contracts referred to in the immediately preceding paragraph, to exercise the powers conferred on him elsewhere in the Standing Orders, and specifically (but without prejudice to the generality):

- Paragraph 38 - Execution of Deeds etc., under Section 190, 191 and 193 of the Local Government (Scotland) Act 1973;
- Paragraph 79 - Execution and authentication of Deeds relating to financial instruments or instruments affecting the transfer of any securities etc.

Reference is made to the requirements in the Standing Orders to take advice from the appropriate officers.

2.11 **Miscellaneous**

(a) **Hospitality**

to approve reasonable hospitality to representatives of other authorities, external organisations and for official internal/staff functions e.g. Long Service Awards in accordance with the Financial Rules.

(b) **Use of Land and Buildings**

to approve, subject to compliance with any approved scheme of charges, the use, by appropriate organisations and bodies, of any land or premises owned by Sustran and under their sole operational control.

(c) **Access**

to regulate the use and conduct of persons on or in any land owned, occupied or managed by Sustran or otherwise under its control and to which the public have access, whether on payment or not.

(d) **Stock "Write-off"**

In general, to be responsible for the management of stocks and equipment, and to write off of any such stores, plant, furniture and equipment which has become unfit for use and are unsaleable after consultation with the Treasurer.

(e) Stock Re-Valuations

following consultation with the Treasurer, to write down value of obsolete or slow moving stock to a realistic value, lower of cost or net realisable value.

(f) Disposal of capital items

following consultation with the Treasurer, to authorise obsolete plant items and equipment to be sold at public auction with the highest offer accepted.

3. SPECIFIC DELEGATION TO THE PARTNERSHIP DIRECTOR:

The Partnership Director (which delegated power should not normally be delegated further) is authorised:-

- 3.1 to represent the interests of Sestran in communications with the media.
- 3.2 to pay valid claims for damage to, or loss of, property of third parties in circumstances where Sestran is deemed to be liable and the amount involved is less than Sestran's insurance excess.
- 3.3 to terminate on behalf of Sestran any contract which Sestran is entitled to terminate under the appropriate conditions of contract and where he/she is satisfied that it is in the interests of Sestran to do so and following consultation with the Solicitor.
- 3.4 to assess which capital projects are submitted to Sestran's capital budget plans.
- 3.5 in consultation with the Treasurer, to prepare reports on procurement and funding of transport projects (including the most appropriate method of procurement and funding) for Sestran.
- 3.6 in consultation with the Treasurer, to develop criteria to determine the form of agreement for delivery of contracts and the financial relationships flowing from these.
- 3.7 to expend the approved budget.
- 3.8 to make payment of all sums to all creditors subject to the certification and authorisation of appropriate officers, and to make arrangements for further delegation to other officers for payment of invoices up to limits to be specified

by the Partnership Director, notifying the Treasurer in terms of the Financial Rules.

- 3.9 Where a claim for compensation has been submitted to Sestrans then it must be assessed by the Solicitor or by Sestrans's claim handlers to determine whether Sestrans has any legal liability to meet the claim. In those cases where Sestrans has no legal liability, the Partnership Director may decide that the circumstances giving rise to the claim merit the making of an ex gratia payment. The Partnership Director is authorised to make such payments up to the value of £5,000. Such payments require to be made in consultation with the Solicitor.
- 3.10 to authorise the acceptance of sponsorship and/or advertising in respect of Partnership controlled media in accordance with approved Partnership policies.
- 3.11 to delegate authority to allow monitoring of start/leave dates, performance and timekeeping, in terms of the Financial Rules.
- 3.12 to approve all technical decisions in relation to operational matters.
- 3.13 to respond as required to consultations from the Scottish or U.K. Government, local authorities or other bodies on matters relevant to Sestrans, where Members have not indicated a preference to consider matters at a Partnership meeting. In each case the Partnership Director shall so far as possible take into account the views of individual Members, and consult with the Chairperson and Deputy Chairperson(s).

4. SECRETARY

The Secretary is authorised:-

- 4.1 to act as the proper officer for the following purposes of the Local Government (Scotland) Act 1973 –
- Section 43 and Schedule 7 (Meetings and Proceedings)
 - Section 50B (Access to agenda and connected reports)
 - Section 50C (Inspection of Minutes and other documents)
 - Section 50D (Inspection of Background Papers)
 - Section 50F (Additional rights of access to documents for members of the Partnership)
 - Section 193 (Authentication of documents)

5. TREASURER

The Treasurer is authorised:

- 5.1 to establish a financial framework, including Financial Rules, which provide for effective managerial control and review and satisfactory monitoring and

reporting procedures; and to maintain all financial records. Reference is made to Standing Orders 61 to 81 and the Financial Rules.

- 5.2 to establish proper arrangements in respect of Treasury Management, Pensions and the safeguarding of assets including risk management and insurance.
- 5.3 to authorise effective insurance cover in consultation with the Treasurer in accordance with the Financial Rules.
- 5.4 To act as proper officer for the purposes of the Local Government (Scotland) Act 1973, section 95;
- 5.5 to create, operate and close any bank accounts on behalf of Sestran.
- 5.6 to authorise bad debts to be written off in accordance with Standing Order 71.
- 5.7 to deal with claims in sequestrations and liquidations (Section 191 of the Act of 1973).
- 5.8 to review the financial limits given in Standing Orders or Financial Regulations every year, in line with the relevant inflation indexes.
- 5.9 to exercise all borrowing and lending that Sestran needs in accordance with the Treasury Policy Statement. Any document or agreement which relates to, is the security for, confirms the existence of or is a receipt for any loan/lease arranged under the terms of the Treasury Policy statement will be signed by those people who are nominated by Sestran to sign cheques. Mortgage deeds in the name of Sestran will be signed and sealed according to Section 194 of the Local Government (Scotland) Act 1973.
- 5.10 to use any suitable banking and advisory services and deciding on specific purchases and sales of stocks, shares or any other allowable investments as long as the Treasurer takes the appropriate advice where necessary. Reference is made to Standing Order 80.
- 5.11 to sign all claims, returns or written submissions relating to grants and financial statistics.
- 5.12 To administer the Partnership's scheme of allowances and expenses in terms of the Financial Rules.

6. SOLICITOR

The Solicitor is authorised:-

- 6.1 to act as Monitoring Officer for Sustran. To act as the designated officer for the Ethical Standards in Public Life, Public Interest Disclosure, and Data Protection legislation.
- 6.2 to carry out legal procedures necessary to implementing any matters delegated to the Partnership Officers.
- 6.3 to sign missives and other conveyancing documents and to sign notices and orders in connection with compulsory purchase orders.
- 6.4 to accept tenders in terms of Contract Standing Orders.
- 6.5 to engage private legal firms or engage counsel when appropriate and it is in Sustran's interest.
- 6.6 to start, defend and appear in any legal or tribunal proceedings or any inquiry when appropriate and it is in Sustran's interest.
- 6.7 to settle any action or claim against Sustran up to the level of £1,000. This power to be exercised in consultation with the Treasurer.

SESTRAN GOVERNANCE SCHEME

Document Version Control – Governance Scheme

Date	Author	Version	Status	Reason for Change
June 2017	Andrew Ferguson	1.0	Board Approval	Implementation

June 2017

Introduction

The SEStran Governance Scheme collects together the key documents which form the basis for South East Scotland Transport Partnership's (SEStran's) decision making. It is made up of the following documents:

Part 1: Standing Orders

Meetings of the Partnership and its committees should be conducted in line with its standing orders, which are procedural rules covering such issues as who chairs the meeting, how debate is conducted, and how votes are taken.

Part 2: List of Committee Powers

Whilst some SEStran's decisions need to be taken by the Partnership Board, i.e. a meeting of all its Members, others are delegated to specific committees. This document sets out the framework for decision making by the Partnership and its committees.

Part 3: List of Officer Powers

Whilst major issues of policy and strategy are decided by Members at the Board or elsewhere in the committee framework, many day to day decisions are left to officers. This document sets out the type of decisions which officers can take, and what consultation they should carry out before doing so.

Part 4: Financial Rules

This document covers the essential rules by which SEStran deals with its financial affairs, often in line with recommendations from Audit Scotland.

Part 5: Contract Standing Orders

In its day to day operation, the SEStran enters into many contracts for goods, services and supplies with others. This document sets out the rules by which SEStran tenders for such contracts in line with procurement law.

Part 6: Corporate Procurement Policy

The Corporate Procurement Policy builds on the framework set out by the Contract Standing Orders and ensures that SEStran procures goods and services in a transparent, equality-focused manner.

Board Appointments

1. INTRODUCTION

- 1.1 As part of the development of our Equality Outcomes 2017-2021 and Board Diversity Succession Plan, SEStran have worked with Changing the Chemistry to offer a 12-month Board Observer position as part of our Equality Act 2010 duties to promote, foster and mainstream the achievement of our outcomes. The SEStran Equalities and Healthcare Forum have also nominated a Board Observer. This paper seeks to confirm the appointment of the chosen Observers via either a formal appointment or continued non-formal process.
- 1.2 The paper provides the Board with an update on progress with the appointment to the current Non-Councillor Member vacancies on SEStran's Board as agreed at March 2017 Board. The paper also provides an update on the Board's representation to Scottish Ministers over SEStran's exclusion from the proposed Gender Representation on Public Boards (Scotland) Bill.

2. BOARD OBSERVERS

- 2.1 The Regional Transport Partnerships (Establishment, Constitution and Membership) (Scotland) Order 2005 makes provision for the formal appointment of observers. The RTP guidance on membership states that RTPs 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 can then go on and gain a seat on the Board or other public Boards.

3 PROCESS

- 3.1 SEStran officers have progressed the delegated task of recruiting and recommending for appointment Board Observers. Changing the Chemistry sent a message to all their members seeking expressions of interest in the post and a formal submission of a covering letter and CV. 3 applications were submitted and following discussions with the Chairperson in March 2017 it was recommended that Kerra McKinnie be appointed. Kerra has worked across a number of sectors previously including financial services, food and drink and retail, having held senior positions with Tesco Bank, John Menzies distribution and Scottish Building Society. Kerra has some experience of working on voluntary boards and is a resident of East Lothian with a keen personal interest in transport.

- 3.2** The Equalities and Healthcare Forum nominated Gordon Mungall at their October 2016 meeting. Gordon has been a long-standing member of the forum and is also Chairperson of Disability West Lothian, which is a group of individuals and representatives of organisations who work for and with people with disabilities and are committed to improving the quality of life of disabled people in West Lothian. The needs of disabled people to develop planned strategies which seek to reduce the negative barriers affecting disabled people within their community to build good working relationships with all service agencies and to promote new initiatives which increase integration.

4 NON-COUNCILLOR BOARD MEMBER APPOINTMENTS 2018

- 4.1** The agreement of the Board Diversity Plan and commitment to a transparent and inclusive recruitment, on the basis of the current application pack, was agreed at the March 2017 Board meeting. The Partnership Director and Secretary have overseen the publication of the vacancy adverts in line with the previously used application pack and Scottish Public Appointments forms and guidance.
- 4.2** Advertisement of the vacancy commenced on 26 June¹ and is scheduled to close on 30 September. As discussed at the March 2017 Board meeting, the application pack is not specific on the membership of the interview panel, and this will be updated once a Chair has been appointed and a further paper will be tabled to September Board meeting to determine the details of the process and membership.

5 GENDER REPRESENTATION ON PUBLIC BOARDS BILL

- 5.1** The SEStran Board in March 2017, agreed to lobby for inclusion in the Stage 1 Bill of SEStran as a Regional Transport Partnership (RTP) and public body. The draft bill² signed into Parliament on 16 June included all RTPs within the scope of the legislation.
- 5.2** Using the 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 the boards of public sector bodies. The key principles that:
- Positive action measures can only be used to appoint on the grounds of gender where candidates are judged to be of equal merit; and
 - These measures cannot give automatic and unconditional priority to female candidates over male candidates, and vice versa.

The Bill sets a gender representation objective for the non-executive member component of public boards and requires certain actions to be taken in the appointing of non-executive members towards the achievement of the objective. The Bill covers Scottish public authorities with mixed functions or

¹ Insert weblink to Appointed for Scotland

²[http://www.parliament.scot/Gender%20Representation%20on%20Public%20Boards%20\(Scotland\)%20Bill/SPBill16S052017.pdf](http://www.parliament.scot/Gender%20Representation%20on%20Public%20Boards%20(Scotland)%20Bill/SPBill16S052017.pdf)

no reserved functions; and Non-executive members who are appointed and who are not also employees of the body in question.

- 5.3** Further updates will be provided to the Board as the Bill progresses through Parliament. The current timescale looks like Royal Assent might be achieved in late Summer/early Autumn 2018. The legislation is framed in a manner, that it would at the point of decision, require an action to be taken if there are 2 candidates of equal merit, one man one woman, the appointing authority to choose the woman unless there are exceptional circumstances. The other significant requirement of the draft legislation is to seek public bodies to take steps to actively encourage applications from women and to consider other appropriate action. Given SEStran's existing and planned actions, the draft legislation does not propose significant new requirements for SEStran.

6. CONCLUSION / RECOMMENDATIONS

- 6.1** The paper recommends that the Board formally appoint Kerra Mckinnie and Gordon Mungall as a formal Board Observers;
- 6.2** The Board are asked to note the update on the advertisement of Board vacancies; and
- 6.3** Note the inclusion of SEStran and other Regional Transport Partnerships in the draft Gender Representation on Public Boards (Scotland) Bill and the legal duties on SEStran that will follow Royal Assent in 2018.

George Eckton
Partnership Director
16th June 2017

Andrew Ferguson
Secretary

Policy Implications	N/A
Financial Implications	N/A
Equalities Implications	Directly supports the achievement of the Board Diversity Succession Plan and Equality Outcomes 2017-2021 as agreed by the Board in March 2017. NCM2018 application process directly addressing equalities requirements.
Climate Change Implications	N/A

1 Introduction

The purpose of this report is to present the unaudited Annual Accounts for the year ended 31st March, 2017.

2 Main Report

- 2.1 The unaudited Annual Accounts are presented to the Partnership Board in accordance with the Local Authority Accounts (Scotland) Regulations 2014, which requires that the Annual Accounts for the year 2016/17 be presented to the Board no later than 31st August, 2017. The Annual Accounts required to be submitted to external audit by 30th June, 2017.
- 2.2 The unaudited Annual Accounts for 2016/17 have been prepared in accordance with the Code of Practice on Local Authority Accounting, which is based on International Financial Reporting Standards (IFRS).
- 2.3 The unaudited Annual Accounts were authorised for issue on the 23rd June 2017. The Statement of Responsibilities and Balance Sheet were signed by the Treasurer.
- 2.4 The Annual Accounts are subject to audit. The Statement of Responsibilities will be updated to reflect the Board's approval for signature of the Annual Accounts upon completion of the audit. The Board's appointed auditor, Scott Moncrieff will present the audited accounts, along with the *Report to those charged with governance on the 2016/17 audit* to the Performance and Audit Committee and Partnership Board by 30th September 2017. The Governance Statement and Remuneration Report included in the Annual Accounts will also require to be signed at this point.
- 2.5 The draft Annual Governance Statement includes details of the Governance Framework and a review of its effectiveness, including the system of internal financial control. The Treasurer's opinion on the effectiveness of the Partnership's system of internal financial control is provided within the draft Annual Governance Statement on pages 6 to 8.
- 2.6 A Management Commentary is provided on pages 2 to 4 of the Annual Accounts. This includes key aspect of financial performance during the year.

3 Recommendations

It is recommended that the Partnership Board:

- (i) notes the unaudited Annual Accounts for 2016/17 were submitted to the Partnership's external auditors by the required date of 30th June 2017;
- (ii) notes that the audited Annual Accounts, incorporating the Auditor's report, will be presented to the Performance and Audit Committee and Partnership Board in September 2017.

Appendices

Unaudited Annual Accounts 2016/17

Contact/tel/e-mail

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

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

The South East of Scotland Transport Partnership (SESTRAN)

Management Commentary

1. Basis of Accounts

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

As a result of the 'Telling the Story' review of the presentation of local authority financial statements, a new Expenditure and Funding Analysis statement has been included at Note 2 on Page 19. An explanation of the nature and purpose of the statement is also included.

2. Statutory Background

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

3. Corporate Strategy

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

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

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

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

SEStran's Vision Statement is as follows:

“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.”

4. Risks and Uncertainties

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

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

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

5. Results for the Year

The Partnership is required to present its financial performance as a Comprehensive Income and Expenditure Statement. This can be seen on page 12. However, to show the net position of the Partnership and to allow comparison with the approved revenue budget, it is necessary to adjust the expenditure shown in the Comprehensive Income and Expenditure Statement to take account of a number of items where the statutory accounting requirements differ from the management accounting practice of the Partnership. These adjustments are detailed in Note 2.

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

**Unaudited
Annual Accounts**

2016/2017

The South East of Scotland Transport Partnership (SESTRAN)

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The South East of Scotland Transport Partnership (SESTRAN)

Management Commentary (Contd.)

5. Results for the Year (Contd.)

The approved Revenue budget of the Partnership in 2016/17 was £1.620m. A comparison of the outturn position with the revised budget is summarised below:

	Revised Budget £'000	Outturn £'000	Variance £'000
Core Service	550	457	(93)
Revenue Projects	725	480	(245)
RTPI Project	344	515	171
Interest	1	0	(1)
Total Expenditure 2015/16	1,620	1,452	(168)
Government Grant	(782)	(782)	0
Constituent Council Requisitions	(200)	(151)	49
Other Income - Revenue Projects	(465)	(222)	243
Other Income - RTPI Project	(173)	(295)	(122)
Other Income - Miscellaneous	0	(2)	(2)
Total Income 2015/16	(1,620)	(1,452)	168

The Partnership incurred core service expenditure of £0.457m which was £93,000 below the revised Core Service revenue budget. This underspend mainly reflected reduced expenditure on staffing.

The Partnership incurred net expenditure of £0.258m on revenue projects which was £2,000 under budget.

The Partnership also incurred expenditure of £0.515m on the RTPI capital project, funded principally by income from bus operators, by the European Regional Development Fund (ERDF) and by the Partnership's underspend on the 2015/16 Revenue budget (see below).

Overall the Partnership had an underspend against the revenue budget of £49,000 which the Board, at its meeting on 2nd March 2017, agreed would be used to meet future commitments on the RTPI project.

The Partnership carried forward a balance of £87,000 from an underspend on the 2015/16 Revenue budget for the RTPI project. During 2016/17, the Partnership claimed £32,000 from ERDF in respect of expenditure on the RTPI project. The Partnership used both these funding contributions towards the project during 2016/17.

The Partnership spent £79,000 on assets under construction in 2016/17 towards operational equipment for the regional real-time bus passenger travel information system.

Non Financial Results

The focus of SEStran's RTPI system, in 2016/17, was on bringing in the region's smaller operators to the system. SEStran was successful in winning funds from an ERDF competition (40% contribution) to help fund the purchase of GPS enabled ticket machines which, in addition to facilitating integrated ticketing, will enable access to the RTPI system. Five operators are now equipped and awaiting the completion of an interface between the ticket machine provider ("Ticketer") and the existing back office system.

In respect of the TV screens showing RTPI, a further 120 were committed in 2016/17 and SEStran has employed a member of staff to focus on delivering all the screens currently purchased and to complete the roll out of the initial system.

In 2016/17, SEStran's Regional Cycle Network Grant Scheme funded Diaches Brae construction in the City of Edinburgh along with a number of feasibility studies including a topography survey for the city's Bioquarter development and paths at Crail to St Andrews, Musselburgh and Walkerburn to Clovenfords.

The South East of Scotland Transport Partnership (SESTRAN)

Management Commentary (Contd.)

5. Results for the Year (Contd.)

Non Financial Results (contd)

Sustainable transport projects match funded in 2016/17, included Edinburgh College electric vehicles, Midlothian Smarter Choices, Smarter Places, Forth Valley College tripshare and travel planning for Queen Margaret University and a joint Edinburgh University/Bioquarter/Scottish Enterprise.

European projects, Sharenorth and Socialcar continued and a new sustainable transport project, entitled Regiomob which focusses on share best practice over 7 countries, was started in 2016/17. The Partnership has also continued, through projects and everyday activities, to promote the further roll-out and development of Tripshare and Thistle Card projects. On the latter project, an Andriod and Apple based App has been developed and soft tested this year.

Throughout the year, SEStran worked constructively with Young Scot, Stonewall Scotland, Equate Scotland, Women 50/50 and Changing the Chemistry to increase diversity and widen the focus of consultation of the organisation. SEStran has published a set of Equality Outcomes 2017-2021 to guide our work in this area over the next few years alongside a target focussed Business Plan for 2017-2018.

6. Future Developments

On 2nd March 2017, the Partnership's Board agreed a revenue budget for 2017/18, which made provision for £0.478m of core service costs and £0.849m of project expenditure in support of Regional Transport Strategy (RTS) projects. This represents a budget reduction from 2016/17 mainly due to reducing the Council contributions by 5% and the removal of the rail stations development as a result of delay in progressing the East Linton and Reston stations. Budgeted 2017/18 income from the EU projects amounting to £95,000 is anticipated in the current year and SEStran is working on applications for further EU projects whilst options are available prior to the end of Article 50 negotiations.

In view of the available level of funding, the challenge to deliver the full RTS continues. It remains the Partnership's intention to carry out a full re-write of the RTS but the Partnership considers it prudent to await the outcome of government decisions as regards the future of Regional Partnerships and regional spatial plans before making that commitment.

It is considered appropriate to adopt a going concern basis for the preparation of the Annual accounts.

Chair of Partnership Board: _____ Date signed: _____

Partnership Director: GEORGE ECKTON _____ Date signed: _____

Treasurer: HUGH DUNN, CPFA _____ Date signed: _____

The South East of Scotland Transport Partnership (SESTRAN)

STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS

The Partnership's Responsibilities

The Partnership is required:

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

Chair of Partnership

Board:

Date signed:

The Treasurer's Responsibilities

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

In preparing the Annual Accounts, the Treasurer has:

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

The Treasurer has also:

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

I certify that the Annual Accounts give a true and fair view of the financial position of the Partnership at the reporting date and the transactions of the Partnership for the year ended 31st March 2017.

Treasurer:

HUGH DUNN, CPFA

Date signed:

The South East of Scotland Transport Partnership (SESTRAN)

ANNUAL GOVERNANCE STATEMENT 2016/17

1. Scope of Responsibility

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

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

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

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

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

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

2. The Partnership's Governance Framework

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

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

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

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

The South East of Scotland Transport Partnership (SESTRAN)

ANNUAL GOVERNANCE STATEMENT 2016/17 (contd.)

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

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

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

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

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

4. Review of Effectiveness

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

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

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

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

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

The South East of Scotland Transport Partnership (SESTRAN)

ANNUAL GOVERNANCE STATEMENT 2016/17 (contd.)

4. Review of Effectiveness (continued)

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

5. Certification

In compliance with accounting practice, the Treasurer has provided the Partnership Director with a statement on the adequacy and effectiveness of the Partnership's internal financial control system for the year ended 31st March 2017. It is the Treasurer's opinion that reasonable assurance can be placed upon the adequacy and effectiveness of the Partnership's internal control system.

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

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

Chair of Partnership
Board:

Date signed:

Partnership Director: GEORGE ECKTON

Date signed:

The South East of Scotland Transport Partnership (SESTRAN)

REMUNERATION REPORT

1. Remuneration Policy for Senior Employees

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

2. Remuneration for Senior Councillors

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

3. Management of Remuneration Arrangements

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

4. Officers Remuneration

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

Remuneration Bands	2016/17	2015/16
£50,000 - £54,999	1	1
£60,000 - £64,999	1	0
£90,000 - £94,999	0	1

5. Senior Employees Remuneration

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

Name and Post Title	Salary, Fees and Allowances £'000	Total Remuneration 2016/17 £'000	Total Remuneration 2015/16 £'000
Alex Macaulay - Partnership Director (to 30/4/16)	8	8	91
George Eckton - Partnership Director (from 1/6/16)	62	62	0
	70	70	91

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

6. Senior Employees Pension Entitlement

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

Name and Post Title	In-year pension contributions			Accrued pension benefits	
	2016/17 £'000	2015/16 £'000		As at 31 March 2017 £'000	Difference from 31 March 2016 £'000
Alex Macaulay - Partnership Director (to 30/4/16)	2	19	Pension	15	1
George Eckton - Partnership Director (from 1/6/16)	14	0	Lump Sum	9	0
			Pension	15	15
			Lump Sum	16	16
	16	19			

The senior employees shown in table above are members of the Local Government Pension Scheme (LGPS).

The South East of Scotland Transport Partnership (SESTRAN)

REMUNERATION REPORT (contd.)

6. Senior Employees Pension Entitlement (contd.)

THE LGPS is a final salary pension scheme.

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

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

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

The tiers and members contributions rates for 2016-17 are as follows:

On earnings up to and including £20,500 (5.5%), on earnings above £20,500 and up to £25,000 (7.25%), on earnings above £25,000 and up to £34,400 (8.5%), on earnings above £34,400 and up to £45,800 (9.5%) and on earnings above £45,800 (12%).

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

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

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

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

7. Exit Packages

Exit packages include compulsory and voluntary redundancy costs, pension contributions in respect of added years, ex-gratia payments and other departure costs.

There was no payment of any Exit Packages in 2016-17.

All information disclosed in the tables at paragraphs 4, 5 and 6 in this Remuneration Report will be audited.

The other sections of the Remuneration Report will be reviewed by Audit Scotland to ensure that they are consistent with the annual accounts.

Chair of Partnership
Board:

_____ Date signed: _____

Partnership Director: GEORGE ECKTON

_____ Date signed: _____

The South East of Scotland Transport Partnership (SESTRAN)

MOVEMENT IN RESERVES STATEMENT

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

2015/16 - Previous Year Year Comparative

	Usable Reserves		Unusable Reserves	Total Partnership Reserves
	General Fund Balance	Total Usable Reserves		
	£'000	£'000	£'000	£'000
Opening Balances at 1 April 2015	0	0	3,611	3,611
Total Comprehensive Expenditure and Income	(297)	(297)	211	(86)
Adjustments between accounting basis & funding basis under regulations (Note 7)	297	297	(297)	0
Net increase/decrease before transfers to Earmarked Reserves	0	0	(86)	(86)
Transfers to/from Earmarked Reserves	0	0	0	0
Increase/Decrease in 2015/16	0	0	(86)	(86)
Balance at 31 March 2016 carried forward	0	0	3,525	3,525

2016/17 - Current Financial Year

	Usable Reserves		Unusable Reserves	Total Partnership Reserves
	General Fund Balance	Total Usable Reserves		
	£'000	£'000	£'000	£'000
Opening Balances at 1 April 2016	0	0	3,525	3,525
Total Comprehensive Expenditure and Income	(1,059)	(1,059)	(107)	(1,166)
Adjustments between accounting basis & funding basis under regulations (Note 7)	1,059	1,059	(1,059)	0
Net increase/decrease before transfers to Earmarked Reserves	0	0	(1,166)	(1,166)
Transfers to/from Earmarked Reserves	0	0	0	0
Increase/Decrease in 2016/17	0	0	(1,166)	(1,166)
Balance at 31 March 2017 carried forward	0	0	2,359	2,359

The South East of Scotland Transport Partnership (SESTRAN)

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT 2016/17

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

Re-stated
2015/16

2015/16

Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000	Services	Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000
1,462	(5)	1,457	Core	1,588	(2)	1,586
1,789	-2,066	(277)	Projects	915	-516	399
3,251	(2,071)	1,180	Cost Of Services	2,503	(518)	1,985
0	0	0	Other Operating Expenditure	0	0	0
59	(47)	12	Financing & Investment Income (Note 9)	61	(54)	7
0	(895)	(895)	Taxation and Non-Specific Grant Income (Note 10)	0	(933)	(933)
3,310	(3,013)	297	(Surplus) or Deficit on Provision of Services	2,564	(1,505)	1,059
			Other Comprehensive Income and Expenditure			
0	0	0	Change in Demographic Assumptions	0	0	0
0	(158)	(158)	Change in Financial Assumptions	405	0	405
0	(28)	(28)	Other Experience	0	0	0
0	(25)	(25)	Expected Return on Assets	0	(298)	(298)
0	(211)	(211)	Total Other Comprehensive Income and Expenditure	405	(298)	107
3,310	(3,224)	86	Total Comprehensive Income and Expenditure	2,969	(1,803)	1,166

The South East of Scotland Transport Partnership (SESTRAN)

BALANCE SHEET

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

31 March 2016 £'000		Notes	31 March 2017 £'000
3,716	Property, plant and equipment	11	2,672
3,716	Long term assets		2,672
1,204	Short-term debtors	13	390
0	Provision for Bad Debts	14	0
41	Cash and cash equivalents	15	76
1,245	Current assets		466
(145)	Contributions and Grants Received in Advance		(61)
(1,102)	Short-term creditors	16	(399)
(1,247)	Current liabilities		(460)
(189)	Other long-term liabilities (Pensions)	18	(307)
(189)	Long-term liabilities		(307)
3,525	Net assets/ (liabilities)		2,371
	Financed by:		
0	Usable reserves	17	0
3,525	Unusable reserves	18	2,359
3,525	Total reserves		2,359

The unaudited annual accounts were authorised for issue on the 23rd June 2017 by the Treasurer to the Board, Hugh Dunn.

Treasurer: HUGH DUNN, CPFA

Date signed: _____

The South East of Scotland Transport Partnership (SESTRAN)

CASH FLOW STATEMENT

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

31 March 2016 £'000	31 March 2016 £'000		31 March 2017 £'000	31 March 2017 £'000
		OPERATING ACTIVITIES		
(1,264)		Government Grants	(1,551)	
(171)		Constituent Council Requisitions	(200)	
1		Interest paid/ (received)	(1)	
(1,916)		Other receipts from operating activities	(520)	
	(3,350)	Cash inflows generated from operating activities		(2,272)
465		Cash paid to and on behalf of employees	384	
2,295		Cash paid to suppliers of goods and services	1,838	
	2,760	Cash outflows generated from operating activities		2,222
	(590)	Net cash flows from operating activities		(50)
		INVESTING ACTIVITIES		
633		Purchase of property, plant and equipment	15	
	633	Net cash flows from investing activities		15
		FINANCING ACTIVITIES		
0		Other receipts from financing activities	0	
	0	Net cash flows from financing activities		0
	43	Net(increase)/ decrease in cash and cash equivalents		(35)
	84	Cash and cash equivalents at the beginning of the reporting period		41
	41	Cash and cash equivalents at the end of the reporting period (Note 15)		76

The South East of Scotland Transport Partnership (SESTRAN)

1. STATEMENT OF ACCOUNTING POLICIES

1.1 Accounting Policies

The Annual Accounts summarises the Partnership's transactions for the 2016/17 financial year and its position at the year-end of 31 March 2017. The Partnership is required to prepare Annual Accounts by the Local Authority Accounts (Scotland) Regulations 2014 in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2016/17 and CIPFA's Service Reporting Code of Practice 2016/17 (SERCOP), supported by International Financial Reporting Standards (IFRS).

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

1.2 Accruals of Expenditure and Income

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

1.3 Operating Leases

a) *Leased-in assets*

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

b) *Leased-out assets*

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

1.4 Overheads

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

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

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

1.6 Employee Benefits

Pensions

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

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

The South East of Scotland Transport Partnership (SESTRAN)

1. STATEMENT OF ACCOUNTING POLICIES (Contd.)

1.6 Employee Benefits (contd.)

Pensions (contd.)

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

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

Accruals of Holiday Leave

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

1.7 Non Current Assets

a) *Intangible Assets*

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

b) *Property, Plant and Equipment*

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

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

Recognition:

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

Depreciation:

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

Measurement:

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

The South East of Scotland Transport Partnership (SESTRAN)

1. STATEMENT OF ACCOUNTING POLICIES (Contd.)

1.8 Government Grants and Other Contributions

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

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

1.9 Provisions

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

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

1.10 Reserves

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

The Partnership operates the following unusable reserves:

a) *Pension Reserve*

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

b) *Capital Adjustment Account*

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

c) *Accumulated Absences Account*

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

1.11 Financial Instruments

Financial Assets

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

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

1.12 Cash and Cash Equivalents

Cash and cash equivalents include:

- Credit and debit funds held in banks

The South East of Scotland Transport Partnership (SESTRAN)

1. STATEMENT OF ACCOUNTING POLICIES (Contd.)

1.13 Contingent Liabilities

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

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

1.14 Value Added Tax

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

1.15 Events After the Reporting Period

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

Two types of events can be identified:

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

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

1.16 Short term Debtors and short term Creditors

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

1.17 Changes in Accounting Policies and Estimates and Errors

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

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

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

The South East of Scotland Transport Partnership (SESTRAN)

2. EXPENDITURE AND FUNDING ANALYSIS

The Expenditure and Funding Analysis shows how annual expenditure is used and funded from resources by the Partnership in comparison with those resources consumed or earned by the Partnership in accordance with general accounting practice. It also shows how this expenditure is allocated for decision making purposes between service areas. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement (CIES) (see page 12).

Expenditure and Funding Analysis

	Net Expenditure Chargeable to the General Fund £'000	Adjustments £'000	Net Expenditure in the CIES £'000
2016/17			
Core	456	1,131	1,587
Projects	478	(79)	399
Net Cost of Services	934	1,052	1,986
Other Income and Expenditure			
Government grant	(782)		(782)
Constituent council requisitions	(151)		(151)
Interest received	(1)		(1)
Net pension interest cost		7	7
(Surplus) or deficit on the provision of services	0	1,059	1,059
	Net Expenditure Chargeable to the General Fund £'000	Adjustments £'000	Net Expenditure in the CIES £'000
2015/16			
Core	539	918	1,457
Projects	356	(633)	(277)
Net Cost of Services	895	285	1,180
Other Income and Expenditure			
Government grant	(782)		(782)
Constituent council requisitions	(113)		(113)
Interest paid			0
Net pension interest cost		12	12
(Surplus) or deficit on the provision of services	0	297	297

The South East of Scotland Transport Partnership (SESTRAN)

2. EXPENDITURE AND FUNDING ANALYSIS (Contd.)

Expenditure and Funding Analysis (contd)

2.1 Adjustments from the General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts:

	Adjusts. For Capital Purposes £'000	Net Change for Pensions Adjusts. £'000	Other Differences £'000	Total Statutory Adjusts. £'000
2016/17				
Core Projects	1,123 (79)	4	4	1,131 (79)
Net Cost of Services	1,044	4	4	1,052
Other Income and Expenditure				
Government Grant				0
Constituent council requisitions				0
Interest paid				0
Net pension interest cost		7		7
(Surplus) or deficit on the provision of services	1,044	11	4	1,059
2015/16				
Core Projects	907 (633)	15	(4)	918 (633)
Net Cost of Services	274	15	(4)	285
Other Income and Expenditure				
Government Grant				0
Constituent council requisitions				0
Interest paid				0
Net pension interest cost		12		12
(Surplus) or deficit on the provision of services	274	27	(4)	297

- Adjustments for capital purposes include the removal of depreciation and impairment costs, and the inclusion of capital funded from current revenue.
- Net changes for pensions adjustment relates to the adjustment made for the removal of IAS19 Employee Benefits pension related expenditure and income with the pension contributions.
- Other differences relate to the reversal of the value of entitlement to accrued leave.

The South East of Scotland Transport Partnership (SESTRAN)

2. EXPENDITURE AND FUNDING ANALYSIS (Contd.)

2.2 Segmental Analysis of Income included in Expenditure and Funding Analysis

	Core £'000	Projects £'000	Total £'000
2016/17			
Expenditure			
Employee expenses	241	12	253
Other service expenses	216	983	1,199
Support service recharges	0		0
Total Expenditure	457	995	1,452
Income			
Revenues from external customers	(1)	(52)	(53)
Income from recharges for services			0
Government grants and other contribs.		(465)	(465)
Interest and investment income			0
Total Income	(1)	(517)	(518)
Net Cost of Services	456	478	934
	Core £'000	Projects £'000	Total £'000
2015/16			
Expenditure			
Employee expenses	269	3	272
Other service expenses	275	2,419	2,694
Support service recharges			0
Total Expenditure	544	2,422	2,966
Income			
Revenues from external customers	(5)	(63)	(68)
Income from recharges for services			0
Government grants and other contribs.		(2,003)	(2,003)
Interest and investment income			0
Total Income	(5)	(2,066)	(2,071)
Net Cost of Services	539	356	895

The South East of Scotland Transport Partnership (SESTRAN)

2. EXPENDITURE AND FUNDING ANALYSIS (Contd.)

2.3 Expenditure and Income Analysed by Nature

The Partnership's expenditure and income, as set out within the Comprehensive Income and Expenditure Statement is analysed as follows:

	31st March 2017 £'000	31st March 2016 £'000
Expenditure		
Employee expenses	261	284
Other service expenses	1,104	2,060
Support service recharges	0	0
Depreciation, amortisation and impairment	1,138	907
Interest payments	61	59
Total Expenditure	2,564	3,310
Income		
Fees, charges and other service income	(53)	(68)
Interest and investment income	(54)	(47)
Income from constituent Councils	(151)	(113)
Government grants and other contributions	(1,247)	(2,785)
Total Income	(1,505)	(3,013)
(Surplus) or Deficit on the Provision of Services	1,059	297

3. ACCOUNTING STANDARDS THAT HAVE BEEN ISSUED BUT NOT YET ADOPTED

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

This applies to the adoption of the following new or amended standards within the 2017/18 Code:

Amendments to IFRS 10 Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 28 Investments in Associates and Joint Ventures: Investment Entities - Applying the Consolidation Exception (issued on 18 December 2014).

Overall, the above amendments are not expected to have a material impact on the Annual Accounts.

The South East of Scotland Transport Partnership (SESTRAN)

4. CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

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

The critical judgements made in the Annual Accounts are:

- There is high degree of uncertainty about future levels of funding for local government.

The Partnership has determined that this uncertainty is not yet sufficient to provide an indication that the assets of the Partnership might be impaired as a result of a need to reduce levels of service provision.

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

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

The items in the Partnership's Balance Sheet at 31 March 2017 for which there is a significant risk of material adjustment in the forth coming financial year are:

5.1 Pension Liabilities

Uncertainties

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

Effect if Actual Result Differs from Assumptions

The effects on the net pensions liability of changes in individual assumptions can be measured.

For instance, a 0.5% decrease in the discount rate assumption would result in an increase in the pension liability of £216,000.

However, the assumptions interact in complex ways. During 2016/17, the Partnership's actuaries advised that the net pensions liability had increased by £118,000. This is as a result of a significant decrease in the net discount rate over this period, the negative impact of which has been at least partially offset by much greater than expected asset returns.

6. EVENTS AFTER THE BALANCE SHEET DATE

The Unaudited Annual Accounts were authorised for issue on 23 June 2017. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing at 31 March 2017, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

There were no events which took place after 31st March 2017 which would materially affect the 2016/17 Annual Accounts.

The South East of Scotland Transport Partnership (SESTRAN)

7. ADJUSTMENTS BETWEEN ACCOUNTING BASIS AND FUNDING BASIS UNDER REGULATIONS

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

2016/17	Usable Reserves	Unusable Reserves			
	General Fund Balance	Capital Adjustment Account	Accumulated Absence Account	Pension Reserve	Movement in Unusable Reserve
	£'000	£'000	£'000	£'000	£'000
Adjustments primarily involving the Capital Adjustment Account					
Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement (CIES)					
Charges for depreciation and impairment of non-current assets	1,138	(1,138)			(1,138)
Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement (CIES)					
Contributions credited to the CIES that have been applied to capital financing	(94)	94			94
Adjustments primarily involving the Pensions Reserve					
Reversal of items relating to retirement benefits debited or credited to the CIES	63			(63)	(63)
Employer's pension contributions and direct payments to pensioners payable in the year	(52)			52	52
Adjustments primarily involving the Accumulated Absence Account					
Amount by which officer remuneration charged to the CIES on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	4		(4)		(4)
Total Adjustments	1,059	(1,044)	(4)	(11)	(1,059)

The South East of Scotland Transport Partnership (SESTRAN)

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

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

2015/16	Usable Reserves	Unusable Reserves			
	General Fund Balance	Capital Adjustment Account	Accumulated Absence Account	Pension Reserve	Movement in Unusable Reserve
	£'000	£'000	£'000	£'000	£'000
Adjustments primarily involving the Capital Adjustment Account					
Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement (CIES)					
Charges for depreciation and impairment of non-current assets	907	(907)			(907)
Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement (CIES)					
Contributions credited to the CIES that have been applied to capital financing	(633)	633			633
Adjustments primarily involving the Pensions Reserve					
Reversal of items relating to retirement benefits debited or credited to the CIES	85			(85)	(85)
Employer's pension contributions and direct payments to pensioners payable in the year	(58)			58	58
Adjustments primarily involving the Accumulated Absence Account					
Amount by which officer remuneration charged to the CIES on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	(4)		4		4
Total Adjustments	297	(274)	4	(27)	(297)

The South East of Scotland Transport Partnership (SESTRAN)

8. TRANSFERS TO/FROM EARMARKED RESERVES

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

9. FINANCING AND INVESTMENT INCOME

	2016/17 £'000	2015/16 £'000
Interest income on plan assets	(54)	(47)
Pensions interest cost	61	59
Other Interest	0	0
	<hr/>	<hr/>
	7	12
	<hr/>	<hr/>

10. TAXATION AND NON SPECIFIC GRANT INCOMES

	2016/17 £'000	2015/16 £'000
Government Grant	(782)	(782)
Constituent Council Requisitions	(151)	(113)
	<hr/>	<hr/>
	(933)	(895)
	<hr/>	<hr/>

The South East of Scotland Transport Partnership (SESTRAN)

11. PROPERTY, PLANT AND EQUIPMENT

11.1 Movements on balances:

Movements in 2016/17

Cost or Valuation	Vehicles Plant and Equipment £'000	Assets Under Construction £'000	Property Plant and Equipment £'000
At 1st April 2016	5,497	0	5,497
Additions	15	79	94
Revaluation increases/(decreases) recognised in Revaluation Reserve	0	0	0
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	(196)	0	(196)
Assets reclassified (to)/from Held for Sale	0	0	0
Other movements	0	0	0
At 31st March 2017	5,316	79	5,395

Accumulated Depreciation

At 1st April 2016	(1,781)	0	(1,781)
Depreciation charge	(1,020)	0	(1,020)
Depreciation written out to Revaluation Reserve	0	0	0
Depreciation written out to the Surplus/Deficit on the Provision of Services	78	0	78
Derecognition - disposals	0	0	0
Other movements in depreciation	0	0	0
At 31st March 2017	(2,723)	0	(2,723)

Net Book Value

· at 31st March 2017	2,593	79	2,672
· at 31st March 2016	3,716	0	3,716

The South East of Scotland Transport Partnership (SESTRAN)

11. PROPERTY, PLANT AND EQUIPMENT (Contd.)

11.2 Movements on balances:

Comparative Movements in 2015/16

Cost or Valuation	Vehicles Plant and Equipment £'000	Assets Under Construction £'000	Total Property Plant and Equipment £'000
At 1st April 2015	4,734	130	4,864
Additions	633	0	633
Revaluation increases/(decreases) recognised in Revaluation Reserve	0	0	0
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	0	0	0
Assets reclassified (to)/from Held for Sale	0	0	0
Other movements	130	(130)	0
At 31st March 2016	5,497	0	5,497
Accumulated Depreciation			
At 1st April 2015	(874)	0	(874)
Depreciation charge	(907)	0	(907)
Other movements in depreciation	0	0	0
At 31st March 2016	(1,781)	0	(1,781)

11.3 Depreciation

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

- Vehicles, plant and equipment: 4 - 5 years

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

11.4 Capital Commitments

The Partnership is currently seeking bids for sustainable and active travel projects of value up to £200,000. A project, or projects will be determined by a panel, following receipt of bids. A further sum of £50,000 has been set aside to match fund bids to ERDF for the purchase of "interoperable" ticket machines, which also have the facility to produce RTPi, for the smaller bus operators.

11.5 Heritage Assets

The Partnership does not have any heritage assets.

The South East of Scotland Transport Partnership (SESTRAN)

12. FINANCIAL INSTRUMENTS

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

	Long-term		Current	
	31st March 2017 £'000	31st March 2016 £'000	31st March 2017 £'000	31st March 2016 £'000
Investments				
Loans and receivables	0	0	344	1,132
Borrowings				
Financial liabilities at amortised cost	0	0	331	984

12.2 The gains and losses recognised in the Comprehensive Income and Expenditure Account in 2016/17 in relation to financial instruments are made up as follows:

Income, Expenses, Gains and Losses

	Financial Liabilities measured at amortised cost 31st March 2017 £'000	Financial Assets Loans and receivables 31st March 2017 £'000	Total 31st March 2017 £'000	Financial Liabilities measured at amortised cost 31st March 2016 £'000	Financial Assets Loans and receivables 31st March 2016 £'000	Total 31st March 2016 £'000
Interest expense	0	0	0	0	0	0
Interest income	1	0	1	0	0	0
Net gain/(loss) for the year	1	0	1	0	0	0

12.3 Fair Values of Assets and Liabilities

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

The fair values calculated are as follows:

Financial Liabilities	31 March 2017		31 March 2016	
	Carrying Amount £'000	Fair Value £'000	Carrying Amount £'000	Fair Value £'000
Trade creditors	331	331	984	984

Financial Assets	31 March 2017		Re-stated 31 March 2016	
	Carrying Amount £'000	Fair Value £'000	Carrying Amount £'000	Fair Value £'000
Loans and receivables	160	160	904	1,126
Trade debtors	184	184	222	6
	344	344	1,126	1,132

The South East of Scotland Transport Partnership (SESTRAN)

13. DEBTORS

	31st March 2017 £'000	31st March 2016 £'000
Debtors:		
Central government bodies	0	768
Other local authorities	0	(3)
HM Customs and Excise - VAT	15	69
Other entities and individuals	375	370
	390	1,204

14. PROVISION FOR BAD DEBTS

Cost or Valuation	31st March 2017 £'000	31st March 2016 £'000
Opening Balance	0	0
Provision made during year	(12)	0
Closing Balance	(12)	0

15. CASH AND CASH EQUIVALENTS

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

	31st March 2017 £'000	31st March 2016 £'000
Cash held by the Partnership	0	0
Bank accounts	76	41
	76	41

16. CREDITORS

	31st March 2017 £'000	31st March 2016 £'000
Central government bodies	0	(3)
Other local authorities	(77)	(116)
Other entities and individuals	(316)	(981)
Employee costs	(6)	(2)
	(399)	(1,102)

17. USABLE RESERVES

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

The South East of Scotland Transport Partnership (SESTRAN)

18. UNUSABLE RESERVES

		31st March 2017 £'000	31st March 2016 £'000
18.1	Capital Adjustment Account	2,672	3,716
18.2	Pension Reserve	(307)	(189)
18.3	Accumulated Absence Account	(6)	(2)
		<hr/> 2,359	<hr/> 3,525

18.1 Capital Adjustment Account

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

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

	2016/17 £'000	2015/16 £'000
Balance at 1st April	3,716	3,990
Reversal of items related to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:		
· Charges for depreciation and impairment of non-current assets	(1,138)	(907)
·	0	0
	<hr/> 2,578	<hr/> 3,083
Net written out amount of the cost of non-current assets consumed in year		
Capital financing applied in the year:		
· Contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	94	633
	<hr/> 2,672	<hr/> 3,716
Balance at 31st March		

18.2 Pension Reserve

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

The South East of Scotland Transport Partnership (SESTRAN)

18. UNUSABLE RESERVES (Contd.)

18.2 Pension Reserve (Contd.)

	2016/17 £'000	2015/16 £'000
Balance at 1st April	(189)	(373)
Actuarial losses or (gains) on pension assets and liabilities	0	0
Remeasurements of the net defined benefit liability / (asset)	(107)	211
Reversals of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement.	(63)	(85)
Employer's pension contributions and direct payments to pensioners payable in the year.	52	58
Balance at 31st March	<u>(307)</u>	<u>(189)</u>

18.3 Accumulated Absence Account

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

	2016/17 £'000	2015/16 £'000
Balance at 1st April	(2)	0
Settlement or cancellation of accrual made at the end of the preceding year	2	0
Amounts accrued at the end of the current year	(6)	(2)
Balance at 31st March	<u>(6)</u>	<u>(2)</u>

19. MEMBERS EXPENSES

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

	2016/17 £'000	2015/16 £'000
Expenses	<u>1</u>	<u>1</u>
	<u>1</u>	<u>1</u>

The South East of Scotland Transport Partnership (SESTRAN)

20. EXTERNAL AUDIT COSTS

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

	2016/17 £'000	2015/16 £'000
Fees payable in respect of:		
· external audit services carried out by the appointed auditor for the year	10	9
	<u>10</u>	<u>9</u>

21. GRANT INCOME

The Partnership credited the following grants, contributions and donations to the Comprehensive Income and Expenditure Statement in 2016/17:

	2016/17 £'000	2015/16 £'000
Credited to Taxation and Non Specific Grant Income		
Scottish Government - Revenue Grant	(782)	(782)
Constituent Council Requisitions (Note 22.3)	(200)	(200)
	<u>(982)</u>	<u>(982)</u>
Credited to Services		
EU Grant - CHUMS	(6)	(27)
EU Grant - NWE Ride	0	(5)
EU Grant - Social Car	(26)	(14)
EU Grant - Regio Mob	(36)	0
EU Grant - Sharenorth	(11)	0
EU Grant - RTPi	(32)	0
Bus Investment Fund Grant - RTPi	0	(768)
Contribution - City of Edinburgh Council	(4)	(8)
Contribution - Fife Council	(1)	(2)
Contribution - East Lothian Council	0	(468)
Contribution - Scottish Borders Council	(1)	(468)
Contribution - Perth & Kinross Council	0	(2)
Contribution - West Lothian Council	0	(14)
Contribution - Sustrans	(83)	(94)
Contribution - Hitrans	(2)	(1)
Contribution - Nestrans	(3)	(3)
	<u>(205)</u>	<u>(1,874)</u>

The South East of Scotland Transport Partnership (SESTRAN)

22. RELATED PARTIES

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

22.1 Scottish Government

The Partnership receives grant-in-aid revenue funding through the Scottish Government. Grants received from the Scottish Government are set out in the subjective analysis in Note 21.

22.2 Members

Members of the Partnership have direct control over the Partnership's financial and operating policies. The total of members' expenses paid by the Partnership in 2016-17 is shown in Note 19.

22.3 Other Parties

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

	2016/17 £'000	2015/16 £'000
· Revenue Expenditure - Support Services		
City of Edinburgh Council - Financial Services	23	23
Falkirk Council - HR Services	2	0
Fife Council - Clerking/ Legal Services	27	20
	<hr/>	<hr/>
	52	43
	<hr/>	<hr/>
Revenue Expenditure - Other		
City of Edinburgh Council	9	22
City of York Council	12	0
Clackmannanshire Council	0	10
East Lothian Council	4	111
Falkirk Council	0	5
Midlothian Council	25	0
Scottish Borders Council	5	3
Scottish Government	17	3
West Lothian Council	2	25
	<hr/>	<hr/>
	74	179
	<hr/>	<hr/>

The South East of Scotland Transport Partnership (SESTRAN)

22. RELATED PARTIES (Contd.)

22.3 Other Parties (contd.)

	2016/17 £'000	2015/16 £'000
· Revenue Income - Requisitions		
Clackmannanshire Council	(7)	(7)
East Lothian Council	(13)	(13)
City of Edinburgh Council	(64)	(63)
Falkirk Council	(20)	(20)
Fife Council	(47)	(48)
Midlothian Council	(11)	(11)
Scottish Borders Council	(15)	(15)
West Lothian Council	(23)	(23)
	<u>(200)</u>	<u>(200)</u>
· Revenue Income - Interest on Revenue Balances		
City of Edinburgh Council	(1)	0
	<u>(1)</u>	<u>0</u>
· Revenue Income - Other		
Scottish Government	0	(768)
Constituent Councils	(87)	(29)
City of Edinburgh Council	(4)	(8)
East Lothian Council	0	(468)
Fife Council	(1)	(2)
Perth and Kinross Council	0	(2)
Scottish Borders Council	(1)	(468)
West Lothian Council	0	(14)
	<u>(93)</u>	<u>(1,759)</u>

The South East of Scotland Transport Partnership (SESTRAN)

22. RELATED PARTIES (Contd.)

22.3 Other Parties (contd.)

The following represents amounts due to/ (from) the Partnership at 31 March 2017, with its related parties.

CREDITORS	2016/17 £'000	2015/16 £'000
· Creditors - Related Parties (Revenue Grants)		
Clackmannanshire Council	0	(10)
City of Edinburgh Council	(4)	(10)
East Lothian Council	(5)	(25)
Midlothian Council	(25)	0
Scottish Borders Council	(5)	(3)
West Lothian Council	0	(25)
	<u>(39)</u>	<u>(73)</u>
· Creditors - Related Parties (Other)		
City of Edinburgh Council	(25)	(23)
Falkirk Council	(2)	0
Fife Council	(14)	(20)
Constituent Councils	(49)	(87)
Scottish Government	0	(3)
	<u>(90)</u>	<u>(133)</u>
· Creditors - Other Parties	<u>(331)</u>	<u>(983)</u>
Total Creditors	<u>(460)</u>	<u>(1,189)</u>
DEBTORS		
· Debtors - Related Parties (Revenue Grants/ Other)		
East Lothian Council	0	94
Scottish Borders Council	1	94
Scottish Government	0	768
West Lothian Council	0	14
	<u>1</u>	<u>970</u>
· Debtors - Other Parties	<u>389</u>	<u>176</u>
Total Debtors	<u>390</u>	<u>1,146</u>

The South East of Scotland Transport Partnership (SESTRAN)

23. LEASES

Operating Leases

From 8th February 2016 the Partnership took occupancy of Area 3D (Bridge) in Victoria Quay, Edinburgh under the terms of a Memorandum of Terms of Occupation with Scottish Government, which forms part of the Civil Estates Occupancy Agreement (CEOA).

The Partnership is permitted to occupy the space from 8th February 2016 to 7th February 2019 (the Prescribed Term) and so on until ended by either party giving notice under the terms of the CEOA. Both parties will, upon provision of not less than 1 year's prior written notice, have the ability to break this agreement.

The Partnership's contract with MOBIUS Networks for the leasing of SIM cards for the RTP1 project which enable the buses to be tracked live on the system, continues into 2017/18.

The Partnership has the option to terminate the lease under no penalty if at least six months notice is given.

The Partnership's expenditure on lease payments during 2016/17 was £69,000 (2015/16 £66,000)

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

	2016/17 £'000	2015/16 £'000
· Not later than 1 year	40	41
· Later than 1 year not later than 5 years	0	0
· Later than 5 years	0	0
	<hr/> 40	<hr/> 41

The Partnership has no other material operational leases.

24. DEFINED BENEFIT PENSION SCHEMES

24.1 Participation in Pension Schemes

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

The Partnership participates in:

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

The South East of Scotland Transport Partnership (SESTRAN)

24. DEFINED BENEFIT PENSION SCHEMES (Contd.)

24.2 Transactions Relating to Post-employment Benefits

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

	2016/17 £000	2016/17 £000	2015/16 £000	2015/16 £000
Comprehensive Income and Expenditure Statement				
<i>Cost of services:</i>				
Service cost, comprising:				
Current service costs	56		73	
Past service costs	<u>0</u>		<u>0</u>	
		56		73
<i>Financing and investment income:</i>				
Net interest expense		<u>7</u>		<u>12</u>
Total post employee benefit charged to the surplus on the provision of services		63		85
<i>Other post-employment benefits charges to the Comprehensive Income / Expenditure Statement</i>				
Remeasurement of the net defined liability, comprising:				
Return on plan assets, excluding the amount incl. in the net interest expense above.	(298)		-25	
Actuarial gains and (losses) arising on changes in financial assumptions	405		-158	
Actuarial gains and (losses) arising on changes in demographic assumptions	0		0	
Other experience	<u>0</u>		<u>(28)</u>	
		<u>107</u>		<u>(211)</u>
Total post-employment benefits charged to the Comprehensive Income / Expenditure Statement		<u>170</u>		<u>(126)</u>
Movement in Reserves Statement				
Reversal of net charges made to the surplus on the provision of services for post-employment benefits in accordance with the Code.		<u>-118</u>		<u>184</u>
Actual amount charged against the General Fund Balance for pensions in the year:				
Employer's contributions payable to the scheme		52		58
		<u>52</u>		<u>58</u>

The South East of Scotland Transport Partnership (SESTRAN)

24. DEFINED BENEFIT PENSION SCHEMES (Contd.)

24.3 Pension Assets and Liabilities Recognised in the Balance Sheet

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

	2016/17 £'000	2015/16 £'000
Fair value of employer assets	1,913	1,551
Present value of funded liabilities	(2,220)	(1,740)
Present value of unfunded liabilities	0	0
Net liability arising from defined benefit obligation	(307)	(189)

24.4 Reconciliation of the Movements in the Fair Value of Scheme Assets

	2016/17 £'000	2015/16 £'000
Opening fair value of scheme assets	1,551	1,457
Interest income	54	47
Remeasurement gain / (loss):		
Return on plan assets, excluding the amount included in the net interest expense	298	25
Contributions from employer	52	58
Contributions from employees into the scheme	15	19
Benefits paid	(57)	(55)
Unfunded benefits paid		
Closing fair value of scheme assets	1,913	1,551

Reconciliation of Present Value of the Scheme Liabilities

	2016/17 £'000	2015/16 £'000
Present value of funded liabilities	(1,740)	(1,830)
Present value of unfunded liabilities	0	0
Opening balance at 1st April	(1,740)	(1,830)
Current service cost	(56)	(73)
Interest cost	(61)	(59)
Contributions from employees into the scheme	(15)	(19)
Remeasurement gain / (loss):		
Change in demographic assumptions	0	0
Change in financial assumptions	(405)	158
Other experience	0	28
Past service cost	0	0
Benefits paid	57	55
Unfunded benefits paid	0	0
Closing balance at 31st March	(2,220)	(1,740)

The South East of Scotland Transport Partnership (SESTRAN)

24. DEFINED BENEFIT PENSION SCHEMES (Contd.)

24.5 Fair Value of Employer Assets

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

	2016/17 £'000	%	2015/16 £'000	%
Equity Securities:				
Consumer *	287	15	236	15
Manufacturing *	290	15	183	12
Energy and Utilities *	142	7	123	8
Financial Institutions *	134	7	131	8
Health and Care *	112	6	103	7
Information technology *	95	5	93	6
Other *	132	7	89	6
Sub-total Equity Securities	1,191		959	
Debt Securities:				
Corporate Bonds (investment grade) *			0	0
Corporate Bonds (non-investment grade) *			0	0
UK Government *	192	10	100	6
Other *	4	0	39	3
Sub-total Debt Securities	196		139	
Private Equity:				
All *	2	0	17	1
All	60	3	50	3
Sub-total Private Equity	62		68	
Real Estate:				
UK Property	129	7	133	9
Overseas Property	0	0	0	0
Sub-total Real Estate	129		133	
Investment Funds and Unit Trusts:				
Equities *			0	0
Equities			0	0
Bonds *	28	2	4	0
Bonds			8	1
Commodities *	6	0	4	0
Commodities			0	0
Infrastructure *			9	1
Infrastructure	171	9	95	6
Other *			0	0
Other	41	2	37	2
Sub-total Investment Funds and Unit Trusts	246		157	
Derivatives:				
Foreign Exchange *	0	0	0	0
Sub-total Derivatives	0		0	
Cash and Cash Equivalents				
All *	89	5	96	6
Sub-total Cash and Cash Equivalents	89		96	
Total Fair Value of Employer Assets	1,913		1,551	

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

The South East of Scotland Transport Partnership (SESTRAN)

24. DEFINED BENEFIT PENSION SCHEMES (Contd.)

24.6 Basis for Estimating Assets and Liabilities

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

The principal assumptions used by the actuary have been:

	2016/17	2015/16
Long term expected rate of return on assets in the scheme:		
· Equity investments	22.6%	4.9%
· Bonds	22.6%	4.9%
· Property	22.6%	4.9%
· Cash	22.6%	4.9%
Mortality assumptions - longevity at 65 for current pensioners:		
· Men	22.1 years	22.1 years
· Women	23.7 years	23.7 years
Mortality assumptions - longevity at 65 for future pensioners:		
· Men	24.2 years	24.2 years
· Women	26.3 years	26.3 years
Pension increase rate	2.4%	2.2%
Salary increase rate (see below)	4.4%	4.2%
Discount rate	2.6%	3.5%

Note: The salary increases are assumed to be 1.25% p.a. until 31 March 2016, reverting to the long-term assumption shown thereafter.

Estimation of defined benefit obligations is sensitive to the actuarial assumptions set out above. In order to quantify the impact of a change in the financial assumptions used, the Actuary has calculated and compared the value of the scheme liabilities as at 31 March 2017 on varying bases. The approach taken by the Actuary is consistent with that adopted to derive the IAS19 figures.

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

Change in assumptions at 31 March 2017	Approximate % Increase to Employer	Approximate Monetary Amount £'000
0.5% decrease in Real Discount Rate	10.0%	216
0.5% increase in the Salary Increase Rate	2.0%	44
0.5% increase in the Pension Increase Rate	8.0%	168

The South East of Scotland Transport Partnership (SESTRAN)

24. DEFINED BENEFIT PENSION SCHEMES (Contd.)

24.7 Analysis of projected amount to be charged to profit or loss for the period to 31 March 2018

	Assets £000	Obligations £000	Net (liability) / asset £000	% of pay
Current service cost	0	(76)	(76)	(33.3%)
Past service cost including curtailments	0	0	0	0.0%
Effect of settlements	0	0	0	0.0%
Total Service Cost	0	(76)	(76)	(33.3%)
Interest income on plan assets	50	0	50	21.9%
Interest cost on defined benefit obligation	0	(58)	(58)	(25.4%)
Total Net Interest Cost	50	(58)	(8)	(3.5%)
Total included in Profit or Loss	50	(134)	(84)	(36.8%)

SESTRAN's estimated contribution to Lothian Pension Fund for 2017/18 is £53,000.

25. NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

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

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

Treasury Management is carried out on the Partnership's behalf by the City of Edinburgh Council.

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

Credit risk

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

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

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

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

The South East of Scotland Transport Partnership (SESTRAN)

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

Liquidity risk

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

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

Refinancing risk

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

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

Market risk

Interest rate risk

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

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

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

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

The Partnership's surplus funds are held with the City of Edinburgh Council.

The Council's Treasury Management Team continue to monitor market and forecast interest rates during the year and adjust investment policies accordingly.

Price risk

The Partnership does not invest in equity shares.

Foreign exchange risk

As at 31 March 2017, the Partnership had financial assets of £53,000 subject to foreign exchange risk. The foreign exchange loss or gain on these financial assets cannot be determined until 2017/18, when the Partnership is in receipt of the related grant income from the European Regional Development Fund. The Partnership has no financial liabilities denominated in foreign currencies.

26. SESTRAN Limited

The Partnership incorporated a wholly-owned limited company - SESTRAN Limited - on 22 January 2010. The company did not commence the provision of services and had no transactions to record for the purposes of preparing Group Accounts. Following approval by the Partnership Board on 23rd September 2016, the company was dissolved on 6 June 2017.

ANNUAL TREASURY REPORT 2016/17

1 Purpose of report

The purpose of this report is to provide an Annual Treasury Report for the financial year 2016/17.

2 Summary

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

3 Investment Out-turn 2016/17

- 3.1 The Partnership's Investment Strategy has been to maintain 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 and for financial year 2016/17 is calculated in accordance with the recently withdrawn Local Authority (Scotland) Accounts Advisory Committee's (LASAAC) Guidance Note 2 on Interest on Revenue Balances (IoRB). In line with recent short term interest rates, the investment return continues to be small, but the Board gains security from its counterparty exposure being to the City of Edinburgh Council. Net end of month balances for the financial year were:

	£
Opening Balance	-572,561.36
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
29 February 2017	262,208.45
31 March 2017	159,905.84

- 3.2 Interest is calculated from the average monthly balance over the opening balance and 11 months. The interest rate applied was 0.189%, giving an interest amount of £620.28 payable to the Partnership.

4 Recommendations

- 4.1 It is recommended that the Partnership notes the Annual Report for 2016/17.

Appendix None

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

Internal Audit – Annual Report 2016/2017

1. PURPOSE OF THIS REPORT

This report highlights the work carried out by Internal Audit for the Financial Year 2016/17.

2. SUMMARY

- 2.1 The External Auditor has recommended that an Annual Report is provided by the Head of Internal Audit for the Partnership. This report addresses this requirement and is presented to SEStran's Partnership Board.
- 2.2 Overall reasonable assurance can be placed upon the internal controls in place within the Partnership and I am pleased to include my Statement of Assurance (Appendix 1).
- 2.3 My statement, along with the work of managers in the Partnership and External Audit, helps inform the Annual Governance Statement (Appendix 2), which includes the Treasurer's Statement on the effectiveness of SEStran's system of internal financial control. Although considered unlikely, it should be noted that any major issues raised by the External Auditor in the audit of the accounts could affect the Draft Annual Governance Statement.

3. GOVERNANCE

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

4. PROMOTION OF INTERNAL CONTROL

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

5. TREASURER'S ASSURANCE STATEMENT

- 5.1 Within the Accounting Code of Practice there is a requirement for the Treasurer to sign an annual statement on the adequacy of the internal controls in place within the financial systems.
- 5.2 As part of his Assurance Statement it is recommended that the Treasurer reports on the arrangements within the Partnership for internal audit provision. It is also recommended that the Head of Internal Audit reports on the financial controls in place.
- 5.3 Internal audit staff carried out a high level review of the adequacy and effectiveness of the Partnership's system of internal financial control for the year to 31st March 2017. This work supplemented our annual programme of internal audit activity and provided documentary evidence to support the overall assessment of the Partnership's system of internal control.
- 5.4 The following areas of work provide additional support to this assessment of the Partnership's system of financial control:
- Internal Audit review of the robustness of the Partnership's Strategic analysis and future state planning
 - a Certificate of Assurance signed by the SEStran Partnership Director to the effect that the controls in place are sound (to be presented)

6. FOCUS OF INTERNAL AUDIT RESOURCES

- 6.1 The Annual Audit Plan for the period to 31st March 2017 (Internal Audit planning year) includes:
- assistance to the Partnership in addressing any areas noted in the Treasurer's Statement;
 - Advice and opinion as required.

7. MONITORING OF PERFORMANCE

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

8. RECOMMENDATION

8.1 The Board is requested to:

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

Hugh Thomson
Principal Audit Manager

Appendices	Appendix 1 – Annual Statement by Chief Internal Auditor Appendix 2 – Draft Annual Governance Statement 2016/17
Contact/Tel	Hugh Thomson, Principal Audit Manager (0131) 469 3147
Background Papers	None

South East of Scotland Transport Partnership

Annual Statement by Chief Internal Auditor

Appendix 1

On behalf of the Chief Internal Auditor of the City of Edinburgh Council and provider of the internal audit service for the South East of Scotland Transport Partnership (SEStran), I am pleased to present my Annual Statement on the adequacy and effectiveness of the internal control system of the Partnership for the year ended 31st March 2017.

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

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

Sound internal controls

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

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

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

The work of internal audit

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

The Internal Audit Section operates in accordance with the Public Sector Internal Audit Standards. The Section undertakes an annual programme of work which is reported to the Partnership. The audit plan is based on a formal risk assessment process and audit needs assessment which are revised on an ongoing basis to reflect evolving risks and changes within the Partnership.

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

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

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

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

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

Basis of opinion

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

- the audit work undertaken each year by Internal Audit, incorporating the year to 31st March 2017;
- reports issued by the Partnership's external auditors, Scott-Moncrieff, and other review agencies;
- knowledge of the Partnership's governance, risk management and performance monitoring arrangements.

Opinion

It is my opinion, based on the above, that reasonable assurance can be placed upon the adequacy and effectiveness of the Partnership's internal control system in the year to 31 March 2017.

Hugh Thomson, Principal Audit Manager

Date June 2017

South East of Scotland Transport Partnership Annual Governance Statement 2016/17

Appendix 2

1. Scope of responsibility

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

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

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

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

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

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

2. The Partnership's governance framework

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

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

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

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

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

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

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

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

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

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

4. Review of effectiveness

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

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

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

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

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

5. Certification

In compliance with accounting practice, the Treasurer has provided the Partnership Director with a statement on the adequacy and effectiveness of the Partnership's internal financial control system for the year ended 31st March 2017. It is the Treasurer's opinion that reasonable assurance can be placed upon the adequacy and effectiveness of the Partnership's internal control system.

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

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

Chairperson of
Partnership Board:

Date

Partnership Director: GEORGE ECKTON

Date

Treasurer: HUGH DUNN

Date

SEStran Brand Identity Evaluation and Evolution

1. INTRODUCTION

- 1.1 This report proposes, for discussion, a name change and rebranding of the partnership; replacing the current SEStran “brand”. This is due to current lack of awareness, confusion with a partner organisation and lack of brand equity being a key issue identified on the corporate risk register for several years and in 2017/18 Business Plan. Through re-branding we aim to improve engagement and recognition and so best value from marketing and general promotional activities.
- 1.2 The name of a Regional Transport Partnership can be changed in terms of paragraph 3(4) of the Regional Transport Partnerships (Establishment, Constitution and Membership) (Scotland) Order 2005. If so, the Scottish Ministers and its constituent authorities require to be notified of the change

2. BACKGROUND

- 2.1 A stated aim of the organisation has been to make SEStran a household name. This is a key risk on the corporate risk register. The level of budget required to do this is considerable, especially with a brand like SEStran which is not descriptive and is close to a similar transport body. At the start of a new Board term it is suggested that now is the time to conclude that we will never achieve household name status but that with a different brand we could have greater recognition of our efforts and contribution to transport.
- 2.2 Effective branding can help to communicate the values, beliefs, and goals at the core of what an organisation does. It will also facilitate better communication with the public which is vital for the take-up of our products and services in order to generate best value. An effective brand makes our current and proposed marketing activities better value for money.
- 2.3 A new brand identity fits with the Business Plan's Key Priorities for 2017/18 specifically item 10, which states the objective is to increase the recognition of the Partnership amongst our key audiences and support wider engagement to build our reputation and increase the awareness of the work of the Partnership. It is proposed that we should focus on a brand that better enables these outcomes than the current brand.
- 2.4 Advice from Transport Scotland has confirmed that a change of name is a matter for the Partnership Board to determine as follows:

As per the Regional Transport Partnerships (Establishment, Constitution and Membership) (Scotland) Order 2005 Clause 3 (4):

“Once established a Partnership may decide to change the name given to the region and if they so decide the Partnership shall notify the Scottish Ministers and its constituent councils of the change of name of the region.”

3. REVIEW OF THE CURRENT SESTRAN BRAND IDENTITY

- 3.1 The current SEStran name & branding has been in existence for 12 years as a statutory body and for some years prior to that as a voluntary partnership. Lack of awareness of the organisation and what it does, in the mind of the public reduces the impact that the RTP can have. A more engaging identity will help address this and help move the RTP in the direction that puts the Partnership in the best position for the future, with a branding that could incorporate other disciplines such as planning and economic development. This is consistent with the response of the Board in March 2017 to the Scottish Government Planning Review. Where we wanted to position ourselves as a wider multi-disciplinary partnership platform in line with the strategic approach proposed in the Enterprise and skills review and City Deal outlined in Item 15(c) - Planning Consultation response.
- 3.2 It was agreed by the Chief Officers Liaison Group in May 2017 to carry out a study and propose for discussion a new branding for the organisation. An essential part of the process was to lead a workshop with staff to get their views, first-hand experience of the brand impact of SEStran on their work and buy-in to the process. This involved an in-depth workshop focussed on the core elements of SEStran's work.
- 3.3 The internal analysis identified several key issues:
- Confusion with Sustrans in the market place which does not help build a separate identity for the RTP. This is an issue frequently encountered by staff both in engaging with other professionals and with the wider public. Sustrans have the advantage of being a known UK brand with a significantly larger marketing budget allowing them to actively and successfully market the brand to the public.
 - The current SEStran name and branding does not reflect a dynamic, modern, forward thinking organisation able to effectively engage with the public.
 - Current branding does not conveniently deliver benefits to the RTP when promoting sub brands such as the Thistle Assistance Card and Tripshare.
 - SEStran - the existing acronym does not provide any locational identity for the RTP; only the use of the full title reveals the area that the partnership represents. Bringing in the River Forth Estuary helps identify the RTP, clearly indicates the area in which it operates and allows the RTP to exploit unique regional but also global icons like the bridges in designing logos etc.
- One suggestion emerging from the workshop was to name the organisation the “Forth Transport Partnership” or “Forth Partnership for Transport” which was viewed favourably but it was felt that it

would be condensed into “FTP or FPT” which could then be confused with SPT and again would offer no locational identity in its condensed form.

- It is key to avoid the use of an acronym for the name of the organisation in future and focus on establishing a name that stood out, would convey a geographical identity, identify the role the organisation plays and also infer a call to action for the partnership in advancing its strategy and new partnerships.

3.4 It was concluded that a new identity should be developed that:

- a) better represents the strategic role of the RTP, what it delivers for the public.
- b) Clearly indicates where the organisation is situated.
- c) increases awareness and brand value – builds brand equity.
- d) is the RTP’s unique identity – not confused with other organisations such as SUSTRANS.
- e) allows for future organisational RTP development to a more multifunctional model.
- f) provides a platform that sub brands can leverage e.g. Tripshare, Thistle Assistance Card, bustracker etc.
- g) maximises opportunities for appropriate budget spend and impact by delivering greater value for limited resources.
- h) Promotes partnership working.

4. DEVELOPMENT OF A NEW BRAND IDENTITY

4.1 External advice was sought from a creative and design agency; “Stand”. (<http://stand.agency>). After reviewing the brief and internal work undertaken they recommended several naming concepts and developed creative concepts that delivered against the key issues and challenges presented.

The creative agency has proposed an approach that is:

- a. **Dynamic and engaging:** Creating a brand that engages with both the public and business-to-business audiences. It was important to create something which evoked feelings of movement and progress.
- b. **A positive brand language:** Creating a brand language that we can deliver more emotive messages (e.g. “We’re Moving Forth”) and acts as a call to action for the audience (“Moving Forth to a sustainable future”).
- c. **Clear and direct:** Avoiding the use of acronyms as these require additional clarification and are open to interpretation. We need the public, not just those in the sector, to be able to digest what the RTP does immediately.
- d. **Sub-brands:** Creating a brand which can be applied to sub-identities, giving them their own identities.

- e. **Digital:** The existing brand was created for a pre-internet/pre-digital time. We now need a brand that works across a variety of media including online.
- f. **Partner use:** maximises cross branding opportunities, including when it is not the lead brand on partner materials/member council's materials.

4.2 A new brand identity will clearly require a series of changes to current promotions and projects such as Bustracker, Tripshare and Thistle card and will also require changes to a range of stationary and business cards, although much more use of modern media of communication is now be employed which will reduce the use of paper, generally. In addition, the new brand will itself require promotion and publicity. These costs have been estimated to cost up to £25,000, including 6 months' media spend delivering free to air television advertising (Tripshare & Thistle Card). This can be contained within the current year's budget.

5.0 CONCLUSION / RECOMMENDATIONS

5.1 It is recommended that:

The Board discusses the suggested new brand concepts and identities for the South East of Scotland Transport Partnership and if minded to agree on one option, approve that the process of change begins as soon as possible.

If a consensus cannot be reached at the meeting, provide a mandate to the Chair and Partnership Director to oversee for further work and a proposal for decision at the September 2017 meeting.

Keith Fiskien
Business Partner
 July 2017

Policy Implications	None
Financial Implications	Research, design and implementation costs can be met within existing budget.
Equalities Implications	None
Climate Change Implications	None

1. Introduction

- 1.1 The purpose of this report is to inform Members about the proposals for induction and training to be offered to all members of the Partnership.

2. Background

- 2.1 It is important that all Councillor and Non-Councillor Members are fully aware of the purpose of Regional Transport Partnership's (RTPs) and what is expected of them as members of the SEStran Board. New members of statutory bodies customarily receive an induction and training programme to familiarise themselves with:

- The powers and functions¹, aims and objectives² and business³ and strategic plans of the body.
- Their professional and personal responsibilities and obligations as members of an autonomous and accountable statutory body.
- The organisations standing orders, scheme of delegation/officer powers, code of conduct, financial rules (which are covered in earlier items and of which there are copies on the SEStran website)⁴

- 2.2 If the Partnership feels it would be beneficial for a specific training and induction programme to be developed for new members, this can be progressed and delivered as part of a wider Board/Staff training session on board decisions, proposed for the afternoon of Friday 22nd September. In addition, the Partnership Director has already made the offer of one to one discussions with new and returning Councillor Board Members and has met with some of these Members prior to the Board meeting.

- 2.3 There are no legal requirements to provide training or induction generally and there is a clear balance needed to be struck from good governance principles and replication of training/induction received at councils, or in the case of Non-Councillor Members, their broader range of skills that they bring to their appointments. In circumstances where training/induction is needed it could be very specific matters such as employment related appeals, and Members involved could be given specific induction training as part of that process, prior to hearings if required. The Treasurer has indicated they will have given fuller information on key aspects of the accounts as part of the introduction to the Annual Accounts item and he also refers members to the Accounting Code of Practice.

¹ <http://www.legislation.gov.uk/asp/2005/12/contents>

² <http://www.sestran.gov.uk/info/about-sestran/>

³ <http://www.sestran.gov.uk/publications/sestran-business-plan-201718/>

⁴ <http://www.sestran.gov.uk/publications-category/governance/page/2/>

3 Code of Conduct

- 3.1 Members should be aware that it is their responsibility to comply with the organisation's code of conduct⁵ and a copy of that code has been appended to this report. Members should familiarise themselves with the Code and the Secretary is willing to answer any questions on this matter.
- 3.2 Members attention is also drawn to the launch of a new Standards Commission Twitter account @StandardsScot this was developed following feedback received at the Standards Officers Workshop in March 2017. The account will be used to engage with stakeholders, promote the ethical standards framework and as a link to training resources.

4. CONCLUSION

- 4.1 The Board is asked to comment upon whether the induction information provided as links within this report and the broader information provided as part of Board agenda is sufficient for them in terms of training or whether a further bespoke session of induction is required by some or all members.

Angela Chambers
Business Support Manager
16 June 2017

Andrew Ferguson
Secretary

Policy Implications	Members should make themselves aware of the relevant transport and corporate policies related to SEStran but further bespoke induction can be provided.
Financial Implications	None
Equalities Implications	Members should make themselves aware of the relevant transport and corporate policies related to SEStran but further bespoke induction can be provided around our statutory Equality duties.
Climate Change Implications	Members should make themselves aware of the relevant transport and corporate policies related to SEStran but further bespoke induction can be provided around our statutory Climate Change duties.

⁵ http://www.sestran.gov.uk/wp-content/uploads/2017/01/SEStran_Model_code_of_conduct_Mar_2014.pdf

1. INTRODUCTION

- 1.1 The purpose of this report is to provide the Board with a draft copy of the text proposed to provide the basis of SEStran's Annual Report 2016/17.

2. ANNUAL REPORT

- 2.1 Last year, SEStran Officers reviewed the structure and contents of the Annual Report. The general view was that the format was lengthy and outdated, and that, therefore, it would be beneficial to produce a shorter document that clearly outlined and highlighted SEStran's work. The streamlined format continues this year.
- 2.2 The Annual Report is currently in the process of being redesigned and will be finalised by the end of September. Continuing last year's precedence, the 2016/17 report will only be available online with copies available on request.

3. RECOMMENDATION

- 3.1 The Board is asked to approve the contents of the draft Annual Report 16/17 for publication.

Sophie Pugh
Undergraduate Technical Officer
 16th June 2016

Appendix 1 – Draft Annual Report 16/17

Policy Implications	None
Financial Implications	Design costs can be met from within existing budget.
Equalities Implications	Annual Report details SEStran's Equality Mainstreaming work over 2016/17.
Climate Change Implications	The Annual report highlights our Climate Change reporting publications and work on reducing the environmental impact of transport in the South East of Scotland.

SEStran

Annual Report

2016 - 17



SEStran

South East of Scotland Transport Partnership

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Foreword

Introduction

About Us

SEStran is the statutory Regional Transport Partnership for the south east of Scotland. We are one of seven Regional Transport Partnerships in Scotland established under the Transport (Scotland) Act 2005. SEStran encompasses eight local authorities.

Local Authority Partners

City of Edinburgh, Clackmannanshire, East Lothian, Falkirk, Fife, Midlothian, Scottish Borders and West Lothian.



Headquarters

SEStran's operational and administrative premises are based in Edinburgh.

SEStran Team

SEStran has a core staff of 10, as of April 2017:

- Business Support Assistant - Nikki Boath
- Business Manager - Angela Chambers
- Partnership Director - George Eckton
- Marketing Officer – Keith Fiskien
- Strategy Liaison Officer – Lisa Freeman
- Head of Programmes - Jim Grieve
- Regional Cycle Training & Development Officer- Peter Jackson
- Projects Officer- Catriona Macdonald
- Active Travel Strategic Development Officer - Moira Nelson
- Business Support Officer - Emily Whitters

Partnership Board

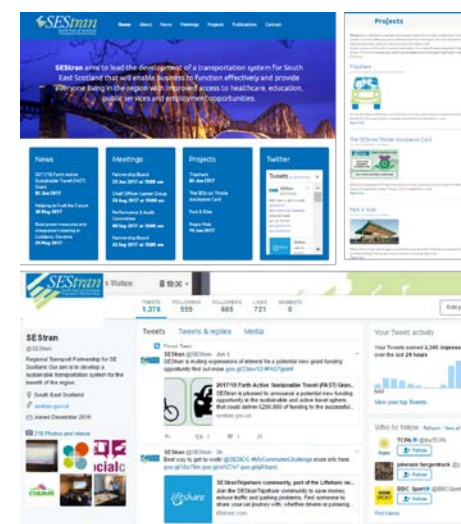
The board consists of 20 elected members from the partnership local authorities and eight appointed members. The Partnership Board meet quarterly.

Equalities

In April 2015 SEStran published a Mainstreaming report in line with our Public Duties requirements. The 2013-17 outcomes sought to ensure that equality issues were fully addressed in the exercising of our functions and working environment and how we will achieve them. 2016/17 has seen SEStran work on mainstreaming equality and diversity practices throughout our functions, and commence the process of drafting and consulting with user groups on a new set of outcomes for 2017-2021. The new outcomes were agreed by the Board in March 2017.

Website

The ambition was to create a website that was much more of a communication hub which allowed SEStran to promote key activities and projects and engage with our community and invite feedback. SEStran wanted to provide a new platform that was clean in appearance, easy to navigate and had clearly defined function areas. This not only assisted website users but aided our compliance in terms of governance and records management. We also wanted to use it to promote key pieces of work and SEStran in general. Staff have attended training which allowed them to contribute to the content and editing and use it as a tool to raise the profile of the organisation.



Partnership Board

Cllr Chair, Council – Ward

Cllr Vice Chair, Council - Ward



Cllr Phil Fairlie
Clackmannanshire - SNP



Cllr Darren Lee
Clackmannanshire - Conservative



Cllr Lesley Macinnes
City of Edinburgh- SNP



Cllr David Key
City of Edinburgh- SNP



Cllr Karen Doran
City of Edinburgh - Labour



Cllr Chas Booth
City of Edinburgh – Scottish Green Party



Cllr Norman Hampshire
East Lothian – Labour



Cllr Brian Small
East Lothian - Conservative



Cllr Laura Murtagh
Falkirk – SNP



Cllr Fiona Collie
Falkirk- SNP



Cllr Ian Ferguson
Fife- SNP



Cllr Colin Davidson
Fife - Labour



Cllr Dave Dempsey
Fife - Conservative



Cllr Russell Imrie
Midlothian- Labour



Cllr Peter Smaill
Midlothian - Conservative



Cllr Gordon Edgar
Scottish Borders – Independent



Cllr James Fullarton
Scottish Borders – Conservative



Cllr Cathy Muldoon
West Lothian – Labour



Cllr Chris Horne
West Lothian – Conservative

Non - Elected Board Members

Mr Charles Anderson
Mr Phil Flanders
Mr John Jack
Mr John Martin
Mr Neil Renilson
Mr Sandy Scotland
Mr Brain Sharkie
Dr Doreen Steele
Mr Barry Turner

*As of August 2017

SEStran's Vision

"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."

Aims

- Allow all groups in society to share in the region's success through high quality **access to services and opportunities** including healthcare, education, public services and employment opportunities
- Reducing the number of commuter journeys by single occupancy vehicles within South East Scotland
- Maximising public transport provision and achieving public transport integration and intermodality
- Improving **safety** for all road and transport users
- Enhancing community life and social **inclusion**
- Maintaining existing infrastructure to a standard that ensures that it can be fully utilised
- Enhancing movement of freight, especially by rail and other non-road modes



Target

"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 out with the City Council area, to reduce their reliance on the single occupant car for commuting by 10% also over the same period."

SEStran: What we do

SEStran contributes to a varied range of transport projects and events. This year we have been involved in partnerships with Young Scot, provided funding to organisations such as Lothians Greenspace Trust sponsored a range of active travel events and participated in three European projects.

European Projects

SEStran has been involved in various European projects over a number of years and this has been no different in 2016/17. SEStran is pleased to continue to be involved in working closely with European partners on innovative and progressive transport projects. Contributing and sharing ideas to help benefit our own regional transport network. We have been unsuccessful this year with 2 project bids and await news on a further two bids.

SHARE North: Shared Mobility Solutions for a Liveable and Low-Carbon North Sea Region

Interreg North Sea Region



The SHARE North project includes activities for developing, implementing, promoting and assessing car sharing, bike sharing, car clubs and other forms of shared mobility in urban and rural areas and employment clusters.

This year, SEStran has focussed on promoting SEStran Tripshare during National Liftshare Week 2016 and partnered with Forth 1 for 'Liftshare Lip Sync' in October.

"Home Run" presenters Mark Martin, Lynsey Gibson and SEStran Chair Lesley Hinds took part in the challenge. As part of the event, listeners were asked to identify the songs during their car pool for their chance to win gift vouchers. A link to the video can be found here <https://youtu.be/q6uQydgbCW0>.

As part of the prospect, a series of public webinars held in 2016/17, dealt with an introduction to the 'Sharing Economy', 'Sustainable Urban Mobility Plans and Shared Mobility'. For more information please see: www.share-north.eu. SEStran is also part of a working group coordinating the 'Shared Mobility Manual' for local governments and municipalities across Europe.



Figure 1:SEStran Liftshare Lip Sync

The REGIO MOB project involves seven European partners with the main objective to ensure sustainable growth in Europe by promoting sustainable mobility and improving the relevant policy documents.



Figure 2: REGIO MOB Workshop held in January

This year, REGIO MOB project partners have been sharing their 'best practice' examples of sustainable transport. In January 2017, SEStran held a Stakeholders' Workshop in Edinburgh which was attended by 30 REGIO MOB partners accompanied by their invited experts from Italy, Spain, Slovenia, Poland and Romania, to learn from SEStran's experience. SEStran presented Park and Rides and the A90 Queue Management System in partnership with representatives from City of Edinburgh Council and Stagecoach East Scotland. In turn, SEStran was represented at presentations given by the other partners on their best practices.

SEStran has also held regular meetings for local stakeholders interested in the REGIO MOB project to share knowledge relating to the 'best practice' examples.

Social Car Horizon 2020

Funded by the Horizon 2020 programme, 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.

This will be achieved through the development of algorithms and the integration of 'big data' related to public transport, carpooling and crowd sourcing in order to provide the final user with a simplified travel experience. Allowing comparison and choice between multiple options/services,

The project aims to capitalise on a pan European team with a background in social, psychological and economic sciences. The involvement of 10 European urban sites will prove the concept, validity and business case. In 2016/17 SEStran established the Edinburgh SocialCar Stakeholder group to guide the three test phases of the SocialCar App. Representatives from Transport Scotland, Universities, Transport Agencies, Consultancies and Liftshare UK now participate in these quarterly stakeholder meetings.



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 2015, was unsuccessful. However, led by the Province of Drenthe in the Netherlands, the partnership and bid was re-cast with SEStran remaining as a full partner along with Napier University's Transport Research Institute (TRI). The updated bid was successful.

Instinct

Integrated Sustainable Transport Infrastructures, Networks and City Development Policies

INSTINCT A further bid in partnership with Napier's TRI which was to address the long-standing problem of integration of transport infrastructure and urban development policies was submitted. It was to 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 would 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. This was a bid into the Horizon 2020 programme but, unfortunately, was unsuccessful.

I-MasS

Inclusive Mobility As a Service

In partnership with Leeds University Institute for Transport Studies and CENIT in Spain, SEStran submitted a project application to Horizon 2020 in February 2017. The I-MasS project partnership include 8 academic/research institutes, 5 cities/regions and approximately 10 demonstration projects in total. SEStran's role in this project would be a demonstration project in partnership with Young Scot, called yTravel. yTravel aimed 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 bid was submitted in January 2017 but SEStran were informed it had not been successful in May 2017.

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 concentration around ports and their hinterland as a result of the necessary traffic required to transfer goods to and from the ports.

The objective of SEStran and partners was 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 reduce transport related Greenhouse Gas emissions. The focus mainly on port hinterlands and in main routes to and from ports. A series of pilot studies proposed (e.g. using intelligent transport systems (ITS) to improve flows at congested junctions and mode transfer from road to sea) to test options with a view to sharing knowledge and effecting long-term improvements. The Netherlands, Germany, Belgium all represented in the project, in addition to SEStran and Peel Ports, bringing a variety of inland and estuarine ports located in different environments. Stage one of a two stage process was submitted on 18th May, the project is still in stage one and awaiting a response. Included in the proposal is that SEStran will take on the role of lead partner.

Changing Travel Behaviour

Tripshare

Life's more fun when you share! "Car Share is not just for Peter Kay". TripshareSEStran has continued to grow in popularity since its launch in 2006, with current membership at over 8800 people it is the region's fastest growing car share scheme. Encouraging people to share the cost of a journey and reduce the amount of single-occupancy cars on the road.

In 2016, the Forth Valley College applied to SEStran to support the costs of introducing a Tripshare scheme for both staff and students. The location of the College means that it is spread across two Regional Transport Partnership areas, and therefore a joint application to the 'Tactran Travel Plan Grant Scheme' was also utilised. Due to the strong partnership between the College and both RTPs, the scheme was successfully launched in March 2017.

Tripshare can offer those who do not have access to a car a low-cost alternative to access services and resources that may not have been attainable otherwise. As well as reducing the harmful effects of vehicle emissions on the environment and the congestion on our roads.

Reducing the number of cars on the region's roads remains a high priority for SEStran. However, when leaving the car behind is not an option, Tripshare could provide those driving on their own a more sustainable, economic and a more social way of getting from A to B. For businesses, it can improve accessibility of employment centres, especially in areas with poorer public transport provision.

Thistle Card

The SEStran Thistle Assistance Card was acknowledged in the Transport Scotland "Going Further: Scotland's Accessible Travel Framework" for being at the forefront of providing 'good assistance' by recognising and supporting the needs of disabled people and ensuring transport staff understand those needs. It also sets an example to encourage other organisations to roll-out a similar project and associated awareness training throughout the rest of Scotland.

It was shortlisted for a Scottish Transport Award in 2016, as an aid for those with disabilities or illness or who may require assistance or more time when using public transport. It quickly alerts the driver of this, making the travelling experience that bit easier. With thanks to the input of the Equalities Forum who have supported and advised on the Thistle Card.

Taking the Thistle Card forward, in late 2016, the Thistle Card app was released for both Android (Google Play Store) and Apple (App Store). In partnership with other RTPs, SEStran will be looking at future opportunities to develop the app further. This may include 'push notifications' and links to the aforementioned Bustracker SEStran.



Figure 3: SEStran's Thistle Card

RTPI

The main focus of SEStran's Real Time Passenger Information (RTPI) project in 16/17 has been to bring a number of the region's smaller bus operators into the bustrackerSEStran system. Improved technology in ticket machines, with GPS capability, proved to be the catalyst in making this feasible. SEStran succeeded in issuing an ERDF, smart ticketing award to supplement their own funds to purchase new GPS enabled machines for five operators; A1 Coaches, Blue Bus, Edinburgh Coach Lines, Eves Coaches and Waverley Travel, at a total cost of £80,000. A number of other operators had independently invested in similar technology adding to the numbers, all of which is assisting SEStran in achieving their aim of ultimately having all services in the region broadcasting RTPI. Ineo Systrans, the French system provider, is currently developing the software necessary to integrate 'Ticketer' into the system. The other facility that expands the availability of RTPI is SEStran's digital display screens which use web software to produce RTPI along with promotional images and information added by organisations hosting the screens. This facility was supported by Transport Scotland and has enabled the purchase of TV screens and small-form computers. In order to complete the distribution of the screens, SEStran employed a Marketing Officer in January 2017 and this work is ongoing in tandem with more effective promotion of SEStran's other initiatives.

SEStran Sustainable and Active Travel Grant Scheme (SATGS)

In 2016/17 the SEStran Sustainable and Active Travel Grant Scheme was opened to support and encourage Travel Planning and Active Travel measures. The Grant Scheme was used to support a variety of measures implemented as part of the applicants Travel Plan or provided support for organisations actively developing a Travel Plan. The grant scheme was administered on a match funded basis. Therefore, applicants had to secure their 50% contribution. In 2015/16 SEStran provided match funding for a number of organisations and Local Authorities including: Midlothian Council, Forth Valley College, Edinburgh College, Queen Margaret University, Scottish Enterprise and Edinburgh University. As well as helping to develop Travel Plans, Electric Vehicles and Local Authority Smarter Choices, Smarter Places projects were also supported by the scheme. The grant has funded several projects including Midlothian Council Smart Choices, Smarter Places programme, the set-up of the Forth Valley College Tripshare Scheme – in partnership with Tactran, Queen Margaret University Travel Plan work, Scottish Enterprise in partnership with Edinburgh Bio Quarter and Edinburgh University - Creation of a Travel Plan and Travel Plan survey work and Edinburgh College Electric Vehicle Project.

Regional Cycle Network Grant Scheme 2016/17

The Regional Cycle Network Grant Scheme (RCNGS) is a Sustrans funded grant operated by SEStran to aid the improvement of cycling infrastructure throughout the region, with a focus on cross-boundary links.

The grant is administered on a match funded basis to local authorities and organisations to fund a variety of projects including feasibility studies and design work. In 2015, SEStran published the *Strategic Cross Boundary Cycle Development* study which identified strategic 'missing links' and improvements to the cycle network in the region. Daiches Braes, part of the Brunstane Burn path and a key commuter link between East Lothian and Edinburgh, was identified as a cross-boundary scheme which required improvement. A highlight of the 2016/17 grant was awarding Edinburgh & the Lothians Greenspace Trust a grant, with SEStran providing match-funding with Sustrans Scotland, under the Regional Cycle Network Grant Scheme, to upgrade the surface at Daiches Braes.



Figure 4: Daiches Braes

What Else Have We Been Doing?

X-Route

In 2015/2016 SEStran commissioned Young Scot, through the RCNGS, to deliver a study focusing on young people and active travel. The report, [X-Route](#), encouraged groups of young people throughout the region to focus on reasons why they did not use active travel as a means of transport and to come up with solutions to make active travel a more attractive choice. Following on from the success of the study, SEStran invited the youth group, 'The Vennie' from West Lothian, to the December Board meeting to discuss their experience of working on the project. The young people spoke candidly to the Board about their involvement with shaping the project and what they would like to see happen as a result of the study. Following on from X-Route, SEStran applied to the Scottish Road Research Board (SRRB) for funding to implement a trial of a glow in the dark path in West Lothian as recommended by The Vennie. The funding was awarded at the end of 2016 and was also shortlisted for SAQP 2017. The 'star paths' trial will take place throughout 2017/18.



Figure 5: SEStran Chair Lesley Hinds with young people from The Vennie Youth Club

Model 3 Process

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, similar to that provided by Passenger Transport Authorities (or Combined Authorities in England) which would encompass activities such as regional policy and strategies, bus route planning and funding, quality partnerships, information and ticketing schemes, managed on a regional basis. In the light of the City Region Deal proposals relating to transport and infrastructure, active consideration by Chief Officials was being given to utilising the provisions in the Transport (Scotland) Act 2005 for the Regional Transport Authority to become a Model 3 Partnership. Any change in powers will require agreement between member authorities and consent from Scottish Ministers through a Parliamentary Order process. Whilst there is a reasonable level of clarity on the legislative and legal implications of moving to a Model 3 authority, it was recognised that further discussions could benefit from specific research into the strategic and any specific high-level implications for SEStran and therefore research was commissioned from Professor Tom Rye which was presented to the Board in September and December 2016. This issue was considered by the Partnership Board and by SEStran's partnership authorities but not yet concluded. Some authorities rejected the proposal, however the majority have sought further information and discussions in early 2017.

Updating the SEStran Park and Ride Website Page

In 2016, SEStran reviewed and revised the Park and Ride website page. The site aims to be a comprehensive guide to Park and Ride services available through the South East of Scotland. The site is kept updated by Systra under a 3-year contract and has a page for each local authority area within SEStran. The aim is to easily show options for multi-modal trips in and around the South East of Scotland region. This information will be useful in future projects such as trip-sharing apps. SEStran's original park and ride strategy foresaw using this data and incorporating mixed-mode options more formally within journey planner type websites.

South Tay Park and Ride Update

SEStran partnered up with Tactran, Fife Council, Dundee City Council and Transport Scotland to put in place Dundee's first park and ride site. It had been identified previously that improvements to air pollution and congestion were essential to the future of travel in the area. The project has continued in a positive direction and work has progressed to acquire the necessary land. SEStran and Tactran together, have acquired the necessary funding to acquire the land under a lease arrangement. Future progress of the park and ride site will be dependent on funds.

City Region Deal Update

A City Region Deal is a mechanism for accelerating growth by pulling in significant government investment. 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. Their ambition is to secure £1bn - £2bn of funding and it is estimated that an additional £3.2bn worth of private sector investment could be leveraged if the bid is successful.

SEStran is represented on the Infrastructure group and is joint chair of the Transport Appraisal Group, the main role of which is to work with Transport Scotland to secure their support for the proposed transport interventions.

A substantial amount of preparatory work, contributed to by SEStran, was carried out within the 16/17 financial year. The process was paused until after the local government elections in May. An Edinburgh and East of Scotland City Deal was awarded in July 2017 with commitments from both governments of £300 million each.

RTP Funding for Bus Users Scotland Survey

In 2014, the first Bus Passenger Survey (BPS) was carried out in some of the main areas of Scotland. However, there were very few participants (First Bus for Glasgow, Aberdeen and Scotland East) for the survey until 2016, when it was extended to the six major transport areas (Highlands, North East, South East, South West, Strathclyde, Tayside and Central). Transport Scotland, the Regional Transport Partnerships, First UK Bus, National Express and Stagecoach paid for the survey to help identify what is working well and where improvements are needed. The key results from the survey were based on 'Overall Satisfaction', 'Value for Money', 'Punctuality' and 'Journey Time' and were 93%, 74%, 84% and 85% respectively. The survey was very detailed in its approach and helped to pinpoint areas for improvement. The full report can be found here: <https://www.transportfocus.org.uk/research-publications/publications/bus-passenger-survey-full-report-autumn-2016/>

Travelknowhow

Travelknowhow is a unique online resource which offers organisations across Scotland easy access to a wide variety of travel planning solutions, to develop and implement workplace Travel Plans and to engage with employees in order to start changing travel behaviour within organisations. The website is funded and supported by Scotland's 7 Regional Transport Partnerships and Transport Scotland. Travelknowhow Scotland supports and contributes directly to the Scottish Government's Low Carbon Scotland ambition for decarbonising transport, and to the specific goal of having effective Travel Plans in all workplaces with more than 30 employees by 2020. The specific aims for the service are:

- Fast, easy access to a wealth of travel planning information and links to local resources.
- Specialist travel planning advice.
- Specialist marketing advice to aid employee engagement.
- Practical hints and tips.

A Day, in the Life of a RCTDO

SEStran's Regional Cycle Training and Development Officer, Peter took up the role this year and has been busy meeting with Bikeability Local Authority Co-ordinators to establish the challenges and shared best practices throughout the region, as well as attending several networking events promoting Bikeability and other programmes from SEStran and Cycling Scotland. The role involved designing and organising a pilot training programme for job seekers and school leavers focussing on access to bikes, cycle training and immediate employability skills. It ran in partnership with RUTS, with six participants, three of whom completed the whole course and have moved onto further training opportunities. One participant has continued to cycle to each training placement they have while others have predominantly been cycling for short journeys or leisure. With the programme being such a success it is due to run again towards the end of Summer 2017. In partnership with Cycling Scotland Colleagues, a conference for Bikeability volunteers in the East of Scotland was organised, which offered CPD in a variety of different training settings to support their delivery, and a networking opportunity between trainers. Further work was done in supporting the Cycling Scotland Cycle Friendly programmes, assessing and awarding seven secondary schools and four primary schools across the region.



Events

SEStran continues to support sustainable, non-competitive, active travel and transport events throughout the region.

Commuter Challenge

In 2016/17, SEStran ran the 'SEStran Commuter Challenge' to coincide with Edinburgh Festival of Cycling (EDFOC). The aim was to publicise the different ways in which people can get to Central Edinburgh and the relative times they took – demonstrating that the private car is rarely the best option.

Participants set off from four departure points around Edinburgh by car, bus, train, tram, bicycle, jogging/walking and headed for St Andrews Square for 8.15am, to see which mode was the fastest. There were four departure points – Ocean Terminal, Ingliston, Straiton and Newcraighall. Each one had a recognised start time. Some of the public came to the finish line before work to see which mode came first on each route!

Electric and hybrid cars and drivers were kindly supplied by the Enterprise Car Club and Edinburgh College. City of Edinburgh Council were also supporting the event by providing Dr Bike at the finish line as part of their Smarter Choices, Smarter Places programme.

Journey Challenge

SEStran took part in The Scottish Workplace Journey Challenge from 1 - 31 March 2017. The aim of the challenge was to get as many people as possible commuting to work by walking, cycling, public transport and lift-sharing and to reduce the number of car journeys per month. The journey challenge website also included links to travel planning tools and regional transport partnership services and therefore was good corporately, encouraging healthy working lives for SEStran employees and the wider area. SEStran were successful in their category [small organisation 3-19 employees], logging 399 journeys, collectively burning over 41,000 calories or 163 doughnuts depending on which measurement you prefer and saved 665kg of carbon emissions over the month. This effort gave us first place winning a £100 donation to the charity of our choice. The staff decided to donate this money to Marie Curie Scotland in memory of Andrew Dougal who had sadly died early in the year after a courageous battle against illness. Given Andrew had promoted many similar challenges over his decade long service at SEStran it was seemed a small, but fitting tribute to his work and a much missed colleague.

The Pedal from The Meadows

In 2016/2017, SEStran ran the 'Pedal from the Meadows' to help raise money for the charity Kingdom Kids. The cycle ride was aimed at being family-friendly and suitable for all abilities. It stretched from Lochore Meadows to South Queensferry and included volunteers from MukyRiderz which totalled up to over seventy participants giving the route a go! The event raised more money for Kingdom Kids than any other cycling event that the charity had been involved in previously and there are plans for another cycle ride next year that is expected to be even bigger!



TweedLove Bike Festival

In May 2016, SEStran supported the 'TweedLove Bike Festival' and in particular the Family Ride, which has become a local legend in the area after running for yet another year. The event which involved hundreds of cyclists, started at Peebles High Street and continued as a fun route free from any motorised transport - making it a more relaxed environment for people of all ages and abilities. It showed how accessible cycling can be, as well as promoting active travel and enhancing community spirit!

STAR Conference

In May 2017, SEStran was asked to present at the Scottish Transport Applications and Research (STAR) Conference in Glasgow, highlighting the development and benefits of the Real-Time Passenger Information (RTPI) that was developed and implemented by SEStran.

BustrackerSEStran is a regional fleet management and live bus information system covering South-East Scotland. The availability of RTPI plays a significant role in increasing bus patronage in both urban and rural areas, improving social inclusion, and improving accessibility to employment opportunities and healthcare. The BustrackerSEStran network has delivered an increase in satisfaction with public transport; the public spend less time waiting for transit, have increased feelings of personal safety when using transit, and reduced levels of stress due to the provision of RTPI. These outcomes are all positive when delivering a strategy aimed at increasing the use of public transport to reduce traffic congestion, reducing the overall environmental impact of transportation, and encouraging the development of sustainable livable communities. The key to that success has been close partnership working between public and private sector agencies, adaptability in the face of changing landscapes and a willingness to think 'outside of the box' to overcome obstacles. The BustrackerSEStran project has also helped SEStran's partners reduce the costs of the network whilst increasing the network's efficiency. Ultimately this has resulted in delivering a better service to the travelling public and working towards reversing the recent national trend of declining bus patronage.

Scottish Cities Knowledge Centre (SCKC)

SEStran spoke at and contributed to a Scottish Cities Knowledge Centre seminars in April/May 2017. The seminars were based on the theme of 'creating inclusive, prosperous places to live' with the focus being on quality of life and understanding what the terms 'good quality of life and a 'good place to live' meant. As well as identifying the main challenges in ensuring quality of life in Scottish cities. For example, how it can be improved and if it links in with the growth and inclusive/equality agenda. The effect of transportation in conveying the social, economic and environmental initiatives and on growth in city-regions was highlighted by SEStran. Inadequate transportation can lead to inequality in social mobility and lots of citizens are disadvantaged down to the lack of mobility in labour market. To alleviate these issues, it was encouraged that the use of sustainable transport and collaboration was the way forward in which it could create inclusive growth for everyone. The report on the findings of these seminars is due for publication shortly.



Society of Chief Officers of Transportation in Scotland 20th Anniversary Conference

In 2016, at the 20th anniversary conference of the society. SEStran's then Senior Vice-Chair, Cllr Imrie was their keynote conference speaker. The seminar looked at the differences made in the last two decades and showed that the organisation focussed on people's future, not just roads and how time is such an important factor in a successful future. Cllr Imrie, highlighted the need to address the issue of transport inequality across Scotland, alongside the need to invest in transport infrastructure and share services at a regional level more. He highlighted the opportunities offered by existing RTP structures as vehicles for efficient aggregation of local services at a time of constrained budgets. He also spoke about the impact transport can have on the labour market and inclusion – themes which have been reiterated in recent months in NTS, Planning and Enterprise and [Skills Reviews](#).

East Coast Mainline Authorities (ECMA) Parliamentary Receptions

SEStran partnered with ECMA (a consortium of local and combined authorities and Scottish Regional Transport Partnerships) and attended parliamentary sessions at both Westminster and Holyrood to show interest in the rail route. It provided the opportunity to discuss the importance of the line and how funding would improve and further the project as well as increasing the economy. SEStran contributed to the research and findings which showed that the East Coast corridor covers nearly half of Britain's economic output, although complicatedly connected, with investment it has potential to bring benefits to surrounding areas such as creating a direct passenger service route for those locations that currently have none, electrification of the rail network to Aberdeen and Inverness, improved tracks between Perth and Inverness, Aberdeen and the central belt and Edinburgh and the border. The investment in long distance high speed train paths for an hourly service, would create over £0.3bn GDP per year but if coupled in with HS2 proposals could increase to £0.5bn for the UK's economy.



Updates

Equality and Diversity

SEStran sought and continues to seek to improve processes, policies and projects to address the need to eliminate discrimination, foster good relations and enhance opportunity. The Equality Outcomes set, are an important way to meet the statutory duties for Equality Action, public sector equality and Scotland specific equality

duties. They are mainstreamed into the Business Plan for 2017-18 as it is good for the delivery of objectives as well as statutory Equality Duties. Through the SEStran Equality Forum, an engagement process with staff and stakeholders, along with public consultation has informed the Equality Outcomes but enabled a better understanding of all stakeholders needs and assisted in the development of policy and delivery of projects. Mainstreaming led to two new outcomes of **'An Equitable, Diverse and Representative Organisation'** and **'A Safe, Accessible and Equitable Regional Transport Network'** which helped to make lasting connections with organisations involved in equality and diversity.

Our progress so far...

Board Diversity Plan

In March 2017, SEStran supported a series of actions to promote gender balance and wider boardroom diversity. The Board backed the ambition and intent of the new Scottish Government bill which aimed to ensure gender balance on public boards in Scotland. SEStran's Board Diversity Succession Plan puts into place actions to promote diversity of skills and representation of Board members from next year onwards and contribute to the continuous improvement of our public-sector equality duties. The overall aim is to make public bodies and their boards better able to reflect the public they serve.

Changing the Chemistry

The Board agreed in December 2016 to appoint Observers, a new position to the SEStran Board, to improve developmental opportunities for all currently underrepresented groups and increase their experience of board meetings. This led to a partnership with Changing the Chemistry a Scottish Charity which seeks to influence organisational governance and enable boards to function better through the introduction of broader diversity. They provided SEStran with advice and support in terms of making our Board appointment packs more inclusive to all applicants in terms of style and language. SEStran has in return provided opportunities for a Board Observer position which was filled by Kerra McKinnie in March 2017. The other Board Observer is Gordon Mungall a long-time member of the SEStran equalities and Healthcare forum.

50/50 by 2020 pledge

Whilst awaiting recognition within the forthcoming legislation, the Board agreed to sign up to the Scottish Government's 50/50 by 2020 pledge, joining over 185 public bodies, third sector organisations and private companies who have already pledged to improve gender balance on boards. This positive action was agreed in March as part of SEStran's equality outcomes 2017-2021 and consideration of the mainstreaming report for 2015-2017. Alongside agreeing to sign the Pledge, the Board also agreed to set up a Succession Planning Committee to meet at least annually to oversee all the issues relating to Board Diversity.

Equate Scotland – Careerwise and Positive Action Project

In Summer 2016, SEStran worked with Equate Scotland to establish how to take positive action and support women in engineering and STEM through successful placements for women studying those areas. Providing benefits for both student and organisation by encouraging participation from undergraduates and recognition as a progressive employer, therefore improving diversity in the workplace. In March 2017, Sophie Pugh a second-year undergraduate from Napier University was appointed to the placement role for Summer 2017 and will be working on a number of projects principally evaluating SEStran's RTS Monitoring framework and Risk

Register. SEStran undertook the language review with Equate Scotland which informed the new website and review of the recruitment practices, general communications and policies and therefore made sure the content produced was more inclusive to a wider audience.

Disability Confident

SEStran signed up to the Government's Disability Confident scheme in February 2017. The scheme not only helped SEStran better perform Equalities duties but to successfully employ and retain disabled people and those with health conditions. There were three levels to the scheme and each level had to be completed before moving to the next. SEStran are currently Level One Disability Confident – Committed and have agreed to undertake the following actions to meet the requirements of this status:



- Ensure the recruitment process is inclusive and accessible.
- Communicate and promote vacancies through a range of channels.
- Anticipate and provide reasonable adjustments to ensure disabled workers are not disadvantaged when applying for and doing their jobs.

SEStran also committed to undertaking at least one activity that makes a difference for disabled people, including offering work experience, work trials and paid internships. SEStran are progressing this commitment and report developments to the Board in due course.

CIHT Charter

In September 2016, SEStran was one of the first public bodies to sign up to the Chartered Institution of Highways and Transport (CIHT), Equality and Diversity Charter; committed to achieving best practice in recruitment, retention and career progression as employers, supporting the development of good diversity and inclusion practice, working together to develop and adopt future protocols that support the aims of the Charter and recognise, respect, capitalise and celebrate contributions from different people to strengthen team performance.



Stonewall Scotland

SEStran signed up to the Stonewall Scotland Diversity Champions Programme. So far, our programme membership has provided valuable advice on the formulation of our statutory equality outcomes alongside commentary on our existing policies. Stonewall Scotland are also seeking to increase involvement of users/groups within the LGBTI communities, as well as proactively working with them to reduce hate crime on transport and to seek their help to further increase board diversity across several protected characteristic groups.



RTS Monitoring

The purpose of monitoring the RTS is to identify trends and indicators relating to the objectives set out in the RTS thus setting out conclusions in terms of the need for action.

Some key points to note are:

(*information not available until end of August*):

The full monitoring report is available on our [website](#).

Appendix

Annual Accounts

SEStran's Annual Accounts can be accessed online here: <http://www.sestran.gov.uk/publications/sestran-unaudited-annual-accounts/>

Climate Change Report

The Climate Change (Scotland) Act 2009. Part 4 of the act places duties on public bodies to act in the way best calculated to contribute to the delivery of emissions reduction targets, to help deliver any statutory climate change adaptation programme, and in a way, that it considers is most sustainable.

All 151 public bodies that appear on the “Major Player” list to submit an annual report to the Sustainable Scotland Network (SSN), detailing their compliance with the climate change duties. SEStran submit the first annual report for 2015/16 by 30th November 2016.

Public Services Reform Act

Sections 31 and 32 of the Public Services Reform (Scotland) Act 2010 (“the Act”) impose duties on Scottish public bodies to publish information and certain other matters as soon as is reasonably practicable after the end of each financial year. This statement is produced annually by the South East of Scotland Transport Partnership (SEStran) to ensure compliance with the requirements of the Act. It can be accessed online here: <http://www.sestran.gov.uk/publications-category/public-services-reform-scotland-act-2010/>

Community Empowerment Act

We are a listed public authority under the Community Empowerment Act and one of our duties under the Act is to consider requests from the community. Participation Requests can help groups from the local community (a community controlled body) to liaise with us and other listed authorities, on improving issues in the area. We welcome requests from groups that can aid SEStran in delivering its strategy functions in the South East Scotland. To gain more information on how to place a request, please follow the link: <http://www.sestran.gov.uk/corporate/participation-requests/>

Public Records Act

SEStran is required under the terms of Section 1 of the Public Records (Scotland) Act 2011 to produce a Records Management Plan, setting out proper arrangements for the management of its records and to submit this to The Keeper of the Records for approval. We submitted our RMP in January 2011 and it is available here: <http://www.sestran.gov.uk/wp-content/uploads/2017/06/SEStran-Records-Management-Plan-v2.0.pdf>



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European Regional Development Fund
Investing in a Smart, Sustainable and Inclusive Future

sestran.gov.uk

**3D Bridge
Victoria Quay
Edinburgh
EH6 6QQ**

 **0131 524 5150**

 **enquiries@sestran.gov.uk**

 **@SEStran**

 **SEStran**
Notes for STAND

We require images for the annual report either independently or as a watermark which relate to our 8 Local Authorities;

- *City of Edinburgh – trams going past Edinburgh Castle*
- *Clackmannanshire – Andy Scott 'Stride' sculpture*
- *East Lothian – East Coast Buses/Bass Rock*
- *Falkirk – the Kelpies/Falkirk Wheel/Port of Grangemouth*
- *Fife – the bridges*

- *Midlothian – Sheriffhall Roundabout/Rosslyn Chapel*
- *Scottish Borders – Leaderfoot Viaduct/cycling/Train Station (Borders Rail)*
- *West Lothian – Linlithgow Palace*

Regional Transport Strategy Update

1. INTRODUCTION

- 1.1** The report provides the Board with an update on the Regional Transport Strategy,

2. REGIONAL TRANSPORT STRATEGY

- 2.1** For information, in line with the 2016-17 Business Plan, the previous SEStran Board agreed to undertake a wholesale review of the existing Regional Transport Strategy (RTS) at their July 2016 partnership meeting. At the September 2016 meeting the Board received an update on the preliminary assessment work undertaken on renewing the RTS. However, in line of the then emerging and still ongoing Planning Review and National Transport Strategy 2 at the December 2016 Board meeting it was agreed to undertake a period of reflection and continuing research on key issues on creating the new RTS, whilst there is a period of legislative and policy fluidity.
- 2.2** The original Scottish Government RTS guidance in 2005 highlighted a proposed review or renewal of the RTS every 4 years. Given the last RTS refresh of the 2008 RTSⁱ was concluded in late 2015ⁱⁱ, the Board can be assured that the current RTS is “up-to-date” in this context and provides a clear and current vision for regional transport in the South-East of Scotland until at least 2019. However, in the framework of the continuing Review of the Scottish Planning system and the development a second National Transport Strategy (NTS2), it would seem inappropriate to restart the process, given the potential for legislative change via a Planning Bill and Transport Bill over the next 12-18 months. However, once there is greater clarity on future proposals, the Board may wish to discuss a further review of the current RTS in order to influence NTS 2 and the subsequent Strategic Transport Projects Review (STPR)
- 2.3** It is proposed that in December 2017 a mid-term review paper will be brought to the Board. Part of the 2017-18 Business Plan is to investigate the monitoring framework for the current RTS and to provide an update on progress with the achievement of key objectives.

3. CONCLUSION / RECOMMENDATIONS

- 3.1** The Board is asked to note the report and agree to a further mid-point review paper being tabled in December 2017.

George Eckton
Partnership Director
16th June 2017

Jim Grieve
Head of Programmes

Angela Chambers
Business Manager

Policy Implications	None
Financial Implications	N/A
Equalities Implications	N/A
Climate Change Implications	N/A

ⁱ <http://www.sestran.gov.uk/publications/sestran-regional-transport-strategy/>

ⁱⁱ <http://www.sestran.gov.uk/publications/regional-transport-strategy-2015-2025-refresh/>

Projects Update/ EU Update

1. INTRODUCTION

- 1.1 The report provides the Board with an update on key aspects of projects and initiatives progressed in the last quarter and covers the latest position on the process for the UK leaving the EU.

2. REAL TIME PASSENGER INFORMATION

- 2.1 Since appointing the marketing specialist, over 190 digital display screens have been distributed. Locations include TISO outdoor shops, Tesco Bank, Napier University and 2 licensed premises, which are of particular significance both in terms of encouraging public transport use in favour of driving and as a potentially very large target market for the future. Further marketing of the screens, along with a wider promotion of SEStran's other initiatives, has led to the Partnership Director appointing Keith Fiskin on a temporary basis for 2 years.

- 2.2 The acquisition of 'Ticketer' ticket machines with associated back office technology, funded jointly by the ERDF challenge fund and SEStran, in 16/17 is complete and 6 operators are now equipped with hardware and software necessary to allow them to be part of **BustrackerSEStran**. Albeit that the scheduled bus time data is now in the system, Ineo Systrans have yet to complete the necessary interface between the existing system and Ticketer, to allow the additional operators live times to be broadcast. This work is now at a trial stage, with Prentice Coaches in East Lothian and Borders Buses involved.

SEStran has succeeded again in winning a similar ERDF opportunity, for 2017/18, with the following bus companies being equipped with facilities for smart ticketing and RTPI:

Travelsure (13 units), Prentice Westwood (10 units), E & M Horsburgh (50 units) and Festival Travel 8 (units). The value of the award is £194,000 with SEStran's contribution amounting to £116,000, which can be contained within the 2017/18 budget.

- 2.3 A paper on **Bus TrackerSEStran**, focussing on the innovative digital screens element, was presented by Keith Fiskin at the STAR conference in May and was well received.

<http://starconference.org.uk/star/2017/Grieve.pdf>

3. SESTRAN THISTLE CARD – APP DEVELOPMENT UPDATE -

- 3.1 The Thistle Card and 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 members to circulate the app through their own communications channels.
- 3.3** Since the last Partnership Board meeting, SEStran has conducted promotional campaigns on Forth 1 and Forth 2, which has led to a sustained increase in take up of the card. Notably, East Lothian Council, which has requested an additional 3000 Thistle Cards for distribution from public buildings, and Lothian Buses has requested 500 cards which they will publicise and disseminate locally.
- 3.4** Further App development is planned and is the subject of a “Can do Challenge Fund” bid to Scottish Enterprise, referred to later in this report and three of the other RTPs (TACtran, SWESTrans and Hitrans) currently signed up to the Thistle card have agreed to assist with contribution. to the cost of further development. Discussions are ongoing with remaining three RTPs with regard to there involvement in the Assistance Card.
- 3.5** The Thistle Card and App have been nominated for awards in both the Scottish Transport Awards and the Chartered Institute of Highways and Transport (CIHT) awards. Both award nominations recognise the Thistle Card's contribution in improving access to public transport for those with a disability or mobility need. SEStran is delighted to report that the facility was judged "Highly Commended" by the CIHT.

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. The grant has, in the past, been applied to support physical measures implemented as part of a Travel Plan and to provide assistance for organisations actively developing a Travel Plan.
- 4.2** Grants have 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, other options for the use of this fund are proposed for 2017/18.
- 4.3** For the current financial year, 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 fund potentially larger schemes, possibly in combination with the Regional Cycle Network Grant Scheme (which will require SUSTRans' approval) and other, external funding sources. This initiative is entitled the Forth Active Sustainable Travel (FAST) Grant and applications from interested parties, with a suggested value of up to £200,000 and which are in line with the RTS, have been invited for consideration. Following an initial panel selection, based on assessing a set of pre-determined criteria, 15 applicants out of a total of 36

who made initial bids, were asked to make more detailed submissions by 7 August.

- 4.4 The Board's approval is now sought to allow the Partnership Director to supervise the final stage of the selection process, again by applying predetermined selection criteria and to award grant, or grants up to available budget to the successful party or parties.

5. Regional Cycle Network Grant Scheme (RCNGS)

- 5.1 SEStran manages 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. The maximum limit for grant funding in previous years was £25,000 but this has now been removed to encourage a broader range of applications and, potentially, to provide a degree of support to the above FAST award, if appropriate.

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 As part of the Communications Work Package for SocialCar, SEStran hosted a Local Transport Hackathon (or Hacking Marathon) on the 4th-7th of May. This Hackathon, in partnership with Product Forge, saw 8 teams of multi-disciplined data and design experts create digital solutions for a range of transport issues. SEStran used this event to promote the objectives of SocialCar and assist in the recruitment of test users for Test C of the SocialCar Project.

In order to exploit the results of the Hackathon, a "collider" event has been organised for 31 August 2017 with the aim of developing further the winning ideas from the Hackathon.

Highlights from the event can be found here:

<https://www.youtube.com/watch?v=pXNsf5QE7QY>

The last SocialCar General Assembly meeting was held in Budapest on the 10th-12th of March. This meeting focused on the 3 test phases of the SocialCar app and the future Business Case for the app's legacy.

- 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** The last Consortium Meeting was held on the 19th - 21st April. The meeting focused on the last reporting period of the project. Members also shared best practice on the promotion of shared mobility and travel planning. West Yorkshire Combined Authority is to share experience on the promotion of Travel Plans to businesses with SEStran, moving forward.

In addition to this, SEStran are aiming to hold a future focus group on Car Clubs and Shared Mobility in rural areas. Further details of this will be provided to the Board once content and dates have been set.

- 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** SEStran held a Stakeholders Meeting in Edinburgh on 17th May which discussed the best practices that have been presented so far from Rome, Italy and Western Macedonian Region of Greece. A REGIO-MOB consortium workshop was held in Ljubljana, Slovenia on the 23rd to 25th May. The Slovenian partners presented their two best practices; Park and Rides and Sustainable Urban Mobility Plans (SUMPS). A further workshop was held in Krakow, Poland on 20th to 22nd June and was attended by SEStran Officers along with two stakeholder representatives from Napier TRI.

- 6.7** SEStran was advised on 18 April 2017 that the project’s Spanish lead partner had, as a result of financial difficulties, been forced to cease the role. Subsequently, in June, they withdrew from the project completely. As a result, the partnership now numbers 6 countries and the lead role has been transferred to the Italian partner. These changes are not expected to materially affect the outcome of the project.

- 6.8** The Regio-Mob partnership has been invited to take part in the First Festival of Technologies for Sustainable Mobility, in Vicenza on 15-17 September 2017 and Catriona Macdonald will present a paper on SEStran’s best practices on sustainable mobility, selected by the partnership.

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 hinterlands, 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 reduce transport related Greenhouse Gas emissions. The focus will be on port hinterlands and in main routes to and from ports. A series of pilot studies is proposed (e.g. using intelligent transport systems (ITS) to improve flows at congested junctions and mode transfer from road to sea) to test options with a view to sharing knowledge and effecting long-term improvements. The Netherlands, Germany, Belgium are all represented in the project, in addition to SEStran and Peel Ports, bringing a variety of inland and estuarine ports located in different environments. Stage one of a two stage process was submitted on 18th May. Included in the proposal is that SEStran will take on the role of lead partner.

- 7.1.2** Both in respect of this project and the following SURFLOGH, discussions have been held with Forth Ports on their operations and with the stakeholders, including Falkirk Council, involved in the Grangemouth Investment Zone (GIZ) initiative which is very relevant to the aims of the two projects.

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 logistics 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. SEStran is pleased to report that the bid was successful and an inception meeting with the partners is planned for September this year.

- 7.2.2 MaaS Rural (Mobility as a Service in Rural Areas)** The central aim of this project is to demonstrate the viability of Mobility as a Service (MaaS) as a sustainable transport solution including first and last mile transport in rural areas in the North Sea Region. MaaS stimulates the use of more sustainable transport modes, reduces car use and emissions caused by transport. MaaS is cost efficient and demand driven and can promote social inclusion of specific groups strongly depending on decreasing public transport services.

Proposed Project Deliverables:

1. Study the demand for MaaS services, on MaaS user groups and on tailor-made MaaS offer.
2. Develop and validate business models per user group;
3. Carry out well-documented MaaS pilots in rural areas involving:
 - Car users to reduce car use
 - Specific groups to prevent social exclusion
 - As MaaS aims to increase car sharing and reduce car ownership this might result in more use of zero emission vehicles
4. Develop a handbook for the roll-out of MaaS in rural areas in the NSR, based on the gained knowledge during the MaaS pilots;
5. Set-up a collaborative platform for authorities of rural areas in the NSR to share gained knowledge of the functioning, benefits and roll-out of MaaS in rural areas.

It is proposed that a MaaS Rural bid will be submitted to the Interreg North Sea Region Programme in summer 2017 and SEStran have been invited to join the consortium and further internal discussions are ongoing.

In the meantime, SEStran has joined MAAS Scotland on behalf of the 8 partnership Councils.

7.2.3 CELEB-RIDES (Commuting by electric bike to reduce traffic congestion in harbour and industrial areas)

In this further Interreg bid, if successful, SEStran will be the lead partner. The aim of the project is to enhance the use of low-carbon electric bikes for work to home commuting on longer distances (20-30km) by providing testing, demonstration and complete implementation of these technologies. The main objectives of the project are to analyse and improve boundary conditions and infrastructure, and to monitor cycling behaviour of employees in the selected areas.

The project will look to deliver a pool of 10-15 e-bikes, which will be charged on solar energy, alongside a monitoring system whilst analysis will be carried out to identify infrastructure improvements.

7.3 Interreg Europe

- #### **7.3.1 D-SUMPs (District level SUMPs harmonisation instruments and policies).**
- Sustainable Urban Mobility Plans (SUMPs) are generally targeted at urban areas, inner part of cities, entire cities and surroundings. Taking into consideration the infrastructure (road and rail network, mobility nodes, etc.) and the interaction between municipalities, it may be argued if SUMPs are less effective in isolation and that they need a higher level management, coordination and policy tool? This proposal believes that it is essential to develop and implement coordination instruments at district (or regional)

level to be able to harmonise policies and infrastructure management included in SUMP, to improve their effectiveness and efficiency, to guarantee the benefits for final users and, for public administrations in charge, to manage urban and inter-urban mobility.

Good examples of SUMP are currently operating in Slovenia and in Emilia Romagna region (Italy) where a district vision of SUMP development has started to be developed.

D-SUMP will seek to develop regional policy instruments, such as the RTS, in order to coordinate local authorities in SUMP development and implementation, combining harmonisation indicators that can assure an effective system of infrastructure and sustainable mobility services development and management.

Proposed partnership:

- SEStran - South East of Scotland Transport Partnership (UK) - Coordinator
- ITL Foundation Institution on Transport and Logistic of Emilia Romagna Region
- Prometni Institute of Traffic and Transport of Ljubljana (Slovenia)
- Barcelona Regional (Spain)
- City of Copenhagen (Denmark)
- Lazio Region Association of Cities and Municipalities - Anci Lazio (Italy)
- University of Kaunas (Lithuania)

The Stage 1 bid was submitted on 30 June and a response is expected in December 2017.

7.4 Horizon 2020

7.4.1 I-MAsS (Inclusive Mobility As a Service)

In partnership with Leeds University, Institute for Transport Studies (ITS) 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. Unfortunately, although the I-MAsS project passed all of the threshold assessment criteria, the bid was unsuccessful.

However, discussion are continuing with Leeds ITS over a potential framework agreement for funded collaborative research.

7.4.2 INSTINCT

This bid in partnership with Napier's TRI which sought to address the long-standing problem of the integration of transport infrastructure and urban development policies was submitted. It was to 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. It was envisaged that this in turn would

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. Unfortunately the bid was rejected.

8. Further Initiatives

8.1 Scotrail Station Travel Plans

SEStran has agreed to provide resources to assist Scotrail with the development of its proposed Station Travel Plans.

Currently input to plans for stations at Bathgate, Eskbank, Falkirk High / Grahamston, Gorebridge, Linlithgow and Tweedbank are underway. SEStran personnel's extensive knowledge and experience of travel planning will make a valuable contribution to this process.

SEStran has also lobbied for Leuchars station to be included which would tie in with the community of St. Andrews and University's Transition Town ambitions and SEStran's ambitions to work with them over 2017-2019 to help them realise their goals. In addition, there has been discussion around an active travel hub and links to the new Guardbridge Green campus and talks are ongoing about a link to a possible EU project related to the use of electric bikes, over a timescale to 2019.

In terms of a corridor approach, the East Lothian Dunbar – Edinburgh corridor could be worthy of consideration to try to relieve parking demand issues and to encourage active travel, specifically focussing on Musselburgh?

Falkirk Council has suggested adding Polmont and Larbert stations to the list and SEStran has offered officer resources to help facilitate an increased number in the region.

8.2 Borders Corridor Study

In the Scottish Government's Programme for Government a commitment was given to examine the case for an extension of the Borders railway along with improvements to the A1, A7 and A68. Transport Scotland and its consultants are now considering a number of issues including accessibility in the Borders and links between its communities and the key markets of Edinburgh, Carlisle and Newcastle. The study will identify issues and opportunities on transport routes and identify where improvements can be made.

SEStran is a member of the client group , along with Transport Scotland and Scottish Borders Council, steering the study which is being carried out by Jacobs UK. SEStran officers have attend progress meetings, chaired by Transport Scotland and taken part in stakeholder consultation meetings held at Hawick and Galashiels. Following the consultation phase, the latest

stage in the process was an objective setting workshop which took place on 7 August and was attended by SEStran .

8.3 East Coast Mainline Authorities Consortium (ECMA)

SEStran, along with TACtran, Hitrans and NEStrans have re-joined the association for 2017/18 and will take part in ensuing discussions which will include views on the latest HS2 announcements and their implications for the east of Scotland. Correspondence covering the latest position in ECMA deliberations, including a request for continued commitment by member authorities, is attached as **Appendix 1**.

8.4 Can Do Innovation Challenge Fund

SEStran has submitted two Expressions of Interest to the above, which is sponsored by Scottish Enterprise.

8.4.1 SEStran, through the development and implementation of two key projects ***bustrackerSEStran*** (<http://bustrackersestran.co.uk>) and the ***Thistle Assistance Card*** (<http://www.sestran.gov.uk/projects/the-sestran-thistle-assistance-card>), has identified a need to address a lack of usability and proposes to further develop the **Thistle Assistance App** by combining journey planning and disability awareness into one easy to use and versatile platform. The initial and fundamental stage of the development process will be consultation with disability groups to be able to establish what is required.

8.4.2 The second proposal is entitled “My commute challenge – (reporting and consulting on barriers, road and pavement defects faced, on route during a daily commute).”

SEStran is seeking a solution that allows users of all transport modes, to convey challenges they encounter as they commute. These would be geo-located and allow for others to comment objectively on shared experience. These data sets would be then available to respective authorities to act on. Innovation within this area could address Proposal 20 of the Planning Review June 2017, where digital planning consultation could reduce time and costs, and tie-in to collaboration of local authorities.

8.5 Hate Crime

8.5.1 Following the publication of Transport Scotland’s Accessible Travel Framework Action Plan, Hate Crime and Negative Behaviours was identified as a key work package.

SEStran has been contributing to Transport Scotland’s Hate Crime Working Group and following the City of Edinburgh Council’s successful launch of the Hate Crime Charter for Public Transport¹, SEStran will be piloting a

¹ http://www.edinburgh.gov.uk/news/article/2318/the_capital_drives_out_hate_crime_on_public_transport

regional hate crime transport charter for 4 local authorities. SEStran are currently in discussions with Police Scotland and the Scottish Disability Equality Forum. Transport Scotland's Hate Crime Working Group will next meet at the end of September.

8.6 X-Route: Star Paths

- 8.6.1** SEStran was awarded £30,000 by the Scottish Road Research Board (SRRB) in November 2016 to produce a trial of 'glowing paths' in West Lothian following on from the X-Route study with Young Scot. The young people from The Vennie youth club suggested glowing paths would increase perception of safety on the core path network.

Atkins are implementing the trial of three different glowing products in the Knightsbridge area of West Lothian. The trial is due to start at the end of August 2017 and will be monitored until the end of the financial year.

- 8.6.2** Subsequently, SEStran has applied for the latest call of the Regeneration Capital Grant Fund. The bid follows on from the work with the young people at The Vennie and the SRRB funding by aiming to implement an 800m stretch of glowing path on the footpath leading to Livingston North station. The path is inspired by the Van Gogh style path seen in the Netherlands but will be designed by young people.

If successful, the funding will allow continued work with young people in planning and designing creative improvements to the path network to encourage active travel and improve access for the local community.

9 EU Exit

- 9.1** The Article 50 negotiation process has been formally initiated with much media noise about so called "hard or soft Brexit". Ultimately it is a negotiation process with each side, or indeed all sides of the 28 countries involved, looking for the best out-come for themselves.

A formal process (the Repeal Bill) is underway to effectively transfer currently applicable EU legislation into UK legislation so that it is in place upon exit and, presumably subject thereafter to change if desired by the UK.

In addition, there has been recent speculation over the introduction of a transition period before the final exit.

10. Scottish Transport Awards 2017

- 10.1** 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."

10.2 SEStran put forward four entries for the awards, as follows:

- **BustrackerSEStran**, with an emphasis on the digital screens element.
- **Thistle Card** with an emphasis on the development of the app.
- **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 the international partnership and focus on sustainable transport.

This first 3 were all short-listed for awards but ultimately unsuccessful.

11. Recommendations

The Board is invited to:

11.1 Note the contents of the report;

11.2 With regard to paragraph 4.4, authorise the Partnership Director to award grant to fund successful sustainable and active travel projects.

Jim Grieve
Head of Programmes
2nd August 2017

Catriona Macdonald
Project Officer

Policy Implications	None
Financial Implications	As described in the report
Equalities Implications	None
Climate Change Implications	None

Service Level Agreements

1. INTRODUCTION

- 1.1** The South East of Scotland Transport Partnership receives specialist support and advice via Service Level Agreements with constituent councils. City of Edinburgh Council provide financial support and services, Falkirk Council provide Human Resources advice and services, and Fife Council provide clerking services and legal advice to the Partnership. In late March 2017, Fife Council advised that they could only extend the SLA with SEStran until September 2017. This decision is due to internal re-organisation and diminishing resources within the council, meaning that the outsourcing of resource can't continue and there is a need to focus on core Council business. City of Edinburgh and Falkirk Councils have accepted extensions to their current SLAs until May 2018.

2. Replacement Options

- 2.1** The Regional Transport Partnerships (Establishment, Constitution and Membership) (Scotland) Order 2005 makes provision for services by others, as does the Partnership standing orders, but neither require a constituent council to provide those services under an SLA. Fife have provided Legal Services since the statutory beginning of the Partnership, and Secretarial services since shortly after. The Partnership Director has in early April 2017 written to all the other 7 constituent councils to seek any expressions of interest in providing clerking and legal services from October 2017.
- 2.2** At time of writing, in consultation with the Secretary, Officers have also sought to scope out the capacity for external training on the clerking services to provide an in-house situation. In addition, other public sector bodies have been approached to see if they could provide clerking services under an SLA, leaving the provision of legal advice on an ad-hoc basis with recall to a framework agreement or similar arrangement with external legal advisers. If this is the outcome required, Fife Council have offered to help draft the necessary documentation over the Summer.
- 2.3** The Partnership Director has in late May 2017 written again to all constituent councils asking for clarification if they can provide legal and/or clerking services to SEStran. In early June, we received a response from City of Edinburgh Council to say they would be welcoming of further discussions on a potential further SLA to provide clerking and legal services to the Partnership. Further discussions have highlighted that only a Secretary/clerking service would be possible and we would not be able to access legal services framework contracts of CEC.
- 2.4** However, further discussions with Transport Scotland have highlighted that SEStran could possibly access and benefit from the Scottish Government's

Legal Services Framework¹ since SEStran is a statutory body set up under the Transport (Scotland) Act 2005. This could mean obtaining significantly lower rates than a direct approach to a private firm of solicitors. An initial discussion with Scottish Government has identified we would be eligible to use the framework but will need to complete a participation documentation and carry out a min-tender exercise calling off from the framework. A further update will be provided at the Board meeting.

3. CONCLUSION / RECOMMENDATIONS

- 3.1** The paper asks the Board to note the forthcoming change of SLA provider to SEStran for clerking and legal services, the ongoing discussions on a replacement provider or legal and/or clerking services and formally recognise the long service provided by Fife Council employees to the Partnership.
- 3.2** The Board is asked to agree that a further paper will be tabled to the September 2017 meeting outlining options for decision, pending the outcomes of the discussions, summarised within the paper, delegating to the Partnership Director in consultation with the Secretary to take all necessary action to ensure continuity of service.

George Eckton
Partnership Director
 16th June 2017

Policy Implications	Depending upon the outcome, SEStran would not have the same access to historical knowledge of RTPs as embedded within the Secretary and other SLA participants. This could be less than helpful at a time of any discussions on “Model 2 or 3” arrangements. It would also mean without a council SLA provider replacement, having to consider even more carefully recourse to legal advice on policies, process and procedure in future.
Financial Implications	It is likely that any non-council legal services agreement would be more cost intensive than the present arrangement with Fife council. It may be that cost saving measures such as reducing the number of Board or Committee meetings requiring Clerking might need to be considered.
Equalities Implications	We may no longer have the same access to immediate advice on specific legal issues arising from our Public Sector Equality Duties.
Climate Change Implications	Engagement of support services from closer to SEStran’s offices may have a slight positive impact on emissions. However, as existing personnel almost invariably use public transport, the effect may be minimal.

¹<http://www.gov.scot/Topics/Government/Procurement/directory/pscontractcentgovt/LegalServicesFramework>

Climate Change Bill Consultation Paper

1. INTRODUCTION

- 1.1** In June 2017, The Scottish Government launched a consultation on proposals to strengthen the ambition and strategic framework for action to reduce greenhouse gas emissions in Scotland. The proposals for a new Climate Change Bill will amend only those parts of the 2009 Climate Change (Scotland) Act that relate to emission reduction targets and associated reporting duties. The closing date for the Consultation is 22nd September 2017.

2. CONSULTATION

- 2.1** The 2009 Act is structured around a 2050 target to reduce greenhouse gas emissions by at least 80% from baseline levels, while seeking to boost productivity, competitiveness and growth. The 80% target at the time was considered appropriate in 2009 to limit global temperature rise above pre-industrial levels to near 2°C. However, the 2015 UNFCCC Paris Agreement has strengthened global ambition and seeks to limit global temperature rise in this century to 1.5°C. Advice to the Scottish Government from the Committee on Climate Change (CCC) questions if 80% reduction is enough and suggests increasing the target from 80% to 90% by 2050 to be more consistent with a 1.5°C scenario.
- 2.2** The UNFCCC Paris Agreement sets a goal of reaching net-zero global greenhouse gas emissions during the latter half of the century, however the CCC has advised the Scottish Government that the evidence is not available to set a domestic net-zero emissions target at the present time. The Scottish Government therefore proposed to set a net-zero emissions target for the second half of the century, subject to regular reviews of the evidence.
- 2.3** The 2009 Act set a single interim target for emissions reduction of at least 42% by 2020. The Scottish Government proposes, in line with the CCC's advice, to update the interim target for 2020 to at least 56%, and to set new interim targets for at least 66% in 2030 and at least 78% in 2040.
- 2.4** The 2009 Act makes provisions for annual emission reduction targets to be set every year up to 2050. These annual targets are currently specified as fixed amounts of greenhouse gas emissions, measured in tonnes of carbon dioxide equivalent, and are set in five year batches through secondary legislation. The Scottish Government proposes, in line with the CCC's advice, to specify the annual targets in the Bill in the form of percentage reductions from baseline levels to ensure that annual and interim targets remain consistent with one another.
- 2.5** The 2009 Act's emissions reduction targets are set on the basis of "adjusted" emissions, which takes into account the operation of the EU

Emissions Trading Systems (ETS). The CCC advise that all targets in the Bill should be based on actual emissions in Scotland, by removing the EU ETS adjustments, as this will increase the transparency of measuring progress to targets. These proposals will not change how the EU ETS operates in practice.

- 2.6** The 2009 Act allows for limited updates to annual and interim 2020 targets through secondary legislation, but does not include provision to update the 2050 target. It is proposed that updates to both the interim and 2050 targets should be possible through secondary legislation, subject to a suitable set of criteria and advice on these matters from the CCC.
- 2.7** SEStran is currently identified as a “major player” under the 2015 Act and required to report on progress and compliance with the climate change duties. The most recent draft Climate Change Plan for the period 2017-2032 was laid before Parliament in January 2017¹ and SEStran submitted a response to the call for evidence².
- 2.8** The consultation paper highlights a series of 13 questions relating to updating the target ambition overall and interim 2030 and 2040 targets amongst other target matters; measurement of actual emissions; procedures for reviewing targets and reporting on policies and proposals; assessing the wider impacts of the proposals and an opportunity for respondents to raise other issues around the proposed Climate Change Bill.

3. COMMENTS/ SUGGESTED RESPONSE

- 3.1** SEStran welcome the ambition for Scotland to reduce greenhouse gas emissions by at least 90% from baseline levels by 2050 in the proposed Climate Change Bill.
- 3.2** Due to the current rate of change and as transport has made less progress relative to other sectors since the 1990 baseline, the proposals will exert a significant amount of pressure on the transport sector to decarbonise and modally shift current mobility patterns. 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 are to be realised.
- 3.3** The draft RPP3 published in January 2017 envisaged a future where transport emissions will have reduced by around a third by 2032, through the wide-scale uptake of low carbon vehicles, enhanced freight logistics and measures such as low emission zones. However, the CCC highlighted there has been less progress on reducing transport emissions relative to other sectors. In 2014, transport emissions (including those from international aviation and shipping) amounted to 12.9 MtCO₂e, marginally below the

¹ <http://www.gov.scot/Resource/0051/00513102.pdf>

² http://www.parliament.scot/S5_Rural/SEStran.pdf

1990 baseline figure of 13.3 MtCO₂e. Currently, transport accounts for 28% of total Scottish emissions. Within that long-term profile, we have seen significant reductions more recently: since transport emissions peaked at 14.9 MtCO₂e in 2007, they have fallen year on year by a total of 2.0 MtCO₂e. This is a 13% reduction in seven years. The ultimate goal by 2050 is that 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.

- 3.4** Given the predicted increase in population we should balance supply side measures with demand restraint to achieve emissions goals. SEStran has a successful and ever-growing Liftshare scheme and it would be welcome if further proposals and policies could be considered 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. However, the Draft Energy 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. The increase in lift-sharing opportunities could have a related co-benefit in terms of potential inclusion and accessibility impacts across urban-rural geographies. 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.
- 3.5** 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 impact on economic performance and the resultant ability to resource further emissions reduction proposals and policies
- 3.6** 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 Energy Strategy and the 90% reduction target in the proposed Climate Change Bill.
- 3.7** In terms of transport, SEStran believe that Regional Transport Partnerships offer a clear route for delivery of regional low-carbon outcomes and will engage with others to co-design on policies that deliver improvements to

collective modes of transport and resource the maintenance and adaptation of existing networks to climate change and increased demand.

4. CONCLUSION / RECOMMENDATIONS

- 4.1** The board are invited to comment on the current Climate Change Bill consultation over the next 2 months ahead of a tabling of a proposed final SEStran response for agreement at the September Board meeting.

Catriona Macdonald

Projects Officer

11th August 2017

Annex 1 – List of Consultation Questions

Policy Implications	The proposed Climate Change Bill could deliver significant change to the transport policy context through a more ambitious national target.
Financial Implications	Need for significant infrastructure and new technology.
Equalities Implications	Moving to electric cars could impact on certain socio-economic groups.
Climate Change Implications	Need for further action to increase modal shift and decarbonise the transport sector.

Annex 1 – List of Consultation Questions

1. Do you agree that the 2050 target should be made more ambitious by increasing it to 90% greenhouse gas emission reduction from baseline levels? Yes No (please explain your answer)
2. Do you agree that the Climate Change Bill should contain provisions that allow for a net-zero greenhouse gas emission target to be set at a later date? Yes No (please explain your answer)
3. a) Do you agree that the 2020 target should be for greenhouse gas emissions to be at least 56% lower than baseline levels? Yes No (please explain your answer)
b) Do you agree that a target should be set for greenhouse gas emissions to be at least 66% lower than baseline levels by 2030? Yes No (please explain your answer)
c) Do you agree that a target should be set for greenhouse gas emissions to be at least 78% lower than baseline levels by 2040? Yes No (please explain your answer)
4. Do you agree that annual emission reduction targets should be in the form of percentage reductions from baseline levels? Yes No (please explain your answer)
5. Do you agree that annual targets should be set as a direct consequence of interim and 2050 targets? Yes No (please explain your answer)

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6. Do you agree that all emission reduction targets should be set on the basis of actual emissions, removing the accounting adjustment for the EU ETS? Yes No (please explain your answer)
7. a) What are your views on allowing the interim and 2050 emission reduction targets to be updated, with due regard to advice from the CCC, through secondary legislation?
b) What do you think are the most important criteria to be considered when setting or updating emission reduction targets?
8. a) What are your views on the frequency of future Climate Change Plans?
b) What are your views on the length of time that future Climate Change Plans should cover?
c) What are your views on how development of future Climate Change Plans could be aligned with Paris Stocktake Processes?
d) How many days do you think the period for Parliamentary consideration of draft Climate Change Plans should be?
9. What are your views on the proposal that any shortfall against previous targets should be made up through subsequent Climate Change Plans?

10. What are your views on these initial considerations of the impacts of the Bill proposals on Scotland's people, both now and in future generations?
11. What are your views on the opportunities and challenges that the Bill proposals could have for businesses?
12. a) What are your views on the evidence set out in the Environmental Report that has been used to inform the assessment process? (Please give details of additional relevant sources).
- b) What are your views on the predicted environmental effects as set out in the Environmental Report?
- c) Are there any other environmental effects that have not been considered?
- d) Do you agree with the conclusions and recommendations set out in the Environmental Report?
- e) Please provide any other comments you have on the Environmental Report.
13. Please use this space to tell us any other thoughts you have about the proposed Climate Change Bill not covered in your earlier answers.

The Socio-Economic Duty

1. INTRODUCTION

- 1.1** The Scottish Government on 18 July published a consultation on the introduction of the Socio-Economic Duty (SED) in Scotland.

2. NEXT STEPS

- 2.1** The Scottish Government has committed to bring forward legislation to commence the SED by the end of 2017 and is therefore undertaking a focussed 8 week consultation¹ and there will be further development of guidance on how the duty should be operationalised. A copy of the consultation questions are in Annex A.
- 2.2** The socio-economic duty asks particular public authorities to do more to tackle the inequalities of outcome caused by socio-economic disadvantage. In particular, the duty aims to make sure that strategic decisions about the most important issues are carefully thought through so that they are as effective as they can be in tackling socio-economic disadvantage and reducing inequalities of outcome. These strategic decisions would include, for example, an economic development strategy; or an annual budget setting out key investment choices. The SED and the wider impact assessment approach to strategic matters is seen as a vital part of the Fairer Scotland Action Plan and also the inclusive growth agenda of Scotland's Economic Strategy. The main outcome that the Scottish Government is looking for from the introduction of the duty is improved decision-making that genuinely leads to better outcomes for those experiencing disadvantage.
- 2.3** Strategic public authorities, those that tend to be the most influential will be covered by the duty. They will have the opportunity to show that they both understand the key socio-economic inequality gaps and have taken account of them in the decisions they make. some examples of strategic decision making where public authorities should explicitly consider their socio-economic responsibilities and there is a specific reference to regional transport strategies and disability delivery plan for all public authorities covered by the duty. However, the proposal for strategic bodies to be covered by the duty set out in the consultation paper does not include SEStran or regional transport partnerships as a strategic public authority be covered by the duty despite highlighting an RTS as a key example of a sectoral strategy. At present the list of authorities to be bound by the duty is Scottish Ministers including Transport Scotland, Local Authorities, NHS Health Scotland, Integration Joint Boards (IJBs), Regional Health Boards, The Scottish Police Authority, Highlands and Islands Enterprise and Scottish Enterprise.

¹ <https://consult.scotland.gov.uk/social-justice/the-socio-economic-duty/>

- 2.4** The list of authorities to be bound to the duty is mainly larger public bodies than RTPs. However, perhaps the closest authority to RTPs is IJBs. Similar to RTPs they are body corporate, which have larger budgets and functions presently than Model 1 RTPs. They deliver strategic planning of functions delegated to them by the Council and relevant Health Board and prepare a Strategic Plan. However, in light of continuing discussions for a non-model 1 status for SEStran and the specific mention of RTS in the guidance, this could be a relevant comparator in terms of SED coverage and shared function/responsibilities between larger strategic authorities already covered by the SED individually when exercising their functions in a body corporate structure.
- 2.5** However, it's not the case that the Scottish Government can simply add any public sector organisation to the list of bodies to be covered by the duty. The bodies in question must be equivalent, in some way, to the English list of authorities set out in the Equality Act 2010. So there would need to be an argument as to why the bodies in question should be considered to have equivalence to that list. It is proposed that SEStran could argue equivalence with a "regional development agency" as originally specified in the Equality Act 2010 in any response seeking inclusion within the duty. Certainly, the original 2008 consultation² on the Equality Bill and 2010 guide³ on the proposed duty to reduce socio-economic inequalities both clearly seek to include access to transport as a key matter of equality and equity. When the UK Government consulted the Scottish Government in 2009 it was on the premise that when SED was introduced in Scotland it would have specific guidance issued and take account of different structures and circumstances, including different geographies of public bodies. The 2010 guide also clearly references Regional Development Agencies (RDAs) as taking strategic decisions on transport priorities and infrastructure and working on a partnership activity basis with and across multiple local authorities. Therefore, there appears to be a clear equivalence of RTPs to RDAs referenced in the 2010 Act in terms of the nature of strategic decisions.
- 2.6** The SED is one of a number of public sector duties with a socio-economic focus. Sustran as a Community Planning Partner⁴ is already subject to the requirement in the Community Empowerment (Scotland) Act 2015 which requires Community Planning Partnerships (CPPs) to act with a view to reducing inequalities of outcome which result from socio-economic disadvantage unless the CPP considers that it would be inappropriate to do so.
- 2.7** The Partnership Director has sought further information from The Scottish Government Social Justice team and Equality and Human Rights Commission Scotland on the inclusion of Regional Transport Strategies as an example but the proposed exclusion of Regional Transport Partnerships from the SED. The consultation team have outlined that they have been

² https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/238713/7431.pdf

³ http://www.equality-ne.co.uk/downloads/512_equality-bill-duty.pdf

⁴ <http://www.legislation.gov.uk/asp/2015/6/schedule/1>

taking advice about which public bodies should be covered by the duty, based on producing an equivalent list to the that list of English bodies within the Equality Act 2010. However, they are aware that there may be scope to include other bodies and the list included in the consultation document is not an exhaustive list and the consultation allows for further suggestions and both Scottish Government and EHRC Scotland were pleased within the initial enquiry from SEStran. They also highlighted that there is nothing preventing any public sector body not covered by the duty from starting to act as if it were covered and for example impact assessing strategic decision making for socio-economic impacts. The recent award nominated co-design work with Young Scot⁵ is an example which could be further developed to enable this approach to focus on communities within disadvantaged places and also with particular disadvantaged communities of interest.

2.8 However, given in the recent Planning Review consultation and other previous policy and legislative consultations, the SEStran Board have wished to emphasise the “key agency” nature of SEStran as an RTP, it could appear a logical step to ask for recognition within the forthcoming legislation to include SEStran. However, emphasising the proportionate nature relative to the size of the public body as outlined by Government’s consultative expectations, as the current list of public authorities are larger public bodies with the noted potential example of IJBs where a body corporate has a membership of larger SED bound authorities already. The SED would apply to strategic decisions in SEStran’s case and relative resources this would be focussed presumably on the RTS and annual budget. However, since our two main funding sources are Transport Scotland and collectively 8 councils all who would be bound by the duty as individual strategic bodies. Therefore, even if not legislatively bound by the duty in future our main funders would presumably like us to be able to demonstrate our contributions in this regard with our strategic decisions as well as our input to CPPs and our existing duty under the 2015 Act as CPP partners. The consultation recognises that having due regard means operating with existing thresholds and the need to adopt a coherent and complementary policy framework. The proposed duty that the consultation document outlines a clear statement that this does not necessarily mean public authorities are required to spend additional resources.

2.9 In recent submissions to the Royal Society of Arts Inclusive Growth Commission, the pre-engagement survey of the National Transport Strategy Review and the Planning Review consultation, we have emphasised the relationship of transport to social and economic inequalities. SEstran highlighted that RTPs could be a key mechanism for addressing these gaps and delivering the connectivity, mobility and accessibility outcomes required across several Local Outcome Improvement Plans (LOIPs) through the RTS on the strategic and cross-boundary issue of transport infrastructure and services.

⁵ http://www.sestran.gov.uk/wp-content/uploads/2017/01/XRoute_document_2016_Final_2.pdf

- 2.10** The Royal Society of the Arts (RSA) Inclusive Growth Commission final report highlights the need for an integrated economic and social policy emphasising the need for place-based strategies to deliver inclusive growth across the UK. SEStran noted the Royal Town Planning Institute comment in their 2016 “Poverty, Place and Inequality” policy paper highlighting 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. We have in our recent responses identified the need for more regional planning to deliver and bridge the gap between national and local outcomes delivery especially concerning the sustained delivery of economic and employability outcomes. We highlighted that Scottish Ministers have said they will invoke SED of the Equality Act 2010 in Scotland. Indeed, we questioned whether the SED could be used to readdress current transport and wider decision-making concerns, given how vital and inclusive accessible transportation infrastructure and place-based solutions are to community regeneration, as highlighted so clearly by the Scottish urban regeneration network in their manifesto last year as a key priority for action.
- 2.11** In addition, in recent Model 3 discussions some members questioned the potential impact of a larger authority on the distribution of for example combined bus subsidy budgets. The inclusion of SEStran within the scope of the duty might enable a mechanism for some strategic decisions to focus on communities within particular disadvantaged places but also within particular disadvantages communities of interest. The consultation is clear that the Government expects public authorities covered by the duty to focus on the specific nature of socio-economic disadvantage for people in for example rural and remote areas. This could be added to the initial framework proposed by Prof Tom Rye included in Annex B to this report, as an example of the possible use of the duty in strategic decisions.
- 2.12** Also, the First Minister’s Independent Advisor on Poverty and Inequality, published a second report⁶ in early July 2017. Ms Naomi Eidenstadt made a specific recommendation for doing more to provide subsidised/free transport for young people aged 25 and under. The report highlights that Travel-to-work patterns show that disadvantaged people are less mobile and more reliant on public transport. Easy access to good transport services, not least for leisure and social facilities, is also important in relation to social isolation and exclusion. This may be particularly key for disabled young people, care leavers and young carers. The report also outlines a need to think about improving economic prospects in poor areas, we also need to ensure that costs of transport do not prevent young people from seeking jobs further

⁶ <http://www.gov.scot/Resource/0052/00522051.pdf>

afield. The report also offers a bold view around changing entitlements to concessionary travel for some older people. It fully supports bold action in this area – with the proviso that there is a generational transfer so that what older people lose, younger people gain. As the evidence review associated with the Independent Advisor’s work shows, young people today are significantly disadvantaged in a range of ways compared to previous generation.

- 2.13** Therefore, if the SEStran Board and its constituent councils still feels that the socio-economic duty is a key duty/power to target resources at specific transport inequalities and associated area-based disadvantage when addressing regional transport strategic issues, it would seem appropriate to seek to lobby for inclusion in the list of public authorities covered by the duty however in a manner proportionate to our size focussed on key function of an RTS but with a view to any further functions delegated to SEStran as part of a non Model 1 future role. Members may also wish to mandate the Chair and Partnership Director to discuss the potential for a collective response with RTP Chairs at their meeting on 22/23 August.

3. CONCLUSION / RECOMMENDATIONS

- 3.1** The paper seeks to invite comment from the Board on the proposal from officers to seek SEStran’s inclusion as a regional body in the list of strategic bodies to be subject to the Duty as an equivalent body to a Regional Development Agency.
- 3.2** If the Board is in agreement, it is asked to agree to delegate to the Partnership Director in consultation with the Chair to respond to the consultation by 12 September, and to take the opportunity for further discussion with RTP Chairs on 22/23 August.

George Eckton
Partnership Director
 4th August 2017

Policy Implications	Potential changes to the planning system which could have impacts on other planning systems including transport planning.
Financial Implications	SEStran’s budget would be subject to a proportionate inequalities of outcome caused by socio-economic disadvantage analysis every year.
Equalities Implications	SEStran’s future RTS’s and major projects would be subject to a proportionate inequalities of outcome analysis as examples of discussions of a strategic nature.

Climate Change Implications	None
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Annex A – Copy of Consultation Questions

SUMMARY OF QUESTIONS

QUESTION 1 – The key terms defined in this section are: ☐ Socio economic disadvantage ☐ Inequalities of outcome ☐ Decisions of a strategic nature ☐ Due regard Do you agree that the definitions of these are reasonable and should be included within the Scottish Government’s forthcoming guidance on the socio-economic duty?

QUESTION 2A – Do you agree that the socio-economic duty should apply to the Scottish public authorities named here? If not, please specify which you do not think it should apply to and why?

QUESTION 2B – Do you think the duty should apply to any other public authorities, similar to those listed in the Equality Act 2010? If so, please name them and explain why you think the duty should apply.

QUESTION 3A – Do you have any comments on the steps set out in SECTION 3?

QUESTION 3B - What other actions could public authorities take to demonstrate that they are meeting the duty?

QUESTION 3C – Could you offer suggestions as to how public authorities could improve budgetary analysis and reporting so as to take better account of inequalities related to socio-economic disadvantage?

QUESTION 3D – Can you offer examples of how public authorities and others have made best use of the expertise of people with direct experience of poverty?

QUESTION 3E - What kind of guidance and support on meeting the duty would be most useful for public authorities?

QUESTION 3F – Do you have a view on whether public authorities should use existing monitoring frameworks to track whether the socio-economic duty is making a difference to outcomes over the long term?

QUESTION 4A - Once the socio-economic duty is introduced, the Scottish Government is keen for public authorities to look strategically across all planning processes in place to maximise their impact. What could public authorities and the Scottish Government do to make sure that the links between the different duties are managed effectively within organisations?

QUESTION 4B – Can you offer examples of good practice in taking an integrated approach to issues such as poverty, equality, and human rights?

ANNEX B

TRI, Edinburgh Napier University

Note to SESTRAN on tendered bus service appraisal methods from other metropolitan areas, and Edinburgh

Purpose of the note

Were SESTRAN to become a Model 3 Regional Transport Partnership, it is likely that one of the functions that it would take over from constituent authorities would be tendered bus services (also known as socially necessary or supported bus services); that is, those services that are not provided by the market but are judged to be required to fill gaps in the commercially-provided network. A challenge that any authority faces in allocating a limited budget for tendered bus services is in deciding which services to support, as it is highly probable that demand for services from residents and local members will exceed the available budget.

Combined Authorities in England face the same challenge. It was therefore deemed useful to review the methodologies that CAs have developed to allocate their limited budgets in a transparent way that maximises the effectiveness of the services, and therefore the budget, in achieving their transport and wider objectives. The three authorities considered were the Northeast, West Midlands and West Yorkshire CAs and their transport arms Nexus, TfWM and Metro. For comparative purposes, the methodology used by City of Edinburgh Council was also considered.

The total budget for tendered services in each area is as follows:

- Nexus
- TfWM -
- Metro - £19.05 million (2014/15) for a population of 2.2 million
- CEC – £1.17 million (2015/16) for a population of 460,000

Results

A discussion with Nexus revealed that they do not use any formal appraisal mechanism for deciding which services to support. The area is relatively small, highly urban and below the GB average for income per head; in short, it is “good bus territory”. This means that there is a relatively dense commercial network, which gives rise to relatively few demands for supported services to fill gaps in that network. The person interviewed noted that Nexus had protected its tendered services budget in the past few years and that it generally receives few requests for new supported services. On this basis, a formal methodology is not currently required.

All other authorities are not in this situation. They are larger and/or have wealthy and/or rural areas where the commercial network does not provide a sufficient level of service to meet social needs (primarily of people living in those areas with no access to a car). Therefore, each has developed its own transparent methodology to assess whether a service should be retained; or added. In the case of CEC; each service (or proposed service) is scored against the criteria, each of which has a weighting, in order to derive an overall score for each service. In all areas, the main criteria in these methodologies are as follows:

Whether there is an existing commercial service within a reasonable walking distance of the community in question

The default position of Metro and TfWM is that a service should be available that at least links communities to the nearest local centre or transport hub where they can then transfer onto commercial public transport. If there is a commercial service that already does this then there is no case for a tendered service. The definition of reasonable walking distance is given below. A similar consideration is implied in CEC's criteria.

Key destinations and journey purposes

For TfWM the highest priority journey purpose (and therefore highest priority for funding for subsidised services) is access to employment. Metro does not prioritise journey purposes per se. CEC does not prioritise journey purposes or destinations.

If there is a commercial service, its frequency and hours of operation, and where it goes

TfWM and Metro define minimum levels of service that should be met by the network in linking users to the nearest district centre or hub. TfWM in its built-up areas aims for a half hourly daytime service and hourly at other times and in other locations. Metro defines the minimum as hourly. If the commercial network does not meet these minimum standards, there is a case for considering a subsidised service. CEC considers the absence of alternatives to the tendered services, related to walking distance to commercial services.

Walking distances to existing commercial or subsidised services

These are defined by TfWM and Metro, but not CEC. Metro defines a reasonable walking distance to an existing service as 600 metres or 10 minutes' walk for the "majority of households in a community". TfWM defines it as follows:

- Dense urban areas: 400m in the weekday daytime and 700m at other times
- Lower density urban areas: 700m at all times
- Rural areas: 1.5km at all times

If these walking distances are exceeded there is a case for a new service.

In all three cases, reasonable walking distances may be reduced if the area is very hilly and/or has a high proportion of elderly people.

The nature of the population (to be) served

CEC gives additional weight to services serving areas that are poorer, have a higher percentage of elderly people and a higher percentage of non-car owning households than the average. TfWM and Metro do not explicitly mention these criteria but have regard to demographics, particularly age, when assessing reasonable walking distances.

Use of current or proposed tendered service

This is mentioned in all three organisations' documents. CEC do not quantify a minimum viable level of usage, however. TfWM make a distinction between services that provide a one-off link (for example, to and from a hospital once a day) and regular services but for both a demand of fewer than 8 people per trip or hour means a service is not viable; 8-10 is sufficient to justify a link to an interchange; and more than 10 can justify a through service. Metro look only at passengers per hour and here 10 per hour is a trigger at which consideration is given to reducing the service, and 7 per hour may lead to withdrawal. If demand is 24 passengers per hour or more then Metro would expect a commercial service to be provided.

Cost per passenger of current or proposed tendered service

This is only explicitly quantified by Metro. A subsidy of £3 per passenger or more will cause a service to be reviewed for cost reduction; and £4 per head or more will make it liable to be withdrawn.

Summary

All the authorities reviewed aside from Nexus/NECA have a set of criteria for evaluating existing services and requests for new ones. These criteria are broadly similar but the thresholds are defined differently in the different areas. There is room for a certain amount of subjectivity in the assessment of how a service performs against these criteria. Were SESTRAN to have a budget for tendered services across the region, it is recommended that:

- It adopts a set of criteria similar to those reviewed here.
- It sets thresholds for those criteria, and then provides illustrations of how different levels of threshold could affect the likelihood that certain types of service would be funded. For example, different levels of thresholds for walking distances, particularly if they vary between rural and urban areas, would have a significant impact on the proposed distribution of funds for supported services.
- It adopts a final set of thresholds.
- A matrix scoring approach is used to assess existing and new proposals for services.

Places People and Planning Position Statement

1. INTRODUCTION

- 1.1 The Scottish Government on 29 June published its response to the recent Planning consultation in the form of a Position Statement¹ on the 20 proposals for Planning Reform. SEStran responded² to that previous consultation following its March 2017 Board meeting. The Position Statement is subject to consultation until 11 August and a draft response is appended to this paper.

2. NEXT STEPS

- 2.1 The Scottish Government has committed to bring forward a Planning Bill this year. The Bill along with other programmes of work aims to strengthen planning's contribution to inclusive growth and empowering our communities. Considering the wide range of views on the proposals, the position statement describes the key changes that Scottish Ministers are now considering taking forward through the forthcoming Planning Bill, secondary legislation under existing powers, and other, non-statutory approaches. No final decisions have been made on the content of legislation at this stage and the proposed response seeks to augment the March 2017 SEStran response as requested by the consultation.
- 2.2 Scottish Ministers are keen to emphasise that the shared priorities of inclusive growth and community empowerment will continue to underpin this programme of reform. The Enterprise and Skills Review and the emerging review of the National Transport Strategy³ and Strategic Transport Projects Review have helped to shape the proposals.
- 2.3 The Enterprise and Skills Review published several documents and a specific paper on Regional Partnerships in June 2017⁴. SEStran had previously responded in Summer 2016⁵ to the initial consultation. The Phase 2 review stated that Scottish Ministers intend that stakeholders across Scotland, including at regional level, will be given a greater say in influencing the development of transport policy. This will influence the transport system for the whole of Scotland over the next 20 or so years. It will also consider regional transport governance.

¹ https://consult.scotland.gov.uk/planning-architecture/places-people-and-planning-position-statement/user_uploads/sct0617488148-1_places_final--2-.pdf

² http://sestran.gov.uk/wp-content/uploads/2017/03/17_03_17_sestran_planning_consultation_response.pdf

³ <https://www.transport.gov.scot/our-approach/strategy/national-transport-strategy/#37277>

⁴ <http://www.gov.scot/Publications/2017/06/1584>

⁵ https://consult.scotland.gov.uk/enterprise-and-skills/call-for-evidence/consultation/view_respondent?show_all_questions=0&q_text=sestran&uuld=788229653

- 2.4** We have requested clarification from Transport Scotland and they have highlighted that the mechanism for consideration of any changes to RTPs is the National Transport Strategy Review and not the Planning Review or Enterprise and Skills Review. The Partnership Director is representing SCOTS/SEStran and co-chairing the NTS2 Strategic Framework Group and is representing RTPs/SEStran on the Enabling Economic Growth Working Group. Building upon its NTS2 pre-engagement survey⁶, SEStran has responded to the Call for Evidence⁷ for the Research and Evidence Working Group. RTPs collectively are represented on all working groups including the Roles and Responsibilities working group, tasked with reviewing transport governance, co-chaired by Transport Scotland and the Society of Local Authority Chief Executives (SOLACE) Scotland.
- 2.5** The Board should also be aware that discussions around a Model 2 or 3 SEStran following part of an integrated transport and economic development partnership for the South East of Scotland continue, as inferred by the Edinburgh City Regional Deal Head of Terms⁸ published on 20 July. The SEStran Partnership Director has produced, for the constituent councils involved, a scene setting report and contributed to the project brief and committed SEStran officer resources to further development work. This should enable a final report on the December 2016 consultation on Model 3 to be brought back to the Board in December 2017.

3. CONCLUSION / RECOMMENDATIONS

- 3.1** The paper seeks to invite comment from the Board on the current Planning People and Places Position Statement consultation and proposed consultation response for submission by 11 August.
- 3.2** The Board is asked to note the update provided on the Enterprise and Skills Review, Model 3, City Deal discussions and the primacy of the NTS 2 Review in any changes to RTPs.
- 3.3** The Board is asked to note the submission under delegated powers of a response to the NTS2 Research and Evidence Working Group Call for Evidence and that an update paper will be provide to the September Board on progress with the NTS2 Review.

George Eckton
Partnership Director
11th August 2017

⁶ <https://www.transport.gov.scot/media/39243/ntsearlyengagementconsultationsurvey-june-2017.pdf>

⁷ http://www.sestran.gov.uk/wp-content/uploads/2017/07/20170718_SEStran-RTS2-Evidence-1.pdf

⁸ <https://static1.squarespace.com/static/55c87967e4b05aa55020f656/t/5970b329579fb359ca3c1969/1500558123546/Edinburgh+and+Ea+st+of+Scotland+City+Region+Deal+HOTA+-+MASTER+COPY+FINAL....pdf>

Policy Implications	Potential changes to the planning system which could have impacts on other planning systems including transport planning.
Financial Implications	None
Equalities Implications	None
Climate Change Implications	None

Places People and Planning Position Statement - Draft SEStran response

1) Aligning community planning and spatial planning

SEStran welcomes the continuing recognition of the priority for securing greater collaboration and stronger alignment between community and spatial planning. We continue to emphasise the need for spatial planning though to include land-use and transport and labour market amongst other policy areas within that definition. This would recognise the outcomes desired of communities especially around transport which is derived from land-use and economic choices. Therefore, it would be vital that in this greater alignment, land-use planning takes account of the existing plans of community planning partners such as Regional Transport Strategies (RTS) and their associated publications, given the significant impact of origin-destination trips from new housing and other land-uses on regional travel to work/study/service transport networks. This would seem to fit with the recent suggestion of RTPi and TPS members of the need to focus on planning place not planning different sectoral aspects of place⁹

SEStran welcomes the two-way process and it could potentially be helped by a duty to have regard, or stronger, to the new set of Local Outcomes required by the Community Empowerment Act. In relationship to Proposal 4, this 5-yearly timescale could be a clear "trigger" for a review of a new 10 year Local Development Plan, if Scottish Government changed the national set of outcomes and Community Planning Partnerships (CPPs) were subsequently required to review their set of local outcomes. The current consultative proposal for the Local Development Plan to be a focus for the socio-economic duty¹⁰ for planning potentially offers a vehicle for alignment, alongside the recognition of the RTS as a key sectoral strategy.

2) Regional Partnership Working

We welcome the retention of some aspects of regional strategic planning and, as stated previously, we recognise the need for some form of focussed change to existing arrangements. Therefore, we welcome the proposal to retain and strengthen certain aspects of regional planning to enable all regions of Scotland to deliver the inclusive growth agenda for Scotland. It is fundamentally important to SEStran and its constituent councils to retain and strengthen regional planning and associated strategies, within a wider package of transport, land-use, enterprise and skills proposals, managed locally for the widest regional benefit.

We welcome that the proposal for reform, does include provision for strong regional planning where needed and required by local councils and communities. It would seem to strike a balance in terms of not placing Scotland as a whole at a strategic disadvantage to other economies with whom we are competing for inward investment. However, in line with the power to advance well-being in the Local

⁹ <http://rtpi.org.uk/briefing-room/rtpi-blog/can't-we-all-be-place-planners/>

¹⁰ <http://www.gov.scot/Publications/2017/07/8131/downloads#res522478>

Government (Scotland) Act 2003, it would be useful to have the ability to work together and develop strategies, extended to plan preparation where significant development issues arise now and in the future, which would have statutory weight. Making regional plans still possible but discretionary, especially given the statutory requirement for regional transport strategies.

In general, the position proposed by Scottish Ministers points to the potential for a regional perspective on planning and we welcome the view of a need for a clearer relationship between the planning at a regional level for all types of infrastructure and services: physical - large transport projects or cross-boundary transport routes and social - childcare facilities and employability. We would welcome clarity on the proposals outlined in June 2017 for the Enterprise and Skills Review, on how Scottish Ministers intend to give greater input to the business community in terms of governance of regional transport in the context of what is proposed for Strategic Development Planning Authorities. How does this relate to the semi-regulated public appointment process for Regional Transport Partnership (RTP) Boards?

3) Improving national spatial planning and policy

SEStran feel that in terms of regional policy, especially around transport and connectivity issues, there is a need for developing and stating distinctive regional policies and initiatives within the existing regional document i.e. the Regional Transport Strategy (RTS). Whilst, understanding the rationale for reducing duplication, there are unique transport issues for each region of Scotland and for us the continuing need for a strategic and statutory approach to their resolution through a RTS with specific regional policies, reflecting and co-ordinating national, regional and local outcomes.

4) Stronger Local Development Plans

We would welcome the opportunity of being included in new proposals for an early review of a 10 year local plan. This would be to reflect the regional perspective or, as outlined in our response to Proposal 1, to reflect a new national outcome context or as part of a discretionary regional spatial strategy outlined in Proposal 2 or a 4 yearly review of the relevant RTS. However, this level of strategic trigger would provide clear evidence, whilst ensuring certainty to development and the delivery of quality outcomes, for stakeholders and communities. It could also enable the striking of a balance between certainty of delivery and targeted involvement, as only consulting communities once a decade could be seen as proactively focussing on implementation, at the expense of local democracy.

On the issues of examination and gatecheck, it will be critical to look at transport services, routes and capacities at such an intervention to enable prevention of negative outcomes. In a South East of Scotland context, the heavily constrained nature of road and rail networks, the lack of public transport, especially bus, and the

need for greater development of walking and cycling networks at a strategic level, place barriers to further positive outcomes for communities. It will be critical that if the local plan is a decade-long plan that Regional Transport Strategies and Partnerships have a clear gatecheck role in the examination process, to ensure we are Key Agencies in the process as highlighted by the Independent Panel's report.

5) Making plans that deliver

SEStran would support the proposals for enhanced engagement in respect of a site or wider proposal which has not been allocated in the development plan when brought forward as an application. This would seem to seek to address the longer periods between consultation on a decade-long development plan and could also seek to proactively engender the involvement of currently under-represented groups and cement their involvement at times of plan preparation and consultation. We would hope the place standard and #codesign methodologies can be utilised in this enhanced engagement context alongside other participatory approaches.

6) Giving people an opportunity to plan their own place

SEStran welcomes the position that local place plans should be introduced following the outcomes identified in our work with Young Scot, West Lothian Council and Sustrans Scotland on the X-Route report. We also welcome the recognition of the need to ensure that local place plans are used to promote appropriate development rather than as a vehicle to prevent it. It would also be useful to have guidance on how proposals for local place plans would work for those CPP partners who are subject to legislation around participation requests from community groups and it would be helpful if the proposed guidance could address this issue.

7) Getting more people involved in planning

We welcome the proposals to get more people involved in planning and in particular children and young people given our aforementioned X-Route work with Young Scot. We view it as vital that involvement in planning of communities starts earlier given the proposals for local plans to only be subject to once a decade consultation and, as outlined in response to Proposal 5, enhanced engagement proposals could play a critical role in this regard.

8) Improving public trust

SEStran welcome the proposal for provision of feedback to communities following engagement. This will hopefully provide a platform for greater "dialogue" within the planning system and an enhanced two-way conversation. We welcome and recognise the need for all parties in the planning system, including other Key Agencies, to continue to seek to improve our community engagement processes.

9) Keeping decisions local - rights of appeal

SEStran welcomes the proposal for stronger early engagement rather than the introduction of equal or third party rights of appeal and the overall ethos for planning of all forms, to drive inclusive growth across Scotland.

10) Being clear about how much housing land is required

SEStran would welcome the setting of housing figures at a sub-national level which recognises the impact that major land allocations can have on the peak demand on transport networks through the addition of origin-destination trips from major developments. This sub-national context, albeit potentially contained within an enhanced National Planning Framework, would enable the enhanced level of regional working outlined in Proposal 2 and the allocation of housing land in the most relevant market area which does not always align with local development plan boundaries. This would enable a greater sustainable transport response to the planning for delivery of effective housing land in our South East of Scotland context.

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

We welcome the proposal for further guidance on development viability and we would support also recognition, within any viability assessment, of the ability for residents of new homes to make sustainable transport choices from the start of a development and also the opportunities for them to access efficiently existing or new transport services, so that a reduction in car-borne, especially single occupancy vehicle, commuting trips can be achieved. This would be a preventative measure in terms of reducing demand on existing constraints on key points of the South East of Scotland transport network.

12) Releasing more "development ready" land for housing

SEStran would wish to highlight the need to ensure that any large scale zoning of land for housing, needs to ensure it's well served not only by infrastructure but also by services and marketing to ensure sustainable travel choices are embedded from the beginning through the master planning process.

13) Embedding an infrastructure first approach

SEStran welcomes the view of Scottish Ministers that proposals for moving strategic development planning towards regional partnerships for infrastructure governance and co-ordination. The clear identification of the need for transport infrastructure but also service planning for all types of transport is vital as they require strong justification for intervention. The regional perspective also covers inevitable cross

boundary impact. We also welcome Scottish Ministers proposals outlined in the Enterprise and Skills Review for enabling greater private sector involvement in regional transport governance and would welcome further detail on these matters and proposals, in particular how they sit with the mechanisms for non-elected membership of our Board as outlined in Transport (Scotland) Act 2005 and associated regulations and guidance.

14) Creating a fairer and more transparent approach to funding infrastructure

SEStran support the proposal from Scottish Ministers to give further consideration to the options for a levy or charge. We would propose that any work with Scottish Futures Trust, enabling RTPs to feed into the process and see how our current regional Delivery Plan documents required by the Transport (Scotland) Act 2005 could fit within any development contribution frameworks to provide a clear strategic context for levy/charge investment.

15) Innovative Infrastructure Planning

In terms of other proposals emerging from the Climate Change Plan (RPP3), SEStran would also seek to highlight the need for innovative behavioural mechanisms for the use of infrastructure. We have highlighted in our response to RPP3 the need for consideration of charging for parking or road use to manage demand on current transport infrastructure networks. It would be appropriate to consider further actions on how prevention and early intervention could ensure most effective and efficient use of infrastructure planned for delivery in the future and ensure the longevity of existing infrastructure for as long as possible.

16) Developing skills to deliver outcomes

SEStran welcomes the proposal to continue to scope further work on skills development. In terms of developing more effective sharing of expertise in specialisms, RTPs could provide a basis for sharing skills concerning the transport aspects of planning across a wider regional geography. SEStran continues to have discussions with our constituent City Deal partners around the sharing of services for transport and wider interplay with the NTS2, Planning and Enterprise & Skills review.

17) Investing in a better service

SEStran welcome the proposals from Scottish Ministers to ensure better resourcing of the planning service. Hopefully this could be extended to other services such as transport planning where relevant costs are incurred by other public sector bodies such as RTPs.

18) A new approach to improving performance

SEStran would also welcome, alongside the proposal to monitor outcomes such as health and well-being, climate change and carbon emissions, that the impact of accessibility and air quality are also included in a wider outcome performance framework. Could monitoring outcomes also form part of the linkage between community and spatial planning outlined in Proposal 1? We recognise that different local authorities may identify different outcomes to address, but there could be a core set of outcomes identified.

19) Making better use of Resources: efficient decision making

SEStran has no specific comments on this proposal.

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

SEStran supports Scottish Ministers view that digital technologies and other innovations could support greater inclusion in all forms of planning for infrastructure and services. We have recently undertaken a Hackathonⁱ as part of our Social Car EU Horizon 2020 project and would be happy to share the outcomes report with the proposed Digital Task Force if helpful. We are also in discussions with Scottish Roads Research Board and Scottish Enterprise CAN DO challenge fund about bidding for funding for an App that could collate data on infrastructure (road) condition and network pinch points, which could form part of ongoing consultation points for planning of infrastructure and services and a digital dialogue with communities. In this context, we also recognise the need to be continually mindful of current levels of digital exclusion.

SEStran

August 2017.

ⁱ <http://www.sestran.gov.uk/news/transport-games-results/>

Improving Parking in Scotland

1. INTRODUCTION

- 1.1 Since obtaining powers under the Scotland Act 2016, the Scottish Government is undertaking a detailed review of parking in Scotland. The consultation¹ seeks views on how parking laws could be made clearer, what parking restrictions and exemptions should apply, the best approach to managing parking and the location of vehicles in today's town centres, including improving accessibility for all.

2. CONSULTATION

- 2.1 The consultation highlights that in recent years there has been significant and continuing cross-party support for proposals to address the issues of irresponsible parking and to attempt to clarify laws surrounding parking in Scotland. In March 2016, the UK Parliament passed the Scotland Act 2016, which included the devolution of powers that enable the Scottish Parliament to now legislate on parking matters. The consultation also highlights the current duties via the Equality Act for local authorities to consider in aspects of parking policy and shared space provision.
- 2.2 The consultation highlights the current laws on parking, the role of Traffic Regulation Orders, the interplay with the Equality Act and duties in certain aspects, parking on the pavement and other examples of legislative action or regulation. The current enforcement arrangements across Scotland and the split between criminalised and decriminalised enforcement is summarised alongside issues of resourcing and proposals for consistent enforcement across Scotland either via sharing services or national restrictions applied via TROs. The paper then summarises several identified issues through previously tabled legislative proposals: asymmetry in legislation to recognise urban and rural; resourcing of enforcement as well as awareness raising and education and issues of vehicle displacement especially in areas of limited existing capacity.
- 2.3 The consultation paper also provides a summary of matters to be addressed on the enforcement of Disabled Persons' Parking Places around enforcement of existing parking and the reporting of misuse of Blue Badges. There are also proposals set out as to parking and incentives for Ultra-Low Emission Vehicles. There is then several questions around assessing impact and a final question to enable any further comment. A full list of consultation questions is contained in Annex 1.
- 2.4 The SEStran Partnership Director has been involved in the working group to develop the consultation. Comment has previously been submitted about the need to evidence that "irresponsible" parking is a recurring strategic issue across Scotland that would require a national imposed approach to

¹ <https://www.transport.gov.scot/our-approach/industry-guidance/parking/>

enforcement or a recurring local issue differing across Scotland and requiring a flexible local approach beyond on circumstances. We have highlighted that a possible middle ground between a solely national or local approach is a Regional Strategy on Parking across all 7 RTPs which provide an opportunity to take a strategic approach to parking whilst retaining an element of local flexibility married to national consistency.

- 2.5** In terms of education and awareness we have sought to ask Transport Scotland whether the public are clear about their rights and responsibilities currently to enable and promote further behaviour change. We have welcomed in the final consultation, the dropping of the “responsible” aspect of the original proposal, as whether evidence that the public have a reasonable understanding of what is their responsibilities it doesn’t seem appropriate have any level of subjectivity introduced into legislative proposals albeit reasonableness would be prefaced on legal definition, the public might view reasonable parking as somewhat different.
- 2.6** We have previously made comment about the need to be clear that a number of councils don’t cost recover enforcement costs from revenue raised. Some local authorities do but for others there isn’t the economies of scale and it does point to the need to consider a shared service approach on this matter. In terms of equality impact we have raised the need to consider exemptions on a temporary basis for any controlled parking zones for pavement parking, for example, cancer patients. These groups may not be able to walk a distance from a non-controlled zone to their home and need temporary exemptions alongside other groups who have temporal limits to their protected characteristic status e.g. maternity.
- 2.7** In response to the request for final comments prior to issue of the consultation paper. SEStran observed when building on our evidence² to Parliament on the RPP3 the need for an investigation and legislative discussion on the potential introduction of workplace parking charges in Scotland and our representations on this matter as part of the RPP3 process. The response was that there wasn’t a substantive question on the matter to be included in the final document but that respondents could address the matter as part of their consultation under the final “any further comment” question. It is proposed that SEStran continue to advocate for the introduction of the legislative provisions to enable such a regime in Scotland, which were previously removed from the Transport (Scotland) Bill in 2000/01.

3. CONCLUSION / RECOMMENDATIONS

- 3.1** The paper seeks to invite comment on the current Parking consultation from the Board by 18 August ahead of a submission by end of August .

Sophie Pugh
Undergraduate Technical Officer
11th August 2017

² http://www.parliament.scot/S5_Rural/SEStran.pdf

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

Annex 1 – List of Consultation Questions

Q 1. Do you think parking, including on pavement, at dropped kerbs and double parking is a problem in your area?

If yes, how have you, your family or friends been affected by parking problems?

Where did this occur (e.g. type of street or area) and how often?

Legislation

Q 2. Why do you think the motorists may choose to pavement park?

Q 3. Do you think new legislation is needed?

If yes, what areas of the law need to be amended?

Q 4. If a new law is required, should it cover all roads with footways, including private roads that are not adopted by local authorities and trunk roads?

If not, why not?

Q 5. Do you think any new law should apply to all vehicles (e.g. HGVs, vans, taxis, cars, motorbikes, etc.)?

If not, which type of vehicles should the law not apply to?

Q 6. Do you think there should be exemptions applied to allow pavement parking to take place, particularly due to local concerns about access for vehicles and lack of alternative parking provision?

If yes, what should those exemptions be?

If no, why not? (Please be as specific as possible)

Implementation & Enforcement

Q 7. Should there be consistent approach to parking enforcement across Scotland?

If yes, how should this be taken forward?

Q 8. Local authorities in some parts of Scotland have DPE powers and are responsible for parking enforcement. In other areas Police Scotland retains responsibility.

What is your views on rolling out Decriminalised Parking Enforcement regimes across Scotland?

What is your views about the proposal to share services to provide some access to a “traffic warden service” in areas without DPE?

What should Police Scotland's involvement be in future?

Q 9. Currently moving traffic violations are a matter for the police, however, do you think local authorities should be able use CCTV and/or Automatic Number Plate Recognition (ANPR) systems for enforcement of:

parking in areas where safety benefits can be delivered to all road users, around schools for example?

Some moving vehicle contraventions like banned turns?

If not, why not? (Please be as specific as possible)

Traffic Regulation Orders (TROs)

Q 10. Do you think it is a good idea in principle to allow local authorities to exempt specific streets or areas from national restrictions for pavement parking?

If so, what is the best mechanism for doing this (e.g. TRO or other form of local resolution)?

Displacement of vehicles

Q 11. Do you think controlling pavement, dropped kerbs and double parking could have unintended or negative consequences in your area?

If so, what would the effects be?

Who would be affected?

What type of street or area would experience these consequences?

Town Centre Regeneration

Q 12. Do you think controls on parking are likely to increase or reduce the costs and impact on businesses in town centres?

If yes, what should we be doing to reduce any impact on businesses in town centres?

What other arrangements should be considered to deliver parking improvements that help support town centre regeneration?

Disabled Parking Bays

Q 13. Do you think that on-street disabled persons" parking places are being enforced in your area?

If not, how could this be done better?

Do you think members of the public should report misuse where it is observed?

Q 14. Have you witnessed misuse of a disabled persons" parking space?

If so, did you report it?

If not, did anything prevent you from reporting it?

Should disabled persons" parking places be enforceable at all times?

Do you think the level of penalty for misuse of local authority disabled persons" parking space is acceptable?

If not, what level would you consider to be acceptable?

Q 15. Do you think off-street disabled persons" parking spaces, including private car parks, are being enforced in your area?

If not, how could this be done better?

Q 16. What impact do you think disabled persons" parking space misuse has on Blue Badge holders?

Emissions Vehicles

Q 17. Are you supportive of local authorities" trialling or introducing parking incentives (such as discounted, free or preferential parking) for ULEVs?

If yes, what should these incentives be?

If no, why not?

Q 18. Are you supportive of local authorities trialling or introducing specific measures to help people who, live in flats or tenements (with no dedicated-off street parking) charge their vehicles?

If yes, what should these incentives be?

If not, why not?

Q 19. Do you think the use of ULEV-only charging bays should be monitored and enforced by local authorities?

If yes, please say why.

If no, how should they be enforced and who should be responsible for this enforcement?

Assessing Impact

Q 20. Are there any likely impacts the proposals contained within this consultation may have on particular groups of people, with reference to the „protected characteristics" listed above? Please be as specific as possible.

Q 21. Do you think the proposals contained within this consultation may have any additional implications on the safety of children and young people?

If yes, what would these implications be? Please be as specific as possible.

Q 23. Are there any likely impacts the proposals contained in this consultation may have upon the privacy of individuals? Please be as specific as possible.

Q 24. Are there any likely impacts the proposals contained in this consultation may have upon the environment? Please be as specific as possible.

Conclusion

Q 25. Do you have any other comments that you would like to make, relevant to the subject of this consultation that you have not covered in your answers to the previous questions?