



PERFORMANCE & AUDIT COMMITTEE

Meeting Room 3E-95, Victoria Quay, Edinburgh, EH6 6QQ
Friday 8th September 2017 – 10:00am

AGENDA

1. ORDER OF BUSINESS
 2. APOLOGIES
 3. DECLARATIONS OF INTEREST
 4. APPOINTMENT OF CHAIR
Terms of Reference of Committee (pages 64-65 of following link)
<http://www.sestran.gov.uk/wp-content/uploads/2017/08/2017-08-11-Item-6.-Legal-Officers-Report.pdf>
 5. MINUTES OF THE P&A COMMITTEE – FRIDAY 17th FEBRUARY 2017
 6. EXTERNAL AUDIT REPORT – Report by Scott Moncrieff
 7. FINANCE REPORTS – Reports by Iain Shaw/Angela Chambers
(a) Audited Financial Statement of Accounts 2016-17
(b) Public Service Reform (Scotland) Act 2010 (PRSA)
 8. RISK REGISTER – Report by Angela Chambers
 9. POLICY & PROJECTS UPDATE – Report by Keith Fiskien
 10. CYBER RESILIENCE PUBLIC SECTOR ACTION PLAN – Report by Angela Chambers
 11. CODE OF CONDUCT – Report by Andrew Ferguson
- ITEMS LIKELY TO BE CONSIDERED IN PRIVATE IN TERMS OF PART 1 OF SCHEDULE 7A TO THE LOCAL GOVERNMENT (SCOTLAND) ACT 1973**
12. LENGTH OF TENTURE FOR CHAIR/DEPUTY CHAIRS – Report by Andrew Ferguson
 13. GRADING REVIEW – Report by George Eckton
 14. AOCB
 15. DATE OF NEXT MEETING

10:00am on Friday 24th November 2017 in Room 3E-95, Victoria Quay,
Edinburgh, EH6 6QQ

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1st September 2017

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PERFORMANCE & AUDIT COMMITTEE MEETING

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

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

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

N.B.

Action by

1. ORDER OF BUSINESS

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

2. APOLOGIES

Apologies were received from (tbc)

3. DECLARATIONS OF INTERESTS

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

A4 MINUTES

The minutes of the Performance & Audit meeting of Friday 18th November, 2016 were noted and approved as a correct record.

In discussion, it was agreed the minutes should indicate what action had been taken or whether the matter was covered elsewhere on the agenda.

A5 MODEL 3 SESTRAN CONSULTATION UPDATE

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

Decision

The Committee noted the report.

A6 AUDIT REPORTS

(a) External Audit – Introduction

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

(b) External Audit – Audit Plan 2016/17

The Committee expressed concern of the net increase in fees.

Decision

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

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

Decision

The Committee noted the report.

A7 FINANCE REPORTS

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

Decision/

Decision

The Committee:-

- (1) Noted the proposed revenue budget for 2017/18;
- (2) Noted that the Board would be asked to approve the following recommendations at its meeting on 2nd March, 2017:
 - (a) Approve the proposed core revenue and revenue projects budget for 2017/18, as detailed in appendices 1 and 2, and agree that authorisation is given to requisition the individual constituent authorities for amounts as follows:

Clackmannanshire	£ 6,256
East Lothian	£12,553
Edinburgh	£60,763
Falkirk	£19,303
Fife	£44,838
Midlothian	£10,645
Scottish Borders	£13,891
West Lothian	£21,751
Total	£190,000
 - (b) Note that the financial planning for 2018/19 will be developed for consideration in Autumn 2017;
 - (c) Note that the proposed budget is subject to a number of risks and that all income and expenditure of the Board will continue to be monitored closely with updates reported at each Partnership Board.
- (b) **Annual Treasury Strategy** – the Committee considered a report by Hugh Dunn, Treasurer proposing the Investment Strategy for 2017/18

Decision

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

A8 CONSULTATION ON PROPOSED CHANGES TO COUNCILLORS' CODE OF CONDUCT

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

Decision/

Decision

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

A9. RECORDS MANAGEMENT

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

Decision

The Committee noted the contents of the report.

A10 PLACES, PEOPLE AND PLANNING CONSULTATION

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

Decision

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

A11 REVIEW OF FORUMS

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

Decision

The Committee noted the report, and that, since the invitation of the review, a full cycle of forum meetings had taken place. The Committee agreed it would be appropriate to hold over the next round of meetings until after the Council elections in May.

A12/

A12 PROCUREMENT WYG/INEO

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

Decision

The Committee:-

- Noted that on the basis that there was no practical alternative, in view of the short time left until the end of the financial year, the Partnership Director, in consultation with the Chair decided to instruct the necessary additional work;
- Noted that sufficient funding was available from the 2017/18 budget;
- Noted that it was intended to go to the market for any work envisaged to be carried out in year 2017/18 and beyond; and
- Noted the update on discussions with SEStran's legal advisers.

A13 PARTNERSHIP STAFFING UPDATE

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

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

Decision

The Committee noted the update provided and passed on their sympathies to Andrew Dougal's family.

A14 SESTRAN EQUALITY MAINSTREAMING REPORT & EQUALITY OUTCOMES 2017-2021

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

Decision/

Decision

The Committee:-

- (i) Noted and welcomed the draft Equality Mainstreaming Report and Equality Outcomes Report;
- (ii) Recommended both reports for approval to the Partnership Board; and
- (iii) Agreed that, moving forward, the implication boxes that follow each report be amended from race, gender and disability implications to Equalities Implications to cover all protected characteristics as well as cover future implementation of a socio-economic duty

A15 SG CONSULTATION ON GENDER BALANCE ON PUBLIC BOARDS

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

Decision

The Committee:

- (i) Noted on the consultation on the Draft Gender Representation on Public Roads (Scotland) Bill; and
- (ii) Recommended and supported SEStran in signing up to the 5050 by 2020 pledge.

A16 BOARD DIVERSITY SUCCESSION PLAN

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

Decision/

Decision

The Committee:-

- Agreed the Board Diversity Succession Plan agreed that SEStran should commit to a transparent, inclusive and outreaching process of appointment of new Non-Councillor Board members in 2018;
- Agreed to SEStran setting up a transition from a Board Diversity Working Group, to set up a Succession Planning Committee which would meet annually; and
- Noted that the Scottish Government have still to survey members of Public Boards and noted the verbal update given at the meeting..

A17 NON-COUNCILLOR MEMBER BOARD VACANCY UPDATE

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

Decision

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

A18 DRAFT BUSINESS PLAN 2017/18

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

Decision

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

A19 PROJECTS UPDATE/EU UPDATE

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

Decision

The Committee noted the updates provided.

A20/

A20 REVIEW OF THE NATIONAL PERFORMANCE FRAMEWORK'S NATIONAL OUTCOMES

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

Decision

The Committee noted and agreed the proposals in the short survey to inform an initial SEStran response from the Partnership Director

A21 AOCB

A22 DATE OF NEXT MEETING

Decision

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

Public Services Reform (Scotland) Act 2010

1. INTRODUCTION

- 1.1 The Scottish Regional Transport Partnerships are included in the schedule of the Public Services Reform (Scotland) Act 2010. This requires annual publication of certain information and this report advises the Board of the information to be published.

2. DATA TO BE PUBLISHED

2.1 Expenditure

- 2.1.1 Section 31 (1) and (2) require public bodies to publish as soon as is reasonably practical after the end of each financial year a statement of any expenditure they have incurred during that financial year on or in connection with the following matters:

- Public relations
- Overseas travel
- Hospitality and entertainment
- External consultancy
- Payments with a value in excess of £25,000
- Members or employees who received remuneration in excess of £150,00

2.2 SUSTAINABLE ECONOMIC GROWTH

- 2.2.1 Section 32(1)(a) provides that as soon as is reasonably practical 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 promote and increase sustainable growth through the exercise of its functions. As this requires the publication of a statement it is not sufficient simply to refer to other published material such as the annual report.

2.3 EFFICIENCY, EFFECTIVENESS & ECONOMY

- 2.3.1 Section 32(1)(b) provides that as soon as is reasonably practical 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. Again this requires the publication of a free standing statement and it is not sufficient simply to refer to other published material such as the annual report.

- 2.4 The data as described in sections 2.1 to 2.3 of this report is included in appendix 1 of this report and will be published on the SEStran web site

in accordance with the requirements of the Act. Last year's statement is available on the websiteⁱ for comparison between 2016 to 2017. We spent £35,000 less on public relations. This is due to not publishing the RTS in 2017 reporting period. We have spent slightly more on European travel given an increased number of projects but spent less on hospitality and consultants in 2017. We have a number of individual and collective payments over £25,000 to contractors similar to 2016 and those are detailed in the 2017 report for transparency.

3. RECOMMENDATION

- 3.1 The Board is asked to note the content of the material for publication under the Public Services Reform (Scotland) Act 2010 and detailed in appendix 1 of this report and to agree that the relevant separate statements will be published on the SEStran web site.

Angela Chambers
Business Manager
September 2017

Appendix 1 – Statement of Compliance with the Public Services Reform (Scotland) Act 2010

Policy Implications	None
Financial Implications	As detailed in appendix 1.
Equalities Implications	None
Climate Change Implications	None

ⁱ http://www.sestran.gov.uk/wp-content/uploads/2017/01/SEStran_Statement_of_Compliance_2016_PSRA.pdf

Statements of Compliance with the Public Services Reform (Scotland) Act 2010

1. BACKGROUND

- 1.1 Sections 31 and 32 of the Public Services Reform (Scotland) Act 2010 (“the Act”) impose duties on Scottish public bodies to publish information on expenditure and certain other matters as soon as is reasonably practicable after the end of each financial year. This statement is produced by the South East of Scotland Transport Partnership (SEStran) to ensure compliance with the requirements of the Act.
- 1.2 We work hard to be a transparent, responsive, best value organisation and to deliver our vision for the transport network of South East of Scotland as outlined in our statutory Regional Transport Strategy.
- 1.3 The vision of SEStran is for a regional transport system that:
“Provides all citizens of South East Scotland with a genuine choice of transport which fulfils their needs and provides travel opportunities for work and leisure on a sustainable basis.”
- 1.4 Our annual report and accounts for 2016/17 set out the impact of our work and the outcomes we achieved, together with our associated costs. This is laid before the Partnership Board of SEStran in September 2017. The purpose of this statement is to disclose those costs which are relevant to Section 31(1) and (2) of the Act.

2. PUBLIC RELATIONS

- 2.1 We spent £50,076 on public relations in 2016/17. This is 3% of our total expenditure in the year. The costs included radio advertising campaigns, a new website, design, printing and publication of documents, including our annual reports, other documents and Business Plan 2017/18.
- 2.2 In 2016/17 SEStran invested in further promotion of its Real Time Passenger Information (RTPI) system and the Thistle Assistance Card and App through a radio advertising campaign, broadcast on Radio Forth. This was to encourage more people to travel by public transport.
- 2.3 SEStran also launched a brand-new website, which provides a focussed and easier to navigate platform which is more accessible to stakeholders and the public.

3. OVERSEAS TRAVEL

- 3.1 We incurred expenditure of £6,590 on overseas travel in 2016/17. This is the equivalent of 0.4% of our total expenditure. This travel is in relation to European

projects that SEStran is involved in and is therefore subsidised by the EU at percentages varying from 50% to 100%.

4. HOSPITALITY & ENTERTAINMENT

4.1 We incurred expenditure of £279 on hospitality in 2016/17. No expenditure was incurred on benefits, sporting or cultural events.

5. EXTERNAL CONSULTANCY

5.1 We incurred expenditure of £183,568 on external consultancy. This is the equivalent of 11.7% of our total expenditure. We commissioned a range of projects and employed Lindean Partnership Ltd, WYG, Coachline, Systra, Napier University, X Design, Product Forge and Onestop IT Solutions.

6. PAYMENTS IN EXCESS OF £25,000

6.1 Section 31(3) of the Act places a duty on public bodies to publish the amount, date, payee and subject matter of any payment made during the financial year which has a value in excess of £25,000.

6.2 SEStran made the following payments over £25,000

Payee	Subject Matter	Invoice Date	Gross Amount
Ineo Systrans	RTPI Maintenance	19/04/2016	£67,692
Ineo Systrans	RTPI Maintenance	15/11/2016	£67,692
Ineo Systrans	RTPI Maintenance	15/11/2016	£67,692
Ineo Systrans	RTPI Maintenance	23/02/2017	£67,693
Trapeze	Routewise Support	21/03/2017	£52,805
Ticketeer	RTPI Expansion	30/03/2016	£71,356

6.3 All RTPI payments were in relation to ongoing work to the Real Time Passenger Information project that SEStran operates and Ticketeer has provided additional equipment for the system.

6.4 Trapeze provides a system for partner authorities to input bus service data into Traveline and is operated on a regional basis, by SEStran, thus saving money for the individual authorities.

6.5 Throughout 2016/17 SEStran paid certain consultants in excess of £25,000 over several payments. These are listed below:

Supplier	Subject Matter	Total Amount
Ineo Systrans	RTPI	£225,641
WYG Group	RTPI	£49,647
Coachline	One Ticket	£46,903
Onestop IT	IT Support	£33,878

7. MEMBERS OR EMPLOYEES WHO RECEIVE REMUNERATION IN EXCESS OF £150,000

- 7.1 Section 31(4) of the Act places a duty on public bodies to publish the number of individuals who received remuneration in excess of £150,000.
- 7.2 No employee, office holder or other individual involved with SEStran received remuneration in excess of £150,000 during 2015/16.

8. SUSTAINABLE ECONOMIC GROWTH

- 8.1 Section 32(1)(a) of the Act places a duty on public bodies to publish a statement of the steps it has taken during the financial year to promote and increase sustainable growth through the exercise of its functions.
- 8.2 SEStran is a statutory body, under the Transport (Scotland) Act 2005 and is tasked with producing a Regional Transport Strategy for South East Scotland.
- 8.3 The following statement sets out the steps that SEStran has taken in 2016/17 to promote and increase sustainable economic growth in the exercise of its functions. Further information on this and our work is contained in our Audited Annual Accounts and Annual Report for 2016/17.
- 8.4 In delivering against our published priorities in the revised Regional Transport Strategy, we contributed to the Scottish Government's overall objectives and National Outcomes. During 2016/17 our work contributed to:
- Reducing the number of commuter journeys by single occupancy vehicles within the South East of Scotland
 - Minimising the overall need for travel; overall by car
 - 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, particularly by rail and other off-road modes
 - Enhancing real time passenger information available for bus services in both urban and rural areas
- 8.5 SEStran has taken several steps to meet its duties under the Equalities Act, including publishing a brand-new set of Equalities Outcomes. Further measures taken to contribute to an inclusion growth vision for example signing

of the Diversity and Inclusion CIHT Charter, and becoming a Disability Confident Committed Employer. We have also appointed Board Observers from Changing the Chemistry and our Equalities Forum to increase participation of under-represented groups in public life.

9. EFFICIENCY, EFFECTIVENESS AND ECONOMY

- 9.1 Section 32(1)(a) of the Act requires public bodies to publish a statement of the steps taken to improve efficiency, effectiveness and economy in the exercise of their functions.
- 9.2 The following statement sets out the steps that South-East of Scotland Regional Transport Partnership (SEStran) has taken in 2016-17 to improve its efficiency, effectiveness and economy in the exercise of its functions.
- 9.3 Supporting the principles of public sector reform, SEStran is aware of the overall need to ensure the delivery of public services as efficiently and effectively as possible.
- 9.4 In relation to the Scottish Government's National Outcome 16: *Our public services are high quality, continually improving, efficient and responsive to local people's needs*, we are committed to delivering services that are high quality, continually improving, efficient and responsive.
- 9.5 We receive from our constituent council members in total £190,000.
- 9.6 In 2015/16 a grant of £782,000 was received from the Scottish Government. We spent 97% of our £1.62m budget.
- 9.7 In 2016/17 SEStran were involved with several European projects as follows:
- Social Car
 - Share-North
 - CHUMS
 - Regio-Mob
- 9.8 We received £78,691 from the EU in relation to these projects.
- 9.9 Over the last year, we have continued to deliver best value for our members and funders. In 2016/17 we upgraded the IT system and hardware, utilising Scottish Government Framework Contracts, which resulted in a significant saving in comparison to purchasing independently. The old hardware was securely wiped and recycled through Re-Tek UK Ltd at a fraction of previous disposal costs. Further savings have been recognised through reduced print/copier costs by again using SG contracts and we have ended the use of our off-site storage facility, delivering an annual saving of £5-6k.
- 9.10 We have made use of the Public Contracts Scotland portal, taking advantage of efficiencies associated with e-procurement, to procure a support service for our RTPi Digital Display Screen initiative. It is our intention in future to use available frameworks and PCS for procurement.

- 9.11 Two policies have been implemented which further contribute to providing best value, these are a Purchase Card Rules and Procedures policy and a Travel and Subsistence Policy, which provides a clear set of procedures to deliver reduced savings on travel expenditure and subsistence.
- 9.10 In the current economic climate, and with reduced resources, we will continue to work with all involved in regional transport to ensure effective delivery of strategy, policy and projects that deliver the vision for the transport network of the South East of Scotland.

Risk Register Review

1. INTRODUCTION

- 1.1 The purpose of this paper is to provide the Committee with an overview of SEStran's Risk Management Framework and report the results of an internal review carried out over the summer.

2. BACKGROUND

- 2.1 SEStran has employed its Risk Register to record, report and evaluate risks within the organisation since 2008. Risks are reviewed regularly, by the relevant staff and reported to the Performance and Audit Committee bi-annually.
- 2.2 The scope and format of the risk management framework has in strategic terms served the organisation well and provided a platform for scrutiny of key operational and strategic risks. However, as the new Local Government elections were approaching it was deemed a suitable time to review the framework and at its meeting on the 18th November 2017, the Committee agreed to providing Officers' with a mandate to review arrangements and make their recommendations to the newly constituted Committee.

3. REVIEW

- 3.1 A detailed review of the existing risk register has been undertaken and Officers' agreed that the risk register had served its purpose and would benefit from being updated. The register was a hybrid of a previous version, which originated from a software system called Magique. A copy of the register can be provided for reference at the meeting. This system was procured when SEStran held capital budget for the region and there were a varied number of key risks to consider. It was fit for purpose at that time but was deemed overly complex when the budget allocation changed.
- 3.2 The format of the new risk register has been simplified, see draft Appendix 1 but will still hold the appropriate and valid content required. Rationalising the risk register, compared to the previous longer version, makes it easier to read, which is helpful in identifying and mitigating risks meaningfully. The content held in a risk register is highly important and should reflect what happens in the workplace, with a focus towards linking in the potential risks to the business plan. Doing this allows SEStran to stay on track and monitor progress. Using the business plan as a basis for the risk register enables SEStran to keep the risks relevant and focussed.

4. RECOMMENDATIONS

- 4.1 The Committee are asked to:
- agree that the current Risk Register is no longer fit for purpose;
 - comment on the newly designed Risk Register template.
 - suggest any further risks relevant to the current draft of a new corporate Risk Register for SEStran, which seeks to focus on key risks in line with current best practice.
 - Note that a Risk Report will be brought to the November meeting of the Performance & Audit Committee

Angela Chambers
Business Manager
September 2017

Policy Implications	N/A
Financial Implications	N/A
Equalities Implications	N/A
Climate Change Implications	N/A

Appendix 1 – Proposed new format for Risk Report

Appendix 1

Risk	At Risk	Current Risk Assessment			Planned Response/Mitigation	Risk After Mitigation	Date and Owner		
		Probability	Impact	Risk Score					
Policy Appraisal: Not undertaken for a project of significant scale - Poor Quality - Lack of consultation	Physical	2	Unlikely	4	Major	8	Medium Risk	<i>Project Initiation Plans, Board Approval for new projects and impact assessment required for major projects.</i>	Partnership Director
Project Appraisal and Delivery: Incomplete or of poor quality Late Delivery	Reputational	5	Highly Probable	5	Catastrophic	25	High Risk	<i>Monthly monitoring and management intervention by the project officer, and overseen by the Head of Programmes</i>	The risk is now... July 2017 Head of Programmes
Digital/IT: Server failure - Comms failure e.g. phones - RTPI - website	People	2	Unlikely	4	Major	8	Medium Risk	SEStran has an up to date Management Plan for Business Continuity, clearly available in the office and remotely. Wesbite has a maintenance contract as does RTPI system, which	Business Manager
Reputation: Project failure Media hacked and inappropriate comments Lack of brand awareness	Reputational	3	Possible	4	Major	12	Medium Risk	<i>Social media passwords are high security; focussed brand enhancement work is undertaken, project as regularly monitored via</i>	The risk is now... 1/1/2001 SEStran
Statutory Duties: - Fail to comply with statutory duties and legally challenged Impact on accounts and statement of governance	Legal and Regulatory	2	Unlikely	5	Catastrophic	10	Medium Risk	<i>Monthly monitoring and management intervention by the project officer, and overseen by the Partnership Director. We have a published</i>	The risk is now... September 2017 Partnership Director

Appendix 1

Financial:

Significant deviation from budgeted spend

Financial

1

Remote

2

Minor

2

Low Risk

Budget and spend monitored by CEC Accountants, in dialogue with SEStran. CEC reports to PPerformance and Audit Committee & Board,

The risk is now....

September 2017
Partnership Director

HR:

- Pension Liabilities
- Redundancy Contingency
- Inappropriate Behaviour
- Staffing/Incapacity

People

2

Unlikely

5

Catastrophic

10

Medium Risk

HR policies and proceasures have a regular review cycle, policy training and code of conduct are given to all members at indcution, staffing levels and workload are monitored by senior

The risk is now....

July 2017
Partnership Director

Other/Misc:

Regional Transport Strategy is not implemented

Regi

Strategic

4

Probable

5

Catastrophic

20

High Risk

Regular monitoring being developed, lobbying for funding, inputs to NTS2 and STPR

High Risk

Partnership Director

Removal of SEStran/RTPs

Governance

1

Remote

1

Insignificant

1

Low Risk

Lobbying for RTPs through NTS2

The risk is now....

1/1/2001
SEStran

Governance

4

Probable

5

Catastrophic

20

High Risk

1

Remote

1

Insignificant

1

Low Risk

Appendix 1

Policy & Projects Update

1. INTRODUCTION

- 1.1** The report provides the Board with an update on the Scottish Government's programme and approach to the comprehensive review of the National Transport Strategy ("NTS2") and on SEStran's progress on awarding the "FAST" grant.

2. Overview of the NTS Review

2.1 Background

- 2.1.1** In August 2016, the Minister announced that the National Transport Strategy (NTS) will be subject to a comprehensive review to develop a successor strategy, one that sets out a compelling vision for transport over the next 20 years.
- 2.1.2** This collaborative approach involves a wide variety of internal and external stakeholders, who will meet regularly over the next two years to develop the successor NTS with Transport Scotland (TS) through their working groups and partnership forums.
- 2.1.3** The approach to the NTS Review is focused on the key elements of collaborative working with partners, developing a robust evidence base and engaging with stakeholders and citizens across Scotland.
- 2.1.4** Transport Scotland will also deliver a wide programme of engagement across Scotland to ensure that transport users also have an opportunity to feed into the NTS process.
- 2.1.5** The NTS Review will work towards a formal public consultation on a draft strategy in early 2019 with a view to publishing the successor strategy in July 2019.

3 Scope

3.1 In Scope

- 3.1.1** The main aim of the NTS Review will be to build upon NTS 2006 and the refreshed NTS 2016 to produce and publish 'NTS2', setting the strategic direction for transport in Scotland over the next twenty years.

- 3.1.2 The scope of the review will include transport connectivity within Scotland, with the UK, and internationally. It is recognised that transport links within Scotland play a key part in attracting inward investment to Scotland.
- 3.1.3 The review will set out the evidence base for future transport needs including identifying consistent or different needs between rural, coastal, islands, city, and urban areas.
- 3.1.4 It will make recommendations on transport governance delivering on the recommendations in the NTS Refresh that a full review should set out roles and responsibilities and propose modification if appropriate.
- 3.1.5 The scope of the review will also address specific issues and opportunities in the context of NTS including;
- climate change;
 - Integration;
 - air quality;
 - resilience;
 - congestion;
 - reducing inequality and increasing accessibility;
 - Sustainable and inclusive economic growth;
 - Innovation;
 - Behavioural change; and
 - Identifying 'game-changing' events or technologies.
- 3.1.6 To support the overarching Scottish Government requirement for sustainable, inclusive economic growth, the review will also be aligned with concurrent cross-cutting Scottish Government policies.

3.2 Out of Scope

- 3.2.1 The NTS Review will inform the review of the Strategic Transport Projects Review (STPR), helping to identify future spending priorities on infrastructure, and will set a strategic direction for possible spending priorities in other, non-infrastructure, areas of importance. However, the NTS Review will not set a funding framework (that being determined by the Spending Review Process) nor will it identify specific infrastructure priorities. This latter will be done by the review of STPR.
- 3.2.2 The review will aim to be self-contained and will not therefore be accompanied by any 'sister documents' e.g. a Freight Strategy, Rail Strategy etc. Existing long-term strategies (e.g. Ferries Plan) will not be revisited, but any modal strategy developed after NTS2 would be expected to reflect the updated national strategy.

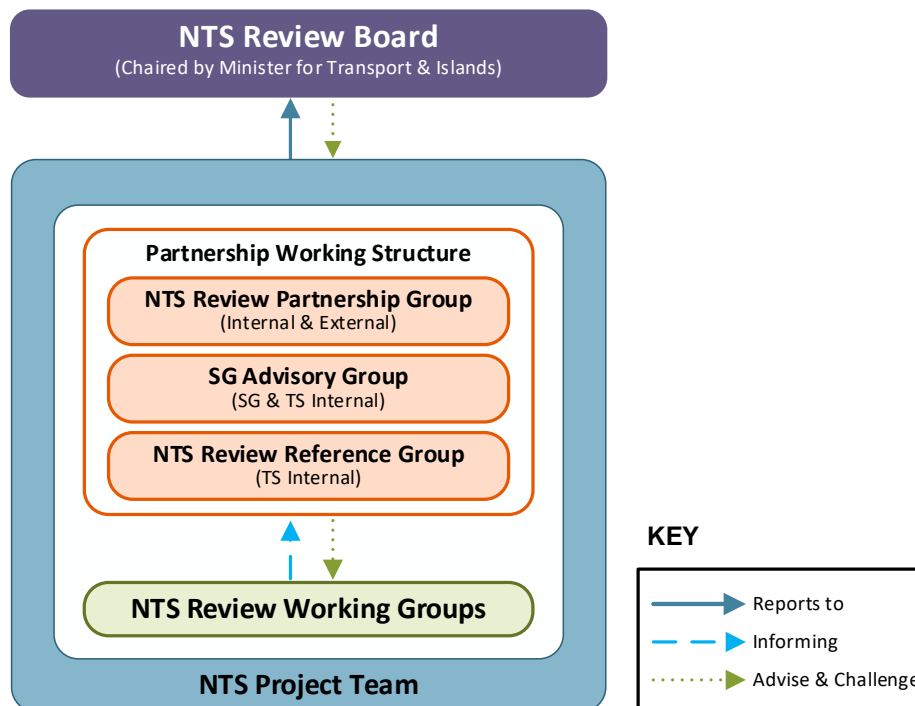
3.2.3 The review will reflect the current and emerging position regarding reserved and devolved powers, but will not set out to make a case for further devolution of powers for transport unless it is subsequently identified that additional powers would help deliver the NTS2's updated vision and strategic outcomes.

3.2.4 It is important that the review retains a strategic perspective, and does not function as a 'catch all/cure all' for every transport issue.

4. Structure of the NTS Review

4.1 The structure of the NTS Review has been summarised in the diagram below:

4.2



4.3 The **Review Board** is the main overarching governance body for the conduct of the NTS Review and is chaired by the Minister for Transport and Islands.

The Board will consist of key senior stakeholders who will provide strategic advice, guidance and address challenges over the course of the NTS Review.

4.4 The **Partnership Group** is a strategic stakeholder group co-chaired by Transport Scotland and CoSLA.

4.5 The **Advisory Group** is an internal forum which convenes internal policy leads from across the Scottish Government to help manage policy interdependencies between the NTS Review and wider Scottish Government policy (e.g. Digital, Planning, Climate Change)

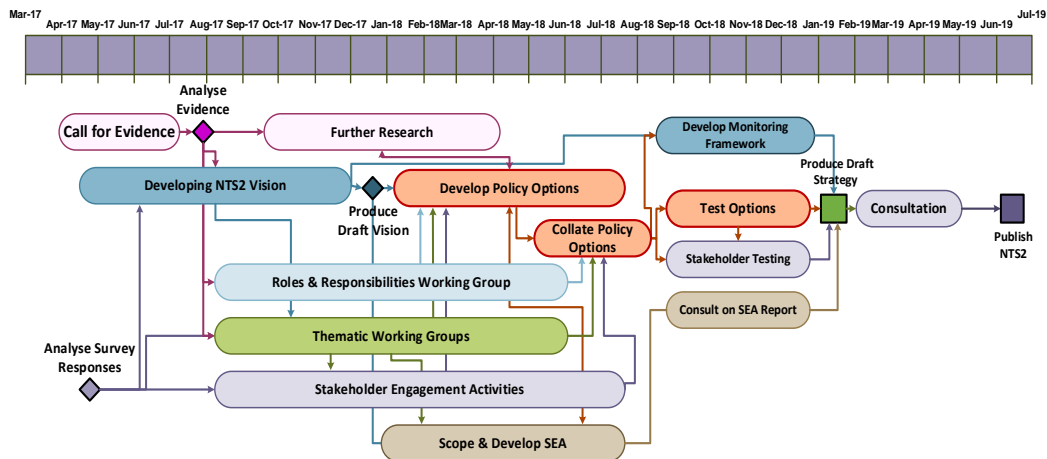
4.6 The **Reference Group** is an internal Transport Scotland group which provides an opportunity for transport policy officials to feed into the NTS Review at regular intervals.

4.7 Three **Functional** groups will deliver the fundamental building blocks for the review process i.e. research and evidence, the strategic framework review, and the review of transport roles and responsibilities. They are: **Research & Evidence, Strategic Framework and Transport Roles & Responsibilities.**

Four **Thematic** groups will address wider facets of the review such as inclusive economic growth, inequality, climate change and safety. The groups are: **Greener & Healthier, Enabling Economic Growth, Tackling Inequality and Delivering Safe & Resilient Transport.**

Working Groups will be able to change their membership as required but overall numbers should be kept at a manageable level. Guest speakers can also be invited to deliver presentations on subjects relevant to the group’s discussion.

TS have produced the following programme for the review, detailing how all of the various groups will interact, when meetings, consultation and analyses will take place and indicating that the work will be complete by July 2019.



4.8 SEStran’s Chair, Councillor Gordon Edgar, is the RTP representative on the top level Review Board with the Minister for Transport and the Islands and SEStran is further represented on the Thematic Group - Enabling Economic Growth.

5. Progress on the Forth Active Sustainable Travel “FAST” Grant

5.1 Background

- 5.1.1 In June 2017 SEStran announced a potential new funding opportunity in the sustainable and active travel sphere, that could deliver £200,000 of funding to the successful applicants(s).
- 5.1.2 The FAST Grant supports active and sustainable travel projects across the SEStran region and was made available on a competitive basis to organisations applying.
- 5.1.3 Applications were open to public bodies, commercial organisations, academic organisations and representatives from the third sector, with the aim of capturing as much interest as possible and encouraging a broad diversity of potential projects.
- 5.1.4 The grant is primarily aimed at delivering projects that improve sustainable and active travel opportunities for communities within the SEStran region.
- 5.1.5 The focus of this call was for projects that can start and finish in the SEStran financial year 2017/18.

5.2 Application Process

- 5.2.1 Expressions of Interest (EOI) were invited to be submitted by 30th June 2017 consisting of a brief 300-word outline of the proposed project.
- 5.2.2 36 EOIs were received in total and were assessed by the SEStran assessment panel. From these 36 EOIs full applications were invited from nine bidders.
- 5.2.3 Applications were received by the 17th of August with the full applications again assessed by the SEStran assessment panel. Two applications were rejected and seven projects were successful.
- 5.2.4 Projects must be substantially complete by March 31st 2018 to receive grant payment.
- 5.2.5 See attached application form in Appendix 1 for details of the assessment criteria.

5.3 Project Awards

- 5.3.1 A combined award of £183,500 will be used to develop a regional e-bike sharing scheme with 4 principles partners:
- St. Andrews Uni Eden Campus: E Bike Park and Pedal
 - NHS Forth Valley E Bike Sharing
 - Napier University E Cycle Shared Bicycle Project
 - Bike Plus, as well as expanding the reach of the e bike scheme across the region, will help SEStran with project management and delivery.

A further 3 projects were awarded as follows:

- Falkirk Council Love to Ride: Central Scotland Cycle September £17,288
- Queen Margret University Travel Planning works at QMU £10,640
- Midlothian Council Smarter Choices Smarter Places £25,000

5.4 Sustrans Projects

5.4.1 As in previous years, Sustrans Scotland have provided SEStran with £100,000 from their Community Links funding to be used on active travel infrastructure projects in the SEStran region. This financial year the fund was included in the FAST Grant application process. Three applications from the FAST Grant were eligible for Sustrans funding.

5.4.2 Project Awards

- East Lothian Council: Future proofing Musselburgh’s sustainable transport links study - £50,000
- Edinburgh bioQuarter partners: Detailed and preliminary design of active travel corridor to Edinburgh bioQuarter - £30,000
- Musselburgh Area Partnership: Surface upgrade of ‘the drift’ path - £38,200

N.B. The total awarded is higher than the £100,000 allocation. The extra funding will also come from Sustrans.

6. Recommendations

6.1 The Board is asked to note the contents of the report.

Jim Grieve
Head of Programmes
 29th August 2017

Policy Implications	The outturn of the NTS review will clearly impact on the RTS, which the Board has previously now requires to be re-drafted.
Financial Implications	As described in the report
Equalities Implications	None
Climate Change Implications	None



Forth Active & Sustainable Travel Grant

First Call for Applications 2017/18

Guidance for Submissions

Introduction

The FAST Grant supports active and sustainable travel projects across the SEStran region and is available on a competitive basis to organisations invited to apply.

The grant is primarily aimed at delivering projects that improve sustainable and active travel opportunities for communities within the SEStran region. The application and assessment process aims to create a pipeline of projects with the potential for funding and provide feedback for projects to be further developed.

The focus of this call is for projects that can start and finish in the SEStran financial year 2017/18 (April to March)

Project Geography

The proposed project must be delivered in the SEStran area encompassing our eight local authorities: City of Edinburgh, Clackmannanshire, East Lothian, Falkirk, Fife, Midlothian, Scottish Borders and West Lothian.

Application Details

Please keep your responses short and concise – Use bullet points. Be clear on what the project will deliver using the FAST Grant. Please ensure you provide responses to each of the following headings.

- Outline of why this project is being undertaken and how it has evolved
- Timescales, objectives, target groups, geographical coverage, partnership, community involvement, Economic, social and physical regeneration outcomes
- Any other financial contributions, such as match funding, and the potential for wider regional impact
- Wider sustainable/active travel activity - please describe how this project will contribute to wider plans and its strategic importance.

Further Information - Assessment of bids

All applications will be considered by the Forth Active Sustainable Travel Grant Panel. Projects will be initially assessed against the basic eligibility criteria and focus of the Grant.

Additional Criteria: In summary, these will be:

Viability

Projects MUST be delivered by March 31st 2018 and the work must be completed by this date in order to receive grant payment.

Match funding (15%)

Demonstration of funding commitment from other sources (within their own organisation wherever possible). This can include staff time.

Community involvement and partnership (15%)

Demonstration that the project has or will encompass a degree of community involvement, whether support from the community for the project to go ahead, local community representatives being involved and inputting into the project proposal or involvement of the community in the delivery or roll out of the project. Where the Local Authority is not lead applicant, have they been consulted prior to your bid?

Project Outcomes – physical, economic and social (30%)

Demonstration of the physical, economic and social outcomes which the project would achieve if the bid was successful. Physical outcomes could take the form of land remediation and enabling infrastructure. This is then followed by economic and social outcomes, where for instance economic outcomes may include demonstration that a project will bring economic benefit (in terms of investment or employment opportunities) and social outcomes may include demonstration that the project will enhance social cohesion, community wellbeing or safety.

Sustainable and Active Travel Focus (40%)

Demonstrates that the project delivers benefit to the community and improves access to or increased participation in cycling, walking and/or reduces the reliance on car journeys.

Other Requirements and Deliverables During and Post Project

- A comprehensive project report and presentation will be required.
- Case Study should be produced.
- Monthly updates including budget and timeline to SEStran. Parameters and mechanism will be determined at project kick-off meeting.
- Appropriate brand guidelines and visibility will be agreed with SEStran.
- Use of the project for submission to other parties, awards, publicity and marketing to be agreed by both parties.

Feedback

All applicants will receive notification on whether projects have been successful as soon as possible following a meeting of the FAST Grant awards panel, which is anticipated to be in August 2017.

Legal Requirements

Procurement, State Aid, Environmental Impact, Equalities Impact Assessment, Planning Permission, and other assessments as appropriate for projects

All projects will need to comply with all relevant legislation relating to the implementation of projects. Further information may be required from applicant organisations potentially prior to any offer of grant being issued.

Deadline for submission of applications: 7th August 2017 (Close of business)



2017/18 Forth Active Sustainable Travel (FAST) Grant Application

Name of Organisation:

Description of Organisation (roles, responsibilities, area of operation):

Is a partner organisation involved? Yes/No

If 'yes' please give details.

Key Contact (name, phone, e-mail)

Website/Twitter

Project Name:

Project Outline (please describe the projects scope no more than one page):

Further Information

1. Is this a new project? (Yes/No) If 'No' please provide details of past work.
2. Main Objectives: How does the project address infrastructure development and/or behavioural change to increase the levels of walking and cycling across the region? (No more than one page A4)
3. Project Outcomes/Outputs: What will be delivered and how will this improve the active and sustainable travel environment within the region? (No more than one page A4)
4. Additional funding – what, if any, additional funding has been secured to deliver the project? Note – this can be in the form of resource allocation to help reduce costs.
5. Post Project – what if any future applications or expansion of the work undertaken may be possible or planned? (No more than half page A4)
6. Budget (detail breakdown of costs)
7. Timeline

Please include images and designs where possible to help 'bring' your concept to life.

Notes:

Link to SEStran RTS: <http://www.sestran.gov.uk/info/about-sestran/>

Cyber Resilience: Draft Public Sector Action Plan and Best Practice Guidelines
– Request for Comment

1. BACKGROUND

- 1.1 On 1st August 2017, the Deputy First Minister, John Swinney MSP, wrote to the Chief Executives of all Scottish public service bodies, in his capacity as the Scottish Minister responsible for strategic security and resilience capability, seeking comments on the Scottish Government's Draft Public Sector Action Plan and Best Practice Guidelines on cyber resilience.
- 1.2 The global cyber-attack on 12th May 2017 which affected more than 150 countries worldwide and had a high profile impact on some NHS services in Scotland, underlined the potential seriousness of the cyber threat.
- 1.3 The new General Data Protection Regulation, will introduce significant new fines for personal data breaches from May 2018 which reinforces the key role that cyber security has in underpinning digital public services that handle personal data.

2. DRAFT PUBLIC SECTOR ACTION PLAN

- 2.1 The draft action plan has been produced by the National Cyber Resilience Leaders' Board and its cross-public sector sub-group (CROPS) in partnership with the Scottish Government. It sets out the proposed key actions that the Scottish Government and its partners will take during 2017-18 to help ensure a common approach to achieving higher standards of cyber resilience amongst Scotland's public sector organisations.
- 2.2 In summary, the draft action plan proposes that Scottish public sector organisations implement, as a minimum, a number of common baseline cyber security standards, as well as adhering to best practice guidelines on a risk-based and proportionate basis by March 2018.
- 2.3 The Scottish Government has made clear that the public sector must lead by example on cyber resilience and it should not be seen as being optional but viewed as fundamental to delivering organisational objectives. It is expected that all Scottish public bodies will work towards implementing the action plan and best practice guidelines, as soon as possible.
- 2.4 The Scottish Government will consider how it will support organisations and has indicated that it may make provision for providing practical support, in the form of e-learning packages and walk-through exercises. It will consider whether additional support should be made available to smaller public bodies. This will be determined on the basis of responses to the action plan.

- 2.5 Scottish public bodies subject to the Scottish Public Finance Manual (which will be updated in line with the action plan) will be required to implement the measures on a risk based, proportionate basis, in order to comply with their duties under the manual.
- 2.6 SEStran is one of a number of organisations who are not subject to the Scottish Public Finance Manual. However, the Scottish Government has indicated that it will work closely with such bodies to establish a common approach to implementation, again on a risk based, proportionate basis.

3. KEY ACTIONS 2017-18

- 3.1 The objectives of the action plan are to ensure that baseline levels of cyber security in Scottish public bodies and their supply chains are met and the key actions are:

Key action 1: The Scottish Government will work with Scottish public bodies to ensure they (i) have in place, as a minimum, baseline levels of cyber security within their organisations, and (ii) achieve appropriate accreditation to provide assurance that these standards are being met by end March 2018.

Key action 2: The Scottish Government will work with Scottish public bodies to ensure they are aware of, and can make appropriate use of, services available under the National Cyber Security Centre's Active Cyber Defence (ACD) Programme.

Key action 3: To promote greater awareness of cyber threat intelligence across the Scottish public sector, the Scottish Government will work with Scottish public bodies who are responsible for managing their own networks to ensure they become active participants in the Cyber Security Information Sharing Partnership (CiSP) by the end of March 2018.

Key action 4: The Scottish Government will work with Scottish public bodies to ensure they minimise the supply chain risks to their own cyber security. This will be achieved by developing a proportionate, risk-based policy in respect of supply chain cyber security, including requirements for suppliers under some contracts to achieve appropriate accreditation, which will then be applied in all relevant procurement processes. These requirements will be set out in a Scottish Procurement Policy Note (SPPN) to be published by end 2017.

Public bodies to whom Scottish Procurement Policy Notes does not apply directly will be encouraged to adopt policies in line with these requirements.

Key action 5: The Scottish Government will work with Scottish public bodies to ensure they provide assurance they are meeting their responsibilities in respect of staff training, awareness-raising and disciplinary processes with regard to cyber resilience. Public bodies will be signposted to existing learning resources, and consideration will be given to the provision of additional practical resources.

Key action 6: Informed by the advice of the National Cyber Resilience Leaders' Board, the Scottish Government will publish best practice guidelines for Scottish public bodies that make clear the practice they should be adhering to, on a risk-based and proportionate basis, in order to achieve appropriate standards of cyber resilience. These guidelines will be finalised by end October 2017.

Key action 7: The Scottish Government will introduce a Public Sector Cyber Catalyst scheme, under which Chief Executives of key Scottish public bodies will be invited to agree that their organisations will take forward work to implement best practice in respect of cyber resilience. The Scottish Government will itself become a Public Sector Cyber Catalyst. Appropriate support will be made available to the public sector cyber catalyst programme to help drive this work forward.

Key action 8: The Scottish Government and the Public Sector Cyber Catalysts will commit to sharing learning and knowledge in order to help drive best practice in respect of cyber resilience across the Scottish public sector.

Key action 9: Informed by the advice of the National Cyber Resilience Leaders' Board, the Scottish Government will put in place a monitoring and evaluation framework to help assess progress towards baseline standards and best practice in cyber resilience across the Scottish public sector.

4. DRAFT RESPONSE

4.1 Due to the pressing nature of the cyber threat, Scottish Government have asked for comments within a tighter timeframe than usual and the deadline for responses is 15th September 2017.

4.2 SEStran will draft a response see Appendix 1 as summarised below:

- Provide details of our current cyber security arrangements.
- Outline key policies in place and the governance mechanism for implementation and review.
- Highlight the size of our organisation and state that resource devoted to cyber resilience is proportionate to the risks we face.
- Comment that the draft documents are robust and provide a useful framework for implementing key actions.
- Ask SG to recognise that there will be cost implications incurred by organisations adopting the plan.
- Identify the key implementation challenges facing SEStran; namely ambitious timescales and lack of resource.
- Acknowledge the need for strong cyber resilience within the public sector.
- State that if adequate resource and support is provided, we would, in principle, be in favour of adopting the baseline recommendations, which are proportionate to the size of SEStran and the risks faced.
- Comment that we would not be willing to become a public sector cyber catalyst due to limited resource.

5. RECOMMENDATIONS

It is recommended that the Committee notes:

- 5.1 the contents of this report, and;
- 5.2 that the Chair of the Board will write to the Deputy First Minister outlining SEStran's commitment to cyber resilience but seeking to understand his offer of further funding for small public bodies to undertake the actions within the proposed timescale;
- 5.3 that a further report will be brought to a future meeting of the Committee when Scottish Government formalise and publish their Action Plan and Best Practice Guidance.

Angela Chambers
Business Manager
September 2017

Policy Implications	As outlined in report.
Financial Implications	Potential impact on budget if no resource provided by SG
Race Equalities Implications	N/A
Gender Equalities Implications	N/A
Disability Equalities Implications	N/A
Climate Change Implications	N/A

Questions for Scottish public sector organisations on the draft public sector action plan and draft best practice guidelines on cyber resilience

Please provide comments on the draft action plan and the draft best practice guidelines on cyber resilience in line with the following questions.

Question 1: To provide important context, please give an overview of your current arrangements for cyber security. In particular, please provide details of:

- any relevant accreditations held, or standards met, by your organisation
- current board level, governance and risk management arrangements for managing the cyber threat in your organisation
- any ongoing programmes of work on cyber security in your organisation
- the current level of resource you devote to cyber security in your organisation.

Answer to Question 1

SEStran do not currently hold any accreditations or recognised standards, however, we do have in place a robust arrangement for cyber security, managed through our IT provider. This includes ongoing discussions with our IT provider One Stop IT.

SEStran have a broad range of policies in place, which obtained Board approval before being implemented and are subsequently subject to regular review by key Officers and our Performance & Audit Committee. The policies are:

- Information Security Policy (includes user agreement form)
- Business Continuity Management Plan
- Data Protection Policy
- Records Management Plan (Agreed by Keeper of Records, National Records Scotland)
- Portable Devices User Agreement Form
- Homeworking Policy
- Public Interest (Whistleblowing) Policy
- Disciplinary Procedures
- Terms and Conditions of Employment Contract

SEStran undergo annual audit and scrutiny by our Internal and External Auditors and part of this exercise involves completing corporate governance framework questionnaires, before a compliance statement is issued, which is required for our annual accounts procedures.

SEStran have been pro-active in its approach to Records Management and have implemented a range of supporting policies, to supplement its agreed Records Management Plan.

SEStran provide Induction to all new employees which includes a session on the above policies. We are currently sourcing, along with our IT provider, cyber resilience training for all staff, which will be provided on an on-going basis. We are arranging to carry out tests of the Business Continuity Management Plan and IT systems with our IT provider before the end of the financial year. Finger print recognition will be used for access to laptops and remote device wiping technology will be applied to mobile devices.

SEStran scoped work with the Scottish Business Resilience Centre but cost was prohibitive this financial year.

SEStran are a small organisation, with 10 employees, handling limited amounts of personal data and the level of resource devoted to cyber resilience is proportionate to the risks faced. We hold regular monitoring meetings with our IT provider in order to review arrangements.

Question 2: Please give your views on the draft public sector action plan and best practice guidelines. We would particularly welcome views on:

- Whether there are any key omissions from the plan
- Whether there is likely to be any unnecessary duplication as a result of the plan
- Whether you believe the plan, if implemented, would make a significant difference to levels of cyber resilience among Scotland's public bodies.

Answer to Question 2

The plan is very detailed and robust and there does not appear to be any omissions. From SEStran's perspective, there would not be duplication as a result of the plan being implemented.

The plan would provide a very useful framework and set of standards for organisations to use in assessing their current arrangements and preparing a programme of implementation and subsequent monitoring of cyber resilience measures.

By applying a set of standards across the public sector there should be opportunities for best practice and knowledge to be shared, which will benefit many organisations with limited resources and, in the longer term, should make a difference to the levels of cyber resilience among public bodies. However, the plan is only one piece of the overall requirement to minimise cyber threats and it should be acknowledged that there could be a major cost implication for many organisations to implement the key actions set out in the guidance.

Question 3: Please identify any key implementation challenges for your organisation in respect of the draft public sector action plan and best practice guidelines.

Answer to Question 3

The key implementation challenges facing SEStran are the close proximity of the target date and lack of resources. For the current financial year, budgets have already been committed and being a small organisation, with limited resources, we could potentially be in a situation where we are unable to deliver our published objectives set out in our business plan for 2016/17 and those that we are statutorily required to provide. This could result in causing reputational damage to the organisation.

Whilst recognising the need to ensure strong cyber resilience, without adequate resources in place, the timescales for implementation seem ambitious. A key issue is whether a sufficient programme of planning could be achieved and if proper consideration would be given to the impact of implementation on the organisation and its resources.

Question 4: If you are a public sector organisation that is not subject to the Scottish Public Finance Manual, please indicate whether you would be in favour of adopting the recommendations set out in the draft action plan and best practice guidelines to ensure alignment with other public sector organisations.

Answer to Question 4

With adequate resource and support provided, SEStran would, in principle, be in favour of adopting the baseline recommendations, which we believe are proportionate to the size of our organisation. Measures above this level, we believe, would be disproportionate to the risks faced and size of our organisation.

Question 5: Please indicate whether you would be willing in principle for your organisation to become a public sector cyber catalyst, in line with the description set out in the draft action plan at Key Actions 6 and 7. (Please note: due to practical considerations, not all organisations volunteering are likely to be selected as cyber catalyst organisations)

Answer to Question 5

Due to limited resource, SEStran would not be willing to become a public sector cyber catalyst.

Code of Conduct Issues

1 Introduction

- 1.1 This report updates Members of a revision to the Councillors' Code which will affect Regional Transport Partnership (RTP) members, and refresh the position as regards SEStran's own Code of Conduct.

2 Issues

- 2.1 Between 12th December 2016 and 20th March this year, the Scottish Government consulted on proposed changes to the Councillors' Code of Conduct after concerns had been raised that the Code may hinder the statutory function of Regional Transport Partnerships. This was in relation to councillors, who are members of RTPs, not being able to take part in consideration of planning applications where the RTP had made representations on those applications.
- 2.2 The Government's final view on this matter is awaited, and it is hoped to give a verbal update at the meeting itself.
- 2.3 Whilst bringing this report, it was considered appropriate, given the fact that the Board is comprised of a large number of new Members, to remind all Members that, in their dealings as Members of SEStran, they are bound by SEStran's own Code of Conduct, which was adopted in 2014. This is in turn based on the Standards Commission's Model Code for Members of Devolved Bodies. This is appended and Members are encouraged to consider its terms and comment, as appropriate, as to whether they consider this document needs to be reviewed.

3 Recommendations

- 3.1 It is recommended that the Committee:
- 3.1.1 note the terms of the Scottish Government's change to the Code of Conduct for Councillors, if available on the date of the meeting;
- 3.1.2 note and comment, as appropriate, on the terms of the SEStran Code of Conduct.

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

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



CODE of CONDUCT
for
MEMBERS
of
SOUTH EAST SCOTLAND TRANSPORT PARTNERSHIP
(SEStran)

March 2014

CODE OF CONDUCT for MEMBERS of SOUTH EAST SCOTLAND TRANSPORT PARTNERSHIP

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SECTION 1: INTRODUCTION TO THE CODE OF CONDUCT

1.1 The Scottish public has a high expectation of those who serve on the boards of public bodies and the way in which they should conduct themselves in undertaking their duties. You must meet those expectations by ensuring that your conduct is above reproach.

1.2 The Ethical Standards in Public Life etc. (Scotland) Act 2000, “the Act”, provides for Codes of Conduct for local authority councillors and members of relevant public bodies; imposes on councils and relevant public bodies a duty to help their members to comply with the relevant code; and establishes a Standards Commission for Scotland, “The Standards Commission” to oversee the new framework and deal with alleged breaches of the codes.

1.3 The Act requires the Scottish Ministers to lay before Parliament a Code of Conduct for Councillors and a Model Code for Members of Devolved Public Bodies. The Model Code for members was first introduced in 2002 and has now been revised in December 2013 following consultation and the approval of the Scottish Parliament. These revisions will make it consistent with the relevant parts of the Code of Conduct for Councillors, which was revised in 2010 following the approval of the Scottish Parliament.

1.4 As a member of SEStran, “the Board”, it is your responsibility to make sure that you are familiar with, and that your actions comply with, the provisions of this Code of Conduct which has now been made by the Board.

Appointments to the Boards of Public Bodies

1.5 Public bodies in Scotland are required to deliver effective services to meet the needs of an increasingly diverse population. In addition, the Scottish Government’s equality outcome on public appointments is to ensure that Ministerial appointments are more diverse than at present. In order to meet both of these aims, a board should ideally be drawn from varied backgrounds with a wide spectrum of characteristics, knowledge and experience. It is crucial to the success of public bodies that they attract the best people for the job and therefore it is essential that a board’s appointments process should encourage as many suitable people to apply for positions and be free from unnecessary barriers. You should therefore be aware of the varied roles and functions of the public body on which you serve and of wider diversity and equality issues. You should also take steps to familiarise yourself with the appointment process that your public body will have agreed with the Scottish Government’s Public Appointment Centre of Expertise.

1.6 You should also familiarise yourself with how the public body’s policy operates in relation to succession planning, which should ensure the public body have a strategy to make sure they have the staff in place with the skills, knowledge and experience necessary to fulfil their role economically, efficiently and effectively.

Guidance on the Code of Conduct

1.7 You must observe the rules of conduct contained in this Code. It is your personal responsibility to comply with these and review regularly, and at least annually, your personal circumstances with this in mind, particularly when your circumstances change. You must not at any time advocate or encourage any action contrary to the Code of Conduct.

1.8 The Code has been developed in line with the key principles listed in Section 2 and provides additional information on how the principles should be interpreted and applied in practice. The Standards Commission may also issue guidance. No Code can provide for all circumstances and if you are uncertain about how the rules apply, you should seek advice from the public body. You may also choose to consult your own legal advisers and, on detailed financial and commercial matters, seek advice from other relevant professionals.

1.9 You should familiarise yourself with the Scottish Government publication “On Board – a guide for board members of public bodies in Scotland”. This publication will provide you with information to help you in your role as a member of a public body in Scotland and can be viewed on the Scottish Government website.

Enforcement

1.10 Part 2 of the Ethical Standards in Public Life etc. (Scotland) Act 2000 sets out the provisions for dealing with alleged breaches of this Code of Conduct and where appropriate the sanctions that will be applied if the Standards Commission finds that there has been a breach of the Code. Those sanctions are outlined in **Annex A**.

SECTION 2: KEY PRINCIPLES OF THE CODE OF CONDUCT

2.1 The general principles upon which this Code is based should be used for guidance and interpretation only. These general principles are:

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.

2.2 You should apply the principles of this Code to your dealings with fellow members of the public body, its employees and other stakeholders. Similarly you should also observe the principles of this Code in dealings with the public when performing duties as a member of the public body.

SECTION 3: GENERAL CONDUCT

3.1 The rules of good conduct in this section must be observed in all situations where you act as a member of the public body.

Conduct at Meetings

3.2 You must respect the chair, your colleagues and employees of the public body in meetings. You must comply with rulings from the chair in the conduct of the business of these meetings.

Relationship with Board Members and Employees of the Public Body (including those employed by contractors providing services)

3.3 You will treat your fellow board members and any staff employed by the body with courtesy and respect. It is expected that fellow board members and employees will show you the same consideration in return. It is good practice for employers to provide examples of what is unacceptable behaviour in their organisation. Public bodies should promote a safe, healthy and fair working environment for all. As a board member you should be familiar with the policies of the public body in relation to bullying and harassment in the workplace and also lead by exemplar behaviour.

Remuneration, Allowances and Expenses

3.4 You must comply with any rules of the public body regarding remuneration, allowances and expenses.

Gifts and Hospitality

3.5 You must not accept any offer by way of gift or hospitality which could give rise to real or substantive personal gain or a reasonable suspicion of influence on your part to show favour, or disadvantage, to any individual or organisation. You should also consider whether there may be any reasonable perception that any gift received by your spouse or cohabitee or by any company in which you have a controlling interest, or by a partnership of which you are a partner, can or would influence your judgement. The term "gift" includes benefits such as relief from indebtedness, loan concessions or provision of services at a cost below that generally charged to members of the public.

3.6 You must never ask for gifts or hospitality.

3.7 You are personally responsible for all decisions connected with the offer or acceptance of gifts or hospitality offered to you and for avoiding the risk of damage to public confidence in your public body. As a general guide, it is usually appropriate to refuse offers except:

- (a) isolated gifts of a trivial character, the value of which must not exceed £50;
- (b) normal hospitality associated with your duties and which would reasonably be regarded as appropriate; or
- (c) gifts received on behalf of the public body.

3.8 You must not accept any offer of a gift or hospitality from any individual or organisation which stands to gain or benefit from a decision your body may be involved in determining, or who is seeking to do business with your organisation, and which a person might reasonably consider could have a bearing on your judgement. If you are making a visit in your capacity as a member of your public body then, as a general rule, you should ensure that your body pays for the cost of the visit.

3.9 You must not accept repeated hospitality or repeated gifts from the same source.

3.10 Members of devolved public bodies should familiarise themselves with the terms of the Bribery Act 2010 which provides for offences of bribing another person and offences relating to being bribed.

Confidentiality Requirements

3.11 There may be times when you will be required to treat discussions, documents or other information relating to the work of the body in a confidential manner. You will often receive information of a private nature which is not yet public, or which perhaps would not be intended to be public. You must always respect the confidential nature of such information and comply with the requirement to keep such information private.

3.12 It is unacceptable to disclose any information to which you have privileged access, for example derived from a confidential document, either orally or in writing. In the case of other documents and information, you are requested to exercise your judgement as to what should or should not be made available to outside bodies or individuals. In any event, such information should never be used for the purposes of personal or financial gain, or for political purposes or used in such a way as to bring the public body into disrepute.

Use of Public Body Facilities

3.13 Members of public bodies must not misuse facilities, equipment, stationery, telephony, computer, information technology equipment and services, or use them for party political or campaigning activities. Use of such equipment and services etc. must be in accordance with the public body's policy and rules on their usage. Care must also be exercised when using social media networks not to compromise your position as a member of the public body.

Appointment to Partner Organisations

3.14 You may be appointed, or nominated by your public body, as a member of another body or organisation. If so, you are bound by the rules of conduct of these organisations and should observe the rules of this Code in carrying out the duties of that body.

3.15 Members who become directors of companies as nominees of their public body will assume personal responsibilities under the Companies Acts. It is possible that conflicts of interest can arise for such members between the company and the public body. It is your responsibility to take advice on your responsibilities to the public body and to the company. This will include questions of declarations of interest.

SECTION 4: REGISTRATION OF INTERESTS

4.1 The following paragraphs set out the kinds of interests, financial and otherwise which you have to register. These are called “Registerable Interests”. You must, at all times, ensure that these interests are registered, when you are appointed and whenever your circumstances change in such a way as to require change or an addition to your entry in the body’s Register. It is your duty to ensure any changes in circumstances are reported within one month of them changing.

4.2 The Regulations¹ as amended describe the detail and timescale for registering interests. It is your personal responsibility to comply with these regulations and you should review regularly and at least once a year your personal circumstances. **Annex B** contains key definitions and explanatory notes to help you decide what is required when registering your interests under any particular category. The interests which require to be registered are those set out in the following paragraphs and relate to you. It is not necessary to register the interests of your spouse or cohabitee.

Category One: Remuneration

4.3 You have a Registerable Interest where you receive remuneration by virtue of being:

- employed;
- self-employed;
- the holder of an office;
- a director of an undertaking;
- a partner in a firm; or
- undertaking a trade, profession or vocation or any other work.

4.4 In relation to 4.3 above, the amount of remuneration does not require to be registered and remuneration received as a member does not have to be registered.

4.5 If a position is not remunerated it does not need to be registered under this category. However, unremunerated directorships may need to be registered under category two, “Related Undertakings”.

4.6 If you receive any allowances in relation to membership of any organisation, the fact that you receive such an allowance must be registered.

¹ SSI - The Ethical Standards in Public Life etc. (Scotland) Act 2000 (Register of Interests) Regulations 2003 Number 135, as amended.

4.7 When registering employment, you must give the name of the employer, the nature of its business, and the nature of the post held in the organisation.

4.8 When registering self-employment, you must provide the name and give details of the nature of the business. When registering an interest in a partnership, you must give the name of the partnership and the nature of its business.

4.9 Where you undertake a trade, profession or vocation, or any other work, the detail to be given is the nature of the work and its regularity. For example, if you write for a newspaper, you must give the name of the publication, and the frequency of articles for which you are paid.

4.10 When registering a directorship, it is necessary to provide the registered name of the undertaking in which the directorship is held and the nature of its business.

4.11 Registration of a pension is not required as this falls outside the scope of the category.

Category Two: Related Undertakings

4.12 You must register any directorships held which are themselves not remunerated but where the company (or other undertaking) in question is a subsidiary of, or a parent of, a company (or other undertaking) in which you hold a remunerated directorship.

4.13 You must register the name of the subsidiary or parent company or other undertaking and the nature of its business, and its relationship to the company or other undertaking in which you are a director and from which you receive remuneration.

4.14 The situations to which the above paragraphs apply are as follows:

- you are a director of a board of an undertaking and receive remuneration declared under category one – and
- you are a director of a parent or subsidiary undertaking but do not receive remuneration in that capacity.

Category Three: Contracts

4.15 You have a registerable interest where you (or a firm in which you are a partner, or an undertaking in which you are a director or in which you have shares of a value as described in paragraph 4.19 below) have made a contract with the public body of which you are a member:

- (i) under which goods or services are to be provided, or works are to be executed; and

(ii) which has not been fully discharged.

4.16 You must register a description of the contract, including its duration, but excluding the consideration.

Category Four: Houses, Land and Buildings

4.17 You have a registerable interest where you own or have any other right or interest in houses, land and buildings, which may be significant to, of relevance to, or bear upon, the work and operation of the body to which you are appointed.

4.18 The test to be applied when considering appropriateness of registration is to ask whether a member of the public acting reasonably might consider any interests in houses, land and buildings could potentially affect your responsibilities to the organisation to which you are appointed and to the public, or could influence your actions, speeches or decision making.

Category Five: Interest in Shares and Securities

4.19 You have a registerable interest where you have an interest in shares comprised in the share capital of a company or other body which may be significant to, of relevance to, or bear upon, the work and operation of (a) the body to which you are appointed and (b) the **nominal value** of the shares is:

- (i) greater than 1% of the issued share capital of the company or other body; or
- (ii) greater than £25,000.

Where you are required to register the interest, you should provide the registered name of the company in which you hold shares; the amount or value of the shares does not have to be registered.

Category Six: Gifts and Hospitality

4.20 You must register the details of any gifts or hospitality received within your current term of office. This record will be available for public inspection. It is not however necessary to record any gifts or hospitality as described in paragraph 3.7 (a) to (c) of this Code.

Category Seven: Non-Financial Interests

4.21 You may also have a registerable interest if you have non-financial interests which may be significant to, of relevance to, or bear upon, the work and operation of the body to which you are appointed. It is important that relevant interests such as membership or holding office in other public bodies, clubs, societies and organisations such as trades unions and voluntary organisations, are registered and described.

4.22 In the context of non-financial interests, the test to be applied when considering appropriateness of registration is to ask whether a member of the public might reasonably think that any non-financial interest could potentially affect your responsibilities to the organisation to which you are appointed and to the public, or could influence your actions, speeches or decision-making.

SECTION 5: DECLARATION OF INTERESTS

General

5.1 The key principles of the Code, especially those in relation to integrity, honesty and openness, are given further practical effect by the requirement for you to declare certain interests in proceedings of the public body. Together with the rules on registration of interests, this ensures transparency of your interests which might influence, or be thought to influence, your actions.

5.2 Public bodies inevitably have dealings with a wide variety of organisations and individuals and this Code indicates the circumstances in which a business or personal interest must be declared. Public confidence in the public body and its members depends on it being clearly understood that decisions are taken in the public interest and not for any other reason.

5.3 In considering whether to make a declaration in any proceedings, you must consider not only whether you will be influenced but whether anybody else would think that you might be influenced by the interest. You must, however, always comply with the **objective test** (“the objective test”) which 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.

5.4 If you feel that, in the context of the matter being considered, your involvement is neither capable of being viewed as more significant than that of an ordinary member of the public, nor likely to be perceived by the public as wrong, you may continue to attend the meeting and participate in both discussion and voting. The relevant interest must however be declared. It is your responsibility to judge whether an interest is sufficiently relevant to particular proceedings to require a declaration and you are advised to err on the side of caution. If a board member is unsure as to whether a conflict of interest exists, they should seek advice from the board chair.

5.5 As a member of a public body you might serve on other bodies. In relation to service on the boards and management committees of limited liability companies, public bodies, societies and other organisations, you must decide, in the particular circumstances surrounding any matter, whether to declare an interest. Only if you believe that, in the particular circumstances, the nature of the interest is so remote or without significance, should it not be declared. You must always remember the public interest points towards transparency and, in particular, a possible divergence of interest between your public body and another body. Keep particularly in mind the advice in paragraph 3.15 of this Code about your legal responsibilities to any limited company of which you are a director.

Interests which Require Declaration

5.6 Interests which require to be declared if known to you may be financial or non-financial. They may or may not cover interests which are registerable under the terms of this Code. Most of the interests to be declared will be your personal interests but, on occasion, you will have to consider whether the interests of other persons require you to make a declaration. The paragraphs which follow deal with (a) your financial interests (b) your non-financial interests and (c) the interests, financial and non-financial, of other persons.

5.7 You will also have other private and personal interests and may serve, or be associated with, bodies, societies and organisations as a result of your private and personal interests and not because of your role as a member of a public body. In the context of any particular matter you will need to decide whether to declare an interest. You should declare an interest unless you believe that, in the particular circumstances, the interest is too remote or without significance. In reaching a view on whether the objective test applies to the interest, you should consider whether your interest (whether taking the form of association or the holding of office) would be seen by a member of the public acting reasonably in a different light because it is the interest of a person who is a member of a public body as opposed to the interest of an ordinary member of the public.

Your Financial Interests

5.8 You must declare, if it is known to you, any financial interest (including any financial interest which is registerable under any of the categories prescribed in Section 4 of this Code).

There is no need to declare an interest which is so remote or insignificant that it could not reasonably be taken to fall within the objective test.

You must withdraw from the meeting room until discussion of the relevant item where you have a declarable interest is concluded. There is no need to withdraw in the case of an interest which is so remote or insignificant that it could not reasonably be taken to fall within the objective test.

Interests of Councillors and Members of Devolved Public Bodies

5.8.1 If, under category one (or category six in respect of non-financial interest) of section 4 of this Code, you have registered an interest as a Councillor or a Member of another Devolved Public Body where the Council or other Devolved Public Body, as the case may be, has nominated or appointed you as a Member of the Partnership Authority you do not, for that reason alone, have to declare that interest.

Interests of Non-Councillor Members

5.8.2 Any non-councillor member, who has been appointed as a member having regard to the fact (amongst others) that the member is an employee,

director or member of a particular company or body with transport interests is permitted to take part in the consideration and discussion of any matter notwithstanding that the company or body may have a clear and substantial financial or non-financial interest (direct or indirect) in the matter at issue, subject always to the following conditions and provisions:-

1. the member must have registered his or her interest in the company or body in the Register of Interests in terms of section 4 of the Code,
2. the member must declare his or her interest in the company or body at all meetings where matters in which the company or body have an interest are to be discussed and
3. this permission is subject also to the whole other provisions set out in sub-paragraphs 5.8.3 to 5.8.6 below.

5.8.3 The permission does not apply in respect of any matter of a quasi-judicial or regulatory nature where the company or body in question is applying to the RTP for a licence, a consent or an approval, is making an objection or representation or has a material interest concerning such a licence, consent or approval or is the subject of a statutory order of a regulatory nature, made, or proposed to be made, by the RTP.

5.8.4 The permission does not apply where the matter at issue relates wholly or mainly to the company or body in question, unless the RTP in relation to a specific item of business resolves otherwise.

5.8.5

1. Where any decision on the matter at issue is to be determined by a vote, the member may not vote on the matter. The Chairperson of the RTP may require the non-councillor member to leave the meeting room until voting has been concluded.
2. The permission is without prejudice to the provisions set out in section 1(2)(e) of the Act and paragraph 3 (2) of schedule 2 to the Regional Transport Partnerships (Establishment, Constitution and Membership)(Scotland) Order 2005.

5.8.6 The permission applies to meetings of the RTP and to meetings of any committee or sub-committee of the RTP.

Your Non-Financial Interests

5.9 You must declare, if it is known to you, any non-financial interest if:

- (i) that interest has been registered under category seven (Non-Financial Interests) of Section 4 of the Code; or
- (ii) that interest would fall within the terms of the objective test.

There is no need to declare an interest which is so remote or insignificant that it could not reasonably be taken to fall within the objective test.

You must withdraw from the meeting room until discussion of the relevant item where you have a declarable interest is concluded. There is no need to withdraw in the case of an interest which is so remote or insignificant that it could not reasonably be taken to fall within the objective test.

The Financial Interests of Other Persons

5.10 The Code requires only your financial interests to be registered. You also, however, have to consider whether you should declare any financial interest of certain other persons.

You must declare if it is known to you any financial interest of:-

- (i) a spouse, a civil partner or a co-habitee;
- (ii) a close relative, close friend or close associate;
- (iii) an employer or a partner in a firm;
- (iv) a body (or subsidiary or parent of a body) of which you are a remunerated member or director;
- (v) a person from whom you have received a registerable gift or registerable hospitality;
- (vi) a person from whom you have received registerable expenses.

There is no need to declare an interest if it is so remote or insignificant that it could not reasonably be taken to fall within the objective test.

You must withdraw from the meeting room until discussion of and voting on the relevant item where you have a declarable interest is concluded. There is no need to withdraw in the case of an interest which is so remote or insignificant that it could not reasonably be taken to fall within the objective test.

5.11 This Code does not attempt the task of defining “relative” or “friend” or “associate”. Not only is such a task fraught with difficulty but is also unlikely that such definitions would reflect the intention of this part of the Code. The key principle is the need for transparency in regard to any interest which might (regardless of the precise description of relationship) be objectively regarded by a member of the public, acting reasonably, as potentially affecting your responsibilities as a member of the public body and, as such, would be covered by the objective test.

The Non-Financial Interests of Other Persons

5.12 You must declare if it is known to you any non-financial interest of:-

- (i) a spouse, a civil partner or a co-habitee;
- (ii) a close relative, close friend or close associate;
- (iii) an employer or a partner in a firm;
- (iv) a body (or subsidiary or parent of a body) of which you are a remunerated member or director;
- (v) a person from whom you have received a registerable gift or registerable hospitality;

- (vi) a person from whom you have received registerable election expenses.

There is no need to declare the interest if it is so remote or insignificant that it could not reasonably be taken to fall within the objective test.

There is only a need to withdraw from the meeting if the interest is clear and substantial.

Making a Declaration

5.13 You must consider at the earliest stage possible whether you have an interest to declare in relation to any matter which is to be considered. You should consider whether agendas for meetings raise any issue of declaration of interest. Your declaration of interest must be made as soon as practicable at a meeting where that interest arises. If you do identify the need for a declaration of interest only when a particular matter is being discussed you must declare the interest as soon as you realise it is necessary.

5.14 The oral statement of declaration of interest should identify the item or items of business to which it relates. The statement should begin with the words "I declare an interest". The statement must be sufficiently informative to enable those at the meeting to understand the nature of your interest but need not give a detailed description of the interest.

Frequent Declarations of Interest

5.15 Public confidence in a public body is damaged by perception that decisions taken by that body are substantially influenced by factors other than the public interest. If you would have to declare interests frequently at meetings in respect of your role as a board member you should not accept a role or appointment with that attendant consequence. If members are frequently declaring interests at meetings then they should consider whether they can carry out their role effectively and discuss with their chair. Similarly, if any appointment or nomination to another body would give rise to objective concern because of your existing personal involvement or affiliations, you should not accept the appointment or nomination.

Dispensations

5.16 In some very limited circumstances dispensations can be granted by the Standards Commission in relation to the existence of financial and non-financial interests which would otherwise prohibit you from taking part and voting on matters coming before your public body and its committees.

5.17 Applications for dispensations will be considered by the Standards Commission and should be made as soon as possible in order to allow proper consideration of the application in advance of meetings where dispensation is sought. You should not take part in the consideration of the matter in question until the application has been granted.

SECTION 6: LOBBYING AND ACCESS TO MEMBERS OF PUBLIC BODIES

Introduction

6.1 In order for the public body to fulfil its commitment to being open and accessible, it needs to encourage participation by organisations and individuals in the decision-making process. Clearly however, the desire to involve the public and other interest groups in the decision-making process must take account of the need to ensure transparency and probity in the way in which the public body conducts its business.

6.2 You will need to be able to consider evidence and arguments advanced by a wide range of organisations and individuals in order to perform your duties effectively. Some of these organisations and individuals will make their views known directly to individual members. The rules in this Code set out how you should conduct yourself in your contacts with those who would seek to influence you. They are designed to encourage proper interaction between members of public bodies, those they represent and interest groups.

Rules and Guidance

6.3 You must not, in relation to contact with any person or organisation that lobbies do anything which contravenes this Code or any other relevant rule of the public body or any statutory provision.

6.4 You must not, in relation to contact with any person or organisation who lobbies, act in any way which could bring discredit upon the public body.

6.5 The public must be assured that no person or organisation will gain better access to or treatment by, you as a result of employing a company or individual to lobby on a fee basis on their behalf. You must not, therefore, offer or accord any preferential access or treatment to those lobbying on a fee basis on behalf of clients compared with that which you accord any other person or organisation who lobbies or approaches you. Nor should those lobbying on a fee basis on behalf of clients be given to understand that preferential access or treatment, compared to that accorded to any other person or organisation, might be forthcoming from another member of the public body.

6.6 Before taking any action as a result of being lobbied, you should seek to satisfy yourself about the identity of the person or organisation that is lobbying and the motive for lobbying. You may choose to act in response to a person or organisation lobbying on a fee basis on behalf of clients but it is important that you know the basis on which you are being lobbied in order to ensure that any action taken in connection with the lobbyist complies with the standards set out in this Code.

6.7 You should not accept any paid work:-

- (a) which would involve you lobbying on behalf of any person or organisation or any clients of a person or organisation.
- (b) to provide services as a strategist, adviser or consultant, for example, advising on how to influence the public body and its members. This does not prohibit you from being remunerated for activity which may arise because of, or related to, membership of the public body, such as journalism or broadcasting, or involvement in representative or presentational work, such as participation in delegations, conferences or other events.

6.8 If you have concerns about the approach or methods used by any person or organisation in their contacts with you, you must seek the guidance of the public body.

ANNEX A

SANCTIONS AVAILABLE TO THE STANDARDS COMMISSION FOR BREACH OF THE CODE

- (a) Censure – the Commission may reprimand the member but otherwise take no action against them;
- (b) Suspension – of the member for a maximum period of one year from attending one or more, but not all, of the following:
 - i) all meetings of the public body;
 - ii) all meetings of one or more committees or sub-committees of the public body;
 - (iii) all meetings of any other public body on which that member is a representative or nominee of the public body of which they are a member.
- (c) Suspension – for a period not exceeding one year, of the member's entitlement to attend all of the meetings referred to in (b) above;
- (d) Disqualification – removing the member from membership of that public body for a period of no more than five years.

Where a member has been suspended, the Standards Commission may direct that any remuneration or allowance received from membership of that public body be reduced, or not paid.

Where the Standards Commission disqualifies a member of a public body, it may go on to impose the following further sanctions:

- (a) Where the member of a public body is also a councillor, the Standards Commission may disqualify that member (for a period of no more than five years) from being nominated for election as, or from being elected, a councillor. Disqualification of a councillor has the effect of disqualifying that member from their public body and terminating membership of any committee, sub-committee, joint committee, joint board or any other body on which that member sits as a representative of their local authority.
- (b) Direct that the member be removed from membership, and disqualified in respect of membership, of any other devolved public body (provided the members' code applicable to that body is then in force) and may disqualify that person from office as the Water Industry Commissioner.

In some cases the Standards Commission do not have the legislative powers to deal with sanctions, for example if the respondent is an executive member of the board or appointed by the Queen. Sections 23 and 24 of the Ethical Standards in Public Life etc. (Scotland) Act 2000 refer.

Full details of the sanctions are set out in Section 19 of the Act.

ANNEX B

DEFINITIONS

“**Chair**” includes Board Convener or any person discharging similar functions under alternative decision making structures.

“**Code**” code of conduct for members of devolved public bodies

“**Cohabitee**” includes a person, whether of the opposite sex or not, who is living with you in a relationship similar to that of husband and wife.

“**Group of companies**” has the same meaning as “group” in section 262(1) of the Companies Act 1985. A “group”, within s262 (1) of the Companies Act 1985, means a parent undertaking and its subsidiary undertakings.

“**Parent Undertaking**” is an undertaking in relation to another undertaking, a subsidiary undertaking, if a) it holds a majority of the rights in the undertaking; or b) it is a member of the undertaking and has the right to appoint or remove a majority of its board of directors; or c) it has the right to exercise a dominant influence over the undertaking (i) by virtue of provisions contained in the undertaking’s memorandum or articles or (ii) by virtue of a control contract; or d) it is a councillor of the undertaking and controls alone, pursuant to an agreement with other shareholders or councillors, a majority of the rights in the undertaking.

“**A person**” means a single individual or legal person and includes a group of companies.

“**Any person**” includes individuals, incorporated and unincorporated bodies, trade unions, charities and voluntary organisations.

“**Public body**” means a devolved public body listed in Schedule 3 of the Ethical Standards in Public Life etc. (Scotland) Act 2000, as amended.

“**Related Undertaking**” is a parent or subsidiary company of a principal undertaking of which you are also a director. You will receive remuneration for the principal undertaking though you will not receive remuneration as director of the related undertaking.

“**Remuneration**” includes any salary, wage, share of profits, fee, expenses, other monetary benefit or benefit in kind. This would include, for example, the provision of a company car or travelling expenses by an employer.

“**Spouse**” does not include a former spouse or a spouse who is living separately and apart from you.

“**Undertaking**” means:

- a) a body corporate or partnership; or
- b) an unincorporated association carrying on a trade or business, with or without a view to a profit.