SESTRAN PARTNERSHIP BOARD MEETING

PLEASE NOTE CHANGE OF VENUE
Dean of Guild Room, City Chambers, Edinburgh, EH1 1YJ
10:00am Friday 21st September 2018

09:30	**TEA/COFFEE**
10:00	**PARTNERSHIP BOARD**
12:30	**LUNCH**
13:15 – 14:15	**CODE OF CONDUCT TRAINING - MANDATORY**

A12. **DATE OF NEXT MEETING**
10:00am on Friday 7th December 2018 in Conference Room 1, Victoria Quay, Edinburgh, EH6 6QQ

AGENDA B – POINTS FOR NOTING

Gavin King
Secretary to SESTRAN
Democracy, Governance and Resilience Senior Manager
Strategy & Insight Division
The City of Edinburgh Council
Waverley Court 2.1
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14th September 2018

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

Minutes

SEStran Partnership Board

10.00am, Friday, 22 June 2018

Victoria Quay, Edinburgh

Present	**Name**	**Organisation Title**
	Cllr Gordon Edgar (Chair)	Scottish Borders Council
	Laura Alexander	Non-Councillor Member
	Cllr Colin Davidson (Deputy Chair)	Fife Council
	Cllr Dave Dempsey	Fife Council
	Cllr Ian Ferguson	Fife Council
	Vivienne Gray	Non-Councillor Member
	Callum Hay	Non-Councillor Member
	Simon Hindshaw	Non-Councillor Member
	Cllr Chris Horne	West Lothian Council
	Cllr Russell Imrie	Midlothian Council
	Cllr Darren Lee	Clacks Council
	Richard Llewellyn	Non-Councillor Member
	Cllr Laura Murtagh	Falkirk Council
	Dr Doreen Steele	Non-Councillor Member
	Catherine Stones	Non-Councillor Member
	Barry Turner	Non-Councillor Member
	Paul White	Non-Councillor Member

In Attendance		
	Nikki Boath	SEStran
	Angela Chambers	SEStran
	Kevin Collins	Falkirk Council
	John Connarty	CEC (Treasury)
	Keith Fisken	SEStran
	Elizabeth Forbes	SEStran

Lisa Freeman	SEStran
Peter Forsyth	East Lothian Council
Ken Gourlay	Fife Council
Jim Grieve	SEStran
Peter Jackson	SEStran
Catriona Jones	SEStran
Gavin King	CEC (Secretary)
Kerra McKinnie	Board Observer
Lesley Newdall	CEC (Chief Internal Auditor)
Jim Stewart	West Lothian Council
Cara Wilson	SEStran

Apologies for Absence

Cllr Fiona Collie	Falkirk Council
Cllr Jim Fullarton	Scottish Borders Council
Cllr Lesley Macinnes	CEC
Cllr Cathy Muldoon	West Lothian Council
Cllr David Key	CEC
Cllr Peter Smaill	Midlothian Council
Cllr Brian Small	East Lothian Council
George Eckton	SEStran
Graeme Johnstone	Scottish Borders Council
Gordon Mungall	Board Observer

1. Minutes

Decision

1)   To agree the minute of the previous meeting 16 March 2018 as a correct record.

2)   To agree the minute of the Performance and Audit Committee of 8 June 2018.

(Reference – minutes, submitted.)

2. Bus Travel

Catriona Jones presented a policy area discussion paper looking at possible actions for the Partnership to increase the number of journeys taken by bus in the South East of Scotland.

Following questions and discussion, the following was highlighted:

- SEStran could facilitate discussions between the bus industry and partners on local plans.
- How data could be utilised to better inform public demand for bus services. This would be particularly helpful for subsidised services.
- Bus companies were making progress on smart ticketing but there could be a key role for SEStran in aiding integration.
- SEStran should play a major role in addressing congestion as it was essential that a regional approach was taken to this problem.
- The locations where congestion was affecting services had been identified but funding solutions were proving to be more difficult.
- Work was being undertaken in Fife looking at more radical solutions such as no cars being allowed in Dunfermline town centre.
- East Lothian's Bus Passengers' charter was highlighted as a piece of best practice which was welcomed by all parties. Using best practice and lessons learnt, SEStran could help Councils and bus companies improve bus services.
- Whether community transport could be utilised more to improve accessible transport had not been fully explored.
- The best concentration of young people were in schools and these could be worked with to ascertain how young people would like to use buses.
- Any survey should be simple as the range of questions needed to cover rural and urban travel was too big. A simple question to young people in a workshop, asking what puts young people off using buses would produce the most results.

Decision

1) To agree to produce a research paper on the control of congestion.

2) To agree to explore community transport and if that could be utilised to improve accessible transport in particular in rural areas.

Declaration of Interest

Paul White declared a non financial interest as being a member of the Confederation of Passenger Transport (CPT).

3.   Unaudited Annual Accounts

The annual accounts for the year ended 31 March 2018 was presented.

Decision

To note that the audited annual accounts, incorporating the Auditor's report would be presented to the Performance and Audit Committee and Partnership Board in September 2018.

4.   Review of Governance Scheme 2018

Approval was sought for amendments to SEStran's Standing Orders, List of Committee Powers and List of Officer Powers.

Decision

1) To repeal and approve the governance documents appended to the Report by the Secretary to take effect from 23 June 2018.

2) To delegate authority to the Secretary to make any such amendments necessary to the Governance documentation to implement the decision of the Board.

5. Internal Audit – Annual Report 2017/2018

Internal Audit provided their annual opinion on SEStran based on the audit carried out in 2017/18. Internal Audit considered that the SEStran control environment and governance and risk management frameworks were generally adequate but with enhancements required.

Decision

To note the Internal Audit opinion for the year ended 31 March 2018.

6. Appointments to Performance and Audit Committee

Decision

1) To appoint Callum Hay and Simon Hindshaw as non-councillor members.

2) To appoint Councillor Imrie as chair of the committee.

7. Projects, NTS2 Progress and EU Exit Update

An update was provided on key aspects of projects and initiatives progressed in the last quarter, the progress with the National Transport Strategy Review and the latest position on the UK leaving the EU.

Decision

1) To approve the Regional Cycle Network Grant Scheme grant as outlined in paragraph 4.4 of the report by the Strategy and Projects Officer.

2) To approve the Sustainable and Active Travel Grant Scheme grant as outlined in paragraph 5.3 of the report by the Strategy and Projects Officer.

8. European Conference on Mobility Management 2019

SEStran in partnership with Napier University Transport Research Institute had successfully bid to host the 23rd European Conference on Mobility Management in

2019. The membership costs of the program would be 7500 euros shared between SEStran and Napier TRI.

Decision

To note the report and approve the membership costs of the conference.

Declaration of Interest

Robert Llewellyn declared a financial interest as an employee of Napier University.

9.   Annual Treasury Report 2017/2018

The Annual Treasury Report for 2017/18 was outlined.

Decision

To note the report.

10   Transport (Scotland) Bill

Details were provided of the Transport (Scotland) Bill that had been introduced to the Scottish Parliament on 8 June 2018.

Decision

To note the report.

11.   Applications to the Local Rail Development Fund

The Local Rail Development Fund was available through 2018/19 to any stakeholder organisation with a responsibility or interest in local transport issues.

Decision

To note the report.

12.   Borders Corridor Study – SEStran Response

Details were provided of the response by SEStran to the Borders Transport Corridors – Pre Appraisal Report.

Decision

To note the report and the response by SEStran.

13.   Risk Framework

The six monthly risk register update was provided.

Decision

To note the report and the risk register.

14. Cyber Resilience

An update was provided on the Cyber Resilience project.

Decision

1) To note that the Performance and Audit Committee on 8 June 2018 approved that the Cyber Essentials PLUS accreditation be pursued.

2) To note that the final assessment and accreditation would be completed by October 2018.

15. Minutes

Decision

1) To note the minute of the RTP Joint Chairs of 7 March 2018.

2) To note the minute of the Integrated Mobility Forum of 27 April 2018

3) To note the minute of the Chief Officers Liaison Group meeting of 24 May 2018.

4) To note the minute of the Logistics and Freight Forum of 31 May 2018.

PERFORMANCE & AUDIT COMMITTEE MEETING

HELD IN DIAMOND JUBILEE ROOM, CITY CHAMBERS, EDINBURGH, EH1 1YJ
ON FRIDAY, 7 September 2018
10.00 A.M.

PRESENT:	Name	Organisation Title
	Councillor Imrie (in the Chair)	Midlothian Council
	Councillor Fullarton	Scottish Borders Council
	Councillor Murtagh	Falkirk Council
	Callum Hay	Non-Councillor Member
	Doreen Steele	Non-Councillor Member
	Barry Turner	Non-Councillor Member

IN ATTENDANCE:	Name	Organisation Title
	Elizabeth Forbes	SEStran
	Jim Grieve	SEStran
	Gavin King	City of Edinburgh Council
	Stuart Johnston	City of Edinburgh Council
	Karen Jones	Scott Moncrieff
	Iain Shaw	City of Edinburgh Council

Action by

A1.   ORDER OF BUSINESS

It was confirmed that there was no change to the order of business.

A2.   APOLOGIES

Apologies were received from Councillors Dempsey, and Lee, Simon Hindshaw.

A3.   DECLARATIONS OF INTERESTS

None.

A4.   MINUTES

Decision

To approve the minute of 8 June 2018 as a correct record.

A5.   EXTERNAL AUDIT REPORT – Report by Scott Moncrieff

Scott-Moncrieff, the external auditors completed an audit in September 2018 and their findings were outlined in the 2017/18 Annual Audit Report.

The key observations from the report identified a significant governance weakness relating to approval of invoices, recommended that further work be carried out to consider the long term financial priorities of the Partnership, and that the Transport (Scotland) Bill which, was introduced to Parliament on 8 June, would have a significant impact as it would allow regional transport partnerships to be given the authority to hold reserves. This would provide the Partnership with greater financial flexibility and help facilitate longer term financial planning.

Decision

To note the report.

A6. **FINANCE REPORTS**

(a) Audited Annual Accounts 2017/18

The Audited Annual Accounts were presented to the Committee in accordance with the Local Authority Accounts (Scotland) Regulations.

Decision

1) To note the audited accounts and the Auditor's opinion in the audit certificate;

2) To refer the Audited Annual Accounts to the Partnership Board for its approval.

(b) Public Service Reform (Scotland) Act 2017/18

The Committee considered a report which advised that the Scottish Regional Transport Partnerships were included in the schedule of the Public Services Reform (Scotland) Act 2010. This required annual publication of certain information and the report outlined the information to be published.

Decision

1) To note the content of the material for publication under the Public Services Reform (Scotland) Act 2010 and detailed in appendix 1 of the report.

2) To explore providing further information under the sustainable economic growth heading.

(c) Invoice Payment Procedure

As part of the findings of the 2017/18 Annual Audit, the Partnership's External Auditor had recommended the existing arrangements in relation to certification and authorisation of invoice payments should be revised to ensure separation of officer and member roles to facilitate effective challenge and scrutiny. A new approach was proposed to address the Auditor's recommendation.

Decision

To approve the amended "Authorisation of Invoices for Payment - Certifying Officers and Limits of Authority" as detailed in Appendix 2 of the report and refer the report to the Partnership Board.

A7. DRAFT ANNUAL REPORT 2017/18

Details were provided of the performance of SEStran up to the end of the financial year 2018, by presenting a draft copy of the text proposed, to provide the basis of SEStran's Annual Report 2017/18.

The Committee suggested a number of changes to the Annual Report which officers agreed to reflect in the final draft.

Decision

1) Subject to the suggestions at the meeting being incorporated to the final version, to note that the draft Annual Report 2017/18 would be presented to the Partnership Board for approval before publication by end of September 2018.

2) To recommend that the finalised Annual Report should be submitted to each of the member councils.

A8. INFORMATION SECURITY POLICY UPDATES

An update was provided on the work being undertaken on information governance and in preparation for the upcoming Cyber Essentials Assessment on the 24th September 2018, officers had been reviewing and amending SEStran's policies to improve its cyber resilience protocols.

It was highlighted that there was a 2018 Data Protection Act recently introduced and this should be reflected in the policy.

Decision

To approve the changes to the policy for immediate implementation.

A9. DATE OF NEXT MEETING

10:00am on Friday 23 November 2018 in Mandela Room, City Chambers,

Edinburgh, EH1 1YJ

Rail Travel in South East of Scotland

1. Introduction

1.1 This paper provides an update to the Board of current and future rail issues within the SEStran region.

2 Cross Country Rail Franchise

2.1 The Department for Transport (DfT) set up a public consultation[1] to ask for views on ideas to improve train services on the Cross Country rail network. Responses were to be submitted by the 30th August 2018.

2.2 SEStran contributed to a joint RTP response (Appendix 1) and also developed a SEStran specific response (Appendix 2) in collaboration with Fife Council and East Lothian Officers. Key points highlighted in both responses included:

2.3 In the 2006 consultation for the 2007 franchise award, SEStran highlighted the benefits that the franchise brings to commuter services from Dunbar to Edinburgh, Edinburgh to Fife and further north. In 2018 maintaining these would be paramount, especially in the context of the questions 5 to 9 (page 22-25) of the DfT document for consultation. These questions are related to allowing bidders the flexibility to make changes in services at the periphery of the network, including frequency of service and calling patterns (timings).

2.4 SEStran would take the position that any reduction to service frequency and capacity would be detrimental to the citizens of the region, especially if we have no clear vision as to how any reduction would be offset. SEStran emphasised that care must be taken to ensure there are no reductions in overall service frequencies, journey times, quality of rolling stock, ticket integration and interchangeability.

2.5 In addition, SEStran would like to see increased cycle storage capacity on rolling-stock and easier access both on train and when booking for people with bikes, to support and encourage inter-model travel and tourism.

3. ScotRail Update

3.1 Scott Prentice from ScotRail will be presenting to the September meeting of the SEStran Partnership Board. In the presentation he will be highlighting ScotRail's approach to maximising the improved infrastructure in the rail network and £475m investment in new and enhanced trains to provide capacity for long term.

3.2 ScotRail aim to do this by:

- Providing the "right" service for each travel market rather than make one train do everything

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[1] https://www.gov.uk/government/consultations/cross-country-rail-franchise

- Connect communities with their nearest city – this is how most journeys are done.
- Ensure the majority of stations have a minimum of an hourly service all day
- Introduce very limited stop city to city services to reduce journey times and enable bespoke customer service for this travel market
- Introduce 96 new trains - 70 Hitachi class 385 electric trains and 26 high speed, primarily on central belt routes which will benefit SEStran region. Timing delayed due to supplier issues.

4. High Speed 2 Update

4.1 HS2 will accommodate a step change in capability for Anglo Scottish routes, but its outputs and timescales are still in development. SEStran attended the recent High-Speed Rail Stakeholders meeting in July 2018 and received an update from Transport Scotland and HS2.

4.2 Alastair Young the High Speed Rail Project Manager from the Rail Policy unit at Transport Scotland will be presenting to the September meeting of the SEStran Partnership Board providing an update on the HS2 project.

5 Local Rail Development Fund – Newburgh

5.1 This £2 million Scottish Government fund[2] was announced in February 2018 with the aim of providing funding to develop community led options to improve local rail connections.

5.2 Applications were invited to the Local Rail Development Fund from any stakeholder organisation with a responsibility, or interest in, local transport issues. In June 2018 SEStran together with the Newburgh Rail Station Group and Fife Council submitted an application to develop an appraisal on the transport options in the Newburgh area.

5.3 The proposal focussed on building on the initial appraisal study work done by the Newburgh Train Station Group[3] which represented the first step in the overall transport appraisal process (STAG) recognised by Transport Scotland and made the case for change to the current transport situation the community faces. The LRDF application focused on the next steps developing a more measured in-depth examination and costing of the kinds of solutions that could deliver improvement in the Newburgh area.

5.4 Transport Scotland reviewed over 30 applications to the fund and SEStran are pleased to confirm that the Newburgh application was successful, with £82,000 allocated from the fund to progress the project.

5.5 The project management team will consist of SEStran, the Newburgh Rail Group and Fife Council. The project team will work closely with Tactran Officers as they

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[2] https://www.transport.gov.scot/public-transport/rail/rail-policy-and-strategy/local-rail-development-fund/
[3] http://newburghtrainstation.org.uk/wp-content/uploads/2018/06/Newburgh_STAG_Pre-Appraisal_June2018.pdf

will be working on a STAG appraisal in the Bridge of Earn/Oudenarde area. Both Tactran & SEStran officers will be represented on each of the projects review groups.

5.6 The first step will be to appoint a consultant to develop the STAG appraisal. The procurement process will be managed by SEStran through Public Contract Scotland framework, with the process completed and an appointment made before the end of 2018.

5.7 The appointed consultant will work with the project management team on The STAG appraisal with the work to be completed and a final report issued by end March 2020.

6. Levenmouth Sustainable Transport Study

6.1 Transport Scotland is leading on the Levenmouth Sustainable Transport Study[4] working in close collaboration with Fife Council and SEStran.

6.2 This new work builds on the earlier STAG Report dated December 2016, which concluded with a preferred option to re-open the existing rail line at Levenmouth.

6.3 Peter Brett Associates are progressing the transport appraisal work in line with Scottish Transport Appraisal Guidance (STAG). The study will consider the role of future transport investment to support the economy in the Levenmouth area, particularly looking at inclusive growth aspects.

6.4 A wide ranging engagement exercise with key stakeholders including SEStran, elected members, local groups and businesses and professional stakeholders, has been undertaken as part of the initial stage of the study.

6.5 The appraisal work is due to be completed by before the end of the 2018 calendar year.

8 Accessibility

8.1 A Station Travel Plan (STP) is a management tool for improving access to and from a station and mitigating local transport and parking problems, supporting sustainable growth in rail patronage and the strategic objectives of the rail industry. The STP is jointly agreed and delivered by the rail industry, LAs, other stakeholders and the local community working in partnership. The STP process is outlines in Appendix 3.

8.2 Phase 2 of the STP process will be delivered in 2018/19 with 5 stations in the SEStran region proposed. SEStran will be working with ScotRail, local authorities and key stakeholders on delivering the STPs in the SEStran area. The STPs will be delivered for the following stations: Falkirk High & Grahamston, Linlithgow, Bathgate with the fifth proposed for Dunfermline.

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[4] https://www.transport.gov.scot/our-approach/strategy/levenmouth-sustainable-transport-study/

8.3 The five STPs in the SEStran region will be funded by ScotRail.

9. Recommendations

9.1 It is requested that the Board not the contents of this report.

Appendix 1 – Joint RTP Response to Cross Country Passenger Rail Franchise Public Consultation

Appendix 2 – SEStran Response - Cross Country Rail Franchise Public Consultation August 2018

Appendix 3 – Station Travel Plan (STP) Process

Keith Fisken
Business Partner
9th March 2018

Policy Implications	None
Financial Implications	£82,000 LRDF funding will be claimed via Transport Scotland and added into the 2018/19 & 2019/20 SEStran budgets with corresponding spend. Note any underspend will be returned to TS.
Equalities Implications	None
Climate Change Implications	None

Appendix 1 - Joint RTP Response to Cross Country Passenger Rail Franchise Public Consultation

To Reduce crowding on current train services for Cross Rail Passengers.

(1) What are the particular services, routes and times of day where you think crowding on Cross Country services needs to be addressed most urgently?

Given the slightly atypical pattern of usage on Cross Country it appears that a larger proportion of patronage comes from the leisure and recreational market which is unusual on the rail network, this has implications for staff, route, rolling stock and service pattern planning. It also begs the question as to what the Franchise is specifically designed to achieve within the wider rail network. It is considered that Cross Country should be a long distance operator focussing on providing good quality direct long distance and inter-regional services, without the need to interchange.

Peak patterns of course exist and Cross Country services in Scotland fulfil a certain amount of urban centre peak purposes however, some patterns at weekends would also appear to be in need of additional capacity – longer rather than necessarily more trains. Furthermore electrification of the network needs to be exploited by new bi-modal rolling stock.

The consultation document identifies routes in and around Birmingham and between Exeter and Bristol as particularly suffering from overcrowding. However, the issue of overcrowding occurs in general where a the Cross Country service provides for both short distance commuting in morning or evening peaks as well as for long distance travellers. It is recognised that as well as commuting journeys causing overcrowding, the Cross Country service is currently part of the solution by adding much needed passenger seating capacity for commuter journeys into major cities.

Examples of this in Scotland include North of Edinburgh services to/from Aberdeen and Edinburgh and also between Glasgow and Edinburgh via Motherwell and East Lothian to/from Edinburgh, where a significant proportion of the services are provided by Cross Country. If these services were rescheduled outside the peaks, other capacity provision would need to be provided for these commuters.

(2) Which of the following potential measures do you think could overcome crowding caused by short distance commuters using long distance Cross Country trains, assuming that suitable alternative services are available?

Removing calls from towns closest to the conurbation centre either completely or just at peak times.

Yes or No? Yes
Removing calls from towns closest to the conurbation centre either completely or just at peak times could potentially overcome overcrowding in particular circumstances. However, it is recognised that as well as commuting journeys

causing overcrowding, the Cross Country service is currently part of the solution by adding much needed passenger seating capacity for commuter journeys into major cities.

Retaining calls at such stations but restricting them to pickup/set down only?

Yes or No? No

Retaining calls at stations but restricting to pick up/set down only is not supported as it would be too difficult to manage and be confusing to passengers.

Removing the validity of multi-modal tickets on long distance trains?

Yes or No? No

Removing the validity of multi-modal tickets is not supported as it would be too difficult to manage and be confusing to passengers.

Other:

Provide specific instances where these may be applicable.

No specific instances given.

To improve the service pattern and network to offer journeys that better meet your needs

(3) Rank the following in order of priority for improvement for your future Cross Country services. Rank 1 for most important to 6 for least important.

more additional summer only services	6
later times of last trains	4
more frequent weekend services	2
earlier Sunday morning services	5
earlier times of first trains	3
more frequent weekday services	1

Which routes and stations and why?

Aberdeen/Dundee to/from West Midlands/South West England

More frequent direct services without the need to interchange at Edinburgh would provide better connections to West Midlands and South West England. Given the significant leisure use this would be applicable 7 days per week.

Edinburgh – Glasgow via Motherwell

More services to call at Motherwell specifically, where the significance of the station as a rail-head for a large section of the built up conurbation might suggest that more long distance services should serve the station rather than fewer.

Scotland to/from South West England.

An earlier start and later finish on the route would give better access between Scotland and major conurbations in West Midlands and South West England by providing an earlier arrival and later departure at the destination, thus providing a more useful day.

(4) If it were possible would you agree with transferring these local routes to the West Midlands franchise:

	Yes	No
Birmingham to Nottingham	X	
Birmingham to Leicester	X	

Why?

It is considered that Cross Country should be a long distance operator focussing on providing good quality direct long distance and inter-regional services, without the need to interchange. If these routes can be covered fully within another franchise, without the need for passengers to interchange between services during their journey, consideration should be given to transferring.

Would you like to see any other routes or stations transferred to or from the Cross Country franchise?

Yes	X
No	

Which routes and stations and why?

If there are other franchises which wholly cover the end to end journey of the particular route, then consideration should be given to transferring these local routes. It is considered that Cross Country should be a long distance operator focussing on providing good quality direct long distance and inter-regional services, without the need to interchange.

(5) If the network was unable to cope with all the service enhancement aspirations north of Northallerton on the East Coast mainline, would a:

	Yes	No
curtailment of one of the existing Cross Country services be acceptable (with the resources redeployed to enhance other existing or new routes)?		X
diversion of one of the existing Cross Country services be acceptable (with the resources redeployed to enhance other existing or new routes)?		X

Why / why not?

It is considered that the one train per hour Cross Country service between Scotland and South West England needs to be maintained as a minimum. The proposed increase in TransPennine services between Edinburgh and Manchester from every two hours to hourly is welcomed. It is also considered that the current two trains per hour LNER Edinburgh to London service is the minimum frequency that needs to be maintained. Consideration should be given to bi-mode longer trains (9 carriage) to provided additional capacity. If there are any service curtailments required this should not be on cross border Scotland to England services.

(6) Should bidders be given flexibility to make limited changes to the extremities to the network so that benefits such as reduced crowding in the centre of the network can be provided?

	Yes
X	Yes, but only if alternative services are provided by other operators
	No

Comments:

It is considered that Cross Country should be a long distance operator focussing on providing good quality direct long distance and inter-regional services, without the need to interchange. As such dividing the network into "core" and "extremity" is unhelpful and counter to the long distance purpose of the Cross Country franchise.

Bidders should be given limited flexibility to consider changes to the timing of services, but only if alternative services can be provided. The North of Edinburgh Cross Country service adds much needed passenger seating capacity for commuter journeys into Aberdeen, Dundee and Edinburgh. If these services were rescheduled outside the peaks, other capacity provision would need to be provided for these commuters.

The RTPs would only support rescheduling of these services if resources are provided to Scottish Government to provide the same peak time capacity to/from Aberdeen, Edinburgh and Glasgow through the ScotRail franchise and if this is technically feasible within the pathing constraints. The direct services from North of Edinburgh offer good direct connections to West Midlands/Birmingham area and South West England/Bristol area and these direct services provide important business and tourism/leisure connections.

The documentation suggests that Glasgow extensions will be retained at their current frequency – this is to be welcomed, specifically as the service dove-tail with the Scotrail service on the line to offer an hourly service between Edinburgh and Glasgow via Motherwell.

The direct services between Scotland and West Midlands and South West England, including North of Edinburgh route, provides a sustainable alternative to domestic aviation. Transport Focus research identifies that the need to interchange between services can be a significant deterrent to rail use. It is therefore important the direct rail services from North of Edinburgh to West Midlands and South West England are maintained as a minimum and increased, if possible.

(7) Do you agree that the current level of Cross Country services to the following routes are the minimum that must be specified for:

	Yes	No
West of Plymouth to Penzance?		
Exeter to Paignton?		
Newton Abbot to Paignton?		
North of Edinburgh to Aberdeen?	Yes	
Southampton to Bournemouth?		
Guildford?		
Bath?		
Cardiff to Bristol Temple Meads?		

Do you agree that the changes to the following routes would be acceptable if a similar or improved service was provided by another operator:

	Yes	No
West of Plymouth to Penzance?		
Exeter to Paignton?		
Newton Abbot to Paignton?		
North of Edinburgh to Aberdeen?	Yes	
Southampton to Bournemouth?		
Guildford?		
Bath?		
Cardiff to Bristol Temple Meads?		

The North of Edinburgh route currently provides for both commuter and long distance passengers. Consideration to retiming the Cross Country service should only be made where alternative resources and services are provided for commuters and it is feasibly possible to provide the same passenger carrying capacity.

(8) Do you think the department's minimum specification should preserve exactly the existing pattern of services and station calls rather than offer an opportunity to change?

	Yes
X	No

Comments:

Not necessarily although it should inform the timetable option it should not necessarily dictate it. Working with other franchise holders could result in a better overall service provision for passengers whilst maintaining local, regional, and long distance rail service patterns – particularly at rush hours but also at less busy times (early/late//weekend/Sunday services for example) when one service might have to meet a multiplicity of service purposes. The franchise should also be mindful of passenger resistance to changing trains or to travel on connecting services – particularly on longer-distance journeys.

Overall there should be a minimum, maybe expressed as a minimum frequency between stations. However regarding specifying routes such as North of Edinburgh, where there are only few services per day, a minimum number of services and time of day should be specified to ensure the service provides a meaningful and useful long distance service.

Where currently the North of Edinburgh route provides for both commuter and long distance passengers, consideration to retiming the Cross Country service should only be made where alternative resources and services are provided for commuters and it is feasibly possible to provide the same passenger carrying capacity.

(9) Should bidders have some flexibility to make fewer calls at some stations, for example if that enabled them to accelerate services?

X	Yes
	No

On what routes could this be introduced?

Further information would be required to make an informed decision on this. Fewer calls at stations will not necessarily accelerate services as there are other timetable and infrastructure considerations that may not permit this.

(10) Should the minimum specification have the number of trains from each station to Birmingham but give bidders the flexibility to decide where the trains go after Birmingham?

X	Yes
	No

(11) Are there stations beyond the geography of the Cross Country network that should receive calls that they currently do not receive (include examples and supporting evidence)?

In addition to the current North of Edinburgh services to Dundee and Aberdeen, consideration could be given to extending services North of Edinburgh to Stirling,

Perth and Inverness where rail capacity exists. This would enable the Cross Country franchise to provide a direct service connecting all of Scotland's cities to West Midlands and South West England. A direct connection from Scotland to South Wales should also be considered.

Outside the Cross Country franchise, the intention to increase the frequency of the TransPennine Express service between Manchester and Edinburgh is welcomed and consideration should be given to extending some of these services to provide a direct connection North of Edinburgh to Manchester/Liverpool. Likewise consideration should be given to extending the West Coast Main Line north of Glasgow/Edinburgh to provide direct connections to Carlisle, Crewe, Birmingham and Milton Keynes. Consideration should also be given to some of these services utilising Motherwell station and running though to Larbert via Coatbridge and Cumbernauld to provide more direct services to/from North of Scotland.

(12) Are there stations within the geography of the Cross Country network that should receive calls that they currently do not receive (include examples and supporting evidence)?

Within Scotland the RTPs consider that regional rail head locations should be served by more long distance services.

The RTPs consider that the hourly services between Edinburgh and West Midlands and South West England should be maintained as a minimum. Currently the majority of these services serve Plymouth and Bristol. The RTPs would be supportive of consideration being given to other destinations south of Birmingham, such as Oxford, Reading, Southampton and Cardiff. However, this would need to be evidence based regarding the demand for these destinations to/from Scotland.

To improve and simplify fares and ticketing

(13) What changes would you like to see to the way Cross Country currently sells and provides tickets?

It is agreed that passengers should be provided with widespread and easy access to a full range of tickets and that they have all the information required to select and purchase the most appropriate ticket. All methods of payment should be available. A consistency of offer should be provided between franchises, such as ScotRail "Kids go Free" being able to be used on all franchise services in Scotland.

(14) What changes would you like to see to the current Cross Country current fares structure?

Ticket pricing should be incentivised to encourage off peak use for long distance journeys and simplification of the ticket offer should be prioritised.

(15) What changes would you like to see to the Advanced Purchase on the day (APOD) system?

APOD providing access to cheaper advanced fares up to 10 minutes before departure is welcomed. However, by allocating a seat to these purchases it does give difficulty for other passengers already on the train knowing whether a seat has been reserved or not. Whilst a good idea in theory, it should perhaps be limited to seats in specifically dedicated parts of the train and the signage on the train seat display should make it clear that (for example) "this seat may be subject to reservation" – it should also be made clear that other "non-reservable under any circumstances seats" are available and should be identified as such. As stated later in the document the operator could be encouraged to develop ideas to 'segregate' passenger and one option could be that APOD are intelligently allocated in this manner.

To improve access, information and making connections

(16) What additional information would be useful to you when planning your journeys or making connections onto other services?

As noted in the consultation document, Transport Focus has undertaken research that shows the top ten passengers priorities. The franchise should look to maximise these priorities.

How would you like the information communicated to you?

As noted in the consultation document, Transport Focus has undertaken research that shows the top ten passengers priorities. The franchise should look to maximise these priorities.

(17) How could the way in which Cross Country deals with your complaints and provides compensation to you be improved?

Information on how to make complaints must be clear, easy and readily available for the passengers and staff must be trained in dealing with these efficiently.

(18) What more could be done to improve access and provide facilities for those with disabilities or additional needs?

Legislation covers much of this area but legislation is sometimes not enough when it comes to meeting specific needs. Appropriate and compliant facilities at stations are of paramount importance and the rail industry should address both on and off train facilities for passengers who require assistance.

As noted in the consultation document, Cross Country does not manage any stations, with station management undertaken by ScotRail or directly by Network Rail at stations in Scotland. The Cross Country operator should be required to work

with the station management company to ensure improved access and facilities for those with disabilities or additional needs.

It is agreed that franchise bidders should consider solutions to improve access and interchange for people with accessibility needs; improve passenger assistance systems and offer better and accessible connections with other forms of transport.

(19) How do you believe Cross Country staff could be more effective in providing service and assistance that passengers need on a modern railway network?

Passengers value the presence of staff on-board and at stations. Currently Cross Country staff members are fairly anonymous at stations compared to other franchises and their presence at stations should be increased to be more visible. Staff should be trained to provide information and be present to guide and reassure passengers.

(20) What comment do you have on improving the overall passenger experience before, during and after the journey?

The passenger should be suitably informed throughout the journey to have confidence in the journey they are making and for onward connection.

Prior to making the journey, as well as timetable and fare information, the franchise bidder should be asked to consider methods of providing information on crowding and availability of seats.

At the station clear and concise wayfinding should be provided, as well as real time information train times.

On-board there should be clear information given on any delays and the effect this may have on onwards journeys and how to access onward connections. In addition staff should be trained and informed to provide information and, for example direct passengers to suitable seating.

At destination station, clear and concise wayfinding and information on onward connections to all modes to make interchange as easy as possible.

To improve the on-board experience

(21) Rank your priorities for improvement to the carriage layout for local trains on Cross Country? Rank 1 for most important to 7 for least important.

More seats   1

More table seats as opposed to 'airline' seats   6

More comfortable room for short distance standing   3

Cycle storage	4
Seats that align with windows	5
Greater leg-room	7
Extra room for luggage	2

(22) Rank your priorities for improvement to the carriage layout for long distance inter-city Cross Country trains? Rank 1 for most important to 7 for least important.

More seats	1
More table seats as opposed to 'airline' seats	4
More comfortable room for short distance standing	7
Cycle storage	3
Seats that align with windows	6
Greater leg-room	5
Extra room for luggage	2

Where and when do you think these facilities are most required?

It is considered that Cross Country should be a long distance operator focussing on providing good quality direct long distance and inter-regional services and as such the carriage layout should be designed more for the long distance passenger. However, if more seats could be provided this may reduce the overcrowding at peak times.

Consideration could be given to utilising two types of carriages – one catering for shorter journeys and one for longer - and an intelligent booking system used to allocate passengers to seats in the appropriate carriage depending on their journey length.

Increasing cycle storage capacity on rolling stock and easier access both on train and when booking for people with bikes to support and encourage inter-modal travel and tourism, is supported.

(23) What other comments or suggestions do you have about the on-board experience?

The standard of catering is poor, particularly north of Edinburgh where it is curtailed, and this needs to improve. Other requirements valued are provision of power points and free wifi.

If more seats could be provided through longer trains, this may assist in reducing overcrowding at peak times and negate the need for two types of carriages and concentrate on providing a high quality standard carriage layout.

(24) Which initiatives would you suggest to try to reduce the disturbance caused by the 'churn' of passengers alighting and boarding at frequent station calls?

The potential approach for the operator to develop ideas to 'segregate' passengers according to the distance they travel through intelligent allocation of seat reservations is supported and considered worthwhile exploring. This could allow different carriages for short journeys and long journeys, potentially increasing the seating capacity of the service.

Stakeholder Engagement and Community Rail Partnerships

(25) Are there any improvements to the level stakeholder engagement by Cross Country that you would like to see and how could stakeholder engagement be improved?

The RTPs would welcome direct engagement regarding the Cross Country Passenger Franchise.

TPE are considered to be good at stakeholder engagement – perhaps this franchise should seek to work with stakeholders in a similar fashion.

(26) Does Cross Country provide a sufficient level of support to relevant Community Rail partnerships in your experience?

N/A	Yes
N/A	No

(26) Has their support improved in the last year to 18 months?

N/A	Yes
N/A	No

(27) Provide ideas on what more you feel the franchise could do to help the relevant Community Rail partnerships?

Transport Scotland, ScotRail and Regional Transport Partnerships work closely to develop and advise Community Rail Partnerships (CRPs) in Scotland. Where Cross Country Passenger services provide services to stations within a given CRP it would be expected that the operator would engage with the CRP.

(28) Do you have any other views on how the future Cross Country franchise could be improved that have not been captured in the questions above?

The consultation makes no mention of first class travel and consideration needs to be made regarding the proportion of first class and standard class seats, based on demand evidence.

Appendix 2 - SEStran Response - Cross Country Rail Franchise Public Consultation August 2018

SEStran recognises that the rail network and the franchise operators contribute significantly to sustainable development in several key areas. These areas are identified in the SEStran regional transport strategy as follows:

- Social and community – Including accessibility, integration with other transport and Community Rail Partnerships
- Local economy – Including skills, procurement and support for local industry such as tourism
- Environment – Including carbon emissions, air quality and noise

In the 2006 consultation for the 2007 franchise award, SEStran highlighted the benefits that the franchise brings to commuter services from Dunbar to Edinburgh, Edinburgh to Fife and further north. In 2018 maintaining these would be paramount, especially in the context of the questions 5 to 9 (page 22-25) of the document for consultation. These questions are related to allowing bidders the flexibility to make changes in services at the periphery of the network, including frequency of service and calling patterns (timings).

SEStran welcomes the recognition in the current consultation document that elements of the cross-country service perform an important commuter role. However, it is clear that the overall brand for the franchise needs a lot of work. For example, what does it stand for and what role does it provide? Currently it is poorly defined and poorly communicated by the franchise holder to the travelling public.

SEStran would take the position that any reduction to service frequency and capacity would be detrimental to the citizens of the region, especially if we have no clear vision as to how any reduction would be offset. SEStran would like to emphasise that care must be taken to ensure there are no reductions in overall service frequencies, journey times, quality of rolling stock, ticket integration and interchangeability.

In addition, SEStran would like to see increased cycle storage capacity on rolling-stock and easier access both on train and when booking for people with bikes, to support and encourage inter-model travel and tourism.

> Q1. What are the particular services, routes, and times of day where you think crowding on Cross Country services needs to be addressed most urgently?
>
> The services north of Edinburgh also perform a crucial function for commuter services in and out of Edinburgh. Particularly in the morning peak, there are two cross country trains that make up approximately 18% of the overall seating capacity that serves Edinburgh from the north between the hours 0730 – 0930 (Edinburgh Arrivals).
>
> The popularity of these services leads to overcrowding but does indicate how essential they are to this segment of commuters.

Q2. Which of the following potential measures do you think could overcome crowding caused by short distance commuters using long distance Cross Country trains, assuming that suitable alternative services are available?
a. Removing calls from towns closest to the conurbation centre either completely or just at peak times
b. Retaining calls at such stations but restricting them to pick up/set down only
c. Removing the validity of local multi modal tickets on long distance trains
d. Other (please suggest).

Other: There are restricted intercity services serving the population north of Edinburgh. Therefore, in order to arrive down south at a reasonable time there is a requirement to run in the peak. There is capacity within the longer trains to meet the local commuter need. However, if there is a failure of the ScotRail service, the result will be overcrowding in the morning peaks, which causes the most inconvenience.

Q3. Please rank the following in order of priority for improvement for your future Cross-Country services:

1. More frequent weekday services – Services into and out of Edinburgh
2. Earlier times of first trains – Services into Edinburgh
3. More frequent weekend services – Services out of Edinburgh
4. More additional summer only services
5. Later times of last trains
6. Earlier Sunday morning services

Q4. If it were possible would you agree with transferring these local routes to the West Midlands Franchise?

Yes, if it improves the ability of the franchise to deliver a better long distance experience, by reducing the need for stops and passenger interchanges.

5. If the network was unable to cope with all the service enhancement aspirations north of Northallerton on the East Coast mainline, would a:

● curtailment of one of the existing Cross Country services be acceptable (with the resources redeployed to enhance other existing or new routes?)

SEStran do not want to see a reduction on any of the current Cross Country services to/from Fife for example. All services are essential and in fact more services will be required to meet the future aspirations to encourage switching from road and air.

Any impact on the number and frequency of services to and from Edinburgh is detrimental to the population of East Lothian; however, without knowing the proposed Trans Pennine enhancement or timings, it is premature to be overly critical. With significant planned growth throughout East Lothian, sustainable public transport options are essential, therefore optimising rail connectivity including multiple service operator's key to delivering positive outcomes.

The importance of rail commuting between Edinburgh and Fife/further north is increasing all the time, should any of the cross country trains currently also performing as commuter services be withdrawn or timed to operate out with the peak periods, this will cause serious capacity problems which will have to be addressed by ScotRail and Transport Scotland.

Q6. Should bidders be given flexibility to make limited changes to the extremities to the network so that benefits such as reduced crowding in the centre of the network can be provided?
- Yes
- Yes, but only if alternatives are provided
- No?

Yes, but only if alternatives are provided. This question is important as the definition of extremities is broad and may impact on local services acting as a lifeline for communities. Consequently, this must be caveated to allow for a thorough assessment of the wider community impacts.

The service provision to Edinburgh is very limited at present compared to the service provision to key cities further south (i.e. half hourly services). Therefore, SEStran would not want service provision to be reduced further. Nearly 8% of passengers on the Cross Country services are from Scotland and this is predicted to increase in the future. Edinburgh is a key tourist attraction and therefore encouraging tourist travel on this route would assist in filling the off peak capacity.

Q7a. Do you agree that the current level of Cross Country services to the following routes are the minimum that must be specified for:
- West of Plymouth to Penzance?
- From Exeter/Newton Abbot to Paignton?
- **North of Edinburgh to Aberdeen?**
- Southampton to Bournemouth?
- Guildford?
- Bath?
- Cardiff to Bristol Temple Meads?

Yes, with reference to the north of Edinburgh to Aberdeen.

Q7b. Do you agree that the changes to the following routes would be acceptable if a similar or improved service was provided by another operator:
- West of Plymouth to Penzance?
- From Exeter/Newton Abbot to Paignton?
- **North of Edinburgh to Aberdeen?**
- Southampton to Bournemouth?
- Guildford?
- Bath?
- Cardiff to Bristol Temple Meads?

No, with reference to the north of Edinburgh to Aberdeen. This is a big 'if' as there is no clear understanding of where these alternative services would come from or how they would be funded.

This would require the already congested local services to feed the Cross Country services, which would not be in the best interests of communities. SEStran believes this would result in a poorer service for longer distance travel.

There would potentially be a higher cost of fares for passengers north of Edinburgh, where there would be no benefit from discount savings as they would only be connecting to the Cross Country services in Edinburgh. Passengers would have an additional interchange at Edinburgh causing longer journey times, as well as multiple tickets for the different services.

Further, if the local services are delayed or cancelled there could be loss of connection for onward travel -which raises the question, who would cover the compensation and onward travel costs?

If the Cross Country services were to continue to Dundee/Aberdeen without stopping in Fife this would have an economic impact on Fife and its residents, if residents were unable to access the services.

Q8. Do you think the Department's minimum specification should preserve exactly today's pattern of services and station calls rather than offer an opportunity to change? Yes/No

No. The setting of minimum specifications maintains the guarantee of a set standard over time; however, with changing transport behaviour, flexibility to introduce enhancements should be permitted subject to capacity and consultation constraints. With growing demand on the network, step change must be permitted to meet the future forecasts, by local and national carriers.

This needs to be spelt out as to what services are now additional to the previous franchise, including rolling stock and stopping patterns. As with the Abellio ScotRail franchise, at the start of the franchise several trains were removed from the network. ScotRail are still trying to replace these services to meet the franchise provision, as well as delivering against passenger expectations.

SEStran would support passengers in their expectation that there should be improved service provision, plus enhancements and improvements to services with every franchise.

Q9. Should bidders have some flexibility to make fewer calls at some stations, for example if that enabled them to accelerate services? Yes/No If yes, please give examples where this might be justified

In Fife, it is felt that reducing stopping patterns as and when it suits does not provide passengers with confidence in a service, especially if the stations are at the end of routes, which means services to Scotland would receive a reduced service whilst carrying 8% of the overall passengers.

However, in East Lothian a case could be made for 'yes', but again this must reflect a benefit/cost analysis approach and be led by business demand. The analysis must demonstrate significant benefits over local circumstances and an element of profit must be returned to offset local needs.

Q10: Should the minimum specification have the number of trains from each station to Birmingham but give bidders the flexibility to decide where trains go after Birmingham?

No comment.

Q11. Are there stations or routes beyond the geography of the current Cross Country network that should receive calls that they currently do not receive?

North from Edinburgh into Stirling and Inverness.

Q12. Are there stations within the geography of the current Cross Country network that should receive calls that they currently do not receive?
As Q11.

Q13. What changes would you like to see to the way Cross Country currently sells and provides tickets?

The continued improvement to seat reservations welcomed as it improves the complete travel experience, especially for the elderly, disabled, families and frequent traveller.

Q14: What changes would you like to see to the current Cross Country fares structure?

Increased Equity - the fares are rarely discounted for tickets north of Edinburgh on Cross Country Services, with discounts on services from key cities to key cities. If the discounts were to be provided for all passengers regardless of boarding stations the benefits to the users would be more equitable.

With both ticketing provision and fare structure, SEStran believes that all franchises should be aiming for increased integration, transparency and simplification.

Q15: What changes would you like to see to the Advanced Purchase on the Day (APOD) system?

Improved integration with other ticketing systems to avoid confusion with passengers already undertaking a journey, and not knowing that the seat they are in has been reserved by an APOD customer. This confusion results in them having to move which in turn degrades their journey experience.

Q16: What additional information would be useful to you when planning your journeys or making connections onto other services? How would you like it communicated to you?

Intermodal connections at stations communicated using on board real time passenger information screens.

No comment

Travel planning websites, satellite navigation and Apps (Google Maps & Traveline) are now common place. People are using these initiatives every day to make their commute, shopping trip or recreational journey planning easier. However, for those in the community with disabilities (seen and unseen), learning difficulties or degenerative conditions such as dementia can find these tools difficult to use or understand.

SEStran would be happy to discuss a project to develop an interface to improve this for passengers with disabilities. We are exploring the development of a platform that can be adjusted for different disabilities to show the relevant route information in a clear and accessible way. For example, providing information about which travel option to use, where to get on and when to get off, providing information about what to do if lost, and enabling a carer (and transport provider) monitoring/communication system.

No comment.

Improved ticketing with increased transparency and fairness will help with pre/ post journey experiences, by reducing feelings of cognitive dissonance amongst passengers, whilst increasing confidence and reducing confusion and post purchase regret.

Furthermore, SEStran feels that franchise bidders should be required to examine the potential for alternative models of station management to achieve social and community ends. This could include long-term management of stations and associated buildings being passed over to other bodies, allowing operators to focus on train operations rather than asset management

1. more seats
2. cycle storage
3. more comfortable room for short distance standing
4. more table seats as opposed to 'airline' seats
5. greater leg-room

6. extra room for luggage
7. seats that align with windows

Improved customer experience with better WIFI, charging points and in cabin information showing intermodal RTPI for connections at stations.

Improved ticketing and increased standing room.

SEStran believes that Cross Country representatives could improve dramatically in this area but understand that the reason to attend meetings must be a worthwhile use of time and resources. SEStran would be happy to support and facilitate increased engagement.

Engaging and communicating regularly with CRPs will improve understanding within the communities served by the franchise, in terms of what the franchise is doing, and will also create greater brand awareness which will improve the brand image.

Appendix 3 - Station Travel Plan (STP) Process[1]

Step	Description
Station selection	Identify stations where STP will bring greatest benefits
Establishing a partnership	Coordinate locally between stakeholders Identify local staff resources Identify potential funding sources Identify and agree strategic priorities, driven by franchise commitments, LTP etc
Information gathering	Collect detailed information on local travel patterns and transport service provision".
Problem Identification	Assess 'gaps' and identify local problems and priorities for improvement
Assess options and opportunities	Consider different options for access improvements covering a range of potential multi-modal solutions
Developing the Action Plan	Develop a plan for implementation of selected options Set targets
Implementation	Implement station access improvements Communication
Monitoring and review	Collect information on the effect of improvements Assess against targets Consider future improvements Regularly review objectives and action plan

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[1] https://www.raildeliverygroup.com/our-services/about-my-journey/station-travel-plans/stp-docs.html?task=file.download&id=469762586

Audited Annual Accounts 2017/18

1   Introduction

1.1   This report presents the audited annual accounts for the year ended 31st March 2018 and recommends approval for signature. A copy of the audited annual accounts is appended to this report.

2   Main Report

2.1   The unaudited Annual Accounts were noted by the Partnership at its meeting in June 2018.

2.2   The Partnership's appointed Auditor – Scott Moncrieff - will present the 2017/18 Annual Audit Report to Members as a separate report on this agenda.

2.3   The Auditor's report provides an opinion on whether the Annual Accounts;

- give a true and fair view in accordance with applicable law and the 2017/18 Code of the state of affairs of the Partnership as at 31 March 2018 and of its income and expenditure for the year then ended;

- have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the 2017/18 Code;

- have been prepared in accordance with the requirements of the Local Government (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003;

- the part of the Remuneration Report to be audited has been properly prepared in accordance with The Local Authority Accounts (Scotland) Regulations 2014;

- the information given in the Management Commentary is consistent with the financial statements and has been prepared in accordance with statutory guidance issued under the Local Government Scotland Act 2003; and

- the information given in the Annual Governance Statement is consistent with the financial statements and has been prepared in accordance with the Delivering Good Governance in Local Government: Framework (2016).

2.4   There are no qualifications to the audit certificate which appears on pages 44 and 45 of the accounts. The Auditor's opinion states that the financial statements present a true and fair view of the financial position of the Partnership as at 31st March 2018 and its income and expenditure for the year then ended.

2.5   One material adjustment was made to the unaudited annual accounts in relation to the estimates applied by the Pension Fund's actuaries in calculating the net pension liability.

2.6   As part of the External Auditor's review of the Partnership's systems of internal control, a significant governance weakness was identified relating to approval of invoices. An additional disclosure has been made in the Annual Governance statement outlining the issue and the actions the Partnership plans to take to address the issue.

2.7   Two additional Accounting Policies have been included in the Audited Annual Accounts:

•   **Going Concern**
      It is considered appropriate to adopt a going concern basis for the preparation of the Annual Accounts, given ongoing Regional Transport Partnership grant funding provided by Scottish Ministers under Section 70 of the Transport (Scotland) Act 2001 and constituent councils obligation to meet the net expenses of the Partnership under Section 3 of the Transport (Scotland) Act 2005;

•   **Revenue income**
      Revenue income is that which does not yield benefit beyond the year of account. In broad terms the revenue income of the Partnership can be divided into the following categories:
      •   Council requisitions, which fund day to day and project expenditure;
      •   European Union and other grant income awarded to fund specific projects;
      •   Other income recoveries to fund specific projects.
                                          .

2.8   The Partnership's Performance and Audit Committee reviewed the audited accounts at its' meeting on 7th September 2018.The Chair of the Performance and Audit Committee will have an opportunity to report to the Board on any issues arising from the Performance and Audit Committee's consideration of the accounts.

3   Recommendations

3.1   It is recommended that the Partnership Board:

3.1.1   note the audited annual accounts and the Auditor's opinion in the audit certificate to the accounts;

3.1.2   authorise the annual accounts for signature.

Hugh Dunn
Treasurer
21st September 2018

Appendix   Audited Annual Accounts 2017/18

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

Policy Implications	There are no policy implications arising as a result of this report.
Financial Implications	There are no financial implications arising following issue of an unqualified Audit certificate for the 2017/18 annual accounts.
Race Equalities Implications	There are no race equality implications arising as a result of this report.
Gender Equalities Implications	There are no gender equality implications arising as a result of this report.
Disability Equalities Implications	There are no disability equality implications arising as a result of this report.
Climate Change Implications	There are no climate change implications arising as a result of this report.

The South East of Scotland Transport Partnership (SESTRAN)

Audited
Annual Accounts

2017/2018

The South East of Scotland Transport Partnership (SESTRAN)

C O N T E N T S

The South East of Scotland Transport Partnership (SESTRAN)

Management Commentary

1. Basis of Accounts

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

2. Statutory Background

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

3. Corporate Strategy

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

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

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

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

SEStran's Vision Statement is as follows:

"A regional transport system that provides all citizens of South East Scotland with a genuine choice of transport which fulfils their needs and provides travel opportunities for work and leisure on a sustainable basis."

4. Risks and Uncertainties

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

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

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

5. Results for the Year

The Partnership is required to present its financial performance as a Comprehensive Income and Expenditure Statement. This can be seen on page 12. To show the net position of the Partnership and to allow comparison with the approved revenue budget, it is necessary to adjust the expenditure shown in the Comprehensive Income and Expenditure Statement to take account of a number of items where the statutory accounting requirements differ from the management accounting practice of the Partnership. These adjustments are detailed in Note 2.

The South East of Scotland Transport Partnership (SESTRAN)

Management Commentary *(continued)*

5. Results for the Year *(continued)*

The net revenue budget of the Partnership in 2017/18 was £0.972m, funded by Government Grant and Council Contributions. A comparison of the outturn position with the revenue budget is presented in the table below. Key aspects of financial performance in 2017/18 are:

- Overall the Partnership had a net underspend of £16,000. This is shown in the table below as a reduced Constituent Council requisition. The underspend arose due to a combination of core revenue budget and project budget underspends, offset by additional costs incurred on the RTPI project.

- The Partnership incurred core service expenditure of £0.444m which was £43,000 below the revised Core Service revenue budget. This underspend mainly reflected reduced expenditure on non-staff costs.

- The Partnership incurred expenditure of £0.656m on revenue projects and received external grants and contributions of £0.374m, resulting in net expenditure of £0.282m. Net expenditure was £23,000 under budget. This underspend includes additional project expenditure of £0.156m funded by additional income of £0.179m sourced during 2017/18. The main favourable variance on the Projects revenue budget arose on the Sustainable and Active Travel grants programme.

- Expenditure of £0.498m on the Real-Time Passenger Information (RTPI) project was funded principally by income of £0.267m from bus operators and European Regional Development Fund, resulting in net expenditure of £0.231m. Of this, the Partnership spent £177,000 on equipment for the regional real-time bus passenger travel information system. Net expenditure was £52,000 in excess of budget. This was funded by the underspends on the Core and Projects revenue budgets.

	Revised Budget £'000	Outturn £'000	Variance £'000
Core Service	487	444	(43)
Revenue Projects - Net Expenditure	305	282	(23)
RTPI Project - Net Expenditure	179	231	52
Net Interest	1	(1)	(2)
Total Expenditure 2017/18	**972**	**956**	**(16)**
Government Grant	(782)	(782)	0
Constituent Council Requisitions	(190)	(174)	16
Total Government Grant and Council Contributions 2017/18	**(972)**	**(956)**	**16**

Non Financial Results

- The Regional Cycle Network Grant Scheme (RCNGS) delivered three projects in the financial year. The Partnership funded Edinburgh and the Lothians Greenspace Trust to upgrade the surface of a 700 metre stretch of the Water of Leith Walkway between Currie and Balerno. Funding was also given to East Lothian Council to provide lighting for a section of shared use path and to create a feasibility study looking at sustainable transport options in Musselburgh and its neighbouring local authorities, Edinburgh and Midlothian.
- During 2017/18, the Partnership developed a regional e-bike programme using combined grant funding. Phase One of the project development included sourcing potential sites for community hubs, developing partnerships and procuring equipment.
- SHARE-North funding was used to support an electric vehicle programme at Edinburgh College. Data logging devices were fitted to each electric vehicle in the project and new charging infrastructure was installed on campus.

Page 3

The South East of Scotland Transport Partnership (SESTRAN)

Management Commentary *(continued)*

5. Results for the Year *(continued)*

Non Financial Results *(continued)*

- Three test phases of Social Car were implemented. Phase 1 saw the initial testing of the application. In phase 2, several test scenarios were run through the Regional Transport Model to understand the potential impacts that the Social Car application could have on the transport network. Phase 3 involved 'real world' testing in partnership with Queen Margaret University staff and students.
- The Thistle Assistance Card has now been adopted by all Regional Transport Partnerships across Scotland.
- The Partnership continued to commit to its Equalities Outcomes 2017-2021, through continuing engagement with equalities organisations - Young Scot, Changing the Chemistry, Stonewall and Equate Scotland.

6. Future Developments

During 2018/19, the Partnership intends to expand the Go-eBike Scheme, using Partnership revenue funds and, potentially, further external funding.

A key requirement for the RTPI scheme is to reastablish a feed to continue to deliver live bus times to digital screens, following changes in bus operator usage of Bustracker SEStran.

In view of the available level of funding, the challenge to deliver the full Regional Transport Strategy (RTS) continues. It remains the Partnership's intention to carry out a full re-write of the RTS, but the Partnership considers it prudent to await the outcome of Scottish Government decisions as regards the future of Regional Transport Partnerships and regional spatial plans, before making that commitment.

It is considered appropriate to adopt a going concern basis for the preparation of the Annual Accounts.

Chair of Partnership Board: GORDON EDGAR _____ Date signed: 21st September 2018

Head of Programmes: JIM GRIEVE _____ Date signed: 21st September 2018

Treasurer: HUGH DUNN, CPFA _____ Date signed: 21st September 2018

The South East of Scotland Transport Partnership (SESTRAN)

STATEMENT OF RESPONSIBILITIES FOR THE ANNUAL ACCOUNTS

The Partnership's Responsibilities

The Partnership is required:

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

I confirm that these annual accounts were approved for signature by the South East of Scotland Transport Partnership at its Board meeting on 21st September 2018.

Chair of Partnership
Board: GORDON EDGAR _____ Date signed: 21st September 2018

The Treasurer's Responsibilities

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

In preparing the Annual Accounts, the Treasurer has:

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

The Treasurer has also:

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

I certify that the Annual Accounts give a true and fair view of the financial position of the Partnership at the reporting date and the transactions of the Partnership for the year ended 31st March 2018.

Treasurer: HUGH DUNN, CPFA _____ Date signed: 21st September 2018

The South East of Scotland Transport Partnership (SESTRAN)

ANNUAL GOVERNANCE STATEMENT 2017/18

1. **Scope of Responsibility**

   The South East of Scotland Transport Partnership's aim is to develop a transportation system for South East Scotland as outlined in the Partnership's Regional Transport Strategy 2015-2025.

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

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

   The Partnership has approved and adopted a Local Code of Corporate Governance which is consistent with appropriate corporate governance principles and reflects the requirements of the "Delivering Good Governance in Local Government: Framework (2016)" and is supported by detailed evidence of compliance, which is regularly reviewed.

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

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

2. **The Partnership's Governance Framework**

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

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

   ● Focusing on the purpose of the Partnership and on outcomes for the community, and creating and implementing a vision for the local area;

   ● Members and officers working together to achieve a common purpose with clearly defined functions and roles;

   ● Promoting values for the Partnership and demonstrating the values of good governance through upholding high standards of conduct and behaviour;

   ● Taking informed and transparent decisions which are subject to effective scrutiny and managing risk;

   ● Developing the capacity and capability of members and officers to be effective;

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

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

The South East of Scotland Transport Partnership (SESTRAN)

ANNUAL GOVERNANCE STATEMENT 2017/18 *(continued)*

2. **The Partnership's Governance Framework** *(continued)*

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

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

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

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

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

4. **Review of Effectiveness**

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

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

- the work of Internal Audit and the Chief Internal Auditor's Annual Opinion on the adequacy and effectiveness of the Partnership's control environment, governance and risk management frameworks;

- the Partnership Director's Certificate of Assurance on internal control;

- the operation and monitoring of controls by Partnership managers;

- the External Auditors in their Annual Audit Letter and other reports; and

- other inspection agencies comments and reports.

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

- **The Partnership Board,** which provides strategic leadership, determines policy aims and objectives and takes executive decisions not delegated to officers. It provides political accountability for the Partnership's performance;

- **The Performance and Audit Committee,** which demonstrates the Partnership's commitment to the principles of good governance. It scrutinises the running of the Partnership and suggests improvements;

- **Internal Audit** provides an independent and objective assurance service to the Partnership, by completing one review in each financial year that is focused on the adequacy and effectiveness of controls established to manage the Partnership's key risks;

The South East of Scotland Transport Partnership (SESTRAN)

ANNUAL GOVERNANCE STATEMENT 2017/18 *(continued)*

4. **Review of Effectiveness** *(continued)*
   - **The External Auditor's Annual Audit Report** is considered by the Partnership Board and the Performance and Audit Committee, along with the output from other external audits and inspections;
   - **The risk management system** requires that risks are regularly reviewed by the Performance and Audit Committee and Board. This ensures that actions are taken to effectively manage the Partnership's highest risks;
   - **The Legal Officer** is responsible to the Partnership for ensuring that agreed procedures are followed and that all applicable statutes and regulations are complied with.

5. **Significant Governance Issues**

   During 2017/18, the Partnership Director was absent from service from 8th December 2017. During this time, the duties of the Director's post were undertaken by the Head of Programmes. The Partnership's established process to pay invoices requires that the Partnership Director sign invoices of value greater than £2,000 and during the Partnership Director's holiday period, invoices with a value greater than £2,000 be signed by a nominated officer in consultation with the Partnership Chair. Following the Partnership Director's absence, it was agreed by officers that the Chair of the Partnership would provide approval of invoices above £2,000 with an officer certifying. Once relevant signatures were obtained by the Partnership, invoices would be passed to the Finance Team in the City of Edinburgh Council for scrutiny by a Principal Accountant and Accountant before being passed to the Council's Invoice Payment Team. For the 2017/18 financial year, the Chair approved and was a second signatory on total expenditure of £1.1million. This arrangement was not communicated and approved by either the Performance and Audit Committee or the Partnership Board. The Partnership's external auditor conducted audit testing on those transactions which were approved by the Chair and confirmed that these transactions were in the normal course of business for the Partnership.

   In the 2017/18 Annual Audit Report, the Partnership's External Auditor advised that the role of Chair should be independent, to enable them to provide effective challenge and scrutiny of officers.
   The current invoice payment process will be revised to include only officer approval in the process. Reports will be presented to the Partnership's Performance and Audit Committee and Board in September 2018, detailing all invoice payments signed by the Partnership Chairperson during the Partnership Director's absence and recommending approval of revised invoice payment arrangements.

6. **Internal Audit Opinion**

   During the year, Internal Audit completed one review that focused on the Partnership's key risks, considered the status of any open Internal Audit findings and reviewed the schedule supporting this Annual Governance Statement. This resulted in an 'amber' rated internal audit opinion, reflecting that the Partnership's control environment. Governance and risk management frameworks are generally adequate, with assessment towards the low end of this category.

7. **Certification**

   In compliance with accounting practice, the Treasurer has provided the Partnership's Head of Programmes with a statement on the adequacy and effectiveness of the Partnership's internal financial control system for the year ended 31st March 2018. It is the Treasurer's opinion that reasonable assurance can be placed upon the adequacy and effectiveness of the Partnership's internal control system.
   From this year's review, with the exception of the matter detailed above, there is reasonable assurance that the Local Code of Corporate Governance is operating adequately, with overall compliance by the Partnership with its corporate governance arrangements.

   Chair of Partnership
   Board: GORDON EDGAR   Date signed: 21st September 2018

   Head of Programmes:
                      JIM GRIEVE   Date signed: 21st September 2018

The South East of Scotland Transport Partnership (SESTRAN)

REMUNERATION REPORT

1. Remuneration Policy for Senior Employees
The Partnership Board determines initial remuneration for senior employees with reference to the level of responsibility of the post. The Partnership does not operate a Remuneration Committee. Annual inflationary increases are based on those agreed by the Scottish Joint Negotiating Committee (SJNC) for Local Authority services.

2. Remuneration for Senior Councillors
The Partnership does not provide any remuneration to senior councillors.
Expenses paid to Board members are detailed in note 19 to the annual accounts.

3. Management of Remuneration Arrangements
The remuneration of the Partnership's employees is administered by the City of Edinburgh Council, as part of a service level agreement with the Partnership.

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

Remuneration Bands	2017/18	2016/17
£50,000 - £54,999	0	1
£55,000 - £59,999	1	0
£60,000 - £64,999	0	1
£75,000 - £79,999	1	0

5. Senior Employees Remuneration
The remuneration paid to the Partnership's senior employees is as follows:

Name and Post Title	Salary, Fees and Allowances £'000	Total Remuneration 2017/18 £'000	Total Remuneration 2016/17 £'000
Alex Macaulay - Partnership Director (to 30/4/16) *	0	0	8
George Eckton - Partnership Director (from 1/6/16) *	76	76	62
Jim Grieve - Partnership Director duties (from 8/12/17) **	18	18	n/a
	94	94	70

* full time equivalent 2016/17 salaries being Alex Macaulay (£90,216) & George Eckton (£75,000)
** full time equivalent 2017/18 salary - Jim Grieve (£57,164)
The senior employees detailed above have responsibility for management of the Partnership to the extent that they have power to direct or control the major activities of the Partnership (including activities involving the expenditure of money), during the year to which the Remuneration Report relates, whether solely or collectively with other persons.

6. Senior Employees Pension Entitlement
The pension entitlement of the Partnership's senior employee(s) is as follows:

Name and Post Title	In-year pension contributions 2017/18 £'000	In-year pension contributions 2016/17 £'000		Accrued pension benefits As at 31 March 2018 £'000	Difference from 31 March 2017 £'000
Alex Macaulay -	0	2	Pension	n/a	n/a
Partnership Director (to 30/4/16)			Lump Sum	n/a	n/a
George Eckton -	18	14	Pension	17	2
Partnership Director (from 1/6/16)			Lump Sum	16	0
	18	16			

The senior employees shown in table above are members of the Local Government Pension Scheme (LGPS).
The Partnership makes no pension contributions for Jim Grieve, nor is he in receipt of pension entitlement.

The South East of Scotland Transport Partnership (SESTRAN)

REMUNERATION REPORT *(continued)*

6. Senior Employees Pension Entitlement *(continued)*

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

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

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

The tiers and members contributions rates for 2017-18 are as follows:

On earnings up to and including £20,700 (5.5%); on earnings above £20,700 and up to £25,300 (7.25%); on earnings above £25,300 and up to £34,700 (8.5%); on earnings above £34,700 and up to £46,300 (9.5%) and on earnings above £46,300 (12%).
If a person works part-time their contribution rate is worked out on the whole-time pay rate for the job, with actual contributions paid on actual pay earned.

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

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

7. Exit Packages

Exit packages include compulsory and voluntary redundancy costs, pension contributions in respect of added years, ex-gratia payments and other departure costs.

There was no payment of any exit packages in 2017-18.

All information disclosed in the tables at paragraphs 4, 5 and 6 in this Remuneration Report has been audited.
The other sections of the Remuneration Report have been reviewed by the appointed auditor to ensure that they are consistent with the annual accounts.

Chair of Partnership
Board: GORDON EDGAR _____   Date signed: 21st September 2018

Head of Programmes: JIM GRIEVE _____   Date signed: 21st September 2018

The South East of Scotland Transport Partnership (SESTRAN)

MOVEMENT IN RESERVES STATEMENT

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

2016/17 - Previous Year Year Comparative	Usable Reserves		Unusable Reserves	Total Partnership Reserves
	General Fund Balance	Total Usable Reserves		
	£'000	£'000	£'000	£'000
Opening Balances at 1 April 2016	0	0	1,430	1,430
Total Comprehensive Expenditure and Income	(1,285)	(1,285)	(107)	(1,392)
Adjustments between accounting basis & funding basis under regulations (Note 7)	1,285	1,285	(1,285)	0
Increase/Decrease in 2016/17	0	0	(1,392)	(1,392)
Balance at 31 March 2017 carried forward	0	0	38	38

2017/18 - Current Financial Year	Usable Reserves		Unusable Reserves	Total Partnership Reserves
	General Fund Balance	Total Usable Reserves		
	£'000	£'000	£'000	£'000
Opening Balances at 1 April 2017	0	0	38	38
Total Comprehensive Expenditure and Income	39	39	(324)	(285)
Adjustments between accounting basis & funding basis under regulations (Note 7)	(39)	(39)	39	0
Increase/Decrease in 2017/18	0	0	(285)	(285)
Balance at 31 March 2018 carried forward	0	0	(247)	(247)

The South East of Scotland Transport Partnership (SESTRAN)

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT 2017/18

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

2016/17				2017/18		
Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000	**Services**	Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000
1,814	(2)	1,812	Core	573	0	573
915	(516)	399	Projects	977	(641)	336
2,729	**(518)**	**2,211**	**Cost Of Services**	**1,550**	**(641)**	**909**
61	(54)	7	Financing & Investment Income (Note 9)	58	(50)	8
0	(933)	(933)	Taxation and Non-Specific Grant Income (Note 10)	0	(956)	(956)
2,790	**(1,505)**	**1,285**	**(Surplus) or Deficit on Provision of Services**	**1,608**	**(1,647)**	**(39)**
			Other Comprehensive Income and Expenditure			
0	0	0	Change in Demographic Assumptions	0	(12)	(12)
405	0	405	Change in Financial Assumptions	0	(113)	(113)
0	0	0	Other Experience	499	0	499
0	(298)	(298)	Expected Return on Assets	0	(50)	(50)
405	**(298)**	**107**	**Total Other Comprehensive Income and Expenditure**	**499**	**(175)**	**324**
3,195	**(1,803)**	**1,392**	**Total Comprehensive Income and Expenditure**	**2,107**	**(1,822)**	**285**

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The South East of Scotland Transport Partnership (SESTRAN)

BALANCE SHEET

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

31 March 2017 £'000		Notes	31 March 2018 £'000
351	Property, plant and equipment	11	422
351	**Long term assets**		**422**
422	Short-term debtors	13	464
(12)	Provision for Bad Debts	14	0
76	Cash and cash equivalents	15	700
486	**Current assets**		**1,164**
(93)	Contributions and Grants Received in Advance		(27)
(399)	Short-term creditors	16	(1,144)
(492)	**Current liabilities**		**(1,171)**
(307)	Other long-term liabilities (Pensions)	24	(662)
(307)	**Long-term liabilities**		**(662)**
38	**Net assets/ (liabilities)**		**(247)**
	Financed by:		
0	Usable reserves	17	0
38	Unusable reserves	18	(247)
38	**Total reserves**		**(247)**

The unaudited Annual Accounts were issued on the 14th June 2018.
The audited financial statements were authorised for issue on 21st September 2018.

Treasurer: HUGH DUNN, CPFA _____ Date signed: 21st September 2018

The South East of Scotland Transport Partnership (SESTRAN)

CASH FLOW STATEMENT

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

31 March 2017 £'000	31 March 2017 £'000		31 March 2018 £'000	31 March 2018 £'000
		OPERATING ACTIVITIES		
(1,551)		Government Grants	(782)	
(200)		Constituent Council Requisitions	(190)	
(1)		Interest paid/ (received)	0	
(520)		Other receipts from operating activities	(354)	
	(2,272)	**Cash inflows generated from operating activities**		(1,326)
384		Cash paid to and on behalf of employees	310	
1,838		Cash paid to suppliers of goods and services	215	
	2,222	**Cash outflows generated from operating activities**		525
	(50)	**Net cash flows from operating activities**		(801)
		INVESTING ACTIVITIES		
15		Purchase of property, plant and equipment	177	
	15	**Net cash flows from investing activities**		177
		FINANCING ACTIVITIES		
0		Other receipts from financing activities	0	
	0	**Net cash flows from financing activities**		0
	(35)	**Net(increase)/ decrease in cash and cash equivalents**		(624)
	41	**Cash and cash equivalents at the beginning of the reporting period**		76
	76	**Cash and cash equivalents at the end of the reporting period (Note 15)**		700

The South East of Scotland Transport Partnership (SESTRAN)

1.   STATEMENT OF ACCOUNTING POLICIES

1.1   Accounting Policies

The Annual Accounts have been prepared in accordance with the International Financial Reporting Standards (IFRS) based Code of Practice in the United Kingdom (the Code). This is to ensure that the Annual Accounts "present a true and fair view" of the financial position and transactions of the Partnership.
The Annual Accounts have been prepared on an historic cost basis, modified by the valuation of pension assets and liabilities and property, plant and equipment, where appropriate.

1.2   Revenue Expenditure

Revenue expenditure is that which does not yield benefit beyond the year of account. In broad terms the revenue expenditure of the Partnership can be divided into two categories:
- employees;
- day-to-day operating expenses, includes costs incurred in respect of office accommodation transport, ICT, and project expenditure.

1.3   Revenue Income

Revenue income is that which does not yield benefit beyond the year of account. In broad terms the revenue income of the Partnership can be divided into the following categories:
- Council requisitions, which fund day to day expenditure;
- European Union and other grant income awarded to fund specific projects;
- other income recoveries to fund specific projects.

1.4   Accruals of Expenditure and Income

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

1.5   Operating Leases

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

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

1.6   Overheads

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

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

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

The South East of Scotland Transport Partnership (SESTRAN)

1. STATEMENT OF ACCOUNTING POLICIES *(continued)*

1.8 Employee Benefits

Pensions

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

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

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

Pension assets have been valued at bid value (purchase price), as required under IAS19.

Under pension regulations, contribution rates are set to meet 100% of the overall liabilities of the Fund.

Accruals of Holiday Leave

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

1.9 Non Current Assets

Property, Plant and Equipment

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

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

Recognition:

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

Depreciation:

- Depreciation is provided on all Property, Plant and Equipment;
- The Partnership provides depreciation on its Property, Plant and Equipment from the month when it comes into use. Thereafter depreciation is provided on a straight line basis over the expected life of the asset. No depreciation is provided on Assets Under Construction.

Measurement:

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

The South East of Scotland Transport Partnership (SESTRAN)

1.   STATEMENT OF ACCOUNTING POLICIES *(continued)*

1.10   Government Grants and Other Contributions

● **Revenue**

Revenue grants and other contributions have been included in the financial statements on an accruals basis.
Where such funds remain unapplied at the Balance Sheet date, but approval has been given to carry these funds forward to the next financial year, the funds have been accrued.

● **Capital**

Capital grants and contributions are recognised in the Comprehensive Income and Expenditure Statement, except to the extent there are conditions attached to them that have not been met.
Where there are no conditions attached to capital grants and contributions, these funds are a reconciling item in the Movement in Reserves Statement by way of an adjusting transaction with the capital adjustment account where expenditure has been incurred and the unapplied capital grants account, where expenditure has not been incurred.

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

1.11   Provisions

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

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

1.12   Reserves

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

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

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

c)   **Accumulated Absences Account**
This represents the net monies which the Partnership requires to meet its short-term compensated absences for employees under IAS19.

1.13   Financial Instruments
Financial Assets
Loans and receivables are initially measured at fair value and carried at their amortised cost. Annual credits to the Comprehensive Income and Expenditure Statement for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument.
Surplus funds held on behalf of the Partnership are managed by the City of Edinburgh Council under a formal management agreement in a pooled investment arrangement.

The South East of Scotland Transport Partnership (SESTRAN)

1.   STATEMENT OF ACCOUNTING POLICIES *(continued)*

1.14   Cash and Cash Equivalents

Cash and cash equivalents include:
- Credit and debit funds held in banks

1.15   Contingent Liabilities

A contingent liability arises where an event has taken place that gives the Partnership a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Partnership.
Contingent liabilities are not recognised in the Balance Sheet but disclosed in a note to the accounts.

1.16   Value Added Tax

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

1.17   Events After the Reporting Period

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

Two types of events can be identified:
i) those that provide evidence of conditions that existed at the end of the reporting period - the Annual Accounts are adjusted to reflect such events;
ii) those that are indicative of conditions that arose after the reporting period - the Annual Accounts are not adjusted to reflect such events, but where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect.
Events taking place after the date of authorisation for issue are not reflected in the Annual Accounts.

1.18   Short Term Debtors and Short Term Creditors

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

1.19   Changes in Accounting Policies and Estimates and Errors

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Partnership's financial position or performance.
Changes in accounting estimates are accounted for prospectively; i.e. in the current and future years affected by the change.
Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

1.20   Going Concern

It is considered appropriate to adopt a going concern basis for the preparation of the Annual Accounts, given ongoing Regional Transport Partnership grant funding provided by Scottish Ministers under Section 70 of the Transport (Scotland) Act 2001 and constituent councils obligation to meet the net expenses of the Partnership under Section 3 of the Transport (Scotland) Act 2005.

The South East of Scotland Transport Partnership (SESTRAN)

2. EXPENDITURE AND FUNDING ANALYSIS

The Expenditure and Funding Analysis shows how annual expenditure is used and funded from resources by the Partnership in comparison with those resources consumed or earned by the Partnership in accordance with general accounting practice. It also shows how this expenditure is allocated for decision making purposes between service areas. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement (CIES) (see page 12).

Expenditure and Funding Analysis

	Net Expenditure Chargeable to the General Fund	Adjustments	Net Expenditure in the CIES
2017/18	**£'000**	**£'000**	**£'000**
Core	443	130	573
Projects	513	(177)	336
Net Cost of Services	**956**	**(47)**	**909**
Other Income and Expenditure			
Government grant	(782)	0	(782)
Constituent council requisitions	(174)	0	(174)
Net pension interest cost	0	8	8
(Surplus) or deficit on the provision of services	**0**	**(39)**	**(39)**

	Net Expenditure Chargeable to the General Fund	Adjustments	Net Expenditure in the CIES
2016/17	**£'000**	**£'000**	**£'000**
Core	456	1,357	1,813
Projects	478	(79)	399
Net Cost of Services	**934**	**1,278**	**2,212**
Other Income and Expenditure			
Government grant	(782)	0	(782)
Constituent council requisitions	(151)	0	(151)
Interest paid	(1)	0	(1)
Net pension interest cost	0	7	7
(Surplus) or deficit on the provision of services	**0**	**1,285**	**1,285**

The South East of Scotland Transport Partnership (SESTRAN)

2.   EXPENDITURE AND FUNDING ANALYSIS *(continued)*

Expenditure and Funding Analysis *(continued)*

2.1 Adjustments from the General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts:

2017/18	Adjusts. For Capital Purposes £'000	Net Change for Pensions Adjusts. £'000	Other Differences £'000	Total Statutory Adjusts. £'000
Core	106	23	1	130
Projects	(177)	0	0	(177)
Net Cost of Services	**(71)**	**23**	**1**	**(47)**
Other Income and Expenditure				
Net pension interest cost	0	8	0	8
(Surplus) or deficit on the provision of services	**(71)**	**31**	**1**	**(39)**

2016/17	Adjusts. For Capital Purposes £'000	Net Change for Pensions Adjusts. £'000	Other Differences £'000	Total Statutory Adjusts. £'000
Core	1,349	4	4	1,357
Projects	(79)	0	0	(79)
Net Cost of Services	**1,270**	**4**	**4**	**1,278**
Other Income and Expenditure				
Net pension interest cost	0	7	0	7
(Surplus) or deficit on the provision of services	**1,270**	**11**	**4**	**1,285**

- Adjustments for capital purposes include the removal of depreciation and impairment costs, and the inclusion of capital funded from current revenue.
- Net changes for pensions adjustment relates to the adjustment made for the removal of IAS19 Employee Benefits pension related expenditure and income with the pension contributions.
- Other differences relate to the reversal of the value of entitlement to accrued leave.

The South East of Scotland Transport Partnership (SESTRAN)

2. EXPENDITURE AND FUNDING ANALYSIS *(continued)*

2.2 Segmental Analysis of Income included in Expenditure and Funding Analysis

2017/18	Core £'000	Projects £'000	Total £'000
Expenditure			
Employee expenses	248	4	252
Other service expenses	195	1,150	1,345
Total Expenditure	**443**	**1,154**	**1,597**
Income			
Government grants and other contribs.	0	(641)	(641)
Total Income	**0**	**(641)**	**(641)**
Net Cost of Services	**443**	**513**	**956**

2016/17	Core £'000	Projects £'000	Total £'000
Expenditure			
Employee expenses	241	12	253
Other service expenses	216	983	1,199
Total Expenditure	**457**	**995**	**1,452**
Income			
Revenues from external customers	(1)	(52)	(53)
Government grants and other contribs.		(465)	(465)
Total Income	**(1)**	**(517)**	**(518)**
Net Cost of Services	**456**	**478**	**934**

The South East of Scotland Transport Partnership (SESTRAN)

2. EXPENDITURE AND FUNDING ANALYSIS *(continued)*

2.3 Expenditure and Income Analysed by Nature

The Partnership's expenditure and income, as set out within the Comprehensive Income and Expenditure Statement is analysed as follows:

	31st March 2018 £'000	31st March 2017 £'000
Expenditure		
Employee expenses	277	261
Other service expenses	1,168	1,104
Depreciation, amortisation and impairment	105	1,364
Interest payments	58	61
Total Expenditure	1,608	2,790
Income		
Fees, charges and other service income	0	(53)
Interest and investment income	(50)	(54)
Income from constituent councils	(174)	(151)
Government grants and other contributions	(1,423)	(1,247)
Total Income	(1,647)	(1,505)
(Surplus) or Deficit on the Provision of Services	(39)	1,285

3. ACCOUNTING STANDARDS THAT HAVE BEEN ISSUED BUT NOT YET ADOPTED

The Code requires the disclosure of information relating to the impact of an accounting change that will be required by a new standard that has been issued but not yet adopted. This applies to the adoption of the following new or amended standards within the 2018/19 Code. For 2017/18 the following accounting policy changes that need to be reported relate to:
• IFRS 9 Financial Instruments;
• IFRS 15 Revenue from Contracts with Customers including amendments to IFRS 15 Clarifications
   to IFRS 15 Revenue from Contracts with Customers;
• Amendments to IAS 12 Income Taxes: Recognition of Deferred Tax Assets for Unrealised Losses, and
• Amendments to IAS 7 Statement of Cash Flows: Disclosure Initiative.

The Code does not anticipate that the above amendments will have a material impact on the information provided in the Partnership's Annual Accounts.

4. CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

In applying the accounting policies set out in Note 1, the Partnership has had to make certain judgements about complex transactions or those involving uncertainty about future events.
The critical judgements made in the Annual Accounts are:
• There is high degree sof uncertainty about future levels of funding for local government.
   The Partnership has determined that this uncertainty is not yet sufficient to provide an indication that
   the assets of the Partnership might be impaired as a result of a need to reduce levels of service provision.

The South East of Scotland Transport Partnership (SESTRAN)

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

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

The items in the Partnership's Balance Sheet at 31 March 2018 for which there is a significant risk of material adjustment in the forthcoming financial year are:

5.1 Pension Liabilities

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

Effect if Actual Result Differs from Assumptions
Formal actuarial valuations are carried out every three years. Each employer's assets and liabilities are calculated on a detailed basis, using individual member data, for cash contribution setting purposes. The formal valuations for Scottish Local Government Pension Scheme funds were concluded by 31 March 2018. The accounting balance sheet position at 31 March 2018, and the projected charge for 2018/19, is therefore based on this new roll forward from the 2017 formal valuation. This differs to the balance sheet position at 31 March 2017 and the charge for 2017/18, which was based on a roll forward from the 2014 formal valuation. This 'step change' can lead to sizeable asset and liability 'remeasurement experience' items in the reconciliation of the Balance Sheet from 31 March 2017 to 31 March 2018.
The following table shows the sensitivity of the results to the changes in the assumptions used to measure the scheme liabilities. Approximate percentage changes and monetary values are shown:

	Approximate % increase to Defined Benefit Obligation	Approximate monetary amount
	%	£000
0.5% decrease in Real Discount Rate	12%	310
0.5% increase in the Salary Increase Rate	3%	90
0.5% increase in the Pension Increase Rate	8%	212

6. EVENTS AFTER THE BALANCE SHEET DATE

The Unaudited Annual Accounts were authorised for issue on 14th June 2018. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing at 31 March 2018, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

There were no events which took place after 31st March 2018 which would materially affect the 2017/18 Annual Accounts.

The South East of Scotland Transport Partnership (SESTRAN)

7. ADJUSTMENTS BETWEEN ACCOUNTING BASIS AND FUNDING BASIS UNDER REGULATIONS

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

| 2017/18 | Usable Reserves | Unusable Reserves | | |
	General Fund Balance	Capital Adjustment Account	Accumulated Absence Account	Pension Reserve	Movement in Unusable Reserve
	£'000	£'000	£'000	£'000	£'000
Adjustments primarily involving the <u>Capital Adjustment Account</u>					
Reversal of items debited or credited to the Comprehensive Income and <u>Expenditure Statement (CIES)</u>					
Charges for depreciation and revaluation of non-current assets	106	(106)			(106)
Insertion of items not debited or credited to the Comprehensive Income and <u>Expenditure Statement (CIES)</u>					
Contributions credited to the CIES that have been applied to capital financing	(177)	177			177
Adjustments primarily involving the <u>Pensions Reserve</u>					
Reversal of items relating to retirement benefits debited or credited to the CIES	84			(84)	(84)
Employer's pension contributions and direct payments to pensioners payable in the year	(53)			53	53
Adjustments primarily involving the <u>Accumulated Absence Account</u>					
Amount by which officer remuneration charged to the CIES on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	1		(1)		(1)
Total Adjustments	**(39)**	**71**	**(1)**	**(31)**	**39**

The South East of Scotland Transport Partnership (SESTRAN)

7. ADJUSTMENTS BETWEEN ACCOUNTING BASIS AND FUNDING BASIS UNDER REGULATIONS (continued)

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

2016/17	Usable Reserves	Unusable Reserves			
	General Fund Balance	Capital Adjustment Account	Accumulated Absence Account	Pension Reserve	Movement in Unusable Reserve
	£'000	£'000	£'000	£'000	£'000
Adjustments primarily involving the Capital Adjustment Account					
Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement (CIES)					
Charges for depreciation and impairment of non-current assets	1,364	(1,364)			(1,364)
Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement (CIES)					
Contributions credited to the CIES that have been applied to capital financing	(94)	94			94
Adjustments primarily involving the Pensions Reserve					
Reversal of items relating to retirement benefits debited or credited to the CIES	63			(63)	(63)
Employer's pension contributions and direct payments to pensioners payable in the year	(52)			52	52
Adjustments primarily involving the Accumulated Absence Account					
Amount by which officer remuneration charged to the CIES on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	4		(4)		(4)
Total Adjustments	1,285	(1,270)	(4)	(11)	(1,285)

The South East of Scotland Transport Partnership (SESTRAN)

8.   TRANSFERS TO/FROM EARMARKED RESERVES

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

9.   FINANCING AND INVESTMENT INCOME

	2017/18 £'000	2016/17 £'000
Interest income on plan assets	(50)	(54)
Pensions interest cost	58	61
	8	7

10.   TAXATION AND NON SPECIFIC GRANT INCOME

	2017/18 £'000	2016/17 £'000
Government Grant	(782)	(782)
Constituent Council Requisitions	(174)	(151)
	(956)	(933)

The South East of Scotland Transport Partnership (SESTRAN)

11. PROPERTY, PLANT AND EQUIPMENT

11.1 Movements on balances:

Movements in 2017/18

Cost or Valuation	Vehicles Plant and Equipment £'000	Assets Under Construction £'000	Total Property Plant and Equipment £'000
At 1st April 2017	534	79	613
Additions	177	0	177
Transfers	67	(67)	0
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	0	(12)	(12)
At 31st March 2018	778	0	778
Accumulated Depreciation			
At 1st April 2017	(262)	0	(262)
Depreciation charge	(94)	0	(94)
Depreciation written out to the Surplus/Deficit on the Provision of Services	0	0	0
At 31st March 2018	(356)	0	(356)
Net Book Value At 31st March 2018	422	0	422

The South East of Scotland Transport Partnership (SESTRAN)

11. PROPERTY, PLANT AND EQUIPMENT *(continued)*

11.2 Movements on balances:

Comparative Movements in 2016/17

Cost or Valuation	Vehicles Plant and Equipment £'000	Assets Under Construction £'000	Total Property Plant and Equipment £'000
At 1st April 2016	2,437	0	2,437
Additions	15	79	94
Impairment increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	(1,918)	0	(1,918)
At 31st March 2017	534	79	613
Accumulated Depreciation			
At 1st April 2016	(816)	0	(816)
Depreciation charge	(64)	0	(64)
Depreciation written out to the Surplus/Deficit on the Provision of Services	618	0	618
At 31st March 2017	(262)	0	(262)
Net Book Value At 31st March 2017	272	79	351

11.3 Depreciation

The following useful lives have been used in the calculation of depreciation:
- Vehicles, plant and equipment: 4 - 5 years

The Partnership provides depreciation on its Property, Plant and Equipment from the month when it comes into use.

11.4 Capital Commitments

Through the Sustainable Travel programme, the Partnership anticipates providing a sum of £150,000 to match a Scottish Government grant of a similar sum to provide more electric bike hubs throughout the SEStran Region. This will expand further on SEStran's investment in sustainable transport, undertaken in 2017/18. At the date of the balance sheet, this expenditure was not legally committed.

The South East of Scotland Transport Partnership (SESTRAN)

12. FINANCIAL INSTRUMENTS

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

	Current	
	31st March 2018 £'000	31st March 2017 £'000
Investments		
Loans and receivables	898	344
Borrowings		
Financial liabilities at amortised cost	976	331

12.2 Fair Values of Assets and Liabilities

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

The fair values calculated are as follows:

	31 March 2018		31 March 2017	
Financial Liabilities	Carrying Amount £'000	Fair Value £'000	Carrying Amount £'000	Fair Value £'000
Trade creditors	976	976	331	331

	31 March 2018		31 March 2017	
Financial Assets	Carrying Amount £'000	Fair Value £'000	Carrying Amount £'000	Fair Value £'000
Loans and receivables	890	890	160	160
Trade debtors	8	8	184	184
	898	898	344	344

13. DEBTORS

	31st March 2018 £'000	31st March 2017 £'000
Debtors:		
Central government bodies	1	0
Other local authorities	11	0
HM Customs and Excise - VAT	49	15
Other entities and individuals	403	407
	464	422

The South East of Scotland Transport Partnership (SESTRAN)

14.   PROVISION FOR BAD DEBTS

Cost or Valuation	31st March 2018 £'000	31st March 2017 £'000
Opening Balance	(12)	0
Provision made during year	0	(12)
Unused amounts reversed during the year	12	0
Closing Balance	0	(12)

15.   CASH AND CASH EQUIVALENTS

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

	31st March 2018 £'000	31st March 2017 £'000
Bank account	700	76
	700	76

16.   CREDITORS

	31st March 2018 £'000	31st March 2017 £'000
Central government bodies	(4)	0
Other local authorities	(134)	(77)
Other entities and individuals	(998)	(316)
Employee costs	(8)	(6)
	(1,144)	(399)

17.   USABLE RESERVES

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

The South East of Scotland Transport Partnership (SESTRAN)

18.   UNUSABLE RESERVES

		31st March 2018 £'000	31st March 2017 £'000
18.1	Capital Adjustment Account	422	351
18.2	Pension Reserve	(662)	(307)
18.3	Accumulated Absence Account	(7)	(6)
		(247)	38

18.1   Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The Account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement (with reconciling postings from the Revaluation Reserve to convert fair value figures to a historical cost basis). The Account is credited with the amounts set aside by the Partnership as finance for the costs of acquisition, construction and enhancement.

	2017/18 £'000	2016/17 £'000
Balance at 1st April	351	1,621
Reversal of items related to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:		
• Charges for depreciation and impairment of non-current assets	(94)	(1,364)
• Charges for revaluation of non-current assets	(12)	0
Net written out amount of the cost of non-current assets consumed in year	245	257
Capital financing applied in the year:		
• Contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	177	94
Balance at 31st March	422	351

18.2   Pension Reserve

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

The South East of Scotland Transport Partnership (SESTRAN)

18. UNUSABLE RESERVES *(continued)*

18.2 Pension Reserve *(continued)*

	2017/18 £'000	2016/17 £'000
Balance at 1st April	(307)	(189)
Remeasurements of the net defined benefit liability	(324)	(107)
Reversals of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement.	(84)	(63)
Employer's pension contributions and direct payments to pensioners payable in the year.	53	52
Balance at 31st March	(662)	(307)

18.3 Accumulated Absence Account

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

	2017/18 £'000	2016/17 £'000
Balance at 1st April	(6)	(2)
Settlement or cancellation of accrual made at the end of the preceding year	6	2
Amounts accrued at the end of the current year	(7)	(6)
Balance at 31st March	(7)	(6)

19. MEMBERS EXPENSES

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

	2017/18 £'000	2016/17 £'000
Expenses	1	1
	1	1

The South East of Scotland Transport Partnership (SESTRAN)

20. EXTERNAL AUDIT COSTS

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

Fees payable in respect of:	2017/18 £'000	2016/17 £'000
• external audit services carried out by the appointed auditor for the year	11	10
	11	10

21. GRANT INCOME

The Partnership credited the following grants, contributions and donations to the Comprehensive Income and Expenditure Statement in 2017/18:

	2017/18 £'000	2016/17 £'000
Credited to Taxation and Non Specific Grant Income		
Scottish Government - Revenue Grant	(782)	(782)
Constituent Council Requisitions (Note 22.3)	(174)	(151)
	(956)	(933)
Credited to Services		
EU Grant - CHUMS	0	(6)
EU Grant - Social Car	(58)	(26)
EU Grant - Regio Mob	(81)	(36)
EU Grant - Sharenorth	(53)	(11)
EU Grant - RTPI	(82)	(32)
EU Grant - Surflogh	(6)	0
Contribution - City of Edinburgh Council	0	(4)
Contribution - East Lothian Council	(2)	0
Contribution - Fife Council	0	(1)
Contribution - Scottish Borders Council	(3)	(1)
Contribution - West Lothian Council	(1)	0
Contribution - HITRANS	(3)	(2)
Contribution - NESTRANS	(1)	(3)
Contribution - SUSTRANS	(118)	(83)
Contribution - SWESTRANS	(1)	0
Contribution - TACTRAN	(3)	0
Contribution - ZETRANS	(1)	0
	(413)	(205)

The South East of Scotland Transport Partnership (SESTRAN)

22.   RELATED PARTIES

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

22.1   Scottish Government

The Partnership receives grant-in-aid revenue funding through the Scottish Government.
Grants received from the Scottish Government are set out in the subjective analysis in Note 21.

22.2   Members

Members of the Partnership have direct control over the Partnership's financial and operating policies.
The total of members' expenses paid by the Partnership in 2017-18 is shown in Note 19.

22.3   Other Parties

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

	2017/18 £'000	2016/17 £'000
• Revenue Expenditure - Support Services		
City of Edinburgh Council - Financial Services/ Clerking	33	23
Falkirk Council - HR Services	2	2
Fife Council - Clerking/ Legal Services	11	27
	46	52
• Revenue Expenditure - Other		
City of Edinburgh Council	0	9
City of York Council	12	12
East Lothian Council	60	4
Edinburgh and Lothians Greenspace Trust	59	86
Falkirk Council	17	0
Midlothian Council	25	25
Scottish Borders Council	0	5
Scottish Government	17	17
West Lothian Council	0	2
	190	160

The South East of Scotland Transport Partnership (SESTRAN)

22. RELATED PARTIES *(continued)*

22.3 Other Parties *(continued)*

	2017/18 £'000	2016/17 £'000
• Revenue Income - Requisitions		
Clackmannanshire Council	(6)	(5)
East Lothian Council	(11)	(10)
City of Edinburgh Council	(56)	(49)
Falkirk Council	(18)	(15)
Fife Council	(41)	(36)
Midlothian Council	(10)	(8)
Scottish Borders Council	(12)	(11)
West Lothian Council	(20)	(17)
	(174)	(151)
• Revenue Income - Interest on Revenue Balances		
City of Edinburgh Council	(1)	(1)
	(1)	(1)
• Revenue Income - Other		
Scottish Goverment	(1)	0
Constituent Councils	(49)	(87)
City of Edinburgh Council	0	(4)
East Lothian Council	(2)	0
Fife Council	0	(1)
Network Rail	(3)	0
NHS Fife	(1)	0
Scottish Borders Council	(3)	(1)
West Lothian Council	(1)	0
	(60)	(93)

The South East of Scotland Transport Partnership (SESTRAN)

22. RELATED PARTIES *(continued)*

22.3 Other Parties *(continued)*

The following represents amounts due to/(from) the Partnership at 31 March 2018, with its related parties.

CREDITORS	2017/18 £'000	2016/17 £'000
• Creditors - Related Parties (Revenue Grants)		
City of Edinburgh Council	0	(4)
East Lothian Council	(60)	(5)
Falkirk Council	(17)	0
Midlothian Council	(25)	(25)
Scottish Borders Council	0	(5)
	(102)	(39)
• Creditors - Related Parties (Other)		
City of Edinburgh Council	(30)	(25)
Edinburgh and Lothians Greenspace Trust	(40)	(86)
Falkirk Council	(2)	(2)
Fife Council		(14)
Constituent Councils	(18)	(49)
Scottish Governmernt	(4)	0
	(94)	(176)
• Creditors - Other Parties	(975)	(277)
Total Creditors	(1,171)	(492)
DEBTORS		
• Debtors - Related Parties (Revenue Grants/ Other)		
Fife Council	7	0
Network Rail	3	0
NHS Fife	1	0
Scottish Borders Council	2	1
Scottish Government	1	0
Strathclyde Partnership for Transport	1	0
West Lothian Council	0	0
	15	1
• Debtors - Other Parties	449	421
Total Debtors	464	422

The South East of Scotland Transport Partnership (SESTRAN)

23. LEASES

Operating Leases

From 8th February 2016 the Partnership took occupancy of Area 3D (Bridge) in Victoria Quay, Edinburgh under the terms of a Memorandum of Terms of Occupation with Scottish Government, which forms part of the Civil Estates Occupancy Agreement (CEOA).

The Partnership is permitted to occupy the space from 8th February 2016 to 7th February 2019 (the Prescribed Term) and so on until ended by either party giving notice under the terms of the CEOA. Both parties will, upon provision of not less than 1 year's prior written notice, have the ability to break this agreement.

The Partnership's contract with MOBIUS Networks for the leasing of SIM cards for the RTPI project, which enable buses to be tracked live on the system, continues into 2018/19. Due to a bus operator's (First Scotland Ltd) decision to move to new ticket machines and its own RTPI system, effective from June 2018, the number of leased SIM cards will be reduced to ten, being those required for fixed signs in Fife. This will lead to a reduced cost. The Partnership has the option to terminate the lease under no penalty if at least six months notice is given.

The Partnership's expenditure on lease payments during 2017/18 was £67,000 (2016/17 £69,000)

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

	2017/18 £'000	2016/17 £'000
• Not later than 1 year	22	40
	22	40

The Partnership has no other material operational leases.

24. DEFINED BENEFIT PENSION SCHEMES

24.1 Participation in Pension Schemes

As part of the terms and conditions of employment of its staff, the Partnership makes contributions towards the cost of post employment benefits. Although these benefits will not actually be payable until the employees retire, the Partnership has a commitment to make the payments that needs to be disclosed at the time that employees earn their future entitlement. As explained in Accounting Policy 1.7, the Partnership is an admitted body to the Local Government Pension Scheme (LGPS) which is administered by the Lothian Pension Fund.

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

The South East of Scotland Transport Partnership (SESTRAN)

24. DEFINED BENEFIT PENSION SCHEMES *(continued)*

24.2 Transactions Relating to Post-employment Benefits

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

Comprehensive Income and Expenditure Statement	2017/18 £000	2017/18 £000	2016/17 £000	2016/17 £000
Cost of services:				
Service cost, comprising:				
Current service costs	76		56	
Past service costs	0		0	
		76		56
Financing and investment income:				
Net interest expense		8		7
Total post employee benefit charged to the surplus on the provision of services		84		63
Other post-employment benefits charges to the Comprehensive Income / Expenditure Statement Remeasurement of the net defined liability, comprising:				
Return on plan assets, excluding the amount included in the net interest expense above	(50)		(298)	
Actuarial gains and (losses) arising on changes in financial assumptions	(113)		405	
Actuarial gains and (losses) arising on changes in demographic assumptions	(12)		0	
Other experience	499		0	
		324		107
Total post-employment benefits charged to the Comprehensive Income / Expenditure Statement		408		170
Movement in Reserves Statement Reversal of net charges made to the surplus on the provision of services for post-employment benefits in accordance with the Code.		31		11
Actual amount charged against the General Fund Balance for pensions in the year:				
Employer's contributions payable to the scheme		53		52
		53		52

The South East of Scotland Transport Partnership (SESTRAN)

24. DEFINED BENEFIT PENSION SCHEMES *(continued)*

24.3 Pension Assets and Liabilities Recognised in the Balance Sheet

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

	2017/18 £'000	2016/17 £'000
Fair value of employer assets	2,016	1,913
Present value of funded liabilities	(2,678)	(2,220)
Present value of unfunded liabilities	0	0
Net liability arising from defined benefit obligation	(662)	(307)

24.4 Reconciliation of the Movements in the Fair Value of Scheme Assets

	2017/18 £'000	2016/17 £'000
Opening fair value of scheme assets	1,913	1,551
Interest income	50	54
Remeasurement gain / (loss):		
Return on plan assets, excluding the amount included in the net interest expense	50	298
Contributions from employer	53	52
Contributions from employees into the scheme	17	15
Benefits paid	(67)	(57)
Unfunded benefits paid	0	0
Closing fair value of scheme assets	2,016	1,913

Reconciliation of Present Value of the Scheme Liabilities

	2017/18 £'000	2016/17 £'000
Present value of funded liabilities	(2,220)	(1,740)
Present value of unfunded liabilities	0	0
Opening balance at 1st April	(2,220)	(1,740)
Current service cost	(76)	(56)
Interest cost	(58)	(61)
Contributions from employees into the scheme	(17)	(15)
Remeasurement gain / (loss):		
Change in demographic assumptions	12	0
Change in financial assumptions	113	(405)
Other experience	(499)	0
Past service cost	0	0
Benefits paid	67	57
Unfunded benefits paid	0	0
Closing balance at 31st March	(2,678)	(2,220)

The South East of Scotland Transport Partnership (SESTRAN)

24. DEFINED BENEFIT PENSION SCHEMES *(continued)*

24.5 Fair Value of Employer Assets
The following asset values are at bid value as required under IAS19.

	2017/18 £'000	%	2016/17 £'000	%
Equity Securities:				
Consumer *	276	14	287	15
Manufacturing *	300	15	290	15
Energy and Utilities *	126	6	142	7
Financial Institutions *	179	9	134	7
Health and Care *	99	5	112	6
Information technology *	123	6	95	5
Other	127	6	132	7
Sub-total Equity Securities	1,230		1,192	
Debt Securities:				
Corporate Bonds (investment grade) *	0	0	0	0
Corporate Bonds (non-investment grade)	39	2	0	0
UK Government *	195	10	192	10
Other *	0	0	4	0
Sub-total Debt Securities	235		196	
Private Equity:				
All *	6		2	
All	30		60	
Sub-total Private Equity	37	2	62	3
Real Estate:				
UK Property	130	6	129	7
Overseas Property	2	0	0	0
Sub-total Real Estate	132		129	
Investment Funds and Unit Trusts:				
Equities *	19	1		
Bonds *	0	0	28	2
Commodities *	0	0	6	0
Infrastructure	239	12	171	9
Other	5	0	41	2
Sub-total Investment Funds and Unit Trusts	263		246	
Derivatives:				
Foreign Exchange *	1	0	0	0
Sub-total Derivatives	1		0	
Cash and Cash Equivalents				
All *	119	6	89	5
Sub-total Cash and Cash Equivalents	119		89	
Total Fair Value of Employer Assets	2,016		1,914	

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

The South East of Scotland Transport Partnership (SESTRAN)

24. DEFINED BENEFIT PENSION SCHEMES *(continued)*

24.6 Basis for Estimating Assets and Liabilities

Hymans Robertson, the independent actuaries to Lothian Pension Fund, have advised that the financial assumptions used to calculate the components of the pension expense for the year ended 31 March 2018 were those from the beginning of the year (i.e. 31 March 2017) and have not been changed during the year.

The principal assumptions used by the actuary in the calculations are:

Investment returns
- Actual returns for the period from 31 March 2017 to 31 March 2018   1.4%

	2017/18	2016/17
Mortality assumptions - longevity at 65 for current pensioners:		
• Males	21.7 years	22.1 years
• Females	24.3 years	23.7 years
Mortality assumptions - longevity at 65 for future pensioners:		
• Males	24.7 years	24.2 years
• Females	27.5 years	26.3 years
Pension increase rate	2.4%	2.4%
Salary increase rate (see below)	4.1%	4.4%
Discount rate	2.7%	2.6%

Estimation of defined benefit obligations is sensitive to the actuarial assumptions set out above. In order to quantify the impact of a change in the financial assumptions used, the Actuary has calculated and compared the value of the scheme liabiliites as at 31 March 2018 on varying bases. The approach taken by the Actuary is consistent with that adopted to derive the IAS19 figures.

The principal demographic assumption is the longevity assumption (i.e. member life expectancy). For sensitivity purposes, the Fund's Actuary has estimated that a one year increase in life expectancy would approximately increase the Employer's Defined Benefit Obligation by around 3-5%. In practice the actual cost of a one year increase in life expectancy will depend on the structure of the revised assumption (i.e. if improvements to survival rates predominantly apply at younger or older ages).

The South East of Scotland Transport Partnership (SESTRAN)

24. DEFINED BENEFIT PENSION SCHEMES *(continued)*

24.7   Analysis of projected amount to be charged to profit or loss for the period to 31 March 2019

	Assets £000	Obligations £000	Net (liability) / asset £000	% of pay
Projected current service cost	0	(81)	(81)	(35.6%)
Past service cost including curtailments	0	0	0	0.0%
Effect of settlements	0	0	0	0.0%
Total Service Cost	0	(81)	(81)	(35.6%)
Interest income on plan assets	54	0	54	23.6%
Interest cost on defined benefit obligation	0	(73)	(73)	(31.9%)
Total Net Interest Cost	54	(73)	(19)	(8.3%)
Total included in Profit or Loss	54	(154)	(100)	(43.9%)

SESTRAN's estimated contribution to Lothian Pension Fund for 2018/19 is £54,000.

25. NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

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

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

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

Credit risk
Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to the Partnership's customers.
The Partnership's surplus funds not immediately required to meet expenditure commitments are held with the City of Edinburgh Council, and the Partnership receives interest on revenue balances on these monies. As the Partnership's surplus funds are held with the City of Edinburgh Council, the counterparty default exposure is effectively nil.
All Partnership invoices become due for payment on issue, and all trade debtors are overdue less than a month.
Collateral - During the reporting period the Partnership held no collateral as security.

The South East of Scotland Transport Partnership (SESTRAN)

25. NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS *(continued)*

Liquidity risk

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

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

Refinancing risk

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

As such, the Partnership has no refinancing risk on its liabilities.

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

Market risk

Interest rate risk

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

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

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

The Partnership currently has no borrowings. Changes in interest receivable on variable rate investments will be posted to the Surplus or Deficit on the Provision of Services and affect the General Fund Balance.

However, all investments currently have a maturity of less than one year and the fair value has therefore been approximated by the outstanding principal.

The Partnership's surplus funds are held with the City of Edinburgh Council.

The Council's Treasury Management Team continue to monitor market and forecast interest rates during the year and adjust investment policies accordingly.

Price risk

The Partnership does not invest in equity shares.

Foreign Exchange risk

As at 31 March 2018, the Partnership had financial assets of £108,000 subject to foreign exchange risk. The foreign exchange loss or gain on these financial assets cannot be determined until 2018/19, when the Partnership is in receipt of the related grant income from the European Regional Development Fund. The Partnership has no financial liabilities denominated in foreign currencies.

The South East of Scotland Transport Partnership (SESTRAN)

INDEPENDENT AUDITOR'S REPORT

Independent auditor's report to the members of The South East of Scotland Transport Partnership and the Accounts Commission

This report is made solely to the parties to whom it is addressed in accordance with Part VII of the Local Government (Scotland) Act 1973 and for no other purpose. In accordance with paragraph 120 of the Code of Audit Practice approved by the Accounts Commission, we do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

Report on the audit of the financial statements

Opinion on financial statements

We certify that we have audited the financial statements in the annual accounts of The South East of Scotland Transport Partnership for the year ended 31 March 2018 under Part VII of the Local Government (Scotland) Act 1973. The financial statements comprise the Movement in Reserves Statement, Comprehensive Income and Expenditure Statement, Balance Sheet, Cash Flow Statement, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2017/18 (the 2017/18 Code).

In our opinion the accompanying financial statements:

- give a true and fair view in accordance with applicable law and the 2017/18 Code of the state of affairs of the body as at 31 March 2018 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the 2017/18 Code; and
- have been prepared in accordance with the requirements of the Local Government (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003.

Basis of opinion

We conducted our audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)). Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the body in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern basis of accounting

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or

- the Treasurer has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about body's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Responsibilities of the Treasurer and Partnership for the financial statements

As explained more fully in the Statement of Responsibilities, the Treasurer is responsible for the preparation of financial statements that give a true and fair view in accordance with the financial reporting framework, and for such internal control as the Treasurer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Treasurer is responsible for assessing the body's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless deemed inappropriate.

The Partnership is responsible for overseeing the financial reporting process.

The South East of Scotland Transport Partnership (SESTRAN)

INDEPENDENT AUDITOR'S REPORT (Contd.)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to achieve reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Other information in the annual accounts

The Treasurer is responsible for the other information in the annual accounts. The other information comprises the information other than the financial statements, the audited part of the Remuneration Report, and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon except on matters prescribed by the Accounts Commission to the extent explicitly stated later in this report.

In connection with our audit of the financial statements, our responsibility is to read all the other information in the annual accounts and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Report on other requirements

Opinions on matters prescribed by the Accounts Commission

In our opinion, the auditable part of the Remuneration Report has been properly prepared in accordance with The Local Authority Accounts (Scotland) Regulations 2014.

In our opinion, based on the work undertaken in the course of the audit

- the information given in the Management Commentary for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with statutory guidance issued under the Local Government in Scotland Act 2003; and
- the information given in the Annual Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the Delivering Good Governance in Local Government: Framework (2016).

Matters on which we are required to report by exception

We are required by the Accounts Commission to report to you if, in our opinion:

- adequate accounting records have not been kept; or
- the financial statements and the auditable part of the Remuneration Report are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit; or
- there has been a failure to achieve a prescribed financial objective.

We have nothing to report in respect of these matters.

Karen Jones
For and on behalf of Scott-Moncrieff
Exchange Place 3
Semple Street
Edinburgh
EH3 8BL
Date:

FINANCE OFFICER'S REPORT

INTRODUCTION

1.1 This report presents the first update on financial performance of the Core and Projects budgets of the Partnership for 2018/19, in accordance with the Financial Regulations of the Partnership. This report presents an analysis of financial performance to the end of August 2018.

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

1.3 The Partnership's Core and Projects budgets for 2018/19 were approved by the Partnership Board on 16th March 2018.

CORE BUDGET 2018/19

2.1 The core budget provides for the day-to-day running costs of the Partnership including employee costs, premises costs, supplies and services. The Board approved net expenditure of £531,000 on 16th March 2018. Details of the Partnership's core budget is provided in **Appendix 1** to this report.

2.2 Cumulative expenditure for the five months to 31st August 2018 was £202,000. This is within the core budget resources available for the period.

2.3 All expenditure estimates have been updated to reflect current expenditure commitments. At this stage in the financial year, activity on EU-funded projects is forecast to be less than anticipated, resulting in an under-recovery of employee costs of £9,000. This will be offset by a corresponding under spend on the Projects budget.

PROJECTS BUDGET 2018/19

2.4 The approved Projects budget is detailed in **Appendix 2**. The Projects Update report elsewhere on this agenda provides detailed information on progress with individual projects.

2.5 Net expenditure to 31ˢᵗ August 2018 was £101,000. As noted in paragraph 2.3, activity on EU-funded projects is forecast to be less than anticipated. The net year-end expenditure variance is forecast to be an underspend of £35,000. If this position is maintained to the year-end, £9,000 will be applied to offset the anticipated pressure on the Core budget, with the balance available to be allocated to Sustainable Travel projects, or other Partnership priorities. Further updates will be presented to future meetings of the Partnership Board in 2018/19 detailing any changes proposed to Project spending plans.

2.6 The profile of expenditure on Sustainable Travel is forecast to occur in the second half of 2018/19. Grant submissions have been invited from eligible organisations. A further update will be reported to the next meeting of the Board.

BALANCES

2.7 The Partnership holds a balance of £16,000 as a result of the underspend on the 2017/18 budget. Subject to the outcome of the annual external audit, the Partnership Board approved on 22nd June 2018 that this underspend should be utilised as funding for the Sustainable and Active Travel Grant Scheme. Following the annual external audit, there is no change to the balance of underspend from 2017/18 and it is therefore recommended that the underspend be utilised as funding for the Sustainable and Active Travel Grant Scheme. It is anticipated these funds will be fully spent in 2018/19.

CASH FLOW

2.8 As previously noted at Partnership Board meetings, the Partnership maintains its bank account as part of the City of Edinburgh Council's group of bank accounts. Cash balances are effectively lent to the Council, but are offset by expenditure undertaken by the City of Edinburgh Council on behalf of the Partnership. Interest is given on month end net indebtedness balances between the Council and the Partnership.

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

Date	Net Balance due to SESTran (+ve) /due by SESTran (-ve)
	£
30 April 2018	-£35,410.42
31 May 2018	-£46,362.76
30 June 2018	+£100,647.04
31 July 2018	+£182,922.84
31 August 2018	+£189,314.73

2.9 Interest is charged/paid on the month end net indebtedness balances between the Council and the Board. Interest will be calculated in March 2019.

2.10 The positive cash flow in the first five months of 2018/19 is attributable to funding received in advance, mainly from the Scottish Government grant, Councils requisitions and EU funding in respect of the Social Car project.

RECOMMENDATIONS

It is recommended that the Partnership Board: -

3.1 Notes an under-recovery of £9,000 for employee costs from EU-funded projects is forecast to be offset by a corresponding underspend of £9,000 on the projects budget. Total revenue expenditure is forecast to be within the revenue budget resources of the Partnership;

3.2 In line with the decision of the Partnership Board on 22nd June 2018, confirm approval for the 2017/18 underspend of £16,000 to be utilised as funding for the Sustainable and Active Travel Grant Scheme, following confirmation of the balance after the annual external audit;

3.3 notes that further updates will be presented to future meetings of the Partnership Board in 2018/19 detailing budget transfers proposed to Project spending plans.

HUGH DUNN
Treasurer
21st September 2018

Appendix   **Appendix 1** – Core Budget Statement at 31st August 2018
Appendix 2 – Projects Budget as at 31st August 2018

Contact   Iain Shaw iain.shaw@edinburgh.gov.uk)

Policy Implications	There are no policy implications arising as a result of this report.
Financial Implications	There are no financial implications arising - the contents of this report point towards a balanced total revenue budget outturn for 2018/19.
Race Equalities Implications	There are no race equality implications arising as a result of this report.
Gender Equalities Implications	There are no gender equality implications arising as a result of this report.
Disability Equalities Implications	There are no disability equality implications arising as a result of this report.
Climate Change Implications	There are no climate change implications arising as a result of this report.

Core Budget 2018/19 – as at 31ˢᵗ August 2018   **Appendix 1**

	Annual Budget £'000	Period Budget £'000	Period Actual £'000	Annual Forecast £'000	Forecast Variance £'000
Employee Costs					
Salaries	347	145	139	350	3
National Insurance	37	15	15	36	(1)
Pension Fund	60	25	31	63	3
Recharges – Projects	(136)	(57)	(59)	(110)	26
Training & Conferences	10	4	2	8	(2)
Interviews & Advertising	2	1	0	0	(2)
	320	**133**	**128**	**347**	**27**
Premises Costs					
Office Accommodation	16	4	4	16	0
	16	**4**	**4**	**16**	**0**
Transport					
Staff Travel	**9**	**4**	**2**	**7**	**(2)**
Supplies and Services					
Marketing	20	8	10	10	(10)
Communications & Computing	90	61	55	90	0
Printing, Stationery & General Office Supplies	7	3	1	5	(2)
Insurance	4	0	0	4	0
Equipment, Furniture & Materials	1	0	0	1	0
Miscellaneous Expenses	6	3	2	5	(1)
	128	**75**	**68**	**115**	**(13)**
Support Services					
Finance	25	0	0	25	0
Legal Services / HR	7	0	0	7	0
	32	**0**	**0**	**32**	**0**
Corporate & Democratic					
Clerks Fees	15	0	0	12	(3)
External Audit Fees	10	0	0	10	0
Members Allowances and Expenses	1	0	0	1	0
	26	**0**	**0**	**23**	**(3)**
Total Expenditure	**531**	**216**	**202**	**540**	**9**
Funding:					
Scottish Government Grant	(341)	(142)	(142)	(341)	0
Council Requisitions	(190)	(190)	(190)	(190)	0
Total Funding	**(531)**	**(332)**	**(332)**	**(531)**	**0**
Net Expenditure/ (Income)	**0**	**(116)**	**(130)**	**9**	**9**

Projects Budget 2018/19 - as at 31st August 2018   **Appendix 2**

	Budget 2018/19	EU /Other Grant	Net Expenditure Budget	Net Spend to 31 August 2018	Forecast	Forecast Variance
	£'000	£'000	£'000	£'000	£'000	£'000
EU Projects						
Social Car	4	(4)	0	2	0	0
Share-north	60	(30)	30	22	22	(8)
Regio-mob	65	(55)	10	10	2	(8)
Surflogh	100	(50)	50	17	30	(20)
Go E-Bike	0	0	0	1	1	1
Total	**229**	**(139)**	**90**	**52**	**55**	**(35)**
RTPI						
Maintenance	108		108	66	94	(14)
Bus Operators income		(42)	(42)	(33)	(33)	9
Total – RTPI	**108**	**(42)**	**66**	**33**	**61**	**(5)**
Sustainable Travel	243		243	0	272	29
Urban Cycle Networks	132	(100)	32	13	32	0
Specialist Rail and Bus Advice	0	0	0	2	2	2
Equalities Action Forum	10	0	10	1	10	0
Total	**722**	**(281)**	**441**	**101**	**432**	**(9)**
Sustainable Travel - carry forward from 2017/18	16	0	16	0	16	0

Invoice Payment Procedure

1. Introduction

1.1 In accordance with SEStran's approved Financial Rules, the Partnership has in place a procedure for the certification and authorisation of invoice payments. These arrangements have existed largely unchanged, since establishment of the Partnership as a statutory body in 2005.

1.2 As part of the findings of the 2017/18 Annual Audit, the Partnership's External Auditor has recommended the existing arrangements should be revised to ensure separation of officer and member roles to facilitate effective challenge and scrutiny.

2. Details

2.1 Since its creation as a statutory body in 2005, the process to pay Partnership invoices has required that the Partnership Director sign invoices of value greater than £2,000, along with a nominated officer of the Partnership and that during the Partnership Director's holiday period, invoices with a value greater than £2,000 be signed by the nominated officer, in consultation with the Partnership Chairperson.

2.2 The currently-nominated officers are the Partnership's Head of Programmes and the Business Manager, who authorise payments of up to £2,000 in each of their respective disciplines. The current "Authorisation of Invoices for Payment - Certifying Officers and Limits of Authority" is attached at **Appendix 1**.

2.3 Once relevant signatures are obtained by the Partnership, invoices are passed to the Treasurer's service in the City of Edinburgh Council for scrutiny by a Principal Accountant and Accountant, before being passed to the Council's Invoice Payment Team. The Invoice Payment Team review invoices to ensure the supplier is an approved supplier, before payment is processed.

2.4 Scrutiny of all payments is made as part of the quarterly financial performance reporting to the Partnership Board. In addition, any invoice payment subject to European grant funding is subject to review by external auditors who are appointed as part of the EU grant funding process.

2.5 As part of the findings of the 2017/18 Annual Audit, the Partnership's External Auditor has recommended the existing arrangements should be revised to ensure separation of officer and member roles, to facilitate effective challenge and scrutiny.

2.6 To address the External Audit finding it is recommended that, where the Partnership Director is absent for a period of longer than one working week and an invoice with a value of more than £2,000 requires to be paid, the invoice be authorised for payment by the relevant budget manager – either the Programme Manager or Business Manager - and then counter-signed by the Business Manager or Programme Manager, respectively. It is also proposed that the invoice payment request be counter-signed by a Principal Accountant in the City of Edinburgh Council. The proposed amended "Authorisation of Invoices for Payment - Certifying Officers and Limits of Authority" is attached at **Appendix 2**.

2.7 During the Partnership Director's absence, invoice payment requests have been passed to the City of Edinburgh Council following the existing procedure. **Appendix 3** provides details of payments greater than £2,000 authorised during the period of the Partnership Director's absence.

2.8 In the External Auditor's Annual Report, it is noted that the External Auditor conducted audit testing over 2017/18 transactions, which were greater than £2,000 and were approved in consultation with the Chairperson. The Annual Audit Report confirms that these transactions were in the normal course of business for the Partnership.

2.9 The Partnership's Performance and Audit Committee reviewed the proposed Invoice Payment Procedure at its' meeting on 7th September 2018 and recommended approval of the Revised Procedure. The Chair of the Performance and Audit Committee will have an opportunity to report to the Board on any issues arising from the Performance and Audit Committee's consideration of the revised Procedure.

3. Recommendations

3.1 The Partnership is recommended to approve the amended "Authorisation of Invoices for Payment - Certifying Officers and Limits of Authority" as detailed in Appendix 2.

Hugh Dunn
Treasurer
21st September 2018

Appendix 1: Existing "Authorisation of Invoices for Payment - Certifying Officers and Limits of Authority"
Appendix 2: Amended "Authorisation of Invoices for Payment - Certifying Officers and Limits of Authority" form
Appendix 3: 2017/18 and 2018/19 Payments of value greater than £2,000

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

CURRENT - AUTHORISATION OF INVOICES FOR PAYMENT – CERTIFYING OFFICERS AND LIMITS OF AUTHORITY

To: Iain Shaw
        Principal Accountant
        The City of Edinburgh Council
        Business Centre 2.5
        Waverley Court
        4 East Market Street
        Edinburgh
        EH8 8BG

In accordance with SEStran financial regulations, the following officers can authorise invoices on behalf of SEStran:

Name	Job Title	Limit of Authority	Type of Invoice	Specimen Signature
	Partnership Director	No Limit	All	
	Head of Programmes	£2,000**	Project related	
	Business Manager	£2,000*	Administration	

*   During the Partnership Director's holiday period, can authorise administration type invoices valued £2,000 and above, in consultation with the Chair.

**   During the Partnership Director's holiday period, can authorise project type invoices valued £2,000 and above, in consultation with the Chair.

Signature of the Partnership Director……………………………………………………………

PROPOSED - AUTHORISATION OF INVOICES FOR PAYMENT – CERTIFYING OFFICERS AND LIMITS OF AUTHORITY

To: Iain Shaw
     Principal Accountant
     The City of Edinburgh Council
     Business Centre 2.5
     Waverley Court
     4 East Market Street
     Edinburgh
     EH8 8BG

In accordance with SEStran financial regulations, the following officers can authorise invoices on behalf of SEStran:

Name	Job Title	Limit of Authority	Type of Invoice	Specimen Signature
	Partnership Director	No Limit	All	
	Head of Programmes	£2,000*	Project related	
	Business Manager	£2,000**	Administration	

*   When the Partnership Director is absent for a period of longer than one working week and an invoice with a value of more than £2,000 requires to be paid, the invoice can be authorised for payment by the Head of Programmes and counter-signed by the Business Manager.

**   When the Partnership Director is absent for a period of longer than one working week and an invoice with a value of more than £2,000 requires to be paid, the invoice can be authorised for payment by the Business Manager and counter-signed by the Head of Programmes.

When the Partnership Director is absent for a period of longer than one working week and an invoice with a value more than £2,000 requires to be paid, the invoice payment request will be counter-signed by a Principal Accountant of the City of Edinburgh Council in addition to signatures required above by officers of the Partnership.

Signature of the Partnership Director……………………………………………………………

2017/18 and 2018/19 Payments of value greater than £2,000

2017/18	Net (£)	VAT (£)	Gross (£)
Mobius Networks	4,366.80	873.36	5,240.16
City of York Council	11,770.00	0.00	11,770.00
Systra Ltd	10,005.00	2,001.00	12,006.00
Ineo Systrans	169,230.93	33,846.19	203,077.12
Carplus Trust	27,000.00	0.00	27,000.00
Carplus Trust	20,000.00	4,000.00	24,000.00
Carplus Trust	46,748.06	9,349.61	56,097.67
Ticketer	24,675.00	4,935.00	29,610.00
Ticketer	31,716.00	6,343.20	38,059.20
Ticketer	121,850.00	24,370.00	146,220.00
Ticketer	21,696.00	4,339.20	26,035.20
Ticketer	4,874.00	974.80	5,848.80
Audit Scotland	3,167.00	0.00	3,167.00
Mobius Networks	4,364.90	872.98	5,237.88
STV Central Limited	3,462.33	692.47	4,154.80
STV Central Limited	3,462.33	692.47	4,154.80
STV Central Limited	3,462.33	692.47	4,154.80
STV Central Limited	3,462.33	692.47	4,154.80
STV Central Limited	3,462.33	692.47	4,154.80
Fife Council	15,000.00	3,000.00	18,000.00
STV Central Limited	3,462.33	692.47	4,154.80
Scottish Government	3,738.98	0.00	3,738.98
WYG	11,357.61	2,271.52	13,629.13
Mobius Networks	4,372.60	874.52	5,247.12
Fife Council	3,363.11	672.62	4,035.73
STV Central Limited	3,462.33	692.47	4,154.80
Anderson Strathern	2,097.20	419.44	2,516.64
Young Scot	2,600.00	520.00	3,120.00
Car Plus Bike Plus	12,246.00	2,449.20	14,695.20
Trapeze	45,060.57	9,012.11	54,072.68
Mobius Networks	4,374.00	874.80	5,248.80
Links Design	2,399.00	479.80	2,878.80
WYG	3,021.00	604.20	3,625.20
Sodexo Prestige	2,991.67	598.33	3,590.00
Scottish Government	3,738.98	0.00	3,738.98
Ineo Systrans	56,410.31	11,282.06	67,692.37
Trapeze	2,600.00	520.00	3,120.00
Edinburgh College	18,000.00	0.00	18,000.00
Midlothian Council	25,000.00	0.00	25,000.00
Queen Margaret University	10,640.00	0.00	10,640.00
2017/18 (continued)	Net (£)	VAT (£)	Gross (£)
Carplus Bikeplus	20,000.00	4,000.00	24,000.00

	Net	VAT	Gross
Radisson Blu Hotel, Edinburgh	**2,255.00**	451.00	2,706.00
WYG	**6,420.27**	1,284.05	7,704.32
Mobius Networks	**4,246.00**	849.20	5,095.20
Carplus Bikeplus	**14,617.40**	2,923.48	17,540.88
East Lothian Council	**50,000.00**	0.00	50,000.00
Edinburgh & Lothians Greenspace Trust	**40,000.00**	8,000.00	48,000.00
East Lothian Council	**9,595.78**	0.00	9,595.78
Carplus Bikeplus	**11,250.00**	2,250.00	13,500.00
Falkirk Council	**17,287.50**	0.00	17,287.50
Carplus Bikeplus	**31,638.54**	6,327.71	37,966.25
City of Edinburgh Council	**22,950.00**	0.00	22,950.00
TOTAL	**984,971.52**	**156,416.67**	**1,141,388.19**

2018/19	Net (£)	VAT (£)	Gross (£)
STV Central Ltd	**3,462.33**	692.47	4,154.80
Mobius Networks	**4,251.00**	850.20	5,101.20
Audit Scotland	**4,267.00**	0.00	4,267.00
Cycling Scotland	**4,903.00**	0.00	4,903.00
STV Central Ltd	**6,924.66**	1,384.93	8,309.59
Mobius Networks	**4,064.60**	812.92	4,877.52
Spring Signage	**2,431.86**	486.37	2,918.23
Scottish Government	**3,999.55**	0.00	3,999.55
Tweeddale Youth Action	**5,000.00**	0.00	5,000.00
WYG	**12,955.56**	2,591.11	15,546.67
One Stop IT Solutions	**2,007.15**	401.43	2,408.58
TOTAL	**54,266.71**	**7,219.43**	**61,486.14**

Partnership Board Meeting
Friday 21st September 2018
Item. A7. External Audit Report

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Scott-Moncrieff
business advisers and accountants

South East of Scotland Transport Partnership

2017/18 Annual Audit Report to members of South East of Scotland Transport Partnership and the Controller of Audit

September 2018

Contents

Key messages

Annual accounts

South East of Scotland Transport Partnership (SESTRAN) annual accounts for the year ended 31 March 2018 will be approved by the Partnership on 21 September 2018.

We intend to report within our independent auditor's report an unqualified opinion on the annual accounts and on other prescribed matters. There are no matters which we are required to report by exception.

Our thanks go to management and staff for their assistance with our work.

Wider scope

As outlined in our External Audit Plan, our annual audit work in respect of our wider scope audit responsibilities was restricted to:

- Audit work to allow conclusions to be made on the appropriateness of the disclosures in the Annual Governance Statement; and

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

Our conclusions and key observations are set out below:

Key facts

- The Partnership spent £1.608million on the delivery of services in 2017/18.

- The Partnership recorded an underspend of £16,000 against constituent council requisitions for 2017/18. At the Partnership meeting on 22 June 2018 the Partnership approved the carry forward of the underspend to 2018/19 for use on the Sustainable and Active Travel Grant Scheme.

- Operational equipment for the regional real-time passenger travel information system was purchased in the year totalling £0.177million, which was funded from Capital Funded from Current Revenue (CFCR).

- The Partnership reported an accounting surplus of £39,000.

- The Partnership has approved a balanced budget of £1.253million for 2018/19.

Governance statement	• We reviewed the Partnership's 2017/18 annual governance statement and concluded that it has been prepared in accordance with the Delivering Good Governance in Local Government: Framework (2016).
	• However, as part of our work on the systems of internal control we identified a significant governance weakness relating to approval of invoices. We requested additional disclosure in the annual governance statement outlining the issue and the actions the Partnership plans to take to address the issue.

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| **Financial sustainability** | • The Partnership has arrangements in place for short term (1 year) financial planning, with budgets aligned to its annual business plan and its 10 year Regional Transport Strategy (2015-2025). However, the Partnership has noted that there is a large degree of uncertainty over funding allocations from council requisitions and the Scottish Government, and therefore does not prepare medium to long-term financial plans. In line with our prior year recommendation, we recommend that further work is carried out to consider the long term financial priorities of the Partnership. |
| | • The Transport (Scotland) Bill was introduced to Parliament on 8 June 2018. The most significant potential impact for the Partnership is that regional transport partnerships would be given the authority to hold reserves. This would provide the Partnership with greater financial flexibility and help facilitate longer term financial planning. |

Conclusion

This report concludes our audit for 2017/18. Our work has been performed in accordance with the Audit Scotland Code of Audit Practice, International Standards on Auditing (UK) and Ethical Standards.

Scott-Moncrieff
September 2018

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Introduction

This report is presented to those charged with governance and the Controller of Audit and concludes our audit of the Partnership for 2017/18.

We carry out our audit in accordance with Audit Scotland's Code of Audit Practice (May 2016). This report also fulfils the requirements of International Standards on Auditing (UK) 260: Communication with those charged with governance.

We have designated the Partnership's Performance and Audit Committee as "those charged with governance".

Introduction

1. This report summarises the findings from our 2017/18 audit of the South East of Scotland Transport Partnership ("the Partnership").

2. The scope of our audit was set out in our External Audit Plan which was presented to the Partnership in March 2018. The core elements of our audit work in 2017/18 have been:

   • an audit of the 2017/18 annual accounts; and

   • consideration of the Partnership's arrangements for securing financial sustainability.

3. The Partnership is responsible for preparing annual accounts that show a true and fair view and for implementing appropriate internal control systems. The weaknesses or risks identified in this report are only those that have come to our attention during our normal audit work, and may not be all that exist. Communication in this report of matters arising from the audit of the annual accounts or of risks or weaknesses does not absolve management from its responsibility to address the issues raised and to maintain an adequate system of control.

4. This report contains an action plan with specific recommendations, responsible officers and dates for implementation. Senior management should assess these recommendations and consider their wider implications before deciding appropriate actions. We give each recommendation a grading to help the Partnership assess their significance and prioritise the actions required.

5. We would like to thank management and staff who have been involved in our work for their co-operation and assistance during our audit work.

Confirmation of independence

6. International Standards on Auditing in the UK (ISAs (UK)) require us to communicate on a timely basis all facts and matters that may have a bearing on our independence.

7. We confirm that we have complied with Financial Reporting Council's (FRC) Revised Ethical Standard (June 2016). In our professional judgement, the audit process is independent and our objectivity has not been compromised in any way.

Adding value through the audit

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

Feedback

9. Any comments you may have on the service we provide, the quality of our work and our reports would be greatly appreciated at any time. Comments can be reported directly to the audit team or through our online survey: *www.surveymonkey.co.uk/r/S2SPZBX*

10. This report is addressed to both the Partnership and the Controller of Audit and will be published on Audit Scotland's website. *www.audit-scotland.gov.uk*.

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Annual accounts

The Partnership's annual accounts are the principal means of accounting for the stewardship of its resources and its performance in the use of those resources.

In this section we summarise the findings from our audit of the 2017/18 annual accounts.

Annual accounts

The annual accounts for the year ended 31 March 2018 are due to be approved by the Partnership on 21 September 2018. We intend to report unqualified opinions within our independent auditor's report.

The Partnership has appropriate administrative processes in place to prepare the annual accounts and the required supporting working papers.

Overall conclusion

An unqualified audit opinion on the annual accounts

11. The annual accounts for the year ended 31 March 2018 are due to be approved by the Partnership on 21 September 2018. We intend to report, within our independent auditor's report:

    - an unqualified opinion on the annual accounts; and

    - an unqualified audit opinion on other prescribed matters.

12. We are also satisfied that there are no matters which we are required to support by exception.

Appropriate administrative processes were in place

13. We received draft annual accounts and supporting papers of an appropriate standard, in line with our agreed audit timetable. Our thanks go to management and staff at the

Partnership and City of Edinburgh Council for their assistance with our audit work.

Our assessment of risks of material misstatement

14. The assessed risks of material misstatement described in Exhibit 1 are those that had the greatest effect on our audit strategy, the allocation of resources in the audit and directing the efforts of the audit team. Our audit procedures relating to these matters were designed in the context of our audit of the annual accounts as a whole, and not to express an opinion on individual accounts or disclosures. Our opinion on the annual accounts is not modified with respect to any of the risks described in Exhibit 1 below.

Exhibit 1: Our assessment of risks of material misstatement and how the scope of our audit responded to those risks

1. Management override

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

Excerpt from the 2017/18 External Audit Plan

15. We have not identified any indications of management override in the year. We have reviewed the Partnership's accounting records and obtained evidence to ensure that transactions outside the normal course of business were valid and accounted for correctly. We have also reviewed management estimates and the journal entries processed in the period and around the year end. We did not identify any areas of bias in key judgements made by management and judgements were consistent with prior years.

16. During our prior year audit, we noted that there was a lack of segregation of duties in

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respect of posting of journals. Journals are still posted without authorisation however an additional monitoring control has been implemented in 2017 whereby the Partnership Business Manager now receives transaction listings for review. We consider the arrangements put in place to be appropriate to the organisation. Full details of our follow up work are outlined in Appendix 1.

17. We also noted, during our 2017/18 audit, that user access controls to the financial ledger could be strengthened. At present, any member of the City of Edinburgh Council finance team with ledger access could post to the Partnership's financial ledger. While any incorrect postings should be picked up through budget monitoring there is a risk that mis-postings are not detected resulting in errors in the financial statements.

Action plan point 1

2. Revenue recognition

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

Excerpt from the 2017/18 External Audit Plan

18. We have gained reasonable assurance on the completeness and occurrence of income and we are satisfied that income is fairly stated in the annual accounts. To inform our conclusion we evaluated the Partnership's key revenue streams and reviewed the controls in place over revenue accounting. We also carried out testing to confirm that the revenue recognition policy is appropriate and was consistently applied throughout the year.

3. Risk of fraud in the recognition of expenditure

In 2016, the Public Audit Forum issued Practice Note 10 "The Audit of Public Sector Financial Statements" which applies to the audit of public sector financial statements for periods commencing after June 2016. This Practice Note recognises that most public sector bodies are net spending bodies and notes that there is an increased risk of material misstatement due to improper recognition of expenditure.

Excerpt from the 2017/18 External Audit Plan

19. While we did not suspect incidences of material fraud and error, we evaluated each type of expenditure transaction and documented our conclusions. We have gained reasonable assurance on the completeness and occurrence of expenditure and are satisfied that expenditure is fairly stated in the annual accounts. To inform our conclusion, we carried out testing to confirm that the Board's policy for recognising expenditure is appropriate and has been applied consistently throughout the year. We did however note the following during our review:

20. The Partnership Director has been on leave since December 2017. We found during our audit work that appropriate contingency arrangements for the approval of expenditure were not in place.

21. Since its creation as a statutory body, the process to pay invoices has required that the

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Partnership Director sign invoices of a value greater than £2,000 and during the Partnership Director's holiday period, invoices with a value greater than £2,000 be signed by a nominated officer, in consultation with the Partnership Chair. Following the Partnership Director's absence in December 2017, it was agreed by officers that the Chair of the Partnership would provide approval of invoices above £2,000 with an officer certifying. For the 2017/18 financial year, the Chair approved and was a second signatory on total expenditure of £1.1million. This arrangement was not communicated and approved by either the Performance and Audit Committee or the Partnership Board.

22. The role of Chair should be independent to enable them to provide effective challenge and scrutiny to officers. The Audit Scotland report on *The Role of Boards*[1] notes that for a Board to be effective they should not become involved in the daily running and operation of the organisation. This is in line with other standards of good governance published by the Scottish Government and the Independent Commission on Good Governance in Public Services[2]. The Chair's approval of invoices is seen to be an operational role and presents a significant risk to the Board's ability to independently scrutinise the functions of the Partnership.

Action Plan Point 2

23. We conducted audit testing over those transactions which were approved by the Chair. We confirmed that these transactions were in the normal course of business for the Partnership.

4. Property, plant and equipment

Following auditor queries in 2016-17, a full impairment review of the Real-Time Passenger Information system was undertaken. This resulted in a prior year audit adjustment of £2.095million and an adjustment of £1.722million in the annual accounts (bringing the 2016/17 impairment to £1.918million from £0.196million in the unaudited annual accounts).

From our review of the operation of the fixed asset register we identified issues in recording and valuing assets. Assets are not individually recorded in the fixed asset register and are grouped by type. This resulted in significant issues verifying the number of assets and value per item. The Partnership has indicated that there will be significant additions in 2017/18. There is therefore a risk that the new assets are not brought into the asset register and annual accounts appropriately.

Excerpt from the 2017/18 External Audit Plan

24. The Partnership incurred £177,000 on property, plant and equipment during the year in relation to operational equipment for the regional real-time bus passenger travel information system.

25. We have gained reasonable assurance that the capital additions have been accounted for appropriately and in line with the Code of Practice on Local Authority Accounting in the United Kingdom 2017/18 ('the Code').

26. We have reviewed the steps taken by officers to improve the maintenance of the fixed asset register in 2017/18. We have observed a number of improvements in the information recorded within the asset register and have noted an increase in the number of assets that have been tagged. However, further improvements could be made to ensure a consistent

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[1] http://www.audit-scotland.gov.uk/docs/central/2010/nr_100930_role_boards.pdf
[2] https://www.jrf.org.uk/report/good-governance-standard-public-services

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level of detail is provided on the asset register for each category of assets. The asset register should include the same level of detail for each category of asset.

Prior Year Action Plan Point 2

Our application of materiality

27. The assessment of what is material is a matter of professional judgement and involves considering both the amount and the nature of the misstatement. This means that different materiality levels will be applied to different elements of the annual accounts.

28. Our initial assessment of materiality for the annual accounts was £28,000. We revised our assessment following receipt of the unaudited annual accounts to £16,000 and it remained at this level throughout our audit. Our assessment of materiality equates to approximately 1% of the Partnership's expenditure. We consider this to be a principal consideration for the users of the accounts when assessing the performance of the Partnership.

Performance materiality

29. Performance materiality is the amount set by the auditor at less than overall materiality for the annual accounts as a whole to reduce to an appropriately low level the probability that the aggregate of the uncorrected and undetected misstatements exceed materiality for the annual accounts as a whole.

30. We set a performance (testing) materiality for each area of work based on a risk assessment for the area and percentage application of overall materiality. We then perform audit procedures on all transactions, or groups of transactions, and balances that exceed our performance materiality. This means that we are performing a greater level of testing on the areas deemed to be of significant risk of material misstatement. Performance testing thresholds used are set out in the table below:

Area risk assessment	Weighting	Performance materiality
High	40%	£6,400
Medium	50%	£8,000
Low	65%	£10,400

31. We agreed with the Partnership that we would report all audit differences in excess of 5% of the overall materiality figure, as well as differences below that threshold which, in our view, warranted reporting on qualitative grounds. We would also report to the Partnership on disclosure matters that we identified when assessing the overall presentation of the annual accounts.

Audit differences

32. We identified one material adjustment to the annual accounts in relation to the estimates applied in calculating the defined benefit pension liability and associated movements. We identified one additional adjustment of £12,000 was made in relation to the treatment of assets under construction. This adjustment did not impact on the figures disclosed within the primary statements.

33. These adjustments have been discussed with management and are reflected in the final set of annual accounts.

Adjustment to the defined benefit pension liability

34. The timing of the request for actuarial reports means that actuaries produce IAS 19 actuarial reports using estimated figures.

35. The validity of the information provided to the actuary has been compared with the actual information reported by the Partnership and Lothian Pension Fund. This review highlighted

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a risk of material misstatement arising from difference between the figures relating to asset values.

36. We requested that management instruct the actuary to update its calculations based on year end results; the results of which have been incorporated into the annual accounts.

37. The difference between actual and estimated figures for investment returns resulted in a reduction of £34,000 to the net pension liability with an associated increase to total comprehensive income and expenditure.

38. This adjustment has been discussed with management and is detailed within an appendix to the letter of representation.

39. We confirm there were no unadjusted differences to the accounts.

40. We identified some disclosure and presentational adjustments during our audit, which have been reflected in the final set of annual accounts.

41. We have requested that a signed representation letter be presented to us at the date of signing the annual accounts. This letter is to be signed by the Treasurer.

An overview of the scope of our audit

42. The scope of our audit was detailed in our External Audit Plan, which was presented to the Partnership in March 2018. The plan explained that we follow a risk-based approach to audit planning that reflects our overall assessment of the relevant risks that apply to the Partnership. This ensures that our audit focuses on the areas of highest risk. Planning is a continuous process and our audit plan is subject to review during the course of the audit to take account of developments that arise.

43. At the planning stage we identified the significant risks that had the greatest effect on our audit. Audit procedures were then designed to mitigate these risks.

44. Our standard audit approach is based on performing a review of the key financial systems in place, substantive tests and detailed analytical review. Tailored audit procedures, including those designed to address significant risks, were completed by the audit fieldwork team and the results were reviewed by the audit management team. In performing our work, we

have applied the concept of materiality, which is explained earlier in this report.

Other matters identified during our audit

45. During the course of our audit we noted the following:

Pension Liability

46. As at 31 March 2018 the net pension liability was £0.662million, an increase of £0.355milion in comparison to the net pension liability as at 31 March 2017 (£0.307million).

47. Due to the significant movement in comparison with the prior year, the Partnership sought further clarification from the Actuary.

48. The movement is primarily as a result of the triennial valuation of the Lothian Pension Fund (carried out as at 31 March 2017). The actuarial valuation for the 31 March 2018 is the first year that the results of the triennial valuation are taken into account. In the interim years between triennial valuations, actuarial valuations are based on rolled forward data rather than a full valuation.

49. As a small employer, the Partnership can experience significant movements in its pension asset/liability if employees transfer in to the scheme or retire. This is represented through the 'other experience' movement through the Comprehensive Income and Expenditure Statement (2017/18 £0.499million).

Going concern

50. As at 31 March 2018, the Partnership reported a net liability position of £0.247million.

51. In line with the Transport Scotland Act 2005, the Partnership does not hold useable reserves. The balance on the unusable reserves reduced to a net liability position of £0.247million. This is due to the net pension liability of £0.662million as at 31 March 2018.

52. In the Partnership's opinion, the organisation will be able to continue for the foreseeable future. The Partnership has adequate budget to meet the ongoing employer contributions required by Lothian Pension Fund.

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The Local Authority Accounts (Scotland) Regulations 2014

53. As part of our audit, we reviewed the Partnership's compliance with the Local Authority Accounts (Scotland) Regulations 2014, in particular with respect to regulations 8 to 10[3] as they relate to the annual accounts. Overall, we concluded that appropriate arrangements are in place to comply with these Regulations.

Management commentary

54. We are satisfied that the information given in the management commentary is consistent with the financial statements and has been prepared in accordance with the statutory guidance issued under the Local Government Scotland Act 2003.

Remuneration report

55. Our independent auditor's report confirms that the part of the remuneration report to be audited has been properly prepared in accordance with The Local Authority Accounts (Scotland) Regulations 2014.

Annual governance statement

56. We have reviewed the annual governance statement and have found that it is consistent with the accounts and has been prepared in accordance with the Delivering Good Governance in Local Government Framework (2016).

57. The Treasurer of the Partnership has confirmed that in their opinion, reasonable assurance can be placed upon the adequacy and effectiveness of the systems of internal financial control.

58. We considered the content of the governance statement in the unaudited annual accounts and noted that there was no disclosure of the arrangements put in place while the Partnership Director was absent from service from 8 December 2017 to 31 March 2018. We raised this with management and additional disclosures have been added to the governance statement.

59. We noted a significant governance weakness as part of our testing of expenditure (Paragraph 21). We requested that the governance statement was updated to reflect the issue and the actions that the Partnership would take to address this and the other governance weaknesses identified in 2017/18.

60. We further observed that the Chair acted as a temporary Chair of the Performance and Audit Committee in the absence of the appointed Chair. It is not best practice[4] for the Chair to act in this role as it reduces their ability to effectively challenge the Performance and Audit Committee at Board meetings. We recommend a review of governance arrangements is considered to identify a suitable deputy for the Performance and Audit Committee.

Action Plan point 3

Internal audit

61. The Partnership's internal audit function is provided by City of Edinburgh Council's Internal Audit service. We have taken cognisance of the work of internal audit in forming our opinion on the appropriateness of the disclosures in the annual governance statement.

62. Internal audit provided an 'amber' rated finding reflecting that the Partnership's control environment and governance and risk management frameworks are generally adequate which is reflected in the overall certification.

Accounting and internal control systems

63. The Partnership has systems in place to record, process, summarise and report financial and other relevant data. We have identified areas for improvement with respect of user access to the financial ledger and the approval of invoices. We outline the issues identified and our recommendations at Appendix 1.

64. In addition we have followed up on progress in implementing actions raised in the prior year. We have concluded that while progress has been made in year in implementing our recommendations, a number are still to be fully implemented. Full details of our findings are included in Appendix 1.

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[3] Regulations 8 to 10 relates to the preparation and publication of unaudited accounts, notice of public right to inspect and object to the accounts and consideration and signing of the audited accounts.

[4] https://www.cipfa.org/policy-and-guidance/publications/a/audit-committees-practical-guidance-for-local-authorities-and-police-2018-edition-online

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Legality

65. We planned and performed our audit recognising that non-compliance with statute or regulations may materially impact on the annual accounts. Our audit procedures include the following:

- Reviewing minutes of relevant meetings;

- Enquiring of senior management and the Partnership's solicitors the position in relation to litigation, claims and assessments; and

- Performing detailed testing of transactions and balances.

66. We are pleased to report that we did not identify any instances of concern with regard to the legality of transactions or events.

Cyber security

67. In May 2017, a number of public sector bodies across Scotland were impacted by the Wannacry global ransomware attack. In response to this the Scottish Government launched 'A Cyber Resilience Strategy for Scotland: Public Sector Action Plan, 2017/18'.

68. The action plan outlines a number of requirements that public sector bodies should be taking forward. This includes an action for public sector bodies to achieve Cyber Essentials Plus certification by the end of October 2018.

69. The Partnership has presented regular updates to the Board and Performance and Audit Committee on the progress in achieving the Cyber Essentials Plus Certification. In June 2018, the Performance and Audit Committee approved that the Cyber Essential Plus accreditation is pursued.

70. We understand that the Partnership is on track to achieve the accreditation in line with the deadlines.

General Data Protection Regulations

71. The General Data Protection Regulations (the Regulations) came into force in the UK on 25 May 2018. The Regulations replace the Data Protection Act 1998 and as well as strengthening existing Regulations, the Act has brought in new legislative duties for the Partnership. The Regulations bring significant potential penalties for non-compliance.

72. Partnership staff attended GDPR awareness training during 2017/18 and the role of data protection officer is being fulfilled by the Partnership Business Manager. The Partnership's revised privacy statement was published on the website in May 2018.

73. Compliance with the Regulations is an ongoing process, which we will monitor as part of our annual audit procedures. We have not identified any significant issues at this stage.

Qualitative aspects of accounting practices and financial reporting

74. We have considered the qualitative aspects of the financial reporting process, including items that have a significant impact on the relevance, reliability, comparability, understandability and materiality of the information provided by the annual accounts. Our findings are summarised in the following table:

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Qualitative aspect considered	Audit conclusion
The appropriateness of the accounting policies used.	The accounting policies, which are disclosed in the annual accounts, are considered appropriate to the Partnership and are in line with the (the Code).
The timing of the transactions and the period in which they are recorded.	We did not identify any concerns over the timing of transactions or the period in which they were recognised.
The appropriateness of the accounting estimates and judgements used.	We are satisfied with the appropriateness of the accounting estimates and judgements used in the preparation of the annual accounts. Estimates have been made in relation to property, plant and equipment and pensions. We consider the estimates made, and the related disclosures, to be appropriate to the Partnership. Pension estimates have been informed by advice from qualified, independent experts. We evaluated the competence, objectivity and capability of managements' experts in line with the requirements of ISA (UK) 500.
The appropriateness of the going concern assumption	We have reviewed the detailed financial forecasts for 2018/19. Our understanding of the legislative framework and activities undertaken provides us with sufficient assurance that the Partnership will continue to operate for at least 12 months from the signing date.
The extent to which the annual accounts have been affected by unusual transactions during the period and the extent that these transactions are separately disclosed.	From the testing performed, we identified no significant unusual transactions in the period.
Apparent misstatements in the management commentary or material inconsistencies with the annual accounts.	The management commentary contains no material misstatements or inconsistencies with the accounts.
Any significant annual accounts disclosures to bring to your attention.	There are no significant annual accounts disclosures that we consider should be brought to your attention. All the disclosures required by relevant legislation and applicable accounting standards have been made appropriately.
Disagreement over any accounting treatment or annual accounts disclosure.	While disclosure and presentational adjustments were made during the audit process there was no material disagreement during the course of the audit over any accounting treatment or disclosure.
Difficulties encountered in the audit.	There were no significant difficulties encountered during the audit.

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Financial sustainability

Financial sustainability looks forward to the medium and longer term to consider whether the Partnership is planning effectively to continue to deliver its services or the way in which they should be delivered.

Financial sustainability

The Partnership operated within budget in 2017/18 and has presented a balanced budget for 2018/19.

The Partnership does not have financial plans in place for the medium to long term due to uncertainty around funding. There is a risk that long term priorities are not planned for appropriately due to a focus on short term financial pressures.

The Transport (Scotland) Bill was introduced to Parliament on 8 June 2018. The most significant potential impact for the Partnership is that regional transport partnerships would be given the authority to hold reserves.

Significant audit risk

75. As outlined in our audit plan, we considered there to be a significant risk to the wider scope of our audit in relation to financial sustainability:

Exhibit 2: Key audit risk: financial sustainability

Financial sustainability

The Partnership produced a Regional Transport Strategy (2015-2025) and a supporting business plan for 2017-18. While the strategy sets out the long-term objectives of the Partnership, revenue funding is generally only confirmed for the forthcoming financial year. This therefore challenges the Partnership's ability to agree detailed long-term plans and objectives.

In addition, the review of the Transport (Scotland) Bill may result in changes to the operation of the Partnership, which cannot currently be reflected in long-term financial planning.

Excerpt from the 2017/18 External Audit Plan

76. In line with our findings in 2016/17 there has been no financial planning for the medium to longer term.

77. The Partnership has made expenditure decisions on an annual basis based on the level of funding available. There is therefore a risk that long term priorities are not appropriately planned for as the Partnership focuses on addressing short term financial pressures.

78. The Partnership receives annual allocations both from Scottish Government and constituent councils and therefore finds it difficult to plan further ahead. However, in recent years, both funding sources have remained generally consistent with only minor reductions observed with respect of council requisitions.

79. The Transport (Scotland) Bill was introduced to Parliament on 8 June 2018. The Bill is currently in the call for evidence period, which is due to end in September 2018. The most significant potential impact for the Partnership is that regional transport partnerships would be given the authority to hold reserves. This would provide the Partnership with greater financial flexibility and help facilitate longer term financial planning.

Prior Year Action Plan Point 6

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Exhibit 2: Key audit risk: financial sustainability

80. We will continue to monitor the outcome of the call for evidence period on the Transport (Scotland) Bill and consider the impact on long term financial planning in 2018/19.

The Partnership's financial performance in 2017/18

81. The Comprehensive Income and Expenditure Statement for 2017/18 shows that the Partnership spent £1.608million on the delivery of services, resulting in an accounting surplus of £0.39million. However, the accounting surplus includes certain elements of income and expenditure that need to be accounted for to comply with the Code of Practice on Local Authority Accounting in the United Kingdom (the 2017/18 Code), and which are

subsequently adjusted to show their impact on reserves.

82. Taking account of these adjustments, the Partnership reported a breakeven position.

2017/18 outturn position

83. The Partnership reduced expenditure in year on both core service and revenue projects which resulted in a £0.016million underspend against budget. This was matched by a reduction in the income giving an overall breakeven position.

Exhibit 3: Revenue performance against budget

	Revised Budget £'000	Actual £'000	Variance £'000
Core	487	444	(43)
Projects	839	1,154	315
Interest	1	-	(1)
Total Expenditure	**1,327**	**1,598**	**271**
Government grant	(782)	(782)	-
Constituent council requisitions	(190)	(174)	16
Other income	(355)	(642)	(287)
Total Income	**(1,620)**	**(1,598)**	**(271)**
Total	**-**	**-**	**-**

Source: *Annual accounts for the year ended 31 March 2018*

84. While the Partnership achieved a breakeven position, there was a significant overspend of £0.315million against the revenue projects budget. The Partnership however secured

additional income from EU grants and SUStrans in the year to ensure the breakeven position was achieved.

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85. The Partnership recorded an underspend of £16,000 against constituent council requisitions for 2017/18. At the Partnership meeting on 22 June 2018 the Partnership approve the carry forward of the underspend to 2018/19 for use on the Sustainable and Active Travel Grant Scheme

Financial planning

Indicative 2018/19 budgets

86. The Partnership has set a balanced budget for 2018/19. This is based on a reduction of income in 2018/19 of 6% reducing from £1.327million to £1.253million. The Partnership's budget is funded through Scottish Government funding of £0.782million and Council requisitions of £0.190million alongside external funding of £0.281million from EU grants and other sources.

87. The reduction in income for 2018/19 has been offset by a reduction in Real Time Passenger Information (RTPI) expenditure of £0.231million. The reduction of RTPI expenditure largely related to a decrease maintenance costs. This is as a result of a small number of bus providers using alternative systems.

88. There are increases in core and project expenditure respectively of £0.053million, relating to increases in employee costs and £0.104million, predominantly relating to the Surflogh project, which is EU funded.

EU withdrawal

89. One of the Partnership's primary funding sources is through the European Union grants. EU grants funding received was £0.280million in 2017/18 compared to £0.111million in 2016/17. This accounted for 44% of project income in the year and 17% of income on provision of services. The Partnership is continuing to explore other funding opportunities as well as regular engagement with EU partners. There has been regular reporting around the impact of EU Withdrawal on funding to the Partnership Board and also features on the Partnership's risk register.

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Appendices

Appendix 1: Management action plan

Our action plan details the control weaknesses and opportunities for improvement that we have identified during our audit.

It should be noted that the weaknesses identified in this report are only those that have come to our attention during the course of our normal audit work. The audit cannot be expected to detect all errors, weaknesses or opportunities for improvements in management arrangements that may exist. The weaknesses or risks identified are only those which have come to our attention during our normal audit work, and may not be all that exist.

Communication of the matters arising from the audit of the annual report and accounts or of risks or weaknesses does not absolve management from its responsibility to address the issues raised and to maintain an adequate system of control.

Action plan grading structure

To assist the Partnership in assessing the significance of the issues raised and prioritising the action required to address them, the recommendations have been rated. The rating structure is summarised as follows:

Grade 5	Very high risk exposure – major concerns requiring Partnership attention
Grade 4	High risk exposure – material observations requiring senior management attention
Grade 3	Moderate risk exposure – significant observations requiring management attention
Grade 2	Limited risk exposure – minor observations requiring management attention
Grade 1	Efficiency / housekeeping point

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Action plan point	Issue, Risk & Recommendation	Management Comments
1. User access controls **Rating** **Grade 3** **Paragraph ref** **17**	**Issue** Our review of the journals environment identified that all City of Edinburgh Council staff with access to Oracle journal input function in the financial ledger system, have the ability to post to the Board's financial ledger. **Risk** There is a risk that incorrect or fraudulent postings could be made without detection by the Board's officers. **Recommendation** While our audit review in respect of the 2017/18 financial year did not identify any indications of user access being manipulated, we recommend that Partnership officers in conjunction with City of Edinburgh Council review user access controls for the financial ledger.	**Responsible officer:** Treasurer/Partnership Director **Implementation date:** Immediate The City of Edinburgh Council is undertaking an investigation into the technical requirements and cost implications of introducing additional user access controls for journal entry input to the financial ledger.

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Action plan point	Issue, Risk & Recommendation	Management Comments
2. Authorisation of invoices **Rating** **Grade 5** **Paragraph ref** **22**	**Issue** The Partnership Director has been absent since December 2017. In the interim, an arrangement was put into place where the Chair of the Board would approve invoices greater than £2,000 before passing to City of Edinburgh Council finance for payment. This arrangement was not reported to the Board or Performance and Audit Committee and does not demonstrate good governance. **Risk** There is a risk that the Chair cannot provide effective challenge or scrutiny to officers due to involvement in operational decision making. **Recommendation** The Partnership should ensure that all invoices that were approved by the Chair are reported to the Performance and Audit Committee and Board. Moving forward, the schedule of Certifying Officers and Limits of Authority should be revised to require two officer signatures.	**Responsible officer:** Treasurer **Implementation date:** Immediate Since its creation as a statutory body, the process to pay Partnership invoices has required that the Partnership Director sign invoices of value greater than £2,000 and during the Partnership Director's holiday period, invoices with a value greater than £2,000 be signed by a nominated officer, in consultation with the Partnership Chair. Once relevant signatures are obtained by the Partnership, invoices are passed to the Finance Team in the City of Edinburgh Council for scrutiny by a Principal Accountant and Accountant, before being passed to the Council's invoice Payment Team. The Invoice Payment Team review invoices to ensure the supplier is an approved supplier, before payment is processed. Scrutiny of all payments is made as part of the quarterly financial performance reporting to the Partnership Board. In addition, any invoice payment subject to European grant funding is subject to review by external auditors who are appointed as part of the EU grant funding process. A report will be presented to the Partnership's Performance and Audit Committee on 7th September 2018, detailing all invoice payments signed by the Partnership Chairperson, during the Partnership Director's absence. A report will be presented to the Partnership Performance and Audit Committee on 7th September 2018 detailing changes to the schedule of Certifying Officers and Limits of Authority, to revise this to require two officer signatures. During any absence of the Partnership Director, any invoice payment requests in excess of £2,000 will be counter-signed by a Principal Accountant of the City of Edinburgh Council; this in addition to signature by two officers of the Partnership.

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Action plan point	Issue, Risk & Recommendation	Management Comments
3. Governance Scheme **Rating** **Grade 3** **Paragraph ref** **60**	**Issue** During 2017/18, a number of independent members' terms of appointment came to an end including the Chair of the Performance and Audit Committee. For a single meeting, the Chair of the Board acted as Chair of the Performance and Audit Committee until a permanent Chair could be appointed by the Partnership Board to the Committee. Audit Committees: Practical Guidance for Local Authorities and Police (CIPFA, 2018) states that organisations 'should adopt a model that establishes the committee as independent and effective.' Best practice recommends that the Chair should not be permitted to be a member of the Performance and Audit Committee. **Risk** There is a risk that the Performance and Audit Committee is not operating independently and could not provide effective scrutiny and challenge to officers. **Recommendation** The Partnership has reviewed their Governance Scheme following a recommendation from internal audit. We recommend that a further review is conducted specifically considering whether the Chair of the Partnership should be entitled to substitute for any member of the committee. CIPFA have recently published a reviewed Audit Committee guide and we further recommend that the Committee performs a self-assessment against the guide.	**Responsible officer:** Head of Programmes **Implementation date:** First part complete, second part by end December 2018 Ministerial approval for the appointments of the new Non-Councillor Members was not granted within the expected timeframe, resulting in the Performance and Audit Committee not having full Non-Councillor Member representation, or a Chair, for the June 2018 meeting. There were concerns that the meeting would not be quorate and as the Governance Scheme states that the Chair of the Partnership is entitled to substitute for any member of the Committee, it was considered appropriate, as an emergency measure, for him to Chair a one-off meeting. At the 22 June Partnership Board meeting, appointments to the Performance and Audit Committee were made, including a permanent Chair. In respect of the Chair being able to substitute for any member of the committee, a further review of the Governance Scheme will be carried out and reported to the December Partnership Board.

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Follow up of prior year audit recommendations

Action plan point	Issue & Recommendation	Management Comments	External audit update 2017/18
1. Authorisation of journals **Rating** **Grade 3**	**Observation** Our review of the journals environment found that there was a lack of segregation of duties over the posting of journals. Journals are prepared and posted without any secondary review or authorisation. Journals can be used to override controls and create fraudulent errors therefore, it is essential appropriate controls are in place **Recommendation** While our audit review in respect of the 2016/17 financial year did not identify any indications of management override we recommend that a review process is put in place for the preparation and posting of journals to the ledger.	**Action owner:** Treasurer **Due Date:** Immediate Expenditure and Income monitoring reports are prepared in full consultation with officers of the Partnership for reporting to the Partnership Board on a quarterly basis, in line with the Financial Regulations of the Partnership. Any exceptional or unanticipated expenditure or income created by journal entry would be identified through this process. To enhance control, Partnership officers will receive a monthly report to include details of all journal entries processed, for review. Strict separation of financial controls, segregation of duties and authorisation levels exist for all actual expenditure transactions of the Partnership.	**Action Complete** While segregation of duties has not been introduced, an additional control has been implemented whereby monthly reports detailing all ledger transaction are provided by the Partnership officers.

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Action plan point	Issue & Recommendation	Management Comments	External audit update 2017/18
2. Asset recording and tagging **Rating** **Grade 4**	**Observation** Assets within the asset register are not allocated a unique reference number and are instead grouped by type. In addition to this the physical assets are not individually labelled. It is therefore not possible to undertake a physical verification of assets from the register to the floor (or vice versa). There has been significant issues verifying the number of assets held and the value per item in year **Recommendation** To ensure assets are accounted for appropriately and prevent against the possible misappropriation of assets, we recommend that new assets acquired, across all sites are: • brought into the fixed asset register with sufficient detail to allow each unit to be individually identifiable including purchase date and value per item; and • appropriately labelled when brought into use to create a direct link between the fixed asset register and the physical assets.	**Action owner:** Partnership Director **Due Date:** 31 March 2018 The Partnership Director has instructed that the Projects team oversee the creation of a full and comprehensive asset register for the Partnership.	**Action partially complete** While significant work has been undertaken by officers to improve the asset register. For example, information on the different types of asset are not recorded in the same manner. We would recommend that as a minimum the asset register includes: • Asset number • Asset category • Asset description • Asset location • Date of addition • Asset gross book value • Depreciation Charge • Asset Net book value **Management comments:** SEStran appreciates the acknowledgement that significant work has been done, to date and that the presentation of the information can be improved. Accordingly, work will continue to complete the Fixed Asset Register, ensuring that all necessary information is included and that it is presented in a consistent manner. **Responsible officer:** Head of Programmes **Implementation date:** 31 December 2018

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Action plan point	Issue & Recommendation	Management Comments	External audit update 2017/18
3. Registers of Interest **Rating** **Grade 3**	**Observation** From our review of the Registers of Interests of members it was found that a number of the declarations forms had not been updated since 2014. Upon further review we identified an undisclosed related party transaction of £0.086million relating to an undeclared related party for Edinburgh and Lothians Greenspace Trust. The annual accounts have been updated to reflect the appropriate disclosures. **Recommendation** The Partnership should ensure registers of interest are updated on at least an annual basis	**Action owner:** Partnership Director **Due Date:** 31 December 2017 All members of the Partnership Board are reminded and have been in Summer 2017 of the provision of regulations which provide for Board Members to give notice of registerable interests as outlined in the Partnership Code of Conduct and all members of the Board at the first meeting of the new session has been reminded of their Code of Conduct responsibilities. Keeping entries in the Register of Interests up to date is ultimately the responsibility of individual Members. The Secretary of the Partnership is the proper officer for these purposes. We should stress that they receive an annual reminder	**Action partially complete** We again noted that two members have not disclosed their role as a trustee of Edinburgh and Lothians Greenspace Trust. In 2017/18, there was again a material transaction with this organisation which officers have disclosed within the accounts. Members should ensure their register of interests is both up-to-date and accurately completed. **Management comments:** The members concerned have been advised of the omissions and the necessary interests have now been recorded**.** Code of Conduct training is arranged for 21 September 2018. **Responsible officer:** Secretary to the Partnership **Implementation date:** 21 September 2018

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Action plan point	Issue & Recommendation	Management Comments	External audit update 2017/18
4. Reconciliation of holding accounts **Rating** **Grade 2**	**Observation** The City of Edinburgh Council maintains a holding account on behalf of the Partnership. The holding account is reconciled on an annual basis. There is a risk that any errors in the allocation of items to the holding account are not discovered timeously. **Recommendation** The holding account should be reconciled with the Partnership records on a regular basis to reduce the risk of significant error.	**Action owner:** Treasurer **Due Date:** 31 December 2017 The indebtedness between the City of Edinburgh Council and the Partnership, as reflected in the holding account balance, was reconciled a number of times during 2016/17. The frequency of reconciliation will be formalised such that reconciliations will be undertaken on a quarterly basis.	**Action complete** The frequency of the holding account reconciliation has been formalised and we did not identify any issues during audit work with respect of the holding account balance.

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Action plan point	Issue & Recommendation	Management Comments	External audit update 2017/18
5. Income and expenditure controls **Rating** **Grade 3**	**Observation** While income and expenditure testing did not identify any misstatements to the annual accounts, we did identify a number of errors relating to income and expenditure invoice processing. Income and expenditure invoices are sent to City of Edinburgh Council alongside a cover sheet that details the VAT coding, ledger coding and supplier/customer details. We found that the details on cover sheets were often incorrect which resulted in credit notes being raised on numerous occasions. Income invoices were also found to have a number of errors in year which resulted in an under declaration of output tax of £12k (disclosed in the accounts as a debtor and creditor). A voluntary disclosure to HMRC was made in relation to this. As part of our review we found that there were weaknesses in the review and authorisation of invoices. **Recommendation** The Partnership should ensure all invoices are subject to rigorous checks and are appropriately authorised prior to submitting for processing by City of Edinburgh Council officers.	**Action owner:** Partnership Director/Treasurer **Due Date:** immediate A new protocol/guidelines have been obtained from City of Edinburgh Council around the declaration of VAT and have been put in place. This processing change is continuing to be embedded across the organisation. Controls on authorisation and review of invoice payments have been updated.	**Action complete** No issues were identified with respect of income and expenditure controls during our 2017/18 audit testing.

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Action plan point	Issue & Recommendation	Management Comments	External audit update 2017/18
6. Longer term financial planning **Rating** **Grade 4**	**Observation** The Partnership develops a budget for one financial year which is aligned to the annual business plan and Regional Transport Strategy. There is a risk that funding is used to support short term need rather than long term strategic priorities**.** **Recommendation** In order to ensure financial sustainability the Partnership should develop medium to long term financial plans on a 3 to 5 year basis. This would assist the Partnership in highlighting risks to its sustainability and ensure funding is allocated in line with the long term strategic aims of the Regional Transport Strategy.	**Action owner:** Partnership Director **Due Date:** 31 December 2017 The removal of capital funding in 2009/10 means there is a difficulty for long-term strategic funding of RTS projects. The Director continues to monitor and advocate for investment by stakeholders in strategic priorities and for the return of long-term significant funding to RTPs through the second National Transport Strategy review process. However, given our main funder Transport Scotland has only been able to issue one year funding settlements in recent years, this has limited our ability to take a long-term budgetary approach to investment.	**Action incomplete** The Partnership continues to set a one year budget and no medium to long term financial plans are in place. **Management comments** The Transport (Scotland) Bill, currently out to consultation, includes a proposal to allow RTPs to carry forward reserves. If approved, this may assist with financial planning over a time period longer than one year. However, as Transport Scotland continues to issue one-year funding settlements, there is limited scope to take a long-term approach to financial planning. Within the scope of funding information available, a plan shall be developed, which will seek to align to the Business Plan and Regional Transport Strategy, **Responsible officer:** Partnership Director/Treasurer **Implementation date:** 31st March 2019

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Appendix 2: Respective responsibilities of the Partnership and the Auditor

Responsibility for the preparation of the annual accounts

The Partnership is required to make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. The Treasurer has been designated as that officer.

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

In preparing the annual accounts, the Treasurer is responsible for:

- selecting suitable accounting policies and applying them consistently;
- making judgements and estimates that are reasonable and prudent;
- complying with legislation; and
- complying with the Code.

The Treasurer is also responsible for:

- keeping proper accounting records which are up to date; and
- taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor responsibilities

We audit the annual accounts and give an opinion on whether:

- they give a true and fair view in accordance with applicable law and the 2017/18 Code of the state of the affairs of the body as at 31 March 2018 and of the its income and expenditure for the year then ended;
- they have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the 2017/18 Code;
- they have been prepared in accordance with the requirements of the Local Government (Scotland) Act 1973, the Local Authority Accounts (Scotland) Regulations 2014 and the Local Government in Scotland Act 2003;
- the part of the Remuneration Report to be audited has been properly prepared in accordance with The Local Authority Accounts (Scotland) Regulations 2014;
- the information given in the Management Commentary is consistent with the financial statements and has been prepared in accordance with statutory guidance issued under the Local Government Scotland Act 2003; and
- the information given in the Annual Governance Statement is consistent with the financial statements and has been prepared in accordance with the Delivering Good Governance in Local Government: Framework (2016).

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We are also required to report, if in our opinion:

- adequate accounting records have not been kept; or
- the financial statements and the part of the Remuneration Report to be audited are not in agreement with accounting records; or
- we have not received all the information and explanations we require for our audit; or
- there has been a failure to achieve a prescribed financial objective.

Wider scope of audit

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

The Code frames a significant part of our wider scope responsibilities in terms of four audit dimensions: financial sustainability; financial management; governance and transparency; and value for money. The Code recognises that full application of its requirements may be impractical or inappropriate due to the nature or size of the audited body.

We have concluded that the full application is not appropriate due to the size of the organisation. As part of our annual audit we consider and report against:

- appropriateness of the disclosures in the governance statement; and

- financial sustainability of the body and the services that it delivers over the medium to longer term.

Independence

We are required by International Standards on Auditing in the UK (ISAs (UK)) to communicate on a timely basis all facts and matters that may have a bearing on our independence. We can confirm that we have complied with the Ethical Standards. In our professional judgement the audit process has been independent and our objectivity has not been compromised. In particular, there have been no relationships between Scott-Moncrieff, the Partnership Board and its Board members or senior management that may reasonably be thought to bear on our objectivity and independence.

Scott-Moncrieff   2017/18 Annual Audit Report to members of South East of Scotland Transport Partnership Members and the Controller of Audit   30

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Projects & EU Exit Update

1. Introduction

1.1 The report provides Board Members with an update on key aspects of projects and initiatives progressed in the last quarter and covers the latest position on the process for the UK leaving the EU.

2. RTPI

2.1 In August 2018 First Scotland East informed SEStran Officers that the implementation of their "Ticketer" based internal RTPI system has not proceeded to plan and that they would like to 'restart' the First link to the SEStran/INEO system running up to end January 2019.

2.2 In May 2018 as per First East direction SEStran had instructed mobile data providers MOBIUS to disconnect the sim-based data feed from all on-bus equipment in the First Fleet. From that point on only scheduled information was being provided by the SEStran RTPI system.

2.3 SEStran has confirmed that the data link and the RTPI feed can be restarted and has given costing to First Bus East. As of the writing of this report First Bus East are confirming the number of vehicles that they would like reactivated.

2.4 INEO have confirmed that once the sim cards are reactivated the system will restart as before.

2.5 SEStran are currently working through several issues with the RTPI feed in the Scottish Borders area. The SIRI feed from the Borders Buses fleet is not integrating as well as hoped, but scheduled information is available and currently stable. SEStran officers and WYG are working with Borders Buses to try to resolve this.

2.6 SEStran and City of Edinburgh Officers are continuing to work on the development of a new content management system (CMS). Early testing has confirmed that the current SEStran equipment is compatible with new software and as a result will be able to display RTPI using the new CMS.

3. Regional Cycle Network Grant Scheme (RCNGS)

3.1 SEStran operates the Sustrans funded Regional Cycle Network Grant which seeks to encourage the development of the Cycle Network

throughout the Region, in particular functional cross-boundary infrastructure.

3.2 The RCNGS can be used to support feasibility studies, design work, the development of infrastructure and monitoring, as well as supporting innovation and public engagement. Following changes to the guidance, design projects can now be 100% funded. Design projects are classified as anything from the preparation of a strategy to detailed design. Applications will be expected to meet the Community Links guidance, with construction projects requiring 50% match funding.

3.3 There is no maximum award limit for applications, with the focus of this call on projects that can start and finish in the SEStran financial year 2018/19 (April to March).

3.4 Edinburgh Bio Quarter have submitted an application of £163,000 which was approved by the June 2018 Partnership Board. This work will include a detailed design of the active travel corridor. This follows awards for feasibility in 2016/17 and preliminary design in 2017/18.

4. GO e-Bike

4.1 GO E-Bike is regional e-Bike sharing scheme launched in April 2018 by SEStran. CoMoUK (formerly Bikeplus) were awarded grant funding to deliver the first four e-Bike hubs which are currently operating in Fife, West Lothian and Falkirk[1].

4.2 SEStran will be expanding the project in 2018/19, after a successful application to the Low Carbon Travel and Transport Fund for additional funding. £300,000 will be invested into developing six more GO e-Bike hubs across the SEStran region. Suggestions from the Board for possible locations, for assessment, would be welcome.

5. European Projects Update

5.1 **'SHARE-North'** [2]addresses the concept of 'Shared Mobility' and looks at the development, implementation and promotion of Car Clubs, Bike Sharing and Car Sharing. The planned living labs will integrate modern technology with activities to support changes in mobility behaviour. The objectives are: resource efficiency, improving accessibility (incl. non-traditional target groups), increased efficiency in the use of transport infrastructure, reduction of space consumption for transport, improving quality of life and low carbon transport.

5.1.2 The last SHARE-North meeting was held in Drongen on the 3rd-5th of July 2018. The meeting focused on the SHARE-North 'Manual for Municipalities'. Members of the consortium shared best practice examples

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[1] http://sestran.gov.uk/projects/go-e-bike/
[2] http://sestran.gov.uk/projects/share-north/

of shared mobility across each partner country. These examples will now feature in the final work package output. The next SHARE-North meeting is scheduled for the 9th – 12th of October, and will be held in conjunction with the next SEStran Integrated Mobility Forum on the 12th of October.

5.2 REGIO-MOB[3] aims to promote "learning, sharing of knowledge and transferring best practices between the participating regional and local authorities to design and implement regional mobility plans (or Regional Transport Strategies) bearing in mind the stakeholders with regional relevance and contributing to the sustainable growth of Europe".

5.2.1 SEStran held a formal Dissemination Event on Thursday 22nd March 2018 at Radisson Blu hotel on the Royal Mile, Edinburgh. The Event was attended by the REGIO MOB partners and their political and technical stakeholders, as well as SEStran's local Stakeholders. The event, which was hosted by SEStran's Chair, was well attended, and very well received by the European partners.

5.3 SURFLOGH[4] aims to improve the role of logistics hubs in the network of urban logistics in the North Sea Region. http://northsearegion.eu/surflogh

5.3.1 SEStran are leading on a work package with Napier Transport Research Institute to create business models for urban freight hubs. In April SEStran attended an innovation workshop in Sweden hosted by the Boras Municipality. Cycling Scotland also attended and presented on the development of e-cargo bike training programs in Scotland.

5.3.2 SEStran will be developing and researching the impact of a last mile delivery solution with e-cargo bikes in the region. The pilot project will be located in Edinburgh and will be exploring a number of last mile/first mile business solutions with a specialist partner working with Scotrail between Glasgow and Edinburgh.

5.3.3 SEStran has identified a pilot delivery partner Outspoken Delivery that specialises in e-cargo bike delivery.

5.4 Pursuits (at application stage) addresses the critical need to ensure that land use and transport planning evolve a step ahead of the smart-mobility transition. This will enable cities and regions to proactively develop Sustainable Urban Mobility Plans (SUMPs) and steer new mobility and distribution forms rather than just responding to them. SEStran has recently been successful in progressing to the second stage of the application process.

6. Further Initiatives

6.1 Can Do Innovation Challenge Fund

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[3] http://sestran.gov.uk/projects/regio-mob/
[4] http://sestran.gov.uk/projects/surflogh/

6.1.1 The SEStran project proposal for the Thistle Assistance Journey Planner – door to door journey information for people that have difficulty using public transport has been recommended for support through the CAN-DO Innovation Challenge Fund.

6.1.2 The challenge seeks to identify and understand in detail the barriers faced by commuters with protected characteristics when travelling and journey planning. It will explore the extent to which these barriers affect travel plans and modal choices for travelling and to develop an App-based door to door journey planning solution that helps alleviate these barriers.

6.2 Hate Crime

6.2.1 SEStran, along with members of the working group help the second of three consultative events across West Lothian, Fife and Clackmannanshire. The event took place in Alloa on the 5th September, with representative groups and transport operators, to co-design the charter. The third, and final event, will take place in West Lothian before the end of the year. Following these events, the working group will begin drafting the charter.

7 SEStran Forums

7.1 The next Integrated Mobility Forum is planned for Friday 12th October 2018, and the Logistics and Freight Forum is planned for Wednesday 28th November 2018 at Victoria Quay. Work generated by each forum is currently being progressed to ensure that the forums are productive and continue to be supported by the various stakeholders involved.

8. EU Exit

8.1 As ever, it is difficult to pick out what the facts are in relation to the process. Depending on bias of who is reporting, there are suggestions of a "no-deal" outcome and concerns related to this or, alternatively we can expect an agreed deal by October 2018.

9. Recommendations

9.1 Members are invited to note the content of the report.

Jim Grieve
Head of Programmes
August 2018

Policy Implications	None

Financial Implications	None
Equalities Implications	A number of the projects will address the agreed actions of our Equality Outcomes 2017-2021.
Climate Change Implications	A number of the projects seek to promote and pilot a number of innovative actions to increase use of sustainable mobility.

1. INTRODUCTION

1.1 The purpose of this report is to present to the Board SEStran's draft Annual Report for the year 2017/18, and to seek approval for its publication.

2. ANNUAL REPORT

2.1 The report focuses on the project portfolio and showcases the contributions that SEStran has made to the region over the last year, in line with the objectives of the RTS.

2.2 Following Partnership Board approval, the report will be finalised for publication by the end of September. Continuing with previous years' precedence, the 2017/18 report will only be available online with copies available on request.

3. RECCOMMENDATION

3.1 The Board is asked to approve the draft Annual Report for 2017/18 and to approve that the Head of Programmes is given authority to complete any suggested amendments and publish the report.

Jim Grieve
Head of Programmes
7th September 2018

Appendix 1 – Draft Annual Report 2017/18

Policy Implications	None
Financial Implications	Design costs can be met from within existing budget.
Equalities Implications	Annual Report details SEStran's Equality Mainstreaming work over 2017/18.
Climate Change Implications	The Annual report highlights our Climate Change reporting publications and work on reducing the environmental impact of transport in the South East of Scotland.

South East of Scotland
Transport Partnership
Annual Report
2017-18

SEStran
South East of Scotland
Transport Partnership

Contents

Foreword

A significant feature of the past year has been the Government's review of the National Transport Strategy (NTS 2), including a review of regional governance which is clearly very significant for SEStran.

SEStran's officers and I, however, have been very much involved in the process at various levels throughout the past year, including the NTS Strategy Board representing Regional Transport Partnerships, the NTS Strategic Framework Group and the Enabling Economic Growth Working Group. This is an ongoing process with outcomes expected in 2019.

SEStran continued to be involved in a number of European projects last year. These projects contribute 50 to 100% towards the cost of the work carried out by SEStran. My personal highlight was chairing a major event for the REGIO MOB project, which was held in the National Museum of Scotland and was very well attended by representatives from 5 other countries, in addition to our own staff and stakeholders. The event provided an opportunity for each country to present the work it had carried out in terms of sharing best practice in sustainable transport. Additionally, the event enabled SEStran to showcase the partnership region and activities, which was very well received by the project countries.

Another exciting project was the launch of "GO e-Bike" which was the outcome of a competitive bid to our sustainable travel grant fund and, initially, has facilitated the creation of 4 electric bike hubs throughout the region (Buckhaven, St Andrews, West Lothian and Forth Valley) to encourage more active travel. This has proved to be a very timely investment, with similar projects gathering momentum across the region and the EU. We hope to expand on this initiative in future.

Much effort during the past year was put into formulating bids for external sources of funding to allow SEStran to achieve more in promoting sustainable transport across the region; examples include the 'CAN DO' Innovation Challenge Fund operated by Scottish Enterprise, which involves further development of the Thistle Card.

Foreword

Another bid was submitted for the Low Carbon Transport Travel (LCTT) fund managed by Transport Scotland, where we have proposed expanding the "GO e-Bike" scheme. Both of the aforementioned bids were successful and work will continue to progress in 2018/19.

To further show-case the region and SEStran's work I am delighted to announce that during last year SEStran, in partnership with Napier University's Transport Research Institute, made a successful bid to host the annual European Conference on Mobility Management (ECOMM). This is a major European event which will take place in the middle of 2019, at a venue in the city of Edinburgh.

During 2017/18 the Board agreed to introduce a new Integrated Mobility Forum and a new Logistics and Freight Forum. It was further agreed that the Forums would be chaired, respectively, by SEStran vice Chairs; City of Edinburgh Councillor, Lesley Macinnes and Fife Councillor, Colin Davidson. The term of appointment for a number of the Partnership Board's Non-Councillor Members came to an end last year and a recruitment process began to seek replacements. This process has now been completed and we welcomed seven new members to the Board. I very much look forward to working with the new and existing members now and in the future.

In closing, I wish to express my thanks and appreciation for the contribution to SEStran, over many years, of the former Non-Councillor Board members and I wish them well for the future.

**Cllr
Gordon Edgar**
Chair

0131 524 5150
@SEStran

Introduction

About Us

SEStran is the statutory Regional Transport Partnership for the South East of Scotland. We are one of seven Regional Transport Partnerships in Scotland established under the Transport (Scotland) Act 2005. SEStran encompasses eight local authorities.

SEStran Team

SEStran has a core staff of 9, and 1 Cycling Scotland embedded officer, as of April 2018:

- Business Support Assistant, Nikki Boath
- Business Manager, Angela Chambers
- Business Support Officer, Elizabeth Forbes
- Partnership Director, George Eckton
- Head of Programmes, Jim Grieve
- Business Partner, Keith Fisken
- Strategy & Project Officer, Lisa Freeman
- Project Officer, Catriona Jones
- Cycling Scotland Officer, Peter Jackson
- Active Travel Officer, Moira Nelson

Local Authority partners

City of Edinburgh, Clackmannanshire, East Lothian, Falkirk, Fife, Midlothian, Scottish Borders and West Lothian.

Headquarters

SEStran's operational and administrative premises are based in Edinburgh.

Partnership Board

The board consists of 20 elected members from the partnership local authorities and nine appointed non-councillor members. The Partnership Board meet quarterly.

Partnership Board*

Chair
Cllr Gordon Edgar
Scottish Borders
Independent

Deputy Chair
Cllr Colin Davidson
Fife
Labour

Deputy Chair
Cllr Lesley Macinnes
City of Edinburgh
SNP

Cllr Karen Doran
City of Edinburgh
Labour

Cllr Nick Cook
City of Edinburgh
Conservative

Cllr Brian Small
East Lothian
Conservative

Cllr Darren Lee
Clackmannanshire
Conservative

Cllr Phil Fairlie
Clackmannanshire
SNP

Cllr Neil Gardiner
City of Edinburgh
SNP

Cllr Chas Booth
City of Edinburgh
Scottish Green Party

Cllr Norman Hampshire
East Lothian
Labour

Cllr Laura Murtagh
Falkirk
SNP

* as of August 2018

Partnership Board*
cont'd...

Cllr Fiona Collie
Falkirk
SNP

Cllr Dave Dempsey
Fife
Conservative

Cllr Peter Smaill
Midlothian
Conservative

Cllr Cathy Muldoon
West Lothian
Labour

Cllr Ian Ferguson
Fife
SNP

Cllr Russell Imrie
Midlothian
Labour

Cllr James Fullarton
Scottish Borders
Conservative

Cllr Chris Horne
West Lothian
Conservative

Non-Elected Board Members
Mr Charles Anderson Mr Phil Flanders
Mr John Martin
Mr Neil Renilson
Mr Sandy Scotland Mr Brain Sharkie
Dr Doreen Steele
Mr Barry Turner
Mr John Jack

* as of August 2018

SEStran's Vision

"A regional transport system that provides all citizens of South East Scotland with a genuine choice of transport which fulfils their needs and provides travel opportunities for work and leisure on a sustainable basis."
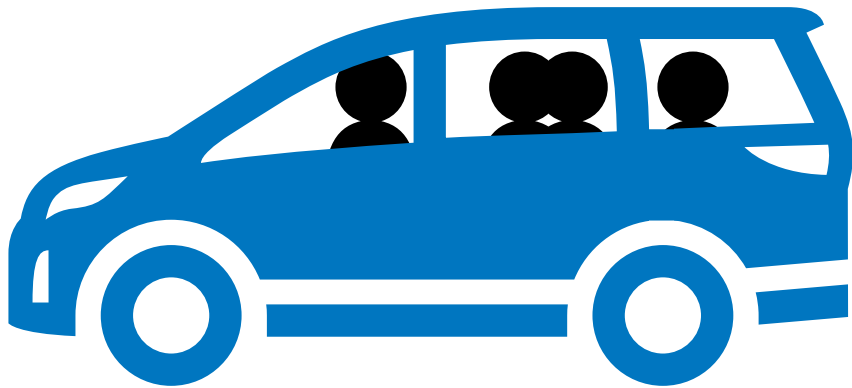
Aims

- Allowing all groups in society to share in the region's success through high quality access to services and opportunities including healthcare, education, public services and employment opportunities
- Reducing the number of commuter journeys by single occupancy vehicles within South East Scotland
- Maximising public transport provision and achieving public transport integration and intermodality
- Improving safety for all road and transport users
- Enhancing community life and social inclusion
- Maintaining existing infrastructure to a standard that ensures that it can be fully utilised
- Enhancing movement of freight, especially by rail and other non-road modes

Target

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

What we do

SEStran participates in a diverse range of transport projects and events on a local, national and international scale. All of our work is focused on delivering against our core strategic objectives:

1. Economy – to ensure transport facilitates economic growth, regional prosperity and vitality in a sustainable manner

2. Accessibility – to improve accessibility for those with limited transport choice (including those with mobility difficulties) or no access to a car, particularly those living in rural areas

3. Environment – to ensure that development is achieved in an environmentally sustainable manner

4. Safety and Health – to promote a healthier and more active SEStran area population

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

In this year's Annual Report we have highlighted the relationship between our projects and our strategic objectives using the icons below:

Economy	Accessibility	Environment	Safety & Health	Corporate

European Projects

SEStran is pleased to continue to be involved in working closely with European partners on innovative and progressive transport projects, contributing and sharing ideas to help benefit our own regional transport network. We were unsuccessful this year with one project bid and await news on three further project applications for "CONNECT", "Polis in Action" and "PURSUITS".

SHARE North: *Shared Mobility Solutions for a Liveable and Low-Carbon North Sea Region*
Interreg North Sea Region

The SHARE North project includes activities for developing, implementing, promoting and assessing car sharing, bike sharing, car clubs and other forms of shared mobility in urban and rural areas and employment clusters.

In 2017/18, SEStran has focused on promoting TripshareSEStran.com during National Liftshare Week 2017. In partnership with STV, promotional Street Teams were set-up at Haymarket and St Andrew's Square in Edinburgh to sign-up new members to the scheme. A £250 prize draw was also on offer to encourage new and existing members to share through September and October 2017.

IMAGE
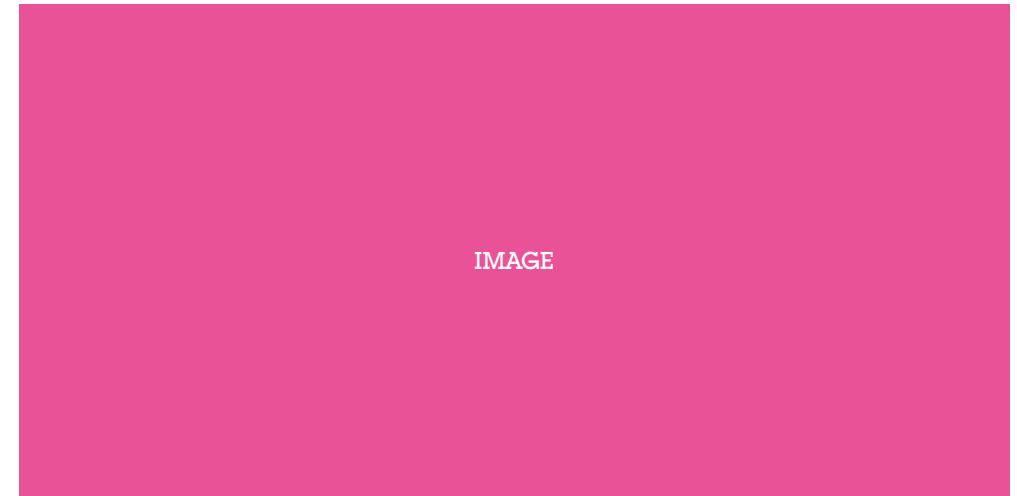
As part of the SHARE-North project, a number of best practice webinars were held in 2017/18. In December 2017, local partners at Edinburgh College provided a webinar on 'Introducing EVs into shared fleets'. SEStran continues to support the Edinburgh College's EV fleet through funding from SHARE-North.

In addition to this work, funding from SHARE-North contributed to the SEStran GO-eBike project; more information on this project can be found in the 'what else have we been doing?' section of this report. For more information on SHARE-North please visit:
share-north.eu

What we do
European Projects

REGIO MOB
An Interreg Europe project

The REGIO MOB project involves six European partners with the main objective of ensuring sustainable growth in Europe, through promotion of sustainable mobility and the improvement of relevant policy documents.

This year, REGIO MOB project partners have been sharing their 'best practice' examples of sustainable transport.

In March 2018, SEStran held a Dissemination Event in Edinburgh which was attended by 60 REGIO MOB partners accompanied by their invited experts from Italy, Spain, Slovenia, Poland and Romania. The event was moderated by Councillor Gordon Edgar (Chair of SEStran) and highlighted the importance of sharing knowledge and best practice across Europe.

Thirteen speakers from the six European project regions presented the challenges facing sustainable mobility in their regions, as well as plans to deliver best practice projects over the next 2 years of the REGIO MOB project.

Following this Dissemination Event, the REGIO MOB project will now enter 'Phase 2' and each region will implement their Action Plan to improve sustainable mobility and their related policy instruments in their region. SEStran has also employed the Sustrans Research and Monitoring Unit to carry out Active Travel Audits using the PASTA methodology that was shared by our partners in Italy: **pastaproject.eu**

REGIO-MOB
Interreg Europe

European Union
European Regional
Development Fund

IMAGE

What we do
European Projects

Surflogh: Sustainable Urban Logistics Hubs
A Interreg North Sea Project

£ 🌱

SURFLOGH aims to improve the role of logistics hubs in the network of urban logistics through connecting long-distance freight transport and last mile distribution in strategically located urban freight centres.

The project will develop case studies for best practices regarding the development of urban freight hubs in cities, the successful introduction of zero-emission vehicles for last-mile transport and innovative strategies for cooperation in the logistics chain. The partners will address the shared challenges of the uptake of green transport solutions in regional freight and the need for positive business cases in green freight transport solutions in urban areas.

SEStran are leading on a work package along with Napier Transport Research Institute (TRI), developing business models for urban freight hubs. These business models will focus on the scalability and applicability of models for different locations and circumstances. SEStran are also working with an e-cargo bike delivery company, ZEDIFY to design an e-cargo bike last mile delivery pilot in the City of Edinburgh.

SocialCar
A Horizon 2020 project

£ ♿ 🌱

SocialCar aims to integrate shared mobility with public transport information, and crowd sourced data in order to provide a single source of information for the traveller to compare multiple options and services.

The project, which consists of 10 European Cities, aims to capitalise on a pan European team with a background in social, psychological and economic sciences. The involvement of each of the urban sites aim to prove the concept, validity and business case of the multi-modal platform.

In 2017/18 SEStran conducted a series of tests that assessed the viability and potential impact of a SocialCar app. This included a live trial with students from Queen Margret University and series of scenario testing with the SEStran Regional Transport Model. Further details of the project deliverables can be found at: socialcar-project.eu

What we do
Changing Travel Behaviour

Tripshare

Tripshare SEStran is one of the largest car sharing groups in Scotland, with membership at around 8,600. Tripshare helps people to share the cost of a journey and reduce the amount of single occupancy cars on the road. Tripshare can also offer those who do not have access to a car a low-cost alternative to access services and resources that may not have been attainable otherwise, as well as reducing the harmful effects of vehicle emissions on the environment and the congestion on our roads. In 2017/18 Tripshare Members saved 730.2 tonnes of CO2, 1.91 tonnes of NOx and 3,716,041 miles.

Reducing the number of cars on the region's roads remains a high priority for SEStran. However, when active travel or public transport is not an option, Tripshare provides a viable alternative to single occupancy car travel.

For businesses, it can improve accessibility of employment centres, especially in areas with poorer public transport provision.

2017/18 was another successful year for the car sharing scheme. With Tripshare being awarded the Charted Institute of Highways and Transportation (CIHT) AMCO Environmental Award 2017/18 it is great to see our car sharing project recognised for the benefits it brings to our environment.

TripshareSestran.com
Start the day with a pick me up
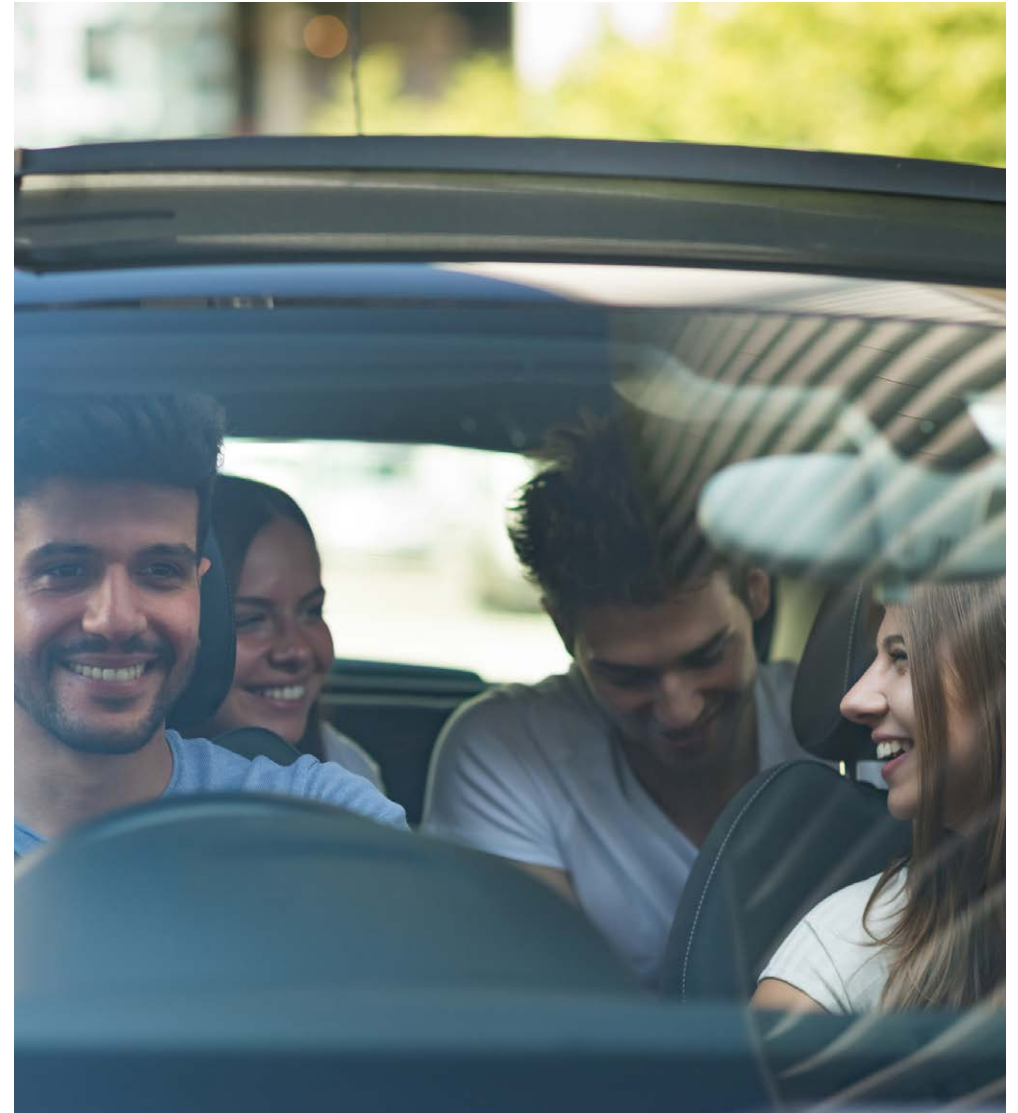
What we do
Changing Travel Behaviour

Thistle Card and Program

The Thistle Assistance Card was designed to make it easier for older people and those with disabilities or illness to use public transport.

The card and app were acknowledged in the Transport Scotland 'Going Further: Scotland's Accessible Travel Framework' for being at the forefront of providing 'good assistance' by recognising and supporting the needs of disabled people and ensuring transport staff understand their needs.

In 17/18 SEStran commissioned a regional TV advertising campaign in partnership with STV. These ads successfully raised the awareness of the product and drove further interest in the scheme.

In March 2018 SEStran applied for funding from the Scottish Enterprise Can Do innovation fund to develop the Thistle Assistance Journey Planner – door to door journey information for people that have difficulty using public transport.

The project seeks to identify and understand in detail the barriers faced by commuters with protected characteristics when travelling and journey planning.

The first stage of the project will explore the extent to which these barriers affect travel plans and modal choices for travelling. Stage two will develop concepts for an App-based door to door journey planning solution that helps alleviate these barriers.

THISTLE LOGO

Quick & Easy

Thistle Assistance Card

MOBILITY   SPEECH

Please wait for me to sit down
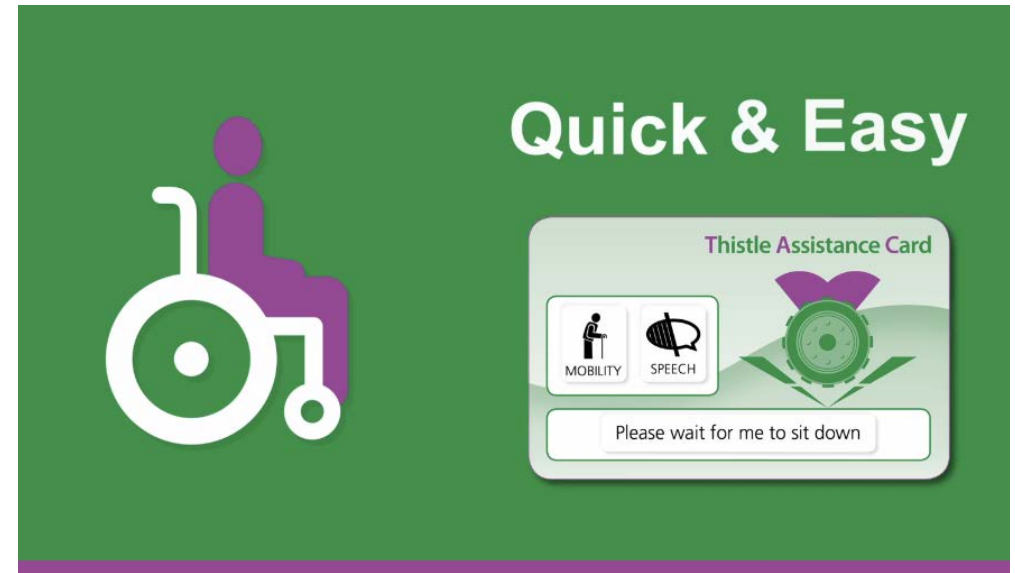
What we do
Changing Travel Behaviour

Hate Crime Charter

SEStran, along with Disability Equality Scotland, Police Scotland and Transport Scotland are developing a regional Hate Crime Charter for Public Transport. This initial pilot will include West Lothian, Fife and Clackmannanshire, and will then be rolled out on a national basis.

A questionnaire was sent to transport operators to gauge their current levels of training with regard to hate crime on their network and willingness to participate in the charter. In total, 9 bus operators responded to the survey.

The working group is due to hold a consultative event in Kirkcaldy on the 21st June 2018, with representative groups and transport operators, to co-design the charter.

POLICE SCOTLAND LOGO

DISABILITY EQUALITY SCOTLAND LOGO

TRANSPORT
SCOTLAND
CÒMHDHAIL ALBA

What we do
Changing Travel Behaviour

Real Time Passenger Information

SEStran's Real Time Passenger Information (RTPI) contract was initiated in 2010 and is based on state of the art technology available at that time. Significant advances in RTPI related technology have taken place since then. In particular, ticket machines are now multi-facetted including being equipped to provide all of the necessary hardware to facilitate RTPI, thus minimising on-bus equipment and associated cost.

Last year presented a significant challenge for SEStran and the "Bustracker SEStran" system in order to accommodate the following:

First Scotland East, following their national lead, advised SEStran that they intended to invest in new, GPS enabled ticket machines ("Ticketer"), and that they would move to their national facility to produce RTPI with effect from the end of June 2018. As a result of this, First Scotland East would no longer make use of the SEStran system and would remove all of the associated equipment from their vehicles and, accordingly, no longer contribute to the cost of running the Bustracker SEStran system.

Stagecoach Fife who, since 2014, have connected to Bustracker SEStran using their own Vix based system will also, from June 2018, withdraw from the system. However, both operators confirmed that these changes will not affect the end user in respect of the provision of real time passenger information.

A form of Bustracker SEStran is still required to produce RTPI for the smaller operators, who have been equipped with "Ticketer" ticket machines and to produce the necessary data for the digital screens. In downsizing the system, a reduced contract cost is now agreed with Ineo Systrans, the system's provider.

The promotion of the digital screens displaying RTPI continued throughout the year and a new Help Desk facility for users of the system was introduced through consultants WYG. This successful facility will continue to be provided throughout the current year.

RTPI IMAGES

RTPI IMAGES

What we do
Changing Travel Behaviour

GO e-Bike

The South East of Scotland Transport Partnership is launching a regional e-bike program; GO e-Bike with the aim of increasing usage and awareness of power-assisted cycling across the South East of Scotland and beyond.
GO e-Bikes launches with 5 different projects in St.Andrew's, Buckhaven, West Lothian and Falkirk and will also be encouraging employers to get involved with a 'Try a GO e-Bike Roadshow'. GO e-Bike aims to promote a healthier more active population, reduce inequalities in our communities and improve our environment.

Through its Programme for Government 2017/18, the Scottish Government is 'stepping up promotion of the use of electric bicycles to ensure as many people as possible can benefit from active travel'. SEStran is helping to deliver on this vision with support from European programme funding by SHARE-North, Interreg North Sea Region.

GO e-Bike

Interreg North Sea Region
SHARE-North
EUROPEAN UNION
European Regional Development Fund
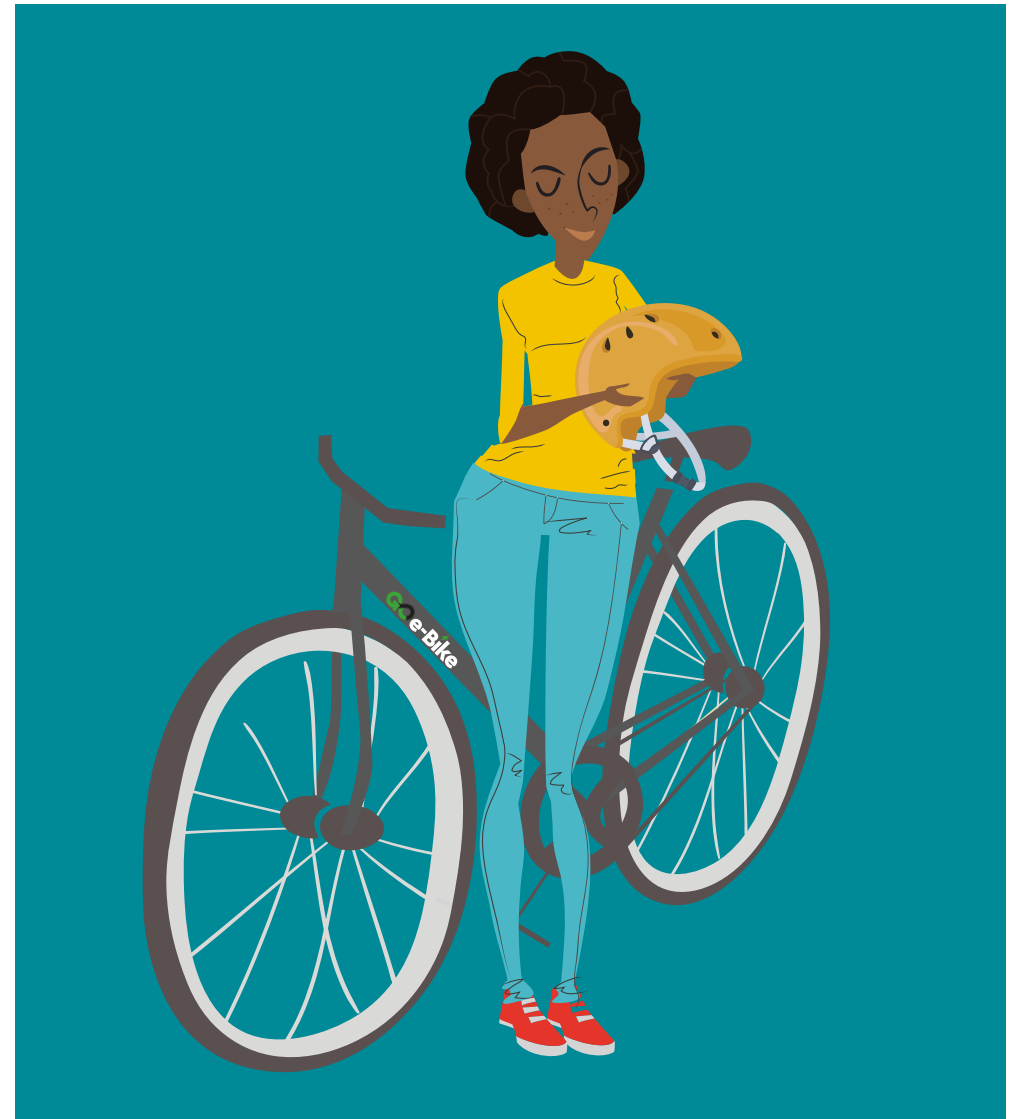
What we do
Consultation Responses

SEStran contributes every year to consultations at a local, regional and national level on a wide-ranging series of transport related topics.

Active Travel Task Force

The Minister for Transport and the Islands, Humza Yousaf, announced that he would be establish an Active Travel Task Force to "identify and make recommendations (to the Minister for Transport and the Islands) on ways to tackle the barriers to the delivery of ambitious walking and cycling projects in Scotland, to create more attractive places and to encourage more active travel".

- In March 2017, SEStran submitted evidence to the call, which included examples in:
- Integration of Planning, Duties and Powers to promote Active Travel
- Travel Planning and Access to Jobs and Services
- Co-Design with Communities
- Funding mechanisms and governance

A summary of the final published recommendations can be found on the Transport Scotland website: **transport.gov.scot/media/42284/active-travel-task-force-june-2018.pdf**

IMAGE

What we do
Consultation Responses

Building Scotland's Low Emission Zones (LEZ)

The 'Building Scotland's Low Emission Zones' consultation was launched on the 6th of September 2017, and invited views on how the Scottish Government could, with the help of local authorities, identify and put in place the first new LEZ by 2018. The Scottish Government has committed to introduce LEZs into Scotland's four biggest cities between 2018 and 2020 and into all other Air Quality Management Areas by 2023. Within the response, SEStran stated that it supports the principle of LEZs, if they are delivered as part of a wider Regional Transport Strategy.

SEStran highlighted that LEZs should not be viewed in isolation but be implemented alongside complementary measures that encourage the uptake of Active Travel and reduce the number of single occupancy vehicles.

It was acknowledged that any LEZ introduced would need to be supported financially by the Scottish Government, including the set-up costs, additional infrastructure (direct and indirect), enforcement regime and on-going running costs.

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SEStran Response:

consult.gov.scot/transport-scotland/building-scotlands-low-emission-zones/consultation/view_respondent?show_all_questions=0&sort= submitted&order=ascending&_q__text=sestran&uuId=105112460

What we do
Consultation Responses

Concessionary Travel Consultation

On the 25th of August 2017, the Scottish Government announced its consultation on Free Bus Travel for Older and Disabled People and Modern Apprentices. The consultation describes the issues that face the scheme and asks its respondents to consider these in the light of the consultations proposals.

In its response SEStran welcomed that the National Concessionary Scheme would continue to provide free travel to those who need it most, and measures would be considered in ensuring that the scheme is sustainable in the longer term.

SEStran also welcomed the commitment to pilot free bus travel for Modern Apprentices and the addition of free companion travel for eligible disabled children under five, who were not originally covered by the Scheme.

SEStran Response:
consult.gov.scot/partnerships-and-concessionary-travel/national-concessionary-travel-scheme/consultation/view_respondent?show_all_questions=0&sort=submitted&order=ascending&_q__text=sestran&uuId=862888181

Local Bus Services in Scotland

The 'Local Bus Services in Scotland' consultation was launched on the 13th September 2017. Transport Scotland invited comments on how legislation could help support the actions that are needed to improve services and address challenges faced by the sector.

In its response, SEStran highlighted that Regional Transport Strategies are the ideal vehicle for such a review, due to its statutory powers as already approved by Scottish Ministers. SEStran also advocated for more community engagement within the proposals within the consultation, enabling passengers to be heard, and to further support community engagement within the partnership process.

SEStran Response:
consult.gov.scot/transport-scotland/improving-bus-services/consultation/view_respondent?show_all_questions=0&sort=submitted&order=ascending&_q__text=sestran&uuId=372331794

What we do
Consultation Responses

The Future of Smart Ticketing in Scotland

£ ♿ 🌱 💧

The 'Future of Smart Ticketing in Scotland' consultation was launched on the 13th of September 2017. Transport Scotland invited comments on the Ministers vision that "all journeys on Scotland's bus, rail, ferry, subway and tram networks can be made using some form of smart ticketing or payment"

SEStran emphasised that legislation would be necessary to achieve full operator participation in national and regional smart ticketing schemes; and that some form of recognised and formalised governance may be necessary to support this on an on-going basis.

SEStran added that there should also be continued financial assistance available to smaller operators to assist in the purchase of any new ticket machines, particularly, if participation is to be mandatory.

SEStran Response:
consult.gov.scot/transport-scotland/smart-ticketing-in-scotland/consultation/view_respondent?show_all_questions=0&sort=submitted&order=ascending&_q__text=sestran&uuId=226610900

What Else Have We Been Doing?

Regional Cycle Network Scheme 2017/18

The Regional Cycle Network Grant Scheme (RCNGS) is a Sustrans funded grant operated by SEStran to aid the improvement of cycling infrastructure throughout the region, with a focus on cross-boundary links.

The grant is administered on a match funded basis to local authorities and organisations to fund a variety of projects including feasibility studies and design work.

Building on the missing links and barriers identified in the Strategic Cross Boundary Development study, grants were awarded to conduct path upgrades along the Water of Leith and lighting upgrades to the drift path in Musselburgh. The highlight for 2017/18 was awarding the Musselburgh Area Partnership for a feasibility study aimed at encouraging modal shift and greater active travel across the SEStran region.

MUSSELBURGH ROUTE MAP

What Else Have We Been Doing?

yTravel

♿

yTravel builds on last year's X-Route report created by young people to shape and influence sustainable travel services and low-carbon activity.

yTravel is a new project working with Young Scot to co-design the future of transport in the South East of Scotland. Regional Design Teams of fifteen young people (aged 16-25) will be set-up in four areas of Scotland; The City of Edinburgh, Clackmannanshire, Fife and Midlothian.

These Regional Design Teams will come together to create and develop ideas and recommendations. At the end of the project a final report will be delivered to regional transport partnerships across Scotland, Transport Scotland, the Scottish Government and public transport companies to shape the future of public transport systems in Scotland.

Discussions have taken place with Young Scot in the hope of carrying out this work during the Year of Young People 2018.

YOUNG PEOPLE AND TRAVEL IMAGE – SOURCE

What Else Have We Been Doing?

Intelligent Centralisation and Shared working

£ 🛈

SEStran is a partnership of 8 local authorities. Where appropriate, opportunities for both shared working between SEStran and authority/authorities and for SEStran to act on behalf of all the authorities should be explored. For some years now, SEStran has managed the "Routewise" system which involves local authorities entering bus timetable information into the Traveline facility. This makes practical and financial sense where one system, as opposed to 8 systems, is employed.

Over the course of last year SEStran managed a transition from "Routewise" to "Novus FX", an upgraded system providing the same facility. The upgrade was funded by SEStran. Further opportunities for shared working with the partner councils have been discussed over the past year at regular meetings with the Councils' chief officers.

Various possibilities were discussed for further exploration. Traffic data gathering was one option which was identified and considered to be worthy of further exploration.

INSERT PARTNERSHIP WORKING IMAGE

What Else Have We Been Doing?

Travelknowhow Scotland

£ ♿ 🌿 ❤

In 17/18 SEStran continued to support Travelknowhow Scotland. Travelknowhow is an online resource which offers organisations across Scotland easy access to a wide variety of tools to implement workplace Travel Plans and reduce the negative impact of single occupancy car journeys. Supported by Scotland's seven Regional Transport Partnerships and funded by Transport Scotland. Travelknowhow Scotland supports and contributes directly to the Scottish Government's Low Carbon Scotland ambition for decarbonising transport.

TRAVELKNOWHOW LOGO

Travelknowhow usage figures in 17/18:

69 new registrations during the 17/18 period

231 total registrations

Of the 69 registrations **24%** were from the SEStran Region

Of those registrations:

58.6% were from the public sector

41.4% were from the private sector
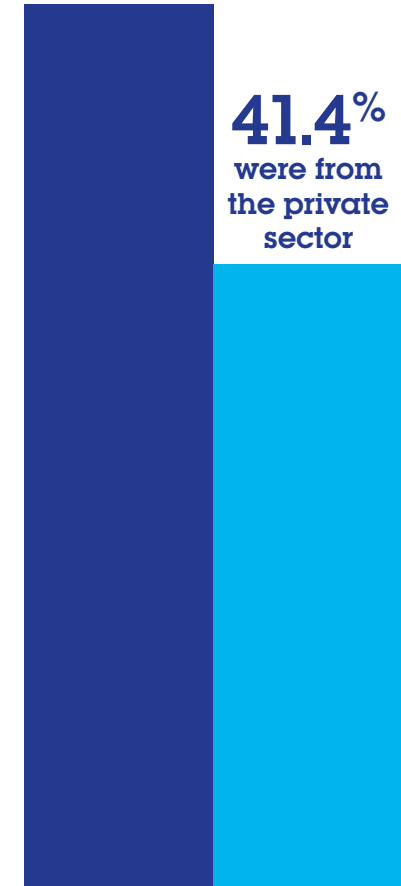
What Else Have We Been Doing?

Working in Partnership with Cycling Scotland

SEStran's Regional Cycle Training and Development Officer continued to support Bikeability Local Authority Co-ordinators over this year. The results from the last academic year had shown an increase in schools delivering cycle training and more pupils than ever taking part. A Bikeability volunteer conference was held for the East of Scotland where coordinators shared best practice and participated in professional development and training to support delivery.

A series of Making Cycling Mainstream courses in Planning and Design were held for consultants and local authority officers to learn about design for cycle infrastructure.

Over the course of the year training was delivered to ten cycle trainers to deliver essential cycling skills for new and returning cyclists. Continued work in support of the Cycle Friendly programme saw assessments and awards for two primary schools, four secondary schools and two employers.

The RCTDO attended a number of networking and conference events promoting the programmes of SEStran and Cycling Scotland, including Velo-City; the global cycling summit held in Nijmegen. Over the year our RCTDO also represented SEStran and Cycling Scotland at mass cycling events; including the Glow Ride in Edinburgh to celebrate the rollout of reduced speed limits across the city.

CYCLING SCOTLAND LOGO

VELO-CITY SHOT

What we do
Events

New Forums

£ ♿ 🌱 ❤ 👔

In 2017 SEStran established two new integrated forums that sit alongside the existing Equality and Access to Healthcare Forum. The forums are a mechanism for consulting with regional stakeholders in addition to those represented by members and advisors around the board table of SEStran. The new forums include the Integrated Mobility Forum; which seeks opportunities to improve integrated mobility across the region and provide a consultative role to Transport Scotland in the context of Integrated Mobility, Travel Planning and seeking funding to support future opportunities. The forum also aims to promote public transport and access to transport interchanges, as well as reducing single occupancy car journeys.

The second forum is the Logistics and Freight Forum; which aims to support economic growth and resilience across the South East of Scotland by developing, promoting and implementing sustainable business and distribution solutions. This will be carried out via constructive partnership between local authorities, government agencies, business and representative groups. The forum will provide a unified, regional voice in working with organisations such as Transport Scotland, Network Rail and ports, and aims to have a balanced range of views which represents the interests of those involved.

What we do
Events

Commuter Challenge

As part of the Edinburgh Festival of Cycling 2017, in May SEStran hosted the popular 'SEStran Commuter Challenge'. The Challenge aims to demonstrate the different ways in which commuters can travel in to the Capital, showing that there are healthier and more time efficient ways of reaching the City Centre.

Participants walked, jogged, cycled, travelled by bus and car shared (including one electric car), from four points across Edinburgh. This included Straiton, Ingliston, Ocean Terminal and Newcraighall to our meeting point in St. Andrews Square. We were able to follow their progress on twitter with the hash-tag: #MyCommuterChallenge.

Each location and mode had a recognised start and finish time, which was recorded by our volunteers on the day. The event was kindly supported by Enterprise Car Club, Edinburgh College and City of Edinburgh Council who also provided Dr Bike sessions at the finish line as part of their Smarter Choices, Smarter Places programme.

CC LOGO
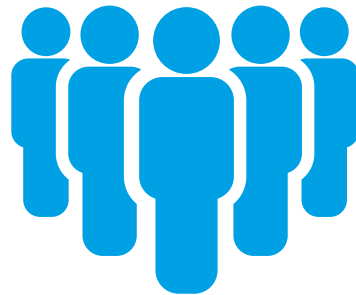
Tweedlove Bike Festival

In June 2017, SEStran supported the 'TweedLove Bike Festival', and in particular the Family Ride, which has become a local legend in the area after running for yet another year. The event, which involved hundreds of cyclists, started at Peebles High Street and continued as a fun route free from any motorised transport – making it a more relaxed environment for people of all ages and abilities. It showed how accessible cycling can be, as well as promoting active travel and enhancing community spirit!

Regional Rail Liaison Meeting

In February 2018 SEStran along with Transport Scotland, Network Rail and ScotRail convened the first quarterly South East Scotland Regional Rail liaison meeting. The focus for the meeting had an agenda centred on the key rail issues within the SEStran region. The meeting was an opportunity to share information with key stakeholders to better understand problems, identify challenges and opportunities, and improve the delivery of rail services across the South east of Scotland.

What we do
Events

The SEStran Family Ride, Tweedlove 2017

Rolling into Peebles for another year on the 10th June, the Family Ride event returns. SEStran was proud to be back sponsoring Tweedlove for 2017, as inclusive events like the Family Ride make cycling accessible to people of all ages and abilities. The ride encourages families and friends to get together and cycle in a relaxed environment for a car free pedal through Peebles High Street.

The event is open for anyone to come along and have a go at their own pace. Last year's ride was more successful than ever, with the biggest attendance yet - it was great to see people of all ages and abilities come together to celebrate the joys of cycling.

As well as being lots of fun, the event is in line with our vision to enable and support more people to travel actively in their own communities, to promote social inclusion and enhance community life.

The Tweedlove Bike Festival, based in the Scottish Borders, runs from May to September each year. For more information about the festival visit: **tweedlove.com**

TWEEDLOVE LOGO

PETER FAMILY PIC

What we do
Events

East Coast Mainline Authorities (ECMA) Parliamentary Receptions

The East Coast Main Line Consortium met only once last year, in October 2017. A further meeting had been scheduled for February 2018 but had to be cancelled due to severe weather.

At the meeting, most of the discussion centred on the formation and action of a UK All Party Parliamentary Group (APPG) to lobby the government to take forward improvements to the line. Also discussed was the completion of a study into the benefits of investment in the line and governance of the ECMA consortium, in respect of which SEStran Chair (Councillor Gordon Edgar) was confirmed as the Scottish Vice-Chair.

During last year and preceding years, the ECMA secretariat role was absorbed by North Yorkshire Council who expressed a desire for this task to be formalised and undertaken by another party. This was picked up by the North East Combined Authorities (NECA) who put forward a proposal to be funded by the consortium members. This was accepted and NECA are currently undertaking this role.

Further significant changes to the consortium membership and terms of reference have subsequently been agreed and work to promote the line continues into the current financial year.

ECMA LOGO

More Updates
Other Programs and Policies

Equalities and Diversity

SEStran published its Equalities Outcomes 2017-2021 in April, in accordance with its duties under the Equality Act 2010 and continue to pursue ways in which to improve processes, policies and projects to eliminate discrimination, foster good relations and enhance opportunity for all.

Our progress so far…

Equalities and Access to Healthcare Forum

Following the review of consultative forums, the SEStran Equalities Forum and Access to Healthcare Forum were merged and is now the primary stakeholder and officer group, chaired by the Partnership Director, to deliver our Equality Outcomes and legislative requirement to consult Health Boards and those who represent those with, or share a protected characteristic.

Board Diversity

SEStran has supported a series of actions to promote gender balance and wider boardroom diversity, including the publication of its Board Diversity Succession Plan and appointment of its Succession Planning Committee. The purpose of both the Plan and Committee is to promote diversity of skills and representation of Board Members. A voluntary, confidential skills audit was carried out, which was used to formulate a training programme for Board Members. Another action was signing up to the 50/50 by 2020 pledge: SEStran progressed with the recruitment for the Non-Councillor Board Members, which takes into consideration improving the gender balance of our Board.

Disability Confident Scheme

Disability Confident is a scheme that is designed to help organisations to recruit and retain disabled people and people with health conditions for their skills and talents. It aims to help employers make the most of opportunities provided by employing disabled people. SEStran signed up to the Government's Disability Confident scheme in February 2017 as a commitment to pursuing our equalities outcomes. Since receiving our first "Disability Confident Committed" certificate we have now progressed to the level 2 status of "Disability Confident Employer" by pledging to implement the core actions and activities outlined in the scheme guidance.

More Updates
Other Programs and Policies

Equate Scotland – Careerwise and Positive Action Project

SEStran has continued to work with Equate Scotland to progress positive action and support women in STEM, through workplace placements and language review.

Following a successful student placement in summer 2017, SEStran progressed with a recruitment exercise, which will offer a place to a STEM student during summer 2018.

Further actions to be undertaken include providing Unconscious Bias training to Board Members and staff, and a review of the language used in SEStran job descriptions.

General Data Protection Regulations (GDPR)

The GDPR came into force in May 2018, with the intention of strengthening and unifying data protection for all individuals within the European Union.

In preparation of the changes to the legislation, SEStran has undertaken a full review of information governance initiatives to ensure compliance with the regulations. The review concluded that while SEStran holds little personal data, a number of compliance tasks were required, which included:
• Amendments to the SEStran Data Protection Policy
• A new Privacy Notice to describe SEStran's use of personal data
• A review of our Service Level Agreements to incorporate the requirements of the GDPR.
The tasks have been completed and were proportionate to the level of risk faced by the organisation.

Cyber Security

The Scottish Government published its Cyber Security Public Sector Action Plan in 2018. This plan sets out a number of key actions that organisations are required to implement to help ensure a common approach to achieving higher standards of cyber resilience within Scotland's public sector.

SEStran has been working with our IT partners to implement the key actions and have utilised grant funding of £1k from the Scottish Government to undergo a cyber essentials pre-assessment. The pre-assessment is a pre-curser to obtaining Cyber Essentials accreditation and was carried out in March 2018. The outcome indicated that in almost all areas, SEStran has suitable controls in place and the organisation's approach to cyber security is appropriate to the risks being faced.

It was recommended that SEStran pursue Cyber Essentials PLUS accreditation and the final assessment is planned for September 2018.

Regional Transport Strategy (RTS) Monitoring

SEStran's original Regional Transport Strategy (RTS) was approved in March 2007 and covered the period from 2008 until 2015.

The strategy was subject to a refresh in August 2015 and covers the period from then until 2025.

The RTS 2015 represents an update of the RTS 2008, rather than a new strategy. The vision, objectives and policy framework of the strategy remain unchanged and the various chapters have been revised only where necessary, in order to take account of the most recent data and information, as well as the more detailed strategy development that SEStran has undertaken since 2008. The substance of the strategy and suggested interventions remain unchanged.

As a result of the government's decision in late 2016 to review the National Transport Strategy (NTS 2), SEStran's partnership Board agreed to await the outcome of the NTS2 review before embarking on a re-write of the RTS. In 2017/18, therefore, the RTS remains unchanged.

During last year however, it was recognised that some of the measures within the current RTS monitoring framework were not in alignment with partner plans. These measures did not cover, for example, equalities outcomes. This meant that SEStran could not provide meaningful indications of progress as these outcomes were previously unavailable sources of data.

SEStran will in 2018/19 update the monitoring framework for use across the region.

Appendix

Annual Accounts
SEStran's Annual Accounts can be accessed online here:

link–to–go–here

Climate Change Report
The Climate Change (Scotland) Act 2009. Part 4 of the act places duties on public bodies to act in the way best calculated to contribute to the delivery of emissions reduction targets, to help deliver any statutory climate change adaptation programme, and in a way that it considers is most sustainable. All 151 public bodies that appear on the 'Major Player' list must submit an annual report to the Sustainable Scotland Network (SSN); detailing their compliance with the climate change duties.

insert link

Public Services Reform Act
Sections 31 and 32 of the Public Services Reform (Scotland) Act 2010 ('the Act') impose duties on Scottish public bodies to publish information and certain other matters as soon as is reasonably practicable after the end of each financial year. This statement is produced annually by the South East of Scotland Transport Partnership (SEStran) to ensure compliance with the requirements of the Act. It can be accessed online here:

insert link

Community Empowerment Act
We are a listed public authority under the Community Empowerment Act and one of our duties under the Act is to consider requests from the community. Participation Requests can help groups from the local community (a community-controlled body) to liaise with us and other listed authorities on improving issues in the area. We welcome requests from groups that can aid SEStran in delivering its strategic functions in the South East of Scotland. To gain more information on how to place a request, please follow the link:

sestran.gov.uk/corporate/participation-requests/

Public Records Act
SEStran is required under the terms of Section 1 of the Public Records (Scotland) Act 2011 to produce a Records Management Plan, setting out proper arrangements for the management of its records and to submit this to The Keeper of the Records for approval. We submitted our RMP in January 2011 and it is available here:

sestran.gov.uk/wp-content/uploads/2017/06/SEStran-Records-Management-Plan-v2.0.pdf

European Union | gov.scot

EUROPE & SCOTLAND
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Investing in a Smart, Sustainable and Inclusive Future

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🐦 **@SEStran**

SEStran
South East of Scotland
Transport Partnership

Bus Travel in South East Scotland – Follow Up Report

1. Introduction

1.1 This paper follows the presentation and discussion of the Bus Travel Discussion Paper to the Partnership Board on Friday 22nd June 2018. This paper will highlight the main discussion points and consider proposed actions.

2. Discussion

2.1 Open Data in the Bus Industry
- Bus policy should be plan/development led and there is a need to link transport and planning together.
- SEStran should find out what Open Data is available.

2.2 Smart Ticketing in the SEStran Region
- There is a need to bring all modes together under smart ticketing.
- Could SEStran provide regional or local ticketing strategies to provide further options to customers?
- SEStran should encourage new bus operators to enter the market and minimise barriers to make it easier to run services at the required level.
- SEStran should work to minimise the barriers to smart ticketing.

2.3 Tackling Rising Congestion
- Research is required to inform new strategy/policy to tackle congestion.
- The lack of parking at park and rides is an issue and disincentivises the public from using bus/rail to commute into Edinburgh.
- SEStran should play an active role in driving a regional solution
- Free city centre parking, outside of the controlled area needs to be addressed to prevent parked cars in residential areas.
- The new Edinburgh City Centre Low Emissions Zones, which are being brought into play in 2020, could contribute to the reduction of single occupancy car journeys in the SEStran region.
- There is a need to reduce the need for travel e.g. focus on home working or internet conferencing.
- SEStran could play a vital role in starting the debate on congestion charging, however such schemes could hit rural communities the hardest.
- Can we change our mindset and remove cars from our town centres? We must, however, be cognisant of the potential impact on economic development within our town and city centres.

2.4 Option of Intelligent Centralisation

- Under the new Transport Bill (Scotland) proposals, there may be an option for SEStran under the proposed BSIPs.
- The East Lothian Bus Charter is a good example of standards expected by the public and the council and bus operators. This can be shared with SEStran's IMF Forum and could be developed on a regional basis to set common standards across the region for bus operators.
- SEStran could share best practice and lessons learned from other Local Authorities within our region. E.g. experiences with consultations / operators changing routes and services.
- Sharing intelligence is key to success.

2.5 Equality of Access to Bus Services
- SEStran should address the implications from operators removing lifeline services.
- Service Level Agreements with community transport operators could bridge the missing link from commercially run services. SEStran could research this and propose a paper for debate.

2.6 Young People and Bus Travel
- There have been innovations in the Netherlands offering a Spotify-type subscription service for young people to use public transport. Could we link this to the yTravel project for young people? Or could this be offered for older people?
- SEStran should work with schools to understand young people's travel habits and what could attract young people to public transport.
- SEStran should engage further with Community Planning Partnerships.
- Take account of the variety of rural and urban areas and related local issues.
- Must take into consideration how bus services can help to address isolation and loneliness.

3. Proposed Actions

3.1 It is proposed that SEStran holds a meeting with bus operators to follow up on the discussion points above and **Appendix 1**. Chief Officers, transport operators, community transport representatives and Partnership Board members would be invited. The agenda for the meeting would be the bus paper which was presented to the Partnership Board and the issues that have been highlighted in subsequent discussions. It is proposed that this meeting would be held in the Autumn 2018.

3.2 The Scottish Parliament's Rural Economy and Connectivity Committee is gathering the views of individuals and organisations on the Transport (Scotland) Bill proposals. There is Call for Evidence due Friday 28th September 2018 and an online survey available here: https://www.smartsurvey.co.uk/s/TransportScotlandBill2018/. SEStran will be using Board and meeting discussions to respond to both the Call for

Evidence and the online survey. Furthermore, SEStran's Head of Programmes has been invited to give evidence at the Rural Economy and Connectivity Committee meeting on the 19th September 2018.

7.   Recommendations

7.1   That the Board note and discuss the content of the report.

Appendix 1: A Discussion Paper by Barry Turner, Non-Councillor Board Member

Catriona Jones
Projects Officer
26th July 2018

Appendix 1: A Discussion Paper by Barry Turner, Non-Councillor Board Member

This paper follows on from the report considered by the Board on 22nd June. When I was chairman of RELBUS we produced a paper outlining what we thought needed to be done to improve bus services and we concluded that action fell within four categories each beginning with the letter I. They are Involvement, Integration, Innovation and Information. I found that the actions described in the report to the Board for the most part also fitted into these categories. I have identified here other actions that might be added to form a comprehensive package that could make a real difference. The order of the categories reflects my thinking on a logical order in which the issues and possibilities should be approached if we were undertaking an exercise, i.e. Ask, Act and Tell. However, the four categories don't have to be part of a specific process but should be ongoing side by side. We really should be doing something on each all the time in order to achieve progress.

Involvement

This is about asking people what they want from their bus services. Provision should always be about satisfying passenger needs and not about what might be operationally convenient or most profitable.

The report in 3.6 looks at assessing the needs of young people and this is an important consideration for the reasons set out in the report. As I said at the meeting surveys should also be undertaken with the elderly in the light of issues around loneliness and social isolation that have been highlighted in recent studies as the report says in 3.5. Bus services made accessible to the elderly in locational and physical terms and in terms of destination offered can have a very positive impact in these respects. In addition, there should be ongoing surveys of existing and potential users to ascertain whether their needs are being met. My concern with what the report says about open data in 3.1 is that it seems to be about finding out what people are doing, that is how they currently use services. It is just as important to find out what they are not doing and why. Why are people not using buses and what would make them change their mind? It's not only about the services themselves but also about the convenience of using buses; things like access to and information at stops and the availability of shelters.

Integration

This is about offering the seamless journey in terms of integrated ticketing, routes and timetables so that public transport becomes easier to use and can better compete with the private car.

There is a move towards the seamless journey as far as ticketing is concerned and smart ticketing has been focussed upon at a number of Board meetings. Contactless payment systems should be the aim as stated in 3.2 of the report. In London this has made travel for visitors like myself so much easier though as the report says there is an issue over clarity of pricing. Potential users need to know what they are paying. A move towards greater integration of services is not apparent and the report is silent on the matter. The organisation of bus services and lack of relationships between many of them in the competitive environment is often difficult to understand and is I believe a deterrent to their use. Though there is no obvious and workable

solution with the current operational regime Government appears to be waking up to the issues. Some progress has been achieved in East Lothian especially through timetables of supported services being related to those of commercial services wherever possible. However, across the region there are still problems around better integrating bus and rail services even though there is an obligation upon Scotrail to move forward on this. SEStran should perhaps look into the problems and offer assistance.

Innovation

This is about adapting and extending existing provision to meet needs and about providing services in new ways particularly to reach the more isolated communities. It is also about what can be done to create a better environment in which buses can operate.

This is where some of the real opportunities lay. I look first at rising congestion levels and their impact on bus services and bus patronage as covered in 3.3 of the report. Congestion charging may be a solution but it hits the poor hardest and those who can afford to do so simply pay the charge. Central London seems to be more congested now than it was before charging was introduced. Bus lanes have a role but they have to be enforced and there remains the problem that the lanes tend to end some distance from busy junctions in order to avoid traffic chaos. A workplace parking levy is another solution offered but again this favours the better off, and in any case it is not necessarily workplace parking that is the cause of so much peak congestion given its fairly limited supply. In Edinburgh I would say that a significant proportion of the peak commuter traffic parks on street outside controlled parking areas. Remove this option in a phased way by schemes that disallow parking by other than local residents for an hour mid day - and enforce them - and traffic would be significantly reduced in my view. It would make buses quicker and more efficient in the peaks thus allowing more buses to be available to cater for the new demand created. This is stick actually facilitating the carrot.

It is the speed of buses that puts many people off using them. For example it takes a very long time to travel from Musselburgh into Edinburgh because for the most part the buses stop everywhere, often as a consequence of other buses blocking the stops. I have two more suggestions applicable to Edinburgh and possibly elsewhere. Introduce more express buses peak and off peak and introduce a request stop system so that buses will only stop at certain muli-route stops if requested to do so. it would need to be made clear in publicity and at the stops that buses will only stop if hailed or the bell is rung.

Moving on to intelligent centralisation covered in 3.4 of the report, inequalities in public transport fares is an issue as the report says and a centralised approach is needed to address this. A centralised approach could have other applications not least in the pursuance of best practice across the region. The report looks at equality of access to bus services in 3.5.There is a great awareness of the disparity in service levels between urban and rural areas and particularly the issue of providing services to the most remote communities to help tackle social deprivation. Much is being done across the region by different local councils but there is not much in the way of

a common approach based on best practice and trying something new. West Lothian for example has a taxi bus service which might be a solution elsewhere and East Lothian is trying something similar in one location. Community transport is another option based upon resources that already exist in some rural communities. There was support at the Board meeting for some kind of brainstorming workshop on these issues and the various possibilities for tackling them in order to adopt a common approach and achieve greater consistency across the region. We need to arrange it.

There is much to be said for achieving a common approach to issues through the adoption of jointly agreed policies, collaborative measures and through developing the sharing economy as indicated in the report. Community transport is just one aspect. The report also refers to the expansion of car sharing. A collaborative initiative in East Lothian is the Bus Passenger Charter jointly produced by RELBUS, the council and the operators. It sets out the expectations of passengers and the responsibilities of the council and operators. It is a good example of working together for the common good and something like it should perhaps be universally adopted in the region.

Finally under the heading of innovation there is the question of new and adapted services. This takes me back to the involvement heading. The number of times I have heard people say 'If only there was a bus to such and such a place' or 'if only that service ran a little later'. Surveys could test the degree of interest in changing services to meet such needs and the changes made could actually increase bus patronage. And let's not forget the importance of providing bus services to new housing development, something that I don't think is high on the developers' priorities. If a bus service is there at the outset then there's a good chance that people will use it provided that it is frequent and attractive. If it is not there car use will become established. It's down to the local authorities to see that it happens.

Information

This is about making sure that people know through a variety of means what public transport is available, how to access it and what it will cost them. It's also about making sure people know who is responsible for running particular services and how they can make complaints or suggestions.

We can do all sorts of things to make the service better but if we don't tell people what's available and by whom in ways that they can access that information we will not get more people using those services. Real Time Passenger Information has been a great innovation accessible on phones, at stops and places where people congregate. We must not rely solely on new technology because many elderly people do not use it, but we certainly must make the most of it if we want to get young people on board. The balance at present is about right and new avenues for information are being explored all the time. We should not, however, underestimate the value of simple, old fashioned measures like up to date timetables at all bus stops. Disseminating information should not be just about the services themselves but other things affecting bus use like clarity of pricing, hailing buses and the Passenger Charter all referred to above.

BARRY TURNER

JULY 2018

Transport (Scotland) Bill

1. Introduction

1.1 The purpose of this report is to inform members of the recent Transport (Scotland) Bill[1] introduced by the Cabinet Secretary for Finance and Constitution, Derek Mackay MSP, in the Scottish Parliament on 8 June 2018.

1.2 The Bill is now within the first stage of the parliamentary process, in which the Rural Economy & Connectivity Committee has launched a consultation survey, which seeks stakeholder views about the Bill.

1.3 SEStran will be responding to the consultation in two ways. One will be on behalf of the SEStran Partnership, the second will be through contribution through an agreed joint RTP response. Both responses are provided in the appendices of this report.

2. Transport (Scotland) Bill

2.1 The Bill addresses a number of Scottish Government commitments from the 2017-18 Programme for Government[2]. The Bill aims to empower Local Authorities and enable them to implement future commitments as set out in the Programme for Government. The Bill is structured into the following six parts which will be considered within its consultation:

2.2
- Part 1 – Low emission zones: makes provision in relation to the creation and enforcement of low emission zones in Scotland.

- Part 2 – Bus services: seeks to ensure that local transport authorities have viable and flexible options to improve bus services in their areas.

- Part 3 – Ticketing arrangements and schemes ("smart ticketing"): makes provision enabling the Scottish Ministers to specify a national technological standard for the implementation and operation of smart ticketing arrangements and providing local transport authorities with additional powers to develop and deliver effective smart ticketing arrangements and schemes.

- Part 4 – Pavement parking and double parking: introduces prohibitions on parking on pavements and double parking.

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[1] http://www.parliament.scot/parliamentarybusiness/Bills/108683.aspx
[2] https://www.gov.scot/Resource/0052/00524214.pdf

- Part 5 – Road works: enhances the role of the Scottish Road Works Commissioner (SRWC) and the wider regulation of road works.

- Part 6 – Miscellaneous and general: includes providing Regional Transport Partnerships (Transport Partnerships) with more financial flexibility, part 6 also seeks to improve the governance of Scotland's canals.

3. Financial Implications

3.1 The Bill gives legal clarity to Regional Transport Partnerships to create and carry forward financial reserves across the financial year-end, as with local authorities currently. This change aims to make it easier for the Regional Transport Partnerships to manage their year-end finances by enabling them to hold a balance of funds.

3.2 This change removes any perceived need for Regional Transport Partnerships to have a zero balance at the end of each financial year which will benefit the planning and delivery of projects.

4 Consultation and survey

4.1 As the Bill is in the initial stages of the parliamentary process, future papers are likely to be brought forward for comment.

4.2 Appendix 1 of this report contains the provisional response to be provided on behalf of SEStran.

4.3 Appendix 2 is the agreed joint Regional Transport Partnership response. The consultation closes on the 28th of September.

5. Recommendations

5.1 Members are invited to comment on the proposed SEStran response to the Transport (Scotland) Bill Consultation.

5.2 Members are requested to forward any additional comments to officers by the 26th of September.

5.3 Members are also invited to note the contents of the agreed Joint RTP Consultation Response

Appendix 1 – Transport (Scotland) Bill, Proposed Consultation Response
Appendix 2 – Transport (Scotland) Bill, Agreed Joint RTP Consultation Response

Lisa Freeman
Strategy and Projects Officer
13th September 2018

Policy Implications	The Bill could result in a number of policy changes
Financial Implications	Provisions within the Bill would allow RTPs to carry forward financial reserves across the financial year-end.
Equalities Implications	None
Climate Change Implications	None

Appendix 1 - SEStran Transport (Scotland) Bill Consultation Response

SEStran

Established by the Transport (Scotland) Act 2005, SEStran is the statutory Regional Transport Partnership covering the eight local authorities in the South East of Scotland including: Clackmannanshire, Scottish Borders, East Lothian, West Lothian, Midlothian, Fife, Falkirk, and City of Edinburgh Council. SEStran welcomes the opportunity to respond to the Transport (Scotland) Bill Consultation.

The Bill addresses a number of Scottish Government commitments from the 2017-18 Programme for Government[1]. The Bill aims to empower Local Authorities and enable them to implement future commitments as set out in the Programme for Government. The Bill is structured into the following six parts which will be considered as part of this consultation response:

Low Emission Zones (LEZs)

Part 1 – Low emission zones: makes provision in relation to the creation and enforcement of low emission zones in Scotland. Key provisions as set out by the Bill, as stated by Transport Scotland include:

- Providing local authorities with powers to create, enforce, operate or revoke a low emission zone in their area and to design the shape, size and vehicle scope of their low emission zone

- The setting of specified emission standard by the Scottish Ministers by regulations

- The setting of grace-periods to allow those wishing to drive within the low emission zone an opportunity to upgrade their vehicle to a less polluting model (either by replacing it or having it modified) before penalty charges begin to be applied

- The ability for local authorities to promote permanent and/or time limited exemptions from the requirements of a low emission zone, where certain requirements are met to strict criteria; these exemptions will be set by the Scottish Ministers by regulations

- Enable Scottish Ministers to specify by regulations the amount of the penalty charge, with the ability to specify different levels of penalty charge depending on, for example, the class of vehicle, the emission standard of the non-compliant vehicle, or whether there are repeated contraventions

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[1] https://www.gov.scot/Resource/0052/00524214.pdf

- How contravention of the low emission zone standards would be handled. If contraventions occurred on the same day, in the same zone, using the same vehicle, and provided that the person who is liable to pay the penalty in respect of the vehicle is also the same in respect of the infractions, only one penalty per day would be payable;

- Detailed regulations and guidance will be produced for local authorities to deliver a consistent approach in how they enforce the new low emission zone requirements;

- Setting out the rules which will apply to penalty charge notices, such as the form they take, the time allowed for payment, internal review of a notice and/or appeal of the notice to an external adjudicator;

- Providing local authorities with powers to create, operate and revoke low emission zones with other councils; and

- Requiring local authorities to utilise the money they receive from the enforcement of the new restrictions for ring-fenced purposes, particularly to facilitate the achievement of the low emission zone scheme objectives.

SEStran supports the principle of LEZs, if they are delivered as part of a wider local or regional sustainable transport strategy.   It must be clear what the LEZ is designed to achieve, as they will have a significant impact on the region. Many residents working in neighbouring councils work in the Capital. Therefore, any LEZs should be seen in that context, and should not be viewed in isolation. LEZs should be implemented alongside complementary measures that encourage the uptake of active travel and reduce the number of single occupancy vehicles. The Regional Transport Strategy (RTS) recognises that transport must play its part in the reduction of emissions and improvement of local air quality. Many SEStran RTS measures are aimed at reducing car single occupancy travel and encouraging sustainable travel behaviours. Indeed, there would be merit in LEZs being implemented/managed at a regional level.

As stated in the Bill, LEZs will enable Local Authorities to possess powers to restrict the access of vehicles which are not compliant with certain emission standards form entering specified districts. SEStran would agree that LEZ regulations ideally should be consistent across all LEZs in Scotland. However, it is understood that local decision making may dictate the need for flexibility to fund schemes' maintenance.

Care will need to be taken to ensure that the public are aware of the need for an LEZ, to ensure the penalty scheme is not seen as another "road user tax".   This would require a consistent marketing campaign and promotional materials across Scotland, ahead of implementation. This should be considered along with the provisions made within the Bill regarding the provision of signs, ANPR cameras and the enforcement

of schemes. Sufficient investment must be made in further active travel initiatives and infrastructure in order to make an LEZ work. Funding and support must also be made available to ensure that transport operators within the region are able to operate within the city's LEZ.

The Scottish Government has committed to introduce Low Emission Zones in Glasgow, Edinburgh, Aberdeen and Dundee by the end of 2020. SEStran is currently represented on the Delivery Group for Edinburgh's LEZ. In this group SEStran aims to provide a regional perspective, alongside best practice examples. Including, last mile logistics research from the SURFLOUGH[2] EU project, and shared mobility examples from the SHARE-North[3] EU project. Overall, SEStran welcomes the proposals outlined within the Transport Bill. However, as previously mentioned, this should not be viewed in isolation, and financial support should be provided to Authorities so that these commitments are able to be met accordingly. The framework for such funding should be explicit on how it will support local authorities and public transport providers in the long term.

Bus Services

Part 2 – Bus services: ensures that local transport authorities have viable and flexible options to improve bus services in their areas.

- Powers to create new Bus Service Improvement Partnerships (BSIP). These would replace current legislative provision to create Statutory Quality Partnerships (SQPs) and are intended to provide a stronger framework for partnership working than SQPs;

- Powers to introduce Franchising of a local bus network. This would replace current legislative provision to create Quality Contracts, and are designed to enable a simpler but still rigorous route to create a bus franchise in a defined area;

- New/extended powers for local transport authorities (LTA) to provide bus services to meet social needs. This would allow an LTA to create its own 'bus company' but only for those services deemed socially necessary, thereby avoiding any potential conflict with the commercial bus sector;

- Powers to require bus operators to make more information available to the public on services, including routes, timetables and fares. This would ensure current and potential passengers as are as fully informed as they can be in

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[2] http://sestran.gov.uk/projects/surflogh/
[3] http://sestran.gov.uk/projects/share-north/

their decision-making about a trip (through better information on travel planning apps, for example, or Real Time Passenger Information); and,

- Powers to require operators varying or withdrawing services to provide more information to local transport authorities. This provision enables LTAs to be more informed about reasons for a service withdrawal, and at a more strategic level, encourage greater competition between bus operators.

Bus Service Improvement Partnerships (BSIPs)

The Bill offers the opportunity to create BSIPs. Like SPT, other RTPs could provide a supportive role in the creation of BSIPs where cross-boundary routes to be considered. SEStran welcomes this opportunity, however, as the Bill currently stands, without considerable financial support and buy-in from the operators, the creation of further BSIPs could prove costly and largely unused. More support in this area must be considered, if falling bus patronage numbers are to be improved. SEStran, currently a model 1 partnership is not currently empowered to 'contribute' to a BSIP but could assist in facilitating.

Franchising

With regards to the franchising powers considered for transport authorities, SEStran is in principle, supportive of this option. As in other Cities across this UK, this could result in improved services and an increase in patronage. However, this change would require a great amount of research and assessment of all routes, fares and their viability. This would be an extremely costly exercise, and cost benefits should be fully considered before being entered into.

Information

SEStran welcomes the provisions in the Bill which would require bus operators to share information on routes and timetables. SEStran has continued to champion the implementation of bus real-time information throughout the SEStran Region and has seen its benefits across both urban and rural communities. However, SEStran would emphasise that data provided by operators should be openly available, and of a high standard, which can provide future improvements in passenger information services.

SEStran supports the powers that require operators varying or withdrawing services to provide detailed information to authorities, as this will allow authorities to understand the reasons for service withdrawal and provide them with strategic oversight on whether the authority is able to replace the service.

Ticketing Arrangements and Schemes (Smart Ticketing)

Part 3 – Ticketing arrangements and schemes ("smart ticketing"): makes provision enabling the Scottish Ministers to specify a national technological standard for the implementation and operation of smart ticketing arrangements and providing local transport authorities with additional powers to develop and deliver effective smart ticketing arrangements and schemes. Key provisions as set out by the Bill, as stated by Transport Scotland include:

- Extending existing ticketing arrangements and schemes to include connecting rail and ferry services

- Giving Scottish Ministers the power to set a national technological standard for smart ticketing

- Setting up the National Smart Ticketing Advisory Board;

- Provide a guide for a consistent approach for smart ticketing arrangements and schemes, and clearer processes for them;

- The requirement for local transport authorities to produce annual reports on ticketing arrangements and schemes to evaluate and adapt for best practices; and

- Giving Scottish Ministers the power to direct a local transport authority to make or vary a ticketing scheme.

SEStran welcomes, in principle, the provisions of the Bill in relation to Smart Ticketing. Significant investment has already been made in smart infrastructure and further investment made in ensuring operators across the country can accept smart tickets, and it is right that these benefits should be maximised. SEStran has invested over £150,000 over the past 2 financial years, in kitting out smaller operators in the region with new ticket machines. ITSO is already widely considered as the UK standard, and is used across the Scottish National Concessionary Scheme, ScotRail and most bus operators. Another national standard would be costly to implement, so focus should be placed on the 'smart' solutions already in use within the market.

SEStran also believes that the establishment of a new Advisory Board and the requirement of Local Authorities to produce annual reports on ticketing would be unnecessary and an onerous task on an already stretched staff resource. In addition to this, the provisions made towards Ministers having powers to direct Local Authorities to implement ticketing schemes, seems unnecessarily excessive. Local Authority budgets and demand will determine the viability of a potential scheme, having Ministerial oversight would be unlikely be able to change these factors.

Pavement Parking

Part 4 – Pavement parking and double parking: introduces prohibitions on parking on pavements and double parking. Key provisions as set out by the Bill, as stated by Transport Scotland include:

- Providing local authorities with powers to enforce the national ban on pavement parking;

- The ability for local authorities to promote exemptions from the national ban, but they will be required to meet strict criteria;

- The Bill provides exceptions to certain vehicles if they are involved in emergencies or delivering goods;

- Detailed standards and guidance will be produced for local authorities to deliver a consistent approach in how they enforce the new parking restrictions;

- Providing local authorities with powers to share services with other councils to enforce the new restrictions; and

- Requiring local authorities to keep accounts in relation to the money they receive from the enforcement of the new restrictions.

In principle, SEStran is supportive of the provisions regarding pavement parking within the Bill. Members within the SEStran Equalities and Access to Healthcare Forum have continued to express their concerns and experiences regarding irresponsible parking. It is welcomed that the Government is bringing such legislation forward to help vulnerable pedestrians such as the disabled, elderly and parents with small children. However, it is understandable that there is still concern over how Local Authorities will manage this new power, in times of budget constraints. Enforcement will be a new issue for each individual Authority to manage. Additional resources must be made available to support these new powers if they are to succeed. There is also the additional issue of areas (such as residential or near schools) where pavement parking has been established as a preferred alternative, to allow access of other vehicles (such as public transport or emergency services). Further, costly, assessment work of the road network would need to be conducted by the Authority to establish areas to be excluded from the legislation. The practicalities of enforcement will also be challenging, particularly for short duration offenders.

Road Works

Part 5 – Road works: enhances the role of the Scottish Road Works Commissioner (SRWC) and the wider regulation of road works. Key provisions as set out by the Bill, as stated by Transport Scotland include:

- Clarification on the legal status of the SRWC

- Compliance notices with enforcement consequences for those who fail to take the required steps

- Non-compliance with a Compliance Notice will be an offence, which will mean that the SRWC will become a specialist reporting agency, and be able to submit reports to the Procurator Fiscal

- An inspection function for the Scottish Road Works Commissioner with associated enforcement powers and new offences including for obstruction

- A requirement for reinstatement quality plans (to establish that organisation have the necessary processes and competence to execute road works to the required standards)

- Requirements to notify actual starts and works closed within specified timescales to improve the accuracy of information relating to road works on the Scottish Road Works Register; and

- A requirement to place details of all utility apparatus onto the Scottish Road Works Register.

SEStran welcomes the provisions in relation to Road Works and those that will strengthen the powers of the Commissioner. These additional powers will help to promote compliance and set the requirement for reinstatement quality plans, ensuring that organisations meet the required standards when executing road works.

Miscellaneous and general, including RTPs and Scotland's Canals

Part 6 – Miscellaneous and general, which includes providing RTPs with more financial flexibility and improves the governance of Scotland's canals. Key provisions as set out by the Bill, as stated by Transport Scotland include:

- Make it easier for RTPs to manage their year-end finances by enabling them to hold a balance of funds.

- Including the creation of specific reserve funds which are desirable for operational risk management

- Enable Scottish Ministers to vary the size of the Board of Scottish Canals in order to ensure that it has the skills needed to oversee the varied work of the organisation, thereby strengthen its capacity to support economic regeneration.

SEStran welcomes the provisions made in relation to RTP finances. It is welcomed that this will bring RTPs finance rules in line with their Local Authority partners. This will enable the Partnerships to hold a balance of funds and reduce risk in the implementation of projects. This change would allow RTPs a degree of flexibility to work on projects that will cover more than one financial year and consider planning for the longer term.

Conclusion

In principle, SEStran welcomes the Bill and considers the provision within it a positive step in Transport Policy development. However, without suitable levels of financial support, a number of the provisions made within the Bill will be unlikely to come to fruition. The targets set out within the Programme for Government were indeed ambitious, and without the correct supporting conditions, this Bill may fall short in achieving this. These provisions cannot be viewed in isolation. Further considerations should also be made towards the needs of the travelling public, and whilst some of these provisions address a number of issues faced by our most vulnerable community members, more could be done to improve transport delivery to meet their needs. SEStran would emphasise the need for LEZ initiatives to be viewed and developed on a regional basis, due to the inevitable wide-ranging implications of significant restrictions in access to Scotland's cities as major concentrations of employment.

Appendix 2 - Transport (Scotland) Bill, Agreed Joint RTP Response

Scottish Parliament
Rural Economy and Connectivity Committee
Transport (Scotland) Bill – Call for Evidence
RESPONSE BY THE REGIONAL TRANSPORT PARTNERSHIPS OF SCOTLAND

The seven Regional Transport Partnerships of Scotland (RTPs) – Hitrans, Nestrans, Sestran, Strathclyde Partnership for Transport (SPT), Swestrans, Tactran, and ZetTrans – were established by the Transport (Scotland) Act 2005. The RTPs have a range of responsibilities including preparation of the statutory Regional Transport Strategy for their respective areas, and development and delivery of transport projects across their region. Some RTPs also have operational responsibilities including the provision of socially necessary bus services, and infrastructure such as bus stations. Further information on RTPs is available at https://www.transport.gov.scot/our-approach/strategy/regional-transport-partnerships/ where there is also a link to each RTPs website.

General comments

The RTPs welcome the opportunity to comment on the Transport (Scotland) Bill, and indeed have been liaising with Transport Scotland and other partners throughout development of the Bill to this stage.

In principle, the RTPs welcome the Bill, but believe in its current incarnation that it falls short of providing a framework for future growth in sustainable transport in Scotland. Further, without significant complementary support and significant capital and revenue funding, it will be difficult to realise the mechanisms available in the Bill. In addition, the RTPs believe that there must be greater recognition of their status within the Bill, bearing in mind that RTPs are democratically accountable, cross-boundary authorities working in the public interest.

The RTPs are guided that how the Bill when enacted operates in practice will be heavily reliant on regulation, secondary legislation and guidance. It is therefore essential that RTPs and partners continue to be fully involved throughout that process to ensure the Bill when enacted operates in the public interest.

Notwithstanding the above, however, the RTPs will continue to work with the Scottish Government and others to improve the Bill, and will explore every opportunity afforded by the new legislation to improve the transport networks of their respective areas.

Low Emission Zones (LEZ)

The RTPs support the LEZ provisions in the Bill but would highlight that supplementary regulations or guidance need to be clear on the commitments of partners, censures available should partners not deliver, and an appropriate level of funding is available to deliver an effective LEZ.

LEZs should not be viewed in isolation and must be implemented alongside complementary measures that encourage the uptake of public transport, active travel and reduce the number of single occupancy vehicle journeys.

Care will need to be taken to ensure that the public are aware of the need for an LEZ, to ensure the penalty scheme is not seen as another "road user tax". This would require a consistent marketing campaign and promotional materials across Scotland, ahead of implementation. This should be considered along with the provisions made within the Bill regarding the provision of signs, ANPR cameras and the enforcement of schemes. Sufficient investment must be made in further public transport and active travel initiatives and infrastructure in order to make an LEZ work. Funding and support must also be made available to ensure that public transport operators within the region are able to operate within a city's LEZ.

Bus Service Improvement Partnerships (BSIPs)

The principle of BSIPs is welcome, and indeed provided transport authorities such as RTPs are given the power to specify the information required from operators in developing a BSIP, they may present a good opportunity for genuine progress. We have concerns regarding making the provisions in relation to standard-setting work in practice, and the potential for operators to dominate the BSIP development process. We further believe that there should be greater recognition of the publicly accountable, democratically elected nature of both RTPs and councils in the Bill in relation to BSIPs. The emphasis on BSIPs being binding, long-term commitments to improvement is very much welcomed, as is the fact that all signatories will be held to account and subject to censure if they fail to deliver on those commitments.

Franchising

The RTPs, in principle, support the provisions within the Bill in relation to franchising, and believe it has the potential to deliver a step-change in the bus market in Scotland. However, we have concerns in relation to the proposal for an unelected, appointed panel having the final decision on the establishment of a franchise; we also believe that without significant funding, it will be unlikely that any public authority in Scotland would wish to explore a franchising solution. Further, and as with BSIPs, it is essential that transport authorities such as RTPs are given the power to specify the information required from operators in developing a franchise to ensure it is based on solid evidence and a level-playing field. There must also be censures for those who do not comply with any such request.

Municipally-owned bus companies

The RTPs believe that if a public authority can prove it can deliver an activity more efficiently and effectively than the private sector, then there must be legislative provision available to facilitate this. However, the Bill's provisions restrict the scope of municipally-owned bus companies to services that are 'socially necessary'. This significantly reduces the viability of any such company, making it a wholly unattractive provision to any public body. Were there to be greater flexibility given in the type of services such a company could run, then this may be a more attractive proposition and the RTPs would welcome consideration of such a change in the Bill.

Information

The RTPs are fully supportive of the principle of 'open data' and the provisions within the Bill. There must however, be opportunities to censure those who do not comply the Bills provisions. We would also highlight that we are aware that similar provisions in the Bus Services Act 2017 in England and Wales are proving challenging to implement and so lessons learned from there should be applied in Scotland.

We would also emphasise the importance of the information specified being made available at a sufficiently detailed level to be useful and meaningful for its given purpose. Further, appropriate provisions should be contained within the Bill to enable the transport authority to censure an operator in some form should they not comply with the information provisions of the Bill.

We would also support the powers that require operators varying or withdrawing services to provide detailed information to authorities, as this will allow authorities to understand the reasons for service withdrawal and provide them with strategic oversight on whether the authority is able to replace the service.

Smart ticketing

The RTPs have played a key role in the development of smartcard ticketing in Scotland, and welcome the provisions in relation to smart ticketing, but believe there could be greater clarity around the intentions of some parts of the smartcard proposals and trust that these will be addressed through guidance, regulations and secondary legislation.

Responsible parking

The RTPs welcome the principle of this and can see real benefits for some societal groups as a result of the Bill's provisions. However, we are concerned that the impacts of these provisions on local authority resources will be significant, and that there will be negative impacts on certain public service vehicles (emergency vehicles, buses, including demand responsive services) which can only currently gain access around a housing estate due to road space created by cars being parked on pavements.

Further, costly, assessment work of the road network would need to be conducted by the Authority to establish areas to be excluded from the legislation. The practicalities of enforcement will also be challenging, particularly for short duration offenders.

Road works

The RTPs are supportive of the provisions in relation to Road Works.

Regional Transport Partnerships Finance - Reserves

The RTPs very much welcomes and support the provisions in relation to RTP finance. This will allow RTPs to more effectively manage finance in the short term, while planning for longer term.

CITY REGION DEAL
DOCUMENT

June 2018

ACCELERATING GROWTH

EDINBURGH AND SOUTH EAST SCOTLAND
CITY REGION DEAL

1

Contents

Foreword

The Edinburgh and South-East Scotland City Region Deal is a mechanism for accelerating economic and inclusive growth in the City Region.

The UK Government and Scottish Government are investing £600 million into the city region over the next 15 years. Alongside partners, comprising: the six member authorities - The City of Edinburgh, East Lothian, Fife, Midlothian, Scottish Borders and West Lothian Councils; the city region's universities and colleges; and the private and third sectors, £1.3 billion of investment will be delivered.

Building on the Heads of Terms, signed in July 2017, this document sets out a compelling vision that builds on the city region's unique strengths to deliver a number of transformational programmes and projects across Innovation, Skills, Transport, Culture and Housing themes. Together, these interventions will deliver a step-change in inclusive growth to benefit the city region, Scotland and the United Kingdom.

Our signing of this document reaffirms our joint commitment to achieve full implementation of the Edinburgh and South-East Scotland City Region Deal together over the next 15 years.

1   Introduction

Context

1.1   The Edinburgh and South-East Scotland City Region (the city region) comprises six local authorities and has a population of approximately 1.4 million people[1], more than a quarter of the Scottish population, and contributes approximately £36 billion per year to the Scottish and UK economies[2].

1.2   But prosperity and success is not universal across the city region: 22.4% of children are living in poverty[3]; there is a lack of mid-market and affordable housing; and too many people are unable to move on from low wage/low skill jobs. The City Region Deal will address these issues; it will accelerate growth, create new economic opportunities, and meaningful new jobs that will help to reduce inequalities.

1.3   The City Region Deal partners (the partners) comprise: The City of Edinburgh Council; East Lothian Council; Fife Council; Midlothian Council; Scottish Borders Council; West Lothian Council; the city region's universities and colleges; and the city region's business and third sectors.

1.4   In July 2017, the partners signed a Heads of Terms agreement with the UK and Scottish Governments to deliver the deal. The Heads of Terms are available to download on the Accelerating Growth website.

1.5   This ambitious city region deal, identifies new and more collaborative ways that partners will work with UK Government and Scottish Governments to deliver transformational change to the city regional economy. The Governments will jointly invest £600 million over the next 15 years and regional partners committed to adding in excess of £700 million, overall representing a deal worth £1.3bn. A summary of the Deal of shown in Table 1:

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[1] National Records for Scotland, 2017mid-year population estimates.
[2] ONS (2015)
[3] End Child Poverty, 2018

Table 1: Edinburgh and South-East Scotland City Region Deal Financial Summary

Theme	Government contribution (£m)	Partner contribution (£m)	Total amount (£m)
Research, Development and Innovation	£350	£441	£791
Integrated Regional Employability and Skills Programme	£25	N/A	£25
Transport	£140*	£16	£156
Culture	£20	£25	£45
Housing	£65	£248	£313
Total	£600*	£730	£1,330*

Includes £120m for Sheriffhall roundabout to be delivered by Transport Scotland

1.6   Through the City Region Deal, the Scottish and UK Governments and regional partners embark on a new relationship. To deliver cross-regional City Region Deal projects effectively in the short-term and to create future regional infrastructure in the long-term, partners are working to enhance existing and develop new regional collaboration for strategic coordination across transport, housing and economic development.

Our Approach to Ensuring Inclusive Growth

Background

1.7   In 2015 the Scottish Government set out its Economic Strategy for achieving increased sustainable economic growth. Its two mutually supportive objectives of boosting competitiveness and tackling inequalities are underpinned by four key strategic priorities to drive economic growth – Investment, Innovation, Internationalisation and Inclusive Growth.

1.8   The introduction of Inclusive Growth as a central component of the strategy set out the case for delivering an economic agenda that drives sustainable economic growth and productivity across all of Scotland's regions, places and communities.

1.9   Partners recognise the importance of ensuring that Inclusive Growth ambitions are embedded in their plans for the city region, responding to the particular challenges faced across the city region's geography.

1.10   Work has been ongoing to develop an analytical framework which provides an evidence base, enabling partners to identify the city region's key Inclusive Growth challenges, and to propose an approach to help address these through City Region Deal activities.

1.11   This approach identifies a number of thematic interventions, and proposes a range of indicators to help track progress. It aligns with, and complements, the Inclusive Growth diagnostic under development by the Scottish Government.

Inclusive Growth Challenges Specific to the City Region

1) Slow Growth

1.12 While the city region has been experiencing growth, with a number of thriving sectors, productivity levels have slowed in recent years and there remains a stark productivity gap when compared with benchmark city regions internationally. Furthermore, there are significant regional disparities in job and outputs growth, with forecasted growth concentrated in the Edinburgh city area.

2) Regional Disparities in Job Densities

1.13 Regional disparities are also evident in job densities, ranging from 0.55 in East Lothian to 1.02 in the City of Edinburgh.[4] Strong cross-region commuting patterns result, contributing to areas of congestion and significant levels of pollution in some locations.

3) Skills Inequality and Polarisation

1.14 Clusters of disadvantage exist across the city region, with related variations in skills levels, health outcomes and earnings. The availability of highly skilled jobs varies from 55% employed in managerial, professional and technical/scientific occupations in Edinburgh to 38% in the Scottish Borders.[5] There is also evidence of a growing shortage of higher level skills, most notably in the technology sphere. Future activity in Construction, Healthcare and Tourism risks being constrained by skills shortages that have the potential to blunt the city region's competitiveness in coming years.

1.15 The variation in skills affects income levels; these are skewed towards lower and higher wages, with relatively few individuals at middle income levels. 22% of the city region's children live in low income households, with wide local inequalities, (nine of the city region's multi-member wards have poverty rates over 30%, while 11 wards have rates of 15% or less).[6]

4) Gender and Age Inequalities

1.16 Gender and age inequalities are also prevalent. On average, men across the city region earn 14% more than women, and female participation and employment rates tend to be lower too.[7]

5) Housing, Transport and Connectivity Issues

1.17 While the city region has benefitted from a number of major transport improvements including the Queensferry Crossing, Borders Railway and tram and bus network improvements, infrastructure constraints remain. These connectivity issues are impacting upon the availability of land for

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[4] Annual Population Survey (2016)
[5] Labour Force Survey (Sep 2017)
[6] End Child Poverty (2017)
[7] Annual Survey of Hours and Earnings (2017)

housing and commercial expansion. Satisfaction levels with public transport also vary widely across the city region.

1.18   Average house prices in the city region are above the Scottish average, with high house price to earnings ratios in many locations. There has also been rapid growth in the cost of private rented accommodation. By 2037, a need for 140,000 new homes in the city region has been identified.

The Edinburgh and South-East Scotland City Region Deal Inclusive Growth Framework

1.19   The city region partners have identified five key thematic interventions to target the challenges laid out above, interventions that will go some way towards ensuring that the benefits of the City Region Deal investment are shared as widely as possible.

1.20   A range of performance indicators will be agreed with both Governments to measure the impact of these interventions across the deal. These will be based on the advice of Scotland's Centre for Regional Economic Growth to ensure consistency with other Deals across Scotland and will align with the new National Performance Framework. The indicators will measure the delivery of inclusive growth through the Deal, including the impact on the equality of opportunity through consideration of protected characteristics to ensure the benefits are shared by everyone in Scotland's communities.

Theme 1: Accelerating inclusive growth

1.21   The City Region Deal is focused on accelerating Inclusive Growth across the city region, driven by a significant programme of construction in the short term, and sustained over the medium and long term by ongoing investment across the city region. The Data Driven Innovation (DDI) programme of investment will be a key driver in helping to deliver a step-change in regional economic activity.

Theme 2: Removing the physical barriers to growth

1.22   Interventions to unlock current physical barriers to growth, including housing and transport connectivity are a key component of the City Region Deal. A significant programme of house building will be targeted at increasing the supply of housing, integrating the latest technologies, and helping to reduce fuel poverty across the city region. By upgrading existing transport infrastructure, the aim is to reduce journey times across the city region, opening up more job opportunities for residents and augmenting the impact of recent major investments.

Theme 3: A significant programme of construction

1.23   A significant programme of construction, funded by the City Region Deal is planned across the city region. Through an agreed approach to City Region Deal procurement, Community Benefit clauses will be used to target inclusive employment practices and other opportunities. A consistent approach will be taken to applying the principles laid out in the Scottish Government's Business Pledge. Benefits will be felt in the short, medium and long term.

Theme 4: Targeted employability and skills interventions

1.24   A programme of integrated and targeted employability and skills interventions will be directed at widening access, addressing skills shortages and gaps, and delivering improvements to boost the flow of individuals from disadvantaged groups into good career opportunities. Impacts will be felt over the short, medium and long term.

Theme 5: Social benefit through innovation

1.25   Recognising the potential presented by a significant investment in DDI, opportunities to drive out challenged-based social benefit across the city region, over the medium and long term, will be explored.
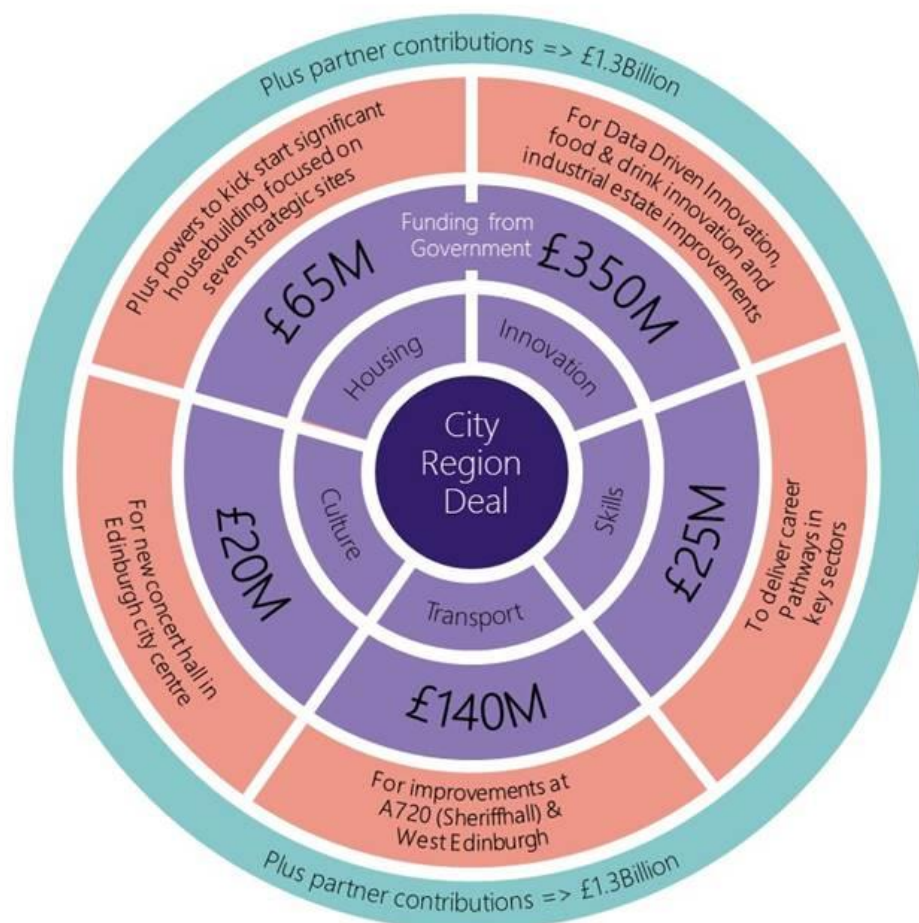
Benefits that the City Region Deal Will Bring

Refer to 21,000 jobs.

2 Key Elements of the Deal

2.1   The five themes of the Deal are summarised in Figure 1:

Figure 1: The Edinburgh and South Scotland City Region Deal

Research, Development and Innovation

2.2   Over 15 years, the UK and Scottish Governments will commit £350m to support the development of a number of initiatives in the innovation theme.

Five Data-Driven Innovation (DDI) Research, Development and Innovation (RD&I) sectoral hubs

2.3   The Edinburgh and South East Scotland Science and Innovation Audit (SIA) detailed how the ability to collect, store and analyse data from an array of diverse sources will become increasingly important in driving economic growth, social change and public services. By harnessing this challenge the aim of the Data-Driven Innovation (DDI) Programme is to establish the city region as the Data Capital of Europe. To achieve this, the DDI Programme will enhance the data capability of the region across key industry sectors through five areas of activity:

- **Talent**: by meeting data skills demands through a range of new undergraduate, post graduate and professional development programmes;
- **Research**: through expanding the City Region's leading DDI research activities to meet industry and other sectors future data needs;
- **Adoption**: by increasing the practical use and adoption of DDI by the public, private and third sectors;
- **Data**: by providing the secure data storage, analytical capacity and data accessibility to underpin all DDI Programme activities; and,
- **Entrepreneurship**: by enabling entrepreneurs to develop new fast growth DDI-based businesses.

2.4   The DDI Programme will be delivered through a network of five DDI Innovation Hubs - Bayes Centre, National Robotarium, Edinburgh Futures Institute (EFI), Usher Institute, and Easter Bush. These hubs will draw upon the World Class Data Infrastructure (WCDI) project to provide the required underpinning data capability, computing and data storage infrastructure.

2.5   The UK Government and the Scottish Government have together committed, subject to business cases, an indicative amount of up to £270 million to support the development of the DDI Programme. This will be matched by up to £391 million capital investment from the universities and other sources.

The Bayes Centre

2.6   The Bayes Centre, powered by the proposed investment in World Class Data Infrastructure (WCDI), provides the focal point for all the other DDI programme initiatives in the city region. The Bayes Centre will assemble up to 600 world-leading applied data science researchers, talented students and staff from organisations across the public, private and third sectors into one facility. It will do this by providing commercial collaboration space - and robotics "Living Lab" testing facilities - for use by industry, and by drawing together the University of Edinburgh Schools of Informatics, Mathematics, and Design together with the Alan Turing Institute, the Data Lab and the Edinburgh Parallel Computing Centre.

The National Robotarium

2.7   The National Robotarium will provide state of the art facilities to co-locate researchers, R&D engineers, entrepreneurs and educators to deliver the UK's leading international centre for the generation of new smart robotics companies. The activities proposed build on the established partnership with University of Edinburgh through the Edinburgh Centre for Robotics. The National Robotarium, through its Living Laboratories and engagement mechanisms, will enable subject matter experts to understand the needs of major companies. It will bring together the capabilities of the Centre for Innovative Manufacturing of Laser based production processes, coupled with the researchers in robotics and autonomous systems, linking with the UK High Value Manufacturing Catapult's Manufacturing Technology Centre and Centre for Process Innovation, to engage directly with industry, for the benefit of the local and national economy.

2.8   The National Robotarium will be co-located on the Heriot-Watt University campus, having access to the resources of both Heriot-Watt and the University of Edinburgh. It will offer access to

leading-edge applied research in autonomous systems, sensor technologies, and existing micro-assembly equipment.

The Edinburgh Futures Institute

2.9   The Edinburgh Futures Institute (EFI) will be a global centre for multi-disciplinary, challenge-based DDI research, teaching and societal impact. The world is experiencing major changes including climate volatility, political discontent, economic upheaval and technological change. EFI will bring different ways of thinking about these and other global issues, and of devising new solutions. EFI will provide thought-leadership in cultural, ethical, managerial, political, social and technological DDI issues, and help to transform the application, governance and benefits delivered from the use of data. It will do this by bringing together a range of academic disciplines, together with third party organisations, across financial services, cultural industries and the public sector that are dealing directly with these challenges.

The Usher Institute

2.10   The overall objective of the Usher Institute is, through the application of data science, to develop innovative and financially sustainable models of health and social care that improve lives. The Usher Institute, located at Edinburgh BioQuarter, will become a world-leading hub where up to 600 health and social care researchers and scientists will collaborate with colleagues from public, private and third sectors organisations to deliver data-driven advances. The Usher Institute will drive health and social care innovation at scale by integrating the activities of: clinicians, life scientists and data scientists to identify new, co-produced insights in identified areas of challenge; and industry and public sector organisations to extract, apply and commercialise expert knowledge.

2.11   The Usher Institute will draw on Scotland's mature and world-leading health data assets, and well-established governance and data-sharing protocols developed in partnership with the National Health Service and the Scottish Government.

Easter Bush

2.12   An efficient agricultural sector is critical to social well-being and, by 2050, global agricultural production will need to increase by 50% to feed a growing global population. By applying data technologies that enable farmers and related industries to improve food production, digital agriculture (Agritech) will be critical to increasing global food supply.

2.13   The project will seek to leverage existing world-class research institutes and commercialisation facilities in order that Easter Bush becomes a global location of Agritech excellence. It will do this through the deployment of a campus-wide network that will generate and collate, in real time, a multitude of local and global data, (e.g. animal genetics, food species genetics, soil condition, weather and market drivers). It will also work with commercial collaboration partners to use this information to realise the potential of having the right food species, and the right products, in the right field at the right time to maximise agricultural productivity. In addition, by improving on-site infrastructure and local road network, commercial partners will be able to co-locate at scale to commercialise Agritech breakthroughs.

2.14   The World Class Data Infrastructure (WCDI) project will provide the enabling data infrastructure platform for the wider DDI Programme. The DDI Programme requires an extremely powerful, high capacity and flexible infrastructure, capable of responsive delivery of an expanding range of complex and bespoke data and analytical services. By leveraging prior investments in the Edinburgh Parallel Computing Centre (EPCC), and specifically its Advanced Computing Facility (ACF), WCDI represents a practical, flexible and cost-effective approach to the delivery of the diverse technological requirements of the DDI Programme.

Food and Drink Innovation Campus

2.15   The Food & Drink Innovation Campus will be located at Craighall, by Musselburgh, East Lothian, on land next to the Queen Margaret University campus.

2.16   The Food & Drink Innovation project will deliver a flexible innovation space that will be directly adjacent to, and supported by Queen Margaret University – a university that is leading on international research in Dietetics, Nutrition and Biological Sciences. The innovation space will be set within a significant new wider business development space that will also be unlocked through the project.

2.17   This new state-of-the-art innovation facility for the food and drink sector in Scotland will drive company growth, supporting and developing existing and creating sustainable new businesses to access a global market for healthy and functional food. The development will allow the Queen Margaret University, along with businesses, to form and grow a business sector that will harness the potential of translational medicine in food and drink. This will in turn support the diversification of the Food and Drink industry towards preventative, therapeutic and rehabilitative applications of expertise in genomics of disease, biomarkers and bioinformatics. It will help close the existing innovation gap within the Food & Drink sector.

2.18   The proposal will be part of an integrated multi-agency regional employability and skills "escalator", which will help people facing labour market exclusion into entry level employment; put in place in-work up-skilling incentives at scale; and support a pipeline of indigenous and global talent ensuring that the growing demand for high level graduate skills that the industry sector requires is met.

A Programme of Investment in Economic Infrastructure

2.19   This programme, worth £74 million will ensure that businesses and communities across the city region are fully able to engage in the data-driven innovation opportunities, including industrial and business premises, to ensure maximum impact from the innovation investment. Working closely with the region's universities, the local authorities and their local business forum/economy partnership will also develop new approaches to stimulating innovation activity. This will be achieved through a range of innovation activities with a focus on digital technologies and data and the circular, low carbon economy. The ambition is to have more innovation-active businesses in Fife and Scottish Borders, i.e. businesses that are engaged in all forms of innovation. In the medium term, the ambition is to increase business investment in formal innovation such as

research and development. This will deliver improved productivity and higher value jobs for the local authority areas and the city region. In the longer-term, businesses could sustain and improve their economic performance through increasing the value they generate from their data by adopting digital technologies - to create new products, new supply chain arrangements, new business models, individually and through collaboration - thereby creating/safeguarding jobs and turnover. The aim is to create long term investment programme in Fife and Scottish Borders that can be replicated elsewhere in the city region through other economic development and investment projects.

Fife Industrial Estates Regeneration

2.20   The programme will deliver a major investment programme in infrastructure and modern business premises to support economic development in Fife. Such investment will increase the supply of serviced employment land and new industrial, office and business space in Fife. Innovation is being defined as "doing things in new, hopefully better, ways" that ultimately leads to a transformational change in business performance and local economy mix and strength. In the longer-term, Fife businesses could sustain and improve their economic performance through increasing the value they generate from their data by adopting digital technologies, to create new products, new supply chain arrangements, new business models, individually and through collaboration, thereby creating and safeguarding jobs and turnover. The aim is to create long term investment programme in Fife that can be replicated elsewhere in the city region through other economic development and investment projects.

Tweedbank Innovation Park

2.21   The Central Borders Innovation Park, situated next to the Borders Railway terminus at Tweedbank, will deliver much-needed high quality business space to the Scottish Borders. Costing £25 million, the project will stimulate business growth and associated job creation, enhancing the area's inward investment offer, particularly to high-value sectors, as well as assisting existing businesses to improve their competitiveness. It will also help to address inequalities in the area through providing access to better quality, higher paid jobs.

Partner Contributions Funding

Complementing the Government investment, the private sector and local partners will invest <mark>£xxm</mark> of capital funding to support the development of the <mark>RD&I hubs and a further £xx201m</mark> over a 10-year period, to provide a university-led innovation support programme that will:

- support companies to undertake RD&I activities in the RD&I sectoral hubs;

- support research and commercialisation of new products and services;

- create and deliver new Higher Education courses; and

- support the development of a new generation of entrepreneurs – working in key sectors.

Integrated Regional Employability and Skills (IRES) Programme

2.22 Since the economic recession in 2008 the Scottish economy has been steadily improving. Average unemployment across the city region's is currently low, however this masks some important factors - there is still some evidence of persistent worklessness, unemployment, and poverty for some of our communities and vulnerable citizens.

2.23 Key inclusion challenges in the city region, outlined in Section 1, are evident: Slow growth; regional disparity in job density; skills inequality and polarisation; gender and age inequalities; low income and low pay; and housing, transport and connectivity.

2.24 The Integrated Regional Employability and Skills (IRES) Programme and its underpinning private, public, and third sector partnership is a key way in which partners intend to embed Inclusive Growth practices in the city regional labour market and evolving policy and practice to:

- increase the visibility and unlock access to good opportunities for all the city region's citizens;
- open up new talent pools to business and stimulate increased recruitment from under-represented groups into the good jobs and careers being generated in the region;
- evolve, streamline, and integrate employability and skills services to ensure citizens are equipped with the skills they need to succeed throughout their working life;
- put in place complementary supports to help people mitigate any barriers they may have in achieving their potential and ensuring that these supports are part of an integrated person-centred approach;
- develop the collective knowledge, organisational cultures, networks, policies and practices that are essential to accelerating progress to an inclusive, innovative and future-proofed regional economy; and
- maximise the impact of employability and skills investments by public, private, and third sector partners and fully harness the potential of City Region Deal to stimulate a step change in performance.

2.25   The IRES model and programme has been developed by using the extensive expertise and
        knowledge of the city regional partners to create a development structure, programme and set of
        mutually supporting projects that not only add value to current services and interventions, but
        also creates the conditions to incrementally improve the inclusive growth impact of our collective
        investment in the city region's labour market.

2.26   The model is based on the "Plan-Do-Review-Revise" improvement cycle[8] with a focus on five
        Pillars that are judged as critical to creating a more inclusive and impactful regional employability
        and skills services as part of a "whole person", "whole system" and sustained impact approach to
        thinking about services.

2.27   The Scottish Government has committed to investing £25m to support the change activity
        supported through the IRES Programme. This will be augmented by partner resources, and be
        integrated with existing funding streams. The IRES Programme Business case provides more
        detail on the proposed change activities and the steps to success, but a synopsis is set out below:

Pillar 1: Regional Leadership and Improvement Capacity

2.28   The barriers and obstacles that disadvantaged sections of society face in accessing and
        progressing in employment are complex and typically cut across disciplines and stakeholders.

2.29   This multiplicity of stakeholder involvement, although important for stimulating innovative
        solutions to our challenges, can also lead to service misalignment and an opaque service offer
        (for beneficiaries and service professionals alike) that creates barriers and inertia in the pipeline
        of support and an increased likelihood of poor outcomes for the most vulnerable in society.

2.30   Therefore, a critical part of making progress towards an inclusive labour market will be the
        creation of the right leadership and collaboration environment to stimulate whole system thinking
        and a shared commitment to improving the quality and quantity of collective outcomes.

2.31   The IRES Board and supporting development structure that is being put in place to support
        collaboration and the delivery of project activity is outlined in the City Region Deal Governance
        Framework (Section 3 of this document) and the IRES Programme Business Case.

Pillar 2: Understanding of Labour Market Need and Opportunity

2.32   The collective visibility, understanding, and active response to regional labour market dynamics,
        service impact, and new innovative approaches is vital to the creation of a citizen-centred,
        demand-led and integrated approach.

2.33   Therefore, developing our collective capacity to understand and disseminate the opportunities
        and challenges for the city regional labour market along a greater understanding of inclusive

[8] Social Work Inspection Agency: Guide to Managing and Improving Performance: Taking a closer look at managing and improving
performance in social work services

growth impact of our interventions will be important for driving progress towards our long-term goals.

2.34   In this initial phase the partnership is focusing on two Projects:

Integrated Knowledge Systems

2.35   This project will aim to better align and integrate partner performance management systems and digital services to enable the more effective pooling, analysis, and dissemination of performance information that will be critical to driving service improvement, increased responsiveness, and the creation of an integrated person-centred approach.

Labour Market Analysis and Evaluation

2.36   This project will create a cross-partner virtual team to undertake research and evaluation support for the IRES programme. It will draw on existing partner expertise to provide insights on the success of our activities, expose obstacles or ineffective approaches, and identify best practice from elsewhere that could be adopted or tested as part of a culture of continuous improvement.

Pillar 3: Building Strong Employer and Citizen Relationships

2.37   Businesses and citizens are the engine of the economy and the primary beneficiaries of our employability and skills system.

2.38   Therefore, strengthening our (bilateral) relationships with employers and citizens to; enhance our collective knowledge of opportunities and blockers to success, tackle misconceptions and promote culture change within stakeholders, and ensuring that we work with people not "do unto them" in the journey to success will be important for setting and adjusting our strategic and tactical direction.

2.39   In this initial phase the partnership is focusing on two Projects:

Integrated Employer Engagement

2.40   This project work will clarify, co-ordinate and improve the employability and skills service offer to employers. The partners will establish a "No Wrong Door" approach that will create designated points of contact to manage individual employer relationships that will allow us to; tailor and route our combined service offer, pool and match the opportunities that are generated, reduce double handling, and so strengthen individual relationships. To complement this, the partners will also develop a regional approach to "Community Benefits from Procurement" to ensure that the significant expenditure of the partners fully exploits any opportunity to drive inclusive growth. This project stream will also work on developing our network of Recruitment and Skills Centres to act as a tangible interface between the partners and business particularly in geographic or sectoral high demand areas.

Intensive Family Support Service

2.41   Developing a multi-agency family focused service that targets very small areas of intense need for a rolling series of inter-connected interventions that aim to counteract helplessness, dependency, and low aspirations. The service will offer a combination of intensive general and specialist

supports tailored to help support individuals within families to progress towards their own goals, as well as developing "whole family" activities that build a support network and improve the family dynamic and ability to provide effective support for each other.

Pillar 4: Targeted Skills Development

2.42   Supporting all sections of society to acquire the knowledge and skills and secure the complementary supports they need (throughout their working lives) to develop and progress will be critical to maximising the talents of our citizens and unlocking the full potential of our economy.

2.43   Therefore, developing integrated and universally well-understood career pathways (i.e. academic, blended, and vocational) for our key industries, that are interlocked with other enabler services (e.g. Health, Care, and, Financial) will be important to allowing the talents of all our citizens to blossom.

2.44   In this initial phase the partnership is focusing on developing, testing, and mainstreaming integrated career pipelines for two industrial sectors critical to the regional economy and maximising the impact of wider City Region Deal investment in Innovation, Housing, Transport and Culture. These Projects are:

DEC (Design, Engineer, Construct) Targeted Skills Gateway

2.45   The DEC Gateway will bring together industry, universities, colleges, schools and other partners to provide an integrated (visible) progression routes into Construction and Low Carbon careers encompassing basic/key skills in schools through to advanced postgraduate training and research role in business that help drive high value growth. It will create and deliver employability, skills attainment, upskilling and career progression and inclusion support activities to enhance productivity, competitiveness and support innovations currently gaining momentum in the sector. This will help address the skills shortages in the sector and open up new opportunities to non-traditional groups of people into the construction sector helping to increase the diversity of the sector.

DDI (Data Driven Innovation) Targeted Skills Gateway

2.46   The DDI Gateway will bring together industry, universities, colleges, schools and other partners to provide integrated and visible progression routes into DDI careers encompassing basic/key skills in schools (Digital Citizens who interact with public and private digital services) through to advanced postgraduate training and research (Digital Business Leaders driving the development of global digital businesses) that help drive high value growth. It will also help develop the data science curriculum and CPD for employability and learning professionals along with integrating skills development and progression opportunities for individuals who can be locked out of the industry helping to address inclusion challenges within the industry.

Pillar 5: Active Opportunity Matching

2.47   Given the inclusion challenge faced there must be a more active approach to supporting disadvantaged individuals' access and succeed in work or enterprise.

2.48   Therefore, it will be important that we make the best use of relationships, business start-up and career services, digital technologies, active travel and childcare services to ensure personal circumstances or geography is not a barrier to progression.

Workforce Mobility

2.49   This project focuses on the blockers to the full mobility of the regional workforce beyond individual personal skills and capabilities. The initial area of weakness being examined is the role of travel in supporting vulnerable or disengaged members of our workforce to move into and sustain good learning or work opportunities, while also opening up new talent pools for employers. There are several transport subsidy schemes that young people, job seekers, and new (vulnerable) job entrant can access to help sustain work, but these schemes are not joined up and can have considerable restrictions in their use. Also in rural areas the level of demand may mean that travel options are limited. The project will therefore explore the potential of the National Entitlement Card to be the mechanism for a single concessionary travel offer, examine how the existing combined travel support offer can be used to maximise the positive impact on disadvantaged groups seeking work or learning, and finally how we can work with transport colleagues to identify opportunities to create active travel options to that widen the range of transport options for disadvantaged jobseekers and learners.

Transport

2.50   The City Region Deal will deliver major investments to ensure that Scotland's capital and its region is served by world class transport infrastructure.

2.51   Partners will put in place a Regional Developer Contributions framework based on the work currently being led by SESplan (the strategic development planning authority for Edinburgh and South-East Scotland) and findings of the Cross-Boundary Study, published in 2017. These interventions and commitments, taken with the additional transport investment to enable the innovation and housing projects, will help ensure the city region continues to grow and flourish.

2.52   The Scottish Government is committed to investing £140m on strategic transport improvements as part of the City Region deal. This specifically includes up to £120m to support improvements to the A720 City Bypass for the grade separation of Sheriffhall Roundabout and £20m investment to support public transport infrastructure improvements identified by the West Edinburgh Transport Appraisal.

2.53   Partners will also contribute towards the improvements in West Edinburgh. The vision for West Edinburgh, as identified by Scottish Government's National Planning Policy (NFP3), can only be delivered through the investment in a strategic package of transportation improvements. These improvements include a core package of A8/A89 sustainable transportation measures that provide long term resilience and support strong connectivity between neighbouring authorities, and importantly enable the supply of the increased labour supply demands required, to deliver the full economic potential of West Edinburgh; current infrastructure constrains any such economic growth.

2.54   Transport Scotland will manage and deliver the upgrade of Sheriffhall Roundabout. The preferred option is a grade separated junction which separates local traffic from the strategic traffic on the A720 (city bypass) and when complete will allow the traffic on the bypass to flow freely, improving road safety and journey times for all road users, bringing improved economic benefits and inclusion across Edinburgh and South-East Scotland. It will improve accessibility for all modes of transport including walking and cycling. Transport Scotland will provide updates on progress to the Transport Appraisal Board, as well as the Executive Board and Joint Committee as and when appropriate.

2.55   An Edinburgh and South-East Scotland City Region Transport Appraisal Board (TAB), comprising the six local authorities representing the city region deal, SESTRAN and Transport Scotland will be formed to help shape transport policy, strategy and priorities across the city region. The TAB will take a specific role in representing the city region's interests through the reviews of the National Transport Strategy and the second Strategic Transport Projects Review. This group will also provide a channel for involvement in the development and delivery of the improvements to Sheriffhall Roundabout, building upon the already established stakeholder engagement being led by the design team in Transport Scotland, to ensure that benefits are maximised, particularly around community benefits and opportunities for skills development.

2.56   The TAB will work closely with the city regional Housing Board and with Government to influence and formalise any future regional partnership working which may emanate from the moves to a

Regional Economic Partnerships as well as regional land use planning, depending on the outcomes of parliaments current consideration of the Planning Bill.

Culture

2.57   Scotland's capital city has a world-class cultural offer which is vital in attracting around four million visitors a year into the city core who inject £1.3 billion to the city region's economy.

IMPACT

2.58   The Scottish Government and UK Government will provide up to £10 million each (up to a maximum of £20 million), and the City of Edinburgh Council will provide £5 million of capital funding to support the delivery of the new IMPACT Centre, a concert hall and performance venue, that will reinforce Edinburgh's position as a pre-eminent Festival City.

2.59   The IMPACT Centre will be immediately adjacent to a historic building on St Andrew Square in the heart of Edinburgh and will provide a new home for the Scottish Chamber Orchestra, the only Edinburgh-based National Performing Arts Company. It will house a 1,000-seat auditorium and studio facilities to enable rehearsal, recital and recording space, as well as enabling community outreach and education, conferences and multi-art-form use. The site will be enhanced by the provision of a restaurant, cafe and bar facilities.

2.60   The new world-class performing arts venue will deliver £35 million private sector investment and make a significant contribution to the ongoing success of Edinburgh's cultural offer.

Housing

2.61 The Deal reflects the joint commitment of city region partners and the Scottish Government to deliver the regional housing programme, transforming regional housing supply and driving economic and inclusive growth across Scotland.

2.62 The regional housing programme aims to accelerate the delivery of affordable housing and housing across all tenures, enable the development of seven major strategic housing sites and drive efficiencies across the public sector estate.

2.63 Collaboratively regional partners and Government will work together on:

- **An expanded affordable housing programme** that builds on the committed additional £125 million between 2018/19-2020/21, with a commitment to maximise certainty over future public funding levels for the regional housing programme.

- Developing **risk-sharing guarantees** on a site-by-site basis to support local authority borrowing and share the financing risk of infrastructure delivery required across strategic sites, starting with Winchburgh in 2018, where West Lothian Council has agreed guarantees for up to £150m of infrastructure investment with the Scottish Government. These will be repaid by developer contributions as set out in a complementary tripartite agreement between West Lothian Council, the lead developer and the Scottish Government.

- **Seven strategic sites** have been identified in SESplan as key areas of change and growth (Blindwells, Calderwood, Dunfermline, Edinburgh's Waterfront, Shawfair, Tweedbank and Winchburgh). Business cases will be developed within the 15-year period of the Deal, of which Winchburgh is likely to be the first. Taken together these sites will deliver over 41,000 new homes, create 7,800 jobs and contribute over £10 billion to the wider economy. The Scottish Government and city region commit to work together on each of these strategic housing sites recognising the long-term nature of these proposals with most new homes being delivered over a 15-year period.
  To support this, the Scottish Government will commit at least £50 million. City Region partners will explore, with the Scottish Government, innovative solutions to stimulate creative ideas, fresh thinking and innovation in the provision of housing. This collaboration will consider the evolving financial landscape with the Scottish Government's proposals to establish the Building Scotland Fund and Scottish National Investment Bank.

- **An increased supply of good quality low cost market rent housing** across the region. This is an essential requirement for meeting the housing needs of key workers and those on low to middle incomes who cannot access home ownership and are not a priority for social rent.
  The Scottish Government will provide a funding package comprised of a one-off £16.1 million capital grant and consent for the City of Edinburgh Council to on-lend up to £248 million to establish a new housing company with Scottish Futures Trust (SFT) to deliver a minimum of 1,500 homes at mid-market rent and competitive market rent levels.
  The City of Edinburgh Council and SFT will continue to share learning and financial models with city region partners, to explore regional delivery models.

- City region partners will work jointly with both Governments to **maximise the potential contribution of public sector land and property** in the region to help unlock further new housing and wider public policy objectives.
  Drawing on the approach taken with many other City Deals across the UK, the Edinburgh Partnership (Edinburgh's Community Planning Partnership) is in the process of establishing an Edinburgh Land Commission, chaired by the Council's Chief Executive.
  Once working effectively at a city scale, regional partners will be invited to become members of a regional land commission.
- **More Jobs, training and apprenticeships as well as opportunities for regional construction related SMEs.** The city region housing partnership will align with the Integrated Regional Employability and Skills (IRES) Programme and specifically to the Housing and Construction Skills Gateway (DEC Gateway) to meet existing and future skills requirements in the construction and housebuilding sectors. This will deliver more jobs, training and apprenticeships, as well as opportunities for regional construction related SMEs. Community benefits from regional housing investment will be maximised to ensure sustainable jobs and economic growth is created for local communities. Regional housing partners will support IRES colleagues to work towards developing a consistent all partner approach to community benefits.
- The **Edinburgh and South-East Scotland City Regional Housing Board** will provide robust governance and strategic oversight over the regional housing programme. The Regional Housing Board will make recommendations to the Joint Committee to ensure the effective delivery of the city region deal housing projects. The Regional Housing Board will work with Government to influence any future regional partnership working as this emerges through the enterprise and skills review, planning bill and following the future implementation of the new planning act.

3 Governance Framework

Context

3.1   This document sets out effective and accountable governance arrangements for the Edinburgh and South-East of Scotland City Region. The Governance arrangements enable decisions to be taken in an open and transparent way in one place for the whole of the city region.

Overarching Principles

Driving Inclusive Growth for Edinburgh and South-East Scotland

3.2   The city region's partners recognise that delivering the twin ambitions of innovation and inclusive growth through the City Region Deal requires alignment between local, regional and national ambitions, policies and resources. The governance arrangements outlined in this document empower local authorities to:

- operate strategically with their partners to fully realise the economic potential of the city region;
- respond to issues critical to the economic health and wellbeing of the city region;
- unlock economic assets; and
- decide on the alignment of resources in projects and programmes with the greatest economic potential for the city region.

Financial Diligence

3.3   Throughout all the strands of the City Region Deal, partners and the City of Edinburgh Council as the lead authority shall be bound by the key principles of personal responsibility for the propriety and regularity of the finances under their stewardship and for the economic, efficient and effective use of all related resources. Risk management and assurance best practice shall be integral to this and respect the diverse nature of the City Region Deal programme.

Partnership with Private and Third Sectors

3.4   The voices of the private and third sectors are integral to the city region's governance arrangements. The governance model combines the best of private sector commerciality and expertise with public sector capacity, transparency and accountability. The city region has strong private and third sectors that will underpin the city regional governance arrangements. Harnessing their understanding of regional strengths and opportunities is critical to the city region's success. The business and third sector voices will help to realise the partners' ambitions to develop a bespoke regional economic plan to create an environment for economic growth and to tackle barriers to efficiency and inclusive growth.

Community Engagement

3.5 Throughout the process, engagement will take place with communities on projects and programmes. This will occur through the existing statutory and informal community engagement structures, such as community planning, planning consultations and local authority budget engagement processes.

Working with Government/Agencies to Deliver a Strong Regional Partnership

3.6 From the outset of the City Region Deal process, partners have taken a holistic approach to the development of the city region's economy, by focusing on investment in projects that support a step change in the performance of the city region, and that spread the benefits of growth more evenly within and across the communities in the city region. This collaboration builds on and helps to deliver the statutory regional governance in transport and land use.

3.7 Through the City Region Deal, the Scottish and UK Governments and regional partners embark on a new relationship. The first phase is underpinned by the activities set out in the City Region Deal. However, future phases will involve regional partners continuing to work together on exploring opportunities for transferring further powers, policy resources and levers while also strengthening the city region's governance and capacity to deliver and to meet the clear policy expectations set out in the Scottish Government's Enterprise and Skills Review. Regional partners agree that ensuring sufficient scale and quality of governance to manage financial and policy risks will be key to effective regional devolution. The governance arrangements will operate in a way that best delivers inclusive growth and accountability, underpinned by participation of the city region's key private, public and third sector interests.

Governance Structure

3.8 A summary diagram of the City Region Deal governance structure is shown in Figure 1. It comprises the Joint Committee, Advisory Boards/Groups, Thematic Advisory Boards and Project Groups. The Advisory Groups will support the work of the Executive Board. The Thematic Advisory Boards will report to the Executive Board and make recommendations for decision by the Joint Committee. The Annex summarises the Terms of Reference for the Joint Committee, Advisory Boards/Groups and Thematic Advisory Boards. Terms of Reference for project groups sit within the Management Case of each Business Case. The structure will be reviewed to determine its continuing relevance by the Edinburgh Joint Committee on an annual basis as part of the Annual Report (see section 3.21).

Figure 2: Edinburgh and South-East Scotland City Region Deal Governance Structure
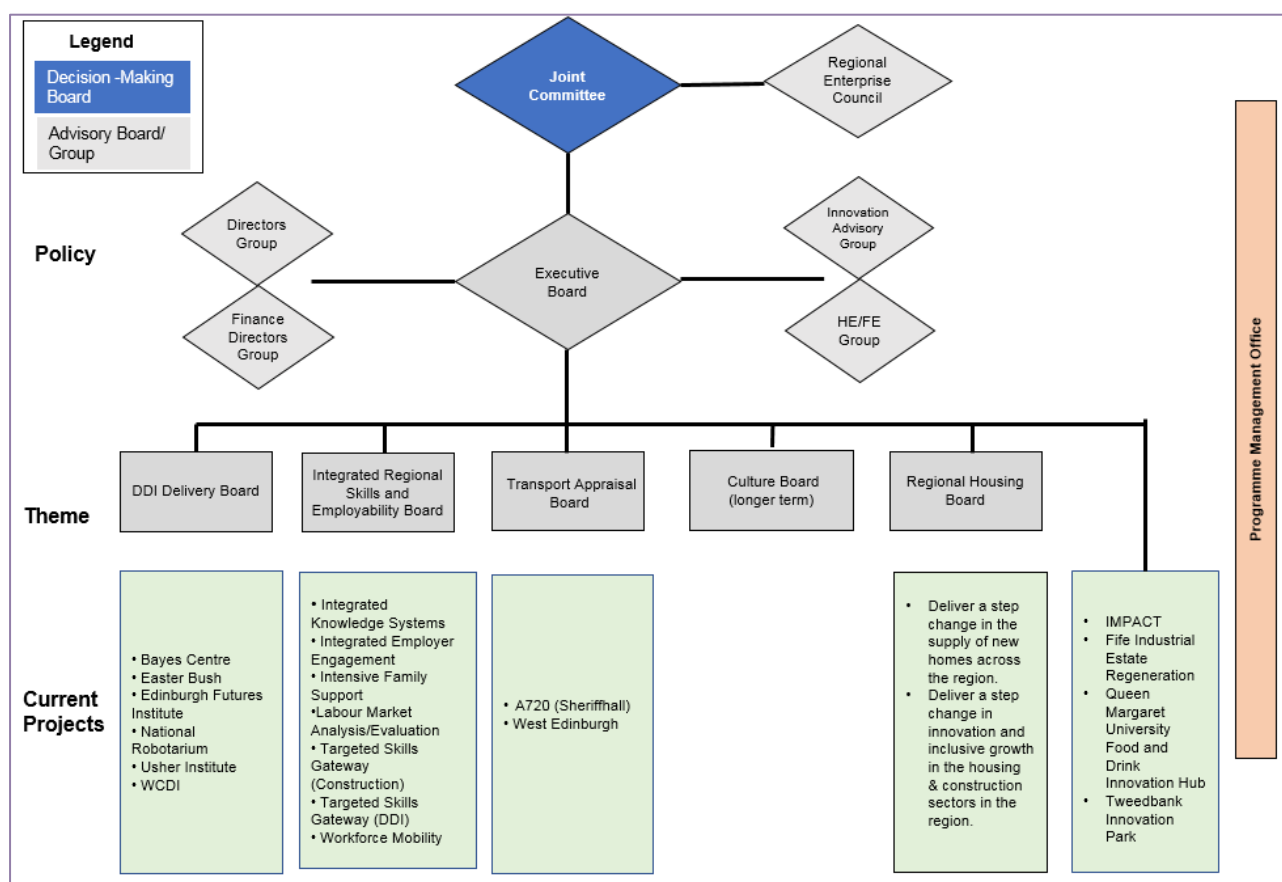
Standing Orders, Delegated Authority and Terms of Reference

3.9   Standing Orders will be agreed by the Joint Committee and will include details on the nature and extent of delegated authority. The Terms of Reference for the Joint Committee, Advisory Boards/Groups and Thematic Advisory Boards are summarised in the Annex. They provide for appropriate government/agency engagement and representation. Each group will have the ability to co-opt additional members if required.

3.10   Project Groups and Delivery teams sit beneath the Thematic Advisory Boards. Each project team will have its own terms of reference, and a core of full time members of staff, supplemented by PMO resources where required. The Terms of Reference for Project Groups can be found within the Management Case of the business cases. Best practice project management processes will be adopted throughout.

Resourcing

3.11   Each Advisory Board/Group, Thematic Advisory Board and Project Group will be responsible for its own administration. Initially, the PMO will be responsible for the administration of the Joint Committee, Regional Enterprise Council, Executive Board and Directors Groups. The PMO will be reviewed by the Executive Board quarterly as part of risk reporting, to ensure that it is suitably resourced to meet the demands of delivering the Deal for the forthcoming period.

Decision-Making/Change Process

3.12 The city regional partners are committed to putting in place robust decision-making and financial management processes to ensure that public money is being spent responsibly and is accounted for. All decisions will be publicly available.

3.13 It is recognised that the Joint Committee's powers and duties relate to activities set out in the City Region Deal. Each constituent partner's decision-making in relation to its own financial commitments are not subject to Joint Committee approval. The Joint Committee does however have a monitoring and assurance role with respect to City Region Deal funding to ensure that it is spent in line with the City Region Deal objectives.

Consensus

3.14 Each Thematic Advisory Board will have its own respective arrangements for achieving consensus. The Joint Committee will be the ultimate decision-making body for all City Region Deal activity.

Change

3.15 Major change decisions will be escalated from project level to thematic board level, or, when required, to the Executive Board for discussion. Recommendations will then be presented to the Joint Committee for decision. Examples of major changes may relate to cost, scope and time, for example:

- project/parts of project costs rise significantly (beyond acceptable tolerances as detailed through standing orders) since business case approval, and partners are unable to meet the funding gap;
- there is project underspend, leaving an opportunity to enhance the scope or consider new projects;
- project is no longer considered viable or value for money since business case approval; or
- external factors trigger changes in the investment priorities for the city region.

Role of Members/Accountability

3.16 Irrespective of their background or geography, it is the duty of all Board members to act in the best interests of the Edinburgh and South-East of Scotland City Region. All private and third sector members will be required to act in the best interests of the City Region Deal, foregoing any interest (if any) their own organisation may have in the City Region Deal and related projects.

3.17 All members are expected to comply with the code of conducts of their respective organisations and the values and aspirations of the city regional partnership.

3.18 Government representatives will attend in observer/advisory capacity and are not bound by the requirements of the Board's Members. Transport Scotland will sit on the Transport Advisory Board as a full member.

The Business Case Journey

3.19 Projects will be identified and implemented through a four-stage journey as shown in the box:

Stage 1 – Strategic Business Case

Once a need for change is identified, a conceptual business case is developed at thematic board level. This will be shared with Government, relevant agencies, the Regional Enterprise Council and relevant Advisory Boards/Groups. The Executive Board will be consulted, and the Joint Committee informed.

Stage 2 – Outline Business Case

Should the project plan be approved by the thematic board, an outline business case will be prepared with input from Government, which the thematic board will recommend to the Executive Board for approval.

Stage 3 – Full Business Case

Should the outline business case be considered viable, it will be expanded to a full business case for the thematic board and executive board to recommend to the Joint Committee for approval.

Stage 4 – Implementation, Review and Evaluation

Should the full business case be approved by the Joint Committee, formal Government approval will be sought to allow City Region Deal funds to flow to the project for its implementation. The project will then be subject to review and evaluation as is the case in all projects.

Accountability

Accountable Body

3.20 The City of Edinburgh Council will act as the Accountable Body for City Region Deal finances. All grant funding from Government, will be channelled through the City of Edinburgh Council, with the exception of the Sheriffhall roundabout project.

3.21 Governance and accountability for the Winchburgh risk sharing guarantee will be in accordance with the tripartite agreement being progressed by the Scottish Government, West Lothian Council and the lead developer at Winchburgh.

3.22 As the Accountable Body, the City of Edinburgh Council will have the authority to hold others to account should projects present a risk to the overall programme. A grant offer letter signed between the Scottish Government and the Accountable Body will set out required terms and provisions to ensure funding is applied as expected. These terms and provisions will also be replicated in separate agreements between the Accountable Body and regional partners with any additional specific requirements necessary for the City of Edinburgh Council to fulfil its role as the Accountable Body, clearly set out. The broad terms of the deal are also set out in the Financial Agreement between the UK and Scottish Governments and the Accountable Body.

Progress Reporting, Risk and Audit

3.23   To assess progress against the milestones set out in relevant business cases, each Thematic Advisory Board will produce a quarterly Risk and Performance Monitoring Report. Where risks are identified, change recommendations will be made. An overall Programme Risk Register and Performance Monitoring Report will also be considered by the Executive Board and Joint Committee every quarter. The template for these reports will be agreed with the Governments in advance. The reports will be presented to the Governments and the Regional Enterprise Council quarterly.

3.24   To assess how well the City Region Deal is aligning towards the overall vision and inclusive growth outcomes for the city region, the PMO will produce an Annual Report on all City Region Deal activity. The template for the Annual Report will be agreed with Government. The reports will be presented to the Governments and the Regional Enterprise Council annually.

3.25   Measures will be taken to ensure scrutiny, and effective consultation with the business community, third sector and general public. The Regional Enterprise Council and Joint Committee will develop these measures in partnership with Government. Options may include: an annual conference/seminar(s) tackling a key priority in the city region; an annual online consultation with key stakeholders in the city region and/or the general public; regular "roadshow" consultations on key upcoming projects across the city region (linking in with the planning process).

3.26   Every five years, an independent evaluation of the City Region Deal will be undertaken to capture progress and identify priorities for the next phase of delivery. The Governments will work with the Joint Committee to set the terms of the evaluation and consider its recommendations. Both Governments reserve the right to halt funding in the event that outcomes and targets are not being met.

3.27   Given the size of the investment and the significance of it to the overall Deal, Governments and partners agree to undertake an 18-month review checkpoint with respect to the DDI programme. The objectives and format for the review will be agreed by Governments and partners and set out within the overall DDI programme business case.

Annex: Summaries of Terms of References

This section summarises the Terms of Reference for the Joint Committee, Advisory Boards/Groups and Thematic Advisory Boards within the governance structure. At project level, other groups exist, which may have their own Terms of Reference. These can be found within the Management Case of project business cases, and are not included in this paper.

1   Edinburgh and South-East Scotland City Region Joint Committee

Membership

The Joint Committee will comprise:

- Leaders from the six local authorities
- University/college sector representative;
- Business sector representative;
- Third sector representative.
- Programme Management Office (observer/secretariat).

The Chair and Vice Chair will rotate annually.

Purpose

The purpose of the Joint Committee will be:

- To oversee the implementation of the Edinburgh and South-East Scotland City Region Deal programme, and ensuring that it is aligned towards driving innovation and achieving its inclusive growth ambitions.
- To monitor the impact of the City Region Deal Programme.
- To build and support inclusive growth focusing on the needs of the city region and strengthening the partnership between public, private and third sectors;
- To improve business involvement from the city region in regional decision making;
- To collaborate and work in partnership to assist in delivering regional planning and transport policy linking the City Region Deal to SEStran and SESplan; and
- To work in partnership on other initiatives across the city region with the explicit support of individual constituent members.

Meeting Schedule

The group will meet at least quarterly.

Current Status and Implementation

The Joint Committee will be formed following the approval of Deal Documentation, including the Governance Framework in June 2018.

2 Advisory Boards/Groups

Regional Enterprise Council

Purpose

The overarching purpose of the group is to provide the voice of the business and third sector to guide the implementation of the Deal. While the projects and financial arrangements have already been agreed in the Heads of Terms and City Region Deal Document, this group will support the other city region deal partners (local authorities, universities/colleges and government/public sector agencies), towards a shared ambition for achieving sustainable and inclusive economic growth for the city region. It will do this in the following ways:

- use its commercial knowledge and expertise to influence the Joint Committee and Executive Board in making spend and investment decisions that maximise benefits for the city region's economy and its people;
- engage with wider business and third sector networks across the city region to ensure that a wide range of views are captured; and
- champion the City Region Deal nationally and internationally to encourage further investment opportunities.

Principles

- The group will augment, and build on, existing business forums or similar structures without superseding them. It will be the recognised regional enterprise forum with a formal role within the City Region Deal.
- Members will be appointed to the group based on their expertise and knowledge of the city region and its commercial and third sector, rather than the organisations which they represent. Individuals will be required to act in the best interests of the City Region Deal community, foregoing any interest their own organisation (if any) may have in the City Region Deal and related projects.
- Members will be responsible for ensuring that views of existing business and third sector networks are captured, and that there is no duplication between the group's activity and these networks. These responsibilities will be mapped when the group is appointed.

Governance and Decision Making

The group will not have direct decision-making power, but will make recommendations to the Joint Committee, which will be the ultimate decision-making body for City Region Deal activity. The group may also advise Advisory Boards/Groups and Thematic Advisory Boards. To cater for this, the Chair and Vice Chair of the group will sit on the Joint Committee, and the IRES Board chair will also sit on the REC.

Membership

Size and Composition

The group will comprise approximately 12 individuals.

In determining membership of the group from applications received, the Joint Committee will seek to ensure an appropriate balance of membership, in terms of:

- **Geography:** each of the six local authorities in the city region will be represented by at least one business or third sector organisation with significant operations in their area.
- **Sector:** Organisations that operate in key industry areas that are relevant to the city region's economy will be represented.
- **Size:** Small, medium and large organisations will all be represented.
- **Gender, ethnicity and age** of business and third sector leaders.
- **Organisation type:** Individuals from the private and third sectors will be represented in accordance with the mix of enterprise types across the city region.

There will also be City Region Deal PMO, government/agency and higher/further education representation, to ensure links with the wider governance structure (see Figure 1). Support will be provided by the City Region Deal PMO.

The following structure is recommended, but the mix of members is subject to change depending on the nature of applications received:

Organisation	Board Members
Chair	1

Business representatives (4 SMEs and 2 large)
    o 1 Finance/Fintech
    o 1 Creative Industries
    o 1 Construction/Housing
    o 1 Food/Drink
    o 1 Manufacturing
    o 1 Tourism
	6

Third Sector representatives:
    o 1 Social Enterprise
    o 1 Voluntary Organisation
	2

Higher/further education representative	1
Integrated Regional Employability and Skills (IRES) Board Chair	1
Skills Development Scotland	1
Scottish Enterprise	1
Programme Management Office (Observer)	1

Recruitment Process and Appointment of Chair

From summer 2018, the group will be recruited via an application process open to all businesses and third sector organisations from across the city region. The Joint Committee will approve the membership, chair and vice chair of the REC, which will be recommended through engagement with key

industry bodies and regional employers. The chair and vice chair will be appointed from the business and third sectors, and these individuals will also sit on the Joint Committee.

It is important that the Chair is a high profile, credible and influential individual, who reflects the key components of the Deal and ambitions for the Edinburgh and South-East Scotland city region. It is recommended that the Chair be additional to the six business and two third sector representatives. The Vice-Chair should be drawn from the relevant business or third sector cohort dependent upon which field of enterprise the Chair is drawn from.
The first REC meeting is expected to take place in late 2018.

Wider Business/Third Sector Engagement

To ensure that views from across the city region's business and third sector community are captured, a wider grouping will also be developed. Members of existing business or third sector forums which operate across the city region will be invited to join the wider group. They will be encouraged to participate in consultations when required and will be kept up to date on the REC activity by email. Regular seminars on City Region Deal activity are also proposed.

Meeting Schedule

It is suggested that group will initially meet quarterly and the wider grouping meets bi-annually.

Current Status and Implementation

The group will be formed following Joint Committee ratification of Governance Framework and the signing of the Deal.

Edinburgh and South-East Scotland City Region Deal Executive Board

Membership

The Executive Board comprises:

- Six regional local authority chief executives;
- a representative for the city region's universities and colleges;
- six regional local authority directors with a remit for the economy (observers)
- City Region Deal Programme Management Office function (observers).
- Government colleagues will be invited to attend meetings on a quarterly basis as observers.

The Chair and Vice Chair will rotate annually, and will be aligned to the Chair and Vice Chair of the Joint Committee by geography.

Purpose

The Executive Board supports and make recommendations for the Joint Committee in the delivery of the City Region Deal Programme. It also oversees the activity of the PMO and Directors' Group and engages with the Scottish City Region Deal Delivery Board for performance monitoring as appropriate.

The purpose of the Executive Board is to:

- Support the Joint Committee in overseeing the delivery of the City Region Deal and ensuring that it is aligned towards achieving its inclusive growth ambitions;
- Engage in dialogue with Government and respond to policy, proposals and opportunities to bid for funding in support of economic growth;
- Engage with investors, businesses and advisors to secure growth opportunities;
- Develop and consult on regional economic policy, programmes and interventions designed to maximise growth in the city region;
- Provide leadership in key themes and priorities to promote sustainable economic growth;
- Lead on communications and stakeholder engagement to raise the profile, image, reputation and influence of the city region at a regional, national and international levels.

Meeting Schedule

The group will meet monthly.

Current Status and Implementation

The Board is constituted and meets monthly.

Edinburgh and South-East Scotland City Region Deal Directors' Group

Membership

Membership comprises:

- Six regional local authority Directors with a remit for the economy;
- One representative for the city region's universities and colleges;
- Five thematic leads;
- The finance director of the Accountable Body (The City of Edinburgh Council) will have a standing invitation as an ex-officio member; and
- Programme Management Office function

Purpose

The Directors' Group supports the Executive Board in the delivery of the City Region Deal Programme. It oversees cross-regional strategic activities outlined in the Heads of Terms, many of which are led by groups at programme level. Priority areas currently include: the city regional Housing Programme; the Integrated Regional Employability and Skills (IRES) programme; cross-regional transport projects; and the revision of existing cross-regional governance structures across Transport, Planning, Housing and Economic Development to align with the City Region Deal. It also acts as a sounding board and provides feedback for activity that the PMO is undertaking.

The purpose of the Directors' Group is to:

- support the Executive Board in the delivery of the City Region Deal and ensuring that it is aligned towards achieving its inclusive growth ambitions;
- capture and communicate business requirements for changes to, and development of economic policy and commission associated appropriate interventions;
- work collaboratively with all partners, including local authorities to address barriers to inclusive economic growth and drive efficiency;
- bring together intelligence and expertise to identify priorities and develop solutions to maximise private sector investment in the City Region and secure sustainable and inclusive growth; and
- work to create an environment to support business growth ensuring appropriate mechanisms exist through which, as a co-ordinated voice, the private sector can inform and influence the shape and future direction of local, regional and national government policy.

The Chair and Vice Chair will rotate annually, and will be aligned with the Chair and the Vice Chair of the Joint Committee and Executive Board by geography.

Meeting Schedule

The group meets monthly, usually in the alternate fortnight from the Executive Board.

Current Status and Implementation

The group has been constituted and will evolve according to demands of the City Region Deal programme.

Edinburgh and South-East Scotland City Region Deal Finance Directors' Group

Membership

The group will comprise:

- Financial Directors of any organisations who are beneficiaries of City Region Deal funding; and
- Programme Management Office function.

It will be chaired by the Finance Director of the Accountable Body (The City of Edinburgh Council).

Purpose

The group will:

- support the Executive Board and Joint Committee in overseeing the City Region Deal's finances;
- ensure that the City Region Deal monies are spent as set out in the agreed Financial Plan;
- ensure that financial risk, audit and assurance are carried out effectively throughout the process;
- ensure compliance with current financial regulations and accountancy best practice; and
- consider quarterly financial reports, and escalate any risks to the Executive Board.

Meeting Schedule

The group will meet quarterly to align with funding flows from Government, and quarterly reporting.

Current Status and Implementation

The group will be formed following Joint Committee ratification of Governance Framework and the signing of the Deal.

Edinburgh and South-East Scotland Innovation Advisory Group

Membership

The Group will include representation from:

- Regional local authorities
- Regional HE / FE institutions
- Relevant government agencies – UK Research and Innovation and Scottish Enterprise
- Business community
- Third sector UK Government
- Scottish Government (observers)
- UK Government (observers)
- City Region Deal Programme Management Office function (observers)

Purpose

To identify opportunities to deliver innovation across the City Region Deal programmes and projects, making linkages with other groups as appropriate and providing advice and recommendations to the Executive Board as appropriate. To look to maximise the exploitation of wider innovation opportunities aligned to the development of a regional economic strategy.

NB: The role of the Innovation Advisory Board would not extend to allocation of existing City Region Deal resources or oversight of City Region Deal funded projects.

The group's remit will be:

- To advise on regional innovation priorities and the further development of a regional innovation ecosystem
- To identify partnership working opportunities beyond the City Region Deal
- To seek alignment of national resources behind regional innovation priorities
- To co-ordinate innovation activity across the city region
- To engage on a regional, national and global level with businesses and agencies able to help to achieve ambitions of inclusive growth through innovation

Meeting Schedule

To be confirmed.

Current Status and Implementation

The Board will be formed following Joint Committee ratification of Governance Framework and the signing of the Deal.

Edinburgh and South-East Scotland City Region Higher/Further Education Group

Membership

One representative from the following regional universities and colleges attends (nominated by their respective principal):

- Borders College
- Edinburgh College
- Edinburgh Napier University
- Fife College
- Heriot Watt University
- Newbattle Abbey College
- Queen Margaret University
- University of Edinburgh
- West Lothian College
- Scotland's Rural College (SRUC)
- City Region Deal Programme Office function (observers)

Secretariat support is provided by the University of Edinburgh.

Purpose

The group's purpose is to:

- provide a formal mechanism for the engagement of universities and colleges in Edinburgh and South-East Scotland in the governance arrangements of the City Region Deal;
- contribute to the development of the business cases and, following their approval, the delivery of commitments around innovation and skills in the City Region Deal; and
- pursue other areas of shared interest

Meeting Schedule

The group meets quarterly.

Current Status and Implementation

The group has been formally constituted and will evolve according to demands of the City Region Deal programme.

3   Thematic Advisory Boards

Edinburgh and South-East Scotland Data-Driven Innovation (DDI) Delivery Board

Membership

Representatives on this group are likely to include:

- Senior Responsible Officer for DDI Programme
- DDI Programme Director
- Academic Director
- Entrepreneurial Director
- Representatives from University of Edinburgh Colleges
- Representative from Heriot-Watt University
- Industry representatives
- UK Government (observer)
- Scottish Government (observer)
- City Region Deal PMO (observer)

Purpose

The group's purpose will be to maintain oversight of the integrated DDI Programme, and its remit will include:

- Project prioritisation and resourcing
- Leading and maximising the collaboration with City Region Deal partners
- Development and curation of external partnerships with industry, public bodies and academia
- Reporting on DDI Activities to funders and key stakeholders

Meeting Schedule

The group will initially meet monthly. This will be reviewed as required.

Current Status and Implementation

The group is being constituted and will evolve according to demands of the City Region Deal programme.

Edinburgh and South-East Scotland City Region Integrated Regional Employability and Skills (IRES) Board

Membership

It is proposed that the IRES Board membership will consist of 18 individuals nominated by the organisations or groups listed below to support the delivery of the IRES Programme and other activity remitted to it.

This organisation (group) list may be adjusted at any time by the Executive Board and any changes to designated nominees must be made in writing to the chair, who will maintain a list of current board nominees.

Organisation or Stakeholder Group	Board Members
Chair of the Board (nominated by Executive Board)	1
One representative from each Local Authority Partner (also provides a link to the School Improvement Collaboratives)	6
Scottish Government, Fair Work Directorate	1
Scottish Funding Council	1
Department for Work and Pensions	1
Skills Development Scotland	1
NHS representative	1
Developing the Young Workforce (nominated by the 4 DYW Regional Boards)	1
Higher Education Universities (nominated by HE/FE Roundtable)	1
Further Education Colleges (nominated by HE/FE Roundtable)	1
Business Representation (nomination by Business Leadership Council)	1
Third Sector Representation (nominated by Third sector Interface Group)	1
Lay member (selected for their knowledge and expertise in this area)	1

The Board Chair will be nominated by the Executive Board and the Vice Chair will be drawn from the IRES board members.   It is expected that each nominated member will have the ability (within the relevant legal, CRD or organisational governance obligations) to commit their organisation to collective decisions.

Each member of the IRES Board has equal status and the principle of "one member-one vote" (made in person at the meeting) will apply. Whilst the IRES Board will endeavour to work through issues and differing points of view to achieve a consensus on any recommendations, where this is not immediately possible, option exists to either continue discussion at a future Board meeting or escalate to the Executive Board to resolve before presenting to the joint committee for final approval.

To be quorate at least nine IRES Board members must be present at the meeting and members will declare any pecuniary or non-pecuniary interest they may have on the agenda items being considered.

The support and secretariat to the board will be provided by the PMO and will have officers in attendance, but only in an advisory and support (non-voting) capacity.

Purpose

The IRES Board will provide recommendations to the Joint Committee on strategic and operational decisions relating to the City Region Deal IRES Programme.

It is proposed that responsibilities of the board will include:

Collaboration

- Stimulating active collaborations across stakeholders in delivering regional ambitions (as set out in the Deal) and wider opportunities for improvement.
- Working with stakeholders to align and integrate activity across organisations with the aim of delivering better value for money and/or more inclusive outcomes.
- Making recommendations to the Joint Committee or Executive Board, as detailed in the Joint Committee Standing Orders, on matters relating to the evolution and delivery of the IRES programme.

Evidence and Knowledge led

- Adopting and supporting the development of the City Regional Skills Investment Plan (RSIP) and other relevant plans as the solid foundation for the IRES programme.
- Instigating collaborative reports (or research) on Economic Performance and Productivity, Labour Market Access, Fair Work, People, and Place to support good decision making.
- Agreeing programme (project) assessment, monitoring and evaluation methodologies that ensure value for money and effectively capture; progress, impact and good practice.

Additionality and Value for Money

- Developing and updating the delivery plan for the implementation of the IRES programme consistent with the RSIP and other relevant plans.
- Developing and refining a methodology and criteria for evaluating specific investment proposals submitted for consideration by IRES Board to ensure that the value for money and additionality of proposals are clearly articulated.
- Monitoring the outcomes being achieved by each component part of the programme and any associated income or expenditure.
- Exploiting opportunities to bring additional resources into the programme that boost the inclusive growth outcomes achieved and/or increase the value for money of activities.

Accountability and Communications

- Reporting to the Joint Committee, Executive, Governments and other partners, as required, on the progress made, outcomes achieved, and expenditure committed
- Annually reviewing expenditure and outcomes to inform recommendations on continuing or future investments.

- Championing any policy learning or best practice identified by the partnership to encourage greater stakeholder buy-in and the wider application/mainstreaming of effective approaches.

The Board will be the recognised regional forum for collaboration on Employability and Skills matters within the City Region Area. It will augment and build upon existing structures without superseding them, unless by agreement with relevant partners or recognised groups, and its responsibilities can be amended at any time by the Joint Committee, Executive Board, or by IRES Board with agreement of the Executive Board or Joint Committee, as appropriate.

It can draw upon expert advisors, City Region Deal resources, or create working groups to take forward the IRES programme and the fulfilment of it responsibilities.

IRES Working Groups

To support the board and aid programme development, the following multi-partner working group structure has been established.

It is anticipated this structure will evolve as required by the board and the needs of the programme, or to support the wider City Region Deal programme.

Group membership will be tailored to the work being undertaken, drawing from partners or external expertise as necessary.

Approval and mainstreaming support	**Joint Committee**	**Existing Business and Community Engagement structures**
Programme Oversight and Recommendations	**Integrated Regional Employability and Skills Board**	**Regional Schools Improvement Collaborative(s)**
Programme Support and Sequencing	IRES Programme Management (Leads) *Lead: ESESCRD Project Management Office*	**Higher and Further Education Roundtable**
Project Development and Implementation	Integrated Knowledge Systems *Lead: Capital City Partnership*	
	Labour Market Analysis and Evaluation *Lead: Skills Development Scotland*	
	Integrated Employer Engagement *Lead: City of Edinburgh Council*	
	Intensive Family Support *Lead: Fife Council*	
	DEC Skills Gateway (Design, Engineer, Construct) *Lead: Edinburgh Napier University*	
	DDI Skills Gateway (Data Driven Innovation) *Lead: University of Edinburgh*	
	Workforce Mobility *Lead: Scottish Borders Council*	

Meeting Schedule

It is anticipated that the board will meet on a regular basis in step with the wider schedule of City Region Deal governance meetings.

Current Status and Implementation

The Board will be formed following Joint Committee ratification of Governance Framework and the signing of the Deal.

Edinburgh and South-East Scotland Regional Transport Appraisal Board (TAB)

Membership

The Transport Appraisal Group will comprise:

- SESTran
- Representatives from the six local authorities in the City Region Deal
- Transport Scotland
- City Region Deal PMO (observer)

Purpose

To make recommendations to the Joint Committee on the approach towards delivering the transport elements of the City Region Deal Investment Programme through the consistent adoption of best practice from the Scottish Transport Appraisal Guidance and the Treasury Green Book, as appropriate. Although the Transport theme covers only two projects (A720 and West Edinburgh) the Board will also consider transport elements of other City Region Deal projects, particularly in the Housing and Innovation themes.

The TAB will build on existing best practice and consider the most relevant technical approaches including modelling tools.

The TAB will also:

- Consider the strategic rationale, demand/need, objectives, evidence, costings and delivery programme and mechanisms for projects, their relationship and phasing in the overall programme, including cumulative impact.
- Consider approaches to the use of the proposed city region data store to establish a shared evidence base.
- Establish the evidence base and options for future investment in the city region's strategic transport infrastructure programme.
- Consider access to funds and budgets,
- Provide input as a region into other projects as appropriate; such as, the National Transport Strategy and Strategic Transport Project Review 2.

Meeting Schedule

To be confirmed.

Current Status and Implementation

Discussions on the Terms of Reference for this group are ongoing between partners, Government and Transport Scotland, so are subject to change. The Board will be formed following Joint Committee ratification of Governance Framework and the signing of the Deal.

IMPACT Scotland Board

Membership

Membership will comprise representation from:

- The City of Edinburgh Council (Culture service)
- The City of Edinburgh Council (Property/construction expertise)
- City Region Deal PMO (officer and communications)
- IMPACT Scotland
- Scottish Chamber Orchestra
- Scottish Government
- UK Government
- Other City Region local authorities may nominate a representative if desired

Purpose

- The group will initially monitor the progress of the IMPACT Scotland capital development and will ensure that the project is delivered according to the business following sign off of the City Region Deal.
- As the Scottish Culture Strategy is developed, the group's remit may evolve into a Board whose remit will be to expand to review the focus for collaboration across the city region.
- A sub-group will be formed to oversee the cultural planning for music throughout the city region to ensure that music provision is delivered to reach existing and new audiences across all musical genres.

Meeting Schedule

The group will initially meet every ten weeks. This will be reviewed as the project requires.

Current Status and Implementation

The group will be formed following Joint Committee ratification of the Governance Framework and the signing of the Deal.

Edinburgh and South-East Scotland City Region Housing Board

Membership

Representatives from the following organisations will be represented:

- The City of Edinburgh Council
- East Lothian Council
- Fife Council
- Midlothian Council
- Scottish Borders Council
- West Lothian Council
- Edinburgh Napier University
- University of Edinburgh
- Scottish Enterprise
- Construction Scotland Innovation Centre
- Scottish Government Housing (observer)
- City Region Deal PMO (observer)

Purpose

The city regional Housing Board will provide robust governance and strategic oversight over the city regional housing programme, progress the statements outlined in the Heads of Terms Agreement and ensure the effective delivery of the City Region Deal projects.

At project level, the city regional Housing Partnership, made up of senior regional housing partners, will report to the Board manage and deliver the programme.

The city regional Housing Partnership aims to deliver the city regional housing programme and accelerate the delivery of affordable and low-cost market homes, enable the development of the seven major strategic housing sites, drive efficiencies across the public sector estate and increase housing land supply.

The Board will oversee and provide recommendations to the Joint Committee in relation to the delivery of the following key outcomes:

- Accelerated delivery of seven strategic housing sites with capacity for over 40,000 homes
- Housing infrastructure delivery and funding solutions
- Land to develop a robust affordable housing pipeline
- An affordable housing programme (with a commitment to maximise certainty over future public funding levels for the regional housing programme)
- A pipeline of mid-market rent and low cost market rent homes
- Accelerated delivery through innovation and supporting regional SME growth
- Jobs, learning and progression opportunities, meeting current and future industry skills requirements
- Support the development of a consistent all partner approach to community benefits

- Strengthened relationship between public, private, and third sector stakeholders

Meeting Schedule

This group will meet bi-monthly.

Current Status and Implementation

The Board will be formed following Joint Committee ratification of Governance Framework and the signing of the Deal.

Programme Management Office (PMO)

Membership

The PMO currently comprises a full-time project manager, project officer and administrative support (being recruited), funded equally from the local authority partners. Support is also offered from the lead officers responsible for the skills, innovation and housing programmes.

Remit

The PMO will be responsible for:

- Providing secretariat for Joint Committee, Executive group and Regional Enterprise Council, supporting members and building competence;
- Providing direction of programmes, projects and initiatives to ensure they meet the overarching vision, strategy and objectives of the City Region Deal, as defined and agreed by the Joint Committee and Executive Board; including delivery of the programme and deal level outputs and outcomes; the twin ambitions of innovation and Inclusive Growth;
- Taking a day-to-day lead of engaging with both governments providing a focal point for the Deal;
- Coordinating and delivering documents required by Government, including Green Book-compliant business cases.
- Managing the Communications subgroup, and overseeing the Deal's Communication's Strategy
- Reporting on risk, assurance and accountability across the Deal and auditing the delivery boards and groups' progress towards delivering projects as set out in business cases.

Current Status and Implementation

The group is constituted and will evolve according to demands of the City Region Deal programme.

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 £150,000.

   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 website in accordance with the requirements of the Act.

3. RECOMMENDATION

3.1   The Committee are 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.

Elizabeth Forbes
Business Support Officer
August 2018

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

Appendix 2 – PSRA Invoice Details

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

Appendix 1 - 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 SEStran works hard to be a transparent, responsive, best value organisation that delivers on its vision for the South East of Scotland's transport network, as outlined in its statutory Regional Transport Strategy.

1.3 SEStran's vision 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 SEStran's annual report and accounts for 2017/18 set out the impact of the work and the outcomes achieved, together with associated costs. This is laid before the Partnership Board of SEStran in September 2018. 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 SEStran spent £34,018.79 on public relations in 2017/18. This is 2.1% of the total expenditure for the year. The costs included television advertising campaigns with STV, printing and publication of documents, including the annual reports and the Business Plan for 2018/19.

2.2 In 2017/18 SEStran invested in further promotion of SEStran Tripshare and the Thistle Assistance Card and App through a television advertising campaign, broadcast on STV. This was to encourage more people to consider car sharing and to promote the use of the Thistle Assistance Card for older and disabled passengers.

3. OVERSEAS TRAVEL

3.1 SEStran incurred expenditure of £4,045.70 on overseas travel in 2017/18. This is the equivalent of 0.25% of total expenditure for the year. 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 SEStran incurred an expenditure of £75 on hospitality in 2017/18. This was in relation to a Regio Mob event which was subsidised by the EU at 85%. No expenditure was incurred on benefits, sporting or cultural events.

5. EXTERNAL CONSULTANCY

5.1 SEStran incurred expenditure of £124,602.37 on external consultancy. This is the equivalent of 7.8% of the total expenditure for the year. SEStran continued to commission Henderson Loggie as first level controllers for auditing requirements, along with WYG for RTPI assistance. SEStran also sought consultative assistance from 121 HR solutions, Connect Communication Solutions, and Systra. Trapeze was employed to upgrade the "Routewise" system to "Novus FX", on behalf of all of SEStran's partner councils.

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
Carplus Bikeplus	Go e-Bike	31/03/18	£37,966.25
Carplus Bikeplus	Go e-Bike	23/01/18	£27,000.00
Carplus Bikeplus	Go e-Bike	23/01/18	56,097.67
East Lothian Council	Grant offers	27/03/18	50,000.00
Edinburgh & Lothians Greenspace Trust	Grant offers	27/03/18	40,000.00
Ineo Systrans	RTPI Maintenance	09/02/18	203,077.12
Liftshare.com		21/12/17	£26,398.80
Ticketer	RTPI	24/01/18	£26,035.20
Ticketer	RTPI	24/01/18	29,610.00
Ticketer	RTPI	24/01/18	38,059.20
Ticketer	RTPI	24/01/18	146,220.00
Trapeze	Routewise Support	20/03/18	54,072.68

6.2 Several payments over £25,000 were made to Bikeplus in relation to the SEStran project Go e-Bike. These payments covered a range of services, including the purchasing of bikes, infrastructure and equipment for the four bike hubs and Bikeplus project management.

6.3 Payment of £50,000 was made to East Lothian Council (Musselburgh Area Partnership) for the project "Future proofing Musselburgh's Infrastructure for Sustainable Travel." This payment was made through the Regional Cycle Network Grant, awarded by Sustrans.

6.4 Payment of £40,000 was made to Edinburgh Lothians Greenspace Trust for the project "Water of Leith Surface Improvements." This payment was made through the Regional Cycle Network Grant, awarded by Sustrans.

6.5 The Ineo Systrans payment of £26,398.80 was in relation to the maintenance contract for the Real Time Passenger Information project that SEStran operates. The several payments over £25,000 to Ticketer were in relation to the purchasing of ticket machines capable of producing RTPI for a number of small operators. The total spend was £177,000, with an ERDF grant of 40%, resulting in a SEStran total spend of £85,076.

6.6 Payment of £26,398.80 was made to Lifeshare.com for the regional licence fee and hosting of TripshareSEStran.com. The fee includes back office monitoring and client support for each Local Authority in the SEStran region. This joint licence allows the system to be monitored and promoted regionally, which has provided savings to each SEStran Partner Authority.

6.7 The payment to Trapeze for £54,072.68 was in regard to their provision of a system for partner authorities to input bus service data into Traveline, which is operated on a regional basis, by SEStran, thus saving money for the individual authorities.

6.8 Throughout 2017/18 SEStran paid certain consultants in excess of £25,000 over several payments. These are listed below:

Supplier	Subject Matter	Total Amount	Comments
City of Edinburgh Council	Service level agreements	£26,110.00	Treasury Management
Mobius Networks	RTPI	£62,842.00	Sim Cards
STV Limited	TV Advertisement	£30,28.40	ThistleCard/ Liftshare
Onestop IT	IT Support	£44,812.40	Contract
WYG Group	RTPI	£24,642.00	Helpdesk

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 2017/18.

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 2017/18 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 2017/18.

8.4 In delivering against its published priorities in the revised Regional Transport Strategy, SEStran contributed to the Scottish Government's overall objectives and National Outcomes. During 2017/18 this work contributed to:

- Reducing the number of commuter journeys by single occupancy vehicles within the South East of Scotland
    - *In the financial year 2017/18, SEStran Tripshare contributed to 730.2 tonnes of CO_2 reduction and 1.91 tonnes of NOx reduction.*
- Minimising the overall need for travel; overall by car.
    - *SEStran's Regional Cycle Training and Development Officer, Peter continued to support Bikeability Local Authority Coordinators over this year. The results from the last academic year had shown an increase in schools delivering cycling training and more pupils than ever taking part. A Bikeability volunteer conference was held for the East of Scotland and Coordinators to share best practice and participate in professional development and training to support delivery.*
    - *A series of Making Cycling Mainstream courses in Planning and Design were held for consultants and local authority officers to learn about design for cycle infrastructure. Over the course of the year training was delivered to ten cycle trainers to deliver Essential Cycling Skills to new and returning cyclists.*
    - *Continued work in support of the Cycle Friendly programme, saw assessments and awards for two primary schools, four secondary schools, and two employers.*
- Maximising public transport provision and achieving public transport integration and intermodality.
    - *In 17/18 SEStran carried out further publicity for the Thistle card through television advertising with a view to encouraging a wider use of the card for those who would otherwise find it difficult to travel by public transport.*
    - *SEStran's "Socialcar" project, 100% funded by the EU, progressed during 17/18, in developing a trial App to facilitate car sharing and integrating with public transport. The project ran a series of tests, including a live trial with Queen Margaret University Students.*

- - - Through Transport Scotland's Smart Ticketing Challenge Fund, SEStran equipped eleven smaller bus operators with RTPI and smart ticketing enabled ticket machines.
- Improving safety for all road and transport users
  - *SEStran's Equality Outcomes 2017 – 2021 were published. For example, there can be a fear of crime particularly when travelling alone on certain modes/routes of transport, particularly in terms of antisocial behaviour or sexual harassment of women on public transport and/or hate crime towards other groups. This can affect the frequency of travel for these groups and curtail their mobility so the RTPI system can play a part in increasing confidence, alongside our promotion of the Thistle Assistance Card.*
- Enhancing community life and social inclusion
  - *SEStran joined Transport Scotland's Hate Crime working group to implement a regional hate crime charter for public transport in the SEStran region.*
- Enhancing movement of freight, particularly by rail and other off-road modes
  - *In 17/18 SEStran successfully bid for an EU Interreg project; SURFLOGH. This project relates to improving the sustainability of last and first mile freight distribution and developing business models for urban freight hubs.*
- Enhancing real time passenger information available for bus services in both urban and rural areas
  - *SEStran has continued to invest in expansion of the RTPI system, assisted by awards of ERDF grants (40%) by spending £85,076 on providing new GPS enabled ticket machines capable of connecting to the realtime system, for 11 bus operators in the region.*
  - *Another qualitative point about RTPI is the safety aspect for women or elderly or other travellers, in that they know their bus is on the way and feel safer in the knowledge of how long they will wait and maybe making contact with people who are going to pick them up. There is an assurance factor as well re linking journeys and making connections*
  - *Since 2016 SEStran has developed a program for the provision of public facing screens delivering live bus and rail time information. The program has involved 300 screens being deployed in a variety of locations, including hospitals, libraries, government buildings, business and hotels across the SEStran region. The aim of the programme is to eventually have all operators (large & small) in the region, integrated into the system.*

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 2017-18 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 SEStran receive in total £190,000 from its constituent councils.

9.6 In 2017/18 a grant of £782,000 was received from the Scottish Government. SEStran spent 100% of this budget.

9.7 In 2017/18 SEStran were involved with several European projects as follows:
   • Social Car
   • Share-North
   • CHUMS
   • Regio-Mob

9.8 SEStran received £192,380.99 from the EU in relation to these projects.

9.9 In procurement, SEStran have continued to make use of the Public Contracts Scotland (PCS) portal, taking advantage of efficiencies associated with e-procurement. It is their intention in the future to use available frameworks and PCS for procurement.

9.10 In the current economic climate, and with reduced resources, SEStran 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.

Appendix 2 - PSRA Invoice Details

SESTRAN
Invoices Paid
Year ended 31/03/2018

1) Public Relations

Internal Ref.	Supplier	Invoice No.	Invoice Date	Net (£)	EU Contribution	SEStran Contribution
Purchase Card - P2 Nikki	Amazon.co.uk	203-8444024-5481166	16/05/2017	£50	100% funded by Social Car	0.00
Purchase Card - P10 Nikki	Amazon.co.uk	206-4868992-8049148	12/01/2018	£600	100% funded by Social Car	0.00
1	Edinburgh Festival of Cycling	INV-SES0006	28/03/2017	£250		
113	Spokes	2017/21	24/10/2017	£900		
108	Stand Ltd	S0004453	30/09/2017	£560		
139	Stand Ltd	S0004537	30/11/2017	£1,000		
132	Stand Ltd	S0004492	31/10/2017	£1,700		
87	Stand Ltd	50004405	31/08/2017	£2,000		
112	STV Central Limited	10027495	13/10/2017	£1,000		
168	STV Central Limited	10027719	12/01/2018	£3,462		
171	STV Central Limited	10027722	12/01/2018	£3,462		
172	STV Central Limited	10027723	12/01/2018	£3,462		
169	STV Central Limited	10027720	12/01/2018	£3,462		
170	STV Central Limited	10027721	12/01/2018	£3,462		
179	STV Central Limited	SY 981	22/01/2018	£3,462		
194	STV Central Limited	SY1002	15/02/2018	£3,462		
58	Tactran	110	07/07/2017	£333		
52	Vantage Creative Solutions	V001765	14/06/2017	£1,948		
Purchase card - P5 Jim	Vistaprint	9273587616	31/08/2017	£91		

		Total Expenditure
34,668.79		34,018.79

2) Overseas Travel

Internal Ref.	Decscription	Project	Net (£)	EU Contribution	SEStran Contribution
P1 Purchase Card - Nikki	Flight, Edinburgh - Budapest	Social Car	88.20	100% funded by Social Car	0.00
P1 Purchase Card - Nikki	Flight, Budapest - Edinburgh (via London)	Social Car	301.12	100% funded by Social Car	0.00
P1 Purchase Card - Nikki	Accommodation, Delft (Holland)	Sharenorth	763.54	50% funded by ShareNorth	381.77
P2 Purchase Card - Nikki	Flight, Edinburgh - Ljubljana (via Brussels)	Regio Mob	481.28	85% funded by Regio Mob	72.19
P2 Purchase Card - Nikki	Flight, Ljubljana - Edinburgh (via Amsterdam)	Regio Mob	610.00	85% funded by Regio Mob	91.5
P2 Purchase Card - Nikki	Flight, Edinburgh - Ljubljana (via Brussels)	Regio Mob	419.14	85% funded by Regio Mob	62.87
P2 Purchase Card - Nikki	Flight, Ljubljana - Edinburgh (via Amsterdam)	Regio Mob	539.00	85% funded by Regio Mob	80.85
P2 Purchase Card - Nikki	Accommodation, Ljubljana	Regio Mob	304.85	85% funded by Regio Mob	45.72
P2 Purchase Card - Emily	Flight, Edinburgh - Ljubljana (via Brussels)	Regio Mob	305.64	85% funded by Regio Mob	45.85
P2 Purchase Card - Emily	Flight, Ljubljana - Edinburgh (via Amsterdam)	Regio Mob	305.00	85% funded by Regio Mob	45.75
P1 Purchase Card - Nikki	Accommodation, Ljubljana	Regio Mob	784.8	85% funded by Regio Mob	117.72
P3 Purchase Card - Jim	Ljubljana - tourist tax	Regio Mob	8.95	85% funded by Regio Mob	1.33
P3 Purchase Card - Jim	Taxi, Krakow - Niepolomice	Regio Mob	31.50	85% funded by Regio Mob	4.72
P3 Purchase Card - Jim	Taxi, Krakow - Krakow Airport	Regio Mob	19.38	85% funded by Regio Mob	2.91
P3 Purchase Card - Nikki	Flight, Edinburgh - Krakow	Regio Mob	126.47	85% funded by Regio Mob	18.97
P3 Purchase Card - Nikki	Flight, Edinburgh - Belfast Int.	Regio Mob	50.65	85% funded by Regio Mob	7.55
P3 Purchase Card - Nikki	Flight, Belfast Int - Krakow	Regio Mob	108.85	85% funded by Regio Mob	16.33
P3 Purchase Card - Nikki	Flight, Krakow - Edinburgh	Regio Mob	216.80	85% funded by Regio Mob	32.52
P3 Purchase Card - Nikki	Flight, Edinburgh - Krakow return	Regio Mob	163.58	85% funded by Regio Mob	24.54
P3 Purchase Card - Nikki	Accommodation, Niepolomice	Regio Mob	388.29	85% funded by Regio Mob	58.24
P3 Purchase Card - Nikki	Accommodation, Krakow	Regio Mob	168.34	85% funded by Regio Mob	25.25
P4 Purchase Card - Nikki	Flight, Edinburgh - Bergen (via Oslo)	Sharenorth	145.54	50% funded by ShareNorth	72.77
P4 Purchase Card - Nikki	Flight, Bergen - Edinburgh (via Oslo)	Sharenorth	403.80	50% funded by ShareNorth	201.9
P4 Purchase Card - Nikki	Flight, Edinburgh - Bergen (via Oslo)	Sharenorth	195.64	50% funded by ShareNorth	97.82
Inv. 20013 / Ref. 156	Accommodation, Bergen	Sharenorth	900.39	50% funded by Surflogh	450.20
P4 Purchase Card - Nikki	Flight, Edinburgh - Amsterdam return (21-22 Sep)	Surflogh	283.77	50% funded by Surflogh	141.89
P5 Purchase Card - Nikki	Accommodation, Amsterdam	Surflogh	175.92	50% funded by Surflogh	87.96
P4 Purchase Card - Nikki	Flight, Edinburgh - Amsterdam return (18-19 Sep)	Surflogh	271.12	50% funded by Surflogh	135.56
P5 Purchase Card - Jim	Taxi, Amsterdam	Surflogh	37.32	50% funded by Surflogh	18.66
P6 Purchase Card - Nikki	Accommodation, Amsterdam	Surflogh	559.71	50% funded by Surflogh	299.86
P5 Purchase Card - Nikki	Flight, Edinburgh - Venice	Regio Mob	73.80	85% funded by Regio Mob	11.07
P5 Purchase Card - Nikki	Flight, Venice to Edinburgh	Regio Mob	176.18	85% funded by Regio Mob	26.43
P6 Purchase Card - Nikki	Accommodation, Venice	Regio Mob	192.84	85% funded by Regio Mob	28.93
P6 Purchase Card - Nikki	Flight, Edinburgh - Brussels	Regio Mob	515.48	85% funded by Regio Mob	77.32
P7 Purchase Card - Jim	Taxi, Brussels	Regio Mob	32.52	85% funded by Regio Mob	4.88
P7 Purchase Card - Nikki	Accommodation, Brussels	Regio Mob	909.47	85% funded by Regio Mob	136.42
P8 Purchase Card - Nikki	Flight, Edinburgh - Malaga	Regio Mob	285.56	85% funded by Regio Mob	42.83
P8 Purchase Card - Nikki	Flight, Malaga - Glasgow	Regio Mob	727.40	85% funded by Regio Mob	109.11
P8 Purchase Card - Nikki	Accommodation, Malaga	Regio Mob	676.59	50% funded by ShareNorth	101.48
P11 Purchase Card - Nikki	Flight, Edinburgh - Amsterdam return	Surflogh	268.00	50% funded by Surflogh	134
P11 Purchase Card - Nikki	Flight, London - Edinburgh - Amsterdam	Surflogh	284.00	50% funded by Surflogh	142
P11 Purchase Card - Nikki	Accommodation, Amsterdam	Surflogh	522.24	50% funded by Surflogh	261.12
P12 Purchase Card - Nikki	Flight, Edinburgh - Vienna return	Social Car	152.60	100% funded by Social Car	0.00

Internal Ref.	Description	Project		Amount	Funding	Contribution
P12 Purchase Card - Nikki	Accommodation, Vienna	Social Car		289.03	100% funded by Social Car	0.00
P12 Purchase Card - Nikki	Flight, Edinburgh - Sofia return	Regio Mob		289.96	85% funded by Regio Mob	43.49
P12 Purchase Card - Nikki	Flight, Edinburgh - Gothenburg return	Surflogh		566.83	50% funded by Surflogh	283.42

		Total Expenditure
	15,121.09	4,045.70

3) Hospitality & Entertainment

Internal Ref.	Decscription	Project	Ref No.	Payment Date	Net (£)	EU Contribution	SEStran Contribution
Purchase Card - P9 Nikki	Jury's Inn	Regio - Mob	23/08/2482	30/11/2017	500.00	85% funded by Regio Mob	75

	Total Expenditure
	0.00

4) External Consultancy

Internal Ref.	Supplier	Invoice No.	Invoice Date	Project	Net (£)	EU Contribution	SEStran Contribution
225	121 HR Solutions Ltd	12653	29/03/2018	Legal	329.10		
121	Connect Communication Solutions Ltd	2817	01/09/2017	Core	1,250.00		
135	Henderson Loggie	98,865	31/10/2017	Share - North	690.00	50% funded by ShareNorth	345
70	Henderson Loggie	95,836	31/03/2017	Share - North	1,380.00	50% funded by ShareNorth	690
64	Henderson Loggie	95,837	31/03/2017	Regio - Mob	1,380.00	85% funded by Regio Mob	207
134	Henderson Loggie	98,866	31/10/2017	Regio - Mob	1,380.00	85% funded by Regio Mob	207
160	Henderson Loggie	99,480	30/11/2017	Regio - Mob	1,380.00	85% funded by Regio Mob	207
200	Liftshare.com Ltd	2262	26/02/2018	R17 Sustainable Travel Awareness	387.83		
129	Liftshare.com Ltd	2141	28/11/2017	R17 Sustainable Travel Awareness	21,999.00		
2	MTC Media Ltd	1042787	01/04/2017	Core	100.00		
222	Quorum Cyber	INV-000064	29/03/2018	Core	1,000.00		
55	re-tek	17679	25/05/2017	Core	100.00		
75	Systra	17001330	01/08/2017	Core	150.00		
143	Systra Ltd	17002583	08/12/2017	EU Social Car	10,005.00	100% funded by Social Car	0.00
217	Trapeze	INV0084995	23/03/2018	Core	995.00		
216	Trapeze	INV0084994	23/03/2018	Core	2,600.00		
56	Trapeze	INV0083976	26/06/2017	Core	5,022.50		
40	Trapeze	INV0083826	24/05/2017	Core	5,917.50		
204	Trapeze	INV0084624	28/02/2018	Core	45,060.57		
207	WYG	848560	16/02/2018	RTPI - Revenue Contribution	3,021.00		
20	WYG	838637	08/05/2017	RTPI - Revenue Contribution	3,745.50		
136	WYG	845819	22/11/2017	RTPI - Revenue Contribution	6,270.24		
227	WYG	850310	26/03/2018	RTPI - Revenue Contribution	6,420.27		
21	WYG	838638	08/05/2017	RTPI - Revenue Contribution	7,220.25		
186	WYG	848143	26/01/2018	RTPI - Revenue Contribution	11,357.61		

		Total Expenditure
	139,161.37	124,602.37

5) Payments in Excess of £25,000

Internal Ref.	Supplier	Invoice No.	Payment Date	Project	Net (£)	VAT (£)	Gross (£)	EU Contribution	SEStran Contribution
240	Carplus Bikeplus	1807	31/03/2018	R17 Sustainable Travel Awareness	31,638.54	6,327.71	37,966.25		
145	Carplus Trust	1773	23/01/2018	R17 Sustainable Travel Awareness	27,000.00	0.00	27,000.00		
147	Carplus Trust	1771	23/01/2018	Share - North	46,748.06	9,349.61	56,097.67	50% funded by ShareNorth	28,048.83
233	East Lothian Council	2834326328339494	27/03/2018	Urban Cycle Networks	50,000.00	0.00	50,000.00		
232	Edinburgh & Lothians Greenspace Trust	1065	27/03/2018	Urban Cycle Networks	40,000.00	0.00	40,000.00		
215	Ineo Systrans	8650014658	07/05/2018	RTPI - Revenue Contribution	56,410.31	11,282.06	67,692.37		
144	Ineo Systrans	8650014052	09/02/2018	RTPI - Revenue Contribution	169,230.93	33,846.19	203,077.12		
129	Liftshare.com Ltd	2141	21/12/2017	R17 Sustainable Travel Awareness	21,999.00	4,399.80	26,398.80		
219	Midlothian Council	GRANT	01/05/2018	R17 Sustainable Travel Awareness	25,000.00		25,000.00		
151	Ticketer	2764	24/01/2018	RTPI - Revenue Contribution	21,696.00	4,339.20	26,035.20		
148	Ticketer	2771	24/01/2018	RTPI - Revenue Contribution	24,675.00	4,935.00	29,610.00		
149	Ticketer	2776	24/01/2018	RTPI - Revenue Contribution	31,716.00	6,343.20	38,059.20		
150	Ticketer	2793	24/01/2018	RTPI - Revenue Contribution	121,850.00	24,370.00	146,220.00		
204	Trapeze	INV0084624	20/03/2018	Core	45,060.57	9,012.11	54,072.68		

			Total Expenditure
713,024.41	114,204.88	827,229.29	779,181.05

Head of Programmes' Report

1. **Introduction**

1.1 This report provides updates on activity and engagement through the RTP Chairs Forum on the Planning Bill, reviews of the National Transport Strategy and Strategic Transport Projects Review and Active Travel funding for RTPs and other matters of relevance to the Partnership.

2. **Meeting of Chairs of Regional Transport Partnerships**

2.1 The most recent meeting of the RTP Chairs met in Shetland on 5 September 2018. The draft Minute of that meeting is attached at Item B5.1 of the Board papers.

3. **Planning (Scotland) Bill (Meeting with Ministers for Transport and the Islands and Local Government & Housing)**

3.1 The RTP Chairs met with the Ministers for Housing and Local Government and Transport and the Islands on 3 May 2018, at which time there was further discussion on the Planning (Scotland) Bill and related aspects of the NTS Review. At that time the RTP Chairs reinforced their views and concerns regarding aspects of the Planning Bill. At the meeting the RTP Chairs were invited to send written observations to the Ministers and a copy of that letter and a response from the Minister for Housing and Local Government is included at **Appendix 1** for information.

3.2 On 17 May 2018 the Scottish Parliament's Local Government and Communities Committee published its Stage 1 Report on the Planning (Scotland) Bill. It is worth noting that, within its report, the Committee states, 'we do not consider that the current statutory framework for regional planning should be repealed unless a more robust mechanism is provided to that currently proposed in the Bill'. This comment coincides with concerns raised by the RTP Chairs with Ministers regarding the proposed absence of any statutory Strategic Development Plan and the need, in these circumstances, for a statutory requirement on Planning Authorities to address strategic development planning at a regional level, including in relation to cross boundary impacts of development and associated delivery of strategic infrastructure requirements, including through a new Infrastructure Fund proposed in the Bill.

3.3 In responding to the Stage 1 Report findings and recommendations on 24 May the Scottish Government stated that 'we will look to amend the Bill at Stage 2 to introduce a clearer duty for local authorities to work together in strategic planning, while retaining flexibility about how they do so and with which other authorities they collaborate'.

3.4 The RTP chairs have agreed to continue to engage during the next stages of the Planning Bill process and further developments will be reported to future meetings.

4. **Reviews of National Transport Strategy (NTS) and Strategic Transport Projects Review (STPR)**

4.1 A paper outlining the proposed process and timeline for the second Strategic Transport Projects Review (STPR2), which is scheduled for completion by the end of 2020 in line with completion of NPF4, is attached at **Appendix 2**. This confirms that STPR2 will focus on national and regional issues, with the regional focus considering 'the role of the strategic network in the context of regional economic geographies and changes emanating from the Planning Review, Enterprise and Skills Review and city and regional deals'. The paper also indicates that the first tier of engagement for STPR2 will be 'based upon Regional Groups convened by Transport Scotland to demonstrate commitment to work collaboratively', with the first meetings of these groupings to be commenced in summer 2018.

4.2 The RTP Chairs have written to the Minister (copy letter attached at **Appendix 3**) expressing disappointment that the currently proposed STPR2 process appears to include no recognition of, or reference to, the existing statutory Regional Transport Strategies (RTSs) which have been approved by the Scottish Ministers and have been developed, collaboratively, with Councils, and have also informed strategic connectivity proposals and aspirations in a number of emerging City Deals. It is, therefore, considered that the RTSs and their associated Delivery Plans should be viewed as important and helpful core documents which can inform both the regional and national focus of STPR2. Concern has also been expressed at the apparent intention by Transport Scotland to establish 'Regional Groupings' for the purposes of engagement on STPR2, thus far without any reference to the existing statutorily constituted RTPs, particularly in the context of the current NTS roles and responsibilities review.

5. **Active Travel Funding**

5.1 A joint paper setting out a joint proposal was submitted by the RTPs to Transport Scotland and the Minister for creation of a Regional Active Travel Development Fund to support maximising the benefits across Scotland from the Scottish Government's welcome commitment to doubling of Active Travel funding to £80 million/annum from 2018/19 - 2020/21. This had been the subject of positive discussion between the RTP Chairs and the Minister at their earlier meeting on 23 January 2018.

5.2 The Minister responded by inviting each RTP to submit proposals for capital bids of £2 million and £1 million across the 7 RTPs. SEStran's agreed proportion of the bids is £400400 and obviously £200200, respectively.

5.3 Proposals for utilisation of additional funding have been submitted, individually and collectively, by the 7 RTPs to Transport Scotland. These were the subject of further discussion at a meeting between the RTPs and Transport Scotland on 3 July 2018 and amended bids were submitted at the end of July. Of particular note form that meeting is that any funding granted will be subject to a match from the RTP, unless it relates to design work.

6. Revised Councillors Code of Conduct

6.1 The Partnership Board is aware that the Scottish Government had issued a consultation on possible amendment to Provisions on Conflicts of Interest within the Councillors Code of Conduct. The consultation had sought views on possible amendments to the Code of Conduct, following concerns having been raised with the Standards Commission and Scottish Government by Nestrans in relation to the ability of Councillor members of RTPs to participate in discussion and decision-making on major planning applications which have strategic transport implications.

6.2 The consultation proposed amendment to the Councillors Code of Conduct so that Councillors who are appointed as members of an outside body would not be prevented from taking part in their Council's discussion of a matter of a quasi-judicial or regulatory nature in which that outside body has an interest, solely because of their membership of that body. Under the proposed amendment Councillor members taking part in their Council's consideration and decision-taking on such matters would still need to declare an interest as a member of the public body.

6.3 Parliament approved the revised code which came into force on 9 July 2018. SEStran awaits a revision to the Model Code of Conduct, which applies to members of the Partnership Board.

7. Recommendations

7.1 That the Board notes the content of the report.

Jim Grieve
Head of Programmes
11th July 2018

Appendix 1: Correspondence between RTP Chairs and Scottish Ministers
Appendix 2: NTS 2 review
Appendix 3: Correspondence between SEStran's Chair and the Minister for Transport and the Islands on STPR2

Policy Implications	SEStran Code of Conduct to be updated
Financial Implications	Potential additional projects funding
Equalities Implications	None
Climate Change Implications	None

Appendix 1: Correspondence between RTP Chairs and Scottish Ministers

22nd May 2018

Mr Kevin Stewart MSP
Minister for Local Government and Housing
T3.22
The Scottish Parliament
Edinburgh
EH99 2SP

Dear Minister

Thank you for meeting with the RTP Chairs at the Parliament on Thursday 3 May 2018. It was a very useful meeting in allowing us to share a number of our thoughts with you as you consider the relative merits of potential changes to planning and transport governance.

You suggested that it would be helpful for us to write to you to confirm these thoughts to inform your further considerations. Thank you for that opportunity; hopefully this letter can explain our thinking on the issues that we raised at the meeting.

1. **Effective integration of planning and transport is essential for Scotland's future sustainable economic growth and delivery**

   It is important to recognise one of the key differences between the role of development planning and that of strategic transport planning, and the agencies involved in delivering these. That is that planning authorities are responsible for setting the direction of future development within their area, as well as those policies required to deliver that with implementation of development plans generally carried out others and largely by the private sector. Transport planning on the other hand carries out the function of setting strategic direction but is also, by and large, the delivery vehicle for implementation of the proposals. This differentiates the two issues because of the increased scrutiny and accountability that transport receives because of a direct impact projects can have on people and the spending of what can be very significant sums of public money.

   Notwithstanding the difference in roles, the RTP Chairs believe that the greatest possible integration of planning and transports' strategic functions is of critical importance to providing a sustainable best value result for the citizens and communities of Scotland. The Chairs believe that any changes to the nature of both planning and transports' governance and delivery should be carried out with this integration as a priority. Unless land use and transport planning, including in respect of new development, is carried out as one properly integrated process it is likely that sustainable development and related transport policies and practices will not succeed. Therefore, the problems associated with single occupancy cars and other less sustainable travel practices and behaviours will continue to prevail, acting against the

current aims reduce the need to travel and to establish more walkable and sustainable developments, where amenities are within easy reach of communities.

2. **The need for change to the current planning system has not been fully evidenced**

The RTP Chairs do not believe that the Independent Panel or subsequently the development industry or others have evidenced how the current planning system is 'too bureaucratic' and 'difficult to understand' and are therefore not convinced that these are adequate and appropriate reasons for the fundamental and far-reaching changes proposed. The RTP Chairs consider that the current system clearly and simply brings together national (NPF/SPP), regional (SDPs), and local (LDPs) policies and plans through an agreed and evidence-based process, which has clearly and effectively aligned strategic land-use and transport policies and planning in a way that is relevant to local and regional needs. Many stakeholders and organisations we have discussed the proposed new planning system with, including the Scottish Parliaments Local Government and Communities Committee, remain unconvinced of the need for some of the proposed changes.

The RTP Chairs understand Ministers desire to simplify the system but believe that the loss of regional strategic planning could increase any perceived "difficult to understand" by reducing transparency on regional input into the National Planning Framework. Further, people will understand that the Locality Plans and Local Outcome Improvement Plans from the Community Planning System will influence their Local Development Plan and the Strategic Development Plan for their region but will have a lesser impact on a National Planning Framework due to the scale of that national document.

3. **The need to build on the successes of the current system**

The RTP Chairs believe that there is considerable advantage in bringing together Councils with a joint interest in a defined region to consider how the NPF and existing and emerging statutory regional and local plans can be integrated to the benefit of the regions and their local communities. We believe that having a statutory document to define agreed regional proposals is helpful, as is the statutory nature of the SDPAs and RTPs. Whilst a statutory NPF will be a valuable document, there needs to be regional strategic planning prepared at a regional level in order to ensure that regional proposals are given sufficient focus. The RTP Chairs and many RTP stakeholders believe that this current statutory relationship and process has worked effectively across large parts of the country and should be built upon to ensure the relatively recent benefits of a more integrated approach to strategic regional planning are preserved and achieved across all parts of the country.

Whilst understanding a desire by some to 'simplify' the system, the RTP Chairs do not believe that removing a statutory duty to be involved in regional planning and replacing this with a vague request to jointly and voluntarily provide regional information to an enhanced NPF will improve or make the planning system more effective in terms of policy or delivery. Where the current system is working well the proposed process could work less well and where it is not working so well, there is a distinct possibility the proposed process could make things worse.

The RTP Chairs believe that, in most cases, bringing Councils together under a statutory duty to agree strategic planning and transport frameworks and policies at a

regional level has benefitted not only consideration of these issues at a regional level but has built a level of trust between Councils. That in turn has fostered closer working between them to create a positive environment and agreement to move forward with City Region Deals and to work closer together with each other and their regional partner bodies on cross boundary issues. A good example of this is in the north east where Aberdeen City Council has agreed through their RTP to part fund a rail station in Aberdeenshire whilst Aberdeenshire Council is contributing through the City Region Deal to the new Aberdeen South Harbour at Nigg. This developed trust has also fostered joint working in the fields of waste and economic development.

The RTPs welcome the review of transport governance being carried out through the NTS Review. Twelve years on from the creation of the RTPs and Transport Scotland, and more than 20 years after establishment of the unitary local transport authorities, this is an appropriate time for a review of what has worked well and not so well. We also welcome the level of involvement of the RTPs in the process being carried out. We are guided that the feedback from our involvement so far has been positive with the RTPs being perceived as contributing positively to the process and bringing an open mind to issues. We do believe though that, in considering the future of transport governance, emerging findings appear to show strong evidence that regional consideration of issues where Councils share a common interest is the most appropriate way forward.

Consideration should be given to what functions are best carried out at a national, regional and local level and while we recognise this is being done in the NTS Review, we believe it is important to remember that regional and local needs and issues differ significantly across the country, and that regionally and locally relevant solutions for different places and circumstances, including the current system where it is working well, may well be the most effective answer.

We would also like to highlight the RTPs' strong democratic accountability, which is often not fully appreciated, and their significant role and contribution in representing transport in the community planning process, and in contributing more generally to community and locality planning. In particular the role and status of the publicly appointed non-councillor Members of the current RTPs will need to be considered within any future models of regional governance. The contribution of these Members has been a strong benefit to decision making and performance of the RTPs, including contributing positively to the RTPs' wider role and contribution in relation to strategic planning and community planning.

The RTP Chairs would strongly urge that the form of future regional governance should be considered after the functionality of that governance has been decided. We believe that the statutory nature of the "management and maintenance" function of the Roads Scotland Act 1984 would likely lead to a conclusion that a statutory regional transport body was essential. (See also item 2 above). Given the cross-boundary issues and relationships for many journeys undertaken, by car, bus, train or freight and the common interest in the usage of some transport forms, trunk roads, national rail, airport and harbours, the RTP Chairs believe that a statutory national transport strategy and regional transport strategies are appropriate and essential. Indeed, there is significant international evidence that the strongest regions are those that have an effective regional transport governance structure. It is also the case that, although journeys by active travel modes are typically short distance and local, the planning and

encouragement of these at both the land-use and transport planning and policy level require to be considered strategically (regionally) as well as being delivered locally.

4. **The need for effective delivery**

The RTP Chairs welcome the assurance given by the Minister at the meeting that the Scottish Government is committed to the principle of the implementation of an Infrastructure Levy and understand and support his desire to ensure that it is done so having properly explored all of the relevant issues around it.

We recognise that the Levy will be set and collected by the local authorities in their planning authority role. We also recognise that the Levy will cover a number of infrastructure issues beyond transport. We would however ask that a proportion of the Levy be recognised as being for strategic transport improvements and that provision is included to require that RTPs, as the relevant Key Agencies for such matters, are involved in such decisions. As such, we would ask that the proportion collected by the local planning authority for strategic transport improvements be transferred on receipt to the regional transport body to be used to develop strategic improvements following consultation with local authorities and developers.

We trust that both the meeting and the content of this letter have provided some further food for thought in your own considerations of the future of planning and transport functions and governance. We would be happy to follow up on any queries either through the RTP Chairs' meeting or our officers.

The Chairs of the Regional Transport Partnerships of Scotland

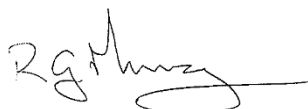|			
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Councillor Andrew Wood Chair of SWESTrans	Councillor Brian Gordon Chair of Tactran	Councillor Ryan Thomson Chair of ZetTrans	

Yours sincerely

Derick Murray

RTP Secretariat

(Signed by RTP Secretariat on behalf of RTP Chairs)

22nd May 2018

Mr Humza Yousaf MSP
The Minister for Transport and the Islands
The Scottish Government
St. Andrew's House
Regent Road
Edinburgh
EH1 3DG

Dear Minister

Thank you for meeting with the RTP Chairs at the Parliament on Thursday 3 May 2018. It was a very useful meeting in allowing us to share a number of our thoughts with you as you consider the relative merits of potential changes to planning and transport governance.

You suggested that it would be helpful for us to write to you to confirm these thoughts to inform your further considerations. Thank you for that opportunity; hopefully this letter can explain our thinking on the issues that we raised at the meeting.

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The Chairs of the Regional Transport Partnerships of Scotland

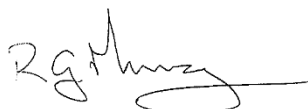|			
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Yours sincerely

Derick Murray, RTP Secretariat

Minister for Local Government and Housing
Kevin Stewart MSP

Scottish Government
Riaghaltas na h-Alba
gov.scot

T: 0300 244 4000
E: scottish.ministers@gov.scot

Derick Murray
Regional Transport Partnerships Secretariat
Nestrans
27 – 29 King Street
Aberdeen
AB24 5AA

6 June 2018

Dear Derick,

Thank you for your letter of 22 May regarding the planning and transport matters raised at our meeting on Thursday 3 May. I found the discussion at the meeting very helpful and would be grateful if you would pass on my thanks to those who attended for their time and input.

I note that many of the points discussed on the day and included within your letter have been highlighted and detailed in your previous responses to both the National Transport Strategy and Planning Reform consultations and I can assure you that all of these points will be considered further as we continue to work through the on-going processes to deliver updated policy and guidance. As you are aware, debate on the Planning Bill is ongoing and I am sure you will be following this interest. I welcome your on-going engagement with the wide range of consultations and workshops as well as the feedback you have provided to date. I look forward to continued close working with the Regional Transport Partnerships as we consider and deliver these important changes to the planning and transport landscape over the course of this Parliament.

I am copying this reply to Humza Yousaf MSP, Minister for Transport and the Islands.

Yours aye,

KEVIN STEWART

St Andrew's House, Regent Road, Edinburgh EH1 3DG
www.gov.scot

INVESTOR IN PEOPLE

Appendix 2: NTS 2 Review

NATIONAL TRANSPORT STRATEGY REVIEW BOARD

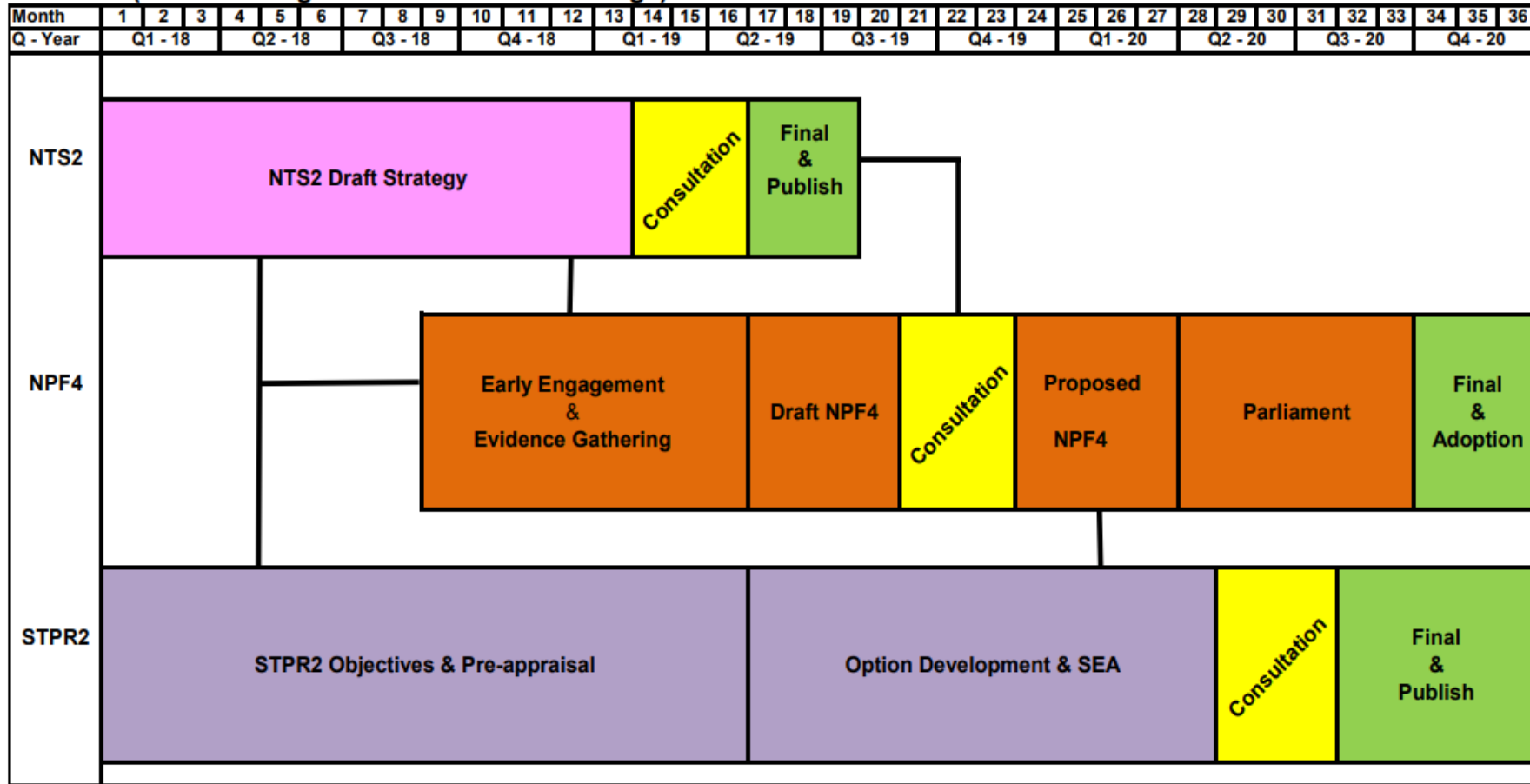**STRATEGIC FRAMEWORK UPDATE**

Wednesday 9th May 2018

1.   The first substantive output from the NTS review process has been delivered with the production of the draft strategic framework by a collaborative working group consisting of SCOTS, CoSLA, SPT, Transport Scotland and academic representation.

2.   The vision and outcomes have been extensively tested and refined following feedback from NTS review governance and support bodies, including the Review Board, and all working groups. The strategic framework group has worked systemically through each individual item of feedback to determine a position relative to that feedback and this has resulted in the vision and outcomes framework shown below. Many of the comments were valid and interesting but in a number of cases more relevant to delivering the outcomes than specifying the outcomes and this is the area of work that the thematic groups are taking forward.

3.   The latest diagrammatic presentation of the strategic framework is presented below. A brief accompanying narrative document will be finalised by the strategic framework group in the near future (for example, describing what is meant by the term 'we' when used in the vision and outcomes). The expectation is that having gone through this process the substantive content of the draft strategic framework will not change. Wider public engagement giving visibility of the framework will begin in summer 2018.

4.   The thematic working groups (see paper 3.2) are producing policy proposals to support the delivery of the strategic framework. The groups will report on their initial policy proposals by the end of June 2018.

5.   Next steps for the strategic framework group will be to develop a monitoring framework.

6.   The Board is invited to note the draft strategic framework below and the proposed presentation.

Promotes Equality

Provides fair access to services we need

Is easy to use for all

Is affordable for all

Helps our Economy Prosper

Gets us where we want to go

Is reliable, efficient and high quality

Embraces innovation and useful technology

Scotland will have a cleaner, inclusive and accessible transport system helping to deliver a healthier, prosperous and fairer nation for communities, businesses and visitors

Takes Climate Action

Adapts to the effects of climate change

Takes steps to mitigate further climate change

Promotes greener, cleaner choices

Improves our Health and Wellbeing

Is safe and secure for all

Enables us to make healthier travel choices

Helps make our communities great places to live

ANNEX A (NB: All timings are indicative at this stage)

Month	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36
Q - Year	Q1 - 18			Q2 - 18			Q3 - 18			Q4 - 18			Q1 - 19			Q2 - 19			Q3 - 19			Q4 - 19			Q1 - 20			Q2 - 20			Q3 - 20			Q4 - 20		

NTS2

NTS2 Draft Strategy — Consultation — Final & Publish

NPF4

Early Engagement & Evidence Gathering — Draft NPF4 — Consultation — Proposed NPF4 — Parliament — Final & Adoption

STPR2

STPR2 Objectives & Pre-appraisal — Option Development & SEA — Consultation — Final & Publish

<u>Outline Programme for Delivery of STPR2 (showing essential inter-dependencies)</u>

NTS Review Board – Second Meeting – Paper 3.5
REPORT TO NATIONAL TRANSPORT STRATEGY (NTS) REVIEW BOARD

Appendix 3: Correspondence between SEStran's Chair and the Minister for Transport and the Islands on STPR2

Mr Humza Yousaf
Minister for Transport and Islands
St Andrew's House
Regent Road
Edinburgh
EH1 3DG

16 May 2018

Dear Humza

I refer to the "Report to National Transport Strategy (NTS) Review Board" covering the approach to STPR 2, which was presented and discussed at our meeting on 9 May 2018 and wish to highlight a number of issues for the RTPs within the paper.

The RTP Chairs welcome the focus on regional groups and recognition of the essential inter-dependencies between economy, planning and transport, in taking forward both the STPR 2 and NTS 2. I would add that I, personally, was particularly encouraged by the discussions around this topic at the last Strategy Board meeting in terms of a future for regional governance.

However, I and my fellow RTP Chairs are concerned by an apparent lack of recognition in the paper of the established regional geographies which the RTPs statutorily comprise, and also an apparent lack of any reference to the seven Ministerially approved Regional Transport Strategies (RTSs). The approved RTSs represent a fundamental function and output of each RTP, having been developed by the RTPs in full consultation with their partner Councils and other key regional and local stakeholders. As you know, these are statutory documents which identify regional and local issues and priorities, including supporting those identified in the current NTS, NPF and STPR. As RTSs are being refreshed these are also being progressively aligned with other regional and local policies, plans and priorities, including through Development Planning, Community and Locality Planning, and emerging City Deals.

In addition to the wide ranging level of collaboration established through the development of the RTSs, a very substantial level of knowledge and expertise has been gained by the RTPs over the years of engagement in the production of these strategies and, crucially, an intimate knowledge of the structure and function of each regional strategic transport network, how that network operates and what needs to be done to improve the network, to promote sustainable transport, is now contained within these statutory bodies and articulated in each RTS.

Whilst we appreciate that the output from the NTS 2 Roles and Responsibilities Group will influence the way forward, the RTP Chairs are very much of the view that this expertise and knowledge should be retained in the future, within a regional partnership and embodied in some form of regional transport strategy, alongside and complementing regional economic development and planning strategies.

I and my colleagues would also suggest that the STPR 2 Objectives & Pre-appraisal and Option Development & SEA stages of the STPR2 process should be linked with and fully informed by the work already done by RTPs and contained in the currently approved RTSs, along with their associated Action Plans/Programmes and SEAs.

Yours Sincerely

Cllr Gordon Edgar
Chair of SEStran and RTP Representative on the NTS2 Strategy Board

Midlothian Active Travel Strategy (Draft)

1. INTRODUCTION

1.1 In August 2018 the Partnership were invited to make provide comment to the consultation of Midlothian Council's Active Travel Strategy (draft). SEStran welcomed the opportunity to respond recognising the opportunity that active travel presents particularly on the cross-boundary routes with City of Edinburgh and East Lothian.

2. CONSULTATION

2.1 The consultation detailed an outline strategy for the county with specific improvements proposed for settlement clusters, developing a wider network of infrastructure.

2.2 A series of nine objectives along with an action plan covering six main themes are proposed to enable a strategic plan to improvement implementation.

2.3 SEStran submitted a response as seen in Appendix 1, on 23rd August 2018. The questionnaire for consultation is included in Appendix 2 for noting.

3. RECOMMENDATIONS

3.1 The report asks the Board to note the appended response.

Appendix 1 – **Midlothian Active Travel Strategy Response**

Appendix 2 – **Midlothian Questionnaire**

Peter Jackson
Active Travel Officer
6th September 2018

Policy Implications	Addresses strategic active routes previously highlighted in SEStran SCBCD study (2015).
Financial Implications	N/A.
Equalities Implications	N/A.
Climate Change Implications	N/A.

Appendix 1 – Midlothian Active Travel Strategy Response

Consultation Response

Midlothian Draft Active Travel Strategy

SEStran recognises the work that has gone into producing the draft Strategy document and would commend Midlothian for seeking to create a strategy to inform their actions around Active Travel. The strategy reads well and highlights the great work that is being carried out by a number of organisations alongside Midlothian Council initiatives to encourage the uptake of more active lifestyles around the county. In particular, it is noteworthy to mention the work around the Borders Railway and conversion to active travel from users at the Midlothian stations.

Views regarding the outlined network improvements presented in the strategy maps and explanatory tables.

The network improvements presented and detailed in the strategy are in line with findings that were highlighted in the SEStran Strategic Cross Boundary Cycle Development study. Many of the aspirational routes were identified as missing links or key barriers to facilitating further modal shift to active travel.

SEStran recognises that one key barrier is the A701 between Penicuik and the A720 Edinburgh City bypass and taking account of new standards[1] and best practice[2], welcome the proposal of a cycleway along this route. Similarly, the A7 corridor improvements would provide a boost to current provision and allow for further cross boundary cycling.

Measures outlined in the Objectives and Action Plan

SEStran welcome the Objectives as drafted, with all aspects of active travel covered throughout.

> **IND2.** *Where appropriate, ensure developers connect proposed developments to the existing walking and cycling network*

SEStran support the use of developer contributions to add to active travel networks but would encourage developments to be orientated towards active travel and reduce vehicle dominated streetscapes.

> **IND4.** *Continue to increase the length of advisory cycle lanes on Midlothian roads, where appropriate*

SEStran would encourage infrastructure improvements that follow the latest standards and best practice as previously stated. On-road cycle lanes are most suitable in

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[1] Standards for Highways
[2] Sustrans Design Guidance

environments where speeds are at a maximum of 30mph and restrict vehicle over run unless explicitly required.

> **IND6.** *Identify, widen and convert existing footpaths into multi-user paths or cycleways, where appropriate*

SEStran recognises that existing guidance makes provision for shared use paths where the flow rate of pedestrians and cyclists is low and can make for a pleasant environment where paths are not connected to carriageways. However, consideration should be given to all user groups and the purpose of journeys that cyclists in particular might make on these paths. The Royal National Institute of Blind People (RNIB)[3] and The Guide Dogs for the Blind Association[4] have particular concerns for shared space and the ability of those with sight problems to navigate paths and negotiate crossings.

SEStran would encourage that where opportunity is available to widen footpaths, that accommodation is fully explored for segregation of user groups to the extent of preferred widths within best practice guides.

Other Comments

Throughout the draft strategy there are references to the use of on road cycle lanes, whilst recognising that most of these are historic in some nature, many no longer would meet the desired standard. It therefore can be confusing to classify such cycle lanes as part of an asset register of active travel infrastructure. This is particularly pertinent if as stated in some of the explanatory tables, they are viewed as a detriment to road safety for cycling.

The national target for everyday journeys made by bicycle is 10% by 2020. The draft strategy references the SEStran Regional Transport Strategy target of increased walking and cycling journeys by 5% by 2020, though the ambitions for the draft strategy are set much lower. Given the proven success of the behaviour change programmes instituted around travel to train stations, there would be room for a more ambitious target even if that were to be a target set beyond the refresh of this strategy.

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[3] RNIB
[4] Guide Dogs

1. Are you responding on behalf of:

☐ Yourself as an individual

☐ A local authority or community council

☐ An educational establishment

☐ A business

☐ A charity, voluntary or community organisation

☐ Any other group or in any other capacity

2. If you are responding on behalf of an organisation (local authority, community council, educational establishment, business, charity, voluntary or community organisation, or any other group) please tell us the name of the organisation.

3. Was the Midlothian Active Travel Strategy document easy to understand?

☐ Yes

☐ No

☐ Don't know

Please add any comments

4. Please share your views regarding the outlined network improvements presented in the strategy maps and explanatory tables.

5. To what extent do you agree or disagree with the measures outlined in the Objectives and Action Plan section?

○ Strongly agree

○ Agree

○ Neither agree nor disagree

○ Disagree

○ Strongly disagree

○ Don't know

Please add any comments

6. Anything else? Please leave any additional comments or feedback in the box below.

Regional Transport Partnerships

Minute of Meeting of the RTP Chairs

Lerwick, Shetland, Wednesday 5th September 2018

Present	Cllr Ryan Thomson, ZetTrans (Chair)	
	Cllr Peter Argyle, Nestrans	
	Cllr Martin Bartos, SPT	
	Cllr Brian Gordon, Tactran	
	Cllr Gordon Edgar, SEStran	
	Cllr Andrew Wood, Swestrans	
In Attendance	Mr Michael Craigie, ZetTrans	
	Mr Douglas Kirkpatrick, Swestrans	
	Mr Jim Grieve, SEStran	
	Mr Bruce Kiloh, SPT	
	Mr Tom Flanagan, Tactran	
	Mr Derick Murray, Nestrans	
	Ms Nicola Laird, Nestrans	
	Mr Frank Roach, Hitrans	
Apologies	Cllr Stephen Heddle, COSLA	
	Mr Robert Nicol, COSLA	
	Mr Ranald Robertson, Hitrans	
	Ms Joanne Gray, Transport Scotland	
	Cllr Alan Henderson, Hitrans	
	Mr Ewen Milligan, Transport Scotland	

Item		Action
1	**Welcome & Apologies**	
	Ryan Thomson welcomed everyone for travelling to Shetland and gave apologies.	
2	**Minute of the RTP Chairs Meeting on 6 June & Matters Arising**	
	Minute agreed as accurate pending correction in spelling of 'Argyle'.	
	The Chairs Resolved: -	
	Minute approved.	
3	**National Transport Strategy**	
	a) Update from NTS Review Board	
	Cllr Edgar provided an update. Meeting has been postponed with no future date set as yet. No further update at this time.	

	Cllr Wood asked whether we should feedback a note of concern given this has been twice there has been no update. **The Chairs Resolved: -** To submit a note of concern to the NTS Review Board on behalf of the RTPs.	**GE**
	b) Update from Roles and Responsibilities Group Derick Murray gave an update. R&R have produced a report based on report by Jacobs, which gave an examination of transport governance in Scotland and elsewhere to look at best practice. Looked at models based on national, regional and local systems. R&R have made a recommendation to the Minister that there is a case for change and have made a recommendation as to the nature of the change. Awaiting steer from minister as to how to move forward. **The Chairs Resolved: -** To note the report.	
	c) Update Regarding STPR2 Derick Murray provided an update. Next stage of review has started and group are trying to appoint a consultant to take it forward. There has been criticism that previous review focused only on trunk roads and motorways. Have been pressed to consider smaller regionally important and strategically important roads as well. Feedback from Transport Scotland has been positive so far. Aberdeen are doing a strategic assessment as part of their city deal. TS are looking at this to inform their own strategic transport review. Planning to make this more inclusive and where regions will provide their own input. To be completed by 2020. Tom Flanagan added they met with TS sustainable team this week. Active travel will also form part of this review. Cllr Edgar asked whether local authorities can also input projects or if it is limited to city deals. Derick Murray noted that TS are currently looking at how to do consultation. Looking to consult local authorities by region. Not sure on the specifics as yet. Michael Craigie noted he had letter from Minister yesterday. Letter was specific in that the review will work with both RTPs and local authorities in contributing to this process. Jim Grieve added there has been a question as to what STPR includes (eg buses etc). He was unsure what the reply was but noted that we tend to look at STPR as infrastructure rather than as a sum of all the parts. Will be interesting to see what comes out from this. Derick Murray noted that last STPR didn't have the benefit of regional transport strategies. This time we have this and hopefully they will be taken into account.	

	Cllr Bartos noted that there is always a case of timing as the RTSs are currently being looked at again. Want to ensure that this review doesn't focus on old strategies and considerations. Douglas Kirkpatrick noted that their RTS is very out of date. TS are aware and working with them to ensure a fresh look. **The Chairs Resolved: -** To note the report.	
4	**Scottish Government Cabinet Reshuffle**	
	Derick noted that the Government have reshuffled and have changed the Transport Minister. Shame that Humza Yousaf has moved on but now have Michael Matheson who is bringing the role of Cabinet Secretary to the subject of transport for the first time. Cllr Wood asked whether we have plans for the Minister to speak to group. Derick Murray confirmed that the new Minister has been approached and provided a positive response. Will forward dates for next year once confirmed. **The Chairs Resolved: -** To note the report. Secretariat to forward meeting dates to Michael Matheson to assess availability.	**RGM**
5	**Active Travel Funding Update**	
	Derick Murray provided an update. RTPs providing proposals for active travel funding so that RTPs are given funding directly to improve active travel offerings, rather than through a bidding process by local authorities. Proposals submitted but due to summer break the proposals have not yet been assessed. Should start next week. Derick Murray provided an update on the proposed framework that is currently being worked on. RTPs have provided input to this. Cllr Bartos provided feedback to the proposed framework. KPI 6 focuses on greenhouse gas emissions but has a lot of potential for looking at other particulate emissions and how active travel can improve these emissions in addition to what is being discussed. Item 3: integrated walking and cycling infrastructure focuses on these modes alone but RTPs have a strong role to play in integrations across all modes of transport. Need to keep focusing on integration and interface with other modes in addition to encouraging people to use active travel modes. Frank Roach added an email that Ranald Robertson sent on 4th September regarding speaking to the low carbon fund for potential funding. Derick Murray noted that the email suggested RTPs should make contact with TS to discuss funding coming via RTPs. Would need	

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		to consider whether we want to do that given the process currently ongoing regarding the Active Travel fund. Cllr Bartos noted that providing initial engagement now will not preclude engaging more later. Agreed that it would be good to act. **The Chairs Resolved: -** To note the report and look at engaging with low carbon fund.	**RGM**
6	**Consultation Responses**		
		a) Transport (Scotland) Bill Bruce Kiloh provided information on consultation. First transport bill in 13 years (since last one established the RTPs), which is testament to the strength of the previous bill. Noted that RTPs have provided overall support of bill although noted some concerns. Stressed the importance of the Transport Bill and that it needs to be robust. Is a step in the right direction although bus elements may need to be made stronger. Cllr Bartos noted that the response has commendable brevity. He noted that ticketing arrangements has a few different things mixed in there and gets the feeling some of the smart card considerations are now history. Has some concerns that we are relying a lot on the guidance given by TS as report does not provide the same explicit references. Wonders whether we should give comment in the response on guidance we have been given regarding it being advisory etc. Some assertions in response are not taken from a bald reading of the report but from the context of discussions. Cllr Bartos also noted RTP finance and is keen that this is labelled as 'reserve management/technical amendment' as this is a technical amendment welcome on reserves rather than providing additional resourcing (whereas all other parts of bill are dependent on additional resourcing). May undermine any case in the future for receiving better funding (given that it is headlined as funding). Bruce Kiloh noted that there will always be an element of trust between RTPs and others, and the government regarding how secondary legislation and regulations will go, however will do no harm to add explanations as to how we believe it will progress or what we have been told regarding this advice and trust. This will provide more context to the boundaries of the support given, depending on the outcome suggested through advice and discussions that took place outside the pages of the written bill. Will update response to reflect this. No further comment. **The Chairs Resolved: -** To update response with recommended amendments above.	**BK**

b) Workplace Parking Levies

Jim Grieve provided a description of the consultation and the proposed response.

Nottingham only place in UK where this is active so much of study was based on this area.

Was considered in the past but dropped due to reaction from business community. However, it is possible for this to be considered in conjunction with an LEZ. Jim Grieve noted that RTPs should potentially have control over this due to the implications on neighbouring authorities as a result. Substantial implications of workplace levies. Good potential as another tools in the bill but will need careful management.

Derick Murray added that workplace parking levy is only one mechanism. Others may be more appropriate for certain areas such as road charging etc. To jump to one without looking at others is wrong. Should consider all options.

Cllr Gordon noted that we need to consider where money from charging goes. Money should be spent on a better transport system. Tom Flanagan followed up on comment as charging systems likely have a limited lifespan given the planned petrol and diesel bans and changes in travel patterns. Need a positive message regarding incentives linked to this rather than focusing on the charging mechanism.

Cllr Bartos noted that this needs to be considered carefully given that it will be a nudge method but will also be a finance raising method. Agrees that depending on method used it may have limited life expectancy. If writing to Cab Sec should stress importance of the regional aspect of this. Need to ensure it is not just seen as a money spinner by local authorities so it is important that we suggest that any funds raised are regionally delivered for transport. Important that regions consider which tools are used based on best fit for region. Important that we expand out the language in that there are different alternatives.

Jim Grieve noted income could be similar to decriminalised parking as to where it is ringfenced. Presumes that this would be done similarly but noted that this needs to be communicated well to the public.

Cllr Edgar noted a concern regarding implementation. In a regional basis some LAs may complain there is an inequality across the region. Would prefer it to be an LA implementation rather than a regional implementation.

Tom Flanagan noted key word is partnership as in Nottingham there was a consensus and could see where funding was going. Was very transparent. Same in infrastructure levies down south. Key is the partnership approach.

	Cllr Wood asked who would be the purse holders? Agreed it should be the RTPs rather than the LAs alone. RTPs ideal to be operator of scheme. To reflect in response. Bruce Kiloh checked whether there was consideration of this being added to the current Transport Bill. Jim Grieve noted that there has been discussion but unsure as to how far this has gone. Bruce Kiloh noted it would be unlikely to be included specifically due to its controversial nature. Derick Murray noted that Transport Scotland are considering a Transport Bill 2 given that the potential outcome of NTS may require further legislation, but stressed that this was only a remote possibility at the moment. **The Chairs Resolved: -** To agree to response and to initiate discussions with Transport Scotland through a letter to the Cabinet Secretary. To focus on looking at ways to widen language so that it is not exclusively a workplace parking levy and discuss a partnership model regarding specific arrangements, as well as any concerns regarding the need for a regional transport element to any funds raised. It was agreed that any discussions with TS would not focus on specifically adding this to the Transport Bill but it should be discussed as a consideration either as a section in the Bill, or as in its own right. To be added to agenda for meeting with transport minister.	**RGM**	
	c) Cross Country Rail Franchise Tom Flanagan provided a brief description of the consultation and response. Highlighted a couple of the key issues. Noted response was submitted last week. Cllr Wood asked whether there was a parallel discussion regarding freight. Tom Flanagan noted there are discussions regarding freight due to timetable changes in relation to revolution in rail. Opportunity to make changes in passenger transport is dictated by freight channels. **The Chairs Resolved: -** To note the report.		
7	**RTP Lead Officers Meeting with Active Travel Charities**		
	Derick Murray provided an update regarding a previous meeting with the active travel charities. Met with the three charities on 13 August. Was a positive discussion. Cllr Wood asked whether there have been discussions with the charities in past. Derick Murray noted we have had extensive relations with some		

	of them as some RTPs have embedded officers part employed by the charities. Lots of relatively close working. However, there was a perception that the potential of moving funding could destabilise their base and be detrimental to their work. **The Chairs Resolved: -** To note the report.	
8	**RTP Chairs Work Programme**	
	a) Future Invitees to Chairs meetings Derick Murray provided an update on the list of people to invite to the meetings. **The Chairs Resolved: -** To note the report. Agreed order of importance as list top down.	
9	**Stakeholder & Modal Updates**	
	a) East Coast Mainline Authorities Jim Grieve provided an update on ECMA and the need to restructure in order to provide more governance and a secretariat. Frank Roach commented that he cannot understand how group is going to change to reflect the nationalisation of the current franchise. Now that Network Rail are fully engaged he doesn't understand the mechanism for lobbying. Will the East Coast Partnership still be able to be lobbied at when it should be making clear that Network Rail did not pull their own weight for the last 5 years? Will be interesting to see how the group changes. Derick Murray noted that Theresa May did announce £7m for the East Coast Mainline. Fundamental question regarding purpose of line itself. To build a high-speed rail link between Glasgow, Edinburgh and London means that the purpose of the line is high speed. Therefore, do we need to spend money to get to London as fast as possible when the purpose should potentially be to connect intermediate cities as fast as possible? If so, does this fundamentally change the purpose? Until we establish the purpose, how we spend the money is not clear yet. Cllr Bartos noted that we have not been looking at strategic nature of rail and rail connectivity UK wide. Good that ECMA activity and work is ongoing but West Coast Mainline is not necessarily doing that much. May be a good idea to have a regular report on what is happening on the West Coast Mainline, particularly regarding HS2 as this will have wider ramifications. Douglas Kirkpatrick noted that Cllr Wood is vice chair of West Coast Rail 250. Said that it may be good to start having similar updates from this group. To be brought to the next Chairs meeting.	

	Bruce Kiloh agreed to work with SWestrans to bring reports to chairs. **The Chairs Resolved: -** To get a report to the next chairs meeting on WCR250.	**AW/DK/BK**
	b) Low Emissions Zones Bruce Kiloh provided an update on the LEZs. Work is progressing in Glasgow. Dialogue continues between council and operators on exact manifestation of TRC as it comes out. Financing is a continuing issue although First Bus promising big investment in their vehicles. RTP role has been to bring modes together and encourage people to take an integrated approach. Doesn't just require buses to be retrofitted but a full range of measures need to be put in place. Will be closely monitoring situation with council and operators as time goes on regarding these other measures. **The Chairs Resolved: -** To note the report.	
10	**Local Governance Review**	
	Tom Flanagan highlighted to Chairs the opportunity to submit evidence to the Local Governance Review. Report focuses on how LAs can better engage with the process and how public sector agencies can work better together. Few themes to be emphasised. Deadline for submissions is 14 December 2018. Cllr Bartos noted that we are more democratically accountable than health boards and should be singing praises of collective work within areas. Have longevity as bodies. **The Chairs Resolved: -** Agreed to draft a response. To be brought to next Chairs meeting for consideration.	**TF**
11	**Social Media Presence**	
	Derick Murray provided an update for this item. Change in focus given change of Minister. Current Minister no longer uses social media as much. Cllr Wood noted that we had just had item on putting forward community engagement. Should we not use social media as a means of community engagement to raise the profile of the RTPs? Cllr Bartos noted that this is fair but questioned whether this is an issue for individual RTPs and LAs rather than the RTPs collectively. He	

	believes that that we should park this for the moment as not sure RTPs as a collective have necessary resources to make this presence felt enough. Group queried as to whether a blog would be preferential. Cllr Argyle noted that cost benefit may not be worth it collectively. Another issue is set up costs for a blog as well as the fact it is rather personal so may not work collectively for the RTPs. Michael Craigie noted that RTPs may not be able to submit to the blog collectively whilst remaining coherent, however did note there could be a benefit in an RTP website that is more formal and includes minutes of meetings and agendas and news that is nationally significant etc. Jim Grieve noted that timing may be best for when RTPs know what the future holds. Cllr Bartos noted the comments and requested an action to identify what resources might be available and what such an endeavour would require. Agreed. **The Chairs Resolved: -** To set aside consideration of social media and consider possibility of setting up a website. To provide an assessment of what resource/cost this would require and take to next meeting.	**RGM**
12	**Scottish Islands Passport Update**	
	Frank Roach provided an update on behalf of Ranald Robertson. Highlighted that, as of 4th September, this is now in the programme for Government. Will keep posted on development. Michael Craigie noted a recent teleconference. ZetTrans are keen to support and believe it has a lot of potential. There is potential for ZetTrans to contribute to a partnership approach and also to provide extra funding if required. Cllr Wood asked whether this could provide more incentive for those places that are difficult to get to. Frank Roach agreed that this could be considered. Not been discussed but could be considered. Cllr Bartos queried whether RTPs would be put out of the loop if Scottish Government takes it on. He hopes we don't lose the opportunity to learn regarding other tourism models if the Scottish Government take the lead. **The Chairs Resolved: -** To note the report.	
13	**Future Dates of Chairs Meetings**	

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	Derick Murray noted the proposed dates for next two years so that invitations can be made for future meetings.		
	It was noted following the meeting that the date for the March meeting is incorrect and should read Wednesday 6 March, not Wednesday 7 March.		
	The Chairs Resolved: -		
	To agree the dates subject to the above amendment.	**RGM**	
14	**AOB**		
	a) Youth Engagement

Frank Roach noted that Hitrans are interested in learning what other RTPs are doing to ensure they have a good process for engaging with young people.

Jim Grieve noted that SEStran previously had a project called Xroute, which worked with young people to codesign a cycle path including innovative lighting around Livingston. Were also working with Young Scot this year for 'Y Travel'. This involves a number of locations throughout the region where young people will assist with the design and building of initiatives. However this is dependent on input from Young Scot.

Douglas Kirkpatrick noted that SWestrans have been approached by Youth Parliamentarians to be observers to the board. Their board is keen for this to happen.

Michael Craigie noted similar in ZetTrans with observers to their board. MSYP to sit. This is particularly relevant as the individual is also convener for the Transport Environment and Rural Affairs Committee.

Tom Flanagan noted they have the smart travel initiative Navigogo in their area, which targeted young people. This has now closed but trying to extend. Also looking to get a young member to fill a board vacancy.

Derick Murray noted that Nestrans tried to consult with members of Youth Parliament through the consultative forum. Not easy to achieve but have had good responses.

b) Transport Bill Evidence Gathering

Derick Murray noted regarding the Transport Bill there is a parliamentary committee evidence gathering session. Jim Grieve has agreed to represent RTPs.

c) Transport Related Buildings Audit

Cllr Wood asked whether it is possible to get an audit on all transport buildings given the recent issues in Ayr? Cllr Edgar noted that this may be something TS should be doing. Suggested RTPs could write to them to note the importance of doing so. | | |

	Chairs agreed to write a collective letter to Transport Scotland to note concern regarding transport related buildings and request a survey of the buildings. *d) Accessibility of paper* Michael Craigie asked whether there could be a potential to create a format for the documents which is easily searchable. **Agreed to look at options for achieving this.**	**RGM** **RGM**	
15	**Date of Next Meeting**		
	Next meeting set for 5 December 2018 hosted by Nestrans		

CHIEF OFFICER LIAISON GROUP MEETING
10:00AM THURSDAY 23RD AUGUST 2018

Present:

Jim Grieve (JG)	SEStran (Chair)
Elizabeth Forbes (EF)	SEStran
Peter Jackson (PJ)	SEStran
Lisa Freeman (LF)	SEStran
Graeme Johnstone (GJ)	Scottish Borders Council
Kevin Collins (KC)	Falkirk Council
Peter Forsyth (PF)	East Lothian Council
Lesley Deans (LD)	Clacks Council
John Mitchell (JM)	Fife Council
Lindsay Haddow (LH)	Midlothian Council
Graeme Malcolm (GM)	West Lothian Council

Apologies:

Iain Shaw (IS)	City of Edinburgh Council
Ewan Kennedy (EK)	City of Edinburgh Council

Ref.		Actions
1.	**Welcome and Apologies for Absence**	
1.1	JG welcomed the group to the meeting and apologies were noted as above.	
2.	**Minutes**	
2(a)	Chief Officers Liaison Group – 24th May 2018 Agreed as a correct record.	
3.1	**Agenda for September Board**	
3.1	JG put forward the DRAFT Agenda for the September Board for discussion.	
3.2	It was noted that SEStran will continue with the A and B agenda format, following positive feedback from the Board in June 2018.	
3.3	The proposed agenda will have the traditional items, along with the following additions: • A rail update from Scott Prentice (Scotrail) and Alistair Young (Transport Scotland). This item will include two ten-minute presentations, followed by a Q&A. Keith Fisken will also provide an update on the Local Rail Development Fund. • The usual Projects Update, with extended presentation, to allow for discussion and questions. • The Draft Annual Report 2017/18 for Board approval. • A Bus Travel Follow Up Report, which refers to a discussion paper	

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	that was presented to the Board in June. • SEStran's Transport (Scotland) Bill consultation response, presented by LF.	
4.	**Financial Reports**	
(a)	**Audited Accounts 2017/18** JG gave verbal updates on the financial reports in IS's absence. It was advised that the Audited Accounts for 2017/18 will be presented to the P&A Committee and the Board. It is anticipated that there will be some minor presentational changes following External Audit's review, however, these changes are likely to be minor.	
(b)	**Finance Officer's Report** It is anticipated that this report will present a financial outturn forecast within budget for 2018/19. This report will be presented to the Board on 21st September.	
5.	**External Auditor's Report**	
5.1	The External Auditors report has raised issues relating to Governance matters. These matters will be addressed over the next couple of days. It was noted that the External Auditor's Report is yet to be completed.	
6.	**Projects Update**	
6.1	JG presented the report, which informed the Officers of SEStran's project updates, focusing on the changes within SEStran's RTPI project.	
6.2	These changes relate to First Bus and Stagecoach wanting to reinstate the original SEStran RTPI system, after withdrawing from the system in May this year. This is following technical difficulties that have resulted from withdrawing from the original system.	
6.3	It was also noted that SEStran are keen to integrate the Borders Buses into the RTPI system.	
6.4	SEStran's engagement with City of Edinburgh Council, in the development of a future content management system was also highlighted.	
6.5	LD asked for SEStran's, Keith Fisken, to provide her with an update on the possibility of inputting RTPI screens in Clackmannanshire.	**KF**
6.5	A discussion was then had about the future of smart ticketing in Scotland.	
6.7	Following this discussion JM invited the Chief Officers, or representatives, to attend a Freight Forum in Fife on the 28/08 and advised that he would	

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	sent out details.	
7.	**Draft Annual Report**	
7.1	JG advised the Chief Officers that a first draft of the report was underway and would be presented to the Board for approval on the 21st September.	
8.	**Intelligent Centralisation**	
8.1	JG headed the discussion which focused on generating a possible framework for intelligent centralisation. It was agreed that the focus would remain on centralising data gathering, both locally and regionally.	
8.2	It was agreed that LF would circulate a template to the Chief Officers, for inputting answers to various questions relating to traffic data collection. This document will then be used to generate a draft framework.	**LF**
9.	**NTS2 Update**	
9.1	JG gave a verbal update on the review, which indicated that various working groups are still gathering relevant data. It was also highlighted that regional governance is a topic for discussion within the strategy. Work on the strategy is progressing, with the aim for completion next year.	
10.	**Rail Update**	
10.1	JG advised the Chief Officers that Keith Fisken would be presenting the September Board with updates on the LRDF, alongside presentations from Scott Prentice and Alistair Young.	
11.	**RTS Monitoring**	
11.1	LF presented this report, which highlighted potential monitoring strategies for SEStran's RTS.	
11.2	The review proposed a new monitoring framework for discussion, which provided a clearer/more practical system.	
11.3	LF asked the Officers to provide feedback/comments on the report.	
12.	**Bus Travel – Follow up report**	
12.1	JG presented the report which highlights the discussion points raised following a presentation/discussion of the Bus Travel Discussion Paper to the Partnership Board in June 2018.	
12.2	The report concluded with the proposed action of SEStran holding a meeting with Bus Operators to follow up on the discussion points raised. This meeting is expected to take place in Autumn 2018.	
13.	**Active Travel Update**	
13.1	PJ presented the report which provided the Officers with an update on	

	active travel activities within SEStran.	
13.2	The key updates were in relation to Sustran's funded Regional Cycle Network Scheme, SEStran's GO e-Bike project and Transport Scotland's Low Carbon Travel & Transport Challenge Fund.	
13.3	PJ concluded the report by offering assistance to partnership authorities wishing to engage in active travel projects.	
14.	**Transport (Scotland) Bill Consultation Response**	
14.1	LF presented SEStran's DRAFT response, which was broken down into 6 parts: • Low emission zones • Bus services • Smart ticketing • Pavement parking and double parking • Road works • RTP finance and Scottish canal governance. The Chief Officers were invited to comment on the proposed response.	
15.	**AOCB**	
15.1	GJ suggested that safety auditing could also be a topic for intelligent centralisation. JG advised that in the future we could discuss this option, however, in the meantime it would be beneficial to focus on the data gathering while we formulate a framework/strategy.	
15.2	LD requested information from the Officers about perceived costings for building a pedestrian bridge over the forth, linking Stirling to Clackmannanshire.	
15.3	LD also advised that Clackmannanshire Council is currently holding £195,000.00 in grant funding from Transport Scotland to input 3 rapids, 4 fast and 5 on-street charging points for electric vehicles. LD would like the funding to be co-ordinated at a regional level due to restrictions in Clackmannanshire. JG advised that he would investigate potential avenues for the funding regionally, but was unable to assist with the existing arrangement.	**JG**
16.	**Date of the next meeting**	
16.1	The date of the next meeting is scheduled for **10:00am on Thursday 8th November 2018, Conference Room 3, Victoria Quay, EH6 6QQ.**	