



SESTRAN PARTNERSHIP BOARD MEETING

Conference Room 1, Victoria Quay, Edinburgh, EH6 6QQ
10:00am Friday 16th March 2018

B AGENDA ITEM

B1. STANDARDS OFFICER UPDATE – COMPLAINT (VERBAL ITEM)

The above item is not for publication as it falls within the description of exempt information as laid out in paragraph 1 of Schedule 7A of the Local Government (Scotland) Act 1973 and, consequently, is likely to be considered in private.

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(a) A Connected Scotland: Tackling social isolation and loneliness and building stronger social connections – Report by Lisa Freeman
- 16. DATES OF FUTURE MEETINGS**
(a) Integrated Mobility Forum – 10:00am on Friday 27th April 2018 in Conference Room 4+5, Victoria Quay, Edinburgh, EH6 6QQ
(b) Logistics and Freight Forum – 2:00pm on Thursday 31st May 2018 in Conference Room 3, Victoria Quay, Edinburgh, EH6
(c) Partnership Board – 10:00am on Friday 22nd June 2018 in Conference Room 1, Victoria Quay, Edinburgh, EH6 6QQ

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9th March 2018

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

SEStran Partnership Board

Item 4(a)

10.00am, Friday, 8 December 2017

Victoria Quay and City Chambers, Edinburgh

Present

Name

Organisation Title

Cllr Gordon Edgar (Chair)	Scottish Borders Council
Charlie Anderson	Non-Councillor Member
Cllr Chas Booth	CEC
Cllr Fiona Collie	Falkirk Council
Cllr Colin Davidson (Deputy Chair)	Fife Council
Cllr Karen Doran	CEC
Cllr Jim Fullarton	Scottish Borders Council
Cllr Chris Horne	West Lothian Council
Cllr Russell Imrie	Midlothian Council
Cllr Lesley Macinnes (Deputy Chair)	CEC
John Martin	Non-Councillor Member
Cllr Laura Murtagh	Falkirk Council
Neil Renilson	Non-Councillor Member
Sandy Scotland	Non-Councillor Member
Cllr Brian Small	East Lothian Council
Barry Turner	Non-Councillor Member

In Attendance

Craig Beattie	CEC
Angela Chambers	SEStran
Matt Davis	Sustrans
Elizabeth Forbes	SEStran
Peter Forsyth	East Lothian Council
Lisa Freeman	SEStran
Ken Gourlay	Fife Council
Jim Grieve	SEStran

Peter Jackson	SEStran
Gavin King	CEC (Secretary)
Catriona Macdonald	SEStran
Greg McDougall	CEC
Kerra McKinnie	Board Observer
Graeme Johnstone	Scottish Borders Council
Iain Shaw	CEC (Treasury)

Apologies for Absence

Cllr Dave Dempsey	Fife Council
Neil Dougall	Midlothian Council
George Eckton	SEStran
Cllr Phil Fairlie	Clackmannanshire Council
Cllr Ian Ferguson	Fife Council
Phil Flanders	Non-Councillor Member
Cllr David Key	CEC
Cllr Darren Lee	Clackmannanshire Council
Graeme Malcolm	West Lothian Council
Brian Sharkie	Non-Councillor Member
Cllr Peter Smail	Midlothian Council
Dr Doreen Steele	Non-Councillor Member

1. Adjournment

Decision

In the absence of a quorum the meeting of 8 December 2017 was adjourned until 19 January 2018.

2. Valedictory

Councillor Edgar paid tribute to Falkirk Provost, Tom Coleman, a previous member of the Partnership Board and Performance and Audit Committee who had recently passed away. A minute's silence was held.

3. Minutes

Decision

- 1) To agree the minute of the previous meeting of 22 September 2017 as a correct record.
- 2) To agree the minute of the Performance and Audit Committee of 24 November 2017 as a correct record.
- 3) To note the minute of the Chief Officers' Liaison Group of 9 November 2017.
(Reference – minutes, submitted.)

4. Active Travel in South East of Scotland

Following a suggestion by the Chair and Deputy Chairs that meetings of the Partnership should have a greater focus on debating and discussing strategic items, details were provided of possible actions for the Partnership in increasing the journeys made by active travel.

The Partnership discussed the following:

- Partnership working with organisations such as Young Scot were essential but cognisance should be taken of cost and whether there was always the money to match fund with other organisations.
- Planning played an important role in encouraging walking as design still favoured car travel. SEStran as a consultee would be able to have a strong voice as part of the 'place making' agenda in Planning.
- A major concern was the pressure on subsidised bus routes and SEStran could have a role in supporting Councils maintaining bus routes.

Decision

- 1) To highlight to Community Planning Partnerships that SEStran could help with any issues raised in Local Outcome Improvement Plans.
- 2) To not pursue a separate Active Travel Strategy but to comment and feed into other strategies where appropriate.
- 3) To support a further iteration of the Cross Boundary Study for the region.
- 4) To agree, subject to sufficient budget, that further investment to support the national Travel Planning online toolkit would be beneficial.
- 5) To explore lobbying the Minister for additional Active Travel funding but for supporting national campaigns rather than specific regional campaigns.

- 6) That the development of preventative actions in regard to encouraging outdoor activity through travel schemes for parents and children should remain a local issue for Councils and Integration Joint Boards.
- 7) To agree that how the Partnership could promote equality and safety of active travel should be explored further at the Equalities Forum.

Declaration of Interests

Councillor Horne declared a non-financial interest in the above item as a Director of the Bike Station.

Sandy Scotland declared a non-financial interest in the above item as a Director of Cycling Scotland.

5. Financial Planning 2018-19

Options were presented for the 2018/19 revenue budget including an option to reduce the constituent Council's requisition by 5%.

Decision

To request that options for reductions from the constituent Councils of 10% and 15% were explored and circulated to all members in advance of the next meeting and following the Performance and Audit Committee.

6. Finance Officer's Report

An update was provided on the financial performance of the core revenue budget of the Partnership for 2017/18. Details were also provided of the cash flow position of the Partnership in respect of its net lending to and borrowing from the City of Edinburgh Council.

Decision

- 1) To note that it was forecast that core expenditure in 2017/18 would underspend by £5000 against the revenue budget of the Partnership and that this underspend would meet project costs in 2017/18.
- 2) To note that all income and expenditure would continue to be monitored closely with updates reported to each Partnership meeting.
- 3) To note the month end balance of indebtedness between the Partnership and the City of Edinburgh Council and the reason for these balances as identified in paragraph 2.7 of the Treasurer's report.
- 4) To provide further information on the reasons why the Partnership Director authorised a budget transfer of £10,000 from the projects budget.

7. Treasury Management – Mid-term Review

Details were provided of the investment activity undertaken on behalf of the Partnership during the first half of the 2017/18 financial year.

Decision

To note the investment undertaken on behalf of the Partnership.

8. Policy Consultations

Four consultation reports had been submitted by the Partnership Director. These consultations were:

- A Healthier Future
- Low Emission Zones
- Local Bus Services and Smart Ticketing
- Financial Accounting Arrangements for Regional Transport Partnerships

Due to the adjournment of the last meeting, the consultation deadline had passed and the consultation responses had been submitted.

Decision

To note the responses had been submitted on all four consultations.

9. Policy and Project Report

An update was provided on key aspects of projects and initiatives progressed in the last quarter and the process for the UK leaving the EU.

Decision

- 1) To note the report.
- 2) To approve the SHARE-North related grant offer of £18,000 for the Edinburgh College Electric Vehicle Project.

10. Model 3 Consultation

An update was provided on the discussions undertaken by the Partnership Director since the 2016 December Board meeting on a model 3 Regional Transport Partnership.

Decision

- 1) To note that all 8 constituent Councils had been formally consulted on the proposal for SEStran to change to a 'Model 3' authority by means of an order under section 10 of the Transport (Scotland) Act 2005.

- 2) To agree to formally close the consultation opened in December 2016 and, in light of the responses received, not to progress any requests for consent from Scottish Ministers to support an order under section 10 of the Transport (Scotland) Act 2005.
- 3) To note the updates provided on the Tay Cities, Edinburgh Region and Stirling/Clackmannanshire City Deals.

11 Board Appointments

Under urgency provisions the Partnership Director had made a decision to replace Councillor Davidson, who had had to step down, from the Non-Councillor Member appointments panel with Dr Steele.

Decision

To note the Partnership Director's action under urgency provisions and that this report fulfilled the reporting arrangements under section 40 of Standing Orders.

12. Dates of Meeting 2018

The dates for future meetings of the Partnership Board, Performance and Audit Committee and Chief Officer Liaison Group meetings were outlined.

Decision

- 1) To approve the proposed programme of meetings for 2018.
- 2) To note the dates of the Forums will be confirmed at a later date.
- 3) To note the potential need to reschedule a Partnership Board meeting to accommodate the Minister's diary.

CHIEF OFFICER LIAISON GROUP MEETING
10:00AM THURSDAY 15TH FEBRUARY 2018

Present:

Jim Grieve (JG)	SEStran (Chair)
Angela Chambers (AC)	SEStran
Lesley Deans (LD)	Clacks Council
Keith Fisker (KF)	SEStran
Elizabeth Forbes (EF)	SEStran
Peter Forsyth (PF)	East Lothian Council
Ken Gourlay (KG)	Fife Council
Catriona Macdonald (CM)	SEStran
Steven Murrell (SM)	CEC
Iain Shaw (IS)	CEC (Treasury)

Apologies:

Kevin Collins	Falkirk Council
Neil Dougall	Midlothian Council
Maira Nelson	SEStran

Ref.		Actions
1.	Welcome and Apologies for Absence	
1.1	JG welcomed the group to the meeting and apologies are noted as above.	
2.	Minutes	
(a)	Chief Officers Liaison Group – 09 th November 2017 Agreed as a correct record.	
(b)	Partnership Board – 19 th January 2018 Not available for the meeting.	
3.	Agenda for March Board	
3.1	JG advised that the agenda items will primarily mirror the agenda from today's meeting.	
3.2	Agenda items to include: financial reports, projects update, draft business plan 2018/2019, intelligent centralisation, funding opportunities, bus report and rail report.	
3.3	Additions to the agenda include: Non-Councillor board members and updates on SEStran's participation in its equalities outcomes.	
3.4	JG asked the group for any additional agenda items.	
4.	Benefits of SEStran	
4.1	JG gave a verbal report, which outlined the benefits SEStran has delivered within each partner authority area, over the last 3 financial years.	

4.2	KF tabled a spreadsheet analysis as an illustration of this report.	
5.	Financial Reports	
(a)	<p><u>Revenue Budget 2018/2019</u></p> <p>IS presented the report, outlining the proposed budget which the Board will be asked to consider and reach a decision on at the March meeting.</p> <p>IS explained that the report differs from previous years' reports, as it doesn't come with a clear recommendation of the 2018/2019 budget. Instead it builds on clear instruction from the last Board meeting, to also provide options for reductions of 10% or 15% in council requisitions.</p> <p>There was a lengthy discussion about budget allocations, following these the preferred option of a 5% reduction in council requisitions was agreed and is to be included in the recommendations of the report.</p> <p>IS recommended that it would be worthwhile for the Chief Officers to brief other council members about the report, and discuss the recommendation of a 5% reduction. IS explained that in the unlikely event that a decision is not reached, the report will be passed to the Minister for a decision.</p> <p>JG agreed to discuss the budget option proposal and 5% reduction with the councils that weren't represented in today's meeting.</p>	<p>ALL</p> <p>JG</p>
(b)	<p><u>Finance Officers Report</u></p> <p>IS presented the quarterly monitoring report on the current year's financial performance, which notes that the budget is currently on track.</p>	
6.	Funding Opportunities	
6.1	JG provided a summary of this report, which outlined various funding opportunities offered by SEStran, primarily to encourage the promotion of sustainable travel projects, across the region.	
6.2	In response to sub-section 6. Staff Resource: PF discussed SEStran's assistance in preparation of an active travel improvement plan and advocated future collaboration.	
7.	Projects Update	
7.1	JG provided a summary of this report, which updated the Chief Officers on the progress of SEStran's projects.	
7.2	In relation to sub-section 3.4 REGIO-MOB: JG asked the Chief Officers to circulate an invitation to their council colleagues the details of an upcoming dissemination event in March.	ALL
8.	Draft Business Plan 2018/2019	
8.1	KF provided a verbal update on SEStran's Business Plan 2018/2019. The	

	draft will be taken to the board in March for approval.	
8.2	Key updates will include: GO E-Bike scheme, Thistle Assistance Card updates and an active travel audit with Sustrans.	
8.3	The item concluded with a discussion about potential challenges regarding the E-Bike scheme – including delivery of the project and cycling legislation.	
8.4	The Chief Officers requested information about the E-Bike scheme to be circulated.	KF
9.	Intelligent Centralisation	
9.1	JG led a group discussion about centralising activities to help save council resources.	
9.2	There was a lengthy discussion about possibilities for centralisation. Key suggestions included: setting up a modelling facility/service, road safety audits, community transport support and upgrading data collection equipment/delivery.	
9.3	It was agreed that it would be beneficial to undergo a data collection audit. JG agreed to correspond with Officers' to determine what data each council holds, and request feedback on the suggestion of data collection centralisation.	JG
10.	Bus Report	
10.1	CM gave a verbal summary of the discussion paper, which is split into 7 discussion points, that pose 7 questions about ways of increasing bus patronage in Scotland.	
10.2	CM to circulate the report to Officers for comment.	CM
10.3	JG indicated that the intention for the future, is to discuss strategic items at the board, following the success of the discussion paper at the previous board.	
11.	Rail Report	
11.1	KF gave a verbal summary of the discussion paper, which highlighted current and potential future rail issues within the South East of Scotland.	
11.2	KF offered to circulate the report and Officers agreed that this would be helpful.	KF
12.	RTS Monitoring	
12.1	JG gave a brief update, which advised the Officers that some work had been undertaken regarding RTS monitoring, and once that work is	

	<p>completed we will bring RTS monitoring to future Boards for discussion.</p> <p>The Officers were asked to provide updates on actions undertaken by their partner authorities.</p>	
13.	Integrated Forums	
13.1	JG noted that SEStran will have a forum for the movement of people and a forum for the movement freight, which will be chaired by the Deputy Chairs, along with the Equalities & Access to Healthcare Forum. Dates have been set and invites and further information will be issued shortly.	
14.	Consultation Responses – For Noting	
(a)	A Connected Scotland: Tackling social isolation and loneliness and building stronger social connections.	
15.	AOCB	
15.1	SM requested a that he be kept up to date with any progress regarding RTS Monitoring.	
16.	Date of next meeting	
16.1	10:00am on Thursday 24 th May 2018, Conference Room 2, Victoria Quay, Edinburgh, EH6 6QQ.	



South East of Scotland Transport Partnership

**External Audit Plan
2017/18**

March 2018

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1

Introduction

Introduction

1. This document summarises the work plan for our 2017/18 external audit of the South East of Scotland Transport Partnership (“the Partnership”).
2. The core elements of our work include:
 - an audit of the 2017/18 financial statements and related matters;
 - a review, where applicable, of arrangements for governance and transparency, financial management, financial sustainability and value for money; and
 - any other work requested by Audit Scotland.

Audit appointment

3. The Accounts Commission is an independent body appointed by Scottish Ministers responsible for securing the audit of local authorities and other local government bodies. The Commission’s work is governed mainly by the Local Government (Scotland) Act 1973.
4. Audit Scotland is an independent statutory body that provides the Accounts Commission with the services required to carry out their statutory functions, including monitoring the performance of auditors through a quality control process.
5. The Accounts Commission has appointed Scott-Moncrieff as external auditor of the Partnership for the five year period 2016/17 to 2020/21. This document comprises the audit plan for 2017/18 and summarises:
 - the responsibilities of Scott-Moncrieff as the external auditor;
 - our audit strategy;
 - our planned audit work and how we will approach it;
 - our proposed audit outputs and timetable; and
 - background to Scott-Moncrieff and the audit team.

Adding value through the audit

6. All of our clients quite rightly demand of us a positive contribution to meeting their ever-changing business needs. Our aim is to add value to the Partnership through our external audit work by being constructive and forward looking, by identifying areas of improvement and by recommending and encouraging good practice. In this way we aim to help the Partnership promote improved standards of governance, better management and decision making and more effective use of resources.
7. Any comments you may have on the service we provide, 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
8. While this plan is addressed to the Partnership, it will be published on Audit Scotland’s website www.audit-scotland.gov.uk.

2

Respective responsibilities of the auditor and the Partnership

Respective responsibilities of the auditor and the Partnership

Auditor responsibilities

Code of Audit Practice

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

Our responsibilities

10. Auditor responsibilities are derived from statute, the Code, International Standards on Auditing (UK) (ISAs (UK)), professional requirements and best practice and cover their responsibilities when auditing financial statements and when discharging their wider scope responsibilities (paragraph 12). These are to:

- undertake statutory duties, and comply with professional engagement and ethical standards
- provide an opinion on audited bodies' financial statements
- review and report on, as appropriate, other information such as annual governance statements, management commentaries and remuneration reports
- notify the Controller of Audit when circumstances indicate that a statutory report may be required
- demonstrate compliance with the wider public audit scope by reviewing and providing judgements and conclusions on the audited bodies':
 - effectiveness of performance management arrangements in driving economy, efficiency and effectiveness in the use of public money and assets
 - suitability and effectiveness of corporate governance arrangements
 - financial position and arrangements for securing financial sustainability

11. Weaknesses or risks identified by auditors are only those which have come to their attention

during their normal audit work in accordance with the Code, and may not be all that exist. Communication by auditors of matters arising from the audit of the financial statements 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.

Wider scope audit work

12. 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.
13. The Code sets out four audit dimensions that frame the wider scope audit work into identifiable audit areas. These are summarised in Exhibit 1.
14. Where the application of the full wider scope is judged by us not to be appropriate then our annual audit work on the wider scope is restricted to:
 - Audit work to allow conclusions to be made on the appropriateness of the disclosures in the governance statement; and
 - Consideration of the financial sustainability of the organisation and the services that it delivers over the medium and longer term.
15. Our assessment takes into account the size, nature and risks of the organisation.
16. Taking these factors into consideration, we have concluded that application of the restricted wider scope is appropriate for the Partnership.

Partnership responsibilities

17. The Partnership has the primary responsibility for ensuring the proper financial stewardship of public funds, compliance with relevant legislation and establishing effective arrangements for governance, propriety and regularity that enable them to successfully deliver their objectives. The Partnership's responsibilities are summarised in Exhibit 2.

Exhibit 1: Audit dimensions of wider scope public audit

Financial sustainability

Financial sustainability looks forward to the medium (2 to 5 years) and longer term (5 to 10 years) to consider whether the body is planning effectively to continue to deliver its services or the way in which they should be delivered.

Financial management

Financial management is concerned with financial capacity, sound budgetary processes and whether the control environment and internal controls are operating effectively.

Governance and transparency

Governance and transparency is concerned with the effectiveness of scrutiny and governance arrangements, leadership and decision-making and transparent reporting of financial and performance information.

Value for money

Value for money is concerned with using resources effectively and continually improving services.

Exhibit 2 – Partnership’s responsibilities

Area	Partnership responsibilities
<p>Financial statements: Annual accounts containing financial statements and other related reports should be prepared.</p>	<p>The Partnership has responsibility for:</p> <ul style="list-style-type: none"> • preparing financial statements which give a true and fair view of their financial position and their expenditure and income, in accordance with the applicable financial reporting framework and relevant legislation; • maintaining accounting records and working papers that have been prepared to an acceptable professional standard and that support their financial statements and related reports disclosures; • maintaining proper accounting records; and • preparing and publishing, along with their financial statements, an annual governance statement, management commentary (or equivalent) and a remuneration report that are consistent with the disclosures made in the financial statements.
<p>Financial sustainability: Financial sustainability looks forward to the medium and longer term to consider whether the organisation is planning effectively to continue to fulfill its functions in an affordable and sustainable manner.</p>	<p>The Partnership is responsible for putting in place proper arrangements to ensure the financial position is soundly based having regard to:</p> <ul style="list-style-type: none"> • Such financial monitoring and reporting arrangements as may be specified; • Compliance with any statutory financial requirements and achievement of financial targets; • Balances and reserves, including strategies about levels and their future use; • How the organisation plans to deal with uncertainty in the medium and long term; and • The impact of planned future policies and foreseeable developments on the financial position.
<p>Financial management: Financial management is concerned with financial capacity, sound budgetary processes and whether the control environment and internal controls are operating effectively.</p>	<p>It is the Partnership's responsibility to ensure that financial affairs are conducted in a proper manner. Management are responsible, with the oversight of those charged with governance, to communicate relevant information to users about the entity and its financial performance.</p> <p>The Partnership is responsible for developing and implementing effective systems of internal control as well as financial, operational and compliance controls. These systems should support the achievement of their objectives and safeguard and secure value for money from the public funds at its disposal.</p> <p>It is the Partnership's responsibility to establish arrangements to prevent and detect fraud, error and irregularities, bribery and corruption and also to ensure that its affairs are managed in accordance with proper standards of conduct by putting proper arrangements in place.</p>

Exhibit 2 – Partnership’s responsibilities

Area	Partnership responsibilities
<p>Governance and transparency: Governance and transparency is concerned with the effectiveness of scrutiny and governance arrangements, leadership and decision making, and transparent reporting of financial and performance information.</p>	<p>The Partnership is responsible for establishing arrangements to ensure the proper conduct of their affairs including the legality of activities and transactions, and for monitoring the adequacy and effectiveness of these arrangements. Those charged with governance should be involved in monitoring these arrangements.</p> <p>The Partnership is also responsible for establishing effective and appropriate internal audit and risk management functions.</p>
<p>Value for money: Value for money is concerned with the appropriate use of resources and ensuring continual improvement of services delivered.</p>	<p>The Partnership has a specific responsibility to ensure that arrangements have been made to secure best value. They are responsible for ensuring that these matters are given due priority and resources, and that proper procedures are established and operate satisfactorily.</p>

3

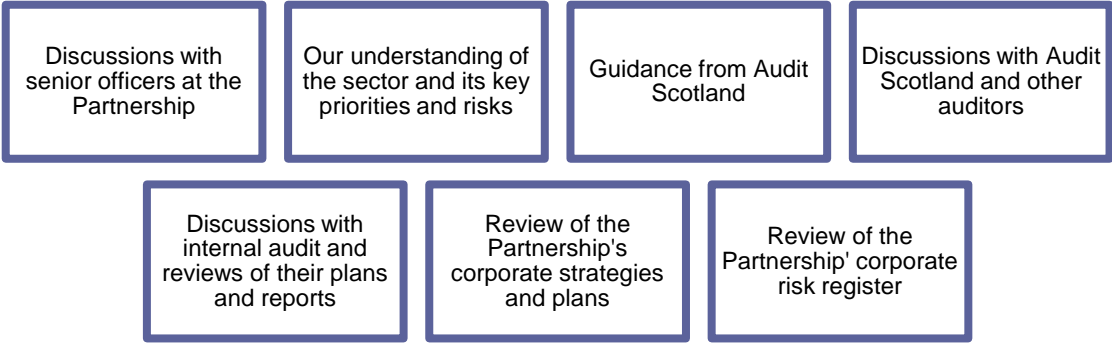
Audit strategy

Audit strategy

Risk-based audit approach

18. We follow a risk-based approach to audit planning that reflects our overall assessment of the relevant risks that apply to the Partnership.

This ensures that our audit focuses on the areas of highest risk. Our audit planning is based on:



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

Audit Scotland

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

Communications with those charged with governance

20. Auditing standards require us to make certain communications throughout the audit to those charged with governance. We have agreed with the Partnership that these communications will be through the Performance and Audit Committee.

Professional standards and guidance

21. We perform our audit of the annual accounts in accordance with International Standards on Auditing (UK) (ISAs (UK)), the International Standard on Quality Control 1 (UK), Ethical Standards, and applicable Practice Notes and other guidance issued by the Financial Reporting Council (FRC).

24. Audit Scotland undertakes national performance audits on issues affecting the public sector. We will review the Partnership's arrangements for taking action on any issues reported in the national performance reports which may have a local impact. We plan to assess the extent to which the Partnership uses the national performance reports as a means to help improve performance at a local level.

Partnership working

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

25. During the year we may also be required to provide information to Audit Scotland to support the national performance reports.

Internal audit

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

Service Organisations

27. The Partnership utilises a number of the constituent local authorities to provide services including financial ledger, legal and human resources. Where the systems may have a material impact on the financial statement we will work with these authorities to understand the controls in place at the service organisation.



Annual accounts

Annual accounts

Introduction

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

Approach to the audit of the annual accounts

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

Risk-based audit planning

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

An audit of key systems and internal controls

31. We evaluate the key accounting systems and internal controls and determine whether they are adequate to prevent material misstatements in the annual accounts.
32. The systems we review and the nature of the work we perform will be based on the initial risk assessment. We will examine and test compliance with best practice and the Partnership's own policies and procedures.
33. We will take cognisance of any relevant internal audit reviews of systems and controls.
34. We will update the risk assessment following our evaluation of systems and controls and this will ensure that we continue to focus attention on the areas of highest risk.

A final audit of the annual accounts

35. During our final audit we will test and review the material amounts and disclosures in the annual accounts. The extent of testing will be based on our risk assessment.
36. In 2016/17 we noted that there were disclosure and presentational issues within the published unaudited annual accounts. We will provide additional support to officers in 2017/18 and conduct a provisional review of the unaudited annual accounts prior to publication.

37. Our final audit will seek to provide reasonable assurance that the annual accounts are free from material misstatement and comply with the Code of Practice on Local Authority Accounting in the United Kingdom 2017/18 (the CIPFA Code).

Independent auditor's report

38. Our opinion on whether the financial statements give a true and fair view of the financial position and the income and expenditure will be set out in our independent auditor's report which will be included in the annual accounts.
39. We also provide an opinion on the auditable section of the remuneration report and whether the information in the management commentary and annual governance statement is consistent with our knowledge and compliant with relevant guidance.

Materiality

40. Materiality is an expression of the relative significance of a matter in the context of the annual accounts as a whole. A matter is material if its omission or misstatement would reasonably influence the decisions of an addressee of the auditor's report. The assessment of what is material is a matter of professional judgement over both the amount and the nature of the misstatement. We will review our assessment of materiality throughout our audit.
41. Our initial assessment of materiality for the annual accounts is £28,000, approximately 1% of the Partnership 2016/17 gross expenditure. We consider gross expenditure to be the principal consideration for the users of the accounts when assessing the performance of the Partnership. We will review and update our assessment of materiality following receipt of the unaudited annual accounts.
42. We set a performance (testing) materiality for each area of work which is based on a risk assessment for the area. We perform audit procedures on all transactions, or groups of transactions, and balances that exceed our performance materiality. This means that we perform a greater level of testing on the areas

deemed to be of significant risk of material misstatement.

Area risk assessment	Weighting	Performance materiality
High	40%	£11,200
Medium	50%	£14,000
Low	65%	£18,200

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

Key audit risks in the annual accounts

43. We will report any misstatements identified through our audit that fall into one of the following categories:
- All material corrected misstatements;
 - Uncorrected misstatements with a value in excess of 5% of the overall materiality figure (i.e. over £1,400); and

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

Exhibit 3: Key audit risks in the annual accounts

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*.

45. In response to this risk we will review the Partnership's accounting records and obtain evidence to ensure that any significant transactions outside the normal course of business were valid and accounted for correctly. We will review the key accounting estimates, judgements and decisions made by management.

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.

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

Exhibit 3: Key audit risks in the annual accounts

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.



47. In response to this risk we will evaluate the significant expenditure streams (excluding payroll which is not deemed to be a significant risk area) and review the controls in place over accounting for expenditure. We will consider the Partnership’s key areas of expenditure and obtain evidence that the expenditure is recorded in line with appropriate accounting policies and that the policies have been applied consistently across the year.

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 £2.095 million and an adjustment in 2016/17 of £1.722 million in the annual accounts (bringing the 2016/17 impairment to £1.918 million from £0.196 million 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 the 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.



48. We will review the steps taken by officers to improve the maintenance of the fixed asset register in 2017/18. In addition we will consider whether any progress has been made on tagging assets and matching all assets to the fixed asset register.
49. We will review the process for recording new additions on the fixed asset register to ensure this allows individual assets to be identified and a value directly allocated to each asset. We will ensure compliance with the CIPFA Code in recording any new assets

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Wider scope audit

Wider scope audit

Introduction

- 50. As described in section 2, the Code frames a significant part of our wider scope responsibilities in terms of four audit dimensions. Following consideration of the size, nature and risks of the Partnership, the application of the full wider scope audit is judged by us not to be appropriate. Our annual audit work on the wider scope will therefore be restricted to:
 - Audit work to allow conclusions to be made on the appropriateness of the disclosures in the governance statement; and
 - Consideration of the financial sustainability of the organisation and the services that it delivers over the medium and longer term.
- 51. Our planned audit work against these two dimensions is risk based and proportionate.
- 52. Our initial assessment builds upon our understanding of the Partnership's priorities and risks which we developed in 2016/17,

discussions with management and review of the Partnership' minutes and key strategy documents. In 2017/18 we have also considered the following risk areas as they relate to the Partnership:

- EU withdrawal
- New financial powers
- Ending of public sector pay cap
- Response to cyber security risks
- Openness and transparency.

- 53. At this stage of our audit planning, we have identified one significant risk to the wider scope of our audit in relation to financial sustainability (Exhibit 4). We have not, at this stage, identified any other significant risks in relation to the Partnership. Audit planning however is a continuous process and we will report any identified significant risks, as they relate to the four dimensions, in our annual audit report.

Exhibit 4 – Significant risk: financial sustainability

1. 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.



- 54. During our audit we will consider whether the Partnership has adequate arrangements in place for managing its financial position and its use of resources. Our conclusion will be based on a review of the Partnership's financial performance, underlying financial position, financial plans and financial reporting.

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Audit outputs, timetable and fees

Audit outputs, timetable and fees

Audit output	Format	Description	Target month
External audit plan	Report	This report sets out the scope of our audit for 2017/18.	March 2018
Independent Auditor's Report	Report	This report will contain our opinions on the true and fair view of the annual accounts.	September 2018
Annual Report to the Partnership and the Controller of Audit	Report	At the conclusion of each year's audit we will issue an annual report setting out the nature and extent of our audit work for the year and summarising our opinions, conclusions and the significant issues arising from the work. This report will pull together all of our work under the Code of Audit Practice.	September 2018

Audit outputs

38. Prior to submitting our outputs, we will discuss all issues with management to confirm factual accuracy and agree a draft action plan where appropriate.
39. The action plans within the reports will include prioritised recommendations, responsible officers and implementation dates. We will review progress against the action plans on a regular basis.

Audit fee

40. Audit Scotland sets an expected fee for each audit carried out under appointment that assumes the body has well functioning controls, an effective internal audit service, and an average risk profile. The expected fee is reviewed by Audit Scotland each year and adjusted if necessary based on auditors' experience, new requirements, or significant changes to the audited body.
41. As auditors we negotiate a fee with the audited body during the planning process. The fee may be varied above the expected fee level to reflect the circumstances and local risks within the body.
42. For 2017/18 we propose setting the audit fee above the expected fee level. The expected fee for the Partnership is £9,500. We propose setting the fee above this level at £11,150 to

take cognisance of the level of risk and the audit work we will carry out as identified in this plan.

43. The total proposed fee for the Partnership for 2017/18 is as follows:

2017/18	
Auditor remuneration	£9,900
Pooled costs	£730
Performance audit and Best Value	-
Audit support costs	£520
Total expected fee	£11,150¹

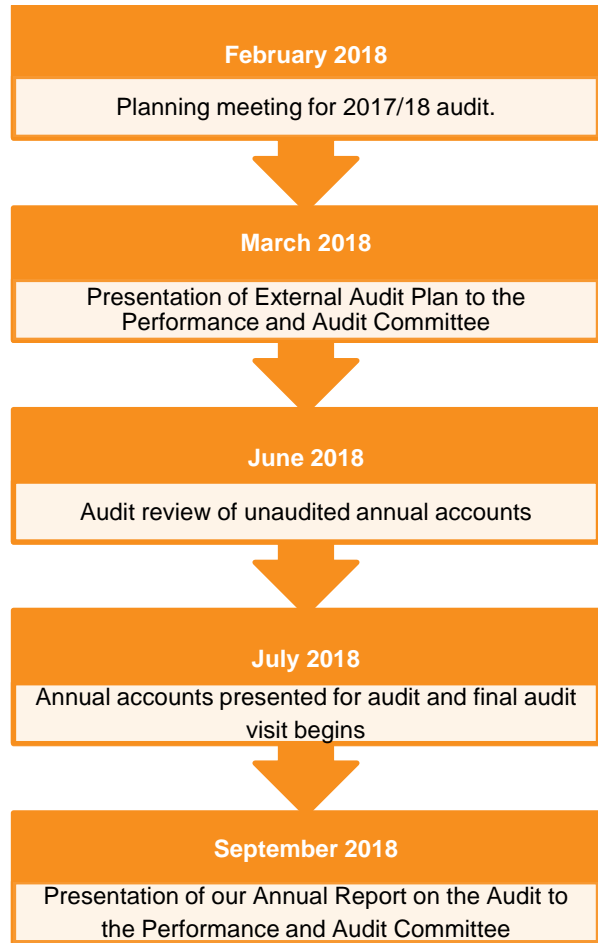
44. We will take account of the risk exposure of the Partnership and the management assurances in place. We assume receipt of the draft accounts and working papers at the outset of our on-site final audit visit. If the draft accounts and papers are late, or agreed management

¹ The audit fee in 2016/17 was £9,700

assurances are unavailable, we reserve the right to charge an additional fee for additional audit work. An additional fee will be required in relation to any other significant exercises not within our planned audit activity.

Audit timetable

45. The dates for our final audit visit has been discussed with the Head of Programmes and the City of Edinburgh Council Finance Team. A summary timetable, including audit outputs, is set out below:



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Appendices

Appendix 1: Your audit management team

Scott-Moncrieff is one of the largest independent accountancy firms in Scotland. We have 17 partners and over 200 staff operating from Edinburgh, Glasgow and Inverness. We are also part of the global Moore Stephens network.

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

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

Your audit management team



Karen Jones
Director
Karen.jones@scott-moncrieff.com

Karen is one of our directors responsible for the audit of our Audit Scotland external audit appointments. Karen has over 15 years’ experience in auditing the public sector. She has extensive experience in auditing in auditing local authorities and other local government bodies.

Karen will be your engagement lead.



Claire Gardiner
Audit Manager
Claire.gardiner@scott-moncrieff.com

Claire has over 12 years’ public sector external audit experience. She has delivered external audit services to a range of public sector bodies, including pension funds, local authorities, health bodies and central government bodies.

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



Rachel Wynne
Audit Senior
Rachel.wynne@scott-moncrieff.com

Rachel joined the firm in 2014 as a public sector audit trainee and has since achieved her CA qualification. She has experience delivering external audit services to a range of public sector bodies, including local government.

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

Confirmation of independence

International Standard on Auditing (UK) 260
“Communication with those charged with governance”
requires us to communicate on a timely basis all facts
and matters that may have a bearing on our
independence.

We confirm that we will comply with FRC’s Revised
Ethical Standard (June 2016). In our professional
judgement, the audit process is independent and our
objectivity has not been compromised in any way. In
particular there are and have been no relationships
between Scott-Moncrieff and the Partnership, its
Partnership members and senior management that
may reasonably be thought to bear on our objectivity
and independence.

Appendix 2: Statement of understanding

Introduction

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

Annual accounts

We will require the annual accounts and supporting working papers for audit by the agreed date specified in the audit timetable. It is assumed that the relevant Partnership staff will have adequate time available to deal with audit queries and will be available up to the expected time of completion of the audit.

Scope of audit

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

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

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

Internal audit

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

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

Fraud and irregularity

In order to discharge our responsibilities regarding fraud and irregularity we require any fraud or

irregularity issues to be reported to us as they arise. We also require a historic record of instances of fraud or irregularity to be maintained and a summary to be made available to us after each year end.

Ethics

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

Fees

We base our agreed fee upon the assumption that all of the required information for the audit is available within the agreed timetable. If the information is not available within the timetable we reserve the right to charge a fee for the additional time spent by our staff. The fee will depend upon the level of skill and responsibility of the staff involved.

Service

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

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

Reports

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

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

Agreement of terms

We shall be grateful if the Performance and Audit Committee would consider and note this statement of understanding. If the contents are not in accordance with your understanding of our terms of appointment, please let us know.



Scott-Moncrieff
business advisers and accountants

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Internal Audit Plan

1. INTRODUCTION

1.1 The City of Edinburgh Council Internal Audit team provides assurance over the controls established to mitigate the SEStran partnership's key risks by provision of one annual Internal Audit review.

1.2 The purpose of this paper is to provide an update on progress with the 2017/18 SEStran Internal Audit review, and request the Board's insights on areas for potential inclusion in the scope of the planned 2018/19 review.

2. Scope of the 2017/18 Internal Audit review

2.1 The scope of the 2017/18 Internal Audit review was discussed and agreed with SEStran management and external audit (Scott Moncrieff), and provides assurance on the following risks recorded in the SEStran risk register:

- Strategy;
- Governance;
- Key person dependency; and
- Grant Disbursement

2.2 The review is currently in progress and is scheduled to complete by 30 March 2018. A report will be prepared that includes Internal Audit recommendations to address any control gaps identified, together with management's responses and agreed actions.

The full terms of reference are included at Appendix 1.

3. 2018/19 Internal Audit Review

3.1 The Internal Audit team has now completed their 2018/19 annual planning process, and the draft plan will be presented to the Council's Governance, Risk, and Best Value Committee for review and scrutiny on 20 March 2018.

The draft annual plan includes one 15-day Internal Audit review for SEStran. This is consistent with the level of assurance provided in prior years.

4. RECOMMENDATIONS

4.1 The Board is requested to note the scope of the 2017/18 Internal Audit review, and provide insights in relation to key SEStran risks and areas of concern for inclusion in the planned 2018/19 Internal Audit review.

Lesley Newdall

Chief Internal Auditor

E-mail: lesley.newdall@edinburgh.gov.uk | Tel: 0131 469 3216

February 2018

Appendix 1 – Terms of Reference

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

SEStran

Terms of Reference – Annual Audit, ref MIS 1708

To: Jim Grieve, Acting Partnership Director

From: Lesley Newdall, Chief Internal Auditor,

Date: 14 February 2018

Cc: *See Key Contacts List*

This review is being undertaken as part of the 2017/18 City of Edinburgh Council Internal Audit plan approved by the City of Edinburgh Council Governance, Risk, and Best Value Committee in March 2017.

Background

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

There is a huge diversity of transportation issues within the SEStran partnership area, from urban congestion to rural public transport and from ferry ports to airports. SEStran aims to address these issues and work towards a more sustainable and efficient transport network.

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

SEStran is predominantly grant funded and received £1.4M funding in the financial year 2016/17. Funding is normally received from the Scottish Government; European bodies; and local authority councils. Circa £1m of this funding was spent on projects to support delivery of the RTS, and the balance on operating costs.

Given the significant grant funding contributed to support delivery of SEStran projects, it is essential that an adequate and effective governance framework has been established to support SEStran operations and disbursement of grant funds.

Scope

The scope of this review will assess the design adequacy and operating effectiveness of the key governance controls established to support SEStran operations and disbursement of grant funding on delivery of SEStran projects, with the objective of mitigating the following key risks:

- Strategy (medium)
- Governance (including Supplier dependency) - medium
- Key person dependency (low)
- Grant Disbursement (low)

Limitations of Scope

The scope of our review is limited to review of the key controls noted above.

Approach

Our audit approach is as follows:

- Obtain an understanding of the key governance processes through discussions with key personnel, and review of systems documentation and walkthrough tests (where applicable);
- Identify the key risks;
- Evaluate the design of the controls in place to address the key risks; and
- Test the operating effectiveness of the key controls.

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

Sub-process	Control Objectives
Governance and supplier management	<ul style="list-style-type: none"> • There is an established succession planning process in place to ensure continuity in the event of senior officer absence; • Authorities and approvals are adequately designed and effectively and consistently applied in relation to payments; procurement; payroll and grant acceptance; • There are formal structures in place relating to the partnership board and committees; • There are formal processes in place which set out the remits of the board and committees the roles and responsibilities of senior officers; SEStran employees; the partnership board; and councillor and non-councillor members; • There is a formal process for the selection, education and training of new board members; and • SEStran annually obtains third party supplier confirmations to confirm that third party services are compliant with all applicable regulations and legislation.
Strategy	<ul style="list-style-type: none"> • Contingency plans have been developed to address key Brexit risks such as sourcing alternative funding and sharing information and best practice with European bodies; • The contingency plans are approved at the correct level, regularly reviewed and updated to reflect ongoing Brexit developments; and • Ownership of contingency plans has been appropriately allocated.
Grant Disbursement	<ul style="list-style-type: none"> • Grant payments are disbursed in line with the terms specified in Grant Offer Letters, with appropriate evidence of disbursement retained.

Our Responsibilities

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

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

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

Your Responsibilities

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

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

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

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

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

Internal Audit Team

Name	Role	Contact Details
Lesley Newdall	Chief Internal Auditor	0131 469 3216
Elizabeth Maccallum	Internal Auditor	0131 469 3075

Key Contacts

Name	Title	Role	Contact Details
Jim Grieve	SEStran Partnership Director (Acting)	Review Sponsor	0131 524 5160
Angela Chambers	SEStran Business Manager	Key Contact	0131 524 5154
Lisa Freeman	Strategy & Projects Officer	Key Contact	
Moira Nelson	Active Travel Strategic Development Officer	Key Contact	
Iain Shaw	CEC Principal Accountant	Key Contact	0131 469 3117

Timetable

Fieldwork Start	12 February 2018
Fieldwork Completed	02 March 2018
Draft report to Auditee	09 March 2018
Response from Auditee	23 March 2018
Final Report to Auditee	30 March 2018

Appendix 1: Information Request

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

- Relevant background papers, as discussed at the scoping meeting.

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

Governance (including Supplier dependency)

- Copy of the scheme of delegation of role and responsibilities
- Evidence of the annual assurance from third party providers that they are compliant with applicable regulations and legislation

Strategy

- Contingency plans for Brexit

Grant Disbursement

- A sample of a grant offer letter

Appendix 2: Key Audit Stages, Responsibilities and Timetable

Area	Principles	Further guidance
Planning the audit	Agreeing the audit scope and objectives	<ul style="list-style-type: none"> • Internal Audit will determine and make arrangements for sufficient resources to achieve audit engagement objectives. This will be based on an evaluation of the nature and complexity of each engagement, time constraints and available resources. • An initial planning meeting will be held between Internal Audit and the Partnership Director. The planning meeting will be held in advance of the audit fieldwork commencing. The purpose of the meeting will be to agree the scope and objectives for the review, requirements during the audit and a reporting and closeout timetable. • The Partnership Director will identify the personnel who have the relevant knowledge and are best placed to answer questions in relation to the audit scope. The Partnership Director will be responsible for notifying these staff of the audit scope and any other requirements agreed with Internal Audit during the planning meeting. • Internal Audit shall be responsible for organising meetings with relevant staff.
Audit fieldwork and planning	Timely communication of issues identified during fieldwork	<ul style="list-style-type: none"> • The Auditee will be informed of the progress of the audit on a regular basis. • Any issues identified during the fieldwork by Internal Audit will be discussed with the relevant staff to ensure that they are accurate and proposed recommendations are valid and achievable. • Any material issues (Critical) will be raised by Internal Audit with the Partnership Director immediately as they arise.
Reporting	Closeout meeting to discuss and agree the internal audit report	<ul style="list-style-type: none"> • The closeout meeting will be undertaken with the Partnership Director within two weeks of the audit fieldwork being completed. • Internal Audit will provide the Partnership Director with a copy of the draft report within 2 weeks of completing the fieldwork.
Reporting	Management response to internal audit report	<ul style="list-style-type: none"> • The Partnership Director will have 2 weeks to provide management comments on the findings and recommendations in the Internal Audit report. • Internal Audit will issue the final report to the Partnership Director within 1 week of receipt of management comments.
Reporting	Reporting of internal audit findings to the Performance & Audit Committee	<ul style="list-style-type: none"> • Internal Audit shall prepare an internal audit update report annually for the Performance & Audit Committee. The update report will summarise the findings arising from the finalised internal audit report. It will also include progress on implementation of prior year internal audit recommendations.

Area	Principles	Further guidance
Follow up	Monitoring the implementation of internal audit recommendations	<ul style="list-style-type: none"><li data-bbox="643 181 1450 344">• A questionnaire will be issued to be completed by the Auditee to allow opportunity to comment directly to the Chief Internal Auditor on the satisfaction of the audit service provided. This forms part of the Internal Audit Quality Review program.<li data-bbox="643 360 1450 589">• Internal audit will track the status of all open recommendations. Recommendations that are overdue will be reported to the Performance & Review Committee on an annual basis. Internal Audit will advise management of all open recommendations and invite them to provide evidence that the recommendations have been actioned.

REVENUE BUDGET 2018/19

1. Introduction

1.1 This report presents for approval, a revenue budget for 2018/19.

2. Proposed Revenue Budget 2018/19

2.1 Section 3 of the Transport (Scotland) Act requires the constituent councils of a Regional Transport Partnership to meet the net expenses of the Partnership.

2.2 A financial planning report was considered by the Partnership on 19th January 2018. Three financial planning options were identified:

- a 5% reduction of £9,500 in constituent council requisitions;
- no change in constituent council requisitions from 2017/18;
- increase constituent council requisition and progress “Intelligent Centralisation”.

2.3 The Partnership noted the financial planning assumptions being progressed and instructed further options be presented on reductions in constituent council requisition of 10% and 15%.

2.4 The Financial Planning report also noted that a paper should be brought to the first two meetings of 2018 on “Intelligent Centralisation” proposals for 2019/20 and if possible 2018/19. To date, one proposal has been received in respect of “Intelligent Centralisation”; this for modelling and appraisal work. Officers of the Partnership will provide progress updates to future meetings of the Partnership.

2.5 The Scottish Government has advised its grant will be at the same level as 2017/18 - £782,000.

2.6 The Cabinet Secretary for Finance and the Constitution presented a provisional one-year Local Government Finance Settlement to the Scottish Parliament as part of the 2018/19 Draft Scottish Budget on 14th December 2017. The provisional Settlement was subject to consultation until 26th January 2018 and Scottish Parliamentary approval thereafter.

2.7 On a like-for-like basis and taking account of monies provided in respect of new commitments and/or pressures, the headline year-on-year Scotland-wide decrease in the provisional Settlement was around £153m, or 1.6%, of total current funding. The rate of reduction varied from council to council.

2.8 Following consultation and debate by the Scottish Parliament, a re-assessment of the total level of grant funding to councils was made, resulting in an additional £170m being introduced to the Local Government Finance Settlement. While a number of differing comparisons of the relative change in the level of Settlement can be made, receipt of these additional monies

resulted in an overall Scotland-wide year-on-year cash terms increase of about 0.1%.

- 2.9 Longer-term funding assumptions remain subject to uncertainty. There remains a considerable risk that there will be reductions in funding provided through the Scottish Block grant for 2019/20 and beyond.
- 2.10 A base revenue budget with a standstill council requisition of £190,000 has been prepared in consultation with officers of the Partnership. Revenue budget lines have been updated to take account of known cost commitments and savings.
- 2.11 Within the base revenue budget, provision is made for the following:
- An organisation structure of 8.54fte, based on the structure reported by the Partnership Director to Performance and Audit Committee on 17th February 2017. The employee budget includes continuing professional support as referred to in paragraph 2.5 of the Performance and Audit Committee report;
 - Implementation of pay grading structure to mitigate risk of Single Status (Equal Pay) challenges;
 - staff recharges to projects of £136,000;
 - pay award provision of up to 3%, seeking alignment to the Scottish Government public sector pay policy for 2018/19 - £10,249;
 - increment pay provision of up to £5,000;
 - 0.5% increase in employers' pension fund contribution rate, following Lothian Pension Fund actuarial review at 31st March 2017.
- 2.12 A detailed analysis of the base core revenue budget for 2018/19 is shown in Appendix 1, with the base projects budget detailed in Appendix 2.
- 2.13 As instructed by the Partnership at its meeting on 19th January 2018, in addition to the previously identified reduction of 5%, options to achieve reductions of 10% and 15% in council requisitions have been developed in consultation with the Partnership's Head of Programmes.
- 2.14 A 5% reduction in council requisitions is £9,500. It is now anticipated a reduction of £9,500 can be achieved through re-negotiation of the existing contract with Ineo Systrans to host and maintain the server to support Real Time Passenger Information. This follows First East Scotland Limited's move towards 'Ticketer' technology. It is expected that the cost of maintaining the system will reduce and this will be subject to negotiation with Ineo Systrans. There is no change anticipated for users of Real Time Passenger Information.
- 2.15 A 10% reduction in council requisitions is £19,000. It is anticipated a reduction of £19,000 could be achieved through re-negotiation of the existing contract with Ineo Systrans to host and maintain the server to support Real Time Passenger Information, as described at paragraph 2.14. As the contract is subject to re-negotiation, however, a risk remains as to the achievement of the full value of the increased saving. To mitigate this risk, other contract re-procurement opportunities and savings will be developed. Only if it is not possible to realise the full value of the saving through contract re-procurement will alternative mitigating savings be identified to the Partnership during 2018/19 for approval.

- 2.16 A 15% reduction in council requisitions is £27,500. In addition to the contract savings of £19,000 identified at paragraph 2.15, this saving would require a further saving of £9,500, which would be achieved through a reduction in Sustainable Travel expenditure. This would be achieved through a reduction in match funding for Sustainable Travel projects led by constituent councils, universities and colleges and Police Scotland.
- 2.17 At the meeting of SEStran Chief Officers on 15th February 2018, Chief Officers noted the budget options presented and expressed preference for a standstill requisition or at most a 5% reduction, to mitigate potential impacts on progressing the Active Travel agenda.
- 2.18 For the base 2018/19 revenue budget, external income of £281,000 is anticipated to fund 22.4% of proposed expenditure. Scottish Government grant funding would meet 62.4% of proposed expenditure with council contributions funding 15.2% of expenditure. The table below shows the profile of the Partnership's expenditure and income since 2011/12.

SEStran Budget 2011/12 – 2018/19

	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Core	467	461	463	465	550	551	478	531
Projects	791	709	504	1,076	2,384	725	510	614
RTPI	110	117	222	286	230	344	339	108
Total Budget	1,368	1,287	1,189	1,827	3,164	1,620	1,327	1,253
External Funding								
EU Grants	313	245	146	233	131	152	95	139
Other income	48	60	61	266	1,051	486	260	142
Bus Investment Fund				346	1,000	0	0	0
Total External Funding	361	305	207	845	2,182	638	355	281
Scottish Government	782	782	782	782	782	782	782	782
Council Requisition	225	200	200	200	200	200	190	190
Total Funding	1,368	1,287	1,189	1,827	3,164	1,620	1,327	1,253

- 2.19 Risk and contingency planning has been considered as part of the budget development process. A risk assessment is included at Appendix 3.
- 2.20 Under the Transport (Scotland) Act 2005, the Partnership does not have an explicit power to maintain an unallocated general fund reserve, meaning the net expenses of the Partnership can only be funded from grant and requisition income available in each financial year.
- 2.21 Elsewhere on this agenda, the Partnership will be provided with a Standard's Officer Update. There may be potential financial risk to the Partnership budget arising. It is therefore recommended that a 'stand-still requisition' is approved.

- 2.22 If the Partnership seeks to approve a reduction in constituent council requisition, it is recommended that the reduction element of the requisition is held in a contingency by the Partnership, during ongoing assessment of potential financial risks. A refund of requisition will be made in line with the decision of the Partnership once potential financial risks in the 2018/19 revenue budget are fully mitigated or discharged.
- 2.23 All income and expenditure of the Partnership will continue to be monitored closely during 2018/19. If it becomes necessary to transfer funds between headings within the approved revenue budget to meet unanticipated costs in 2018/19, this will be reported as part of the quarterly Financial Performance report presented to each meeting of the Partnership during 2018/19.

3. Revenue Budget - 2019/20 and Later Years

- 3.1 The proposed revenue budget is for the financial year 2018/19 only. Longer-term funding assumptions remain subject to uncertainty. There remains a considerable risk that there will be reductions in funding provided through the Scottish Block grant for 2019/20 and beyond.
- 3.2 Public sector financial resource forecasts will be tracked throughout 2018 and a revenue budget proposal for 2019/20 will be developed for consideration by the Partnership in the autumn of 2018.
- 3.3 Proposals for any “Intelligent Centralisation” of services to deliver financial benefits for 2019/20 and if possible, 2018/19 will continue to be explored with lead transport officials of constituent councils.

4. Recommendations

It is recommended that the Partnership:

- 4.1 note the baseline revenue budget developed for 2018/19, as detailed in Appendices 1 and 2;
- 4.2 note the savings option proposed at paragraph 2.14 to achieve a 5% reduction in constituent councils’ requisition;
- 4.3 note the savings option proposed at paragraph 2.15 to achieve a 10% reduction in constituent councils’ requisition;
- 4.4 note the savings option proposed at paragraph 2.16 to achieve a further 5% reduction leading to a 15% reduction overall in requisition;
- 4.5 approve a core revenue and projects budget for 2018/19 based on a standstill constituent council requisition of £190,000 **or**;
- 4.6 if the Partnership wishes a reduction in constituent council requisitions, to approve either:
- 4.6.1 a 5% reduction in constituent council requisition to £180,500 following a reduction in contract costs; **or**

- 4.6.2 a 10% reduction in constituent council requisition to £171,000 following an increased reduction in contract costs; **or**
- 4.6.3 a 15% reduction in constituent council requisition to £161,500, following a reduction of £19,000 in contract costs and a further £9,500 in Sustainable Travel expenditure.

4.7 Based on the level of requisition approved at either paragraph 4.5 or 4.6, instruct the Treasurer to requisition constituent councils for the relevant amount detailed below:

Council Note ¹	'Stand-still' requisition	Option 1 - 5% reduction in requisition	Option 2 - 10% reduction in requisition	Option 3 - 15% reduction in requisition
Clackmannanshire	£6,192	£5,883	£5,573	£5,263
East Lothian	£12,552	£11,925	£11,297	£10,669
Edinburgh	£61,160	£58,102	£55,044	£51,986
Falkirk	£19,220	£18,259	£17,298	£16,337
Fife	£44,658	£42,425	£40,192	£37,959
Midlothian	£10,685	£10,151	£9,617	£9,083
Scottish Borders	£13,811	£13,121	£12,430	£11,739
West Lothian	£21,722	£20,636	£19,550	£18,464
Total	£190,000	£180,500	£171,000	£161,500

- 4.8 approve that any reduction from a 'Stand-still' requisition be held in a contingency by the Partnership, during ongoing assessment of potential financial risks. A refund of constituent council requisition will be made in line with the decision of the Partnership in accordance with the relevant amount detailed in the table at paragraph 4.7, once financial risks in the 2018/19 revenue budget are fully mitigated or discharged;
- 4.9 note that financial planning for 2019/20 will be developed throughout 2018 for consideration by the Partnership in autumn 2018;
- 4.10 note that the proposed budget is subject to a number of risks and that all income and expenditure of the Partnership will continue to be monitored closely. If it becomes necessary to transfer funds between headings within the approved revenue budget to meet unanticipated costs in 2018/19, this will be reported as part of the quarterly Financial Performance report presented to each meeting of the Partnership during 2018/19.

5. Background Reading/External References

[Financial Planning 2018/19: Partnership Board, 19 January 2018](#)

[Partnership Staffing Update: Performance and Audit Committee, 17 February 2017](#)

¹ Council requisitions are split according to National Records of Scotland Mid-Year population estimates 2016

Appendices Appendix 1 – Base Core Revenue Budget 2018/19
Appendix 2 – Base Revenue Projects Budget 2018/19
Appendix 3 – Risk Assessment

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

Policy Implications	There are no policy implications arising as a result of this report.
Financial Implications	There are no financial implications arising.
Equalities Implications	There are no equalities implications arising as a result of this report.
Climate Change Implications	There are no climate change implications arising as a result of this report.

Base Core Revenue Budget 2018/19

Appendix 1

	Approved 2017/18	Base 2018/19	Cost Commitments
	£000	£000	
Employee Costs			
Salaries, National Insurance and Pension Fund	381	444	8.54 FTE permanent employees
Premises Costs	16	16	Lease for office in Victoria Quay and related costs.
Staff Travel	9	9	
Supplies and Services			
Marketing	20	20	£10,000 Car Share/£10,000 general marketing and sustainable travel
Communications & Computing	37	37	
Hosted Service – Routewise	53	53	£50,000 saving per annum in total to participating constituent councils
Printing/Stationery/Supplies	10	7	
Insurance	4	4	Employer/employee liability insurance
Equipment/Furniture/Materials	1	1	
Training/Conferences	10	10	
Interview Expenses/Advertising	2	2	
Miscellaneous Expenses	11	6	

Base Core Revenue Budget 2018/19 (continued)

Appendix 1

	Approved 2017/18	Base 2018/19	Cost Commitments
	£'000	£'000	
Support Services			
Finance	25	25	Per Service Level Agreement with City of Edinburgh Council. Preparation of statutory annual accounts, payment of payroll and invoices, debt recovery, banking and cash management, budget preparation, Internal Audit.
Legal Services / HR	7	7	Per contractual agreements with the Partnership's external legal provider and Falkirk Council HR service.
Corporate and Democratic			
Clerks Fees	15	15	Per Service Level Agreement with City of Edinburgh Council.
External Audit Fees	10	10	
Members Expenses	3	1	Non-Council Members expenses – Partnership meetings.
Interest	1	0	Net cost of borrowing per Partnership's Treasury Management Strategy.
Funding			
Recharges:			
• EU Projects	(117)	(136)	Recovery of employee costs – Social Car, Share-north, Regio-mob, Surflogh projects.
• Sustainable Transport	(20)	0	
Scottish Government Grant	(288)	(341)	
Net Core Expenditure	190	190	To be met by constituent councils

Base Project Budget 2018/19

Appendix 2

	Approved 2017/18	Base 2018/19	EU /Other Grant	Net Expenditure	Cost Commitments
	£'000	£'000	£'000	£'000	
EU Projects					
Social Car	0	4	(4)	0	EU grant funded project
Share-north	20	60	(30)	30	EU grant funded project
Regio-mob	5	65	(55)	10	EU grant funded project
Surflogh	0	100	(50)	50	EU grant funded project
Total	25	229	(139)	90	
RTPI					
Maintenance	226	108		108	First East Scotland Ltd moving to 'Ticketer' technology, with a server required to link operators to Traveline and Real Time Passenger Information system (RTPI).
Expansion	113	0		0	First East Scotland Ltd moving to 'Ticketer' technology.
Bus Operators income	(160)		(42)	(42)	Reduction follows First East Scotland Ltd move to 'Ticketer' technology.
Total – RTPI	179	108	(42)	66	
Sustainable Travel	190	243		243	Provision of match funding to constituent councils, universities and colleges, Police Scotland
South Tay Park and Ride	10	0		0	Agreement with TACtran complete.
Urban Cycle Networks	20	132	(100)	32	Contractually committed on a year to year basis. Includes funding for Cycling Officer.
Equalities Action Forum	10	10		10	Funding for the Equalities Action Forum is included to fund a minimal level of actions identified by the Forum.
Research and Development	50	0		0	Funding for Rail/Bus Advice, SDP/LDP and RTS Monitoring transferred to Sustainable Travel.
Total	484	722	(281)	441	

Risk Assessment

Risk Description	Existing Controls
Pay awards. The proposed budget assumes provision for a pay award of up to 3% in 2018/19, which is based on alignment with the Scottish Government's public sector pay policy for 2018/19. A 1% increase in pay award uplift equates to an increase in cost of approximately £3,400.	Alignment with Scottish Government Public Sector Pay Policy.
The proposed budget does not adequately cover price inflation.	Allowance has been made for specific price inflation and other budgets have been adjusted in line with current demand / forecasts.
The deficit on the staff pension fund could lead to increases in the employer's pension contribution.	The Partnership continues to benefit from Lothian Pension Fund's contribution stability mechanism as part of the Fund's strategy to manage potential volatility in employer contribution rates. Following Lothian Pension Fund's Triennial Actuarial Review 2017, proposed Partnership contribution rates are advised until 2020/21.
Following the outcome of the EU Referendum, the Partnership is unable to access EU funding.	The Partnership continues to seek alternative funding sources to progress knowledge exchange/transfer and to seek to successfully bid for EU projects following the United Kingdom serving notice under Article 50.
Delays in payment of grant by the EU results in additional short-term borrowing costs.	SEStran grant claims for EU funded projects are submitted in compliance with requirements of EU control processes to ensure minimal delay in receipt of payment. Ongoing monitoring of cash flow is undertaken to manage exposure to additional short-term borrowing costs.
Current staffing levels cannot be maintained due to funding constraints and the Partnership incurs staff release costs.	The Partnership Director continues to seek additional sources of funding for activities aligned to the Partnership's objectives to supplement resources.
Residual financial risk in 2018/19 revenue budget.	Regular monitoring of risks, with action taken by Partnership officers to develop alternative savings measures, including options for development of contingency arrangements, if required and subject to approval by the Partnership.
Approved savings options are not delivered.	Regular monitoring of savings implementation, with action taken by Partnership officers to develop alternative measures, if required for approval by the Partnership.

FINANCE OFFICER'S REPORT

1. INTRODUCTION

- 1.1** This report presents the third update on financial performance of the core revenue budget of the Partnership for 2017/18, in accordance with the Financial Regulations of the Partnership. This report presents an analysis of financial performance to the end of December 2017.
- 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.

2. CORE REVENUE BUDGET 2017/2018

- 2.1** The Partnership's core revenue budget for 2017/18 was approved by the Partnership Board on 2nd March 2017. 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 £478,000 on 2nd March 2017. Details of the Partnership's core budget are provided in **Appendix 1** to this report.
- 2.2** Cumulative expenditure for the nine months to 31st December 2017 was £331,000. This is within the core budget resources available for the period.
- 2.3** All expenditure estimates have been updated to reflect current expenditure commitments and it is projected that expenditure for the year will be within the budget for 2017/18. As previously reported to the Partnership meeting of 22nd September 2017, following review of the Partnership's staffing structure by the Partnership Director, under the Partnership's Scheme of Delegation, a budget transfer of £10,000 from the Projects budget was made to reflect posts directly funded through the Projects budget.

BALANCES

- 2.4** The Partnership holds a balance of £49,000 as a result of the underspend on the 2016/17 budget. The Partnership Board approved on 2nd March 2017 that this underspend should be utilised as funding for the Sustainable and Active Travel Grant Scheme. It is anticipated these funds will be fully spent in 2017/18.

CASH FLOW

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

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

Date	Net Balance due to SESTran (+ve) /due by SESTran (-ve)
	£
30 April 2017	+177,001.86
31 May 2017	+204,157.32
30 June 2017	+328,878.40
31 July 2017	+353,669.27
31 August 2017	+454,246.87
30 September 2017	+441,639.82
31 October 2017	+473,123.77
30 November 2017	+421,718.98
31 December 2017	+416,970.42

- 2.6** Interest is charged/paid on the month end net indebtedness balances between the Council and the Board. Interest will be calculated in March 2018.
- 2.7** The positive cash flow in the first nine months of 2017/18 is attributable to funding received in advance, mainly from the Scottish Government grant, Councils requisitions and EU funding in respect of the Social Car project.

3. RECOMMENDATIONS

It is recommended that the Partnership Board notes:-

- 3.1** it is currently forecast that core expenditure in 2017/18 will be within the revenue budget resources of the Partnership;
- 3.2** all income and expenditure will continue to be monitored for the remainder of 2017/18;
- 3.3** the month end balance of indebtedness between the Partnership and City of Edinburgh Council and the reason for these balances identified at paragraph 2.7.

HUGH DUNN
Treasurer
16th March 2018

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

Contact/tel Craig Beattie, Tel: 0131 469 3222
(craig.beattie@edinburgh.gov.uk)

Policy Implications	There are no policy implications arising as a result of this report.
Financial Implications	There are no financial implications arising - the contents of this report point towards a balanced core budget outturn for 2017/18.
Equalities Implications	There are no equalities 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 2017/18 – as at 31st December 2017

Appendix 1

	Annual Budget £'000	Period Budget £'000	Period Actual £'000	Annual Forecast £'000	Forecast Variance £'000
Employee Costs					
Salaries	304	228	242	326	22
National Insurance	31	23	26	34	3
Pension Fund	46	35	42	54	8
Recharges – Projects *	(127)	(95)	(108)	(144)	(17)
Training & Conferences	10	7	7	10	0
Interviews & Advertising	2	2	3	3	1
	266	200	212	283	17
Premises Costs					
Office Accommodation	16	12	8	16	0
	16	12	8	16	0
Transport					
Staff Travel	9	7	4	6	(3)
Supplies and Services					
Marketing	20	15	19	29	9
Communications & Computing	90	78	83	90	0
Printing, Stationery & General Office Supplies	10	7	3	4	(6)
Insurance	4	3	4	4	0
Equipment, Furniture & Materials	1	1	0	1	0
Miscellaneous Expenses	11	8	(6)	(2)	(13)
	136	112	103	126	(10)
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	15	0
External Audit Fees	10	3	3	10	0
Members Allowances and Expenses	3	2	1	1	(2)
	28	5	4	26	(2)
Interest - Paid/ (Received)	1	0	0	(1)	(2)
Total Expenditure	488	336	331	488	0
Funding:					
Scottish Government Grant	(288)	(230)	(230)	(288)	0
Council Requisitions	(190)	(190)	(190)	(190)	0
Total Funding	(478)	(420)	(420)	(478)	0
Net Expenditure/ (Income)	10	(84)	(89)	10	0

* A budget transfer of £10,000 from the Projects budget was made by the Partnership Director under the Partnership's Scheme of Delegation.

ANNUAL TREASURY STRATEGY

1 Purpose of report

- 1.1 The purpose of this report is to propose an Investment Strategy for 2018/19.

2 Annual Treasury Strategy

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

3 Recommendations

- 3.1 It is recommended that the Annual Treasury Strategy is approved, to continue the current Treasury Management arrangements as outlined in Appendix 1.

Hugh Dunn
Treasurer

Appendix Appendix 1 - Annual Treasury Strategy

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

APPENDIX 1

Annual Treasury Strategy

(a) Treasury Management Policy Statement

1. The Partnership defines its Treasury Management activities as:

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

2. The Partnership regards the successful identification monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the organisation.
3. The Partnership acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management, and to employing suitable comprehensive measurement techniques, within the context of effective risk management.

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

(b) Permitted Investments

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

(c) Prudential Indicators

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



ACCOUNTING POLICIES

1. Introduction

- 1.1 This report presents the Partnership's Accounting Policies proposed for preparation of the 2017/18 Annual Accounts, for review and approval by the Partnership.

2. Accounting Policies

- 2.1 The Partnership's Annual Accounts are prepared in accordance with the International Financial Reporting Standards (IFRS) based Code of Practice on Local Authority Accounting in the United Kingdom (the Code) to ensure that the Annual Accounts "present a true and fair view" of the financial position and transactions of the Partnership.
- 2.2 Appendix 1 presents the Partnership's existing Accounting Policies, applied in preparation of the 2016/17 Annual Accounts.
- 2.3 There are no changes to the Accounting Code of Practice which are anticipated to require a change to the Partnership's Accounting Policies for preparation of the 2017/18 Annual Accounts and it is consequently recommended that the Policies detailed in Appendix 1 are applied when preparing the 2017/18 Annual Accounts.

4. Recommendations

- 4.1 Subject to any comments arising from the Board's review of the proposed Accounting Policies for 2017/18, it is recommended that the Accounting Policies detailed in Appendix 1 are approved for application in preparation of the 2017/18 Annual Accounts.

HUGH DUNN
Treasurer
16th March 2018

Appendices Appendix 1 – Accounting Policies

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.
Equalities Implications	There are no equalities implications arising as a result of this report.
Climate Change Implications	There are no climate change implications arising as a result of this report.

1. Statement of Accounting Policies

1.1 Accounting Policies

The Annual Accounts are prepared in accordance with the International Financial Reporting Standards (IFRS) based Code of Practice on Local Authority Accounting 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 are 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 furniture and fittings, and equipment.

1.3 Accruals of Expenditure and Income

The revenue account is 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 are accounted for on an accruals basis.

1.4 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 does not have any leased-out assets that fall under the definition of operating leases.

1.5 Overheads

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

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

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

1.7 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 are 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 are 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 are 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.

1.8 Non-Current Assets

a) Intangible Assets

Expenditure on assets that have no physical substance but are identifiable and controlled by the Partnership are capitalised where a benefit of more than one financial year can be established. The balance is depreciated over the economic life of the asset to reflect the pattern of consumption of benefits. Intangible assets are valued on an historic cost basis.

b) Property, Plant and Equipment

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

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

Recognition:

- Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is 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 is included in the Balance Sheet at the lower of net current replacement cost or net realisable value in existing use, net of depreciation.

1.9 Government Grants and Other Contributions

● Revenue

Revenue grants and other contributions are 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 are 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.

1.10 Provisions

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

1.11 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.

1.12 Financial Instruments

Financial Assets

Loans and receivables are initially measured at fair value and carried at their amortised cost. Annual credits to the Comprehensive Income and Expenditure Statement for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument.

Surplus funds held on behalf of the Partnership are managed by the City of Edinburgh Council under a formal management agreement in a pooled investment arrangement.

1.13 Cash and Cash Equivalents

Cash and cash equivalents include credit and debit funds held in banks.

1.14 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.

1.15 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.

1.16 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.

1.17 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 are included.

1.18 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.

DRAFT BUSINESS PLAN 2018-19

1. INTRODUCTION

1.1 The purpose of this report is to present and seek the Board’s approval of the forthcoming year’s Business Plan for SEStran attached as Appendix 1.

2. BUSINESS PLAN

2.1 Consistent with the changes introduced last year, the 2018/19 Business Plan is concise, with a clear work program and associated KPIs against which to measure progress.

3. CONCLUSION

3.1 The Board is asked to approve the contents of the draft Business Plan 18/19.

Jim Grieve
Head of Programmes

Appendix 1 – Draft Business Plan 18/19

Policy Implications	The Business Plan proposes to further develop a monitoring base for the delivery of key RTS policy statements and key business priorities.
Financial Implications	The proposed priorities are identified within the 18/19 Budget.
Equalities Implications	The Business Plan seeks to mainstream the continuous improvement of SEStran’s Public Sector Equality duties within our Business Planning process.
Climate Change Implications	The priorities seek to promote SEStran’s responsibilities as a significant player under the Climate Change Act legislation and our associated duties.

Appendix 1.

South East of Scotland Transport Partnership

Business Plan 2018-19

DRAFT February 2018



DRAFT

Foreword

The South East of Scotland Transport Partnership (SEStran), has now been in existence for 20 years, having begun life as a voluntary partnership, following the establishment of 32 unity authorities in Scotland in 1996. This reflected a realisation at the time that a wider perspective than that of a single local authority was necessary to create a meaningful, Regional Transport Strategy. The 7 Regional Transport Partnerships in Scotland were subsequently established by statute in 2005. A National Transport Strategy (NTS) and Regional Transport Strategies (RTSs) were subsequently put in place.

A review of the NTS is currently underway and is programmed for public consultation during the summer of 2019. The Minister for Transport and Islands has stated that regional transport governance will be included in the review. Local politicians and RTP officers are involved at various levels in the consultation element and it is expected that an indication of what is envisaged for regional governance will begin to emerge during the financial year 2018/19. This represents a significant challenge for SEStran and the organisation is seeking to lead by example on collaboration initiatives and on demonstrating the effectiveness of a regional body in accessing grant opportunities and delivering cross boundary initiatives in support of its RTS.

Over the past 10 years, SEStran has been successfully involved in a significant number of EU funded projects which has not only brought additional funding into the organisation but has also allowed staff to share ideas with, and gain knowledge from, a wide range of European countries on sustainable transport. Brexit therefore represents another challenge. In the meantime, until the exit process is completed, SEStran continues to win and participate in projects with the rest of the EU and it will continue to seek other sources of funding both in the next financial year and in future both nationally and internationally.

Introduction

SEStran presents its 2018/19 Business Plan for the next twelve months, outlining how it plans to achieve even more during 2018/19 to deliver against its vision:

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

In 2018/19 SEStran will work across five core Strategic Objective areas to deliver its business plan, these are:

- Economy – to ensure transport facilitates economic growth, regional prosperity and vitality in a sustainable manner
- 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
- Environment – to ensure that development is achieved in an environmentally sustainable manner
- Safety and Health – to promote a healthier and more active SEStran area population
- Corporate – to continually improve performance to achieve greater efficiency and effectiveness in SEStran service delivery and to pursue partnership working where this will aid service delivery.

Background - About the South East of Scotland

SEStran is the statutory Regional Transport Partnership for the South East of Scotland. It encompasses eight local authorities: City of Edinburgh, Clackmannanshire, East Lothian, Falkirk, Fife, Midlothian, Scottish Borders and West Lothian.

Within the partnership area there is a huge diversity of transportation issues, from urban congestion to rural public transport and from ferry ports to airports. SEStran aims to address these issues and work towards a more sustainable and efficient transport network.

The region is very diverse from both a geographic and socio-economic perspective. In terms of geography, the area has a wide range of urban and rural environments, from a major capital city in Edinburgh to very rural areas in East Lothian and the Scottish Borders.

From an economic perspective, Edinburgh's economy is both nationally and regionally important. From a socio-economic perspective, areas of deprivation can be found throughout the SEStran area, some of which are further disadvantaged by geography and location.

The level of transport provision generally reflects the geography of the area, with the densely populated areas supporting well developed public transport systems, which diminish as areas become less densely populated. Reflecting this, the levels of traffic congestion vary enormously across the area, whilst a number of regional bottlenecks, such as the Edinburgh City Bypass are particularly prone to congestion

Strategic Objectives

Economy – to ensure transport facilitates economic growth, regional prosperity and vitality in a sustainable manner

Priorities

- To maintain and improve labour market accessibility to key business/employment locations, from all localities and communities, particularly by public transport and active travel.
- To maintain and improve connectivity to the rest of Scotland, the UK and beyond.
- To support other strategies, particularly land-use planning and economic development.
- To reduce the negative impacts of congestion, to improve journey time reliability for passengers and freight.

Accessibility – to improve accessibility for those with limited transport choice (including those with mobility difficulties) or no access to a car, particularly those living in rural areas

Priorities

- To improve access to employment;
- To improve access to health facilities;
- To improve access to other services, such as retailing, leisure/social and education;
- To influence decisions on the provision of public transport to make it more affordable and socially inclusive.

Environment – to ensure that development is achieved in an environmentally sustainable manner

Priorities

- To contribute to the achievement of the UK's national targets and obligations on greenhouse gas emissions;
- To minimise the negative impacts of transport on natural and cultural resources
- To promote more sustainable travel;
- To reduce the need to travel;
- To increase transport choices, reducing dependency on the private car.

Safety and Health – to promote a healthier and more active SEStran area population

Priorities

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

Corporate – to continually improve performance to achieve greater efficiency and effectiveness in SEStran service delivery

- To deliver best value;
- To seek to reduce our carbon emissions & positively influence other regional stakeholders;
- To deliver robust data governance and practice;
- To promote the delivery, monitoring and mainstreaming of our Equality Outcomes
- Promote partnership working

Key Priorities for 2018/19

In 2018/19 SEStran's key priorities for the year include:

1. Promote and work towards more people cycling and walking in the region, working with key stakeholders and partners Sustrans Scotland, Cycling Scotland and other key Stakeholders.

In the Scottish Government's Programme for Government 2017-18 there is a commitment to doubling the active travel budget to £80m to make our towns and cities safer and friendlier for walking and cycling. With a pledge to building an Active Nation, the Government will focus on, and encourage, the promotion of electric bikes and delivering projects that allow older people to benefit and improve accessibility to our networks for all.

In August 2017, SEStran awarded Bikeplus £183,000 to deliver a series of electric bike hubs across the region. Four locations were identified, and the first four **GO e-Bike** hubs will be officially launched in April 2018. One of the major aims of the project is to identify areas of transport poverty to improve and increase opportunities and connectivity for all. Following the Scottish Government's vision, SEStran will continue to support the promotion of electric bikes by allocating funding to expand the GO e-Bike project over the next financial year and will look to identify further funding opportunities to facilitate its expansion.

SEStran will maintain its commitment to delivering improvements to the regional active travel network, through partnership with Sustrans Scotland. The Regional Cycle Network Grant Scheme (RCNGS), provided by Sustrans Scotland and Transport Scotland, will be used across the region with a focus on cross-boundary utility routes. SEStran will develop and deliver a new strategy of priority routes across the region, and through the RCNGS will 100% fund design work of these routes to create a portfolio of active travel projects that are ready to be implemented.

SEStran will continue to offer support to schools across the region to promote cycle training and behaviour change through the partnership role with Cycling Scotland. This will include support and coordination of Bikeability Scotland training, enabling more children to access

on-road cycle training. Encouraging behaviour change through the Cycle Friendly Schools awards will also form part of active travel promotion in schools across the region.

Facilitating opportunities for cycling across all ages, SEStran will promote and develop opportunities through Play on Pedals for early years, Essential Cycling Skills for adults, Practical Cycle Awareness Training for professional drivers, and Learner Driver Cycle Awareness Training. These training courses will be complemented by promotion of other Cycle Friendly Programmes for Employers, Campuses, and Communities.

2. Explore opportunities with partners for greater sharing of services via a regional partnership and intelligent centralisation approach.

At recent quarterly meetings of SEStran lead Transport Officers, discussions have taken place on options and possibilities for what's been termed intelligent centralisation, with a view towards resource optimisation and cost saving. This is looking at activities which are currently carried out individually by each council and activities which are presently brought in from the private sector by the councils and which could, potentially, be carried out or procured by SEStran centrally.

Activities including traffic modelling, road safety audit or gateway scrutiny, traffic (including active travel) data collection equipment and data collection and community transport have so far been identified and SEStran will look to quantify the work involved in these activities and scope out

possible options for regional services. SEStran has previously procured framework contracts for a range of activities, which partner councils had access to and this arrangement could be considered again for the future.

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

Independent studies, carried out in recent years, have confirmed that the availability of real time passenger information (RTPI) does encourage people to use the various modes of public transport. Reliability of these services is a key factor in the decision-making process when making travel choices. RTPI not only provides an expected time of arrival but more fundamentally also reassures a potential user that the bus, tram or train will arrive.

The introduction of SEStran's RTPI system began in 2010, in partnership with First Scotland East and Stagecoach Fife bus companies. In 2018 we face some significant challenges to the maintenance of this successful regional asset, as First Scotland East have given notification that they will be developing their own system, in line with the First Groups national business plan. This means that they will no longer be party to the system and will cease to contribute financially to the bustrackerSEStran system.

To address this, SEStran will explore with partners INEO Systems, WYG and Traveline Scotland, potential solutions to provide an ongoing service with a reduced financial cost.

SEStran will also build on the successful introduction in 2017 of Borders Buses and Prentice Coaches into the system by introducing more small operators in 2018.

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

SEStran will continue to promote the benefits of public transport in the region and encourage increased bus patronage.

4. Promote Travel Planning, Inclusion and Shared Mobility

SEStran and the other RTPs are working collectively with Transport Scotland to develop and promote the national Travel Planning online toolkit, www.travelknowhowscotland.co.uk. This is an online resource which supports public and private sector organisations to develop, implement, promote and monitor effective Travel Plans for employee/business and other travel demands.

Through the promotion of **Travelknowhow** and Travel Planning, SEStran will continue to encourage the adoption of Travel Plan measures, including Shared Mobility. Shared Mobility has great potential to unlock underused capacity to reduce congestion on transport corridors. In the SEStran region there are already well-established initiatives such as **Tripshare** that support this ideology. SEStran will work closely with its partner authorities to promote the system and add value to campaigns through its work on European Projects, such as SHARE-North.

Travel planning and promotion can be a preventative measure against low skilled or economically inactive areas becoming further excluded. A lack of accessibility to transport options has a limiting effect on opportunities and that those who are least skilled, or remote from the labour market have the least location flexibility in seeking new job or training opportunities. Therefore, SEStran views transport and accessibility/affordability of transport as integral to an inclusive economy.

SEStran will continue to engage and consult through its Equalities/Healthcare forum promoting projects such as RTP1 and the **Thistle Card/App** as actions to address inclusion issues which disproportionately affect some members of our communities more than others within the regional transport network.

In 2018 SEStran has been invited to apply by Scottish Enterprise for funding from their 'Can Do Innovation' fund to improve the Thistle Assistance program and develop the *Thistle Assistance Journey Planner*. SEStran will seek to identify and understand in detail the barriers faced by commuters with protected characteristics when travelling and journey planning. They 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.

5. Establish the new key SEStran forums on Integrated Mobility, Economic Growth and promote the existing Equality and Access to Healthcare Forum

In 2018/19 SEStran will establish two new integrated forums that will sit alongside the existing Equality and Access to Healthcare Forum. The Fora will be a mechanism for consulting with regional stakeholders in addition to those represented by members and advisors around the board table of SEStran. The new Fora include the:

Integrated Mobility Forum: This forum will seek 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. Promoting public transport and access to transport interchanges.

Logistics and Freight Forum: This forum aims to support economic growth and resilience across the South East of Scotland by developing, promoting and implementing sustainable business & distribution solutions through constructive partnership working between the 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, representing the interests of the many groups involved.

The forum will provide a consultative role to Transport Scotland in the context of regional economic growth, contributing to research and sharing best practice whilst seeking to explore funding opportunities to support applicable schemes. Participants will be drawn from business, freight operators, government, local communities, key opinion leaders and academia and together will develop a better understanding of the opportunities for the sustainable business growth in the region.

Equalities/Healthcare Forum: We will continue to engage and consult through our Equalities/Healthcare forum to deliver our equalities outcomes and promoting projects such as RTP1 and the **Thistle Card/App** as actions to address inclusion issues which disproportionately affect some members of our communities within the regional transport network.

The purpose of the forums will be to inform and seek to contribute to the delivery of key outcomes outlined in the annual Business Plan for the Partnership, as well as the key Regional Transport Strategy deliverables.

6. Contribute to the National Transport Strategy 2, associated review of transport governance and all relevant consultations and aspects of the Programme for Government.

The NTS review is currently underway and SEStran is represented at various levels in the process, with SEStran's Chair sitting on the top level "Strategy Review Board", chaired by the Minister for Transport and Islands. The Partnership Director is the SCOTs representative on the Strategic Framework group and the Head of Programmes sits on the "Enabling Economic Growth" Thematic Group. This process will continue throughout the financial year 2018/19. Of particular interest to SEStran and the other RTPs will be emerging options on future regional governance, which the Scottish Government has said will be an aspect of the review. SEStran will continue to promote the merits of regional partnerships with combined responsibilities covering transport, planning and economic development.

SEStran will continue to proactively seek to respond to all relevant consultations throughout 2018/19 and respond and provide evidence to any consultation or Parliamentary scrutiny. Further consultation on Low Emission Zones, Responsible Parking and Active Travel is anticipated in the coming year.

In October 2017, SEStran awarded a grant of £60,000 to Young Scot for the yTravel project. In 2018 yTravel will see groups of young people investigating public transport networks; where they run, how they work, how much they cost and how accessible they are. The young people will then develop and prototype ideas to improve local transport and their findings will be shared to help shape future policy and services in Scotland. Regional Design Teams of fifteen young people 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 for the South East of Scotland Transport Partnership.

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. yTravel builds on last year's X-Route report created by young people with the South East of Scotland Transport Partnership to shape and influence sustainable travel services.

7. Continue to maximise revenue and knowledge transfer through participation and engagement in European projects and other funding opportunities.

SEStran is currently involved in four live European projects; REGIO-MOB, Social Car, SHARE-North and SURFLOGH.

SocialCar

SocialCar, which aims to integrate public transport information and car-pooling to provide a single source of information for the traveller to compare multiple options/services, is due to end May 2018. The overall opinion from testers (across all participating countries), with respect to the SocialCar concept, has been largely positive. Main drawbacks being the difficulty of building a critical mass of users and the technical problems still affecting the current App. Should these issues be resolved in future updates, testers declared they would consider using SocialCar, thus producing a tangible impact on their mobility behaviour. As part of the project's dissemination activities, ideas and contacts made through the SEStran Transport Hackathon, SEStran Commuter Challenge and Local Stakeholder groups have proved extremely valuable. This experience and learning will help to shape and inform shared mobility/digital projects in the future.

REGIO MOB

REGIO-MOB, now in its third year, 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). Best practice examples of sustainable mobility have been shared with other regions across Europe and SEStran has now produced an Action Plan for implementing a best practice from Italy – PASTA (Physical Activity Through Sustainable Approaches) PASTA aims to show how promoting active mobility (i.e. walking and cycling) can lead to a healthier, more physically active population. The PASTA project analyses measures aimed to support “active mobility” (walking, cycling in combination with the use of public transport) and to evaluate its effect on the health of citizens.

SEStran will be working with key partners across the region to deliver GO E-Bike, e-bike pilot schemes in Fife, West Lothian and Forth Valley. This exciting project will be a first in Scotland. It will enable people to join one scheme and access bikes for commuting and fun. The e-bike hubs will connect journeys enabling links between different modes of transport and making your journey more active and sustainable.

SEStran has also awarded funding to Sustrans Research and Monitoring Unit, under the REGIO MOB project, to conduct Active Travel Audits before and after the implementation of the PASTA project to allow monitoring of the project and assessment of the best practice implementation. Crucially, our Active Travel Audits will monitor our progress, linking health indicators alongside active travel initiatives in the South East of Scotland, and will provide regional statistics that will inform future projects.

SHARE-North

SHARE-North addresses the concept of Shared Mobility and looks at the development, implementation and promotion of Car Clubs, Bike Sharing and Car Sharing. The planned ‘living labs’ will integrate modern technology with activities to support changes in mobility behaviour. The objectives are: resource efficiency, improving accessibility (incl. non-traditional target groups), increased efficiency in the use of transport infrastructure, reduction of space consumption for transport, improving quality of life and low carbon transport. SEStran will be working with partners to develop a ‘Manual for Municipalities’, to help in the development of shared mobility schemes across Europe. In the SEStran Region, the project will also assist in the implementation of the GO E-Bike (shared electric bikes) pilot. Funding from the project will also be used in the promotion of Tripshare during National Liftshare Week in October 2018.

SURFLOGH

SURFLOGH began at the end of 2017 and 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 provide the partners with 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 University’s Transport Research Institute (TRI), developing business models for urban freight hubs. The business models will focus on the

scalability and applicability of models for different locations and circumstances. Practical lessons and insights from our work package will be published via case studies.

SEStran are also working with a delivery company to design an e-cargo bike last mile delivery pilot in the City of Edinburgh.

SEStran has submitted three further project applications for “CONNECT”, “Polis in Action” and “PURSUITS”.

CONNECT

CONNECT aims to support smart intermodality growth through efficiency enhancements. The detailed project objectives are:

- Implementation of new smart processes and tools (smart intermodality),
- Development of strategies for smart efficiency enhancements (smart involvement).

SEStran will lead on a work package to coordinate learning of smart efficiency enhancement strategies through study visits, stakeholder workshops and the development of an Action Plan. This learning will then be shared with ports in the SEStran region. The second stage application was submitted in February 2018.

Polis in Action

Polis in Action aims to develop a methodology and framework for the assessment of sustainable urban mobility interventions. This framework will produce new, practice-based knowledge capable of assisting policy makers to become more responsive to new forms of mobility solutions and allow mobility plans to adapt to changing urban mobility patterns. The stage one bid was submitted in January 2018.

PURSUITS

PURSUITS addresses the critical need to ensure that land-use and transport planning evolve a step ahead of the smart-mobility transition. The project enables cities and regions to proactively develop plans and strategies to steer new mobility and distribution forms rather than just respond to them. PURSUITS will

- i) increase the understanding of how new forms of people mobility and freight distribution will affect spatial development, transport systems, quality of life and emissions in metropolitan areas; and
- ii) show how this knowledge can be used to improve planning and policy making that will help cities and regions achieve their future mobility and sustainability goals.

The Stage 1 application was submitted in January 2018.

8. Increase recognition and awareness of the role that SEStran plays in the region amongst key audiences, stakeholders and the wider public.

SEStran is developing a marketing communications strategy that will strengthen the SEStran brand identity by engaging key stakeholders and opinion leaders; generating increased awareness of the activity and programs implemented by SEStran and their success.

It is important that a marketing communications strategy is developed that allows SEStran to utilise its resources (staff and platforms) effectively, targeting the correct groups with the right messages

and measuring the results. Further, as well as building the SEStran brand identity, increasing marketing effort will be directed towards the programs and strategies that SEStran promotes and develops, increasing usage and engagement.

Importantly SEStran will also continue to maximise its key resource - staff as advocates for the work that SEStran undertakes; building our recognition and reputation and promoting positively the main objectives of the Regional Transport Strategy

We aim to develop SEStran's strategic narrative and communications with external stakeholders in a useable, engaging and concise format. Additionally, we need to consider how we engage with our stakeholders such as councils and wider organisations out-with the formal methods of Chief Officer's meetings and formal reports to the SEStran Board.

SEStran will deliver this by building on its existing set of tools (digital applications, targeted social media, events and word of mouth) and we will build on our e-bulletin launched in December 2017 which highlights general news, development and Board decisions. The e-bulletin will continue to be the main directly produced channel of external engagement alongside targeted engagement of certain groups dependent on policy or project priorities.

Lastly, SEStran as it moves into its 3rd decade will launch its new public facing name and brand image to "GO".

9. Implement and continuously improve our performance and corporate processes with specific focus on Information Governance.

A priority for the year will be to implement a new Data Protection Policy which incorporates the new General Data Protection Regulations (GDPR) which come into effect from May 2018.

SEStran will work towards adopting the Scottish Government's Cyber Security Action Plan and gaining accreditation to Cyber Essential Plus level to further enhance our commitment to information security and governance.

SEStran will continue to evolve and where required, seek to improve the way it analyses and reports its duties under the Procurement Reform Act 2014, Climate Change Act 2009, and Public-Sector Reform Act 2011

This includes, continuous improvement in application of these duties to deliver best value from SEStran resources and budgets and produce transparency of the information and services we deliver to contribute to wider national outcomes.

Co-Operation in Delivery

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

Annex 1: Key Performance Indicators by Key Project

Project	Strategic Objective	Key Focus Areas & Programs	Key Elements	Key Performance Indicators
Tripshare				
Promote Tripshare -increasing awareness amongst commuters in the region.	2, 4, & 8	Awareness	<ul style="list-style-type: none"> STV regional campaign 	<ul style="list-style-type: none"> Increase membership to 10,000
	5, 7 & 8	Re Branding	<ul style="list-style-type: none"> GO Tripshare Website update to reflect new branding 	<ul style="list-style-type: none"> Increased awareness Increased web traffic
	8	Promotional Events	<ul style="list-style-type: none"> Liftshare week in October 2018 University Freshers weeks events Street team activity 	<ul style="list-style-type: none"> Recruitment of new Tripshare members Raised awareness
	5, 7 & 8	Stakeholder engagement	<ul style="list-style-type: none"> Updates/Newsletter Integrated Mobility Forum SHARE-North activities 	<ul style="list-style-type: none"> Reduce CO2 emissions.
Thistle Assistance				
Promote the Thistle Assistance Card and App – increasing awareness amongst key stakeholder and community groups and the public.	4 & 8	Awareness	<ul style="list-style-type: none"> STV regional campaign Key stakeholder publications e.g. Inspire Magazine 	<ul style="list-style-type: none"> Issue 10,000 cards in 2018/19 Downloads of the App
	4 & 5	Product Development	<ul style="list-style-type: none"> 'Can Do Innovation Fund' Hackathons Inclusion Scotland Placement 	<ul style="list-style-type: none"> A successful 'Can Do Innovation Fund' application Further collaborative events Fulfilled Inclusion Scotland placement
	4 & 5	Stakeholder Engagement	<ul style="list-style-type: none"> Active Travel Task Force Equalities and Healthcare Forum 	<ul style="list-style-type: none"> Attend forums External speakers at SEStran Forum
Real Time Passenger Information (RTPI)				

Promote the use of real time passenger information in the region	3	Expand reach & distribution	<ul style="list-style-type: none"> Consolidate existing system following First East departure Integrate additional small bus operators in real-time Provide timetabled information for all operators Update screen interface 	<ul style="list-style-type: none"> More small operators integrated
	3 & 5	Stakeholder engagement	<ul style="list-style-type: none"> Manage First Buses changeover (exit) Promote improvements in the information available, as and when. 	
	3 & 5	Increase awareness	<ul style="list-style-type: none"> Promote RTPI Apps & Screen program PR event with operators 	
SHARE-North – The promotion of Shared Mobility				
Addressing the concept of Shared Mobility and promoting the development and implementation of Shared Bike Schemes and Car Sharing	1, 2, 4 & 7	Awareness	<ul style="list-style-type: none"> Promotion of Tripshare during National Liftshare Week Promotion of the GO E-Bike Scheme Sharing of best practice 	<ul style="list-style-type: none"> National Liftshare Week Campaign delivery Uptake of GO E-Bikes Delivery of the SHARE-North Manual for Municipalities
	1	Implementation	<ul style="list-style-type: none"> Purchase of E-Bikes and Smart Locks 	<ul style="list-style-type: none"> Delivery of E-Bikes and Smart Locks across the region
	7	Monitoring and evaluation	<ul style="list-style-type: none"> Monitoring of E-Bike use Monitoring of Electric Vehicle use at Edinburgh College and Car Clubs 	<ul style="list-style-type: none"> Monitoring reports delivered to the SHARE-North Partnership
SURFLOGH – Last mile logistics				
Develop a regional model for e-cargo bike delivery	1 & 7	Implementation	Work with local sustainable logistics company to pilot e-cargo bike delivery	E-cargo bike delivery scheme in operation.

	1, 5 & 7	Stakeholder Engagement	Engage with LA, local businesses, interested parties	
	7	Measurement	Work with Napier TRI to measure progress of the pilot and share best practice	Development of business models for urban logistics hubs with Napier TRI
GO e-Bike				
Use South East of Scotland Transport Partnership grant funding to deliver more sustainable and active outcomes for the people and communities of our region.	1, 5 & 7	Launch - Develop Go e-Bike hubs	Initial set of 4 programs active	
	1, 5, 7 & 8	Create Awareness among public and key stakeholders	SHARE-North Actions and sharing of best practice	Distribution of electric bikes and locking mechanisms across the region Shared Mobility Case study in the SHARE-North 'Manual for Municipalities'
	1 & 7	Monitor the progress and analyse results	Through the REGIO MOB project, implement the PASTA best practice, monitor progress	
	1, 5 & 7	Increase programme reach	Applying for additional funding (e.g. LCTT)	Launch between 4-10 additional e-bike hubs in the region (dependent on additional funds)
Regional Cycle Grant Scheme				
Use Sustrans Scotland funding to develop regional cycle network, with particular focus on cross-boundary routes	1 & 8	Stakeholder Engagement	Working with multiple local authorities to identify cross-boundary issues Develop portfolio of fully designed projects Design projects 100% funded (no match required)	Portfolio of infrastructure projects at detailed design stage Full spend of RCNGS
	1 & 6	Implementation	Develop new strategy of active travel routes	Deliver strategy prioritising routes throughout the region
Cycle Promotion & Training				

Utilising Cycling Scotland officer resource to promote behaviour change and training opportunities.	1, 2 & 8	Bikeability Scotland	Supporting constituent councils with training delivery and coordination.	5% increase in delivery of Level 2
	1 & 2	Cycle Friendly Schools	Supporting schools championing sustainability and cycling activities.	15 Cycle Friendly Schools achieved in 2018/19
	1 & 8	Cycle Friendly Employer	Supporting workplaces encouraging more active travel to work and for business use.	5 Cycle Friendly Employers achieved in 2018/19
	1 & 2	Other Cycle Training	Developing and supporting opportunities for cycle training at any age across the region.	

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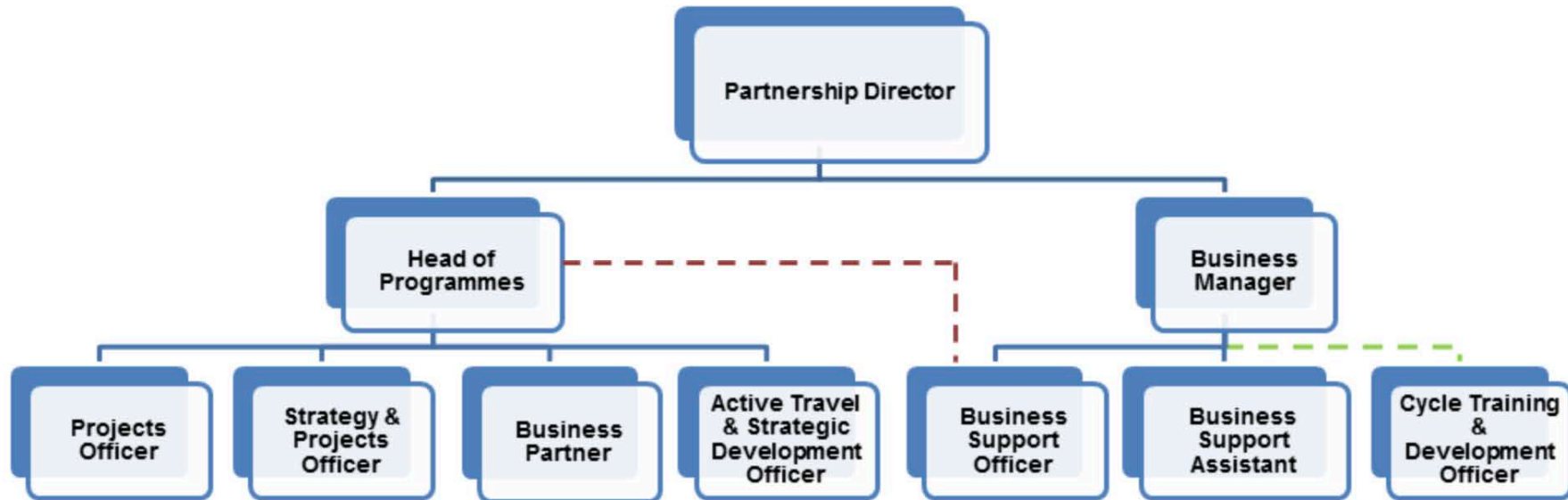
Annex 2: Summary of SEStran 2018-19 Budget versus previous years' budgets

	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Core	467	461	463	465	550	551	478	531
Projects	791	709	504	1,076	2,384	725	510	614
RTPi	110	117	222	286	230	344	339	108
Total Budget	1,368	1,287	1,189	1,827	3,164	1,620	1,327	1,253
External Funding								
EU Grants	313	245	146	233	131	152	95	139
Other income	48	60	61	266	1,051	486	260	142
Bus Investment Fund				346	1,000	0	0	0
Total External Funding	361	305	207	845	2,182	638	355	281
Scottish Government	782	782	782	782	782	782	782	782
Council Requisition	225	200	200	200	200	200	190	190
Total Funding	1,368	1,287	1,189	1,827	3,164	1,620	1,327	1,253

Annex 3. Staff

George Eckton	Partnership Director
Angela Chambers	Business Manager
Elizabeth Forbes	Business Support Officer
Nikki Boath	Business Support Assistant
Jim Grieve	Head of Programmes
Lisa Freeman	Strategy & Projects Officer
Catriona Macdonald	Projects Officer
Keith Fiskin	Business Partner
Moira Nelson	Active Travel Strategic Development Officer
Peter Jackson	Regional Cycle Training & Development Officer

Annex 4: 2018 SEStran Organisation Chart



Support Provision - - -

External - - -

Non-Councillor Member, Board Appointments

1. Introduction

1.1 The purpose of this report is to update members on the recruitment of non-councillor Board members to fill vacancies beyond the end of March 2018.

2. Update

2.1 Following the recruitment process undertaken by the selection panel, 8 candidates have been selected and their names put forward to the Minister for Transport and Islands, for approval.

2.2 Further to the 7 vacancies previously reported, Non-Councillor Member, Brian Sharkie, submitted his resignation on 8th February 2018 and the panel was able to select a further candidate from those already interviewed.

3. Conclusion

3.1 That the Board notes the content of the report

Jim Grieve
 Head of programmes
 8 March 2018

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

General Data Protection Regulation (GDPR) and Cyber Security

1. INTRODUCTION

- 1.1 The purpose of this report is to provide the Board with an update on the work being undertaken by Officers in preparation for the GDPR and the Scottish Government's (SG) Cyber Security Action Plan.

2. BACKGROUND

- 2.1 The GDPR is a regulation by which the European Parliament, the Council of the European Union and the European Commission intend to strengthen and unify data protection for all individuals within the European Union (EU).
- 2.2 The GDPR will introduce significant new fines for personal data breaches from May 2018 which reinforces the key role that cyber security has in underpinning digital public services that handle personal data.

3. GDPR

- 3.1 Following a review of the status of current information governance initiatives, it was concluded that while SEStran holds little personal data, there are a number of compliance tasks which must be addressed in a proportionate way.
- 3.2 The following draft documents (Appendix 1) have been prepared and have been reviewed by the Partnership's legal advisers.
- A SEStran Privacy Notice to describe, for the public, SEStran's use of personal data with the details required by GDPR.
 - A revised SEStran Data Protection Policy to outline arrangements for GDPR compliance.
- 3.3 Other actions include reviewing our SLAs to incorporate the requirements of GDPR article 28 and reviewing disposal periods for staff mailboxes.

4. CYBER SECURITY

- 4.1 Following on from reports presented to the September and November meetings last year, which outlined the requirements of the SG Cyber Security Public Sector Action Plan, the Committee should note that SG have issued grant award letters of up to £1000 for Cyber Essentials Pre-Assessment.
- 4.2 The pre-assessments are a precursor to Cyber Essentials accreditation and will identify any remedial actions that may be required before accreditation can be awarded. The pre-assessment also recommends the level of accreditation required.

4.3 Members should note that the cost of any remediation work will be the responsibility of SEStran, as is the cost of accreditation. Whilst the cost of remedial works is unknown, indications, so far, suggest that the organisation is already 85% compliant.

4.4 Timescales for the project are:

- Pre-Assessment March 2018
- Accreditation October 2018

5. RECOMMENDATIONS

5.1 The Board is asked to:

5.2 Approve the Data Protection Policy and Privacy Notice for implementation in advance of the GDPR regulations coming into force on 25th May 2018, and:

5.3 Approve the appointment of the Business Manager as SEStran Data Protection Officer, and:

5.4 Note that further progress reports on Cyber Security will be presented to the Partnership Board.

Angela Chambers
Business Manager
9th March 2018

Appendix 1 Draft Data Protection Policy and Privacy Notice

Policy Implications	Revised Data Protection Policy to be adopted
Financial Implications	Potential remedial works and cost of accreditation but it is anticipated that the costs will be contained within existing budgets.
Equalities Implications	None
Climate Change Implications	None

DATA PROTECTION POLICY

DOCUMENT VERSION CONTROL – GOVERNANCE SCHEME Date	Author	Version	Status	Reason for Change
Oct 2017	SEStran	1.0	Adoption of version control	Implementation
Feb Jan 2018	SEStran	1.0 1.24		Adapted for GDPR compliance.

A. INTRODUCTION

1. This is a statement of the Data Protection Policy adopted by SEStran, the Regional Transport Partnership (RTP) for the South East of Scotland. This policy is applicable to all personal data held by the RTP. It applies to all employees and elected members of the RTP and to any contractors or agents performing work for or on behalf of the RTP and any other individuals with access to SEStran's information.

2. SEStran is a partnership of 8 councils; Edinburgh, Fife, Clackmannanshire, Scottish Borders, Falkirk, West Lothian, East Lothian, and Mid Lothian and provides a wide range of services not only within these boundaries but as part of a group of RTPs across Scotland.

3. SEStran needs to process certain types of data about people with whom it deals in order to operate ("personal data"). This includes current, past and prospective employees, suppliers, clients and customers, and others with whom it communicates.

4. In order to comply with the GDPR and the Data Protection Act 2018 (GDPR), SEStran must ensure that all personal data are securely stored and processed lawfully, however it is collected, recorded and used. Safeguards are in place to support compliance with the legislation and these are detailed below.

5. SEStran regards the safekeeping of all personal data as paramount to maintaining confidence between it and those with whom it deals. SEStran endeavours to fulfil all the requirements of the ~~Act~~ GDPR while remaining open and accessible by the public.

B. SCOPE

This policy is applicable to all personal data held by SEStran whether the information is held or accessed on SEStran premises or accessed remotely via mobile or home working or by using network access from partner organisations. Personal information held on removable devices and other portable media is also covered by this policy.

C. THE DATA PROTECTION PRINCIPLES

To that end, SEStran fully endorses and adheres to the six GDPR Principles [set out below](#). ~~These Principles are that personal data must be:~~

- a) — processed lawfully, fairly and in a transparent manner... ('lawfulness, fairness and transparency');
- b) — collected for specified, explicit and legitimate purposes and not further processed in a manner that is incompatible with those purposes... ('purpose limitation');
- c) — adequate, relevant and limited to what is necessary in relation to the purposes for which they are processed ('data minimisation');
- d) — accurate and, where necessary, kept up to date... ('accuracy');
- e) — kept in a form which permits identification of data subjects for no longer than is necessary for the purposes for which the personal data are processed... ('storage limitation');
- f) — processed in a manner that ensures appropriate security of the personal data, including protection against unauthorised or unlawful processing and against accidental loss, destruction or damage, using appropriate technical or organisational measures ('integrity and confidentiality'). (GDPR Article 5)

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Lawfulness, fairness and transparency

1. Personal data must be processed lawfully, fairly and in a transparent manner in relation to the data subject.

Purpose limitation

2. Personal data must be collected for specified, explicit and legitimate purposes and not further processed in a manner that is incompatible with those purposes (with exceptions for archiving purposes in the public interest, scientific or historical research purposes or statistical purposes).

Data minimisation

3. Personal data must be adequate, relevant and limited to what is necessary in relation to the purposes for which they are processed.

Accuracy

4. Personal data must be accurate and, where necessary, kept up to date; every reasonable step must be taken to ensure that personal data that are inaccurate, having regard to the purposes for which they are processed, are erased or rectified without delay.

Storage limitation

5. Personal data must be kept in a form which permits identification of data subjects for no longer than is necessary for the purposes for which the personal data are processed; personal data may be stored for longer periods insofar as the personal data will be processed solely for archiving purposes in the public interest, scientific or historical research purposes or statistical purposes, subject to implementation of appropriate technical and organisational measures in order to safeguard the rights and freedoms of the data subject.

Integrity and confidentiality

6. Personal data must be processed in a manner that ensures appropriate security of the personal data, including protection against unauthorised or unlawful processing and against accidental loss, destruction or damage, using appropriate technical or organisational measures.

Accountability

In addition, SEStran is responsible for, and must be able to demonstrate compliance with, the data protection principles listed above, in accordance with the principle of accountability. It must keep a full and accurate record of its personal data processing activities, e.g., the lawful basis for the processing in question, who is undertaking these activities and with what data, the results of any data protection impact assessment or data protection audit and details of any data breaches and actions taken.

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RESPONSIBILITIES

- The Partnership Director has specific senior responsibility for data protection within SEStran. The Partnership Director has responsibility for ensuring that the information under their control is collected, processed and held in accordance with this policy and the GDPR.
- The Business Manager is the designated Data Protection Officer for SEStran, advising on and monitoring SEStran's compliance with GDPR and providing a point of contact for data subjects and the Information Commissioner's Office.
- All employees and elected members of the RTP and any contractors or agents performing work for or on behalf of the RTP and any other individuals with access to SEStran's information have a responsibility to ensure that personal information is properly protected at all times. This requires continued compliance with the SEStran's information policies, procedures and other guidance.
- All users have a responsibility to report any observed or suspected breach of this Data Protection Policy or related information procedures and guidance. All incidents must be reported to ~~the~~ [the Data Protection Officer/Office Manager](#)

WHAT SESTRAN WILL DO

To ensure compliance with the above data protection principles SEStran shall, through appropriate management and strict application of criteria and controls;

- maintain appropriate and accurate transparency information (a privacy notice) on its website clearly signposted from any portals or forms which may collect personal data;
- meet its legal obligations to specify the purposes for which data is used;
- collect and process appropriate data, and only to the extent that it is required to fulfill operational needs or to comply with any legal requirements;
- ensure the quality of the data used;
- apply the retention policy set out in the Business Classification Scheme to determine the length of time the data is held;
- ensure that rights of people about whom data is held can be fully exercised under the GDPR (~~These these~~ are described below-);
- [ensure that e-newsletters and similar materials are only distributed to corporate email addresses or to the personal email addresses of current board members, current forum members or individuals who have signed up to receive them;](#)
- ensure that the Data Protection Officer has sight of all new projects and business activities to consider whether data protection issues arise and to include Privacy By Design as appropriate;
- take appropriate technical and organisational security measures to safeguard personal data;
- ensure that personal data is not transferred outside the European Economic area without suitable safeguards.

In addition, SEStran will ensure that:

- there is a ~~designed-designated~~ Data Protection Officer for the organisation;
- everyone managing and handling personal data understands that they are contractually responsible for following good data protection practice;
- everyone managing and handling personal data is appropriately trained do to so;

- everyone managing and handling personal data is appropriately supervised;
- anyone wishing to make enquiries about handling personal data knows what to do;
- queries about handling personal data are competently and courteously dealt with;
- methods of handling personal data are clearly described;
- a regular review and audit is made of the way personal data is managed;
- methods of handling personal data are regularly accessed and evaluated; and
- performance with handling personal data is regularly accessed and evaluated.

DATA RIGHTS

SEStran will ensure individuals' rights are respected with regard to their personal data. Rights under GDPR include:

- the right to be informed that processing is being undertaken;
- the right to withdraw consent to processing, where appropriate
- the right of access to one's own personal data and to specific information about the processing;
- the right to object to and prevent processing in certain circumstances;
- the right to be notified of certain data breach incidents that relate to their personal data (see below),
- the right to rectify or restrict inaccurate data
- the right or erase data or to data portability in certain circumstances
- the right to challenge processing reliant on legitimate interests or public interest
- the right to make a complaint to the UK Information Commissioner.

All requests relating to GDPR rights must be directed to the Data Protection Officer who will ensure that appropriate actions are taken and a response issued without undue delay and, except in certain circumstances, at least within one month.

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PERSONAL DATA BREACHES

Any incident which may impact on the confidentiality, integrity or availability of personal data held by SEStran must be reported immediately to the Data Protection Officer. She will record the incident, ensure appropriate mitigation measures are in place and consider whether the incident is a personal data breach which presents a risk to individuals.

The DPO will present a report to the Partnership Director including if appropriate, a recommendation on whether to report a breach to the Information Commissioner's Office within 72 hours of SEStran becoming aware of the incident.

If the Partnership Director decides that an incident constitutes a reportable breach, the DPO will report the incident to the ICO and liaise as appropriate. [Affected data subjects may also require to be informed if there is a high risk to their rights and freedoms as a consequence of the data breach.](#)

GENERAL

This document states SEStran's primary, general policy with regard to Data Protection. SEStran also has policies, procedures and guidance, as appropriate, for specific types of data maintenance and data type. Additional data specific policies, procedures and guidance will be adopted as and when necessary.

REVIEW

This policy will be reviewed annually, to take account of developments within [SESTRAN](#) [SEStran](#) and legislative requirements

Use of personal data at SEStran

This document describes how SEStran uses personal data (information relating to individuals).

South East of Scotland Transport Partnership (SEStran) is a **Data Controller** (ICO Registration Number: Z9382423), which means we are responsible in law for how we use any personal information.

Our **Data Protection Officer, Angela Chambers**, can be contacted with any concerns or requests relating to our use of personal data:

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

Direct Dial: 0131 524 5154
Mobile: 07703 974 311
Email: angela.chambers@sestran.gov.uk

Why does SEStran process personal data?

SEStran processes a minimal amount of personal data in the exercise of our official authority under the [Transport \(Scotland\) Act 2005](#) including:

- Administration of the partnership;
- Development and publication of regional transport strategies;
- Consultation, promotion and communication on issues relating to sustainable and efficient transport in the partnership area;
- Administration of projects and grant schemes.

SEStran also processes personal data relating to its staff to meet our legal obligations as an employer ([including in connection with employment law, social security and social protection law](#)) and for the performance of our contracts of employment with our staff. [This may include processing some special categories of personal data such as health information.](#)

What personal data does SEStran process?

The personal data SEStran processes includes:

- **For the public:** Names and contact details for individuals responding to consultations, raising concerns or complaints, [subscribing to newsletters](#) or attending events;
- **For staff:** Name and contact details, banking details for payroll management; performance and health information for employment administration [and contract purposes](#);

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- **For suppliers and contractors:** Names and contact details for the management of the supplier relationship; bank details of sole traders for the purposes of making payments;
- **For Forum members:** [Names and contact details for the administration of meetings and distribution of newsletters and information on SEStran activities;](#)
- **For partnership board members:** Name and contact details; banking details for payment of expenses; records of views expressed and of attendance at and contributions to meetings.

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SEStran undertakes no automated decision making affecting individuals or profiling of personal data.

With whom will SEStran share personal data?

The following organisations will receive personal data as necessary from SEStran:

- Microsoft UK are data processors, hosting SEStran's IT systems on Office 365;
- Partner local authorities or the Scottish Public Sector Ombudsman may receive data relating to complainants or correspondents where correspondence from the public should appropriately be redirected to the authority or SPSO;
- City of Edinburgh Council will receive personal data relating to employees and contractors for the purposes of the management of our payroll and for financial management, which they provide on our behalf;
- Falkirk Council will receive personal data relating to staff and job applicants for the purposes of the human resources management support they provide on our behalf;
- Scottish Government receive personal data relating to our staff and visitors for the purposes of providing facilities management services at our Victoria Quay office.

[SEStran will put appropriate written arrangements in place with these organisations to protect your personal data.](#)

SEStran transfers no personal data outside the European Economic Area. Microsoft hosts data on our behalf on servers within the UK and the European Union.

How long does SEStran retain personal data?

Personal data is managed in line with our records retention policy [Link to Business Classification Scheme]. For example, consultation responses are retained for five years before being securely deleted.

[Your Rights to personal data](#)

-

[You have the right to:](#)

Request access to your personal data (commonly known as a “data subject access request”). This enables you to receive a copy of the personal data we hold about you and to check that we are lawfully processing it.

Request correction of the personal data that we hold about you. This enables you to have any incomplete or inaccurate data we hold about you corrected, though we may need to verify the accuracy of the new data you provide to us.

Request erasure of your personal data. This enables you to ask us to delete or remove personal data where there is no good reason for us continuing to process it. You also have the right to ask us to delete or remove your personal data where you have successfully exercised your right to object to processing (see below), where we may have processed your information unlawfully or where we are required to erase your personal data to comply with local law. Note, however, that we may not always be able to comply with your request of erasure for specific legal reasons which will be notified to you, if applicable, at the time of your request.

Object to processing of your personal data where we are relying on a legitimate interest (or those of a third party) and there is something about your particular situation which makes you want to object to processing on this ground as you feel it impacts on your fundamental rights and freedoms. You also have the right to object where we are processing your personal data for direct marketing purposes. In some cases, we may demonstrate that we have compelling legitimate grounds to process your information which override your rights and freedoms.

Request restriction of processing of your personal data. This enables you to ask us to suspend the processing of your personal data in the following scenarios: (a) if you want us to establish the data's accuracy; (b) where our use of the data is unlawful but you do not want us to erase it; (c) where you need us to hold the data even if we no longer require it as you need it to establish, exercise or defend legal claims; or (d) you have objected to our use of your data but we need to verify whether we have overriding legitimate grounds to use it.

Request the transfer of your personal data to you or to a third party. We will provide to you, or a third party you have chosen, your personal data in a structured, commonly used, machine-readable format. Note that this right only applies to automated information which you initially provided consent for us to use or where we used the information to perform a contract with you.

Withdraw consent at any time where we are relying on consent to process your personal data. However, this will not affect the lawfulness of any processing carried out before you withdraw your consent. If you withdraw your consent, we may not be able to provide certain products or services to you. We will advise you if this is the case at the time you withdraw your consent.

Under data protection law you have the right to:

- See and receive a copy of the personal data SEStran holds relating to you;
- To have inaccuracies in your own corrected;
- To receive specific information relating to our reasons for processing your data.

~~In limited circumstances, you may have the right to have data deleted or to object to our processing your data.~~

~~These rights are subject to certain caveats and exemptions under GDPR.~~

~~You will not have to pay a fee to access your personal data (or to exercise any of the other rights). However, we may charge a reasonable fee if your request is clearly unfounded, repetitive or excessive. Alternatively, we may refuse to comply with your request in these circumstances.~~

~~We may need to request specific information from you to help us confirm your identity and ensure your right to access your personal data (or to exercise any of your other rights). This is a security measure to ensure that personal data is not disclosed to any person who has no right to receive it. We may also contact you to ask you for further information in relation to your request to speed up our response.~~

~~We try to respond to all legitimate requests within one month. Occasionally it may take us longer than a month if your request is particularly complex or you have made a number of requests. In this case, we will notify you and keep you updated.~~

To exercise these or any of your rights under ~~data protection law~~ [GDPR](#), please contact the Data Protection Officer using the details above.

For more information on data rights see the website of the [Information Commissioner's Office](#).

Complaints or concerns relating to SEStran's use of personal data

If you have any concerns relating to SEStran's management of personal data, you can raise them with the Data Protection Officer, Angela Chambers at the contact details above.

If you remain dissatisfied you can complain to the [Information Commissioner's Office](#) by phoning their helpline on 0303 123 1113, by using [their online portal for raising concerns](#) or by post at:

Information Commissioner's Office
Wycliffe House
Water Lane
Wilmslow
Cheshire
SK9 5AF

Version 1. ~~10, Feb~~ ~~Jan~~ ~~8 March~~ 2018

Equalities Update

1. Introduction

- 1.1 In April 2017, SEStran published its Equalities Outcomes for 2017-2021 in accordance with the Equality Act 2010. This report will outline SEStran's current engagement with these two outcomes: 1. An Equitable, Diverse and Representative Organisation and 2. A Safe, Accessible and Equitable Regional Transport Network.
- 1.2 As per the activity/plans detailed in SEStran's Equalities Outcomes 2017-2021, we have been involved with the following projects, practices and policy developments.

2. yTravel

- 2.1 In October 2017, SEStran awarded a grant of £60,000, to the project "yTravel", led by Young Scot in correlation with the Scottish Government's Year of The Young People initiative. This co-design project will allow young people across the South East of Scotland to input their views, ideas and challenges to help improve the current transport network and services in the region.
- 2.2 Over the course of the project, which ends in March 2019, the young people involved will co-design/co-develop a series of mobility and accessibility solutions, ultimately putting forward four pilot projects in different geographical locations in the region.
- 2.3 This project will reflect and engage with diverse groups of young people, and the pilot solutions proposed will reflect their diverse needs and requirements. The possibility of rolling out effective pilot projects to the entire region will also be explored.

3. Thistle Assistance Card

- 3.1 The Thistle Assistance Card/App has been developed through consultation with SEStran's equalities forum and wider stakeholders. It is an information tool that allows the passenger to quickly and discreetly communicate important information (regarding additional needs that may affect travel) to the driver.
- 3.2 Since its launch in 2011, The Thistle Assistance Card/App has now been expanded into all the areas covered by the Regional Transport Partnerships (RTPs) following the agreement of each of the partnerships to adopt, promote and contribute to the costs of the Thistle Assistance Card initiative.
- 3.3 To date, SEStran has distributed over 42,000 cards throughout the region. Due to a successful ongoing marketing campaign, including an STV

advertisement campaign, the uptake of Thistle Assistance Cards has seen an increase.

- 3.4 SEStran regularly receives positive feedback about the card, with users indicating that it has given them a renewed sense of independence and confidence while using public transport.

4. Disability Confident Employer

- 4.1 In 2017, SEStran signed up to the UK Government's "Disability Confident Scheme" as a commitment to pursuing our equalities outcomes. Since receiving our first "disability confident committed" certificate we have now progressed to level 2 status of "disability confident employer".

- 4.2 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 talent. The Disability Confident scheme aims to help employers make the most of the opportunities provided by employing disabled people. It is voluntary and has been developed by employers and disabled peoples' representatives.

- 4.3 SEStran plans to progress further in the scheme, by implementing the core actions and activity as outlined in the [Disability Confident Scheme level 2 guidance](#).

5. Board Observer Role

- 5.1 In accordance with the Board Diversity Succession Plan, SEStran has worked with Changing the Chemistry to produce a formal role description template for a "Board Observer". This has been published in our Succession Plan as part of our Equalities Outcomes.

- 5.2 SEStran has since successfully appointed Kerra McKinnie as Board Observer through our work with Changing the Chemistry, and Gordon Mungall through our work with our Equalities group.

6. Equate Scotland's Student Placement

- 6.1 In 2017, SEStran worked with Equate Scotland to offer a placement for a female student, Sophie Pugh, who joined us on the 22 May 2017.

The Equate Scotland initiative seeks to address the gender imbalance currently found in Science, Technology, Engineering and Mathematics (STEM) sector jobs in Scotland.

- 6.2 SEStran are in conversation with Equate Scotland about taking on another student placement this summer. Interviews are set to take place in March.

7. Hate Crime Charter for Public Transport

- 7.1** The City of Edinburgh Council recently launched a Hate Crime Charter for Public Transport with partners Edinburgh Trams, First Scotland East, Scotrail Alliance, British Transport Police and Police Scotland. SEStran aims to build upon Edinburgh's work and pilot a similar charter on a regional scale. The first stage will involve a pilot charter in three local authorities (West Lothian, Fife and Clackmannanshire). The Charter will aim to design and implement policy and guidance which challenges hate crime on the transport network, encourages reporting and thus prevention of hate crime on public transport.
- 7.2** The Hate Crime Working Group which SEStran contributes to, has designed a survey which aims to gauge current levels of understanding and any previous training undertaken by transport operators in relation to hate crime. The survey will also ask operators if they are willing to participate in the Charter. We anticipate that this will involve hate crime training (if required), review and implementation of company procedures to report and challenge hate crime on networks, formal signing of the charter, and launch of the charter (including a joint communication and marketing campaigns with all partners).
- 8. SEStran Real Time Passenger Information (RTPI)**
- 8.1** SEStran has committed to improving the availability/accessibility of live bus timetable information. The benefits of live bus information are not just economic; they also have direct psychological benefits and deliver positive change in overall satisfaction, due to increased confidence in the transport system. Live bus information not only reduces actual waiting times, but it also reduces anxiety when at a bus stop providing consumers with the perceived benefit of increased safety.
- 8.2** 80% of our available TV display equipment has now been distributed to both public and private premises throughout the region. Efforts are on-going to find suitable and effective locations for the remaining 57 screens.
- 9. Equalities and Access to Healthcare Forum**
- 9.1** SEStran will continue to engage with relevant Equalities organisations, through our long-established Equalities and Access to Healthcare forum. The forum seeks organisations' advice on reaching out to other groups/organisations representing those with protected characteristics and addressing potential barriers to participation in transport.
- 9.2** The Equalities and Healthcare forum is primarily a stakeholder and officer group chaired by the Partnership Director to deliver our Equality Outcomes. It also delivers on SEStran's legislative requirement to consult Health Boards and others who represent those with protected characteristics. The forum remains open to all in terms of ability to attend. Going forward, the forum will continue to ensure that any of the issues

raised at its meetings are discussed at other relevant forums/groups to fulfil our Equality duties.

10. Recommendations

10.1 Board Members are invited to note the content of the report.

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

Elizabeth Forbes
Business Support Officer
elizabeth.forbes@sestran.gov.uk

9th March 2018

Bus Travel in South East of Scotland

1. Introduction

- 1.1 This paper is the second in a series of policy area discussion papers. This comes from a suggestion from the Chair and Deputy Chairs that the meetings of the Partnership should have a greater focus on debating and discussing strategic issues, leaving procedural matters to be proposed by the Officer team of the Partnership. In previous correspondence, a Board Member referred to the bus industry being at a 'crossroads' and asked for the subject to be included in a Board discussion. In light of the two recent bus consultations published at the end of 2017, and growing concern surrounding the decline of bus patronage in Scotland, this paper seeks to enable a Board level strategic discussion of possible actions for the Partnership in increasing the number of journeys taken by bus in the South East of Scotland.
2. Through South East of Scotland Transport Partnership's Regional Transport Strategy (RTS), buses are recognised as the backbone of the public transport system throughout the region. However, bus patronage has been on the decline in Scotland, with a 27 million¹ net reduction in bus trips in Scotland between 2011/12 and 2015/16. Specifically looking at the South East of Scotland region, passenger journeys by region for local bus services have increased from 162 million in 2005-6 to 165 million 2015-16², however this is most likely skewed by Lothian Buses in the City of Edinburgh. Subsidised bus services have reduced more than commercial services Scotland wide, and this has disproportionately affected rural areas. However, some commercial services within the South East of Scotland Transport Partnership region have struggled with commercial viability, as during 2016 and 2017, First Bus withdrew from both East Lothian and the Scottish Borders, citing reduction of passenger numbers and loss of earnings.

The Royal Town Planning Institute highlighted in their 2016 "Poverty, Place and Inequality" policy paper, the significant severance effect of area-based disadvantage for individuals. Those living in certain less affluent areas are from evidence less mobile, more reliant on public transport and less able to commute to job opportunities given expensive and/or fragmented transport networks. Previous studies have highlighted that those who are least skilled or most remote from the labour market have the least locational flexibility in seeking new job or training opportunities and that this spatial deficiency rather than lack of skills or training has particularly afflicted some communities and individuals within them in terms of receipt of positive outcomes.

The removal or reduction of rural bus services can be detrimental to those who do not have access to a car, highlighted through the recently published

¹ 'Trends in Scottish Bus Patronage: Report to the Confederation of Passenger Transport (Scotland)', KPMG (2017).

² <https://www.transport.gov.scot/publication/scottish-transport-statistics-no-35-datasets/>

Loneliness and Isolation Consultation. The level of bus services provided during off-peak hours and in areas of relatively low demand is essential from the perspective of non-car owners, and in providing alternatives to the car. At present, many services drop off sharply or cease fairly early in the evening, which is problematic for many. In addition, many Sunday services are infrequent with some not running at all. This is a particular issue for access to education, retail and leisure, in addition to employment and health. However, the internet and internet shopping has also impacted on the way people travel and their reasons for doing so. The reduction or removal of rural bus services can either limit access to key services via affordable transport, or encourage car ownership as the only viable means of transport. Indeed, an increase in car ownership accounts for 12 million of the 27 million net reduction of bus trips in Scotland³.

3. Bus Travel in South East of Scotland

3.1 Open Data in the Bus Industry

The concept of Open Data is about making data held by public bodies available and easily accessible online for reuse and redistribution. Published Open Data will not impact on the fundamental right to the protection of confidential personal and commercial data.

Access to open data is essential in terms of improving bus patronage, offering innovative solutions to digital data and improving access to up to date and relevant information. There is an ever increasing expectation for digital information and for information to be made available in greater depths, in order to make journey planning easier. SEStran believes that detailed bus service and stop patronage data should similarly be made available for transport planning purposes. At present this data is not released and can severely restrict effective transport planning and project development, which again is not in the public interest.

As part of SEStran's 'SocialCar' project, SEStran, in collaboration with Product Forge and CodeBase, hosted a Transport 'Hackathon' (marathon of information analysis or hacking marathon) on Thursday 4th May – Sunday 7th May 2017 in Edinburgh. The aim of the Transport Hackathon was to understand how people currently use transport services in the South East of Scotland. The event aimed to understand how, through digital methods, we could make services better for everyone in the future. The event consisted of a room full of entrepreneurially-minded data scientists and analysts, designers, software engineers and transport industry professionals. These participants spent 3 days and 3 nights developing product prototypes to improve transport services within Scotland. Participants from this wide range of backgrounds and skills formed teams to work on a product prototypes with

³ 'Trends in Scottish Bus Patronage: Report to the Confederation of Passenger Transport (Scotland)', KPMG (2017).

support from industry experts in the transport sector and the wider technology community.

Providing this open, innovative and collaborative space, SEStran were keen to see participants use this event to bring their digital expertise to challenges faced by the transport industry in Scotland, expand professional networks, fix problems within the sector or even launch a new product or start-up.

Highlights of this event can be viewed via this link:

<https://www.youtube.com/watch?v=Wfdb65eyL1g>

How can open data help the bus industry plan and create services for the future? Should SEStran host a further open data session as part of the yTravel project with Young Scot?

3.2 Smart Ticketing in the SEStran Region

SEStran has invested a significant amount of money in Real Time Passenger Information. Live bus times can now be accessed through the BustrackerSEStran mobile app and website and on digital screens in public and commercial buildings across the region. The Transport Scotland Smart Ticketing Delivery Strategy, first published in October 2012 and now updated, set out the 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 recently responded to the consultation ‘The Future of Smart Ticketing in Scotland’ and highlighted that any national smart ticketing scheme should aim to provide contactless payment systems. Integrated Ticketing through contactless payments systems should be the end objective of the national scheme. Any approach to a national smart ticketing scheme needs to facilitate, not stifle, this kind of development led by operators, or otherwise. However, contactless systems do present other barriers in terms of market perception of transparency and clarity of pricing, and therefore these issues need to be looked at in greater depth. For example, feedback from bus operators within the SEStran region has highlighted wariness amongst the public of new smart ticketing methods and there have therefore been low levels of take-up of any new smart ticketing methods.

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. For example, South East of Scotland Transport Partnership has been successful in two rounds of the ERDF Smart Ticketing Challenge Fund and has kitted out 10 smaller bus operators with smart ticketing enabled ticket machines for tendered bus services.

How can the South East of Scotland Transport Partnership provide further support to bus operators to be ready for a national integrated smart ticketing system?

3.3 Tackling Rising Congestion

Congestion has increased average bus journey times by 10% over the last decade, leading to higher fares and undermining the attractiveness of the bus. There is a distinct trend across the most congested urban conurbations in the UK of bus journey times rising by – on average – almost 1% per annum.⁴ An example of the effects of congestion, would be the X70 Borders Buses service from Peebles to Edinburgh, which has added 20 minutes to the journey time due to congestion. There is also a direct correlation between operating speeds and patronage: a 10% decrease in speeds reduces patronage by at least 10%. The figure could yet be higher because congestion puts pressure on punctuality and reliability which can increase waiting time at bus stops. Passengers place a value two to three times as high on waiting at a bus stop as they do for in-vehicle time.

Clearly, congestion is an issue for bus patronage, and it has been addressed previously. In Edinburgh, the introduction of Greenways bus priority in 1996, following years of good conventional priority measures, resulted in a 4% improvement in journey times between 1986 and 1996. However, this trend was not sustained due to weaker enforcement, removal of priority during off peak and lack of maintenance of bus lanes.

Professor David Begg has suggested that more cities need to follow the lead of London, with the implementation of congestion charging, Nottingham, with its workplace parking levy, and Bristol, with essential car parking restraint measures. All three cities have been prepared to use both the carrot (improved sustainable transport) and the stick (car restraint). Professor Begg states that public transport improvements on their own are not a panacea for urban congestion. They have to be accompanied by traffic restraint measures.

Mobility as a Service (MaaS) brings all means of travel, transport providers and payment options together into one single service, giving customers instant access to all public transport, from trains and trams to buses and bikes⁵. MaaS and the Collaborative (Sharing) Economy have great potential to unlock underused capacity. The transport network of the South East of Scotland can at peak times be close to capacity and a lot of this is comprised of underutilised individualised vehicles travelling on the network, imposing social, economic and environmental detriment on communities. The value of the collaborative economy is to use underutilised assets, such as under-occupied cars relative to their capacity, to reduce congestion on road networks and to offset the need for further capacity expansion of network based on non-collective motorised modes of transportation. This could reduce the need for the introduction of demand restraint policies such as workplace parking charges and also reduce

⁴ <https://greenerjourneys.com/wp-content/uploads/2016/06/Prof-David-Begg-The-Impact-of-Congestion-on-Bus-Passengers-Digital-FINAL.pdf>

⁵ <https://maas-scotland.com/what-is-maas/>

negative outcomes from irresponsible parking of vehicles if the overall number within an area could be managed through collaborative measures.

One of SEStran's objectives laid out within the Regional Transport Strategy is "Reducing the number of commuter journeys by single occupancy vehicles within South East Scotland", thereby tackling congestion. The South East of Scotland Transport Partnership funds the joint membership to Tripshare for all eight Local Authorities and provides support and best practice. Car sharing makes more efficient use of vehicles on our road, helping reduce congestion and pollution. We have also carried out personalised and workplace travel planning through automated and manual methods. www.sestran-parkandride.com/ provides a comprehensive guide to Park & Ride services available throughout South East Scotland encouraging commuters to leave the car and take the bus, train or cycle to the city centre. We have also spent a significant amount of money on the Real Time Passenger Information project and in active travel initiatives across the region.

What further 'carrot' and 'stick' approaches should the South East of Scotland Transport Partnership support in the region to encourage bus patronage, thereby tackling rising congestion on the road network? Would a SEStran research paper on road charging or workplace parking levy be appropriate?

3.4 Option of Intelligent Centralisation

Bus operators are forced to respond to congestion and try to maintain service frequency. For every 10% decrease in operating speeds leads to an 8% increase in operating costs. If this is passed on to passengers through higher fares it results in a 5.6% fall in patronage (DfT fares elasticity of 0.7).⁶

Bus fares have risen faster than inflation, increasing by 4.7% in real terms between 2011/12 and 2015/16. It has been driven by unit cost changes and bus operators' response to changes in government policy. Operating costs per vehicle mile have increased by almost 30% in real terms since 2004/05. There has been a material reduction in the Bus Service Operators' Grant (BSOG) payments, falling from a high of £69.9 million in 2009/10 to £53 million in 2015/16. There has also been a reduction in the rate at which operators are reimbursed for carrying concessionary passengers from 73.6% of the adult single fare in 2006/7 to 56.9% of the adult single fare in 2017/18. All three changes have acted to squeeze operator margins and increase pressure on fares.⁷ In the RTS, South East of Scotland Transport Partnership stated that "SEStran has reviewed fares levels across the area in terms of value for

⁶ <https://greenerjourneys.com/wp-content/uploads/2016/06/Prof-David-Begg-The-Impact-of-Congestion-on-Bus-Passengers-Digital-FINAL.pdf>

⁷ 'Trends in Scottish Bus Patronage: Report to the Confederation of Passenger Transport (Scotland)', KPMG (2017).

money. In the longer term, SEStran will seek to address inequalities in public transport fares across the SEStran area as a medium priority”.

Conversely, in the 2016 Passenger Focus survey of bus passenger satisfaction, 44% of passengers were ‘very satisfied’, 42% were ‘fairly satisfied’, 8% were ‘neither/nor’, and 6% were ‘dissatisfied’⁸. One question that was posed at the recent CPT Conference, was whether 42% of bus passengers stating that they were ‘fairly satisfied’ was acceptable, in the face of rising bus fares.

What can the South East of Scotland Transport Partnership do to support improved quality of bus services and tackle rising fares? (e.g. Quality Partnerships?) Whilst it is noted that member councils do not wish to progress to formal shared services such as a Model 3, what intelligent centralisation could SEStran undertake?

3.5 Equality of Access to Bus Services

The South East of Scotland Transport Partnership recognises the importance of making the bus an attractive option for travel, and the importance of equality of access to services. The recent Tackling Social Isolation and Loneliness Consultation notes that “accessible transport is vital to people being able to meet face to face and stay socially active, particular for those in rural areas or later in life”.

The RTS notes that “SEStran will identify the current levels of information service provision and its potential role to bring added value to the delivery of these services through our Equalities Group. This is a medium priority for SEStran, given the requirements of the DDA and benefits that could accrue from delivery. Mobility impaired information services are deliverable on a regional basis including bus RTPI”.

Recent investment in bus vehicles has meant that accessible or low-floor buses now make up 90% of all buses on Scotland’s roads; this has doubled from 45% in 2005. Over £655 million was spent on Scotland’s bus networks in 2014, 56% (£364m) was from passenger tickets sales while the remaining 44% (£291m) came in financial support from local and Scottish Government⁹.

The Thistle Assistance Card and App were developed with the help of transport providers and users to provide a useful means of displaying the right information for the passenger, with symbols indicating the type of disability and a short message indicating the help required that could be read at a glance by bus drivers, train and tram conductors and other staff. The card comes with an

⁸ <http://d3cez36w5wymxj.cloudfront.net/wp-content/uploads/2017/03/04160441/Bus-Passenger-Survey-Autumn-2016.pdf>

⁹ ‘Round the Bend: A Review of local bus provision by Scottish Citizens Advice Bureaux’. Citizens Advice Bureau, June 2016.

information leaflet showing customers how to use the card and highlighting that it has no monetary significance – it is purely an information card.

From discussions with transport providers, older and disabled people and our Equalities Forum, the South East of Scotland Transport Partnership was able to understand the problems and worries faced by many when using public transport. By providing a simple form of communication between the provider and the passenger in the form of the Thistle Assistance Card, the gap between disabled and non-disabled passengers begins to close. It also gives passengers (who wish) a form of discretion, and can reduce the worries faced when using public transport. Following the success and popularity of the card, SEStran is making the design files available to appropriate local authorities at no charge, so that these can be used as a template for the production of similar access cards throughout the country.

SEStran are also working in partnership with Police Scotland, Transport Scotland and Disability Equality Scotland to develop a regional hate crime charter for public transport, tackling hate crime in relation to five protected characteristics under current legislation (race, religion, transgender identity, sexual orientation and disability). SEStran aims to pilot a charter on a regional scale. The first stage will involve a pilot charter in three local authorities (West Lothian, Fife and Clackmannanshire). The Charter will aim to design and implement policy and guidance which challenges hate crime on the transport network, encourages reporting and thus prevention of hate crime on public transport.

What further actions can be progressed by SEStran, or by the SEStran Equalities Forum, in order to further encourage equality of access for bus travel, offering a safe and accessible mode of transport for all? One suggestion from a recent Chief Officers meeting would be collaborative working on the development of Community Transport.

3.6 Young People and Bus Travel

In October 2017, Stagecoach commissioned a study with Young Scot; '*What Do Young People Think About Bus Travel in Scotland*'. The key findings noted that many young people in Scotland view the bus as their preferred mode of transport, however the car (predominantly as a passenger) is viewed by many as the preferred means of travelling due to the car being seen as the quickest (door to door), easiest and cheapest mode. Another reason that young people did not travel by bus was down to the image of the bus or the people who use the bus, however people were not aware that many buses have improved since they last used them.

To further our understanding of how young people use the transport network, SEStran has commissioned Young Scot to deliver the yTravel project in the SEStran region. Over the next nine months – yTravel will see groups of young people investigating the public transport networks, where they run,

how they work, how much they cost and how accessible they are. The young people will then develop and prototype ideas to improve local transport and their findings will be shared to shape future policy and services in Scotland. A survey will be created for all young people across Scotland in the next few months.

Regional Design Teams of fifteen young people 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 for the South East of Scotland Transport Partnership. In the new year, 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.

What sort of questions should be included within the yTravel Scotland-wide survey in relation to bus travel and young people’s experience of their local and/or regional network?

4. CONCLUSION

- 4.1 The discussion paper seeks to generate debate on a number of issues facing bus travel and bus patronage across the South East of Scotland.

Catriona Macdonald

Projects Officer

9th March 2018

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

Rail Travel in South East of Scotland

1. Introduction

- 1.1** This paper seeks to provide an update to the Board of current and future rail issues within the SEStran region.

2 Background

- 2.1** Rail provides improved and additional connectivity in many - but not necessarily all - transport markets. The rail network can enable large volumes of people to be transported quickly into and between key urban centres in an environmentally sustainable way that benefits passengers and the wider public. It does so by enabling people to access employment, leisure and services in a way that is affordable for both passengers and funders. In markets such as these, rail is well-placed to become the mode of choice for many people.
- 2.2** In rural markets, where populations are smaller and more dispersed, rail can provide an important lifeline to the populations it serves. Rail services provide access to local services such as schools and hospitals, and often forms the core service that underpins the existence of a coherent public transport system in rural areas, which is key in terms of social inclusion. Transporting freight by rail not only supports sustainable economic growth, it is safer and greener than road transport.
- 2.3** Improving rail connectivity generally involves improving journey times and/or improving train service frequencies for passengers and freight. Connectivity can also be improved in other ways. Firstly, it can be improved by increasing the capacity of existing trains where on-train crowding exists. This ensures that the benefits of improved connectivity are enjoyed by as many people as possible rather than moving them onto other modes of transport. Secondly, improving the travelling environment improves the quality of the travelling experience and the overall value-for-money of the railway. Finally, improving the affordability of rail services enables more people to benefit from the connectivity that these services provide.

3 Network Rail Update

- 3.1** The ability to run more and faster trains depends on the track and signalling capacity of the network and on the volume and type of services that already operate. The requirement for sufficient spacing between trains to ensure that safety and reliability are maintained is one constraint on capacity.

Another is the degree to which traffic is mixed: where there are significant differences in the speeds among trains sharing the same route (for instance between fast, long distance services and slower, stopping passenger services or freight services) the overall service frequency that can be provided will generally

be lower than when traffic operates at a uniform speed and to a uniform stopping pattern.

Therefore, in many instances where there are aspirations to improve services, trade-offs exist between the number of services that can be accommodated on the network, the mix of traffic that can be operated safely on the network and the quality of service that can be enjoyed for a given level of infrastructure capability (and therefore cost).

3.2 Electrification

Electrification can deliver reduced journey times by improving the rate at which rolling stock is able to reach line-speed. Regenerative braking can deliver environmental benefits by reducing energy cost, while the greater haulage capability of electric traction can reduce journey times for freight traffic, improving overall capacity on key routes. When combined with suitable signalling systems, electrification can often contribute significantly to improving the overall capacity of the network.

Within Scotland, electrification is currently centred on the core Glasgow commuter routes, the West Coast Main Line and the East Coast Main Line south and west of Edinburgh. The electrified network is being significantly expanded during Control Period 5, as a result of the Edinburgh-Glasgow Improvement Project (EGIP) and the Rolling Programme of Electrification. This will mean that all routes between Edinburgh and Glasgow will have been electrified by March 2019 in addition to those to Stirling, Dunblane and Alloa.

- 3.3 Further electrification of the network between Edinburgh and Perth/Dundee, including challenging structures such as the Forth Bridge, North Queensferry Tunnel, Kinghorn Tunnel and the Tay Bridge. Independently Powered Electric Multiple Unit (IPEMU) / bi-mode could be considered once further development work has been undertaken, as an option to reduce the scope and cost of route clearance works.

4. Key Interventions in the SEStran region

- 4.1 Network Rail have identified the following Key Interventions in the SEStran region that form part of their strategic plan up to 2043.
- 4.2 **Fife Bypass Line** - Scottish Government aspirations are for faster train services between Edinburgh and Aberdeen / Inverness. Providing an additional route through Fife will create the opportunity to timetable the stopping/freight and limited stop services on separate lines, thereby creating additional capacity and offering the ability to reduce journey times by approximately 5-10 minutes (depending on stopping patterns).
- 4.3 **Winchburgh Junction grade separation + Almond Junction** - This option proposes the grade separation of Winchburgh Junction and the creation of a chord line and grade separated junction at Almond to connect the main

Edinburgh –Glasgow and Fife lines running to/from Edinburgh. The new junctions and section of line between Winchburgh and Haymarket would be electrified.

- 4.4 Edinburgh Waverley Enhancement** - To facilitate more and longer local and Anglo Scottish services. Creation of a mezzanine level for safe and easy station navigation and relocated retail/passenger facilities to allow more platform capacity for trains.
- 4.5 Edinburgh Suburban Line Enhancements** - Remodelling of Portobello, Slateford and Niddrie West single lead junctions, upgrade of the signalling capacity, enhancement of the Millerhill through route capabilities (from Monktonhall Junction) in addition to electrification.
- 4.6 Additional Infrastructure on East Coast Main Line** - Capacity enhancement between Abbeyhill Junction and Portobello Junction to enable trains to run closer together (linked to the remodelling of Edinburgh Waverley East throat and Edinburgh Suburban Line Enhancement Programme)
- 4-tracking between Prestonpans and Drem (including Prestonpans, Longniddry and Drem Stations)
 - Longer loops or dynamic loops in the Grantshouse area (scope dependant on the capacity enhancements achievable at the east end of the corridor).
- 5. Scotrail Update**
- 5.1** SEStran met with Scot Prentice from Scotrail in January 2018. Key question for Scotrail - How do they make best use of improved infrastructure and £475m investment in new and enhanced trains and provide capacity for long term? They aim to do this by:
- Providing the “right” service for each travel market rather than make one train do everything
 - 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.
- 6. High Speed 2 Update**
- 6.1** 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 February 2018 and received an update from Transport Scotland and HS2.
- 6.2** It was confirmed that the project was proceeding with tenders for rolling stock and locations for production facilities being invited.

- 6.3** Aim for under 3-hour journey times by 2043 between London and Edinburgh/Glasgow with an interim aim of 3.30-hour journey times by 2030. However to meet these journey times integrating the HS2 routes will require management of potential capacity issues with the existing routes and timetables. This was highlighted as a significant issue to be addressed.
- 6.4** Transport Scotland are in the process of procuring a Consultant to undertake an Engineering Feasibility study, this study will examine two of the potentially better performing options (on the West Coast - Carstairs to Rutherglen, and on the East Coast - Newcastle to Dunbar) to understand cost, benefits, environmental impacts and technical considerations for work in Scotland that could improve journey times between central Scotland and London towards

The Contract has been awarded to Arup in March 2018. Please see following link for full details of the Award:

https://www.publiccontractsscotland.gov.uk/search/show/search_view.aspx?ID=MAR312316

- 6.5** The current published HS2 business case also assumes that from 2026 HS2 trains will be 200 metres in length. From 2033 they will be 400 metres in length and it is proposed to split and join them in the vicinity of Carstairs Junction. This will allow a 200-metre-long train to operate to Edinburgh Waverley and a further 200-metre-long train to Glasgow Central. If splitting and joining does not take place at Carstairs, or any other location, then Edinburgh Waverley and Glasgow Central would have to accommodate 400-metre-long trains. There would be a significant impact on capacity for both stations and would necessitate major investment, with consideration of options including a new station in Glasgow and the implications for redevelopment of Edinburgh Waverley. It was highlighted at the February meeting that 400m trains would be the most effective from a cost benefit perspective and improvements to network capacity.
- 6.6** It was also confirmed that HS2 development should ensure that routes on both the East and West coast need to be delivered, ideally at the same time.

7. Key SEStran Regional Issues

7.1 Levenmouth

The out-of-use Levenmouth line has no blockages, is owned by Network Rail and has an operational junction with Edinburgh to Dundee the main line - the cost per mile of reinstating this line would be potentially significantly less than other rail re-openings, i.e. the Borders Rail extension. Benefits include:

- Economic regeneration
- Increased land value
- Improving lives of local population

The outline proposal is for a reinstated line with two new stations at Cameron Bridge and Leven served by a half-hourly passenger train service and with an intermodal freight terminal at Cameron Bridge.

A detailed infrastructure specification is required. This needs to be derived from a study to determine the optimum timetable for Fife passenger trains services with a re-opened Levenmouth line. This would determine, for example, the signalling required, where a passing loop should be located on the re-opened line and would assess the need for additional rolling stock. Only after such a study can a detailed estimate of capital and operating costs be made to finalise the required business case.

Previous studies (2008 & 2015) have concluded that the number of additional rail journeys generated would be in the region of 160,000 per year. There is also estimated to be an intermodal switch from bus and car to rail.

Next steps include proposals for a more detailed Single Option study this would be relatively expensive and would need to be funded by Transport Scotland.

7.2 Newburgh

SYSTRA feasibility study was produced jointly with SEStran & Tactran for Newburgh and Oudenarde stations in 2015. The study was supported by both Fife and Perth & Kinross Council. Further investigation in the form of a full STAG appraisal is estimated to cost in excess of £100,000. Although representatives of the wider rail industry and Transport Scotland have been involved in discussions on a potential new station, there is little appetite to take a station proposal forward at this time, due to Network Rails concerns about impact on inter-city journey times. Transport Scotland and the Minister have indicated that any further consideration should form part of the broader NTS2 planning process.

7.3 Reston - East Linton – Dunbar

Joint funding has been secured by East Lothian & Scottish Borders Councils and Scottish Government to fund the development. There has been agreement that work to deliver the stations will be undertaken with a timeline for opening at some point in the next Network Rail Control Period - CP6 (2019 -2024). The work will be undertaken in conjunction with wider work to expand capacity on the East Coast mainline.

Dunbar Platform Two - Network Rail have also announced their plans to construct a second platform at Dunbar station, which will commence work in 2019. The new platform will facilitate operation of the new Virgin Trains East Coast 'Azuma' trains, which will enter service in 2018, and will also allow for extra services to use the station.

7.4 Winchburgh Station

Following the development of a business case for the new rail station and ongoing dialogue between the Winchburgh developers, Network Rail, Transport Scotland,

SEStran and West Lothian Council, an agreement was signed between Winchburgh Developments Ltd, the developer of the Winchburgh area, and Network Rail in 2014 to deliver a road bridge over the Edinburgh-Glasgow railway. Contained within this agreement was the delivery detail which would allow a new station to be funded and constructed once the granting of a station was given by Transport Scotland.

An Invitation to Tender (ITT) for the ScotRail franchise was issued in early 2014 by Transport Scotland. The ITT comprised the requirement on bidders to include a priced option of incorporating a Winchburgh rail station into the Edinburgh – Stirling / Dunblane / Alloa (following the electrification of this service in 2018 or 2019), as well as managing the new station.

The winning franchisee, Abellio, presented a priced option for a new station at Winchburgh in accordance with the ITT. The delivery of a rail station at Winchburgh has been agreed by all parties involved.

Network Rail are to provide further information to Scotrail to allow testing of possible timetable options to see what services are best to call there (2 options – the “new” fast Dunblane – Edinburgh service or the new service via Cumbernauld and Falkirk Grahamston). This is being delayed by a huge backlog of work in NR at the moment and unfortunately the other issues are more pressing because they affect timetables this year.

The Developer is in discussions with Network Rail regarding construction of a new road bridge over the railway – this is needed irrespective of the station. Current timeline projections are 2020 for construction of this. Potential opening of station is estimated as 2021.

7.5 Edinburgh Glasgow Improvement Program – Waverly Station Platform Extension

To accommodate longer trains being introduced on both the Edinburgh to Glasgow via Falkirk (E&G) route and the East Coast Main Line (ECML) key platforms at Edinburgh Waverly need to be extended.

There are two programmes underway to enable the introduction of these longer trains, the Edinburgh Glasgow Improvement Programme (EGIP) and the Intercity Express Programme (IEP)

This project is about creating platforms of suitable length to facilitate the safe operation of longer trains, improving the capacity of the route as well as journey times

The work will deliver the following improvements at Edinburgh Waverly:

- Extensions to platforms 5 & 6 are required to accommodate 10-car IEP services on East Coast routes (extended to 275m)

- Extension to platform 12 to accommodate 8 car services on Edinburgh to Glasgow line via Falkirk High (extended to 204m)
- In addition to the platform extensions, there will be work on the tracks to increase flexibility on approaches to the station from the east
- A crossover between platforms 10 and 11 will be installed which improves operational flexibility at the station

Due to issues with the collapse of Carillion, a key contractor on the project, work has been halted. However, Network Rail is expecting to have new arrangements in place and work to be restarted with an aim to have the east end works completed by end 2018.

7.6 Borders Railway

SEStran with SBC contributed to the current Transport Scotland Pre-Appraisal study looking at how the Scottish Borders is served by the strategic transport network. The focus of the study is on how the transport network connects the Scottish Borders to the key markets of Edinburgh, Newcastle and Carlisle, it will identify where the network works well, look at issues and seek suggestions for improvement.

This study will consider the future transport needs of the Scottish Borders and cross border connections, including examining the case for extending the Borders Railway.

As set out in the 2017-17 Programme for Government (PfG), the Strategic Transport Projects Review (STPR) will be reviewed, in alignment with National Planning Framework (NPF4) to enable a comprehensive review of national transport infrastructure priorities. The findings from this Pre-Appraisal work will feed in to this review and enable the Borders area's problems and opportunities to be clearly articulated for consideration at the national level.

The project will be completed with the full report published in Spring 2018.

8 Accessibility

- 8.1** The Thistle Assistance Card is supported by all train operators in the region with Caledonian Sleeper now on board with the scheme and promoting the card and App.

9. Recommendations

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

Keith Fiskin
Business Partner
9th March 2018

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

Projects and EU Update

1. Introduction

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

2 SEStran Real Time Passenger Information (RTPI)

- 2.1** SEStran's 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-faceted including being equipped to provide all of the necessary hardware to facilitate RTPI, thus minimising on-bus equipment and associated cost.
- 2.2** First Scotland East, following their national lead, have advised SEStran that they intend to invest in new, GPS enabled, ticket machines ("Ticketer") and that they will move to their national facility to produce RTPI, with effect from the end of June 2018. Therefore, they will no longer make use of the SEStran system and will remove all of the associated equipment from their vehicles and, accordingly, will 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.
- 2.3** Both operators have confirmed that this change will not affect the end user in respect of the provision of real time passenger information. This is a significant change. However, a form of Bustracker SEStran will continue to be required to produce RTPI for the smaller operators, who have recently 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 anticipated. However, the contract with Ineo Systrans does not end until June 2019 and a negotiation process has now commenced to establish what the cost of the remaining service will be, over its final year. The financial implications of this are referred to in the Budget report also included on the agenda for this Board meeting.

3. FAST Grant - GO E-Bike

- 3.1** GO E-Bike is the result of SEStran's FAST Grant, launched in 2017. Bikeplus were awarded grant funding to deliver the beginning of a regional electric bike scheme in the region. The pilots are due for launch in April 2018 in Buckhaven, St Andrews, West Lothian and Forth Valley. An employer trial will also take place concurrently, led by Active Cycle Projects. The Scottish Government are in talks to partake in one of the trials where they will receive a fleet of electric bikes at Victoria Quay for staff to try for 6 weeks.

3.2 Sustrans have been awarded, through a tender process, funding from the EU project REGIO MOB to monitor GO E-Bike and carry out two regional active travel audits which align with the REGIO MOB project.

3.3 SEStran will also look to expand the project in 2018/19, with an application to the Low Carbon Travel and Transport Fund for an additional £600,000 with the potential to add an additional 12 e-bike hubs.

4. European Projects Update

4.1 ‘**SocialCar**’ aims to integrate public transport information, car-pooling and crowd sourced data in order to provide a single source of information for the traveller to compare multiple options/services.

4.2 Final testing of the app was conducted throughout November and December of 2017. A subsequent Focus Group feedback session was held in January 2018. Feedback from each of the test sites will now be collated by SocialCar project partners, Aberdeen University and FIT Consultancy. The SocialCar final conference is to be held alongside the TRA conference in Vienna in April 2018. Prior to this SEStran will host a stakeholder meeting to address potential business cases for SocialCar post project completion.

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

4.4 Funding from SHARE-North will be used to support the implementation of the GO e-bike scheme at the end of March, as mentioned in item 3 of this report. The next partner meeting is due to be held in Bergen in May 2018.

4.5 **REGIO-MOB** aims to promote “learning, sharing of knowledge and transferring best practices between the participating regional and local authorities to design and implement regional mobility plans (or Regional Transport Strategies) bearing in mind the stakeholders with regional relevance and contributing to the sustainable growth of Europe”.

4.6 SEStran will be hosting a Dissemination Event on Thursday 22nd March 2018 at Radisson Blu hotel on the Royal Mile Edinburgh. The Event will be attended by the REGIO MOB partners and their political and technical stakeholders. Stakeholders from the SEStran region have been invited to learn more about the best practices being implemented in each region. Matthew Davis from Sustrans and Antonia Roberts from Bike Plus will be presenting on the policy landscape for active travel in our region and SEStran’s regional GO e-bike scheme.

4.7 SURFLOGH aims to improve the role of logistics hubs in the network of urban logistics in the North Sea Region.

4.8 The first Steering Committee meeting was held on the 8th of February in Amsterdam. SEStran are leading on a work package with Napier TRI creating business models for urban freight hubs. SEStran will also be trialling a last mile delivery solution with e-cargo bikes in the region and are currently developing a proposal with a local cargo bike delivery company.

5. Opportunities for New European Projects

5.1 Interreg, North Sea Region

5.1.1 CONNECT

SEStran has been invited to participate in the CONNECT project. Currently, the Trans-European Network-Transport (TEN-T) policy is putting a strong focus on the development of the Core Network: The whole trade and business network is not only depending on its major nodes but also on its hinterland and feeder connectivity. To raise the efficiency of transport flows in a holistic approach, the project will thus include both major and regional intermodal nodes to establish learning opportunities. The overall objective is to support smart intermodality growth in the NSR through efficiency enhancements. The project focuses on:

- implementation of new smart IT processes and IT-working tools (smart intermodality),
- developing strategies for smart efficiency enhancements (smart involvement)

The second stage project application was submitted in February 2018 and the outcome is awaited.

5.2 Horizon 2020

5.2.1 PURSUITS

SEStran has been invited to participate in the PURSUITS project. PURSUITS 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 (SUMP) and steer new mobility and distribution forms rather than just responding to them. This project will increase the understanding of how new forms of people mobility and freight distribution will affect spatial development, transport systems, quality of life and emissions in metropolitan areas, and validate how this knowledge can be used to steer the development and inform better planning and policy decisions achieving future mobility and sustainability goals for cities and regions. The project stage one application was submitted 31st January 2018.

5.2.2 POLIS IN ACTION

The aim of this project is to develop a methodology and framework for the assessment of sustainable urban mobility interventions. This framework will produce new, practice-based knowledge capable of assisting policy makers to become more responsive to new forms of mobility solutions and allow mobility plans to adapt to changing urban mobility patterns. The first-round bid was submitted on the 31st of January 2018

5.2.3 INSTINCT

5.2.4 Napier TRI have decided not to progress a second bid due to a lack of sufficient partners. The INSTINCT project may be submitted for a future call.

6. Further Initiatives

6.1 Can Do Innovation Challenge Fund

6.1.1 SEStran submitted two Expressions of Interest to the Second call of the 'Can Do' Innovation Challenge Fund. These included further development of the Thistle Assistance Card and a project looking at ways to report defects whilst on the daily commute.

6.1.2 SEStran have successfully been invited to stage two of the challenge for its proposal regarding the Thistle Assistance Card. Unfortunately, the defect reporting project was unsuccessful.

6.2 Hate Crime

6.2.1 West Lothian, Clackmannanshire and Fife Councils have agreed to pilot the regional hate crime transport charter. A questionnaire was sent to transport operators, with 89% of those that responded stating that they would like to be involved in the charter's development. SEStran is currently working with Police Scotland, Transport Scotland and Disability Equality Scotland to progress the charter. It is proposed that we carry out consultative activities with equality groups to find out their views.

6.3 yTravel

6.3.1 yTravel was formally launched in January 2018. Young Scot are currently looking for youth groups who are interested in getting their young people involved in shaping the future of transport in Scotland to work through Regional Design Teams from City of Edinburgh, Clackmannanshire, Fife and Midlothian. Young Scot and SEStran are also developing questions for a national transport survey for young people.

6.4 X-Route: Star Paths

6.4.1 The trial of the ‘star paths’, as funded through the Scottish Road Research Board, was launched in November 2017. The final report of the trial is due to be completed by Atkins in March 2018. Funding opportunities are still being sought to deliver a ‘glowing path’ in Livingston.

7. EU Exit

7.1 Talks on the future UK-EU trade deal due to start in March 2018 once a transition deal is agreed. The leaders of the remaining 27 EU states must approve the plans at a Brussels summit on 22 March, setting-up for chief negotiator Michel Barnier for talks with the UK about their future relationship.

7.2 The UK is due to leave the EU at the end of March 2019, and both sides have said they would like a deal on their future relationship to be agreed by this autumn to allow time for parliaments to approve the deal before Brexit happens.

8. Recommendations

8.1 Board Members are invited to note the content of the report.

Lisa Freeman
Strategy and Projects Officer
 9th March 2018

Policy Implications	None
Financial Implications	As described in the report
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.

SEStran Funding Opportunities 2018/19

1. INTRODUCTION

- 1.1 This report highlights funding opportunities to Board members to encourage the promotion of sustainable transport projects across the region and offer funding and staff resource to our local authorities.
- 1.2 SEStran offer two types of grant for sustainable and active travel, the “FAST” Grant and the Sustrans funded Regional Cycle Network Grant Scheme (RCNGS). These grants are available to local authorities and organisations throughout the region.
As well as offering grant, SEStran applies for and receives funding from a various number of sources, particularly European funds, and are continuously looking for new funding opportunities.

2. FAST GRANT

- 2.1 In summer 2017, SEStran launched the Forth Active and Sustainable Travel (FAST) Grant to local authorities and organisations across the South East of Scotland. The FAST Grant signified an increased commitment from SEStran, in the current year, to deliver active and sustainable transport projects as funding doubled from £100,000, in previous years, to £200,000. Further commitments in this respect will, of course, depend on available funding.
- 2.2 36 expressions of interest were submitted to the FAST Grant from a range of organisations. However, there was a common theme across the applications of electric bikes. SEStran decided to develop a regional electric bike scheme titled GO E-Bike and appointed Bikeplus to deliver the project.
- 2.3 Following the success of the FAST Grant and the development of the GO E-Bike project, SEStran is keen to commit further active travel budget towards the development and expansion of the scheme but will be dependent on budget settlements.

3. GO E-BIKE

- 3.1 As identified in the Scottish Government’s Programme for Government, there is a need to increase ‘promotion of the use of electric bicycles to ensure as many people as possible can benefit from active travel’. SEStran is addressing this through the GO E-Bike scheme. The project is being rolled out in 4 locations this financial year: West Lothian, Forth Valley and Fife (Buckhaven and St Andrews). The aim of the project is primarily to introduce e-bike sharing schemes to communities, particularly those affected by transport poverty and disadvantage. The project is being managed and delivered with Bikeplus who have a raft of knowledge when it

comes to delivering bike-sharing projects. The schemes will aim to complement existing and planned scheme throughout the region such as Falkirk's active travel hub and Edinburgh's proposed bike sharing scheme.

- 3.2 In January 2018, SEStran applied to Transport Scotland's 'Low Carbon Travel & Transport Challenge Fund' (LCTT) to receive a grant of £400,000, with a commitment of £200,000 from SEStran to expand the GO E-Bike project by introducing a further 12 e-bike hubs in each local authority in the region. Although several project partners have been identified, SEStran invites the suggestion or offer of further partnerships to join the scheme. Regardless of the LCTT funding being awarded, the project will continue into the new financial year through SEStran funding but on a significantly smaller scale.

4. SUSTRANS FUNDING

- 4.1 As part of SEStran's partnership working with Sustrans, we receive £100,000 from their Community Links funding to spend on cycling infrastructure projects across the region. Primarily there has been a focus on guiding and delivering the cross-boundary network where there can be gaps in provision across local authorities.
- 4.2 In continuing its partnership with Sustrans, both organisations have been in discussion to increase this funding source, following approval from Transport Scotland, in order to continue to deliver projects of strategic importance at a regional level to support the delivery and development of a regional cycle network.
- 4.3 The funding usually requires 50% match-funding however, in a change to this year's guidance, design work can be 100% funded. This will allow SEStran to build a portfolio of design ready cycling projects for local authorities.
- 4.4 Funding will be available from April 2018, to be spent by March 2019. SEStran invites and encourages its partnering authorities to make use of the funding and note that SEStran can also provide staff resource (to a limited extent) to assist with delivery.

5. ADDITIONAL FUNDING

- 5.1 Although funding is limited, SEStran is keen to continue to identify alternate funding sources, such as the LCTT and further European projects, to improve sustainable and active travel across the region. .
- 5.2 Through a partnership with Cycling Scotland, SEStran's Regional Cycling Development Officer who can help advise on schemes such as Cycle Friendly Employer and Schools as well as providing training opportunities. Additionally, there will be support to access Cycling Scotland's various streams of funding.

6. STAFF RESOURCE

- 6.1 As well as offering funding and applying for funding, SEStran can also offer staff time to help local authorities who may be under-staffed or at capacity with project work or proposals. This is obviously a limited resource and is provided on a first come, first served basis. A recent example comes from the work SEStran did in helping East Lothian Council write their active travel strategy.

7. RECOMMENDATIONS

- 7.1 The report asks that the Board note the contents of the report

Moira Nelson
Active Travel Strategic Development Officer
9th March 2018

Policy Implications	Increased spending on sustainable travel projects will increase clarity of policy
Financial Implications	Contained in existing budget and will deliver significant increase in active travel projects.
Equalities Implications	Targeting areas of disadvantage will improve social inclusion
Climate Change Implications	Increased spending on low carbon transport will encourage modal shift to more environmentally friendly modes

A Connected Scotland - Loneliness and Isolation Consultation

1. INTRODUCTION

1.1 On the 16th of January, the Scottish Government announced its consultation on Loneliness and Isolation¹. The draft strategy has been developed following the Scottish Parliament's Equal Opportunities Inquiry into Age and Social Isolation². One of the recommendations from the inquiry was to produce a national strategy to tackle social isolation and loneliness. From this, there was then a commitment by the Government to take this work forward within the Programme for Government³.

1.2 The consultation outlines definitions for both Social Isolation and Loneliness:

- **Social Isolation** – Refers to the quality and quantity of the social relationships a person has at individual, group, community and societal levels.
- **Loneliness** – is a subjective feeling experienced when there is a difference between an individual's felt and ideal levels of social relationships.

1.3 The consultation states that Government has an important role in creating the conditions for change to happen, and that everyone has a responsibility to help tackle loneliness and social isolation. With the view to empower communities to lead in this area.

1.4 The ability to access transport plays a large role in people's lives, and is vital for access to health services, employment, education and it enables many to remain socially active.

2. QUESTIONS RAISED BY THE CONSULTATION

2.1 The document outlines three broad questions to form the basis of the consultation:

- What needs to change in your community to reduce social isolation and loneliness and increase the range and quality of social connections?
- Who is key at local, and regional level in driving this change, and what do you want to see them doing more (or less) of?

¹ https://consult.gov.scot/equality-unit/connected-scotland/user_uploads/a-connected-scotland---tackling-social-isolation-and-loneliness-3.pdf

² http://www.parliament.scot/S4_EqualOpportunitiesCommittee/Reports/FINAL_Report.pdf

³ <http://www.gov.scot/Resource/0052/00524214.pdf>

- What does Government need to do nationally to better empower communities and create the conditions to allow social connections to flourish?

2.2 In addition to these three questions, the consultation goes into further detail by posing a number of specific questions throughout the document (appendix 1). Consultees are asked to provide input to each of these headings. However, SEStran will seek to provide input where appropriate.

3. CONSIDERATIONS FOR A SESTRAN RESPONSE

3.1 SEStran agrees with the definitions as outlined in the document and acknowledges that social isolation and loneliness can affect anyone at any point within their life. Therefore, this issue will need to cut across various service providers and Public Sector bodies.

3.2 The Scottish Government's socio-economic duty, asks public authorities to do more to tackle the inequalities and isolation caused by socio-economic disadvantage. This aligns with SEStran RTS policies on accessibility. SEStran seeks to support communities with low car ownership/high deprivation and peripheral areas less well served by public transport, helping to address the issue of social isolation.

3.3 Such support is integral to the delivery of SEStran's statutory Equality Outcomes 2017-2021 and actions to increase participation in public life of currently under-represented groups such as Children and Young People as part of its Public Sector Equality Duties. As mentioned within the document, 2018 marks the 'Year of Young People'. SEStran has actively participated in co-designing active travel projects with communities through partnership with Young Scot and Sustrans. SEStran has found that working with Young Scot on a project called X-Route⁴ and co-design a useful method to support and collaborate with children and young people in planning of policies and proposals.

3.4 A concerning result of the X-Route survey was that 75% of respondents had not heard of the term "active travel", which highlighted the need to manage communications with young people better when seeking to initiate behaviour change and deliver long-term place-based solutions which lead to habitual behaviour and use of space. The consultation states that physical activity interventions have a number of benefits to a person's health and wellbeing. SEStran will highlight that interventions to increase active travel provide valuable opportunities for people who are socially isolated or lonely to meet new people and build their social network.

3.5 Falling bus patronage is also of increasing concern, and many fear that essential services (specifically in rural areas) may be curtailed. Further raising the issue of 'forced car ownership', where those on a lower household

⁴ http://www.sestran.gov.uk/wp-content/uploads/2017/01/XRoute_document_2016_Final_2.pdf

income must spend an increasing proportion of their earnings on running a vehicle. In the recent consultation on Concessionary Travel⁵, SEStran welcomed the Scottish Government's proposal to expand the scheme to Modern Apprentices. Initiatives like these could limit the impact social isolation, or stop it from happening in the first instance.

- 3.6** As part of the Loneliness and Insolation consultation response, SEStran will also highlight its own initiatives that remove barriers to public transport use. With regards to giving passengers confidence when using public transport, SEStran looks to its Equalities Forum and wider stakeholder groups for participation. Informed by the SEStran Equalities Forum, the SEStran Thistle Assistance Card (and app) was developed. Members of the group believed that the card was essential for helping people with all types of disability to access and use public transport. To date, SEStran has successfully distributed over 42,000 cards throughout the region, and has been adopted by transport operators and other RTPs across Scotland.
- 3.7** In addition to the Thistle Card, SEStran will also highlight the impact that real-time bus information has on the traveling public. The benefits of live bus information are not just economic; they also have direct psychological benefits and deliver positive change in overall satisfaction, due to increased confidence in the transport system. Live bus information not only reduces actual waiting times, but it also reduces anxiety when at a bus stop providing users with the perceived benefit of increased safety. This is supported by Ferris et al (2010)⁶, who found that feelings of increased personal safety play an important role in using public transport, and that RTPs can help alleviate these concerns in the minds of the travelling public
- 3.8** Perception of safety, and instances of hate crime on public transport can deter some from accessing public transport altogether, thus leading to further social isolation and loneliness. Within Transport Scotland's Accessible Travel Framework Action Plan⁷, 'Hate Crime and Negative Behaviours' was identified as a key work package. SEStran is contributing to Transport Scotland's Hate Crime Working Group and following the City of Edinburgh Council's successful launch of the Hate Crime Charter for Public Transport, SEStran, Police Scotland, Transport Scotland and Disability Equality Scotland will be piloting a regional hate crime transport charter for 3 local authorities (West Lothian, Fife, Clackmannanshire).

4. RECOMMENDATIONS

- 4.1** The report invites comment from the Board on the consultation, which will be incorporated into a response from SEStran and signed off by the Chair under delegated powers.

⁵ <https://consult.gov.scot/partnerships-and-concessionary-travel/national-concessionary-travel-scheme/>

⁶

http://courses.washington.edu/cee500e/Files/Watkins_BusDriverRealTime_Edited_ChangesAccepted%5B1%5D.pdf

⁷ <http://accessibletravel.scot/wp-content/uploads/2016/11/Going-Further-Scotlands-Accessible-Travel-Framework-Full-Report.pdf>

4.2 It is requested that any comments are to be sent SEStran officers by the 20th of April 2018 for collation.

Lisa Freeman
Projects & Strategy Officer
9th March 2018

Appendix 1 – A Connected Scotland - Consultation Questions

Policy Implications	Topics addressed relate to SEStran's Socio-Economic duties and statutory Equality Outcomes 2017-2021 and may indicate the need for further policy development or review
Financial Implications	Potential for further policy development or review
Equalities Implications	Topics addressed relate to SEStran's Socio-Economic duties and statutory Equality Outcomes 2017-2021 and may indicate the need for further policy development or review
Climate Change Implications	

Appendix 1. A Connected Scotland - Consultation Questions

1. What needs to change in your community to reduce social isolation and loneliness and increase the range and quality of social connections?
2. Who is key at local level in driving this change, and what do you want to see them doing more (or less) of?
3. What does Government need to do nationally to better empower communities and create the conditions to allow social connections to flourish?
4. Do you agree or disagree with our definitions of (i) social isolation and (ii) loneliness? Please provide comments, particularly if you disagree.
5. Do you agree with the evidence sources we are drawing from? Are there other evidence sources you think we should be using?
6. Are there examples of best practice outside Scotland (either elsewhere in the UK or overseas) focused on tackling social isolation and loneliness that you think we should be looking at?
7. Are you aware of any good practice in a local community to build social connections that you want to tell us about?
8. How can we all work together to challenge stigma around social isolation and loneliness, and raise awareness of it as an issue? Are there examples of people doing this well that you're aware of?
9. Using the Carnegie UK Trust's report as a starting point, what more should we be doing to promote kindness as a route to reducing social isolation and loneliness?
10. How can we ensure that those who experience both poverty and social isolation receive the right support?
11. What do we need to be doing more of (or less of) to ensure that we tackle social isolation and loneliness for the specific life stages and groups mentioned above?
12. How can health services play their part in better reducing social isolation and loneliness?
13. How can we ensure that the social care sector contributes to tackling social isolation and loneliness?
14. What more can we do to encourage people to get involved in local groups that promote physical activity?

- 15.**How can we better equip people with the skills to establish and nurture strong and positive social connections?
- 16.**How can we better ensure that our services that support children and young people are better able to identify where someone may be socially isolated, and capable of offering the right support?
- 17.**How can the third sector and social enterprise play a stronger role in helping to tackle social isolation and loneliness in communities?
- 18.**What more can the Scottish Government do to promote volunteering and help remove barriers to volunteering, particularly for those who may be isolated?
- 19.**How can employers and business' play their part in reducing social isolation and loneliness?
- 20.**What are the barriers presented by the lived environment in terms of socially connecting? How can these be addressed?
- 21.**How can cultural services and agencies play their part in reducing social isolation and loneliness?
- 22.**How can transport services play their part in reducing social isolation and loneliness?
- 23.**How best can we ensure that people have both access to digital technology and the ability to use it?