



SESTRAN PARTNERSHIP BOARD MEETING

**Conference Room 1, Victoria Quay, Edinburgh, EH6 6QQ
10:00am Friday 22nd June 2018**

**09:30 TEA/COFFEE
10:00 PARTNERSHIP BOARD
12:30 LUNCH**

AGENDA A – POINTS FOR DECISION

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| 10:00am on Friday 21 st September 2018 in the Dean of Guild Room, City Chambers, Edinburgh, EH1 1YJ | |

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15th June 2018

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

Item A4(a)

SEStran Partnership Board

10.00am, Friday, 16 March 2018

Victoria Quay, Edinburgh

Present

Name

Organisation Title

Cllr Gordon Edgar (Chair)	Scottish Borders Council
Charlie Anderson	Non-Councillor Member
Cllr Colin Davidson (Deputy Chair)	Fife Council
Cllr Dave Dempsey	Fife Council
Cllr Ian Ferguson	Fife Council
Phil Flanders	Non-Councillor Member
Cllr Russell Imrie	Midlothian Council
Cllr David Key	CEC
Cllr Darren Lee	Clackmannanshire Council
Cllr Lesley Macinnes (Deputy Chair)	CEC
John Martin	Non-Councillor Member
Cllr Laura Murtagh	Falkirk Council
Sandy Scotland	Non-Councillor Member
Cllr Brian Smaill	Midlothian Council
Dr Doreen Steele	Non-Councillor Member
Barry Turner	Non-Councillor Member

In Attendance

Craig Beattie	CEC
Angela Chambers	SEStran
Kevin Collins	Falkirk Council
Claire Gardiner	Scott-Moncrieff
Keith Fiskien	SEStran

Elizabeth Forbes	SEStran
Ken Gourlay	Fife Council
Jim Grieve	SEStran
Peter Jackson	SEStran
Gavin King	CEC (Secretary)
Elizabeth MacCallum	CEC (Internal Audit)
Catriona Macdonald	SEStran
Kerra McKinnie	Board Observer
Gordon Mungall	Board Observer
Moira Nelson	SEStran
Graeme Johnstone	Scottish Borders Council
Iain Shaw	CEC (Treasury)
Jim Stewart	West Lothian Council
Rachel Wynne	Scott-Moncrieff

Apologies for Absence

Cllr Chas Booth	CEC
Cllr Fiona Collie	Falkirk Council
Cllr Karen Doran	CEC
George Eckton	SEStran
Cllr Jim Fullarton	Scottish Borders Council
Cllr Chris Horne	West Lothian Council
Cllr Cathy Muldoon	West Lothian Council
Neil Renilson	Non-Councillor Member
Cllr Brian Small	East Lothian Council

1. Standards Officer Update - Complaint

The Board, in terms of Section 50(A)(4) of the Local Government (Scotland) Act 1973, excluded the public from the meeting during consideration of this item of business for the reason that it involved the likely disclosure of exempt information as defined in Paragraph 1 of Part 1 of Schedule 7(A) of the Act.

Decision

To note the update.

2. Minutes

Decision

- 1) To agree the minute of the previous meeting 8 December 2017 as a correct record.
- 2) To note the minute of the Chief Officers' Liaison Group of 15 February 2018.
(Reference – minutes, submitted.)

3. External Audit Plan 2017/18

Claire Gardiner, Scott-Moncrieff gave details of the 2017/18 external audit. The audit concentrated on the 2017/18 financial statements and related matters, and a review of arrangements for governance and transparency, financial management, financial sustainability and value for money.

Decision

- 1) To note the external audit plan.
- 2) To note that External Audit would meet the members of the Performance and Audit Committee before consideration of the Accounts in September 2018.

4. Internal Audit Plan

Elizabeth MacCallum provided an update on progress with the 2017/18 SEStran Internal Audit review.

Decision

- 1) To note the scope of the 2017/18 Internal Audit Review.
- 2) To agree that members would provide feedback to Internal Audit on risks and areas of concern for inclusion into the 2018/19 Internal Audit review.
- 3) To request that the Governance Scheme – List of Officer Powers was reviewed to ensure the Board had appropriate oversight of such matters as transfers between budgets.

5. Revenue Budget 2018/19

Iain Shaw sought approval for the revenue budget for 2018/19, presenting a series of options based on a standstill Council requisition or a 5%, 10% or 15% reduction.

Motion

- 1) To approve recommendations 4.1 to 4.4 of the report by the Treasurer.
- 2) To approve a core revenue and projects budget for 2018/19 based on a standstill constituent Council requisition of £190,000.
- 3) To instruct the Treasurer to requisition the following amounts from constituent Councils:
Clackmannanshire £6,192
East Lothian £12,552
Edinburgh £61,160
Falkirk £19,220
Fife £44,658
Midlothian £10,685
Scottish Borders £13,811
West Lothian £21,722
Total £190,000
- 4) To note that financial planning for 2019/20 would be developed throughout 2018 for consideration by the Partnership in autumn 2018.
- 5) To note that the proposed budget was subject to a number of risks and that all income and expenditure of the Partnership would continue to be monitored closely. If it became necessary to meet unanticipated costs in 2018/19 this would be reported as part of the quarterly Financial Performance report presented to each meeting of the Partnership during 2018/19.

Moved by Councillor Edgar, seconded by Councillor Macinnes

Amendment

- 1) To approve recommendations 4.1 to 4.4 of the report by the Treasurer.
- 2) To approve a 5 % reduction in the constituent Council requisition of £180,500 for the core revenue and projects budget for 2018/19.
- 3) To instruct the Treasurer to requisition the following amounts from constituent Councils:
Clackmannanshire £5,883
East Lothian £11,925
Edinburgh £58,102

Falkirk £18,259

Fife £42,425

Midlothian £10,151

Scottish Borders £13,121

West Lothian £20,636

Total £180,500

- 4) To agree that the reduction in funding would be held in a contingency by the Partnership, during ongoing assessment of potential financial risks. A refund of constituent council requisition would be made once financial risks in the 2018/19 revenue budget were fully mitigated or discharged.
- 5) To note that financial planning for 2019/20 would be developed throughout 2018 for consideration by the Partnership in autumn 2018.
- 6) To note that the proposed budget was subject to a number of risks and that all income and expenditure of the Partnership would continue to be monitored closely. If it became necessary to meet unanticipated costs in 2018/19 this would be reported as part of the quarterly Financial Performance report presented to each meeting of the Partnership during 2018/19.

Moved by Councillor Imrie, seconded by Councillor Smail

Voting

Motion – 9 votes

Amendment – 5 votes

Decision

- 1) To note the baseline revenue budget for 2018/19.
- 2) To note the savings options proposed in the report by the Treasurer.
- 3) To approve a core revenue and projects budget for 2018/19 based on a standstill constituent Council requisition of £190,000.
- 4) To instruct the Treasurer to requisition the following amounts from constituent Councils:

Clackmannanshire £6,192

East Lothian £12,552

Edinburgh £61,160

Falkirk £19,220

Fife £44,658

Midlothian £10,685

Scottish Borders £13,811

West Lothian £21,722

Total £190,000

- 5) To note that financial planning for 2019/20 would be developed throughout 2018 for consideration by the Partnership in autumn 2018.
- 6) To note that the proposed budget was subject to a number of risks and that all income and expenditure of the Partnership would continue to be monitored closely. If it became necessary to meet unanticipated costs in 2018/19 this would be reported as part of the quarterly Financial Performance report presented to each meeting of the Partnership during 2018/19.

6. Finance Officer's Report

An update was provided on the financial performance of the core revenue budget for 2017/18. Details were also included on 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 currently forecast that core expenditure in 2017/18 would be within the revenue budget resources of the Partnership.
- 2) To note that all income and expenditure would continue to be monitored for the remainder of 2017/18.
- 3) To note that the month end balance of indebtedness between the Partnership and the City of Edinburgh Council, and the reason for these balances as outlined in paragraph 2.7 of the Treasurer's report.

7. Annual Treasury Management Activity

Approval was sought for an Annual Treasury Strategy.

Decision

To approve the Annual Treasury Strategy and continue the current Treasury Management arrangements.

8. Accounting Policies

Approval was sought for the Partnership's Accounting Policies.

Decision

To approve the Accounting Policies in preparation of the 2017/18 Annual Accounts.

9. Regional Rail Update

Keith Fiskien provided an update on current and future rail issues within the region.

Following questions and discussion, the following was highlighted:

- Discussions had taken place with Scotrail, Network Rail and Transport Scotland on supporting the reinstatement of the Levenmouth line. Work was also taking place with an active group in Fife to ensure SEStran was getting the most value from their input.
- Transport Scotland expect to have completed the study on the Levenmouth line by the end of 2018.
- An update would be provided on the status of the proposed Alloa to Dunfermline line.
- The Logistics and Freight Forum was open to all members and would be an important group going forward to discuss and have a greater creative role in determining SEStrans' input into rail.
- A STAG feasibility report was also nearing completion for Bonnybridge railway station and SEStran could engage with this project too.

Decision

- 1) To note the report.
- 2) To provide an update on the proposed Alloa to Dunfermline line.

10. Business Plan 2018/19

Approval was sought for the business plan for 2018/19.

Decision

- 1) To approve the Business Plan for 2018/19.
- 2) To add a commitment to reducing commuting into the plan.

Declaration of Interest

Sandy Scotland declared a non-financial interest as a director of Cycling Scotland.

11 Non-Councillor Member Board Appointments

An update was provided on the appointments of non-councillor members.

Decision

To note the report.

12. Information Governance Update

An update was provided on the preparation work for the General Data Protection Regulation and the Scottish Government's Cyber Security Action Plan.

Decision

- 1) To approve the Data Protection Policy and Privacy Notice for implementation in advance of the General Data Protection Regulation coming into force on 25 May 2018.
- 2) To approve the appointment of the Business Manager as SEStran's Data Protection Officer.
- 3) To note that further progress reports on cyber security would be presented to the Board.

13 Equalities Update

An update was provided on the Equalities Outcomes for 2017-2021 which had been previously agreed by the Board in April 2017.

Decision

To note the report.

14 Bus Travel Discussion Paper

Decision

- 1) To consider this report at the next Board meeting to allow for sufficient time for consideration.
- 2) To encourage attendance from public transport stakeholders.

15 Projects and EU Update

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

Decision

To note the report.

16 Funding Opportunities

Funding opportunities to encourage the promotion of sustainable transport projects across the region were highlighted.

Decision

To note the report.

17 Loneliness and Isolation Consultation

The Scottish Government had launched a consultation on a strategy to tackle loneliness and isolation.

Decision

To agree that members should provide any feedback to officers by 20 April 2018.

18 Dates of Future Meetings

Decision

To request that it is explored whether a Performance and Audit Committee could be held before the June 2018 Board meeting.

19 Non-Councillor Members

The Chair paid tribute to the contribution of those non-councillor members who had finished their term with SEStran and wished them well for the future.

PERFORMANCE & AUDIT COMMITTEE MEETING

HELD IN CONFERENCE ROOM 2, VICTORIA QUAY, EDINBURGH, EH6 6QQ
ON FRIDAY, 8 June 2018
10.00 A.M.

PRESENT:	<u>Name</u>	<u>Organisation Title</u>
	Councillor Edgar (in the Chair)	Scottish Borders Council
	Councillor Dempsey	Fife Council
	Councillor Imrie	Midlothian Council
	Barry Turner	Non-Councillor Member

IN ATTENDANCE:	<u>Name</u>	<u>Organisation Title</u>
	Angela Chambers	SEStran
	Gavin King	City of Edinburgh Council
	Keith Fiskien	SEStran
	Elizabeth Maccallum	City of Edinburgh Council
	Lesley Newdall	City of Edinburgh Council
	Iain Shaw	City of Edinburgh Council
	Rachel Wynne	Scott Moncrieff

Action by

A1. ORDER OF BUSINESS

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

Decision

To include page numbers on committee papers in future.

A2. APOLOGIES

Apologies were received from Councillors Fullarton, Key, Murtagh and Small, Doreen Steele and Jim Grieve, .

A3. DECLARATIONS OF INTERESTS

None.

A4. CHAIR

Decision

In the absence of a Chair, Councillor Edgar was appointed to chair the rest of the meeting.

A5. MINUTES

Decision

To approve the minute of 24 November 2017 as a correct record.

A6. ANNUAL INTERNAL AUDIT OPINION 2017/18

Details were provided of Internal Audit's annual opinion for the year ended 31 March 2018. The Internal audit report with key findings and management actions, the Annual Governance Statement and the Statement of Internal Financial Control were attached.

Decision

To note the internal audit opinion for the year ended 31 March 2018.

A7. FINANCE REPORTS

(a) Unaudited Annual Accounts 2017/18

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

Decision

To note the unaudited Annual Accounts for 2017/18 and refer the Unaudited Accounts to the Partnership Board for review.

(b) Annual Treasury Report 2017/18

The Annual Treasury Report for 2017/18 was presented.

Decision

To note the Annual Report.

A8. RISK MANAGEMENT

A six-monthly update of the new risk register was provided to the Committee.

Decision

To note the Risk Register

A9. CYBER RESILIENCE

An update was provided on Cyber Resilience including a cyber essentials pre-assessment that would enable SEStran to gain Cyber Essentials or Cyber Essentials Plus accreditation.

Decision

- 1) To pursue Cyber Essentials PLUS accreditation.
- 2) To note that the final assessment and accreditation would be completed by October 2018

A10. DATE OF NEXT MEETING

10:00am on Friday 7 September 2018 in Conference Room 2, Victoria Quay, Edinburgh, EH6 6QQ

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. 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. Over three-quarters of public transport journeys in Scotland are taken by bus, with many consumers relying on buses for work, health and social journeys¹. However, bus patronage has been on the decline in Scotland, with a 27 million² 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 2015-16³, 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.

¹ 'Creating Better Journeys: Findings from the Citizens Advice Scotland bus users survey', Citizens Advice Scotland (2018).

² 'Trends in Scottish Bus Patronage: Report to the Confederation of Passenger Transport (Scotland)', KPMG (2017).

³ <https://www.transport.gov.scot/publication/scottish-transport-statistics-no-35-datasets/>

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 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 Scotland⁴.

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

⁴ 'Trends in Scottish Bus Patronage: Report to the Confederation of Passenger Transport (Scotland)', KPMG (2017).

improve transport services within Scotland. Participants from this wide range of backgrounds and skills formed teams to work on a product prototypes with 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 Traveline app 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.⁵ 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 bikes⁶. 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

⁵ <https://greenerjourneys.com/wp-content/uploads/2016/06/Prof-David-Begg-The-Impact-of-Congestion-on-Bus-Passengers-Digital-FINAL.pdf>

⁶ <https://maas-scotland.com/what-is-maas/>

modes of transportation. This could reduce the need for the introduction of demand restraint policies such as workplace parking charges and also reduce 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).⁷

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.⁸ In the RTS, South East of Scotland Transport Partnership stated that

⁷ <https://greenerjourneys.com/wp-content/uploads/2016/06/Prof-David-Begg-The-Impact-of-Congestion-on-Bus-Passengers-Digital-FINAL.pdf>

⁸ 'Trends in Scottish Bus Patronage: Report to the Confederation of Passenger Transport (Scotland)', KPMG (2017).

“SEStran has reviewed fares levels across the area in terms of value for money. In the longer term, SEStran will seek to address inequalities in public transport fares across the SEStran area as a medium priority”.

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 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

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

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 Jones

Projects Officer

8th June 2018

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

Unaudited Annual Accounts 2017/18

1. INTRODUCTION

- 1.1 The purpose of this report is to present the unaudited Annual Accounts for the year ended 31 March 2018.

2. MAIN REPORT

- 2.1 The unaudited Annual Accounts are presented to the Partnership Board in accordance with the Local Authority Accounts (Scotland) regulations 2014, which requires that the Annual Accounts for the year 2017/18 be presented to the Board for review no later than 31st August, 2018. The unaudited Annual Accounts have been submitted to the Partnership's external auditor by the required date of 30th June, 2018.
- 2.2 The unaudited Annual Accounts for 2017/18 have been prepared in accordance with the Code of Practice on Local Authority Accounting, which is based on International Financial Reporting Standards (IFRS).
- 2.3 The Annual Accounts are subject to audit. The Board's appointed auditor, Scott Moncrieff will present the audited accounts, along with the *Report to those charged with governance on the 2017/18 audit* to the Performance and Audit Committee and Partnership Board by 30th September 2018.
- 2.4 The draft Annual Governance Statement includes details of the Governance Framework and a review of its effectiveness, including the system of internal financial control. The Treasurer's opinion on the effectiveness of the Partnership's system of internal financial control is provided within the draft Annual Governance Statement on pages 6 to 8.
- 2.5 A Management Commentary is provided on pages 2 to 4 of the Annual Accounts. This includes key aspects of financial performance during the year.

3. RECOMMENDATIONS

- 3.1 It is recommended that the Partnership Board:
- (i) notes that the audited Annual Accounts, incorporating the Auditor's report, will be presented to the Performance and Audit Committee and Partnership Board in September 2018.

Hugh Dunn
Treasurer
15th June 2018

Appendices

Unaudited Annual Accounts 2017/18

Contact/tel/e-mail

Iain Shaw: 0131 469 3117 iain.shaw@edinburgh.gov.uk

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

**The South East of Scotland
Transport Partnership
(SESTRAN)**

**Unaudited
Annual Accounts**

2017/2018

The South East of Scotland Transport Partnership (SESTRAN)

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The South East of Scotland Transport Partnership (SESTRAN)

Management Commentary

1. Basis of Accounts

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

As a result of the 'Telling the Story' review of the presentation of local authority financial statements in 2015, an Expenditure and Funding Analysis statement is included at Note 2 on Page 19. An explanation of the nature and purpose of the statement is also included.

2. Statutory Background

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

3. Corporate Strategy

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

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

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

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

SEStran's Vision Statement is as follows:

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

4. Risks and Uncertainties

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

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

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

5. Results for the Year

The Partnership is required to present its financial performance as a Comprehensive Income and Expenditure Statement. This can be seen on page 12.

The South East of Scotland Transport Partnership (SESTRAN)

Management Commentary (*continued*)

5. Results for the Year (*continued*)

However, to show the net position of the Partnership and to allow comparison with the approved revenue budget, it is necessary to adjust the expenditure shown in the Comprehensive Income and Expenditure Statement to take account of a number of items where the statutory accounting requirements differ from the management accounting practice of the Partnership. These adjustments are detailed in Note 2.

The revenue budget of the Partnership in 2017/18 was £1.327m. A comparison of the outturn position with the revenue budget is summarised below:

	Revised Budget	Outturn	Variance
	£'000	£'000	£'000
Core Service	487	444	(43)
Revenue Projects	500	656	156
RTPI Project	339	498	159
Interest	1	0	(1)
Total Expenditure 2017/18	1,327	1,598	271
Government Grant	(782)	(782)	0
Constituent Council Requisitions	(190)	(174)	16
Other Income - Revenue Projects	(195)	(374)	(179)
Other Income - RTPI Project	(160)	(267)	(107)
Interest Received	0	(1)	(1)
Total Income 2017/18	(1,327)	(1,598)	(271)

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

The Partnership incurred expenditure of £0.656m on revenue projects. Expenditure was £0.156m over budget, funded by additional income of £0.179m sourced during 2017/18. Overall, the net Revenue Projects budget was £23,000 below budget. The main favourable variance arose on the Sustainable and Active Travel grants programme. Expenditure of £0.498m on the Real-Time Passenger Information (RTPI) project was funded principally by income of £0.267m from bus operators, European Regional Development Fund and underspends on the Core and Revenue projects budgets. During 2017/18, the Partnership spent £177,000 on operational equipment for the regional real-time bus passenger travel information system.

Overall the Partnership had a net underspend of £16,000.

Non Financial Results

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

The South East of Scotland Transport Partnership (SESTRAN)

Management Commentary (*continued*)

5. Results for the Year (*continued*)

Non Financial Results (*continued*)

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

6. Future Developments

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

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

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

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

The South East of Scotland Transport Partnership (SESTRAN)

STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS

The Partnership's Responsibilities

The Partnership is required:

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

The Treasurer's Responsibilities

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

In preparing the Annual Accounts, the Treasurer has:

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

The Treasurer has also:

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

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

Treasurer: HUGH DUNN, CPFA _____ Date signed: 14th June 2018

The South East of Scotland Transport Partnership (SESTRAN)

ANNUAL GOVERNANCE STATEMENT 2017/18

1. Scope of Responsibility

The South East of Scotland Transport Partnership's aim is to develop a transportation system for South East Scotland as outlined in the Partnership's Regional Transport Strategy 2008-2023.

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

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

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

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

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

2. The Partnership's Governance Framework

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

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

- Focusing on the purpose of the Partnership and on outcomes for the community, and creating and implementing a vision for the local area;
- Members and officers working together to achieve a common purpose with clearly defined functions and roles;
- Promoting values for the Partnership and demonstrating the values of good governance through upholding high standards of conduct and behaviour;
- Taking informed and transparent decisions which are subject to effective scrutiny and managing risk;
- Developing the capacity and capability of members and officers to be effective;
- Engaging with local people and other stakeholders to ensure robust public accountability.

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

The South East of Scotland Transport Partnership (SESTRAN)

ANNUAL GOVERNANCE STATEMENT 2017/18 (*continued*)

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

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

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

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

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

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

4. Review of Effectiveness

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

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

- the work of Internal Audit and the Chief Internal Auditor's Annual Opinion on the adequacy and effectiveness of the Partnership's control environment, governance and risk management frameworks;
- the Partnership Director's Certificate of Assurance on internal control;
- the operation and monitoring of controls by Partnership managers;
- the External Auditors in their Annual Audit Letter and other reports; and
- other inspection agencies comments and reports.

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

- **The Partnership Board**, which provides strategic leadership, determines policy aims and objectives and takes executive decisions not delegated to officers. It provides political accountability for the Partnership's performance;
- **The Performance and Audit Committee**, which demonstrates the Partnership's commitment to the principles of good governance. It scrutinises the running of the Partnership and suggests improvements;

The South East of Scotland Transport Partnership (SESTRAN)

ANNUAL GOVERNANCE STATEMENT 2017/18 (*continued*)

4. Review of Effectiveness (*continued*)

- **Internal Audit** provides an independent and objective assurance service to the Partnership, by completing one review in each financial year that is focused on the adequacy and effectiveness of controls established to manage the Partnership's key risks;
- **The External Auditor's Annual Audit Report** is considered by the Partnership Board and the Performance and Audit Committee, along with the output from other external audits and inspections;
- **The risk management system** requires that risks are regularly reviewed by the Performance and Audit Committee and the Board. This ensures that actions are taken to effectively manage the Partnership's highest risks;
- **The Legal Officer** is responsible to the Partnership for ensuring that agreed procedures are followed and that all applicable statutes and regulations are complied with.

5. Certification

In compliance with accounting practice, the Treasurer has provided the Partnership Director with a statement on the adequacy and effectiveness of the Partnership's internal financial control system for the year ended 31st March 2018. It is the Treasurer's opinion that reasonable assurance can be placed upon the adequacy and effectiveness of the Partnership's internal control system.

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

From this year's review there is evidence that the Local Code of Corporate Governance is operating effectively with overall compliance by the Partnership in all significant areas of its corporate governance arrangements.

The South East of Scotland Transport Partnership (SESTRAN)

REMUNERATION REPORT

1. Remuneration Policy for Senior Employees

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

2. Remuneration for Senior Councillors

The Partnership does not provide any remuneration to senior councillors.

Expenses paid to Board members are detailed in note 19 to the annual accounts.

3. Management of Remuneration Arrangements

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

4. Officers Remuneration

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

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

5. Senior Employees Remuneration

The remuneration paid to the Partnership's senior employees is as follows:

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

* full time equivalent 2016/17 salaries being Alex Macaulay (£90,216) & George Eckton (£75,000)

** full time equivalent 2017/18 salary - Jim Grieve (£57,164)

The senior employees in the above table have responsibility for management of the Partnership to the extent that they have power to direct or control the major activities of the Partnership (including activities involving the expenditure of money), during the year to which the Remuneration Report relates, whether solely or collectively with other persons.

6. Senior Employees Pension Entitlement

The pension entitlement of the Partnership's senior employee(s) is as follows:

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

The senior employees shown in table above are members of the Local Government Pension Scheme (LGPS).

The South East of Scotland Transport Partnership (SESTRAN)

REMUNERATION REPORT (*continued*)

6. Senior Employees Pension Entitlement (*continued*)

THE LGPS is a final salary pension scheme.

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

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

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

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

On earnings up to and including £20,700 (5.5%); on earnings above £20,700 and up to £25,300 (7.25%); on earnings above £25,300 and up to £34,700 (8.5%); on earnings above £34,700 and up to £46,300 (9.5%) and on earnings above £46,300 (12%).

If a person works part-time their contribution rate is worked out on the whole-time pay rate for the job, with actual contributions paid on actual pay earned.

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

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

7. Exit Packages

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

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

All information disclosed in the tables at paragraphs 4, 5 and 6 in this Remuneration Report will be audited.

The other sections of the Remuneration Report have been reviewed by the appointed auditor to ensure that they are consistent with the annual accounts.

The South East of Scotland Transport Partnership (SESTRAN)

MOVEMENT IN RESERVES STATEMENT

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

2016/17 - Previous Year Year Comparative

Opening Balances at 1 April 2016

Total Comprehensive Expenditure and Income

Adjustments between accounting basis & funding basis under regulations (Note 7)

Increase/Decrease in 2016/17

Balance at 31 March 2017 carried forward

Usable Reserves		Unusable Reserves	Total Partnership Reserves
General Fund Balance	Total Usable Reserves		
£'000	£'000	£'000	£'000
0	0	1,430	1,430
(1,285)	(1,285)	(107)	(1,392)
1,285	1,285	(1,285)	0
0	0	(1,392)	(1,392)
0	0	38	38

2017/18 - Current Financial Year

Opening Balances at 1 April 2017

Total Comprehensive Expenditure and Income

Adjustments between accounting basis & funding basis under regulations (Note 7)

Increase/Decrease in 2017/18

Balance at 31 March 2018 carried forward

Usable Reserves		Unusable Reserves	Total Partnership Reserves
General Fund Balance	Total Usable Reserves		
£'000	£'000	£'000	£'000
0	0	38	38
39	39	(358)	(319)
(39)	(39)	39	0
0	0	(319)	(319)
0	0	(281)	(281)

The South East of Scotland Transport Partnership (SESTRAN)

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT 2017/18

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

2016/17				2017/18		
Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000	Services	Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000
1,814	(2)	1,812	Core	573	0	573
915	(516)	399	Projects	977	(641)	336
2,729	(518)	2,211	Cost Of Services	1,550	(641)	909
61	(54)	7	Financing & Investment Income (Note 9)	58	(50)	8
0	(933)	(933)	Taxation and Non-Specific Grant Income (Note 10)	0	(956)	(956)
2,790	(1,505)	1,285	(Surplus) or Deficit on Provision of Services	1,608	(1,647)	(39)
			Other Comprehensive Income and Expenditure			
0	0	0	Change in Demographic Assumptions	0	(12)	(12)
405	0	405	Change in Financial Assumptions	0	(113)	(113)
0	0	0	Other Experience	499	0	499
0	(298)	(298)	Expected Return on Assets	0	(16)	(16)
405	(298)	107	Total Other Comprehensive Income and Expenditure	499	(141)	358
3,195	(1,803)	1,392	Total Comprehensive Income and Expenditure	2,107	(1,788)	319

The South East of Scotland Transport Partnership (SESTRAN)

BALANCE SHEET

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

31 March 2017 £'000		Notes	31 March 2018 £'000
351	Property, plant and equipment	11	422
351	Long term assets		422
422	Short-term debtors	13	464
(12)	Provision for Bad Debts	14	0
76	Cash and cash equivalents	15	700
486	Current assets		1,164
(93)	Contributions and Grants Received in Advance		(27)
(399)	Short-term creditors	16	(1,144)
(492)	Current liabilities		(1,171)
(307)	Other long-term liabilities (Pensions)	18	(696)
(307)	Long-term liabilities		(696)
38	Net assets/ (liabilities)		(281)
	Financed by:		
0	Usable reserves	17	0
38	Unusable reserves	18	(281)
38	Total reserves		(281)

The unaudited Annual Accounts were issued on the 14th June 2018.

Treasurer: HUGH DUNN, CPFA

Date signed: 14th June 2018

The South East of Scotland Transport Partnership (SESTRAN)

CASH FLOW STATEMENT

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

31 March 2017 £'000	31 March 2017 £'000		31 March 2018 £'000	31 March 2018 £'000
		OPERATING ACTIVITIES		
(1,551)		Government Grants	(782)	
(200)		Constituent Council Requisitions	(190)	
(1)		Interest paid/ (received)	0	
(520)		Other receipts from operating activities	(354)	
	(2,272)	Cash inflows generated from operating activities		(1,326)
384		Cash paid to and on behalf of employees	310	
1,838		Cash paid to suppliers of goods and services	392	
	2,222	Cash outflows generated from operating activities		702
	(50)	Net cash flows from operating activities		(624)
		INVESTING ACTIVITIES		
15		Purchase of property, plant and equipment	0	
	15	Net cash flows from investing activities		0
		FINANCING ACTIVITIES		
0		Other receipts from financing activities	0	
	0	Net cash flows from financing activities		0
	(35)	Net(increase)/ decrease in cash and cash equivalents		(624)
	41	Cash and cash equivalents at the beginning of the reporting period		76
	76	Cash and cash equivalents at the end of the reporting period (Note 15)		700

The South East of Scotland Transport Partnership (SESTRAN)

1. STATEMENT OF ACCOUNTING POLICIES

1.1 Accounting Policies

The Annual Accounts have been prepared in accordance with the International Financial Reporting Standards (IFRS) based Code of Practice in the United Kingdom (the Code). This is to ensure that the Annual Accounts "present a true and fair view" of the financial position and transactions of the Partnership.

The Annual Accounts have been prepared on an historic cost basis, modified by the valuation of pension assets and liabilities and property, plant and equipment, where appropriate.

1.2 Revenue Expenditure

Revenue expenditure is that which does not yield benefit beyond the year of account. In broad terms the revenue expenditure of the Partnership can be divided into two categories:

- employees;
- day-to-day operating expenses, includes costs incurred in respect of furniture and fittings, and equipment.

1.3 Accruals of Expenditure and Income

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

1.4 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 has not identified 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 South East of Scotland Transport Partnership (SESTRAN)

1. STATEMENT OF ACCOUNTING POLICIES (*continued*)

1.7 Employee Benefits (*continued*)

Pensions (*continued*)

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

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

Pension assets have been valued at bid value (purchase price), as required under IAS19. Under pension regulations, contribution rates are set to meet 100% of the overall liabilities of the Fund.

Accruals of Holiday Leave

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

1.8 Non Current Assets

a) *Intangible Assets*

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

b) *Property, Plant and Equipment*

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

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

Recognition:

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

Depreciation:

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

Measurement:

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

The South East of Scotland Transport Partnership (SESTRAN)

1. STATEMENT OF ACCOUNTING POLICIES (*continued*)

1.9 Government Grants and Other Contributions

● Revenue

Revenue grants and other contributions have been included in the financial statements on an accruals basis.

Where such funds remain unapplied at the Balance Sheet date, but approval has been given to carry these funds forward to the next financial year, the funds have been accrued.

● Capital

Capital grants and contributions are recognised in the Comprehensive Income and Expenditure Statement, except to the extent there are conditions attached to them that have not been met.

Where there are no conditions attached to capital grants and contributions, these funds are a reconciling item in the Movement in Reserves Statement by way of an adjusting transaction with the capital adjustment account where expenditure has been incurred and the unapplied capital grants account, where expenditure has not been incurred.

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

1.10 Provisions

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

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

1.11 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.

The South East of Scotland Transport Partnership (SESTRAN)

1. STATEMENT OF ACCOUNTING POLICIES (*continued*)

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 have been 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.

The South East of Scotland Transport Partnership (SESTRAN)

2. EXPENDITURE AND FUNDING ANALYSIS

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

Expenditure and Funding Analysis

	Net Expenditure Chargeable to the General Fund	Adjustments	Net Expenditure in the CIES
2017/18	£'000	£'000	£'000
Core	443	130	573
Projects	513	(177)	336
Net Cost of Services	956	(47)	909
Other Income and Expenditure			
Government grant	(782)	0	(782)
Constituent council requisitions	(174)	0	(174)
Net pension interest cost	0	8	8
(Surplus) or deficit on the provision of services	0	(39)	(39)
	Net Expenditure Chargeable to the General Fund	Adjustments	Net Expenditure in the CIES
2016/17	£'000	£'000	£'000
Core	456	1,357	1,813
Projects	478	(79)	399
Net Cost of Services	934	1,278	2,212
Other Income and Expenditure			
Government grant	(782)	0	(782)
Constituent council requisitions	(151)	0	(151)
Interest paid	(1)	0	(1)
Net pension interest cost	0	7	7
(Surplus) or deficit on the provision of services	0	1,285	1,285

The South East of Scotland Transport Partnership (SESTRAN)

2. EXPENDITURE AND FUNDING ANALYSIS *(continued)*

Expenditure and Funding Analysis *(continued)*

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

	Adjusts. For Capital Purposes £'000	Net Change for Pensions Adjusts. £'000	Other Differences £'000	Total Statutory Adjusts. £'000
2017/18				
Core	106	23	1	130
Projects	(177)	0	0	(177)
Net Cost of Services	(71)	23	1	(47)
Other Income and Expenditure				
Government Grant	0	0	0	0
Constituent council requisitions	0	0	0	0
Interest paid	0	0	0	0
Net pension interest cost	0	8	0	8
(Surplus) or deficit on the provision of services	(71)	31	1	(39)
	Adjusts. For Capital Purposes £'000	Net Change for Pensions Adjusts. £'000	Other Differences £'000	Total Statutory Adjusts. £'000
2016/17				
Core	1,349	4	4	1,357
Projects	(79)	0	0	(79)
Net Cost of Services	1,270	4	4	1,278
Other Income and Expenditure				
Government Grant	0	0	0	0
Constituent council requisitions	0	0	0	0
Interest paid	0	0	0	0
Net pension interest cost	0	7	0	7
(Surplus) or deficit on the provision of services	1,270	11	4	1,285

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

The South East of Scotland Transport Partnership (SESTRAN)

2. EXPENDITURE AND FUNDING ANALYSIS *(continued)*

2.2 Segmental Analysis of Income included in Expenditure and Funding Analysis

	Core £'000	Projects £'000	Total £'000
2017/18			
Expenditure			
Employee expenses	248	4	252
Other service expenses	195	1,150	1,345
Total Expenditure	443	1,154	1,597
Income			
Revenues from external customers	0	0	0
Government grants and other contribs.	0	(641)	(641)
Total Income	0	(641)	(641)
Net Cost of Services	443	513	956
2016/17			
Expenditure			
Employee expenses	241	12	253
Other service expenses	216	983	1,199
Total Expenditure	457	995	1,452
Income			
Revenues from external customers	(1)	(52)	(53)
Government grants and other contribs.		(465)	(465)
Total Income	(1)	(517)	(518)
Net Cost of Services	456	478	934

The South East of Scotland Transport Partnership (SESTRAN)

2. EXPENDITURE AND FUNDING ANALYSIS *(continued)*

2.3 Expenditure and Income Analysed by Nature

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

	31st March 2018 £'000	31st March 2017 £'000
Expenditure		
Employee expenses	277	261
Other service expenses	1,168	1,104
Depreciation, amortisation and impairment	106	1,364
Interest payments	58	61
Total Expenditure	1,609	2,790
Income		
Fees, charges and other service income	0	(53)
Interest and investment income	(51)	(54)
Income from constituent councils	(174)	(151)
Government grants and other contributions	(1,423)	(1,247)
Total Income	(1,648)	(1,505)
(Surplus) or Deficit on the Provision of Services	(39)	1,285

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

The Code requires the disclosure of information relating to the impact of an accounting change that will be required by a new standard that has been issued but not yet adopted. This applies to the adoption of the following new or amended standards within the 2018/19 Code. For 2017/18 the following accounting policy changes that need to be reported relate to:

- IFRS 9 Financial Instruments;
- IFRS 15 Revenue from Contracts with Customers including amendments to IFRS 15 Clarifications to IFRS 15 Revenue from Contracts with Customers;
- Amendments to IAS 12 Income Taxes: Recognition of Deferred Tax Assets for Unrealised Losses, and
- Amendments to IAS 7 Statement of Cash Flows: Disclosure Initiative.

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

4. CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

In applying the accounting policies set out in Note 1, the Partnership has had to make certain judgements about complex transactions or those involving uncertainty about future events.

The critical judgements made in the Annual Accounts are:

- There is high degree of uncertainty about future levels of funding for local government.
The Partnership has determined that this uncertainty is not yet sufficient to provide an indication that the assets of the Partnership might be impaired as a result of a need to reduce levels of service provision.

The South East of Scotland Transport Partnership (SESTRAN)

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

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

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

5.1 Pension Liabilities

Uncertainties

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

Effect if Actual Result Differs from Assumptions

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

The following table shows the sensitivity of the results to the changes in the assumptions used to measure the scheme liabilities. Approximate percentage changes and monetary values are shown:

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

6. EVENTS AFTER THE BALANCE SHEET DATE

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

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

The South East of Scotland Transport Partnership (SESTRAN)

7. ADJUSTMENTS BETWEEN ACCOUNTING BASIS AND FUNDING BASIS UNDER REGULATIONS

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

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

The South East of Scotland Transport Partnership (SESTRAN)

7. ADJUSTMENTS BETWEEN ACCOUNTING BASIS AND FUNDING BASIS UNDER REGULATIONS

(continued)

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

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

The South East of Scotland Transport Partnership (SESTRAN)

8. TRANSFERS TO/FROM EARMARKED RESERVES

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

9. FINANCING AND INVESTMENT INCOME

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

10. TAXATION AND NON SPECIFIC GRANT INCOME

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

The South East of Scotland Transport Partnership (SESTRAN)

11. PROPERTY, PLANT AND EQUIPMENT

11.1 Movements on balances:

Movements in 2017/18

Cost or Valuation	Vehicles Plant and Equipment £'000	Assets Under Construction £'000	Property Plant and Equipment £'000
At 1st April 2017	534	79	613
Additions	256	(79)	177
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	0	(12)	(12)
At 31st March 2018	790	(12)	778
Accumulated Depreciation			
At 1st April 2017	(262)	0	(262)
Depreciation charge	(94)	0	(94)
Depreciation written out to the Surplus/Deficit on the Provision of Services	0	0	0
At 31st March 2018	(356)	0	(356)
Net Book Value			
At 31st March 2018	434	(12)	422

The South East of Scotland Transport Partnership (SESTRAN)

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

11.2 Movements on balances:

Comparative Movements in 2016/17

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

11.3 Depreciation

The following useful lives have been used in the calculation of depreciation:

- Vehicles, plant and equipment: 4 - 5 years

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

11.4 Capital Commitments

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

The South East of Scotland Transport Partnership (SESTRAN)

12. FINANCIAL INSTRUMENTS

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

	Long-term		Current	
	31st March 2018 £'000	31st March 2017 £'000	31st March 2018 £'000	31st March 2017 £'000
Investments				
Loans and receivables	0	0	898	344
Borrowings				
Financial liabilities at amortised cost	0	0	976	331

12.2 Fair Values of Assets and Liabilities

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

The fair values calculated are as follows:

Financial Liabilities	31 March 2018		31 March 2017	
	Carrying Amount £'000	Fair Value £'000	Carrying Amount £'000	Fair Value £'000
Trade creditors	976	976	331	331
Financial Assets	31 March 2018		31 March 2017	
	Carrying Amount £'000	Fair Value £'000	Carrying Amount £'000	Fair Value £'000
Loans and receivables	890	890	160	160
Trade debtors	8	8	184	184
	898	898	344	344

13. DEBTORS

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

The South East of Scotland Transport Partnership (SESTRAN)

14. PROVISION FOR BAD DEBTS

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

15. CASH AND CASH EQUIVALENTS

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

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

16. CREDITORS

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

17. USABLE RESERVES

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

The South East of Scotland Transport Partnership (SESTRAN)

18. UNUSABLE RESERVES

		31st March 2018 £'000	31st March 2017 £'000
18.1	Capital Adjustment Account	422	351
18.2	Pension Reserve	(696)	(307)
18.3	Accumulated Absence Account	(7)	(6)
		<u>(281)</u>	<u>38</u>

18.1 Capital Adjustment Account

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

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

18.2 Pension Reserve

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

The South East of Scotland Transport Partnership (SESTRAN)

18. UNUSABLE RESERVES *(continued)*

18.2 Pension Reserve *(continued)*

	2017/18 £'000	2016/17 £'000
Balance at 1st April	(307)	(189)
Remeasurements of the net defined benefit liability / (asset)	(358)	(107)
Reversals of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement.	(84)	(63)
Employer's pension contributions and direct payments to pensioners payable in the year.	53	52
Balance at 31st March	<u>(696)</u>	<u>(307)</u>

18.3 Accumulated Absence Account

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

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

19. MEMBERS EXPENSES

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

	2017/18 £'000	2016/17 £'000
Expenses	<u>1</u>	<u>1</u>
	<u>1</u>	<u>1</u>

The South East of Scotland Transport Partnership (SESTRAN)

20. EXTERNAL AUDIT COSTS

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

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

21. GRANT INCOME

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

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

The South East of Scotland Transport Partnership (SESTRAN)

22. RELATED PARTIES

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

22.1 Scottish Government

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

22.2 Members

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

22.3 Other Parties

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

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

The South East of Scotland Transport Partnership (SESTRAN)

22. RELATED PARTIES *(continued)*

22.3 Other Parties *(continued)*

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

The South East of Scotland Transport Partnership (SESTRAN)

22. RELATED PARTIES *(continued)*

22.3 Other Parties *(continued)*

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

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

The South East of Scotland Transport Partnership (SESTRAN)

23. LEASES

Operating Leases

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

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

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

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

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

	2017/18 £'000	2016/17 £'000
• Not later than 1 year	22	40
• Later than 1 year not later than 5 years	0	0
• Later than 5 years	0	0
	<hr/> 22	<hr/> 40

The Partnership has no other material operational leases.

24. DEFINED BENEFIT PENSION SCHEMES

24.1 Participation in Pension Schemes

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

The Partnership participates in:

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

The South East of Scotland Transport Partnership (SESTRAN)

24. DEFINED BENEFIT PENSION SCHEMES *(continued)*

24.2 Transactions Relating to Post-employment Benefits

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

	2017/18 £000	2017/18 £000	2016/17 £000	2016/17 £000
Comprehensive Income and Expenditure Statement				
<i>Cost of services:</i>				
Service cost, comprising:				
Current service costs	76		56	
Past service costs	<u>0</u>		<u>0</u>	
		76		56
<i>Financing and investment income:</i>				
Net interest expense		<u>8</u>		<u>7</u>
Total post employee benefit charged to the surplus on the provision of services		84		63
<i>Other post-employment benefits charges to the Comprehensive Income / Expenditure Statement</i>				
Remeasurement of the net defined liability, comprising:				
Return on plan assets, excluding the amount included in the net interest expense above	(16)		(298)	
Actuarial gains and (losses) arising on changes in financial assumptions	(113)		405	
Actuarial gains and (losses) arising on changes in demographic assumptions	(12)		0	
Other experience	<u>499</u>		<u>0</u>	
		<u>358</u>		<u>107</u>
Total post-employment benefits charged to the Comprehensive Income / Expenditure Statement		<u>442</u>		<u>170</u>
Movement in Reserves Statement				
Reversal of net charges made to the surplus on the provision of services for post-employment benefits in accordance with the Code.		<u>(389)</u>		<u>(118)</u>
Actual amount charged against the General Fund Balance for pensions in the year:				
Employer's contributions payable to the scheme		53		52
		<u>53</u>		<u>52</u>

The South East of Scotland Transport Partnership (SESTRAN)

24. DEFINED BENEFIT PENSION SCHEMES *(continued)*

24.3 Pension Assets and Liabilities Recognised in the Balance Sheet

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

	2017/18 £'000	2016/17 £'000
Fair value of employer assets	1,982	1,913
Present value of funded liabilities	(2,678)	(2,220)
Present value of unfunded liabilities	0	0
Net liability arising from defined benefit obligation	(696)	(307)

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

	2017/18 £'000	2016/17 £'000
Opening fair value of scheme assets	1,913	1,551
Interest income	50	54
Remeasurement gain / (loss):		
Return on plan assets, excluding the amount included in the net interest expense	16	298
Contributions from employer	53	52
Contributions from employees into the scheme	17	15
Benefits paid	(67)	(57)
Unfunded benefits paid	0	0
Closing fair value of scheme assets	1,982	1,913

Reconciliation of Present Value of the Scheme Liabilities

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

The South East of Scotland Transport Partnership (SESTRAN)

24. DEFINED BENEFIT PENSION SCHEMES *(continued)*

24.5 Fair Value of Employer Assets

The following asset values are at bid value as required under IAS19.

	2017/18		2016/17	
	£'000	%	£'000	%
Equity Securities:				
Consumer *	272	14	287	15
Manufacturing *	295	15	290	15
Energy and Utilities *	124	6	142	7
Financial Institutions *	176	9	134	7
Health and Care *	97	5	112	6
Information technology *	121	6	95	5
Other	125	6	132	7
Sub-total Equity Securities	1,210		1,192	
Debt Securities:				
Corporate Bonds (investment grade) *	0	0	0	0
Corporate Bonds (non-investment grade)	39	2	0	0
UK Government *	192	10	192	10
Other *	0	0	4	0
Sub-total Debt Securities	231		196	
Private Equity:				
All *	6	0	2	0
All	30	2	60	3
Sub-total Private Equity	36		62	
Real Estate:				
UK Property	127	6	129	7
Overseas Property	2	0	0	0
Sub-total Real Estate	129		129	
Investment Funds and Unit Trusts:				
Equities *	19	1		
Bonds *			28	2
Commodities *			6	0
Infrastructure	235	12	171	9
Other	4	0	41	2
Sub-total Investment Funds and Unit Trusts	258		246	
Derivatives:				
Foreign Exchange *	1	0	0	0
Sub-total Derivatives	1		0	
Cash and Cash Equivalents				
All *	117	6	89	5
Sub-total Cash and Cash Equivalents	117		89	
Total Fair Value of Employer Assets	1,982		1,914	

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

The South East of Scotland Transport Partnership (SESTRAN)

24. DEFINED BENEFIT PENSION SCHEMES *(continued)*

24.6 Basis for Estimating Assets and Liabilities

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

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

Investment returns

- Actual returns for the period from 31 March 2017 to 31 January 2018 3.2%
- Estimated returns for the period from 1 April 2017 to 31 March 2018 (0.3%)

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

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

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

Change in assumptions at 31 March 2018	Approximate % Increase to Employer	Approximate Monetary Amount £'000
0.5% decrease in Real Discount Rate	12.0%	310
0.5% increase in the Salary Increase Rate	3.0%	90
0.5% increase in the Pension Increase Rate	8.0%	212

The South East of Scotland Transport Partnership (SESTRAN)

24. DEFINED BENEFIT PENSION SCHEMES *(continued)*

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

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

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

25. NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

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

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

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

Credit risk

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to the Partnership's customers.

The Partnership's surplus funds not immediately required to meet expenditure commitments are held with the City of Edinburgh Council, and the Partnership receives interest on revenue balances on these monies. As the Partnership's surplus funds are held with the City of Edinburgh Council, the counterparty default exposure is effectively nil.

All Partnership invoices become due for payment on issue, and all trade debtors are overdue less than a month.

Collateral - During the reporting period the Partnership held no collateral as security.

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

Liquidity risk

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

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

Refinancing risk

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

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

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

Market risk

Interest rate risk

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

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

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

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

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

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

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

Price risk

The Partnership does not invest in equity shares.

Foreign Exchange risk

As at 31 March 2018, the Partnership had financial assets of £108,000 subject to foreign exchange risk.

The foreign exchange loss or gain on these financial assets cannot be determined until 2018/19, when the Partnership is in receipt of the related grant income from the European Regional Development Fund.

The Partnership has no financial liabilities denominated in foreign currencies.

Review of Governance Scheme 2018

1. INTRODUCTION

- 1.1 This report seeks approval, following proposed amendments of SEStran's Standing Orders, List of Committee Powers and List of Officer Powers.

2. BACKGROUND

- 2.1 The annual audit into SEStran identified key areas for improvement within its governance, in particular ensuring there were sufficient contingency measures in place in the event of unplanned absence at senior levels.
- 2.2 The report also addresses the concern shown at the Board in March 2018 on the level of oversight for officer powers on matters such as budget transfers.

3. GOVERNANCE SCHEME

- 3.1 The proposed change to Standing Orders addresses the concerns by Internal Audit on plans in place in the event of an unplanned absence in a committee chair. This codifies the arrangements which is a standard arrangement which ensures that meetings and the business of the committee can still take place.
- 3.2 The proposed change to the List of Committee Powers adds to the remit of the Succession Planning Committee and provides the ability to prepare operational contingency and succession plans. This also addresses an Internal Audit finding.
- 3.3 The proposed changes to the List of Officer powers seek to address the concerns regarding oversight of important decisions by the Board, expressed at the meeting in March 2018 and an Internal Audit finding.
- 3.4 An addition is suggested that would require officers to consult with the Chair and Vice-Chairs if a decision to be taken under delegated authority is either politically controversial or will have a significant impact on financial, reputational or operational risk and/or a significant impact on service delivery or performance. This will ensure that decisions can still be taken timeously in accordance with the Board's agreed delegated powers but that there is additional oversight for those significant matters.
- 3.5 An additional section is also proposed to meet the Internal Audit findings which outlines the operational and procedural responsibilities in the event of absence of a senior officer. The third change is moving the Monitoring Officer role to the Secretary from the Solicitor which reflects the move of legal provision to SEStran to a private firm.

4. RECOMMENDATIONS

4.1 The Board are asked to:

- Repeal and approve the governance documents appended to the report to take effect from 23 June 2018;
- Delegate approval to the Secretary to make any such amendments necessary to the Governance documentation to implement the decision of the Board.

Gavin King
Secretary
15th June 2018

Appendices:

1. Standing Orders
2. List of Committee Powers
3. List of Officers Powers

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



**Standing Orders of
The South-East of Scotland Transport
Partnership**

As amended ~~August 2017~~ June 2018

Item A7 Appendix 1

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Document Version Control – Standing Orders

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Definitions

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

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

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

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

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

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

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

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

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

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

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

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

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

2. Applying the Interpretation Act

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

3. Commencement

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

4. The Partnership - Constitution

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

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

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

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

5. Appointment of Members and Other Membership Arrangements

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

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

6. Appointment of members and other matters

6.1./

6.1 Appointment of Members

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

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

Duration and termination of membership

- 6.2.** (1) Subject to sub paragraphs (2) to (6) below, any person appointed by a constituent council as a councillor member of the Partnership shall hold office until the first meeting of that council held after the next ordinary election following the date of that member's appointment.

- (2) If, prior to the next ordinary election following the date of the member's appointment, a councillor member of the Partnership ceases to be a councillor for the area of the constituent council which appointed the member, the member shall immediately cease to be a member of the Partnership.
- (3) A councillor member of the Partnership may resign their membership at any time by written intimation to that effect to:-
 - (a) the Secretary of the Partnership; and
 - (b) the constituent council which appointed the councillor member.
- (4) A constituent council may at any time terminate the membership of any person appointed by them as a councillor member of the Partnership if, immediately prior to this, the constituent council provides an explanation for the termination by written intimation to the Secretary of the Partnership, the Chairperson of the Partnership and that councillor member.
- (5) The Chairperson of the Partnership, following a vote to that effect by the Partnership, may write to a constituent council and request that the council terminates the membership of a councillor member.
- (6) Where the Chairperson of the Partnership writes to a constituent council in terms of sub paragraph (5) above, such a request shall not be refused unreasonably by the constituent council.
- (7) Subject to sub paragraphs (8) to (9) below, other members and observers appointed by the Partnership, or the Scottish Ministers as the case may be, shall hold office for a period of 4 years following the date of their appointment unless otherwise specified at the time of their appointment.
- (8) Other members of the Partnership and observers may resign their membership at any time by written intimation to that effect to the Secretary of the Partnership.
- (9) The Partnership may remove other members from office or observers if it is satisfied that:-
 - (a) the other member's or observer's estate has been sequestrated or the other member or observer has been adjudged bankrupt, has made an arrangement with creditors or has granted a trust deed for creditors or a composition contract; or
 - (b)/
 - (b) the other member or observer:-

- (i) is incapacitated by physical or mental illness;
- (ii) has been absent from meetings of the Partnership for a period exceeding whichever is the longer of (a) three consecutive months or (b) two consecutive meetings of the full Partnership, such period starting from the date of any meeting, without the permission of the Partnership; or
- (iii) is otherwise unable or unfit to discharge the member's functions as a member or is unsuitable to continue as an other member or observer.

Voting arrangements of Partnerships

- 6.3.** (1) Where any decision of the Partnership is to be determined by a vote, each councillor member of the Partnership has a single vote and may vote on all matters.
- (2) Non-councillor members may vote on all matters with the exception of
- (a) questions arising under s.3(2)(a) of the 2005 Act, or on whether or not to make a request for the making of an order under s.10(1) of that Act, or any other matter excluded by law ;
 - (b) those matters which would require expenditure outwith the Partnership's existing, approved budget;
- declaring that, in interpreting such exclusions, they will be so interpreted so as to give non-councillor members as full participation in decision-making as practicable.
- (3) Subject to sub paragraphs (4) and (5) below, where any decision of the Partnership is to be determined by a vote, it shall be determined by a simple majority of the votes cast.
- (4)/ Each councillor member of each constituent council within the Partnership shall have their vote weighted by making it count as one, two, three or four votes as specified in the third column of Paragraph 4.
- (5) The Partnership may determine by a two-thirds majority of the votes cast, subject to sub paragraph (4) above, to amend these Standing Orders to require that certain specified decisions be determined by a two thirds majority of the votes cast.

Chairpersons/

Chairpersons and Deputy Chairpersons

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

Secretary of Partnership

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

Meetings and quorum

- 6.6.** (1) The first meeting of the Partnership shall be held as soon as is practicable after the Partnership is established, and the Chief Executive or equivalent position of City of Edinburgh Council shall be responsible for its arrangement.
- (2) Subject to sub paragraph (1) above, the Partnership shall hold such meetings as it shall consider necessary for it to carry out its functions at

such place or places as it may from time to time fix. Reference is made to paragraphs 8 to 40 for further provisions relating to meetings.

- (3) The secretary of the Partnership shall send copies of the minutes of all its meetings to each of the constituent councils for their information. Reference is made to paragraphs 21 and 22 for further provisions relating to minutes of meetings.
- (4) At a meeting of the Partnership one third of all members of the Partnership is a quorum.
- (5) If, at any time during a meeting, a question arises on whether there is a quorum, the Chairperson shall instruct a count of the members who are present. If a quorum of members is not present, then the meeting shall be adjourned to a time and date decided by the Chairperson.
- (6) If less than a quorum of members is entitled to vote on an item because of declarations of interest, then that item cannot be dealt with at that meeting.
- (7) For the avoidance of doubt, Members will be entitled by remote means such as teleconferencing or videoconferencing as long as arrangements can be made to ensure that effective communication between Members attending in this way and the rest of the meeting can be implemented.
- (8) In all matters connected with Board or committee meetings, every effort shall be made to ensure that all members can fully participate in the meeting, and that all issues relating to equality are addressed and reasonable adjustments made to existing procedures where possible.

Committees and Sub committees

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

Meetings

Arrangement of Meetings

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

Special Meetings

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

Notice of Meetings

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

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

Chair

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

Attendance

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

Access for the Public and Press

- 12. (1) Except where this Standing Order says otherwise, every meeting of the Partnership and its committees shall be open to the public and the press.
- (2) The Partnership may keep any members of the public out of a meeting, or cause them to leave, if they are hindering or are likely to hinder the work of the Partnership. If a member of the public interrupts any meeting, the Chairperson may warn that person and, if the person continues with the interruption, the Chairperson may order the person to be removed from the meeting room. If there is general disturbance in any part of the meeting room, the Chairperson may order that part to be cleared.
- (3) For the avoidance of doubt, sections 50A to 50F inclusive of the 1973 Act shall be imported into these Standing Orders as applying mutatis mutandis to the Partnership.
- (4) The public will be kept out of a meeting when an item of business is being considered if it is likely that they will hear confidential information. Nothing in this Standing Order authorises or requires confidential information to be disclosed in breach of the obligation of confidence as defined in the 1973 Act.

- (5) The Partnership may decide to keep the public out of a meeting when an item of business is to be considered if it is likely that they will hear information that is defined as 'exempt' in the 1973 Act.
- (6) This Standing Order does not require the Partnership to allow the taking of photographs or access for radio or television broadcasting. Such access is at the discretion of the Chairperson or the person presiding at the meeting of the Partnership or any of its Committees.

Order of Business

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

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

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

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

Chairperson - Powers and Duties

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

Adjourning Meetings

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

Order of Debate

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

Motion “That the Question Be Now Put”

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

Length of Speeches

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

Obstructive or Offensive Conduct

19. If any member at any meeting disregards the Partnership or the Chairperson, or behaves obstructively or offensively, a motion may then be proposed and seconded to suspend the member for the rest of the meeting. The motion will

be put without discussion. If it is carried, the Chairperson will order the member to leave the meeting.

Revoking a Resolution

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

Minutes of Meetings

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

Validating the Proceedings

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

Questions in Writing

23. (1) At any meeting of the Partnership, a member may put a question to the Chairperson about any relevant and competent business not already on the summons for the meeting. However, the question must have been given in writing to the Secretary by 12 noon on the seventh working day before the meeting.
- (2) A member may put a question to the Chairperson at a meeting of the Partnership about any matter that is on the summons for that meeting. He or she must give the question in writing to the Secretary by 10 am on the third working day before the meeting. The Chairperson will decide whether it will be answered verbally or in writing at the meeting.
- (3) Arising from each verbal or written answer, the member who put the written question may put one supplementary question. These will be answered verbally by the Chairperson.
- (4) The Chairperson may decide to disallow any supplementary question if:-

- the Chairperson rules the supplementary question is not relevant to the subject of any written questions answered at the meeting; or
 - the Chairperson gives another reason.
- (5) No discussion will be allowed on any verbal, written or supplementary questions or their answers.

Motions must be in Writing and Signed

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

Motions Intended for Consideration at the End of a Meeting

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

Motions Intended for Consideration at the Next Meeting

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

Motions – Procedures

27. (1) All motions and amendments will be proposed and seconded and then given in writing to the Secretary as soon as they are moved. This does not apply to motions simply seeking to approve or disapprove of any matter, purely negative amendments, amendments proposing further

consideration and reports, and motions and amendments that are fully set out in a minute of a meeting.

- (2) Every amendment must be relevant to the motion in question.
- (3) The proposer with the permission of the seconder may withdraw a motion or amendment.
- (4) A motion to approve a report or a minute of a Committee will be considered as an original motion. Any motion that involves altering or rejecting such a report or minute or any part of it will be dealt with as an amendment.
- (5) The Chairperson of a Committee will have the right to move the approval of the report or minute of that Committee.
- (6) Motions or amendments that are not seconded will not be discussed or recorded in the minutes. However, the proposer can ask for his dissent to be minuted. This does not apply if the vote is taken by roll call.
- (7) The mover of the motion or amendment may agree to add to it all or part of an amendment moved and seconded by other members, provided that:-
 - his/her seconder consents;
 - the mover and seconder of the added amendment consents; and
 - the agreement takes place before the mover of the motion has replied.

Method of Voting

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

How Motions Must Be Put

29. Where one or more amendments are made upon a motion, the vote shall be taken among the amendments and the motion in that order. In the event that the motion or any amendments, which shall include any motion or amendment relating to the appointment of a member to any particular office or Committee, receives an absolute majority of votes of the members present and voting,

then that proposition shall be carried. Where no such absolute majority obtains,/ obtains, the proposition with the least number of votes shall be eliminated and a further vote (or further votes as may be required) taken until an absolute majority of votes is received for a proposition.

Taking a Vote

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

Delegating to Committees and Officers

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

Exceptions from Delegation

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

Attendance/

Attendance of Members of the Partnership at Committee Meetings

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

Quorum for Committees

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

Application of Standing Orders to Committees

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

Deputations

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

Code of Conduct

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

Partnership Business - Responsibility of the Proper Officer

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

Financial Arrangements

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

Items of Urgency

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

Suspending or Altering Standing Orders

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

Contracts and Tenders

General/

General Procedures

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

Financial Regulations

General Financial Regulations

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

Accounts

- 44.** The Treasurer, as proper officer, is statutorily responsible for all financial matters in which the Partnership is involved. As such the Treasurer, will provide means for procedural control which ensure that:

- all expenditure is a proper charge;
- all income due to the Partnership is collected;
- all assets are protected;
- all liabilities are accounted for; and
- proper financial reports are prepared.

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

Budgets

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

Expenditure Authorised

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

Audit

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

Irregularities

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

Invoices, Salaries, etc.

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

Travelling Claims, etc.

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

Revenues

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

Debt Recovery

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

Bad Debts

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

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

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

Charges

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

Bank Accounts

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

Advances

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

Inventories

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

Property Register

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

Insurance

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

Staff Records, Pay etc

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

Signing

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

Investments

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

Treasury Management

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



LIST OF COMMITTEE POWERS

Document Version Control – List of Committee Powers

Date	Author	Version	Status	Reason for Change
Aug 2017	Andrew Ferguson	1.0	Board Approval	Implementation
<u>June 2018</u>	<u>Gavin King</u>	<u>1.1</u>	<u>Amended</u>	<u>Succession Planning Committee remitted to prepare contingency and succession plans</u>

~~August 2017~~ June 2018

List of Committee Powers

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Introduction

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

Performance and Audit Committee

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

1. SCRUTINY

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

2. STAFFING

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

3. STANDARDS

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

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

4. AUDIT

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

Membership

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

The Committee's quorum shall be 4.

Succession Planning Committee

Purpose

Inclusive and diverse Boards are more likely to be effective, to be better able to understand their stakeholders and benefit from fresh perspectives, new ideas, vigorous challenge and broad experience.

The role of the SEStran Succession Planning Committee is to:

- lead on meeting the Board's responsibilities in relation to planning for succession through appointments and Board member development;
- offer advice to the Board on future appointments and reappointments;
- review and evaluate the skills, knowledge, expertise, diversity (including protected characteristics) of current Board members, and requirements of future members, on an annual basis; and
- monitor the development and continuous improvement a succession plan that can be presented to the Board.
- **to prepare, for Partnership Board approval, operational contingency and succession plans for the Partnership.**

Constitution

1. The Succession Planning Committee shall consist of the Chair, two Board members, the Partnership Director, the Secretary and representative from SEStran's Human Resources advisers. Other officers may be invited to attend for all or part of any meeting as and when appropriate.
2. The Chair of the Committee will be the Chair of the Board.
3. The quorum required to be present at any meeting of the Committee shall comprise no fewer than three members.
4. The Committee will meet at least biennially. The meeting will be timed to align with the Board planning cycle. The Committee will also convene on an ad hoc basis to deal with issues such as unanticipated Board member departures and changes to the operating environment.
5. The Committee will report to the Board. A copy of the minutes will normally form the basis of the report.
6. The Committee will review its own effectiveness and provide an overview report to the Board annually on the Committee's work and key considerations.
7. The Succession Planning Committee may co-opt additional members for a period not exceeding one year to provide specialist input.

Remit

1. Review and evaluate skills, knowledge, experience and diversity (including in relation to protected characteristics) of the Board including the attributes required for all or the majority of Board members (both now and in the future).
2. Identify skills and diversity gaps and shortages in light of Sestran's long-term strategy.
3. Further develop, monitor and continuously improve a succession plan in response to the skills and diversity needs that have been identified, and in so doing, ensuring that new members appointed to the Board reflect the needs

identified, thus avoiding appointments being made in the image of the current Board members.

4. Consider how SEStran can best meet its obligations under the Equalities Act 2010 and subsidiary regulations.
5. Consult and seek advice from various sources on ways of attracting the type of applicant required, identify and advise on different methods and approaches to recruitment including the application process, information pack and interviews.
6. Give consideration to participation of users of services or members of the SEStran Equalities/Healthcare Forum in the recruitment process.
7. Consider recommending one or more committee members taking part in the assessment of applicants.
8. Keep the Board apprised of the committee's work and prepare an annual report to the Board.
9. Involve, as appropriate, the executive resources of the body such as HR and legal professionals, to enhance and support appointment activity and to ensure that it is aligned with the body's brand, values and other corporate communications.
10. Adhere at all times to the relevant Code of Practices and appropriate guidance and advice from the office of the Commissioner for Ethical Standards in Public Life in Scotland.

General

1. The work of the Committee needs to be fully informed by:
 - Strategic planning,
 - Business planning,
 - Risk register,
 - Information presented to the Board on its composition in accordance with the Equality Act 2010 (Specific Duties) (Scotland) Amendment Regulations 2016, and
 - Performance assessment (which will also be linked to external and internal audit).

Item A7 Appendix 3



LIST OF OFFICER POWERS

Document Version Control – List of Officer Powers

Date	Author	Version	Status	Reason for Change
August 2017	Andrew Ferguson	1.0	Board Approval	Implementation
<u>June 2018</u>	<u>Gavin King</u>	<u>1.1</u>	<u>Amended</u>	<u>Inclusion of section 7 and amendments to Use of delegated powers</u>

August 2017June 2018

List of Officer Powers

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1.0 **APPLICATION OF LIST OF OFFICER POWERS**

1.1 **Commencement**

This List of Officer Powers replaces SEStran's Scheme of Delegation and shall have effect from 22nd August, 2017.

1.2 **Interpretation**

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

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

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

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

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

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

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

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

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

1.3 **Alteration**

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

1.4 **Rules Regulating Use of Delegated Powers**

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

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

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

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

1.4.9 Where a decision or action proposed to be taken under delegated powers is likely to be regarded as politically controversial or is a decision that will have or is likely to have:

i) A significant effect on financial, reputational or operational risk; and/or

ii) A significant impact on service delivery or performance

1.4.9 The Chair and Vice-Chairs will be consulted before any decision is made.

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2. DELEGATION TO PARTNERSHIP DIRECTOR:

GENERAL DELEGATION

The Partnership Director is authorised:-

2.1 Urgent matters

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

2.2 Appointments

to appoint officers within agreed staffing and expenditure levels.

2.3 Discipline

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

2.4 Changes to the Establishment

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

2.5 **Performance Appraisal and Pay Scales**

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

2.6 **Other Personnel Matters**

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

2.7 **Health & Safety Legislation**

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

2.8 **Transferring funds (Virements)**

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

- (a) transfer of funds between headings within their approved revenue budgets.

- (b) transfer of funds between capital budgets included in the capital budget.

In carrying out transfers, the Partnership Director must

- (1) report to Sustran if a change in Partnership policy is involved.
- (2) report to the Treasurer if the transfer will affect revenue or capital budgets for future years.
- (3) tell the Treasurer when a transfer is approved under delegated powers.

2.9 **Contracts**

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

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

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

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

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

2.11 **Miscellaneous**

- (a) Hospitality

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

- (b) Use of Land and Buildings

to approve, subject to compliance with any approved scheme of charges, the use, by appropriate organisations and bodies, of any land

or premises owned by Sestran and under their sole operational control.

(c) Access

to regulate the use and conduct of persons on or in any land owned, occupied or managed by Sestran or otherwise under its control and to which the public have access, whether on payment or not.

(d) Stock "Write-off"

In general, to be responsible for the management of stocks and equipment, and to write off of any such stores, plant, furniture and equipment which has become unfit for use and are unsaleable after consultation with the Treasurer.

(e) Stock Re-Valuations

following consultation with the Treasurer, to write down value of obsolete or slow moving stock to a realistic value, lower of cost or net realisable value.

(f) Disposal of capital items

following consultation with the Treasurer, to authorise obsolete plant items and equipment to be sold at public auction with the highest offer accepted.

3. SPECIFIC DELEGATION TO THE PARTNERSHIP DIRECTOR:

The Partnership Director (which delegated power should not normally be delegated further) is authorised:-

- 3.1 to represent the interests of Sestran in communications with the media.
- 3.2 to pay valid claims for damage to, or loss of, property of third parties in circumstances where Sestran is deemed to be liable and the amount involved is less than Sestran's insurance excess.
- 3.3 to terminate on behalf of Sestran any contract which Sestran is entitled to terminate under the appropriate conditions of contract and where he/she is satisfied that it is in the interests of Sestran to do so and following consultation with the Solicitor.
- 3.4 to assess which capital projects are submitted to Sestran's capital budget plans.
- 3.5 in consultation with the Treasurer, to prepare reports on procurement and funding of transport projects (including the most appropriate method of procurement and funding) for Sestran.

- 3.6 in consultation with the Treasurer, to develop criteria to determine the form of agreement for delivery of contracts and the financial relationships flowing from these.
- 3.7 to expend the approved budget.
- 3.8 to make payment of all sums to all creditors subject to the certification and authorisation of appropriate officers, and to make arrangements for further delegation to other officers for payment of invoices up to limits to be specified by the Partnership Director, notifying the Treasurer in terms of the Financial Rules.
- 3.9 Where a claim for compensation has been submitted to Sustran then it must be assessed by the Solicitor or by Sustran's claim handlers to determine whether Sustran has any legal liability to meet the claim. In those cases where Sustran has no legal liability, the Partnership Director may decide that the circumstances giving rise to the claim merit the making of an ex gratia payment. The Partnership Director is authorised to make such payments up to the value of £5,000. Such payments require to be made in consultation with the Solicitor.
- 3.10 to authorise the acceptance of sponsorship and/or advertising in respect of Partnership controlled media in accordance with approved Partnership policies.
- 3.11 to delegate authority to allow monitoring of start/leave dates, performance and timekeeping, in terms of the Financial Rules.
- 3.12 to approve all technical decisions in relation to operational matters.
- 3.13 to respond as required to consultations from the Scottish or U.K. Government, local authorities or other bodies on matters relevant to Sustran, where Members have not indicated a preference to consider matters at a Partnership meeting. In each case the Partnership Director shall so far as possible take into account the views of individual Members, and consult with the Chairperson and Deputy Chairperson(s).

4. SECRETARY

The Secretary is authorised:-

- 4.1 to act as the proper officer for the following purposes of the Local Government (Scotland) Act 1973 –
 - Section 43 and Schedule 7 (Meetings and Proceedings)
 - Section 50B (Access to agenda and connected reports)
 - Section 50C (Inspection of Minutes and other documents)
 - Section 50D (Inspection of Background Papers)

- Section 50F (Additional rights of access to documents for members of the Partnership)
- Section 193 (Authentication of documents)

4.2 to act as Monitoring Officer for Sestran. To act as the designated officer for Ethical Standards in Public Life

5. TREASURER

The Treasurer is authorised:

- 5.1 to establish a financial framework, including Financial Rules, which provide for effective managerial control and review and satisfactory monitoring and reporting procedures; and to maintain all financial records. Reference is made to Standing Orders 61 to 81 and the Financial Rules.
- 5.2 to establish proper arrangements in respect of Treasury Management, Pensions and the safeguarding of assets including risk management and insurance.
- 5.3 to authorise effective insurance cover in consultation with the Treasurer in accordance with the Financial Rules.
- 5.4 To act as proper officer for the purposes of the Local Government (Scotland) Act 1973, section 95;
- 5.5 to create, operate and close any bank accounts on behalf of Sestran.
- 5.6 to authorise bad debts to be written off in accordance with Standing Order 71.
- 5.7 to deal with claims in sequestrations and liquidations (Section 191 of the Act of 1973).
- 5.8 to review the financial limits given in Standing Orders or Financial Regulations every year, in line with the relevant inflation indexes.
- 5.9 to exercise all borrowing and lending that Sestran needs in accordance with the Treasury Policy Statement. Any document or agreement which relates to, is the security for, confirms the existence of or is a receipt for any loan/lease arranged under the terms of the Treasury Policy statement will be signed by those people who are nominated by Sestran to sign cheques. Mortgage deeds in the name of Sestran will be signed and sealed according to Section 194 of the Local Government (Scotland) Act 1973.
- 5.10 to use any suitable banking and advisory services and deciding on specific purchases and sales of stocks, shares or any other allowable investments as long as the Treasurer takes the appropriate advice where necessary. Reference is made to Standing Order 80.

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5.11 to sign all claims, returns or written submissions relating to grants and financial statistics.

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5.12 To administer the Partnership's scheme of allowances and expenses in terms of the Financial Rules.

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6. SOLICITOR

The Solicitor is authorised:-

6.1 ~~to act as Monitoring Officer for Sustran.~~ To act as the designated officer for ~~the Ethical Standards in Public Life,~~ Public Interest Disclosure, ~~and Data Protection legislation.~~

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6.2 to carry out legal procedures necessary to implementing any matters delegated to the Partnership Officers.

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6.3 to sign missives and other conveyancing documents and to sign notices and orders in connection with compulsory purchase orders.

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6.4 to accept tenders in terms of Contract Standing Orders.

6.5 to engage private legal firms or engage counsel when appropriate and it is in Sustran's interest.

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6.6 to start, defend and appear in any legal or tribunal proceedings or any inquiry when appropriate and it is in Sustran's interest.

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6.7 to settle any action or claim against Sustran up to the level of £1,000. This power to be exercised in consultation with the Treasurer.

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7. Partnership Operational Contingency Plan

7.1 To assign operational and procedural responsibilities to appropriate staff levels, in the event of absence at a senior level.

Operational & Procedural Responsibilities

Responsibility	Currently Assigned to	Delegated Level
See Scheme of Delegation 2017 All duties under part 3 "Specific delegation to the Partnership Director."	Partnership Director	Head of Programmes

Duties 2.1 to 2.6 within the “List of Officer Powers”, Part 2, Delegation to Partnership Director, General Delegation.		
Management of Projects	Head of Programmes	Individual Project Officers
Responsibility	Currently Assigned to	Delegated Level
Management of Budget	Head of Programmes	Business Manager
Management of Admin Facilities	Business Manager	Head of Programmes
Administration & Organisation of Formal Meetings	Business Manager	Business Support Officers

**South East of Scotland Transport Partnership
Internal Audit – Annual Report 2017/2018**

1. Introduction

This report details Internal Audit's annual opinion for the South East of Scotland Transport Partnership (SEStran) for the year ended 31 March 2018. Our opinion is based on the outcomes of one audit included in the 2017/18 Internal Audit annual plan; the status of any open Internal Audit findings; and review of the SEStran draft annual governance statement.

Internal Audit considers that the SEStran control environment and governance and risk management frameworks are generally adequate, but with enhancements required, and is therefore reporting an 'amber' rated opinion (see Appendix 1), with our assessment towards the low end of this category.

This report is a component part of the overall annual assurance provided to SEStran, and the Board should consider the opinion of other assurance sources (such as external audit and the Treasurer's annual statement) when forming their own view on the design and effectiveness of the control environment and governance and risk management frameworks at SEStran.

2. Background

- 2.1 The objective of Internal Audit is to provide a high quality independent audit service to SEStran in accordance with Public Sector Internal Audit Standards (PSIAS) requirements, that provides assurance over the control environment established to manage SEStran's key risks and their overall governance and risk management arrangements.
- 2.2 PSIAS provide a coherent and consistent internal audit framework for public sector organisations. Adoption of the PSIAS is mandatory for internal audit teams within UK public sector organisations, and PSIAS require annual reporting on conformance.
- 2.3 It is the responsibility of the Council's Chief Internal Auditor to provide an independent and objective annual opinion on the adequacy and effectiveness of the SEStran control environment and governance and risk management frameworks in line with PSIAS requirements. The opinion is provided to the Partnership Board, and should be used to inform the SEStran annual governance statement.

- 2.4 The City of Edinburgh Internal Audit team currently performs one annual audit that focuses on the key controls established to manage SEStran's most significant risks.
- 2.5 The annual opinion provides an independent view of the adequacy and effectiveness of the SEStran control environment and governance and risk management frameworks, and is based on the outcomes of the audit performed; the status of any open Internal Audit findings; and review of the SEStran draft annual governance statement.
- 2.6 Where control weaknesses are identified, Internal Audit findings are raised, and management agree actions to address the gaps identified. However, it is the responsibility of management to address and rectify the weaknesses identified via timely implementation of these agreed management actions.
- 2.7 The IA definition of an overdue finding is any finding where all agreed management actions have not been implemented by the final date agreed by management and recorded in Internal Audit reports.

3. Main Report

- 3.1 Internal Audit considers that the SEStran control environment and governance and risk management frameworks are generally adequate, but with enhancements required, and is therefore reporting an 'amber' rated opinion (see Appendix 1), with our assessment towards the low end of this category.
- 3.2 This opinion is subject to the inherent limitations of internal audit (covering both the control environment and the assurance provided over controls) as set out in Appendix 2.
- 3.3 This report is a component part of the overall annual assurance provided to SEStran, and the Board should consider the opinion of other assurance sources (such as external audit, and the Treasurer's annual statement) when forming their own view on the design and effectiveness of the SEStran control environment and governance and risk management frameworks

4. Basis of opinion

- 4.1 Our opinion is based on the outcome of the audit completed in the year to 31 March 2018; the status of any open internal audit findings; and review of the SEStran draft annual governance statement.

Audit outcomes

- 4.2 The 2017/18 Internal Audit review assessed 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.
- 4.3 Our review identified some moderate control gaps in the design of the SEStran governance scheme in relation to short term contingency planning in the event of unplanned absence at senior levels within the partnership; SEStran employee succession planning; and the process to be applied in the event of resignation of a Board chair during their term of office.
- 4.4 We also noted that whilst the partnership risk register includes a high rated risk in relation to potential Brexit impacts on funding, no plan has been established detailing the actions in progress to ensure that post Brexit funding can be sourced and secured.

It is essential that at least circa 4% of new funding (this reflects the percentage of SEStran total average funding across the last 3 years sourced from the EU) is secured post Brexit to support both the ongoing operation of the partnership, and delivery of the planned strategic transport improvements through to 2028 as detailed in the Regional Transport Strategy, however, it is also acknowledged SEStran cannot realistically plan financial budgets beyond one year due to ongoing constraints in relation to government funding.

- 4.5 Consequently, one medium and one low rated internal audit findings were raised.

Status of Internal Audit Findings

- 4.6 All Internal Audit findings raised in 2015/16 and 2016/17 have been addressed and agreed management actions effectively implemented and sustained.
- 4.7 Internal Audit confirmed that management proposals to address the Medium and Low rated findings raised in the 2017/18 audit review are satisfactory, subject to agreement on the approach with the Council's Board Services team. Management has advised that they are aiming to implement their agreed actions in advance of the June Board meeting, with a verbal progress update to be provided.

Review of SEStran draft annual governance statement schedule

- 4.8 Review of the schedule prepared by management supporting the SEStran annual governance statement did not identify any instances of non compliance highlighted in the management responses that would adversely impact on our internal audit opinion.

5. Internal Audit Independence

- 5.1 PSIAS require that Internal Audit must be independent and internal auditors must be objective in performing their work. To ensure conformance with these requirements, Internal Audit has established processes to ensure that both team and personal independence is consistently maintained and that any potential conflicts of interest are effectively managed.
- 5.2 We do not consider that we have faced any significant threats to our independence during 2017/18, nor do we consider that we have faced any inappropriate scope or resource limitations when completing our work.

6. Recommendations

- 6.1 It is recommended that the Board notes the internal audit opinion for the year ended 31 March 2018.

Lesley Newdall

Chief Internal Auditor, City of Edinburgh Council

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

Background Reading and External References

1. <http://www.sestran.gov.uk/wp-content/uploads/2018/01/2018-06-08-Item-6a-SEStran-Annual-Governance-Statement-2017-18.pdf>, Performance and Audit Committee, 8 June 2018
2. <http://www.sestran.gov.uk/wp-content/uploads/2018/01/2018-06-08-Item-6b-Statement-on-the-Sysytem-of-Internal-Finacial-Controls-2017-18.pdf> Performance and Audit Committee, 8 June 2018

Appendices: Appendix 1 – Internal Audit Annual Opinion Definitions

Appendix 2 - Limitations and responsibilities of internal audit and management responsibilities

Appendix 3 – SEStran annual internal audit review – final report

Appendix 4 – SEStran assurance questionnaire

Appendix 1

Appendix 1 – Internal Audit Annual Opinion Definitions

The PSIAS require the provision of an annual Internal Audit opinion, but do not provide any methodology or guidance detailing how the opinion should be defined. We have adopted the approach set out below to form an opinion for SEStran.

We consider that there are 4 possible opinion types that could apply to SEStran. These are detailed below:

1 Adequate <i>An adequate and appropriate control environment and governance and risk management framework is in place enabling the risks to achieving organisation objectives to be managed</i>	2 Generally adequate but with enhancements required <i>Areas of weakness and non-compliance in the control environment and governance and risk management framework that may put the achievement of organisational objectives at risk</i>
3 Significant enhancements required <i>Significant areas of weakness and non-compliance in the control environment and governance and risk management framework that puts the achievement of organisational objectives at risk</i>	Inadequate <i>The framework of control and governance and risk management framework is inadequate with a substantial risk of system failure resulting in the likely failure to achieve organisational objectives.</i>

Professional judgement is exercised in determining the appropriate opinion, and it should be noted that in giving an opinion, assurance provided can never be absolute.

Appendix 2 - Limitations and responsibilities of internal audit and management responsibilities

Limitations and responsibilities of internal audit

The opinion is based solely on the internal audit work performed for the financial year 1 April 2017 to 31 March 2018. Work completed was based on the terms of reference agreed with management. However, where other matters have come to our attention that are considered relevant, they have been considered when finalising our reports and the annual opinion.

There may be additional weaknesses in the SEStran control environment and governance and risk management frameworks that were not identified as they were not included in the 2017/18 audit review; were excluded from the scope of the review; or were not brought to Internal Audit's attention. Consequently, management and the Board should be aware that the opinion may have differed if these areas had been included, or brought to Internal Audit's attention.

Control environments, no matter how well designed and operated, are affected by inherent limitations. These include the possibility of poor judgment in decision-making; human error; control processes being deliberately circumvented by employees and others; management overriding controls; and the impact of unplanned events.

Future periods

The assessment of controls relating to the SEStran is for the year ended 31 March 2017. Historic evaluation of effectiveness may not be relevant to future periods due to the risk that:

- the design of controls may become inadequate because of changes in operating environment, law, regulation or other; or
- the degree of compliance with policies and procedures may deteriorate.

Responsibilities of Management and Internal Audit

It is Management's responsibility to develop effective control environments and governance and risk management frameworks that are designed to prevent and detect irregularities and fraud. Internal audit work should not be regarded as a substitute for Management's responsibilities for the design and operation of these controls.

Internal Audit endeavours to plan its work so that it has a reasonable expectation of detecting significant control weaknesses and, if detected, performs additional work directed towards identification of potential fraud or other irregularities. However, internal audit procedures alone, even when performed with due professional care, do not guarantee that fraud will be detected.

Consequently, internal audit reviews should not be relied upon to detect and disclose all fraud, defalcations or other irregularities that may exist.

The City of Edinburgh Council

Internal Audit

SEStran - Annual Internal Audit review

Final Report

30 April 2018

MIS1708

Contents

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This internal audit review is conducted for the South East Scotland Transport Partnership under the auspices of the 2017/18 internal audit plan approved by the South East Scotland Transport Partnership Board in March 2017. The review is designed to help the South East Scotland Transport Partnership assess and refine its internal control environment. It is not designed or intended to be suitable for any other purpose and should not be relied upon for any other purpose. The City of Edinburgh Council accepts no responsibility for any such reliance and disclaims all liability in relation thereto.

The internal audit work and reporting has been performed in line with the requirements of the Public Sector Internal Audit Standards (PSIAS) and as a result is not designed or intended to comply with any other auditing standards.

Although there specific recommendations are included in this report to strengthen internal control, it is management's responsibility to design, implement and maintain an effective control framework, and for the prevention and detection of irregularities and fraud. This is an essential part of the efficient management of the South East Scotland Transport Partnership. Communication of the issues and weaknesses arising from this audit does not absolve management of this responsibility. High and Critical rated risk findings will be raised with senior officers and board members as appropriate

1. Background and Scope

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.

The SEStran Governance Scheme was implemented in August 2017, and includes a range of key documents that form the basis of both Partnership operations and decision making.

Scope

The scope of this review assessed 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 risks:

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

For the full terms of reference see Appendix 2.

2. Executive summary

Summary of findings raised

1. **Medium - Governance Scheme- contingency and succession planning**
2. **Low - Future Funding**

Opinion

Our review identified some moderate control gaps in the design of the SEStran governance scheme in relation to short term contingency planning in the event of unplanned absence at senior levels within the partnership; SEStran employee succession planning; and the process to be applied in the event of resignation of a committee chair during their term of office.

We also noted that whilst the partnership risk register includes a high rated risk in relation to potential Brexit impacts on funding, no plan has been established detailing the actions in progress to ensure that post Brexit funding can be sourced and secured. It is essential that at least circa 4% of new funding (this reflects the percentage of SEStran total average funding across the last 3 years sourced from the EU) is secured post Brexit to support both the ongoing operation of the partnership, and delivery of the planned strategic transport improvements through to 2028 as detailed in the Regional Transport Strategy.

Consequently, one medium and one low rated findings have been raised.

Our review confirmed that all other aspects of the SEStran governance framework are adequately designed and operating effectively. We noted that there is a robust process in place for recruiting new non-councillor Board members and provision of training; and that third party services are effectively managed and monitored to ensure ongoing compliance with applicable legislation. Additionally, controls in relation to grant disbursement are operating effectively with returns provided to all grant providers demonstrating that funds have been disbursed as per grant offer conditions.

Our detailed findings and recommendations are laid out within Section 3: [Detailed findings](#)

SEStran management met with Internal Audit on 30 April 2018 to outline their proposals to address the findings raised. IA has confirmed that the planned approach is satisfactory. SEStran are aiming to implement the agreed actions in advance of the agreed implementation dates (subject to agreement of the approach with the Council's Committee Services team) so that confirmation of closure can be provided at the SEStran Board meeting scheduled for 22 June 2018.

3. Detailed findings

1. Governance scheme – contingency and succession planning

Medium

The remit and responsibilities of the SEStran Succession Planning Committee are detailed in the ‘List of Committee Powers’ document. However, their remit does not include responsibility for either short term operational contingency or long term succession planning for SEStran employees, or for the replacement of a committee chair in the event that they leave during their term of office.

There is currently no established SEStran contingency plan to ensure that the organisation continues to operate effectively in the event of unplanned long term absence at senior levels (Director and Programme Manager). There is also no established long-term succession plan to ensure that appropriate successors have been identified and developed to move into more senior operational roles in future.

Whilst there is an established process delegating authority to authorise invoices for payment from the Partnership Director to the Head of Programmes and the Business Manager to cover annual leave, there is no established delegated authority for key operational processes such as payments; procurement; payroll; and grant acceptance in the event of unplanned absence at senior levels.

Risk

The partnership is unable to operate in the event of unplanned absence at senior levels.

Internal Audit Recommendation(s)

1. The remit of the SEStran succession planning committee should be revised to include responsibility for establishing operational contingency and succession plans for the partnership. These plans should be presented to the partnership Board for approval prior to implementation;
2. A partnership contingency plan should be prepared, approved by the Board, and implemented. This should include (but should not be limited to) allocation of operational responsibilities and the processes to be applied in the event of unplanned absence at a senior level; and the process to be applied in the event that a committee chair leaves during their term of office; and
3. A SEStran succession plan should be prepared, approved by the Board, and implemented. This should include identification of potential role successors together with an assessment of their level of readiness (based on skills recorded in the SEStran skills matrix); their development needs; and training plans to support their future development. Identification and upskilling potential future successors should also support effective contingency planning.

Agreed Management Action(s)

1. It is proposed to add a further remit to the “List of Committee Powers” document, at Section 3, for the Succession Planning Committee as follows:
 “to prepare, for Partnership Board approval, operational contingency and succession plans for the Partnership”.
 We would then seek to work with the Succession Planning Committee and to progress this as soon as possible.

Owner: Acting Partnership Director

Implementation Date: 22/06/18

2. A “Partnership Operational Contingency Plan” will be prepared and included as an addendum to the “List of Officer Powers” document within the Governance Scheme. The plan will assign operational and procedural responsibilities to appropriate staff levels, in the event of absence at a senior level.
 In addition, the document will include a procedure to be followed in the event of the Partnership Board Chair leaving during a term of Office, which will clearly require engagement with the Vice Chairs and the wider Board, as part of the process.

Owner: Acting Partnership Director	Implementation Date: 22/06/18
3. A succession plan in relation to SEStran staff will be prepared.	
Owner: Acting Partnership Director	Implementation Date: 22/06/18

2. Future funding

Low

SEStran has identified Brexit as a high risk on their risk register. However, the risk register does not include planned actions to ensure that post Brexit funding of an equal value to that currently received from the European Union (4% of total average funding for the last 3 years) can be sourced to support ongoing operations, and delivery of the planned strategic transport improvements through to 2028 as detailed the Regional Transport Strategy.

It is acknowledged SEStran cannot realistically plan financial budgets beyond one year due to ongoing constraints in relation to government funding.

Risk

Long term viability of the partnership post Brexit.

Internal Audit Recommendation(s)

The risk register should be updated to include proposed actions in relation to sourcing alternative funding sources post Brexit, with regular progress updates provided to the Board.

Agreed Management Action(s)

The risk register will be updated in respect of actions to source additional funding beyond Brexit.

Owner: Acting Partnership Director	Implementation Date: 22/06/18
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Appendix 1 - Basis of our classifications

Finding rating	Assessment rationale
Critical	<p>A finding that could have a:</p> <ul style="list-style-type: none"> • Critical impact on operational performance; or • Critical monetary or financial statement impact; or • Critical breach in laws and regulations that could result in material fines or consequences; or • Critical impact on the reputation or brand of the organisation which could threaten its future viability.
High	<p>A finding that could have a:</p> <ul style="list-style-type: none"> • Significant impact on operational performance; or • Significant monetary or financial statement impact; or • Significant breach in laws and regulations resulting in significant fines and consequences; or • Significant impact on the reputation or brand of the organisation.
Medium	<p>A finding that could have a:</p> <ul style="list-style-type: none"> • Moderate impact on operational performance; or • Moderate monetary or financial statement impact; or • Moderate breach in laws and regulations resulting in fines and consequences; or • Moderate impact on the reputation or brand of the organisation.
Low	<p>A finding that could have a:</p> <ul style="list-style-type: none"> • Minor impact on the organisation's operational performance; or • Minor monetary or financial statement impact; or • Minor breach in laws and regulations with limited consequences; or • Minor impact on the reputation of the organisation.
Advisory	<p>A finding that does not have a risk impact but has been raised to highlight areas of inefficiencies or good practice.</p>

Appendix 2 – Terms of Reference

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.• 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;

	<ul style="list-style-type: none"> 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
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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	
Moirra 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 and Responsibilities


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.

		<ul style="list-style-type: none"> • 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.

Joint Boards

Schedule to Support Evidence of Assurance for the Annual Governance Statement

For the year end 31 March 2018

Name of Joint Board	South East Scotland Transport Partnership				
Completed by	Angela Chambers	Job title	Business Manager	Date completed	
Signed off by (signature)		Job title	Acting Partnership Director		
Print name of signatory	Jim Grieve	Date of signature	13 April 2018		

Introduction

The Statement of Accounts 2017/2018 includes the Annual Governance Statement signed by the Chair of the Partnership, the Partnership Director and the Treasurer. The Annual Governance Statement is supported by the Certificate of Assurance.

The Certificate of Assurance requires the Partnership Director to confirm that:

1. They have considered the effectiveness of internal controls, including controls in place to mitigate major risks to the Partnership's objectives;
2. To the best of their knowledge, appropriate controls are in operation upon which they can place reasonable assurance and that there are no significant matters arising that should be raised specifically in the Annual Governance Statement (or otherwise);
3. They have identified actions that will be taken to continue improvement.

This schedule should be used as a prompt for the Partnership Director to consider various aspects of good governance and the internal control environment before signing the Certificate of Assurance. It is not an exhaustive list.

Guidance notes for completing the schedule

The schedule should be completed by the Partnership Director or by a nominated officer. Before signing the Certificate of Assurance the Partnership Director should ensure that this schedule has been completed accurately.

Guidance notes are provided throughout the document but if you have any questions please email the Council's Governance Team at governance@edinburgh.gov.uk.

Please note that although evidence does not need to be attached to the completed schedule, accurate reference should be made to any supporting evidence. **This is because responses made in the schedule may be subject to audit at a later date.**

Your assessment should consider how your Partnership's arrangements would stand up to external scrutiny. When completing the schedule please include an assessment of the Partnership's compliance and, if your assessment is partially or not compliant, please note planned improvement actions in the relevant column.

Please return your completed schedule to governance@edinburgh.gov.uk no later than Friday **20 April 2018**.

Internal Control Environment, Risk and Resilience Requirement	Guidance notes	Response and reference to evidence	Assessment	Improvement Actions
1 You must ensure internal controls and procedures are in place throughout the Partnership that are proportionate, robust, monitored and operating effectively.	Please describe and/or give examples of the controls and procedures that you have in place and how these are monitored, tested and reported.	The Partnership has the following controls and procedures: Governance Scheme, HR Policies, Internal/External Audit, EU projects Audits, Conditions of Grant compliance, Anti-Fraud and Corruption Policy, Whistle Blowing Policy, Business Continuity Plan, Complaints Policy, Code of Conduct. There is a monitoring framework in place, including regular management meetings with key support staff/stakeholders/service providers and regular reporting to Performance & Audit Committee, Partnership Board and regulatory bodies.	Compliant	
2 You must ensure risk management arrangements identify the key risks to the Partnership, including those arising from: change (e.g. structural, service delivery, demographic and/or management); partnerships (external and internal) and projects.	Please describe your risk management arrangements and confirm that the three categories listed are included (where relevant).	Regular risk reports, identifying key risks, are presented to the Performance & Audit Committee and are also contained within finance/budget papers taken to the P&A Comm., Partnership Board and Officer meetings. Risk framework review complete and approved by P&A in November 2017.	Compliant	
3 You must ensure effective controls and procedures are in place to manage the risks identified above to a tolerable level. Where this is not the case, actions should be identified that, once put in place, will ensure the risk is managed to a tolerable level.	Please describe the controls and procedures that you have, or plan to put, in place.	Risk Register established and regularly reviewed and updated by key personnel. All identified risks within the risk register have associated mitigation measures in place. Risk reports are presented to Chief Officers', P&A and Partnership Board. Internal/External Audit annual audit process/exercise conducted.	Compliant	

4	You should have effective controls and procedures in place to manage the risks in delivering services through contracted parties and/or other partners, where applicable.	Please describe the controls and procedures that you have in place.	SEStran Governance Scheme, Service Level Agreements, Audit, staff monitoring of contracts/contractor management, Data Protection Policy, Information Security Policy, Records Management Plan. Regular reports presented to P&A and Partnership Board.	Compliant	
5	Has the monitoring process applied to funding/operating agreements identified any problems that could have an impact on the Annual Accounts?	Please describe the arrangements you have in place, including an overview of the monitoring process and frequency of reporting, and summarise any problems that have been identified.	Compliance/Conditions of Grant statements submitted to Scottish Government annually. SLAs in place with CEC (Financial/Insurance/Secretary*/Clerking*), Falkirk Council (HR) and Anderson Strathern LLP (Legal). Full monitoring framework in place, including internal monthly staff management meetings, quarterly reports to Chief Officers', P&A and Partnership Board. *Currently being updated.	No	
6	You must review the Partnership's risk management, internal controls and procedures and their effectiveness regularly.	Please describe how these are reviewed, by whom and how often.	Risk Management process – refer to Item 2 and 3 above. Review framework established and regular reports presented to P&A and Partnership Board. Timetable for Review: Governance Scheme (Secretary/Partnership Director/Legal Advisers) – Every second year (reviewed Aug 2017) HR Policies (HR Advisers/Partnership Director) – Annually Anti-Fraud and Corruption Policy (Treasurer) – Every second year (Review due)	Compliant	

7	Did the last review of the Partnership's internal control environment identify any weaknesses that could have an impact on the Annual Accounts.	Please include the date of last review, whether any weaknesses were identified and, if so, how these have been or will be addressed	Internal Audit work for 16/17 completed with no areas of weakness identified. Annual Internal Audit Review 17/18 is in the process of being finalised and draft report has identified the following risks: 1. Medium – Governance Scheme – Contingency and succession planning 2. Low – Future funding The Management response is being drafted and all actions are expected to be completed by end of June 18.	No	
8	Your business continuity plans and arrangements should mitigate the business continuity risks facing the Partnership's essential activities.	Please detail the plans and arrangements you have in place and explain how and when these are reviewed and reported.	Business Continuity Plan – the plan outlines the process used by SEStran to identify risk, threats and vulnerabilities that could impact on continued operations and provides a framework for building resilience and capability for an effective response. Reviewed annually or in the event of any significant changes.	Compliant	
9	Your risk management arrangements should adequately identify the risk(s) of any actual or prospective legal action being taken against the Partnership, or any matter which may actively lead to legal dispute with the Partnership.	Please outline the arrangements you have in place.	SEStran Legal Advisers and Secretary fully engaged in the risk reporting process and governance procedures and they provide support as per the terms of contract.	Compliant	
10	You must have adequate arrangements in place to identify any matters which give rise to a significant risk of reputational damage to the Partnership.	Please describe the arrangements you have in place.	The Business Continuity Plan, Information Security Policy, Governance Scheme, Records Management Plan, Data Protection Policy and Risk Framework all provide a structure for reviewing/monitoring any risks to organisational reputation and action taken as appropriate. SEStran are working towards Cyber Essentials Plus accreditation by Oct 2018.	Compliant	

Performance	Guidance notes	Response and reference to evidence	Assessment	Improvement actions
11	Where performance monitoring identifies inadequate service delivery or poor value for money, you must have arrangements in place for reporting to your senior management team and/or the Partnership Board.	Please describe your performance monitoring arrangements, including frequency of reporting, and provide detail of any such reports during the reporting period.	Financial/Treasury Management/Projects reports are presented quarterly to Chief Officers', P&A and the Partnership Board. Internal/External Audit undertaken annually. Monthly management meetings, includes budget planning/monitoring. Business Plan sets out strategic objectives and KPIs which are reported to P&A and Partnership Board.	Compliant
12	You should have arrangements in place to implement and monitor improvement measures to address any service delivery or performance problems.	Please describe the arrangements you have in place, give details of improvement measures introduced during the reporting period and outline any outstanding issues.	Regular budget/projects monitoring meetings at management level and with Accountant. Reporting against KPIs identified in Business Plan implemented.	Compliant
13	You must have appropriate arrangements in place for recording, monitoring and managing customer service complaints and customer satisfaction.	Please describe the arrangements you have in place and how these are monitored, reviewed and reported.	Quarterly monitoring of KPIs. Complaints Policy. Customer helpdesk in place for RTP1 system. Business Plan KPI. Staff are trained to deal with enquiries from the public.	Compliant
Policies and regulatory requirements		Guidance notes	Response and reference to evidence	Assessment
14	You must have arrangements in place to ensure staff are made aware of and fully understand the implications of relevant existing and new Partnership policies.	Please describe the arrangements you have in place.	Staff induction for all new employees. Staff training planned for 2018 to include GDPR and cyber security. Staff are consulted about new/revised policies before being presented to the Board and circulated as final thereafter.	Compliant

			Discussions at team meetings, through appraisal process and available on sharepoint site.		
15	You should have procedures in place to monitor staff compliance with relevant conduct policies and procedures eg. employee code of conduct, anti-bribery, whistleblowing.	Please describe the procedures that are in place eg. recording gifts and hospitality, recording conflicts of interest, bringing whistleblowing issues to the attention of senior management, etc.	Hospitality/Gift Register. Anti-Bribery Policy/procedures. Whistle blowing policy. Information Security Policy. Terms and Conditions of Employment Acceptable Use Policies. Disciplinary and Grievance procedures.	Compliant	
16	You should have arrangements in place to ensure all staff are aware of their responsibilities under information governance legislation e.g. Data Protection Act 1998 and Freedom of Information (Scotland) Act 2002.	Please describe the arrangements you have in place and how these are monitored and reported.	Staff Induction for new employees. Records Management Plan and associated policies. Data Protection policy revised in line with GDPR and approved by Board. Staff training planned by end May 2018.	Compliant	
17	All your staff should be aware of their responsibilities under relevant health and safety policies and procedures.	Please describe the procedures you have in place to ensure all staff are made aware of and fully understand their responsibilities in relation to existing policies, and new policies when these are introduced, eg. health and safety, fire safety, first-aid and emergency procedures, stress, accident/incident and work related ill health reporting, asbestos, water safety.	All staff receive induction, have access to policies on sharepoint and the website. Staff attend weekly team meetings, where they receive briefings as required. All staff have 1:1 meetings and go through a training and development exercise annually. There is a MOU/MOTO with the Landlord (Scottish Government) to look after the building to required legislative standards. Regular meetings with the Landlord, including quarterly H&S meetings. Policies are reviewed by H&S adviser.	Compliant	

18	Your organisation should have adequate training, procedures and controls in place to ensure that all areas operate in compliance with all applicable health and safety laws and regulations.	Please describe the arrangements in place and explain how you monitor compliance.	Policies are reviewed and reported to P&A Committee. Scottish Government, as Landlord, has responsibility for the building. SEStran has relevant H&S policies/procedures in place. Policies available to all staff. H&S advice provided by Falkirk Council.	Compliant		
19	You should have competencies, processes and controls in place to ensure that all areas of your organisation, and any other areas of responsibility, operate in compliance with all applicable health and safety laws and regulations.	Please describe the arrangements you have in place and how these are monitored, reviewed and reported.	Scottish Government in their role as Landlord, have responsibility for the building. General Office Risk Assessment completed and H&S advice is provided by Falkirk Council. Qtrly H&S meetings with landlord and staff training provided.	Compliant		
20	Your organisation should have effective arrangements in place to ensure there is full compliance with Scottish, UK and EU legislation and regulations.	Please describe the arrangements you have in place, including risk assessment, monitoring and compliance with statutory reporting requirements.	SEStran has the following arrangements: Governance Scheme, Treasury Management SLA, Internal/External Audit. Legal Adviser/Secretary to Partnership. First Level Controller appointed for EU projects.	Compliant		
Financial Control		Guidance notes	Response and reference to evidence	Assessment	Improvement actions	
21	You must ensure that the operation of financial controls is effective in ensuring the valid authorisation of financial transactions and maintenance of accurate accounting records.	Please describe your financial controls.	Controls in place include: Financial Rules, Contract and Regular Standing Orders, Corporate Procurement Policy (Within Governance Scheme), SLAs for Treasury Management, Limits of Authority and Purchase Card Policy.	Compliant		

			Regular budget monitoring meetings with key staff with quarterly reports presented to Chief Officers', P&A and Partnership Board.		
22	You should be confident that the arrangements you have in place to monitor expenditure/budget variances would identify control problems or variances that could have an effect on the Annual Accounts.	Please give details of the arrangements you have in place and if any control problems or variances have been identified.	Regular reporting and monitoring of expenditure and budgets, including management meetings and meetings with accountants. Quarterly finance/treasury reports to Chief Officers', P&A and Partnership Board. Any variances are managed.	Compliant	
23	You must have arrangements in place to ensure all material commitments and contingent liabilities (i.e. undertakings, past transactions or events resulting in future financial liabilities) are notified to the Treasurer or Chief Financial Officer.	Please describe the arrangements you have in place and provide details of any such notifications to the Treasurer/Chief Finance Officer.	As above.	Compliant	
24	You should ensure arrangements are in place to protect assets against theft, loss and unauthorised use and identify any significant losses.	Please describe the arrangements you have in place and if there have been any significant losses please detail these and outline any corrective action that has been, or will be, taken.	Asset register in place and is reviewed annually. Assets are insured via CEC Insurance Services (SLA in place) annually. SEStran are located within Scottish Government premises which operates under robust 24-hour security procedures. Server/Data cabinets contained within restricted access secure data rooms.	Compliant	

			Information Security and Records Management Plans in place. The Partnership has undergone pre-assessment for cyber essentials accreditation and expect to be awarded CE Plus by Oct 2018.		
25	You should have arrangements in place to review the adequacy of insurance provision and its adequacy in covering the risk of loss to the Partnership.	Please describe the arrangements you have in place including the frequency of review and date of last review.	Annual review carried out in conjunction with CEC Insurance Services Team. The policy runs from October to September annually. Services provided under SLA.	Compliant	
26	You must have arrangements in place that would identify any internal control, risk management or asset valuation problems that could affect the Annual Accounts.	Please describe the arrangements you have in place and detail any problems that have been identified.	Assets are recorded and reviewed by Accountants and included in Annual Accounts. Asset register has been completed.	Compliant	
Workforce Control Requirements		Guidance notes	Response and reference to evidence	Assessment	Improvement actions
27	You must have robust controls in place to ensure that statutory workforce requirements are met, eg. disclosure checks, statutory registration and qualification, European Working Time Directive, right to work in the UK and National Minimum Wage.	Please describe the arrangements you have in place.	All employees are subject to Baseline Personnel Security Standard (BPSS) clearance. SEStran is a Living Wage Employer. All working arrangements follow national and EU legislation, similar to Local Authority conditions.	Compliant	

Change and Project Management Requirements		Guidance notes	Response and reference to evidence	Assessment	Improvement actions
28	All projects/programmes must have clear business justification and appropriate governance in place to support delivery.	Please describe the arrangements you have in place.	Projects and programmes are scrutinised by P&A and approved by the Partnership Board. All in accordance with the published annual Business Plan, approved by the Board and subject to KPIs.	Compliant	
29	You must have effective controls in place to track delivery progress, take corrective action (if required), ensure ongoing viability and to formally close projects.	Please outline the arrangements you have in place.	Projects are monitored by project managers and Head of Programmes against contract requirements. Corrective action is undertaken as required and conditions of contract are applied.	Compliant	
Commercial and Contract Management Requirements		Guidance notes	Response and reference to evidence	Assessment	Improvement actions
30	You must have arrangements in place to ensure that all goods, services and works are procured and contracts managed in compliance with relevant legislation, policies and procedures.	Please describe the arrangements you have in place.	Arrangements are set out under the Governance Scheme. Public Contracts Scotland portal used, unless specialist goods/services required and ad-hoc advice obtained from Legal Advisers, SG and CEC procurement. SEStran have been able to utilise SG Framework contracts for a number of goods and services procured.	Compliant	
National Agency Inspection Reports		Guidance notes	Response and reference to evidence	Assessment	Improvement actions

31	Where reports relating to the Partnership have been published during the year has there been anything within the reports that could impact on the signing of the Annual Governance Statement?	This question requires a Yes/No response rather than an assessment score. Please also list any reports published during the year.	Annual Report Business Plan Audit Plans(Internal/External) Unaudited/Audited Accounts Report to Those Charged with Governance Revenue Budget Finance Officers Report Treasury Management Activity	No		
Internal Audit, External Audit Reports						
32	Have there been any internal audit, external audit or review reports published during the year that have highlighted high, medium or significant control deficiencies?	This question requires a Yes/No response rather than an assessment score. Please also list the reports published during the year and highlight any that have flagged high, medium or significant control deficiencies.	Audit Plans (Internal/External) Unaudited/Audited Accounts Report to Those Charged with Governance	No		
33	You should have arrangements in place to ensure all recommendations from these reports have been (or are being) implemented and that this is monitored effectively.	Please describe your implementation, monitoring and reporting arrangements and provide detail of any recommendations that are outstanding at the end of the reporting period.	Regular meetings with Internal and External Auditors to monitor progress and report on actions undertaken. SEStran management reviews carried out following audit reports and actions implemented/progressed as required.	Compliant		
Outstanding issues from previous years						
34	You should ensure that all outstanding issues or recommendations arising from this exercise, commissioned reviews, Partnership reports and other initiatives in previous years been addressed satisfactorily.	Please detail how any outstanding issues or recommendations are being addressed.	There are no outstanding issues.	Compliant		
Additional information						
		Guidance notes	Response and reference to evidence	Assessment	Improvement actions	

35	Apart from the topics raised above, have there been any significant control problems or other matters affecting the Partnership to an extent that should be considered when signing the Annual Governance Statement?	This question requires a Yes/No response rather than an assessment score. Please provide details if there are any significant control problems or other matters.	The Partnership Director has been absent for 5 months to date. Powers have been delegated to Head of Programmes. The Chair is authorising all expenditure above £2k.	No (not significant)	Internal Audit have identified a related procedural issue, which will require an amendment to the Governance Scheme. This will be completed for Board Approval early in 18/19.

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Reviewed by		Role	Internal Audit	Date	
Reviewed by		Role	Democracy, Governance and Resilience Senior Manger	Date	

Appointments to Performance and Audit Committee

1. INTRODUCTION

- 1.1 The purpose of this report is to invite nominations from two Non Councillor Members and one member of the City of Edinburgh Council to serve on the Performance and Audit Committee.

2. BACKGROUND

- 2.1 The remit of the Performance and Audit Committee is in summary: to scrutinise any matter relating to the Partnership having regard to the Partnership's responsibility for best value and continuous improvement; to take certain decisions on staffing matters, including appeals and disputes; to advise and maintain standards; and review the adequacy of audit matters.
- 2.2 The Committee should comprise eight councillor members, one from each authority; and four Non Councillor members, chosen (in the event of disagreement) by the Partnership.
- 2.3 The Performance and Audit Committee normally meets two weeks in advance of each Partnership Board meeting. Each councillor member shall be entitled to nominate a substitute from their own authority. The Chair of the Partnership shall be entitled to substitute for any member of the Committee. The Committee's quorum shall be four.

3. MEMBERSHIP

- 3.1 Following the conclusion of the term of office in March 2018 of the previous eight Non Councillor Members, Barry Turner (returning member) and Doreen Steele have indicated that they will continue to serve as Non Councillor members of the Performance and Audit Committee.
- 3.2 Following changes within the City of Edinburgh Council administration for council representatives to the SEStran Board, a vacancy remains for the Performance and Audit Committee role previously undertaken by Councillor Neil Gardner.

4. RECOMMENDATIONS

- 4.1 The Board are asked to:
- nominate and appoint two Non Councillor members to the Committee;
 - nominate and appoint a City of Edinburgh Councillor to the Committee.

Gavin King
Secretary
15th June 2018

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

Projects, NTS2 Progress & EU Exit Update

1. Introduction

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

2. NTS 2 Update

- 2.1** Work on the review of the National Transport Strategy is progressing at a pace. The RTPs, through a number of their senior officials and SEStran's Chair are very much engaged in the process and their input has been well received. It generally appears to be running to programme, with a draft expected to be in place for wider consultation in the summer of 2019.
- 2.2** Output from the various sub-groups is now emerging as policy proposals, developed through a series of meetings and concluding with workshops. This output will be considered within the forum hierarchy, collated and refined for incorporation within the developing strategy.
- 2.3** The NTS 2 Strategy Board last met on 9 May 2018. This is the top level forum, chaired by the Minister for Transport and Islands with the RTPs represented by SEStran's Chair. Albeit that no recommendations have yet come forward, feedback from this meeting was very encouraging in respect of discussion around regional governance in the future and recognising the statutory nature of the existing RTPs along with the merits of integration with planning and economic development activities.

3 RTPI

- 3.1** As a result of First Scotland East's decision to upgrade their ticket machines and to withdraw from the SEStran system, thus no longer contributing financially, SEStran has had to manage significant change to the delivery of the regional RTPI system.
- 3.2** As a result of this change the First Group RTPI feed will no longer be provided in its current form from the 31st of May which will mean that First Bus RTPI information will not be provided directly into the SEStran system. First Group will continue to provide RTPI to the public via their own app, website and into Traveline.
- 3.3** SEStran has been working with the system developers INEO and Bus Operators on the redevelopment of the current system to adjust for the changes and also to improve the system. SEStran can confirm that in the short term the SEStran RTPI screen network will not be disrupted and will continue to provide existing RTPI information for most operators. The

system will have scheduled First Bus information available from June 2018. The costs for this will be contained within the existing 2018/19 budget.

- 3.4 The bustrackerSEStran website and App will be decommissioned to help manage costs. The public will be directed towards Traveline for travel information.
- 3.5 For the medium to long term SEStran are currently working with City of Edinburgh colleagues on the potential for partnership working as they develop a new RTPI content management system with the aim of providing a new improved public facing system for street signage in Edinburgh and the wider SEStran region, which would include the regional screen system.

4. Regional Cycle Network Grant Scheme (RCNGS)

- 4.1 SEStran operates the Sustrans funded Regional Cycle Network Grant which seeks to encourage the development of the Cycle Network throughout the Region, in particular functional cross-boundary infrastructure.
- 4.2 The RCNGS can be used to support feasibility studies, design work, the development of infrastructure and monitoring, as well as supporting innovation and public engagement. Following changes to the guidance, design projects can now be 100% funded. Design projects are classified as anything from the preparation of a strategy to detailed design. Applications will be expected to meet the Community Links guidance, with construction projects requiring 50% match funding.
- 4.3 There is no maximum award limit for applications, with the focus of this call on projects that can start and finish in the SEStran financial year 2018/19 (April to March).
- 4.4 Edinburgh Bio Quarter have submitted an application of £163,000 for a detailed design of the active travel corridor. This follows awards for feasibility in 2016/17 and preliminary design in 2017/18.

5. Sustainable and Active Travel Grant Scheme (SATGS)

- 5.1 The SEStran Sustainable and Active Travel Grant Scheme, with a total fund of up to £70,000, will be re-introduced for 2018/19. The scheme aims to support and encourage Travel Planning and Active Travel measures. SATGS can be used to support physical measures implemented as part of a Travel Plan and provide support for organisations actively developing a Travel Plan.
- 5.2 Grants may range from £500 to £20,000 and will normally be up to a maximum of 50% of any proposal, although in exceptional circumstances higher awards may be made. The applicant will be responsible for securing the remaining 50% matching funding which should include a contribution directly from the applicant. Applications are welcomed throughout the

financial year however, committed funding must be spent by the 31st of March 2019, on a first come, first served basis.

- 5.3 SEStran currently seek approval for a grant offer to Midlothian Council of £18,000 to support the Council's work towards the Smarter Choices Smarter, Places Programme.

- 5.4 Due to budget underspend in 2017/18, it is proposed that this credit should be used to increase the budget under the heading of Sustainable and Active Travel.

6. **GO e-Bike**

- 6.1 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 Go e-Bike Scheme was formally launched at Victoria Quay on 23rd of April. Over 60 delegates were in attendance, with each of the 4 test sites presenting their projects on the day.

- 6.2 SEStran will now look to expand the project in 2018/19, with an application to the Low Carbon Travel and Transport Fund for additional funding with the ambition of developing up to six more GO e-Bike hubs across the SEStran region.

7. **European Projects Update**

- 7.1 '**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.

- 7.2 The final conference for SocialCar was held at the Transport Research Arena in Vienna on the 17th and 18th of April. Final monitoring and publications from the project will be published on the SocialCar website (<http://socialcar-project.eu/>), the project formally ended on the 31st of May.

- 7.3 '**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.

- 7.4 The last SHARE-North meeting was held in Bergen on the 7th-9th May 2018. the event was attended by both SHARE-North Partners and External Stakeholders from the Municipality of Bergen. SEStran provided an update on the promotion of Tripshare and the GO E-bikes 'Living Lab' trials. TripshareSEStran was also presented as a best practice example of shared

mobility to around 100 delegates at a seminar held by the Municipality of Bergen. The next SHARE-North meeting is scheduled for the 3rd of July.

- 7.5 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”.
- 7.6** SEStran held a formal Dissemination Event on Thursday 22nd March 2018 at Radisson Blu hotel on the Royal Mile, Edinburgh. The Event was attended by the REGIO MOB partners and their political and technical stakeholders, as well as SEStran’s local Stakeholders. The event, which was hosted by SEStran’s Chair, was well attended, and very well received by the European partners.
- 7.7 SURFLOGH** aims to improve the role of logistics hubs in the network of urban logistics in the North Sea Region. <http://northsearegion.eu/surflogh>
- 7.8** SEStran are leading on a work package with Napier Transport Research Institute to create business models for urban freight hubs. In April SEStran attended an innovation workshop in Sweden hosted by the Borås Municipality. Cycling Scotland also attended and presented on the development of e-cargo bike training programs in Scotland.
- 7.9** SEStran will be developing and researching the impact of a last mile delivery solution with e-cargo bikes in the region. The pilot project will be located in Edinburgh and will be exploring a number of last mile/first mile business solutions with a specialist partner working with Scotrail between Glasgow and Edinburgh.
- 7.10** SEStran has identified a pilot delivery partner Outspoken Delivery that specialises in e-cargo bike delivery.
- 7.11 Pursuits** (at application stage) addresses the critical need to ensure that land use and transport planning evolve a step ahead of the smart-mobility transition. This will enable cities and regions to proactively develop Sustainable Urban Mobility Plans (SUMP) and steer new mobility and distribution forms rather than just responding to them. SEStran has recently been successful in progressing to the second stage of the application process.

8. Further Initiatives

8.1 Can Do Innovation Challenge Fund

- 8.1.1** The SEStran project proposal for the Thistle Assistance Journey Planner – door to door journey information for people that have difficulty using public transport has been recommended for support through the CAN-DO Innovation Challenge Fund.

- 8.1.2** The challenge seeks to identify and understand in detail the barriers faced by commuters with protected characteristics when travelling and journey planning. It will explore the extent to which these barriers affect travel plans and modal choices for travelling and to develop an App-based door to door journey planning solution that helps alleviate these barriers.

8.2 Hate Crime

- 8.2.1** West Lothian, Clackmannanshire and Fife Councils have agreed to pilot the regional hate crime transport charter. A questionnaire was sent to transport operators to gauge their current levels of training with regard to hate crime on their network and their willingness to participate in the charter. In total, 9 bus operators responded to the survey. The working group held a consultative event in Kirkcaldy on the 21st of June 2018 with representative groups and transport operators to co-design the charter.

9 SEStran Forums

- 9.1** SEStran held the Integrated Mobility Forum on the 27th of April and the Logistics and Freight Forum on the 31st of May. Each Forum was held in Victoria Quay and was structured in a workshop format. Around 30 delegates were in attendance at each. Presentations were given by City of Edinburgh Council on Low Emission Zones and City Centre Regeneration. Both workshops discussed future topics for each forum and recommendations for future agenda items were given. The next Integrated Mobility Forum is planned for October 2018, and the Logistics and Freight Forum is planned for late November 2018. Work generated by each forum is currently being progressed to ensure that the forums are productive and continue to be supported by the various stakeholders involved.

10. EU Exit

- 10.1** The UK is due to leave the EU in March 2019. The UK government recently stated that a White Paper, setting out its Brexit position will be published ahead of the EU summit on the 28th of June. It is predicted that subjects such as aviation, financial services and fisheries will feature within the paper. In the transport sector there is a considerable body of EU law covering four transport modes (aviation, roads, rail and maritime), which governs our current relationship with the EU.

These legislative frameworks must be re-negotiated as Britain begins the process of leaving the EU, however it remains unclear exactly how these laws will change. The government outlines within its White Paper document that any decisions currently taken by devolved administrators will not be removed from them, and that it will use opportunity of bringing decision making back to the UK to ensure more decisions are devolved. Transportation issues are a key governmental concern, as the network connecting the UK to other European countries is a key enabler to the success of the national economy.

11. Recommendations

- 11.1 Members are invited to note the content of the report.
- 11.2 Members are invited to approve the RCNGS grant as outlined in paragraph 4.4.
- 11.3 Members are also invited to approve the SATGS grant as outlined in paragraph 5.3
- 11.4 Agree any underspend evident at the end of 2017/18 to be carried forward into the 2018/19 financial year, and assign this to the Sustainable & Active Travel Grant Scheme.

Lisa Freeman
Strategy and Projects Officer
17th May 2018

Policy Implications	None
Financial Implications	As described in the report, particularly the sections highlighted in the 'Recommendations'.
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.

European Conference on Mobility Management 2019

1. Introduction

- 1.1 SEStran, in partnership with Napier University TRI, has made a successful bid to host a major European conference in Edinburgh in 2019; the 23rd European Conference on Mobility Management. This report seeks to inform the Board of the benefits and budget implications.

2. Background

- 2.1 EPOMM, the European Platform on Mobility Management, was founded by several EU Member States. EPOMM's aim is to function as the knowledge hub for mobility management and to disseminate the concept in order that it becomes integrated in Sustainable Urban Mobility Plans (SUMP), as well as in national and European mobility strategies. More information can be found here <http://www.epomm.eu>
- 2.2 Mobility management (MM), often called 'smart mobility' is a cost-effective instrument for bringing mobility and transport more in line with sustainability, often involving soft measures to encourage behaviour change.
- 2.3 Examples of approaches used in Scotland include Travel Plans, Smarter Choices, Smarter Places plus the SEStran Thistle Assistance and Tripshare schemes.
- 2.4 MM should be complementary to technology and infrastructure measures that are employed and it is the additional key needed to achieve long term sustainable mobility on the local, national and European levels.
- 2.5 Working in partnership there is much that cities, regions and countries can learn from each other and EPOMM's hope is that this learning process, which builds on best available practice, will accelerate the widespread implementation of mobility management.
- 2.6 This is very much in line with SEStran's strategy and way of partnership working. Being part of the programme is a great opportunity to highlight what is being done in the region and more broadly in Scotland.

3. European Conference on Mobility Management 2019

- 3.1 ECOMM is the annual conference, which will take place in Edinburgh in May 2019. The conference attracts 350 to 400 attendees each year and runs over 3 days.
- 3.2 The overall theme of the 2019 conference developed by SEStran & Napier TRI will be **Mobility Management: Improving Lives and Communities**.

This emphasises the strong link between MM and quality of life, but also ties into Scottish Government priorities and the RTS on using transport and mobility policy to enhance access to opportunities and to increase social inclusion, as well as to improve local environments by; helping to grow economies, promote equality, improve health & wellbeing whilst at the same time taking climate action.

3.3 In the bid SEStran and Napier TRI suggested potential sub topics, outlined below, but these may potentially evolve over the next year in discussion with the EPOMM board and other stakeholders but form a good guide as to some potential conference subject areas:

- MM measures to improve quality of life, promoting healthier choices, making communities great places to live.
- Mobility management in isolated rural communities – fair access to the transport network.
- Using mobility management to improve accessibility. Developing a system that is easy to use and provides access to high quality seamless travel.
- How to provide fair, affordable access to the transport services we need. Focus on MM for vulnerable and socially marginalised groups.
- MM and air quality management; reducing emissions and promoting greener choices.
- MM in freight and logistics
- Smart mobility management – new modes and business models, promoting innovation.

4 ECOMM Budget & Organisation

4.1 SEStran and Napier TRI will be working with Edinburgh Marketing to develop and manage ECOMM 2019 and further stakeholder engagement will form part of the ongoing planning and working group process.

4.2 The funding for the conference primarily comes from attendance fees. SEStran expect to cover overall conference costs from these and sponsorship. In the event that attendance fees and sponsorship do not cover all costs it is anticipated that the shortfall would be contained within the 2019/20 SEStran budget.

4.3 EPOMM have a consistent record of getting people to attend (historically 50% of attendees have been to more than one ECOMM). Edinburgh as a location will be a significant draw card, securing attendee numbers and making sure the conference is a financial success.

4.4 SEStran will be working to secure further sponsorship of ECOMM 2019 with potential partners and exhibitors.

5 Membership EPOMM Budget & Organisation

- 5.1** SEStran together with Napier University Transport Research Institute will be the key institutional contacts for Scottish membership of EPOMM, helping to disseminate information and share best practice as well as contributing to EPOMM discussion topics and forums.
- 5.2** The cost for membership of the program is 15,000 Euro per year but SEStran has negotiated a discounted rate for 2018/19 of 7,500 Euro.
- 5.3** The costs will be shared between SEStran and Napier TRI. Broader engagement in the program across Scotland would be a key aim.

6 Recommendations

- 6.1** The Board is asked to note the contents of the report, and approve the membership costs of EPOMM.

Keith Fiskien
Business Partner
 10th June 2018

Policy Implications	None
Financial Implications	Budget spend in 2018/19 of 7,500 Euro covered within existing sustainable transport budget and shared with Napier University.
Equalities Implications	None
Climate Change Implications	None

ANNUAL TREASURY REPORT 2017/18

1 Purpose of report

The purpose of this report is to provide an Annual Treasury Report for the financial year 2017/18.

2 Summary

The Partnership has adopted the CIPFA Code of Practice on Treasury Management in the Public Sector, and under the code, an Annual Report on Treasury Management must be submitted to the Partnership after the end of each financial year.

3 Investment Out-turn 2017/18

- 3.1 The Partnership's Investment Strategy has been to maintain its bank account as part of the City of Edinburgh Council's group of bank accounts. Any cash balance is effectively lent to the Council, but is offset by expenditure undertaken by the City of Edinburgh Council on behalf of the Partnership. Interest is given on month end net indebtedness balances between the Council and the Partnership and for financial year 2017/18 is calculated in accordance with the withdrawn Local Authority (Scotland) Accounts Advisory Committee's (LASAAC) Guidance Note 2 on Interest on Revenue Balances (IoRB). In line with recent short term interest rates, the investment return continues to be small, but the Board gains security from its counterparty exposure being to the City of Edinburgh Council. Net end of month balances for the financial year were:

	£
Opening Balance	159,905.84
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
31 January 2018	106,998.57
28 February 2018	-134,092.74
31 March 2018	-60,916.43

- 3.2 Interest is calculated on the average monthly balance. The interest rate applied was 0.223%, giving an interest amount of £600.03 payable to the Partnership.

4 Recommendations

- 4.1 It is recommended that the Partnership notes the Annual Report for 2017/18.

Appendix	None
Contact/tel	Iain Shaw, Tel: 0131 469 3117 (iain.shaw@edinburgh.gov.uk)

Transport (Scotland) Bill

1. INTRODUCTION

- 1.1 The purpose of this report is to inform members of the recent Transport (Scotland) Bill¹ introduced by the Cabinet Secretary for Finance and Constitution, Derek Mackay MSP, in the Scottish Parliament on 8 June 2018. The bill remains at the primary stage of consultation.

2. BILL CONTENT

- 2.1 The Bill is structured in the following Parts:

- Part 1 – Low emission zones: makes provision in relation to the creation and enforcement of low emission zones in Scotland.
- Part 2 – Bus services: ensures that local transport authorities have viable and flexible options to improve bus services in their areas.
- Part 3 – Ticketing arrangements and schemes (“smart ticketing”): makes provision enabling the Scottish Ministers to specify a national technological standard for the implementation and operation of smart ticketing arrangements and providing local transport authorities with additional powers to develop and deliver effective smart ticketing arrangements and schemes.
- Part 4 – Pavement parking and double parking: introduces prohibitions on parking on pavements and double parking.
- Part 5 – Road works: enhances the role of the Scottish Road Works Commissioner (SRWC) and the wider regulation of road works.
- Part 6 – Miscellaneous and general: includes providing Regional Transport Partnerships (Transport Partnerships) with more financial flexibility and improves the governance of Scotland’s canals.

3. TRANSPORT PARTNERSHIP FINANCE

- 3.1 The Bill gives legal clarity to Regional Transport Partnerships to create and carry forward financial reserves across the financial year-end, as with local authorities currently. This change aims to make it easier for the Regional

¹ <http://www.parliament.scot/parliamentarybusiness/Bills/108683.aspx>

Transport Partnerships to manage their year-end finances by enabling them to hold a balance of funds.

- 3.2** This change removes any perceived need for Regional Transport Partnerships to have a zero balance at the end of each financial year which will benefit the planning and delivery of major transport infrastructure projects.

4. RECOMMENDATIONS

- 4.1** Members are asked to note the contents of this report

Lisa Freeman

Strategy and Projects Officer

11th June 2018

Policy Implications	
Financial Implications	As part of the Bill, RTPs would be able to carry forward financial reserves across the financial year-end.
Equalities Implications	
Climate Change Implications	

Applications to the Local Rail Development Fund (LRDF)

1. Introduction

- 1.1 Transport Scotland published the Rail Enhancements and Capital Investment Strategy on 19 March 2018. At the same time Transport Scotland also announced a £2m Scottish Government fund to develop options to improve local rail connections. The Local Rail Development Fund (LRDF) is available during 2018/19 and is open for any stakeholder organisation with a responsibility or interest in local transport issues to apply, including RTPs and Local Authorities. Bids were to be submitted by 8 June 2018.
- 1.2 The Rail Enhancement & Capital Investment Strategy is part of the Rail Industry's Long-Term Planning Process, which commenced with Network Rail preparing their Scotland Route Study (SRS) towards the end of 2014. The SRS was published in July 2016 and provided options for funders in Scotland considering rail industry investment to improve connectivity, capacity and resilience on the existing network for Network Rail Control Periods 6 (2019-2024) and 7 (2024-2029). Utilising the SRS and following Rail Industry Advice, Transport Scotland published their High-Level Output Statement (HLOS) in July 2017. This sets out the intention to adopt a pipeline approach to the delivery of rail enhancement and major renewal projects, designed to meet the projected demand for rail for the period to 2040.
- 1.3 The Rail Investment & Capital Investment Strategy provides details of the pipeline approach to be adopted over the next 10 – 15 years. However, no specific projects are currently named or included, but it is expected that the pipeline will begin to be populated with projects commencing in late summer 2018, based on the Rail Industry Advice.
- 1.4 The 2018/19 LRDF is available to assist in funding the pre-pipeline appraisal work and to potentially bring forward proposals aimed at tackling specific rail connectivity issues. The appraisal must be multi-modal and follow the Scottish Transport Appraisal Guidance (STAG) process, with a number of decision points as shown in Appendix 1 Diagram One. The funding will be provided sequentially and reviewed at each decision point in the process.
- 1.5 The main points of the LRDF are:
 - £2m funding available throughout Scotland in 2018/19;
 - Match funding is not a requirement;
 - Funding is for new projects or to assist with appraisal work already under development;

- Must be multi-modal assessment following STAG guidance and must contain an element of rail for funding to be provided / continued;
- Process will follow pre-appraisal pipeline process, with decision points (including funding) at end of each STAG sequential stage: Initial Appraisal; Preliminary Options Appraisal; Detailed Options Appraisal;
- Rail outcomes from pre-pipeline appraisal will be considered by Transport Scotland for inclusion in pipeline process.

2. Discussion

- 2.1** SEStran was approached by the Newburgh Community Rail Group (NCRG), in Fife, to support the submission of a bid to carry out a further study into the proposal for a railway station at Newburgh.
- 2.2** SEStran Officers met with the NCRG, Fife Council and Tactran colleagues to discuss a potential approach for funding under the LRDF
- 2.3** A number of joint studies regarding the potential for new stations at Newburgh and at the near-by Oudenarde (an eastward extension to Bridge of Earn) in Perth & Kinross have been carried in the past with the most recent, a study funded by SEStran, Tactran, Fife and Perth & Kinross councils being carried out in 2014/15.
- 2.4** Following that study, SEStran's Partnership Board was asked to note that, "...subject to agreement amongst all the client group partners, further discussions take place with Transport Scotland and Network Rail regarding this project before consideration is given to enter into a full or partial STAG process."
- 2.5** Taking cognisance of 2.3 above and that a subsequent study has been carried out for Newburgh under the auspices of the NCRG, SEStran officials and those of the partner organisations listed in 2.2 above have agreed that SEStran would support the Newburgh station bid and that TACtrac would submit a bid for Bridge of Earn Appraisal /Oudenarde station.
- 2.6** To ensure consistency of approach and awareness of both appraisals and identify areas where there is commonality, particularly at each of the decision points, it is the intention that the Bridge of Earn/Oudenarde Appraisal will include SEStran in the Project Steering Group and vice versa with TACtrac for Newburgh.
- 2.7** As a result of the need to submit the bid in advance of the Partnership Board meeting on 22 June 2018 and under the terms of Clause 40 of SEStran's Standing Orders a decision was taken by the Chair and Vice Chairs to agree to the submission of the Newburgh bid, subject to this report to the Board.

3. Further Bids to the LRDF 2018/19

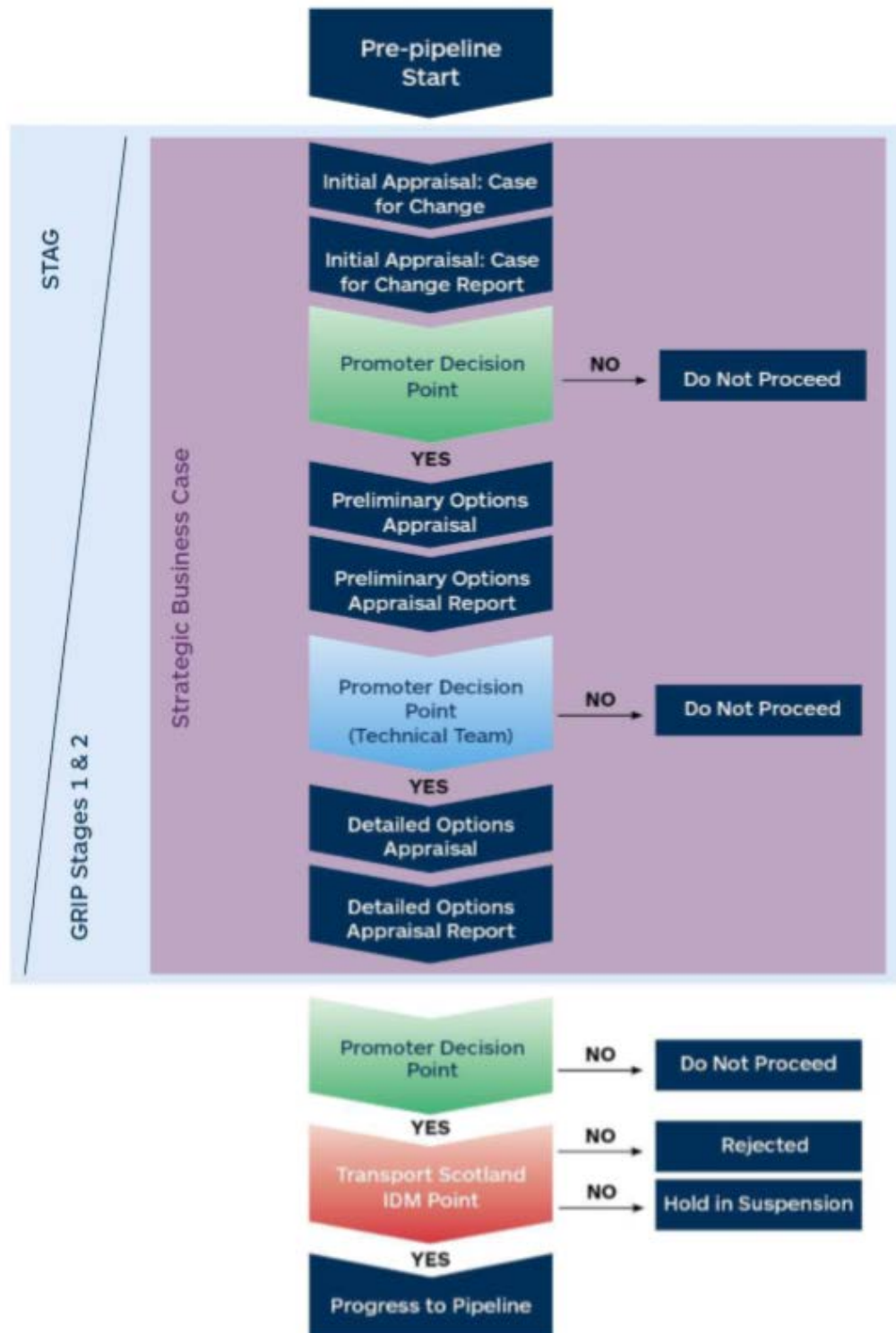
- 3.1** Within the SEStran region, further bids were submitted for studies relative to rail facilities at Alloa to Dunfermline and St Andrews Star link and a submission by Fife Council/SEStran/ScotRail to gather data on travel behaviour in the Forth Bridgehead area.
- 3.2** The above proposals are broadly supported within the Regional Transport Strategy.
- 3.3** Bonnybridge Station is undergoing a separate pre-appraisal funded by Falkirk Council.
- 4. Recommendations**
- 4.1** The Board is asked to note the contents of the report.

Keith Fiskien
Business Partner
10th June 2018

Appendix 1: Diagram A – STAG Process

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

Appendix A Diagram One



Borders Corridor Study – SEStran Response

1. INTRODUCTION

1.1 The purpose of this report is to inform members of the recent draft of the Borders Transport Corridors – Pre-Appraisal Report¹ and subsequent SEStran response (appendix 1). The study demonstrates the process and presents the analysis and findings from the STAG (Scottish Transport Appraisal Guidance) Pre-Appraisal. The study was overseen by a Project Working group, which included representatives from Transport Scotland, SEStran and Scottish Borders Council.

1.2 The specific aims of the study were to:

- Identify cross modal problems and opportunities within the transport provision between the Scottish Borders and key markets (Edinburgh, Newcastle and Carlisle);
- Highlight where the study has identified the need for further investigation;
- Recommend transport options which could be subjected to more detailed appraisal.

2. TRANSPORT CORRIDORS PRE-APPRAISAL

2.1 The study considers the accessibility for Scottish Borders communities and settlements, and identifies areas where improvements could be made. The appraisal, by the nature of the STAG process, is multi-modal and considers public transport, road, rail and active travel on key transport corridors.

2.2 The study has been informed by the SEStran Regional Model 2012 (SRM12), which was also used in the SESplan Cross Boundary and Land Use Appraisal 2017. Where options have been identified for further consideration, additional modelling can be undertaken as part of the Scottish Transport Projects Review for detailed assessment. More localised interventions may be modelled with more appropriate (macro-simulation) software through Scottish Borders Council. The objectives of the study include the following:

2.3 Transport Planning Objectives (TPO):

- Improve interchange with and between sustainable transport modes

¹ <https://www.transport.gov.scot/media/41887/borders-stag-pre-appraisal-draft-v30.pdf>

- Improve journey times, reliability and safety to employment, key services and leisure
- Integrate transportation and land use opportunities to capitalise on the built and natural environment
- Reduce business transport costs for economically competitive sectors (access key markets and high skilled workforce)

2.4 SEStran were encouraged to see that the TPOs align closely with the SEStran Regional Transport Strategy² objectives, which are as follows:

- 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, or no access to a car, particularly those who live 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

3. OPTION GENERATION

3.1 The pre-appraisal process generated a range of options which could meet the TPOs and help address the issues or opportunities identified. As outlined in STAG, the option generation was conducted as an open process.

3.2 The outcomes were compiled through a review of relevant policy documents, numerous engagement activities including workshops, structured telephone interviews, Community Council meetings and Public Surveys. Discussions with the Project Working Group, further option Challenge Workshops and implementation appraisals were held to refine options. From this, 21 individual strategic multi-modal options were generated. These options will be given as recommendations for either the upcoming Strategic Transport Projects Review (STPR) or for further development by other partner organisations or third parties. The full list of the 21 options are provided in **appendix 2** to this report.

4. SUMMARY

4.1 The study represents a high degree of collaborative working across National, Regional and local levels. Whilst it has resulted in a large number of options, it is understood that the impacts of the proposed options must be investigated

² http://www.sestran.gov.uk/wp-content/uploads/2017/01/SEStran_Regional_Transport_Strategy_Refresh_2015_as_published.pdf

in further detail. SEStran would expect to play a key role in addressing these strategic options, particularly proposed cross-border interventions.

- 3.2** SEStran welcomes the number and diverse range of the options identified within the study. However, the challenges of limited funding sources will inevitably have an impact on the delivery of the measures identified

4. RECOMMENDATIONS

- 4.1** Members are asked to note the contents of the report and the response provided on behalf of SEStran.

Lisa Freeman

Strategy and Projects Officer

15th June 2018

Appendix 1 – SEStran Response to the Pre-Appraisal Draft document

Appendix 2 – List of Identified Options

Policy Implications	In line with the delivery of RTS policies. Including the reduction of single occupancy vehicle journeys, behaviour change and air quality improvements.
Financial Implications	Potential future implications in option delivery and financial considerations towards the review of the Regional Transport Model
Equalities Implications	
Climate Change Implications	



Area 3D (Bridge), Victoria Quay, Edinburgh, EH6 6QQ, Tel: 0131 524 5150

Item B4 Appx 1

Tom Bisset
Jacobs
95 Bothwell Street
Glasgow
G2 7HX

31st May 2018

Dear Tom

Borders Transport Corridors Pre-Appraisal

As a representative of the Pre-Appraisal Project Working Group, SEStran welcomes the opportunity to provide further comments towards the Borders Transport Corridors Pre-Appraisal Study. Identifying key strategic interventions will be key in supporting growth and in addressing existing capacity issues on the Region's Transport network. The study identifies a number of opportunities which could be achieved through strategic investment. SEStran would like to underline its support for the document, as follows:

Links to the Regional Transport Strategy¹ (RTS)

There are a number of RTS objectives covered by the pre-appraisal document. The SEStran Region is a key driver of the Scottish Economy and its connectivity should support the long-term competitive position of the area through resource efficiency, social inclusion with minimum environmental impact. The RTS supports the following options as outlined in the pre-appraisal documents:

Accessibility

Options 1 & 2 refer to access to healthcare and increased service provision to Borders General Hospital and other healthcare facilities. The options seek to improve physical access to public transport through infrastructure and on public transport vehicles. SEStran welcomes these options as within the RTS it is noted that access to hospitals in the region is an issue for many hospital users, patients, visitors and hospital staff, as parking is often problematic and expensive, even for those with access to a car. Good public transport links are therefore vital for those without access to a car. This

¹ http://www.sestran.gov.uk/wp-content/uploads/2017/01/SEStran_Regional_Transport_Strategy_Refresh_2015_as_published.pdf



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issue is deemed a high priority within the RTS, with a number of relevant actions to support these pre-appraisal options.

Active Travel

Option 3 refers to the implementation of a strategic active travel network and cross-boundary active travel measures. As a high priority in the RTS, SEStran supports this option through its Strategic Cross Boundary Cycle Development² document. This study provides a list of recommendations for investment in cross boundary cycling infrastructure in the Region. SEStran in partnership with Sustrans, are supporting the development and delivery of such a network. It is welcomed that there will also be consideration made towards active travel provision around key services and public transport interchanges. This will help encourage uptake of active travel, potentially leading to further modal shift.

Freight

The RTS states that SEStran must continue to act to facilitate efficient movement of goods and ensure quality facilities for the freight sector in key freight corridors and gateways. SEStran now hosts a regional Logistics and Freight Forum which could address the issues identified in options 4 & 5, including; a freight route signage strategy and improved network connections to roads and rail. The Forum will aim to achieve this through constructive partnership working between the local authorities, government agencies, business and representative groups across the region.

Park and Ride

There are obvious benefits from park and ride, most notably the removal of car traffic from congested corridors. SEStran has established a regional Park and Ride Strategy³ and the promotion of measures associated with the strategy is viewed as a high priority. SEStran supports the ambition in option 6 to increase the provision of Park and Ride. However, these sites will still require to be supported by high quality onward services, linking travellers to places of employment, services and leisure facilities.

Public Transport

With concerns over declining bus patronage, and the overall reduction in bus service provision, SEStran welcomes options 7 and 8; Express Bus services (Edinburgh, Newcastle, Carlisle including airports) and the suggested improvements to East-West

² http://www.sestran.gov.uk/wp-content/uploads/2017/01/10.1.1_Strategic_Cross_Boundary_Cycle_Development.pdf

³ <http://www.sestran.gov.uk/wp-content/uploads/2017/01/SEStran-Park-and-Ride-Strategy.pdf>



Area 3D (Bridge), Victoria Quay, Edinburgh, EH6 6QQ, Tel: 0131 524 5150

Bus services. Increasing such services and extending timetables will help to provide an attractive alternative to private car use.

The opening of the Borders Rail Line has been a significant step change in the quality of public transport service provision in this strategic corridor. SEStran welcomes the identified options to further reduce journey times, and to provide competitive end to end journey times compared with car.

As supported by the RTS, SEStran wishes to see passenger services extended beyond Tweedbank to Carlisle in the long term with the potential to include new stations on the line. With regards to further connections, SEStran also supports the linking of Borders railway with the Fife Circle service and another appropriate service to the west/north of Edinburgh, including Edinburgh Gateway for access to Edinburgh Airport. This alongside improvements in frequency, capacity and service quality would help to develop the service, making public transport a viable and convenient alternative to the private car.

Road

SEStran supports the maintenance and development of strategic roads. Efficient and safe movement of people and goods on these corridors is essential to the wider 'city region' aspirations for the area.

The RTS states that the A7 and A68 are of strategic significance. It is welcomed that a package of enhancement and safety measures including options such as dualling, bypass and overtaking lanes are referred to within the Pre-Appraisal under numbers 16-19 of the identified options. In addition to this SEStran, strongly supports further improvements to the A1 both North and South of the Border. As this is a key link for both personal and freight traffic and such improvements could contribute to the economic resilience of the region and improve safety on this corridor.

Summary

Clearly, there has been a significant impact made by the Borders Railway, and SEStran would support measures to enhance services on this highly strategic corridor. Further considerations must be made to improving the service, with particular issues such as signalling, single-track limitations and reliability being addressed for future demand.

The document recommends that a comprehensive review of the existing SRM12 Model is undertaken in any future appraisal work, to determine its appropriateness in providing the relevant functionality, and to maintain consistency in modelling approaches for later stages in the appraisal. As this is jointly managed by both SEStran and Transport Scotland, further discussions on its review and potential costs would need to take place.



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SEStran welcomes the number and diverse range of the options identified within the study. However, the challenges of limited funding sources will inevitably have an impact on the delivery of the measures identified. Given the location of the authority and its boundaries, this will pose a number of challenges, but will also open up external funding opportunities, such as the Borderlands and South of Scotland Agency Initiative. SEStran welcomes this opportunity, and would be keen to facilitate future discussions of cross boundary cooperation, and provide a regional perspective to deliver such schemes.

The Pre-Appraisal study represents a high degree of collaborative working across National, Regional and Local levels. Whilst it has resulted in a large number of options, it is understood that the impacts of the proposed options must be investigated in further detail. SEStran, as a statutory body with a regional perspective, is well placed to play a key role in developing options further. It is hoped that the comments above are of help, and SEStran would be happy to discuss any of these details further if required.

Yours sincerely

Lisa Freeman
Strategy and Projects Officer
SEStran

Item B4 Appendix 2 – List of identified options

Option	Type	Title	Description
1	Accessibility	Increase Bus Services to Strategic Health Service Facilities	Increase bus service provision between Scottish Borders and Borders General Hospital and other strategic health facilities [e.g. Edinburgh Royal Infirmary]
2	Accessibility	Improve Physical Access to Strategic Public Transport Services	Improve physical accessibility to public transport through infrastructure and on public transport vehicles for people with mobility or sensory impairment on strategic routes
3	Active Travel	Strategic Active Travel Network	Implement a strategic active travel network and cross-boundary active travel measures [e.g. Peebles - Edinburgh], including provision around key services and public transport interchanges
4	Freight	Freight Route	Implement a freight route signage strategy, including the provision of specific real time Satnav route information
5	Freight	Develop Forestry Route Network	Improve network of internal forestry tracks as well as its connections to roads and railway, including 'low-tech' timber pickup facilities
6	Public Transport	Increase Park and Ride Provision	Increase capacity of existing Park-and-Ride sites and implement new Park-and-Ride schemes for all modes at strategic locations [e.g. Interchanges and Key Employment Areas]
7	Public Transport	Express Bus Services	Provision of express bus services to key external markets (Edinburgh, Newcastle and Carlisle, including airports)
8	Public Transport	East-West Bus Services	Increase number and frequency of east-west bus services, including extending timetable into evening
9	Public Transport	Borders Railway Extension – South/Wes	Extend the Borders Railway to Hawick and / or Carlisle
10	Public Transport	Railway Extension – South/ East	Railway Extension – South/ East Extend the Borders Railway towards East Coast Main Line (ECML) via Berwick-upon-Tweed
11	Public Transport	Enhanced Rail Services	Increase the frequency, capacity and service quality of the existing Borders

			Railway [e.g. service capacity, bike storage, Wi-Fi, reliability and punctuality]
12	Public Transport	New Rail Stations	New rail stations on the existing Borders Railway
13	Public Transport	Extension of Borders Railway Services	Link Borders Railway and Fife Circle, providing interchange at Edinburgh Gateway; West Edinburgh; and potential future link to Glasgow
14	Road	A1 Dualling	Complete the dualling of the A1 south of Edinburgh to the Scottish Border
15	Road	A1 Safety Measures	A1 package of safety measures and improvements [e.g. average speed cameras, climbing lanes and junction improvements]
16	Road	A68 Capacity Enhancement	A68 capacity enhancement measures, such as partial dualling, bypass and overtaking lanes
17	Road	A68 Safety Measures	A68 package of safety measures and improvements [e.g. average speed cameras, climbing lanes and junction improvements]
18	Road	A7 Capacity Enhancement	A7 capacity enhancement measures, such as partial dualling, bypass and overtaking lanes
19	Road	A7 Safety Measures	A7 package of safety measures and improvements [e.g. average speed cameras, climbing lanes, junction improvements and appropriate diversionary routes]
20	Road	Secondary Network Safety Measures	Package of safety measures and improvements to secondary road network performing strategic function
21	Road	Enhanced Service and Rest Areas	Rest Areas Service areas to include facilities for HGV rest stops, electric vehicle charging points, tourist facilities and coach layover

Risk Framework

1. INTRODUCTION

- 1.1 The purpose of this report is to provide the Partnership with a six monthly update on the risk register, which is an integral part of SEStran's Risk Management Framework.

2. BACKGROUND

- 2.1 SEStran has been using a Risk Register to record, report and evaluate risks within the organisation since May 2008. All risks are reviewed regularly by the relevant staff and Appendix 1 to this report is the latest version SEStran Risk Register, highlighting the key risks.

3. RECOMMENDATIONS

- 3.1 The Board are asked to note the contents of the report and Risk Register.

Angela Chambers
Business Manager
June 2018

Appendix 1: SEStran Risk Register

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

Risk Number	Risk Detail	Risk Category	Gross Risk Assessment					Planned Response/Mitigation	Net Risk Assessment					Risk After Mitigation	Date and Owner		
			Probability		Impact		Risk Score		Probability		Impact		Risk Score				
R001	Policy Appraisal: Poor Quality Lack of consultation	Strategic	1	Remote	3	Moderate	3	Low	Advised by Government of relevant policy changes and Partnership Director regularly horizon scanning for further policies and responds accordingly. New consultative forums also enable greater visibility and integration of local policies into regional strategy.	1	Remote	2	Minor	2	Low	Low. Partnership staff also continue to monitor their networks for relevant policy discussions.	June 2018 Partnership Director
R002	Project Appraisal and Delivery: Incomplete or of poor quality Late Delivery	Reputational	2	Unlikely	4	Major	8	Medium	Monthly monitoring and management intervention by the project officer and over-seen by the Head of Programmes. Key regional projects such as RTPi has regular communication with key clients and service providers, including standing quarterly stakeholder meetings.	2	Unlikely	3	Moderate	6	Low	Low. Regular monitoring and management/project team meetings provides all across the organisation with a clear view of progress and expenditure against budget.	June 2018 Head of Programmes
R003	Digital/IT: Server failure Comms failure: phones Website	System and Technology	3	Possible	4	Major	12	Medium	SEStran has an up-to-date Management Plan for Business Continuity. Wesbite has a maintenance contract as does RTPi system. Both proactively managed by third parties.	3	Possible	2	Minor	6	Low	Low. Contracted IT consultants deliver IT services. Website contract includes security updates. Robust Information Security Policy in place with regular monitoring reports. GDPR compliant and progressing Cyber Essentials Accreditation.	June 2018 Business Manager
R004	Reputation: Regard by the public and stakeholders. Negative or inaccurate media coverage leading to misrepresentation of SEStran position	Reputational	3	Possible	3	Moderate	9	Medium	Good relationships with media. Quick response to negative or inaccurate coverage. Proactive placement of copy. Agreed broad media positions. Availability of Spokesperson - Senior staff only. No unauthorised media statements.	3	Possible	2	Minor	6	Low	Work ongoing to deliver a new brand for the Partnership. Partnership staff continue to promote and advocate activities via speaking, writing or wider networking	June 2018 Partnership Director

R005	Statutory Duties: Failure to adhere to duties described in legislation and related documentation	Legal and Regulatory	1	Remote	4	Major	4	Low	Audit approved systems of governance in place. External and internal audits carried out.	1	Remote	2	Minor	2	Low	Low. Regular monitoring and programming of statutory duties is undertaken by the Partnership Director, Head of Programmes and Business Manager. Audited by third parties.	June 2018 Partnership Director
R006 6.0	Financial: Significant deviation from budgeted spend	Financial	2	Unlikely	3	Moderate	6	Low	The Partnership's Financial Rules do not permit the Partnership's spending (whether revenue or capital) to exceed its available budget. Budget and spend is monitored on a monthly basis by SEStran officers, using financial information provided by City of Edinburgh Council (CEC) through the Partnership's Financial Services Service Level Agreement with CEC and supported by qualified accounting staff of CEC. Action is 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. The Partnership's Financial Rules require reporting of financial performances to the Partnership Board on a quarterly basis.	1	Remote	2	Minor	2	Low	Low. In October 2017, the Scottish Government commenced consultation to give consideration to RTPs being given powers to of carry forward of expenditure across financial years.	June 2018 Partnership Director
6.1	Pay awards: Provision for a pay award of up to 3% in 2018/19 based on alignment with SG pay policy. Each 1% increase equates to an increase in £3,400	Financial	4	Probable	1	Insignificant	4	Low	Alignment with Scottish Local Government pay policy	4	Probable	1	Insignificant	4	Low	Tolerate	June 2018 Partnership Director
6.2	Staff recharges - EU projects: There is a risk that opportunities for additional funding through income for EU projects may reduce.	Financial	5	Highly Probable	3	Moderate	15	High	Any shortfall in employee recharges will be managed through corresponding reductions in Projects Budget expenditure. EU projects represent a low percentage of the budget.	4	Probable	2	Minor	8	Medium	Medium: Other funding sources will continue to be pursued.	June 2018 Partnership Director

6.3	Inflation: There is a risk that the approved budget does not adequately cover price inflation.	Financial	5	Highly Probable	1	Insignificant	5	Low	When setting the revenue budget, allowance was made for specific price inflation and budgets adjusted in line with current cost forecasts.	5	Highly Probable	1	Insignificant	5	Low	Tolerate	June 2018 Partnership Director
6.4	Delays in payment of external grants results in additional short-term borrowing costs.	Financial	3	Possible	2	Minor	6	Low	SEStran grant claims for projects are submitted in compliance with grant funding requirements to ensure minimal delay in payment. Ongoing monitoring of cash flow is undertaken to manage exposure to additional short-term borrowing costs.	3	Possible	1	Insignificant	3	Low	Low: Grant submission procedures in place, along with financial planning.	June 2018 Partnership Director
6.5	Sources of additional income to the Partnership may become constrained in the current economic climate and/or due to changes in operating arrangements.	Financial	4	Probable	3	Moderate	12	Medium	Active Travel funding a high priority for Government with funds consistently available to bid for. Revenue budget for 2018/19 developed to take account of most likely level of external income in 2018/19.	4	Probable	3	Moderate	12	Medium	Tolerate: Adapt expenditure accordingly	June 2018 Partnership Director
6.6	Funding reductions: Future reductions in funding from Scottish Government and/or council requisitions.	Financial	3	Possible	4	Major	12	Medium	Scottish Government and constituent council funding is confirmed for 2018/19. A financial planning report for 2019/20 will be presented to the Partnership Board in Autumn 2018. Subject to decision by the Partnership Board, the draft budget for 2019/20 will then be prepared, based on anticipated funding for Scottish Government grant and council requisitions. The Partnership will continue to source and develop external funding.	3	Possible	4	Major	12	Medium	Tolerate: Manage organisation in accordance with available funding but ability of organisation to deliver RTS objectives will inevitably be dictated by available funding.	June 2018 Partnership Director
6.7	The deficit on the staff pension fund could lead to increases in the employers pension contribution	Financial	3	Possible	3	Moderate	9	Medium	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 the Lothian Pension Fund Triennial Actuarial Review of 2017, proposed Partnership contribution rates have been advised until 2020/21	2	Unlikely	3	Moderate	6	Low	Tolerate	June 2018 Partnership Director

6.8	Current staffing levels cannot be maintained due to funding constraints and the Partnership incurs staff release costs	Financial	3	Possible	3	Moderate	9	Medium	The Partnership Director continues to seek additional sources of funding for activities aligned to the Partnership's objectives to supplement resources	3	Possible	2	Minor	6	Low	Low: Other funding sources will continue to be pursued.	June 2018 Partnership Director
R007	HR: Pension Liabilities Redundancy Contingency Inappropriate Behaviour Staffing/Incapacity	People	3	Possible	3	Moderate	9	Medium	SLA in place with Falkirk Council to provide specialist HR advice as required and is under regular review. Legal advice is provided, when required, through a framework contract, which is in place until 2019.	1	Remote	2	Minor	2	Low	Tolerate	June 2018 Partnership Director
R008	Corporate: Removal of RTPs as part of the review of the National Transport Strategy.	Strategic	4	Probable	4	Major	16	High	RTPs jointly lobbying Transport Minister. SEStran is engaged in the NTS2 review, representing all RTPs on the NTS2 Review Board and has sought and received assurances around retention of functions and undertakings transfer from Scottish Ministers.	4	Probable	4	Major	16	High	High: Tolerate and seek to influence outcomes at every opportunity	June 2018 Partnership Director
R009	EU Exit: Impact on learning and funding	Financial	5	Highly Probable	3	Moderate	15	High	The Partnership has sought to engage in as many relevant EU projects and funds as it can whilst UK authorities are allowed to access these funds. This should mitigate the short-term impact of any EU Exit negotiated and implemented.	5	Highly Probable	3	Moderate	15	High	High: The risk remains high as there is significant uncertainty around the medium (3-5year) horizon for access to funds. Opportunity for renewed collaborative working with EU following Brexit to be explored.	June 2018 Head of Programmes
R010	Governance: Senior Officer absence Succession Planning Business Continuity	People	3	Possible	3	Moderate	9	Medium	Ensure Governance Scheme contains adequate provision. Staff structure in place and Head of Programmes assigned delegated powers in Directors absence. Business Continuity Plan in place.	3	Possible	3	Moderate	9	Medium	Tolerate	June 2018 Partnership Director
R011	Third party Service Level Agreements: Failure or inadequacy of service	People	2	Unlikely	2	Minor	4	Low	Service Level Agreements in place for Financial Services, HR, Legal and Insurance services. Reviewed annually by senior officers. Subject to independent audit scrutiny.	2	Unlikely	2	Minor	4	Low	Tolerate	June 2018 Partnership Director

Likelihood		Severity		Risk Score		At Risk
1	Remote	1	Insignificant	1	Low Risk	System and Technology
2	Unlikely	2	Minor	2		Reputational
3	Possible	3	Moderate	3		Strategic
4	Probable	4	Major	4		Financial
5	Highly Probable	5	Catastrophic	5		Governance
				6	Medium Risk	Specific Operational
				8		External
				9		Legal and Regulatory
				10		People
				12		Physical
				15	High Risk	
				16		
				20		
				25		

Impact				
Descriptor	Score	Health and Safety Impact	Impact on Service and Reputation	Financial Impact
Insignificant	1	No injury or no apparent injury.	No impact on service or reputation. Complaint unlikely, litigation risk remote.	Loss/costs up to £5000.
Minor	2	Minor injury (First Aid on Site)	Slight impact on service and/or reputation. Complaint possible. Litigation possible.	Loss/costs between £5000 and £50,000.
Moderate	3	Reportable injury	Some service disruption. Potential for adverse publicity, avoidable with careful handling. Complaint expected. Litigation probable.	Loss/costs between £50,000 and £500,000
Major	4	Major injury (reportable) or permanent incapacity	Service disrupted. Adverse publicity not avoidable (local media). Complaint expected. Litigation expected.	Loss/costs between £500,000 and
Catastrophic	5	Death	Service interrupted for significant time. Adverse publicity not avoidable (national media interest.) Major litigation expected. Resignation of senior management/directors.	Theft/loss over £5,000,000

Likelihood		
Descriptor	Score	Example
Remote	1	May only occur in exeptional circumstances.
Unlikely	2	Expected to occur in a few circumstances.
Possible	3	Expected to occur in some circumstances.
Probable	4	Expected to occur in many circumstances.
Highly Probable	5	Expected to occur frequently and in most circumstances.

Impact					
Catastrophic	5	10	15	20	25
Major	4	8	12	16	20
Moderate	3	6	9	12	15
Minor	2	4	6	8	10
Insignificant	1	2	3	4	5
Likelihood	Remote	Unlikely	Possible	Probable	Highly Probable

Maintain existing measures in place.
Review control measures. Even if the risk is low, there may be things that can be done to bring the risk rating down to minimal.
Improve control measures. If the Rating Action Band is greater than 3 or 4 then a review of the exisiting safety/control measures needs to be done, where additional
Improve control measures immediately and consider stopping work activity until risk is reduced.

Cyber Resilience

1. INTRODUCTION

- 1.1 This report provides Members with an update on the Cyber Resilience project.

2. BACKGROUND

- 2.1 Reports were brought to previous meetings of the Performance & Audit Committee and Partnership Board detailing the requirements of the Scottish Government (SG) Cyber Security Public Sector Action Plan.
- 2.2 One of the key actions required was to carry out an initial pre-assessment to determine the cyber security posture of the Partnership by March 2018, and to carry out the remedial actions required to attain Cyber Essentials or Cyber Essentials PLUS accreditation by October 2018.

3. PROGRESS

- 3.1 SG awarded SEStran a grant award of £1000 for the completion of the cyber essentials pre-assessment. Three approved suppliers were approached and quotations obtained and the successful company, Quorum Cyber Security Ltd were chosen to undertake the pre-assessment.
- 3.2 The first objective was to define an acceptable scope for accreditation, the second, was to complete a mock audit of the defined scope to ascertain any control gaps and identify the remediation activities required to achieve accreditation.
- 3.3 The mock audit was conducted on 21st March 2018 and the outcome signified that SEStran is in an excellent position to gain Cyber Essentials certification, with very little remedial work required. In almost all areas, appropriate controls are in place and the organisation's approach to cyber security is appropriate to the risks being faced.

4. ACCREDITATION LEVEL

- 4.1 Quorum Security have recommended that the Partnership pursues Cyber Essentials PLUS, which is the level of accreditation recommended by SG. This level requires testing/assessment of the IT provisions, rather than being awarded by means of a self-assessment questionnaire and provides a higher level assurance.
- 4.2 The cost of pursuing Cyber Essentials PLUS is £2200 and can be contained within this year's budget.

5. RECOMMENDATIONS

- 5.1 Note that the Performance and Audit Committee, at their meeting on 8 June 2018, approved that Cyber Essentials PLUS accreditation is pursued, and;
- 5.2 Note that the final assessment and accreditation will be completed by October 2018.

Angela Chambers
Business Manager
June 2018

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

Regional Transport Partnerships

Chairs Meeting

**Minute of Meeting held in the Alexandra Hotel, Fort William on
Wednesday 7 March 2018 at 0900hrs.**

PRESENT

Cllr Allan Henderson, Hitrans (Chair)
Cllr Martin Bartos, SPT
Cllr Brian Gordon, Tactran
Cllr Peter Argyle, Nestrans
Cllr Gordon Edgar, Sestrans
Cllr Andrew Wood, Swestrans
Cllr Robbie McGregor, ZetTrans

IN ATTENDANCE

Mr Ranald Robertson, Hitrans
Mr Bruce Kiloh, SPT
Mr Eric Stewart, SPT
Mr Jim Grieve, Sestrans
Mr Niall Gardiner, Tactran
Mr Douglas Kirkpatrick, Swestrans
Mr Michael Craigie, ZetTrans
Mr Derick Murray, Nestrans

APOLOGIES

Cllr Stephen Heddle, COSLA
Mr Robert Nicol, COSLA
Ms Joanne Gray, Transport Scotland
Mr Eric Guthrie, Tactran.

1. Welcome and Apologies

Cllr Henderson welcomed everyone to the meeting, and to Fort William, and noted the apologies above.

2. Presentation by Host RTP - Hitrans

RR gave a presentation on the development of the Lochaber Smelter.

3. Minute of RTP Chairs Meeting on 6 December 2017 (attached) and Matters Arising

The Chairs approved the minute. Matters arising covered by the agenda.

4. National Transport Strategy

- a. Update from NTS Review Board

Cllr Edgar noted that the NTS Review Board due to take place on 28 February was cancelled due to bad weather.

Once the rearranged meeting has taken place, Cllr Edgar will prepare a briefing note and circulate to the Chairs.

- b. Update from TS

BK, DM, JG and RR gave update on the various NTS Working Groups which the RTPs are involved in.

5. Consultation Responses

- a. Scottish Parliament Local Govt and Communities Committee Cal for Evidence on Planning Bill

Response submitted within deadline.

- b. Scottish Government "A Connected Scotland: Tackling Social Isolation and Loneliness and Building Stronger Communities"

Chairs agreed that a joint RTP response be developed by Lead Officers and submitted.

- c. Bus, Free Bus, LEZ, Smart Ticketing, Roadworks Consultations – Update

BK and ECS gave an update on progress since the range of Scottish Government consultations in late 2017. Noted that the DfT were currently undertaking a consultation on Section 19 and 22 permits for operating public service vehicles, closing on 4 May. MC noted that ZetTrans had been provided with funding by Scot Govt to undertake a pilot project for free travel for Modern Apprentices.

6. RTP Chairs Work Programme

- a. Meeting with Transport Minister and Planning Minister

Meeting in process of being arranged. (*Post-meeting note 15 March – choice of dates now set as 3 or 10 May*).

- b. Meeting with COSLA Environment and Economy Spokesperson

Chairs agreed that a separate meeting be arranged with Cllr Stephen Heddle, COSLA Environment and Economy spokesperson. BK noted he is in dialogue with Robert Nicol of COSLA to arrange this.

c. Future Invitees Update

Chairs agreed that the Minister for Transport and the Islands be invited to the next RTP Chairs meeting in June which will be hosted by Swestrans. It was further agreed that Roy Brannen of Transport Scotland be invited to the Chairs meeting in September to be hosted by ZetTrans, and that Alex Hynds of the Scotrail Alliance be invited to the Chairs meeting in December to be hosted by Nestrans. Future invitees beyond then to include:

- **Mobility and Access Committee for Scotland**
- **Traffic Commissioner for Scotland**
- **Urban Transport Group**
- **Scottish Ambulance Service**
- **An air transport representative**
- **Young Scot.**

7. Modal Updates

a. Active Travel

RR update noted.

b. Bus

ECS and BK update noted.

At this stage, in light of Mr Eric Stewart's forthcoming retirement as Assistant Chief Executive (Operations) of SPT, the Chair paid tribute to Eric and thanked him for his significant contribution to the work of the RTPs of Scotland over many years, and wished him well in his future endeavours.

c. Ferries

MC and RR update noted.

Cllr Henderson vacated the Chair at this stage and left the meeting due to urgent prior engagement. Cllr Wood took over Chair.

d. Rail

DM update noted.

Chairs requested that a paper on East Coast Mainline Association / HS2 East be prepared for next Chairs meeting.

e. Air

DM update noted.

8. RTP Secretariat

The Chairs agreed that Nestrans take over role of RTP Secretariat for two years from April 2018.

9. Next meeting – 6 June 2018 hosted by Swestrans.

10. AOB – Code of Conduct for Councillors

- Update from NL: Discussed the difficulty for Members of an RTP where they cannot discuss planning issues as they are then barred from doing so at other committees. Agreed that Kevin Stewart would put something before parliament this Spring to resolve this issue.

Postscript 06/06: Tactran are due to bring matter to their board on 26/06.

Meeting with CPT:

After lunch, the Chairs had a positive meeting with George Mair, Director CPT Scotland, discussing issues of mutual interest regarding bus services in Scotland. The Chairs thanked Mr Mair for the meeting and agreed to meet again in future, continuing the positive relationship between the RTPs and the CPT.

INTEGRATED MOBILITY FORUM

10:00AM FRIDAY 27TH APRIL 2018

Present:

Cllr Lesley Macinnes(Chair)	City of Edinburgh Council
Cllr Gordon Edgar	Scottish Borders Council
Jim Grieve (JG)	SEStran
Elizabeth Forbes (EF)	SEStran
Peter Forsyth (PF)	East Lothian Council
Karl Vanters (KV)	Midlothian Council
Catherine Hall (CH)	Network Rail
Robbie Yates (RY)	Scottish Borders Council
Lesley Deans (LD)	Clackmannanshire Council
Gordon McGregor	EST
Gavin Booth (GB)	Bus Users
Caroline Connolly (CC)	Transport Scotland
Keith Finlay (KF)	Lothian Buses
David Smith (DS)	Viaqgio (part of EST group)
Shauna Clarke (SC)	City of Edinburgh Council
Greg McDougall (GM)	City of Edinburgh Council
Matt Davis (MD)	Sustrans Scotland
Graeme Johnston (GJ)	Scottish Borders Council
Peter Jackson (PJ)	SEStran
Alex Robb (AR)	Sustrans Scotland
Mike Harrison (MH)	SATA
Gordon Mansen (GM)	Energy Saving Trust
Robert Samson (RS)	Transport Focus
Gary Bell (GB)	Paths for All
Keith Stark (KS)	Enterprise
Morag Haddow (MH)	East Lothian Council
Stuart McNeil (SM)	Traveline Scotland
Barry Turner (BT)	
Cllr Chris Horne (CH)	West Lothian Council

John Scott (JS)
Cllr David Key (DK)
Moirra Nelson (MN)
Lisa Freeman (LF)
Jane Findlay (JF)
Karl Vanters (KV)
Catherine Hall (CH)
William Dove (WD)
Des Bradley (DB)
Cllr Laura Murtagh

First Group
City of Edinburgh Council
SEStran
SEStran
Fife Council
Midlothian Council
Network Rail
NHS Fife
Scotrail
Falkirk Council

Apologies:

Graham Meiklejohn
Gordon Mungall
John Yellowlees
Fiona Collie
James Fullarton
Doreen Steele
Scot Prentice

First Group
SEStran Board Observer
Scotrail
Falkirk Council
Scottish Borders Council
Scotrail

Ref.		Actions
1.	Welcome and Introductions	
1.1	The chair welcomed the attendees and gave an overview of the new forum which was formed through the merging of the previous Sustainable, Rail, Bus and Air Forums.	
2.	Forum Aims and Objectives	
2.1	The attendees, who were seated at four different tables were then provided with questions for discussion. The chair allowed 30 minutes for the individual tables to work through the question topics, before feeding back comments to the Forum.	
2.2	<p>The question topics were as follows:</p> <p>1. What outcomes or deliverables would you like to see form the Forum?</p> <p>Current examples in the draft terms of reference:</p> <ul style="list-style-type: none"> • News updates via digital platforms • Strategy development and input into NTS 2 (National Transport Strategy 2) • Review of Travel Planning activity within the Region • Refresh of the Regional Cycle Network Study • Travelknowhow Scotland Uptake and Promotion <p>2. What format would you like information to be shared?</p> <ul style="list-style-type: none"> • What existing formats work for you? • What channels should we avoid? • Should we consider social media channels? <p>3. What points should be included in the Terms of Reference?</p> <p>Current examples in the draft terms of reference:</p> <ul style="list-style-type: none"> • Provide a consultative role to Transport Scotland and seek funding to support schemes in line with the Forum Vision • Develop an understanding of the opportunities to improve integrated mobility • To collect and maintain information relating to regional transport network; • To explore and promote the increased use of non-car based transport • To work through partnerships to resolve passenger/commuter transport problems and avoid new ones arising, • To enable implementation of initiatives emerging from our EU funded research and development projects; and • To share information and methodologies with stakeholders and other Forums e.g. Equalities/Healthcare groups and the Resilient Economic Growth Forum <p>4. What future topics should we consider for the Forum?</p>	

	<p>Current examples in the draft terms of reference:</p> <ul style="list-style-type: none"> • Public Transport and Integration • Active Travel Promotion and Behavioural Change • Mobility as a Service 	
2.3	<p>RS, BT, PJ and MC acted as spokespersons for their tables and fed back the following comments in relation to the questions posed:</p> <p>Question 1.</p> <ul style="list-style-type: none"> • The groups agreed with the current examples in the draft terms of reference in relation to the question. • NTS 2 aligned with the Regional Transport Strategy. • Making integration seamless. • Regional based projects – scope for the forum to be involved as sub-groups. • Looking at advancements in digital interfacing and technology. • Residential planning to ensure smooth transport routes/options. • Ensuring that accessibility is maximised. • Travel planning for businesses. • Sharing best practices with local authorities. • Electric bikes • Benefits of having mobility as a service. 	
2.4	<p>Question 2.</p> <ul style="list-style-type: none"> • Email (preference) • SharePoint • How do we disseminate information from the Forum to the public? • Information from stakeholders is essential – what projects are ongoing and how they best relate to each other. • How should we advertise SEStran to the public? • Social media • TV promotion • Is a 6-month format too infrequent? • Teleconferencing 	
2.5	<p>Question 3.</p> <ul style="list-style-type: none"> • The table agreed with the bullet points already associated with the question, however, the points might be too broad/all encompassing. It would be beneficial to have more focused points in the Terms of Reference, to ensure that the Forum is having the desired impact. • Addressing issues in rural communities. • Initiate an exemplar pilot that can be shared amongst stakeholders. • Supporting local authorities. 	
2.6	<p>Question 4.</p> <ul style="list-style-type: none"> • The table agreed with the bullet points associated with the question. 	

	<ul style="list-style-type: none"> • Low emission zones • Air quality • Accessibility • Emerging technology • Public transport operators engaging in data sharing. 	
2.7	<p>The chair then asked LF to summarise the group responses.</p> <p>The key points of LF's summary are listed below:</p> <ul style="list-style-type: none"> • How do we input to policy? • Sub-groups to engage with consultations. • Best practice – exemplar projects. • Keeping things digital – exploration of knowledge hub as a platform. • Teleconferencing facilities for those unable to attend the Forum. • Terms of Reference - "Seamless journey, regardless of mode" • Technology • Presenting good practice examples. <p>JG added that although SEStran no longer have individual forums for bus and rail, delegates are welcome to request items for upcoming agendas that relate to these specific modes.</p>	
3.	Discussion Topic 1 – Edinburgh Local Transport Strategy, Low Emission Zones and City Centre Transformation	
3.1	SC and GM presented the above (on behalf of Steven Murrell).	
3.2	The presentation covered the 3 major projects being undertaken by the spatial policy team at CEC.	
3.3	SC and GM then took some questions regarding the 3 projects. Issues were raised in relation to retrofitting.	
4.	Discussion Topic 2 – Bus/Train interface issues – a round table discussion	
4.1	The chair invited any transport operators to start a room wide discussion based on topics of interest. DB initiated the discussion, by discussing current service enhancements in the SEStran area and upcoming car park expansions at various stations.	
4.2	A lengthy discussion then followed regarding accessibility and integrated mobility at stations.	
5.	Next Meeting	
5.1	The chair rounded up and reviewed the discussions.	
5.2	The chair requested that LF collate the key topics and priorities generated through the discussions and send them out alongside the minutes. These key topics and priorities will help shape the agenda for the next meeting.	LF

5.3	The date for the next meeting is yet to be scheduled, but this will be held in October 2018.	
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DRAFT

CHIEF OFFICER LIAISON GROUP MEETING
10:00AM THURSDAY 24TH MAY 2018

Present:

Jim Grieve (JG)	SEStran (Chair)
Angela Chambers (AC)	SEStran
Keith Fiskin (KF)	SEStran
Elizabeth Forbes (EF)	SEStran
Peter Jackson (PJ)	SEStran
Lisa Freeman (LF)	SEStran
Graeme Johnstone (GJ)	Scottish Borders Council
Neil Dougall (ND)	Midlothian Council
Kevin Collins (KC)	Falkirk Council
Iain Shaw (IS)	City of Edinburgh Council
Peter Forsyth (PF)	East Lothian Council
Ken Gourlay (KG)	Fife Council
Iain Shaw (IS)	CEC (Treasury)
Lesley Deans (LD)	Clacks Council

Apologies:

Graeme Malcolm (GM)	West Lothian Council
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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	
2(a)	Chief Officers Liaison Group – 15 th February 2018 Agreed as a correct record.	
2(b)	DRAFT Partnership Board – 16 th March 2018 (For noting)	
2(c)	DRAFT Integrated Mobility Forum of 27 th April 2018 (For noting)	
3.	Agenda for 22 June Partnership Board Meeting	
3.1	JG advised that many of the items raised in this meeting's agenda will go forward to the Board in June.	
3.2	JG asked the group for any additional agenda items. No additional items were suggested.	
4.	Financial Reports	
4(a)	Unaudited Accounts 2017/2018	

	<p>IS advised that the accounts for the last year have been completed, indicating a £16,000 underspend. The accounts have now been passed over to Scott Moncrieff for further scrutiny.</p> <p>IS indicated that the accounts would be raised at the upcoming Performance and Audit Committee on the 8th June, ahead of the Board on the 22nd June.</p>	
4(b)	<p>Treasury Management Report</p> <p>The purpose of this report is to review the investment activity undertaken on behalf of the Partnership during the first half of the 2018/19 Financial Year.</p>	
5.	Audit Update	
5(a)	<p>Annual Internal Audit Report 2017/2018</p> <p>JG advised that the internal audit has now been concluded.</p> <p>Actions required regarding governance, relating to Senior Officer absence. Governance procedures have now been updated to articulate how to allow for this situation in the future.</p> <p>The external audit is still on-going.</p> <p>IS offered to contact Scott Moncrieff to confirm their attendance at the June Board, and ask whether they will be providing audit conclusions at that time.</p>	IS
6.	Projects Update	
6.1	LF provided a summary of this report, which updated the Chief Officers on the progress of SEStran's projects.	
6.2	There was a lengthy discussion regarding SEStran's RTPI project, relating to First East contributions.	
7.	ECOMM 2019	
7.1	KF gave a verbal update on SEStran's bid to host the ECOMM 2019 event, revealing that we had been successful and would be hosting the conference in May/June 2019.	
8.	Intelligent Centralisation	
8.1	JG initiated the group discussion by reviewing what was previously put forward regarding intelligent centralisation at the last Chief Officers meeting.	
8.2	There was a lengthy discussion regarding data collection/gathering, specifically collaborative work/maintenance agreements.	

8.3	JG agreed to further consider what was discussed in the meeting and bring forward new ideas/suggestions to the next meeting.	JG
8.4	JG asked Officers to send proposals to KF for analysis.	ALL
9.	NTS2 Update	
9.1	JG gave a verbal update on the status of the NTS2.	
9.2	The key points are: Cllr Gordon Edgar is on the NTS2 strategy board representing all the RTPs and JG is involved in thematic groups for enabling economic growth and working groups, moving towards centralising data.	
10.	Local Rail Development Fund	
10.1	FK gave a verbal update on the status of SEStran's bids for the Local Rail Development Fund.	
10.2	The regional projects being put forward relate to: Newburgh, St Andrews, Alloa/Dunfermline and Bonnybridge. KF asked the Chief Officers for any updates on regional applications.	
10.2	There followed a discussion about the process.	
11.	ECMA Update	
11.1	JG gave a verbal update on ECMA.	
11.2	The key points of his update are: an executive group will still exist; consortium meetings will continue; suggestion for more vice chairs which will result in a chair/vice chair group; and there will be a secretariat role by combined authorities.	
11.3	JG advised that the next consortium group will take place on the 29 th June.	
12.	RTS Monitoring	
12.1	JG gave a verbal status report on SEStran's RTS monitoring.	
12.2	A table annex was passed round the officers, which listed SEStran's current RTS targets.	
12.3	LF will circulate an electronic version of the document.	LF
12.4	JG noted that SEStran is looking at ways to measure these targets, and has asked the chief officers to put forward potential strategies for discussion at the next meeting.	ALL
13.	NCM Appointments	
13.1	AC advised that we are still waiting for Ministerial approval.	

14.	Community Links Funding Opportunities	
14.1	PJ gave a verbal update on the Community Links Funding Opportunities. The key points of his update are: There is now 100% funding for feasibility and design and there is no maximum award limit so Sustran's are encouraging organisations to put forward as many applications as possible.	
14.2	There was a brief discussion about the process.	
15.	AOCB	
15.1	PF requested representation from SEStran at a consultation event on the 5 th June for East Lothian's local transport strategy.	
15.2	LF agreed to attend on behalf of SEStran.	LF
15.3	AC advised that following the request from some councillors to host Partnership Board meetings centrally, it is a possibility that the June Board may be held in the city centre.	
16.	Date of next meeting	
16.1	10:00am on Thursday 23 rd August 2018, Conference Room 3, Victoria Quay, Edinburgh, EH6 6QQ.	

LOGISTICS & FREIGHT FORUM
THURSDAY 31ST MAY 2018
CONFERENCE ROOM 3, VICTORIA QUAY
Present

Cllr Colin Davidson (CD)	Chair, Deputy Chair - SEStran
Cllr Russell Imrie (RI)	Midlothian Council
Nikki Boath (NB)	SEStran
Mark Cavers (MC)	TRL
Kevin Collins (KC)	Falkirk Council
Jonathan Cowie (JC)	Napier University
Fiona Doherty (FD)	Forth Ports
Joanna Doig (JD)	Forth Ports
Jip Fees (JF)	RHA
Elizabeth Forbes (EF)	SEStran
Lisa Freeman (LF)	SEStran
Jim Grieve (JG)	SEStran
Stewart Hurry (SH)	SBR Centre
Peter Jackson (PJ)	SEStran
Catriona Jones (CJ)	SEStran
Chris Little (CL)	RHA
Andrea Mackie (AM)	City of Edinburgh Council
Andrew Malcolm (AM)	Malcolm Logistics
Greg McDougall (GMCD)	City of Edinburgh Council
John Mitchell (JM)	Fife Council
Charlie Mulholland (CM)	Outspoken Delivery
Steven Murrell (SM)	City of Edinburgh Council
Andrew Smith (AS)	City of Edinburgh Council
David Spaven (DS)	RFG
Doreen Steele (DS)	SEStran Board Member

Apologies

Cllr Gordon Edgar	Chair, SEStran
Cllr Jim Fullarton	Scottish Borders Council
Cllr Chris Horne	West Lothian Council
Emine Akgun	Napier University
Ann Connolly	City of Edinburgh Council
Phillip Flanders	
Kerra McKinnie	SEStran Board Observer

Ref		Actions
1	Introduction	
	<p>CD welcomed everyone to the first Logistics & Freight Forum. CD explained the purpose of the Forum is 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.</p> <p>The Forum will provide a unified, regional voice in the South East of Scotland; tackling localised issues that could potentially be resolved within a reasonable timescale on a partnership basis and longer-term promotion</p>	

	of government targets through, for example, achieving mode shift to rail and sea.	
2	Introduction to Workshop 1 – Short & Long Term Freight Transport Solutions	
	<p>JG introduced Workshop 1 which is set out below:</p> <p><i>A large whisky producer, looking to expand the market, primarily overseas. Based on the coast in the east of Scotland, the Board of Directors is aware that the local road transport network is at capacity. Assess possible options and suggest practical alternatives to get the goods to market that won't put additional pressure on the local road network. Look at the relatively short term and the long term.</i></p> <p>The attendees were provided with a scenario for discussion. The chair allowed 30 minutes for the individual tables to work through the question topics, before feeding back comments to the Forum. The responses are attached in note form as Appendix 1.</p>	
3	Introduction to Workshop 2 – Transport Strategy & Low Emission Zones – City of Edinburgh Council	
	<p>SM introduced Workshop 2 which is set out below.</p> <p><i>The Transport strategy, low emission zone and central Edinburgh transformation - what issues are important/relevant and what could be done to deal with those issues.</i></p> <p>The attendees were provided with a scenario for discussion. The chair allowed 15 minutes for the individual tables to work through the scenario, before feeding back comments to the Forum. Feedback is attached in note form as Appendix 2.</p>	
5	AOB	
	JG has requested that a report regarding Transport Vulnerabilities be circulated. This is attached as Appendix 3 .	Jim Grieve
6	Agenda Setting for Next Meeting	
	<p>CD pointed out the importance of the Forum. CD also highlighted the importance of setting an Agenda for the next meeting. Topics for discussion at the next Forum are listed below:</p> <ul style="list-style-type: none"> • Loss of lorry park at South Queensferry • Use of Land in emergency situations eg severe weather • Multi Modal Hub in relation to Construction & Agricultural Market • Logistics – Post Brexit • Rail Freight. AM volunteered to circulate Malcolm Logistics presentation in relation to road versus rail • Low Emission Zone Update – CEC • Transport Vulnerabilities 	Andrew Malcolm
7	Date of Next Meeting	
	A date for the next meeting will be circulated in due course.	

Appendix 1

Workshop 1

A large whisky producer, looking to expand the market, primarily overseas. Based on the coast in the east of Scotland, the Board of Directors is aware that the local road transport network is at capacity. Assess possible options and suggest practical alternatives to get the goods to market that won't put additional pressure on the local road network. Look at the relatively short term and the long term.

Table 1	
Issues	Opportunities
<ul style="list-style-type: none"> • First/last mile • Limited rail • Limited capacity • Timetables • Season Peaks • Condition of roads • Limited number of trained drivers • Congestion • Road restrictions <ul style="list-style-type: none"> ◦ What impact does that have on other routes? • Noise Pollution 	<ul style="list-style-type: none"> • Road to Rail • Rail electrification <ul style="list-style-type: none"> ◦ Journey times • Scope to use alternative ports (if rail network could accommodate) • Rail containers can carry more than road (Malcolm campaign) • Dry Port example with direct rail link • Freight only routes? Or infrastructure • Conflict – Sustainability vs. costs • Timescales – quick fix short term vs. long term solution • Political Imperatives • Risks <ul style="list-style-type: none"> ◦ Staff ◦ Housing ◦ Skills ◦ Raw materials ◦ Barrels • Bottles and Tankers (customs)

Table 2	
Short Term	Long Term
<ul style="list-style-type: none"> • Local railhead – transit to F'Stowe Tillbury • Non peak transit <ul style="list-style-type: none"> ◦ Night • Feeder vessels to Rotterdam • Consolidation with others • Supply chain/ Production/ Distribution Efficiencies (Truck offloads whole capacity and is refilled to capacity) • Delivery dropoff point- driver has access to secure area at non-peak/staff pickup at normal time. 	<ul style="list-style-type: none"> • Relocation • Closer Railhead <ul style="list-style-type: none"> ◦ Further investment in Rail ◦ Local Road Investment ◦ Proximity to Sea Port • Grangemouth Deepsea Port • Autonomous – use of vehicles within railheads or hubs

Table 3
<ul style="list-style-type: none"> • Imagined to be a Scottish Company

- China is the market for the whisky
- Ports? Accessibility (24hr)
- Container freight
- Logistics company – Balance (in/out)
- Rail – English ports
- Logistics hub locally (what role can SEStran play? Pool resources?)
- Set up in China? (cheaper labour)
- Get expert logistics advice

Table 4

- Freight by passing ports
- Can ports be better connected?
- Not an even playing field
- Costs
- Is there capacity on the rail network?
- How do we pull data together?
- What routes are available?
- What are the obvious transport routes?
- Whats the best route to take?
- Combination of modes
- Improving transport links
- Clarity of supply chain

Table 5

- Move freight to rail (long term)
 - Why should we change? Long timescales associated with this change (e.g. 5+ years)
 - Reduce CO2 – meet government targets
 - Positive for global brand
 - Potential to expand/diversify (e.g. Diageo visitors centre would attract large amount of visitors to pay for a Freight Hub)
 - Easier to transport to Europe
 - Option to get other goods returned in empty wagons
 - Sharing infrastructure costs with passenger transport
- Move freight by sea
 - Easy to export to Europe
- Short term
 - Maximising load capacity for road freight
 - Focus on off-peak times (but higher labour costs)
 - Problem of attracting younger drivers to road haulage industry
 - Convoy of vehicles to reduce impact on local road network

Workshop 2

The Transport strategy, low emission zone and central Edinburgh transformation - what issues are important/relevant and what could be done to deal with those issues.

Challenges -v- Opportunities

<u>Challenges</u>	<u>Opportunities</u>
<ul style="list-style-type: none"> • Road connectivity • Last mile delivery • Not enough alternatives to car • Too many modes of traffic on the road at same time • Congestion • Arterial routes not designed for volume of traffic • LEZ – what does it mean for those coming in to the zone • Secure parking for bikes • Spaces for bikes on trains • What are the implication for Freight within an LEZ • Cross boundary travel 	<ul style="list-style-type: none"> • Consolidation of services • Night time deliveries • Park & Ride Schemes • Congestion Charges • Secure storage for shops and businesses for deliveries • More efficient parking policy • High occupancy vehicle lanes • Shared mobility – car clubs; car sharing • Social inclusion • Expand transport areas – orbital bus route

Transport Vulnerabilities

Weapons magnet case

<http://www.nationalcrimeagency.gov.uk/news/1353-firearms-and-grenades-seized-following-nca-operation-in-sussex>

<https://www.mirror.co.uk/news/uk-news/smuggled-grenades-handguns-found-stuck-12553815>

Weapon in speaker

<http://www.bbc.co.uk/news/uk-scotland-glasgow-west-43874504>

Migrants

<http://www.dailymail.co.uk/news/article-4693896/Polish-lorry-driver-smuggled-22-Afghan-migrants-UK.html>

<https://www.telegraph.co.uk/news/uknews/1328408/Lorry-family-jailed-for-smuggling-immigrants.html>

Products cigarettes

<http://www.bbc.co.uk/news/uk-wales-north-west-wales-43544996>

Drivers urged to report approaches by crime groups or any suspicious activity

<https://www.scotsman.com/news/truckers-to-join-hotline-drive-against-crime-1-1426515>