SESTRAN PARTNERSHIP BOARD MEETING

European Room, City Chambers, Edinburgh, EH1 1YJ
10:00am Friday 27th September 2019

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

<u>**AGENDA**</u>   **Page Nos.**

1. **ORDER OF BUSINESS**
2. **APOLOGIES**
3. **DECLARATIONS OF INTEREST**

<u>**RAIL PRESENTATION – TIMETABLE CHANGES**</u>
Scott Prentice/Euan Tait - ScotRail

<u>**AGENDA A – POINTS FOR DECISION**</u>

A8. **DATE OF NEXT MEETING**
10:00am on Friday 6th December 2019 in the European Room, City Chambers, Edinburgh, EH1 1YJ

AGENDA B – POINTS FOR NOTING

Gavin King
Secretary to SESTRAN
Democracy, Governance and Resilience Senior Manager
Strategy & Communication Division
The City of Edinburgh Council
Waverley Court 2.1
Edinburgh
EH8 8BG

20th September 2019

Telephone: 0131 529 4239 or E-mail: gavin.king@edinburgh.gov.uk
Agendas and papers for all SEStran meetings can be accessed on www.sestran.gov.uk

SEStran Partnership Board Minutes

10am, Friday 21 June 2019

Victoria Quay, Edinburgh

Present	Name	Organisation Title
	Cllr Gordon Edgar (Chair)	Scottish Borders Council
	Laura Alexander	Non-Councillor Member
	Cllr Dave Dempsey	Fife Council
	Cllr Jim Fullarton	Scottish Borders Council
	Vivienne Gray	Non-Councillor Member
	Callum Hay	Non-Councillor Member
	Simon Hindshaw	Non-Councillor Member
	Cllr Chris Horne	West Lothian Council
	Cllr Russell Imrie	Midlothian Council
	Richard Llewellyn	Non-Councillor Member
	Cllr Dominic McGuire (Sub)	West Lothian Council
	Cllr Laura Murtagh	Falkirk Council
	Cllr Peter Smaill	Midlothian Council
	Dr Doreen Steele	Non-Councillor Member
	Catherine Thomson	Non-Councillor Member
	Barry Turner	Non-Councillor Member
	Paul White	Non-Councillor Member

In Attendance		
	Lesley Birrell	City of Edinburgh Council (Secretary)
	Angela Chambers	SEStran
	John Connarty	City of Edinburgh Council (Finance)
	Keith Fisken	SEStran
	Peter Forsyth	East Lothian Council
	Ken Gourlay	Fife Council

	Jim Grieve	SEStran
	Beth Harley-Jepson	SEStran
	Peter Jackson	SEStran
	Graeme Johnstone	Scottish Borders Council
	Gavin King	City of Edinburgh Council (Secretary)
	Barry Nicholl	Anderson Strathern (Legal Adviser)
	Julie Vinders	SEStran
Apologies for Absence	Cllr Chas Booth	City of Edinburgh Council
	Cllr Karen Doran	City of Edinburgh Council
	Cllr David Key	City of Edinburgh Council
	Cllr Lesley Macinnes	City of Edinburgh Council
	Cllr Donald Balsillie	Clackmannanshire Council
	Cllr Mike Watson	Clackmannanshire Council
	Cllr Fiona Collie	Falkirk Council
	Cllr Colin Davidson	Fife Council
	Cllr Cathy Muldoon	West Lothian Council
	Iain Shaw	City of Edinburgh Council
	Karen Jones	Scott Moncrieff

Resolution to Consider in Private

The Committee, in terms of Section 50(A)(4) of the Local Government (Scotland) Act 1973, excluded the public from the meeting during consideration of items C1, C2 and C3 of the minute for the reason that they involved the likely disclosure of exempt information as defined in Paragraphs 1 and 6 of Part 1 of Schedule 7(A) of the Act.

C1.   Partnership Management

A final update was provided to members on the issues around the partnership management arrangements.

Decision

Detailed in the Confidential Schedule, signed by the Chair, with reference to this minute.

(References – SEStran Partnership Board 7 December 2018 (item 2); joint report by the Treasurer and Secretary to the Partnership, submitted)

4

C2. NTS2 Review

Details were provided on the conclusions of the NTS2 Review Roles and Responsibilities work stream.

Decision

5

Detailed in the Confidential Schedule, signed by the Chair, with reference to this minute.

(Reference – report by the Partnership Director, submitted)

C3. Regional Joint Working

The Strategic Development Plan for South East Scotland, (SDP2, October 16) submitted in the summer of 2018, had been rejected by the Scottish Ministers.

Information was provided on the reasons given for rejection and members discussed next steps and specifically how SEStran could assist SESplan in taking the matter forward.

Decision

Detailed in the Confidential Schedule, signed by the Chair, with reference to this minute.

(Reference – report by the Partnership Director, submitted)

All Aboard – Presentation by Scottish Youth Parliament

The Board received a presentation from Chloe Whyte and Rosy Burgess, Scottish Youth Parliament (SYP) on SYP's public transport campaign for 2018-19 "All Aboard".

The aim of the campaign was to improve young people's experience of the public transport system with the following three key themes:

- Reducing fares
- Accessibility for young people with disabilities
- Improving bus standards in terms of cost, availability, standards and drivers

Decision

1) To thank Chloe Whyte and Rosy Burgess for their attendance and note the presentation.

2) To agree that the presentation slides be circulated to Board members.

A1. Minutes

Decision

1) To agree the minute of the SEStran Partnership Board of 22 March 2019 as a correct record.

2)   To agree the minute of the Special Meeting of the Performance and Audit Committee of 3 May 2019 as a correct record.

3)   To agree the minute of the Performance and Audit Committee of 7 June 2019 as a correct record.

A2.   Unaudited Annual Accounts 2018-19

The unaudited annual accounts for the year ended 31 March 2019 were presented.

Decision

To note that the audited Annual Accounts, incorporating the Auditor's report, would be presented to the Performance and Audit Committee and Partnership Board in September 2019.

(Reference – report by the Treasurer, submitted)

A3.   Regional Transport Strategy Programme

The development of a new RTS was a significant undertaking which included a number of statutory stages and requirements to be fulfilled prior to the final publication of the RTS. The final approval of the RTS rested with Scottish Ministers and to ensure that a robust process was in place to deliver the RTS it was proposed to have several working groups to inform and contribute to the development of the RTS.

Decision

1)   To note the report.

2)   To agree the process for developing the new Regional Transport Strategy as set out in the report.

3)   To establish an RTS Steering Group as set out in Appendix 1 of the report.

4)   To appoint membership of the RTS Steering Group as follows:

Partnership Director, SEStran (as Chair)
Strategy Officer, SEStran
At least 3 Board Members

5)   To arrange a development session for all Board members on the proposed vision for the new Regional Transport Strategy.

(Reference – report by the Strategy and Projects Officer, submitted)

A4.   Projects Report and EU Update

An update was provided on the current status and progress of the various projects SEStran was involved in and covered the position on the EU exit process.

Decision

1)   To record the Board's thanks and appreciation to Richard Llewelyn and Keith Fisken for their input to the Surflogh Conference "Sustainable City Logistics in Action" held on 29 May 2019.

2)   To note the report.

(Reference – report by the Project Officer, submitted)

A5. Date of Next Meeting

Decision

To note that the next meeting would be held on Friday 27 September 2019 at 10am in the European Room, City Chambers, Edinburgh.

B1. Annual Treasury Report 2018-19

The annual treasury report for the financial year 2018-19 was presented. Details were provided on the Partnership's Investment Strategy and the net end month balances.

Decision

To note the annual treasury report for 2018-19.

(Reference – report by the Treasurer, submitted)

B2. Partnership Director's Report

Progress updates were provided on the National Transport Strategy and the second Strategic Transport Projects Review.

Information was also provided on the outcomes of the most recent meeting of the Regional Transport Partnership Chairs together with the Partnership Director's contribution to the Rural and Economic Connectivity Committee's consideration of a Work Place Parking Levy option to the Transport Bill.

An update was also given on High Speed rail and members noted that partner local authorities and RTPs had been asked to support Transport Scotland in developing the business case.

Decision

To note the updates.

(Reference – report by the Partnership Director, submitted)

B3. Equalities Mainstreaming and Equalities Outcomes Progress Report

An update was provided on the Equalities Mainstreaming and Equalities Outcomes Progress Report 2017-19.

Decision

To note that the Equalities Mainstreaming and Equalities Outcomes Progress Report 2017-19 had been published on 30 April 2019.

(References – SEStran Partnership Board 22 March 2019 (item 10); report by the Partnership Business Manager, submitted)

B4. Newburgh Transport Appraisal Study

A successful application had been made in 2018 to the Local Rail Development Fund (managed by Transport Scotland) by the Newburgh Train Station Group supported by SEStran and Fife Council to conduct a transport appraisal in the Newburgh area.

An update was provided on the work undertaken by SYSTRA to date and the timelines for future work. If approved by Transport Scotland, SYSTRA would undertake the detailed case for change beginning July 2019.

Decision

To note the report.

(Reference – report by the Programmes Manager, submitted)

B5. Risk Register

The biannual update on the risk register was presented as part of the Partnership's overall risk management framework.

The risk register had been submitted to the Performance and Audit Committee at its meeting on 7 June for comment and these were reflected in the final risk register.

Decision

To note the report.

(References – Performance and Audit Committee 7 June 2019 (item A7); report by the Partnership Business Manager, submitted)

B6. East Coast Mainline Authorities (ECMA) Update

An update was provided on recent discussions relating to the East Coast Main Line following the meeting of the ECMA Officers' Group meeting held on 29 May 2019.

Information was also provided on the 2019 research study by SYSTRA on the East Coast Main Line Benefits of Investment.

Decision

(Reference – report by the Partnership Director, submitted)

B7. Consultation Responses

(a)   Infrastructure commission for Scotland

Details were provided of the Partnership's response to the initial call for evidence and contributions from the Infrastructure Commission for Scotland.

The response had been developed taking into account discussions held with a number of partners and stakeholders.

Decision

To note the response.

(b)   **Waverley Station Masterplan – Public Consultation**

Details were provided of the Partnership's response to the Waverley Station Masterplan public consultation.

Decision

9

To note the response.

B8. Minutes

Decision

1)   To note the minute of the Equalities and Access to Healthcare Forum of 2 April 2019.

2)   To note the minute of the Integrated Mobility Forum of 16 April 2019.

3)   To note the minute of the Chief Officers Liaison Group meeting of 22 May 2019.

GO
SEStran
South East of Scotland
Transport Partnership

PERFORMANCE & AUDIT COMMITTEE

HELD IN THE MANDELA ROOM, CITY CHAMBERS, EDINBURGH, EH1 1YJ
ON FRIDAY 6 SEPTEMBER 2019
10AM

PRESENT:	Name	Organisation Title
	Councillor Imrie (Chair)	Midlothian Council
	Councillor Dempsey	Fife Council
	Councillor Murtagh	Falkirk Council
	Callum Hay	Non-Councillor Member
	Simon Hindshaw	Non-Councillor Member
	Doreen Steele	Non-Councillor Member
	Barry Turner	Non-Councillor Member
IN ATTENDANCE:	Name	Organisation Title
	Angela Chambers	SEStran
	Keith Fisken	SEStran
	Gavin King	City of Edinburgh Council
	Iain Shaw	City of Edinburgh Council
	Karen Jones	Scott Moncrieff
	Hannah Markley	SEStran

Action by

A1.   ORDER OF BUSINESS

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

A2.   APOLOGIES

Apologies were received from Councillors Fullarton and Horne and
Jim Grieve.

A3.   DECLARATION OF INTERESTS

None.

A4.   MINUTES

To approve the minute of the Performance and Audit Committee of 7
June 2019 as a correct record.

A5.   EXTERNAL AUDIT ANNUAL REPORT 2018/19

The 2018/19 Annual Audit Report from the independent external

auditors was presented.

The external auditors found that the Annual Governance Statement was consistent with the financial statements and had been prepared in accordance with the Delivering Good Governance in Local Government: Framework (2016). Its key observation in terms of financial sustainability was that the Partnership was yet to develop medium to long terms financial plans due to the uncertainty of funding. However, following the enactment of the Transport (Scotland) Bill and the publication of three-year funding settlements from the Scottish Government, the Partnership is set to develop these medium to long term plans.

Decision

To note the report.

(Reference – report by the External Auditor, submitted)

A6.   **AUDITED ANNUAL ACCOUNTS**

The audited accounts for the year ended 31 March 2019 were presented.

Decision

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

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

(Reference – report by the Treasurer, submitted)

A7.   **ANNUAL REPORT 2018/19**

The Committee considered the draft annual report which detailed SEStran's performance up to the end of the financial year 2019.

The Annual Report focussed on the project portfolio and outlined the contributions SEStran had made to the region over the previous year.

Decision

1)   To update the text on Levenmouth Rail Link following the announcement by the Scottish Government to re-open the line.

2)   To ask the Partnership Director to consider introducing an executive summary.

3)   To ask the Partnership Director to consider how further detail could be outlined that would showcase the partnership working that SEStran has undertaken. This should also

highlight areas where SEStran has contributed even if it has not led the project.

4) To ask the Partnership Director to consider utilising development sessions so that Board Members have an opportunity to discuss major workstreams and projects.

(Reference – report by the Programmes Manager, submitted)

A8. GRIEVANCE POLICY AND PROCEDURE

Approval was sought for an updated Grievance Policy and Procedure.

Decision

To approve the revised Grievance Policy and Procedure subject to:

i) The addition of some text cross-referencing the whistleblowing policy;

ii) The provision of some added flexibility to timescales; and

iii) Updating of the reference to the Data Protection Act.

(Reference – report by the Secretary, submitted)

A9. PROJECTS REPORT & EU EXIT UPDATE

An update was provided on the EU exit process and the current status and progress with SEStran's projects.

Decision

To note the report.

(Reference – report by the Programmes Manager, submitted)

A10. DATE OF NEXT MEETING

Friday 22 November 2019 at 10.00am in the Mandela Room, City Chambers, Edinburgh, EH1 1YJ

2018/19 Annual Audit Report to members of South East of Scotland Transport Partnership and the Controller of Audit

1. **Introduction**

1.1 The Annual Audit Report summarises the findings arising from the Partnership's 2018/19 external audit.

2. **Main Report**

2.1 The unaudited Annual Accounts were noted by the Partnership at its meeting on 21st June 2019 and submitted to the appointed external auditor – Scott-Moncrieff – by the required date of 30 June 2019.

2.2 The Annual Audit Report was reviewed by the Partnership's Performance and Audit Committee at its meeting on 6th September 2019.

2.3 The external auditor is required to comply with the Audit Scotland Code of Audit Practice, International Standards on Auditing (UK) and Ethical Standards.

2.4 An unqualified opinion has been given on the financial statements and other prescribed matters. The Auditor's opinion states that the financial statements present a true and fair view of the financial position of the Partnership as at 31st March 2019 and its income and expenditure for the year then ended.

2.5 One adjustment was made to the unaudited annual accounts in relation to the estimates applied by the Pension Fund's actuaries in calculating the net pension liability. This adjustment was made to take account of the financial effects of the 'McCloud Judgement' and General Minimum Pension (GMP) equalisation, which have implications for all public service pension schemes. Following a Supreme Court ruling in June 2019, the estimated impact of the McCloud judgement on transitional arrangements accompanying the move from a final salary to career-average pension scheme has been reflected in the audited accounts. Alongside the Fund liability associated with Guaranteed Minimum Pension (GMP) legislation, the audited accounts reflect a total net increase in the pension liability of £30,000.

2.6 There were no unadjusted differences to the unaudited annual accounts.

2.7 The key messages from the audit are presented on pages 1 and 2 of the External Audit report. Action points for the Partnership to address, with management responses provided by the Partnership, including assigned responsibility and associated timescale for implementation, are shown on pages 23 to 25. The report also summarises progress made in implementing the recommendations contained in previous years' reports at pages 26 to 31.

Financial Sustainability (pages 18 to 19)
2.8 The report concludes that the Partnership has yet to develop medium to long term financial plans. A medium-term financial plan will be developed over the course of

2019/20, which is anticipated to be informed by the enactment of the Transport (Scotland) Bill and publication of three-year funding settlements from the Scottish Government.

Governance and transparency (page 17)

2.9 The External Audit report notes the Annual Governance Statement for the year to 31 March 2019 is consistent with the financial statements and has been prepared in accordance with the Delivering Good Governance in Local Government: Framework (2016).

3 Recommendations

It is recommended that the Partnership Board note:

3.1 the Annual Audit Report to members of South East of Scotland Transport Partnership and the Controller of Audit;

3.2 the Action Plan points and management responses at Appendix Two.

Hugh Dunn
Treasurer
27th September 2019

Appendix	Annual Audit Report to members of South East of Scotland Transport Partnership and the Controller of Audit
Contact	iain.shaw@edinburgh.gov.uk

Policy Implications	There are no policy implications arising as a result of this report.
Financial Implications	There are no financial implications arising following issue of an unqualified Audit certificate.
Equalities Implications	There are no equality implications arising as a result of this report.
Climate Change Implications	There are no climate change implications arising as a result of this report.

Scott-Moncrieff
business advisers and accountants

South East of Scotland Transport Partnership

2018/19 Annual Audit Report to members of South East of Scotland Transport Partnership and the Controller of Audit

September 2019

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1. Key messages

Annual accounts audit

South East of Scotland Transport Partnership (SESTRAN) annual accounts for the year ended 31 March 2019 are due to be approved by the Partnership on 27 September 2019. Our independent auditor's report includes an unqualified opinion on the annual accounts and on other prescribed matters. There are no matters which we are required to report by exception.

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

Wider scope audit

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

- Audit work to allow conclusions to be made on the appropriateness of the disclosures in the Annual Governance Statement; and
- Consideration of the financial sustainability of the organisation and the services that it delivers over the medium and longer term.

Our conclusions and key observations are set out below:

Governance statement

- We have reviewed the Annual Governance Statement and have found that it is consistent with the financial statements and has been prepared in accordance with the Delivering Good Governance in Local Government: Framework (2016).

Financial sustainability

- The Partnership has yet to develop medium to long term financial plans. As reported in prior years, the Partnership has noted that there is a large degree of uncertainty over funding allocations from council requisitions and the Scottish Government, and therefore does not prepare medium to long-term financial plans. We understand the Partnership intends to review and develop medium term financial plans over the course of 2019/20, following the enactment of the Transport (Scotland) Bill and the publication of three-year funding settlements from the Scottish Government.

Conclusion

This report concludes our audit for 2018/19. Our work has been performed in accordance with the Audit Scotland Code of Audit Practice, International Standards on Auditing (UK) and Ethical Standards.

Scott-Moncrieff
September 2019

2. Introduction

This report is presented to those charged with governance and the Controller of Audit and concludes our audit of South East of Scotland Transport Partnership (the "Partnership") for 2018/19.

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

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

Introduction

1. This report summarises the findings from our 2018/19 audit of the South East of Scotland Transport Partnership ("the Partnership").

2. We outlined the scope of our audit in our External Audit Plan, which we presented to the Performance and Audit Committee at the outset of our audit. The core elements of our work include:

- an audit of the 2018/19 annual accounts and related matters;
- consideration of the Partnership's arrangements against the audit dimensions within the Code of Audit Practice (Exhibit 1); and
- any other work requested by Audit Scotland.

Exhibit 1: Audit dimensions within the Code of Audit Practice

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

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

5. We would like to thank all management and staff for their co-operation and assistance during our audit.

Confirmation of independence

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

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

8. We set out in Appendix 1 our assessment and confirmation of independence.

Adding value through the audit

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

Feedback

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

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

3. Annual accounts

The Partnership's annual accounts are the principal means of accounting for the stewardship of its resources and its performance in the use of those resources. In this section we summarise the findings from our audit of the 2018/19 annual accounts.

Annual accounts

An unqualified audit opinion on the annual accounts

The annual accounts for the year ended 31 March 2019 are due to be approved by the Partnership on 27 September 2019. We intend to report unqualified audit opinions within our independent auditor's report.

Overall conclusion
An unqualified audit opinion on the annual accounts

12. The annual accounts for the year ended 31 March 2019 are due to be considered by the Performance and Audit Committee on 6 September 2019 and approved by the Partnership on 27 September 2019. We intend to report within our independent auditor's report:

    - An unqualified opinion on the financial statements; and
    - An unqualified opinion on other prescribed matters.

13. We are also satisfied that there were no matters which we are required to report by exception.

Good administrative processes were in place

14. We received the unaudited annual accounts and supporting papers of a good standard. Our thanks go to management and staff at the Partnership and City of Edinburgh Council for their assistance with our work.

Our assessment of risks of material misstatement

15. The assessed risks of material misstatement described in Exhibit 2 are those that had the greatest effect on our audit strategy, the allocation of resources in the audit and directing the efforts of the audit team. Our audit procedures relating to these matters were designed in the context of our audit of the annual accounts as a whole, and not to express an opinion on individual accounts or disclosures. Our opinion on the annual accounts is not modified with respect to any of the risks described in Exhibit 2.

Exhibit 2 – Our assessment of risks of material misstatement and how the scope of our audit responded to those risks

1. Management override

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

Excerpt from the 2018/19 External Audit Plan

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

17. During our prior year audit, we recommended that user access controls to the financial ledger should be strengthened. At that time, any member of the City of Edinburgh Council finance team with ledger access could post to the Partnership's financial ledger. We noted during our current year audit that arrangements have now been put in place to restrict access to the Partnership's financial ledger.

2. Revenue recognition

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

Excerpt from the 2018/19 External Audit Plan

18. At the planning stage of our audit cycle, we reported that for Scottish Government grant funding and council requisitions, the risk of revenue recognition could be rebutted due to a lack of incentive and opportunity to manipulate revenue of this nature. Our assessment of this risk has been reviewed throughout the audit and our conclusion to rebut this risk in respect of Scottish Government grant funding and council requisitions has remained appropriate.

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

3. Risk of fraud in the recognition of expenditure

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

Excerpt from the 2018/19 External Audit Plan

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

21. During our prior year audit, we noted that in the absence of the Partnership Director, that appropriate contingency arrangements for the approval of expenditure had not been established. The Partnership took immediate action in response to this finding in 2018 and implemented appropriate arrangements. Further detail of the action taken by the Partnership and our audit findings during the current year are reported in Appendix 2. Overall we have concluded that the associated recommendation to this finding has been implemented.

4. Property, plant and equipment

As at 31 March 2018, the Partnership held £0.422million in property, plant and equipment. This primarily relates to a high volume of low value technology equipment which is held in a variety of locations across the south east of Scotland.

During our 2016/17 audit, we identified a number of control weaknesses with respect of the recording and valuing assets. Improvements were made during 2017/18, but this work is ongoing.

Due to the nature of equipment held by the Partnership there is a risk that asset records maintained may not be accurate and equipment values may not be appropriate if technology becomes obsolete.

Excerpt from the 2018/19 External Audit Plan

22. We have reviewed the steps taken by officers to improve the maintenance of the fixed asset register. The work carried out by the Partnership and the financial accountant have increased the amount of detailed information held on the register for each asset. The previous registers have been amalgamated to include all assets owned by the Partnership on one main register.

23. Our work carried out during the 2018/19 audit has confirmed that the level of detail now held for each asset should mitigate the risk of inaccurate records held.

24. However, in order to ensure the value of assets held is appropriate we require to review the valuation exercise carried out by management throughout the year. During discussions with management we noted that a review has not been carried out prior to year end. Whilst this exercise is important for confirming the condition and value of assets, management have confirmed that they have not identified any concerns over the value of assets currently held by the Partnership throughout the year.

25. Therefore, whilst we have noted a missing control which can be implemented to strengthen the Partnerships year end process, we do not believe this to have had a material effect on the 2018/19 annual accounts.

Action Point 1

5. Pension assumptions

An actuarial estimate of the pension fund assets and liabilities is calculated on an annual basis under IAS 19 and on a triennial funding basis by an independent firm of actuaries with specialist knowledge and experience. The estimates are based on the most up-to-date membership data held by the pension fund and have regard to local factors such as mortality rates and expected pay rises with other assumptions around inflation when calculating the liabilities.

Due to the timing of the publication of unaudited accounts, IAS 19 valuations are typically performed in advance of actual investment returns being available. This results in the valuation also including an assumption regarding the investment returns of assets held by the fund for the final quarter of the financial year. Financial markets have experienced significant volatility in the last year and this trend has continued into 2019 which may result in challenges in estimating expected return on assets.

Excerpt from the 2018/19 External Audit Plan

26. We obtained the information provided to the actuary and agreed to source documentation to confirm accuracy. We reviewed the assumptions used by the actuary and compared these to benchmarks across the sector.

27. The unaudited annual accounts were prepared based on an actuarial report received in April 2019. A subsequent actuarial report was received in May 2019 which had been revised to take account of the year-end results of Lothian Pension Fund. However, this did not result in any change for the Partnership.

28. The net pension liability within the audited annual accounts was further revised to take account of the financial effects of the 'McCloud Judgement' and the General Minimum Pension (GMP) equalisation:

• **McCloud Judgement:** This case related to an employment tribunal ruling that transitional provisions impacting on a public sector final salary scheme were unlawfully age discriminatory. This was upheld in the Courts in December 2018 although the Government at that stage sought leave to appeal this judgement. The ruling has implications for all public service schemes including the LGPS funds. In June 2019, the Supreme Court rejected the Government's request for a further appeal.

• **Guaranteed minimum pension (GMP)** was accrued by members of the Local Government Pension Scheme (LGPS) between 6 April 1978 and 5 April 1997. The value of GMP is inherently unequal between males and females for a number or reasons, including a higher retirement age for men and GMP accruing at a faster rate for women. However overall equality of benefits was achieved for public service schemes through the interaction between scheme pensions and the Second State Pension. The introduction of the new Single State Pension in April 2016 disrupted this arrangement and brought uncertainty over the ongoing indexation of GMPs, which could lead to inequalities between men's and women's benefits. As an interim solution to avoid this problem, GMP rules were changed so that the responsibility for ensuring GMPs kept pace with inflation passed in full to pension schemes themselves for members reaching state pension age between 6 April 2016 and 5 April 2021. This new responsibility leads to increased costs for schemes (including the LGPS) and hence scheme employers.

29. Management requested a revised actuarial report from its Actuary. The financial effect of these pension issues has resulted in an increase in the net pension liability of £30,000.

30.   As at 31 March 2019, the Board reported a net pension liability of £0.867million, compared to a net pension liability of £0.662million as at 31 March 2018. In addition to the increase in the deficit due to the circumstances noted above, the in-year movement has arisen primarily due to changes in financial assumptions made by the actuary.

Our application of materiality

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

32.   Our initial assessment of materiality for the annual accounts was £16,000. On receipt of the 2018/19 draft accounts, we reassessed materiality and reset it to £14,400. We consider that our updated assessment has remained appropriate throughout our audit.

33.   Our assessment of materiality is set with reference to gross expenditure. We consider this to be the principal consideration for the users of the financial statements when assessing the financial performance.

Performance materiality

34.   Performance materiality is the amount set by the auditor for each financial statement area, to reduce to an appropriately low level the probability that collectively any uncorrected and undetected misstatements are less than materiality for the financial statements as a whole.

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

	Area risk assessment £		
	High	Medium	Low
Performance materiality	5,760	7,200	9,360

36.   We agreed with the Performance and Audit Committee that we would report on all material corrected misstatements, uncorrected misstatements with a value in excess of 5% of the overall materiality figure, as well as other misstatements below that threshold which, in our view, warranted reporting on qualitative grounds. We also report to the Performance and Audit Committee on disclosure matters that we identified when assessing the overall presentation of the annual accounts.

Audit differences

37.   One adjustment was made to the annual accounts in respect of the net pension liability (paragraphs 26-30). There were no unadjusted differences to the unaudited annual accounts.

Board representations

38.   We have requested that a signed representation letter be presented to us at the date of signing the financial statements. This letter is to be signed by the Treasurer on behalf of the Partnership.

An overview of the scope of our audit

39.   The scope of our audit was detailed in our External Audit Plan, which was presented to the Performance and Audit Committee in March 2019. The plan explained that we follow a risk-based approach to audit planning that reflects our overall assessment of the relevant risks that apply to the Partnership. This ensures that our audit focuses on the areas of highest risk. Planning is a continuous process and our audit plan is subject to review during the course of the audit to take account of developments that arise.

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

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

Legality

42.   We have planned and performed our audit recognising that non-compliance with statute or regulations may materially impact on the annual

accounts. Our audit procedures included the following:

- Reviewing minutes of relevant meetings;
- Enquiring of senior management and the Partnership's solicitors the position in relation to litigation, claims and assessments; and
- Performing detailed testing of transactions and balances.

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

Other matters identified during our audit

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

The Local Authority Accounts (Scotland) Regulations 2014

45. As part of our audit we reviewed the Partnership's compliance with the Local Authority Accounts (Scotland) Regulations 2014, in particular with respect to regulations 8 to 10[1] as they relate to the annual accounts. Overall we concluded that appropriate arrangements are in place to comply with these Regulations.

Management commentary

46. The Local Authority Accounts (Scotland) Regulations 2014 require local authority bodies to include a management commentary within the annual accounts. The management commentary is intended to assist readers in understanding the annual accounts and the organisation that has prepared them.

47. As auditors we are required to read the management commentary and express an opinion as to whether it is consistent with the annual accounts. We have concluded that the management commentary is consistent with the annual accounts and has been prepared in accordance with statutory guidance issued under the Local Government in Scotland Act 2003.

Annual governance statement

48. We have reviewed the annual governance statement and have found that it is consistent with the annual

accounts and has been prepared in accordance with Delivering Good Governance in Local Government Framework (2016). We have provided further detail on our work and findings within the Wider Scope section of our report (section 4).

Remuneration report

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

Going concern

50. As at 31 March 2019, the Partnership reported a net liability position of £0.521million.

51. In line with the Transport Scotland Act 2005, the Partnership does not hold useable reserves. The balance on the unusable reserves therefore increased to a net liability position of £0.491million. This is due to the net pension liability of £0.867million as at 31 March 2019.

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

Related parties

53. Local government bodies are required to make relevant disclosures in the annual accounts in respect of related parties. We concluded during our audit that while the relevant disclosures had been made in the annual accounts; improvements could be made over the procedures for collating this information as follows:

- **Identification of potential related parties**: One way which the Partnership can identify potential related parties is through the maintenance of a register of interests. We noted during our audit that the 2018/19 annual updating of the register of interests by members of the Partnership had not been fully completed.
- **Related party transactions:** Once potential related parties have been identified, an exercise should be carried out to review accounting records for transactions associated with those

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

related parties. This part of the process is carried out by the City of Edinburgh Council (the Council) on behalf of the Partnership and is dependent on potential related parties being identified by management at the Partnership and reported to the Council. We would encourage both management at the Partnership and the Council to review existing procedures to ensure these are carried out in the most efficient and effective way.

Action Point 2

Follow up of prior year recommendations

54. As part of our audit we have followed up the agreed audit recommendations from prior years which were yet to be implemented. Detail on these recommendations is included in the action plan at Appendix 2.

Looking forward – IFRS 16 Leases

55. IFRS 16 Leases will be effective from 1 April 2020. IFRS 16 Leases will lead to a substantial change in accounting practice for lessees where the current distinction between operating and finance leases will be removed. Instead, it requires that a lessee recognises assets and liabilities for all leases with a term of more than 12 months unless the underlying asset is of low value. A lessee will recognise a right-of-use asset representing its right to use the underlying leased property, and a lease liability representing the lessee's obligation to pay for that right.

56. There are new requirements for measurement of the lease liability where it will initially be measured at the present value of the lease payments payable over the lease term but may rise to reflect any reassessment or lease modifications, or revised lease payments.

57. This will be a key area of focus for our 2019/20 audit.

Qualitative aspects of accounting practices and financial reporting

58. During the course of our audit, we consider the qualitative aspects of the financial reporting process, including items that have a significant impact on the relevance, reliability, comparability, understandability and materiality of the information provided by the annual accounts. The following observations have been made:

Qualitative aspect considered	Audit conclusion
The appropriateness of the accounting policies used.	The accounting policies, which are disclosed in the annual accounts, are considered appropriate to the Partnership.
The timing of the transactions and the period in which they are recorded.	We did not identify any concerns over the timing of transactions or the period in which they were recognised.
The appropriateness of the accounting estimates and judgements used.	We are satisfied with the appropriateness of the accounting estimates and judgements used in the preparation of the annual accounts. Significant estimates have been made in relation to pension liabilities. We consider the estimates made, and the related disclosures, to be appropriate to the Partnership.

We evaluated the competence, objectivity and capability of management experts in line with the requirements of ISA (UK) 500 and concluded that use of the expert is appropriate. |
The appropriateness of the going concern assumption	We have reviewed the financial forecasts for 2019/20. Our understanding of the legislative framework and activities undertaken provides us with sufficient assurance that the Board will continue to operate for at least 12 months from the signing date.
The potential effect on the annual accounts of any uncertainties, including significant risks and related disclosures that are required.	We have not identified any uncertainties, including any significant risk or required disclosures, which should be included in the annual accounts.
The extent to which the annual accounts have been affected by unusual transactions during the period and the extent that these transactions are separately disclosed.	From the testing performed, we identified no significant unusual transactions in the period.
Apparent misstatements in the management commentary or material inconsistencies with the accounts.	The management commentary contains no material misstatements or inconsistencies with the accounts.
Any significant annual accounts disclosures to bring to your attention.	There are no significant annual accounts disclosures that we consider should be brought to your attention. All the disclosures required by relevant legislation and applicable accounting standards have been made appropriately.
Disagreement over any accounting treatment or annual accounts disclosure.	There was no material disagreement during the course of the audit over any accounting treatment or disclosure.
Difficulties encountered in the audit.	There were no significant difficulties encountered during the audit.

4. Wider scope

Following consideration of the size, nature and risks of the Partnership, the application of the full wider scope audit is judged by us not to be appropriate. Our annual audit work on the wider scope has therefore been restricted to:

- **Audit work to allow conclusions to be made on the appropriateness of the disclosures in the governance statement; and**
- **Consideration of the financial sustainability of the organisation and the services that it delivers over the medium and longer term.**

Wider scope conclusions

Governance statement

We are satisfied that the Annual Governance Statement for the year to 31 March 2019 is consistent with the financial statements and has been prepared in accordance with the Delivering Good Governance in Local Government: Framework (2016).

Financial sustainability

The Partnership has yet to develop medium to long term financial plans. As reported in prior years, the Partnership has noted that there is a large degree of uncertainty over funding allocations from council requisitions and the Scottish Government, and therefore does not prepare medium to long-term financial plans. We understand the Partnership intends to review and develop medium term financial plans over the course of 2019/20, following the enactment of the Transport (Scotland) Bill and the publication of three-year funding settlements from the Scottish Government.

Our approach to the wider scope audit

59. Our approach to the wider scope audit (as set out in our 2018/19 External Audit Plan) builds upon our understanding of the Partnership which we developed from previous years, along with discussions with management and review of relevant minutes and key strategy documents.

60. During our audit we also considered the following risk areas as they relate to the Partnership:

- EU withdrawal
- Changing landscape of public financial management
- Dependency on key suppliers
- Openness and transparency

61. Overall we concluded that the Partnership has appropriate arrangements in place in respect of these areas as noted below:

Impact of EU withdrawal	The Partnership has assessed the impact of EU withdrawal on the organisation and concluded that, given the nature and scope of activities, that the impact will be minimal. The current grant funding from the EU is a relatively low proportion of the overall income the Partnership receives.
Changing landscape of financial management	The Cabinet Secretary for Finance, Economy and Fair Work has confirmed the intention to bring forward a three-year funding settlement for local government from the 2020/21 budget onwards, which may assist the Partnership with planning for longer-term funding assumptions. The Transport (Scotland) Bill was introduced to Parliament in 2018. The most significant potential impact for the Partnership is that regional transport partnerships would be given the authority to hold reserves. This would provide the Partnership with greater financial flexibility and help facilitate longer term financial planning. Our findings on the Partnership's development of medium to long term financial plans are set out in paragraph 67).

Dependency on key suppliers	Following the collapse of Carillion, it became apparent that public sector bodies face significant risks where key suppliers are experiencing difficult trading conditions. The Partnership has not identified any suppliers that they rely on for services which would have a detrimental effect on the Partnership should the relationship cease. We consider this to be appropriate due to the nature of the supplier relationships.
Openness and transparency	We consider the Partnership to exhibit good practice with respect to their openness and transparency arrangements through the following: • Publication of relevant minutes on its website; • Key publications including the Regional Transport Strategy, Regional Transport Strategy Delivery Plan, Business Plan and Annual Accounts are available on its website; • Range of methods used to communicate with stakeholders.

Governance statement

Our audit opinion considers whether the Annual Governance Statement has been prepared in accordance with the Delivering Good Governance in Local Government: Framework (2016).

62. We are satisfied that the Annual Governance Statement for the year to 31 March 2019 is consistent with the financial statements and has been prepared in accordance with the Delivering Good Governance in Local Government: Framework (2016).

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

64. From our audit work performed we concluded that the Partnership has adequate systems in place to record, process, summarise and report financial and other relevant data. We have not identified any significant weaknesses or governance issues in the Partnership's accounting and internal control systems. We are satisfied that appropriate action has been taken to address the significant governance issue identified in the prior year.

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

Financial sustainability

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

Significant audit risk

66. Our audit plan identified a significant risk in relation to financial sustainability under our wider scope responsibilities

Financial sustainability

In 2017/18 we concluded that while arrangements are in place for short-term financial planning, we recommended that further work is carried out to consider the long-term financial priorities of the Partnership.

The Partnership has a 10 year Regional Transport Strategy (RTS) (2015-2025) in place. During 2019/20 the Partnership plans to commence the process of re-writing the RTS. A supporting business plan for 2018-19 outlines the planned travel and transport projects to be delivered by the Partnership for the next year. While the strategy sets out the long-term objectives of the Partnership, revenue funding is generally only confirmed for the forthcoming financial year. This therefore challenges the Partnership's ability to agree detailed long-term plans and objectives.

The Transport (Scotland) Bill was introduced to Parliament on 8 June 2018 and is currently at Stage 1 in the legislative process. As it stands, the most significant potential impact for the Partnership is that regional transport partnerships would be given the authority to hold reserves which would provide the Partnership with greater financial flexibility.

In addition a review of the National Transport Strategy is currently underway. A formal public consultation on the National Transport Strategy 2 is due to be published in the summer with the expectation that the finalised strategy will be adopted before the end of 2019. This review may bring changes which the Partnership cannot currently be reflected in long term financial planning.

Excerpt from the 2018/19 External Audit Plan

67. The Partnership has yet to develop medium to long term financial plans. Arrangements are in place for short term (1 year) financial planning, with budgets aligned to its annual business plan and its 10 year Regional Transport Strategy (2015-2025). However, as reported in prior years, the Partnership has noted that there is a large degree of uncertainty over funding allocations from council requisitions and the Scottish Government, and therefore does not prepare medium to long-term financial plans. We understand the Partnership intends to review and develop medium term financial plans over the course of 2019/20, following the enactment of the Transport (Scotland) Bill and the publication of three-year funding settlements from the Scottish Government.

Refer to prior year action plan point 6

2019/20 budget

68. In February 2019, the Partnership approved a one-year budget for 2019/20 of £1.274million. The 2019/20 budget assumes no change from the 2018/19 Council requisition (£190,000) and Scottish Government funding settlement (£782,000).

The Partnership's performance in 2018/19

69. The Comprehensive Income and Expenditure Statement for 2018/19 shows that the Partnership spent £1.470million on the delivery of services, resulting in an accounting deficit of £147,000.

However, the accounting deficit includes certain elements of income and expenditure that need to be accounted for to comply with the Code of Practice on Local Authority Accounting in the United Kingdom (the 2018/19 Code).

70. Taking account of these adjustments, no surplus or deficit has been generated in 2018/19. This is in line with technical guidance (based on interpretation of the Transport (Scotland) Act 2005), where regional transport partnerships are not permitted to generate a surplus or deficit on the general fund.

71.   The Partnership did however report an underspend against budget of £40,000 as shown in Exhibit 3. The underspend position was primarily due to a combination of core revenue budget and project budget underspends, offset by additional costs incurred on the RTPI project. In March 2019, the Partnership approved in principle that the underspend be carried forward to 2019/20 to be available for allocation to Sustainable and Active Travel projects.

Exhibit 3: Performance against target

	Revised Budget £000	Outturn £000	Variance £000
Core Service	531	544	13
Revenue Projects – Net Expenditure	375	303	(72)
RPTI Project – Net Expenditure	66	86	20
Net Interest	0	(1)	(1)
Total Expenditure 2018/19	**972**	**932**	**(40)**
Government Grant	(782)	(782)	0
Constituent Council Requisitions	(190)	(150)	40
Total Government Grant and Council Contributions 2018/19	**(972)**	**(932)**	**40**

5. Appendices

Appendix 1: Respective responsibilities of the Partnership and the Auditor

Responsibility for the preparation of the annual accounts

The Board is required to make arrangements for the proper administration of its financial affairs and to secure that proper officer of the Partnership has the responsibility for the administration of those affairs. At the Partnership, that officer is the Treasurer.

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

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

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

The Treasurer is also responsible for:

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

Auditor responsibilities

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

- they give a true and fair view in accordance with applicable law and the 2018/19 Code of the state of the affairs of the body as at 31 March 2019 and of its income and expenditure for the year then ended;
- they have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the 2018/19 Code;
- they have been prepared in accordance with the requirements of the Local Government (Scotland) Act 1973, the Local Authority Accounts (Scotland) Regulations 2014 and the Local Government in Scotland Act 2003;
- the audited part of the Remuneration Report has been properly prepared in accordance with The Local Authority Accounts (Scotland) Regulations 2014;
- the information given in the Management Commentary is consistent with the financial statements and has been prepared in accordance with statutory guidance issued under the Local Government Scotland Act 2003; and
- the information given in the Annual Governance Statement is consistent with the financial statements and has been prepared in accordance with the Delivering Good Governance in Local Government: Framework (2016).

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

- adequate accounting records have not been kept; or
- the financial statements and the audited part of the Remuneration Report are not in agreement with accounting records; or
- we have not received all the information and explanations we require for our audit.

Wider scope of audit

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

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

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

- appropriateness of the disclosures in the governance statement; and
- financial sustainability of the body and the services that it delivers over the medium to longer term.

Best value

Appointed auditors have a duty to be satisfied that local government bodies have made proper arrangements to secure best value.

Our work in respect of the Partnership's best value arrangements has been integrated into our audit approach, including our work on the wider scope audit dimensions.

Independence

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

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

Appendix 2: Action plan

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

Action plan grading structure

To assist the Partnership in assessing the significance of the issues raised and prioritising the action required to address them, the recommendations have been rated.

The rating structure is summarised as follows:

Grade	Explanation
Grade 5	Very high risk exposure - Major concerns requiring immediate attention.
Grade 4	High risk exposure - Material observations requiring management attention.
Grade 3	Moderate risk exposure - Significant observations requiring management attention.
Grade 2	Limited risk exposure - Minor observations requiring management attention
Grade 1	Efficiency / housekeeping point.

Current year action plan

Action plan point	Issue & recommendation	Management comments
1. Property Plant and Equipment – impairment and verification exercise **Rating** **Grade 3** **Paragraph Ref** 25	**Issue** We have identified that management have not carried out an exercise over the fixed asset register to confirm the existence of its assets and the current condition to identify any required impairments. **Risk** There is a risk that assets have become impaired throughout the year and this has not been identified by management. This could lead to inaccuracies in the asset register. **Recommendation** We would encourage the Partnership to carry out both an impairment exercise over its assets as well as a continual verification exercise. This will allow the Partnership to hold assets at the correct carrying value.	Work to address previous years External Audit comments in respect of the fixed asset register required an ongoing exercise to update property, plant and equipment asset records during 2018/19, reducing the risk of inaccuracies in the asset register for 2018/19. From 2019/20 onwards, a formal exercise will be carried out to confirm the existence of assets and their current condition. **Responsible officer:** Partnership Director **Implementation date:** 31 March 2020

Action plan point	Issue & recommendation	Management comments
2. Related Parties Rating **Grade 3** Paragraph Ref 53	**Issue** We concluded during our audit that while the relevant disclosures had been made in the annual accounts; improvements could be made over the procedures for collating this information as follows: • **Identification of potential related parties**: One way which the Partnership can identify potential related parties is through the maintenance of a register of interests. We noted during our audit that the 2018/19 annual updating of the register of interests by members of the Partnership had not been fully completed. • **Related party transactions:** Once potential related parties have been identified, an exercise should be carried out to review accounting records for transactions associated with those related parties. This part of the process is carried out by the City of Edinburgh Council (the Council) on behalf of the Partnership and is dependent on potential related parties being identified by management at the Partnership and reported to the Council. We would encourage both management at the Partnership and the Council to review existing procedures to ensure these are carried out in the most efficient and effective way. **Risk** There is a risk that the disclosure within the annual accounts is incomplete. **Recommendation** We would encourage both management at the Board and the Council to review existing procedures to ensure these are carried out in the most efficient and effective way.	In the past members were sent reminders, biannually, of the need to update the register. With effect from the current financial year, a record of those members not responding is kept and they are sent follow-up reminder emails, monthly. A review was undertaken of the Register of Interests, when preparing the Audited Annual Accounts for 2018/19. No additional disclosures were identified. As part of the preparation of the Unaudited Annual Accounts for 2019/20 onwards, a review will be undertaken of the Register of Interests. **Responsible officer:** Partnership Director/Treasurer **Implementation date:** 31 March 2020

Follow up of prior year recommendations

Of the six recommendations raised within our previous annual audit reports and which were outstanding, we note that three have been fully implemented, and one is partially complete and two remain outstanding. Details are given below.

1. User Access Controls

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

Current status	Audit update	Management response
Complete	We have reviewed the actions taken to ensure access to post journals has been limited to those with appropriate authority. Recommendation has been closed with new authorisation measures in place.	N/A

2.   Authorisation of Invoices

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

Current status	Audit update	Management response
Complete	Audit testing during 2018/19 confirmed that the approval processes outline above have been applied in practice.	N/A

3. Governance Scheme

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

Current status	Audit update	Management response
Outstanding	The review of the Governance Scheme is due to be reported to the Partnership at the September 2019 meeting.	The Governance Scheme has been reviewed and updated to confirm that the Chair of the Partnership cannot be a member, and cannot be a substitute for any other member, of the Performance & Audit Committee. The necessary report will be presented to the Partnership Board on 27 September 2019. **Responsible officer: Partnership Director** **Implementation date:** 27 September 2019

4. Asset Recording and Tagging

Initial rating	Issue & recommendation	Management comments
Grade 4	**Observation** Assets within the asset register are not allocated a unique reference number and are instead grouped by type. In addition to this the physical assets are not individually labelled. It is therefore not possible to undertake a physical verification of assets from the register to the floor (or vice versa). There has been significant issues verifying the number of assets held and the value per item in year **Recommendation** To ensure assets are accounted for appropriately and prevent against the possible misappropriation of assets, we recommend that new assets acquired, across all sites are: • brought into the fixed asset register with sufficient detail to allow each unit to be individually identifiable including purchase date and value per item; and • appropriately labelled when brought into use to create a direct link between the fixed asset register and the physical assets.	**2016/17 management comments** The Partnership Director has instructed that the Projects team oversee the creation of a full and comprehensive asset register for the Partnership. **2017/18 management comments** SEStran appreciates the acknowledgement that significant work has been done, to date and that the presentation of the information can be improved. Accordingly, work will continue to complete the Fixed Asset Register, ensuring that all necessary information is included and that it is presented in a consistent manner. **Responsible officer:** Head of Programmes **Implementation date:** 31 December 2018

Current status	Audit update	Management response
Complete	The updated asset register has been reviewed and has been updated.	N/A

5.   Register of Interests

Initial rating	Issue & recommendation	Management comments
Grade 3	**Observation** From our review of the Registers of Interests of members it was found that a number of the declarations forms had not been updated since 2014. Upon further review we identified an undisclosed related party transaction of £0.086million relating to an undeclared related party for Edinburgh and Lothians Greenspace Trust. The annual accounts have been updated to reflect the appropriate disclosures. **Recommendation** The Partnership should ensure registers of interest are updated on at least an annual basis	**2016/17 management comments** All members of the Partnership Board are reminded and have been in Summer 2017 of the provision of regulations which provide for Board Members to give notice of registerable interests as outlined in the Partnership Code of Conduct and all members of the Board at the first meeting of the new session has been reminded of their Code of Conduct responsibilities. Keeping entries in the Register of Interests up to date is ultimately the responsibility of individual Members. The Secretary of the Partnership is the proper officer for these purposes. We should stress that they receive an annual reminder. **2017/18 management comments** The members concerned have been advised of the omissions and the necessary interests have now been recorded. Code of Conduct training is arranged for 21 September 2018. **Responsible officer:** Secretary to the Partnership **Implementation date:** 21 September 2018

Current status	Audit update	Management response
Partially Complete	We noted during our audit that the 2018/19 annual updating of the register of interests by members of the Partnership had not been fully completed.	As referred to above, Board members not responding to requests for information on the biannual approaches will be sent reminders by emails monthly until the necessary updates are received. **Responsible officer:** Partnership Director **Implementation date:** On-going

6. Longer Term financial planning

Initial rating	Issue & recommendation	Management comments
Grade 4	**Observation** The Partnership develops a budget for one financial year which is aligned to the annual business plan and Regional Transport Strategy. There is a risk that funding is used to support short term need rather than long term strategic priorities**.** **Recommendation** In order to ensure financial sustainability the Partnership should develop medium to long term financial plans on a 3 to 5 year basis. This would assist the Partnership in highlighting risks to its sustainability and ensure funding is allocated in line with the long term strategic aims of the Regional Transport Strategy.	**2016/17 management comments** The removal of capital funding in 2009/10 means there is a difficulty for long-term strategic funding of RTS projects. The Director continues to monitor and advocate for investment by stakeholders in strategic priorities and for the return of long-term significant funding to RTPs through the second National Transport Strategy review process. However, given our main funder Transport Scotland has only been able to issue one year funding settlements in recent years, this has limited our ability to take a long-term budgetary approach to investment. **2017/18 management comments** The Transport (Scotland) Bill, currently out to consultation, includes a proposal to allow RTPs to carry forward reserves. If approved, this may assist with financial planning over a time period longer than one year. However, as Transport Scotland continues to issue one-year funding settlements, there is limited scope to take a long-term approach to financial planning. Within the scope of funding information available, a plan shall be developed, which will seek to align to the Business Plan and Regional Transport Strategy, **Responsible officer:** Partnership Director/Treasurer **Implementation date:** 31 March 2019

Current status	Audit update	Management response
Outstanding	Refer to paragraphs 67 of this report. We understand the Partnership intends to review and develop medium term financial plans over the course of 2019/20, following the enactment of the Transport (Scotland) Bill and the publication of three-year funding settlements from the Scottish Government.	The Board continues to prepare its revenue budget in the context of one-year funding settlements from the Scottish Government and constituent councils. A financial plan, which extends beyond one year, will be presented to the Board at its meeting in December 2019, when the Board is due to consider its initial financial plans for 2020/21. **Responsible officer:** Partnership Director and Treasurer **Implementation date:** December 2019

Audited Annual Accounts 2018/19

1.   **Introduction**

1.1   This report presents the audited accounts for the year ended 31st March 2019 and recommends approval for signature. The audited accounts are appended.

2.   **Main Report**

2.1   The unaudited Annual Accounts were noted by the Partnership at its meeting on 21st June 2019.

2.2   The 2018/19 Annual Audit Report to Members by the Partnership's External Auditor – Scott Moncrieff - is presented separately on this agenda.

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

- give a true and fair view in accordance with applicable law and the 2018/19 Code of the state of affairs of the Partnership as at 31 March 2019 and of its income and expenditure for the year then ended;

- have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the 2018/19 Code;

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

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

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

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

2.4   There are no qualifications to the audit certificate which appears on pages 45 to 47 of the accounts. The Auditor's opinion states that the financial statements present a true and fair view of the financial position of the

Partnership as at 31st March 2019 and its income and expenditure for the year then ended.

2.5 One adjustment was made to the unaudited annual accounts in relation to the estimates applied by the Pension Fund's actuaries in calculating the net pension liability. This adjustment was made to take account of the financial effects of the 'McCloud Judgement' and General Minimum Pension (GMP) equalisation, which have implications for all public service pension schemes. There were no unadjusted differences to the unaudited annual accounts.

2.6 The Partnership's Performance and Audit Committee reviewed the audited accounts at its' meeting on 6th September 2019. Following the meeting, one adjustment was made to the accounts. This was an amendment to the Fair Value of Employer Assets for the Partnership's Defined Benefit Pension Scheme, as presented at Note 24.5. The Actuaries to the Scheme have advised a revised distribution of Fair Values at 31st March 2019. The change is presentational only and does not change the total Fair Value of Employer Assets.

3 **Recommendations**

It is recommended that the Partnership Board:

3.1 note the audited accounts and the Auditor's opinion in the audit certificate;

3.2 authorise the annual accounts for signature.

Hugh Dunn
Treasurer
27th September 2019

Appendix Audited Annual Accounts 2018/19
Contact iain.shaw@edinburgh.gov.uk

Policy Implications	There are no policy implications arising as a result of this report.
Financial Implications	There are no financial implications arising following issue of an unqualified Audit certificate.
Equalities Implications	There are no equality implications arising as a result of this report.
Climate Change Implications	There are no climate change implications arising as a result of this report.

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The South East of Scotland Transport Partnership (SESTRAN)

Audited
Annual Accounts

2018/2019

The South East of Scotland Transport Partnership (SESTRAN)

C O N T E N T S

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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).

2. Statutory Background

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

3. Corporate Strategy

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

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

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

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

SEStran's Vision Statement is as follows:

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

4. Risks and Uncertainties

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

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

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

5. Results for the Year

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

The South East of Scotland Transport Partnership (SESTRAN)

Management Commentary *(continued)*

5. Results for the Year *(continued)*

The net revenue budget of the Partnership in 2018/19 was £0.972m, funded by Government Grant and Council Contributions. A comparison of the outturn position with the revenue budget is presented in the table below. Key aspects of financial performance in 2018/19 are:

- Overall the Partnership had an underspend of £40,000. This is shown in the table below as a reduced Constituent Council requisition. The underspend arose due to a combination of core revenue budget and project budget underspends, offset by additional costs incurred on the RTPI project.

- The Partnership incurred core service expenditure of £0.544m which was £13,000 above the revised Core Service revenue budget. This overspend mainly reflected increased expenditure on staff costs and was funded by an underspend on the Projects revenue budget.

- The Partnership incurred expenditure of £0.609m on revenue projects and received external grants and contributions of £0.306m, resulting in net expenditure of £0.303m. Net expenditure was £72,000 under budget. The main favourable variance on the Projects revenue budget arose on the Sustainable and Active Travel grants programme.

- Expenditure of £0.115m on the Real-Time Passenger Information (RTPI) project was partly funded by income of £29,000 from bus operators, resulting in net expenditure of £86,000. Net expenditure was £20,000 in excess of budget.

	Revised Budget £'000	Outturn £'000	Variance £'000
Core Service	531	544	13
Revenue Projects - Net Expenditure	375	303	(72)
RTPI Project - Net Expenditure	66	86	20
Net Interest	0	(1)	(1)
Total Expenditure 2018/19	**972**	**932**	**(40)**
Government Grant	(782)	(782)	0
Constituent Council Requisitions	(190)	(150)	40
Total Government Grant and Council Contributions 2018/19	**(972)**	**(932)**	**40**

Non Financial Results

- The Regional Cycle Network Grant Scheme (RCNGS) funded the Edinburgh BioQuarter to develop detailed designs for the active travel corridor between Cameron Toll and The BioQuarter site. Designs were prepared in order to enable engagement with the public and progress the project further.

- Further funding from Sustrans allowed feasibility studies investigating active travel options for Winchburgh to Kirkliston, The Wisp to Sheriffhall Roundabout, and Buckhaven to Kirkcaldy to be progressed.

- GO e-Bike secured further funding from the Low Carbon Travel and Transport Fund to develop six further hubs to pilots developed in 2017/18. The hubs will be delivered in East Lothian, Edinburgh, Midlothian, and Scottish Borders. A summary report of the first year of the project was produced in partnership with Combined Mobility Uk (COMOUK).

The South East of Scotland Transport Partnership (SESTRAN)

Management Commentary *(continued)*

5. Results for the Year *(continued)*

Non Financial Results *(continued)*

- The collective Regional Transport Partnerships were successful in securing further active travel funding from Transport Scotland in November 2018. Projects proposed will look at feasibility studies in Midlothian along the A701 corridor, in Falkirk along the A9 corridor in partnership with Tactran, and design visualisations in East Lothian encompassing a number of settlements. These projects will conclude in June 2019.
- The Partnership finalised its Mainstreaming Equalities and Equalities Outcomes Progress Report, which was published in April 2019 and continues to work with organisations including Equate Scotland, Inclusion Scotland and Disability Equalities Scotland.
- SHARE-North funding was used to support the implementation of Go eBike. To promote ridesharing, the Partnership commissioned regional TV station STV to air advertisements promoting TripshareSEStran.com. SHARE-North funding was also used in a grant offer to Edinburgh College to expand their electric vehicle fleet, fit data logging devices and install charging infrastructure.
- As part of REGIO-Mob, the Partnership has been working with St Andrews University to measure the health benefits of the GO e-Bike scheme, using a research methodology presented as best practice by the Italian lead partner. The findings of this research will be incorporated into an electric vehicle strategy, which will form part of the Regional Transport Strategy.
- As part of the SURFLOGH project, the Partnership funded the adaption of e-cargo bikes to develop a pilot trial with ZEDIFY logistics focussing on last mile/first mile sustainable small package deliveries in the centre of Edinburgh.
- As part of the BLING project, the Partnership worked on the development of a pilot using BLOCKCHAIN technology with the University of Edinburgh, the technology aims to develop a real world application for the movement of small goods using smart contacts and geo-location equipment.
- The Partnership continued to make provision for ongoing maintenance of the Real Time Passenger Information system.

6. Future Developments

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, given the pace of change in terms of legislation and ongoing development of policies at both a national and a local level. Work on this will begin during 2019/20, commencing with a review phase and procurement of consultancy services to develop a main issues report.

The Partnership is working with the local authorities to develop an Electric Vehicle Strategy (EVS) for the region, to help address the barriers to the large-scale electric vehicle uptake and challenges faced by local authorities when implementing electric vehicle charging infrastructure. The EVS will form an integral part of the new RTS.

A new Interreg Europe project, called PriMaaS, aims to promote the concept of 'Mobility as a Service' by integrating traditional collective transport modes and create equitable mobility services focused on citizens' needs. The Joint Secretariat has approved the project application subject to a few conditions. The Partnership is working with the lead partner, the University of Aveiro, to clarify these conditions. Once fully approved, PriMaaS will officially commence on 1 August 2019.

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

Chair of Partnership Board:	GORDON EDGAR		Date signed: 27th September 2019
Partnership Director:	JIM GRIEVE		Date signed: 27th September 2019
Treasurer:	HUGH DUNN, CPFA		Date signed: 27th September 2019

The South East of Scotland Transport Partnership (SESTRAN)

STATEMENT OF RESPONSIBILITIES FOR THE ANNUAL ACCOUNTS

The Partnership's Responsibilities

The Partnership is required:

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

I confirm that these annual accounts were approved for signature by the South East of Scotland Transport Partnership at its Board meeting on 27th September 2019.

Chair of Partnership
Board: GORDON EDGAR   Date signed: 27th September 2019

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 2019.

Treasurer: HUGH DUNN, CPFA   Date signed: 27th September 2019

The South East of Scotland Transport Partnership (SESTRAN)

ANNUAL GOVERNANCE STATEMENT 2018/19

1. Scope of Responsibility

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

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

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

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

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 (2016).

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 2018/19 *(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 .

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

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

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

- the operation and monitoring of controls by Partnership managers;

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

- other inspection agencies comments and reports.

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

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

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

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

The South East of Scotland Transport Partnership (SESTRAN)

ANNUAL GOVERNANCE STATEMENT 2018/19 *(continued)*

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

5. **Update on Significant Governance Issue raised in 2017/18**
   Following review by the Partnership's External Auditor as part of the 2017/18 Annual Audit, the Partnership amended its invoice payment authorisation process in September 2018. Reports were presented to the Partnership's Performance and Audit Committee and Board in September 2018, detailing full implementation of External Audit recommendations.

6. **Internal Audit Opinion**
   During the year, Internal Audit completed one review that assessed the design adequacy and operating effectiveness of the key controls established to ensure ongoing compliance with GDPR, with focus on progress towards achieving the Scottish Government's Cyber Essentials Plus accreditation and existing operational technology controls. This resulted in a 'green' minor impact rated finding.

7. **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 2019. It is the Treasurer's opinion that reasonable assurance can be placed upon the adequacy and effectiveness of the Partnership's internal control system.

   From this year's review, there is reasonable assurance that the Local Code of Corporate Governance is operating adequately, with overall compliance by the Partnership with its corporate governance arrangements.

Chair of Partnership
Board: GORDON EDGAR   Date signed: 27th September 2019

The South East of Scotland Transport Partnership (SESTRAN)

REMUNERATION REPORT

1. Remuneration Policy for Senior Employees
The Partnership Board determines 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	2018/19	2017/18
£55,000 - £59,999	0	1
£70,000 - £74,999	1	0
£75,000 - £79,999	0	1
£95,000 - £99,999	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 £	Compensation £	Total Remuneration 2018/19 £	Total Remuneration 2017/18 £
George Eckton - Partnership Director to 29/11/18 *	77,794	22,102	99,896	75,904
Jim Grieve - Partnership Director duties **	74,975	0	74,975	22,873
	152,769	22,102	174,871	98,777

* full time equivalent 2018/19 salary - George Eckton (£79,661)

** full time equivalent 2017/18 salary - Jim Grieve (£72,440)

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

The appointed Partnership Director was absent from service from 8th December 2017. During this time, the duties of the Director's post were undertaken by the Head of Programmes. The Partnership Director subsequently resigned on 29th November 2018. The Partnership's Head of Programmes continued to undertake the duties of the Director's post until his appointment as Partnership Director on 3rd May 2019.

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 2018/19 £	In-year pension contributions 2017/18 £		Accrued pension benefits As at 31 March 2019 £'000	Difference from 31 March 2018 £'000
George Eckton - Partnership Director (to 29/11/18)	11,885	17,567	Pension	18	1
			Lump Sum	16	0
	11,885	17,567			

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

The South East of Scotland Transport Partnership (SESTRAN)

REMUNERATION REPORT *(continued)*

7. Pension Entitlement

Pension benefits for the Partnership's employees are provided through the Local Government Pension Scheme (LGPS).
For the Partnership's employees, the Local Government Pension Scheme (LGPS) became a career average pay scheme on 1 April 2015. Benefits built up to 31 March 2015 are protected and based on final salary. Accrued benefits from 1 April 2015 will be based on career average salary.
The scheme's normal retirement age for employees is linked to the state pension age (but with a minimum of age 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 contributions rates were set at 6% for all non-manual employees.

The tiers and members contributions rates for 2018-19 were as follows:

Whole Time Pay	Contribution rate
On earnings up to and including £21,300 (2017/2018 £20,700)	5.50%
On earnings above £21,300 and up to £26,100 (2017/2018 £20,700 to £25,300)	7.25%
On earnings above £26,100 and up to £35,700 (2017/2018 £25,300 to £34,700)	8.50%
On earnings above £35,700 and up to £47,600 (2017/2018 £34,700 to £46,300)	9.50%
On earnings above £47,600 (2017/2018 £46,300)	12.00%

From April 2015, when allocating contribution rates to members, pensionable pay means the actual pensionable pay, regardless of hours worked.
There is no automatic entitlement to a lump sum for members who joined the scheme post April 2009. Members may opt to give up (commute) pension for lump sum or bigger lump sum up to the limit set by the Finance Act 2004.
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 - assuming that the person left the related employment or service as at 31st March in the year to which the value relates.

8. Exit Packages

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

Exit Package Cost Band	Number of Compulsory Redundancies		Number of Other Agreed Departures		Total Number of Exit Packages by Cost Band		Total Cost of Exit Packages in Each Band £'000	£'000
£20,001 - £40,000	0	0	1	0	1	0	22	0
	0	0	1	0	1	0	22	0

All information disclosed in the tables at paragraphs 4, 5, 6 and 8 in this Remuneration Report will be audited.
The other sections of the Remuneration Report will be reviewed by the appointed auditor to ensure that they
are consistent with the annual accounts.

Chair of Partnership
Board: GORDON EDGAR   Date signed: 27th September 2019

Partnership Director:
                   JIM GRIEVE   Date signed: 27th September 2019

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.

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

2018/19 - Current Financial Year	Usable Reserves		Unusable Reserves	Total Partnership Reserves
	General Fund Balance	Total Usable Reserves		
	£'000	£'000	£'000	£'000
Opening Balances at 1 April 2018	0	0	(247)	(247)
Total Comprehensive Expenditure and Income	(147)	(147)	(127)	(274)
Adjustments between accounting basis & funding basis under regulations (Note 7)	147	147	(147)	0
Increase/Decrease in 2018/19	0	0	(274)	(274)
Balance at 31 March 2019 carried forward	0	0	(521)	(521)

The South East of Scotland Transport Partnership (SESTRAN)

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT 2018/19

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.

2017/18				2018/19		
Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000	Services	Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000
573	0	573	Core	719	(1)	718
977	(641)	336	Projects	678	(335)	343
1,550	**(641)**	**909**	**Cost Of Services**	**1,397**	**(336)**	**1,061**
58	(50)	8	Financing & Investment Income (Note 9)	73	(55)	18
0	(956)	(956)	Taxation and Non-Specific Grant Income (Note 10)	0	(932)	(932)
1,608	**(1,647)**	**(39)**	**(Surplus) or Deficit on Provision of Services**	**1,470**	**(1,323)**	**147**
			Other Comprehensive Income and Expenditure			
0	(12)	(12)	Change in Demographic Assumptions	0	0	0
0	(113)	(113)	Change in Financial Assumptions	264	0	264
499	0	499	Other Experience	0	0	0
0	(50)	(50)	Return on Assets excluding amounts included in net interest	0	(137)	(137)
499	**(175)**	**324**	**Total Other Comprehensive Income and Expenditure**	**264**	**(137)**	**127**
2,107	**(1,822)**	**285**	**Total Comprehensive Income and Expenditure**	**1,734**	**(1,460)**	**274**

The South East of Scotland Transport Partnership (SESTRAN)

BALANCE SHEET

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

31 March 2018 £'000		Notes	31 March 2019 £'000
422	Property, plant and equipment	11	352
422	**Long term assets**		**352**
464	Short-term debtors	13	514
0	Provision for Bad Debts	14	0
700	Cash and cash equivalents	15	279
1,164	**Current assets**		**793**
(27)	Contributions and Grants Received in Advance		(190)
(1,144)	Short-term creditors	16	(609)
(1,171)	**Current liabilities**		**(799)**
(662)	Other long-term liabilities (Pensions)	24	(867)
(662)	**Long-term liabilities**		**(867)**
(247)	**Net assets/ (liabilities)**		**(521)**
	Financed by:		
0	Usable reserves	17	0
(247)	Unusable reserves	18	(521)
(247)	**Total reserves**		**(521)**

The unaudited Annual Accounts were issued on the 21st June 2019.
The audited financial statements were authorised for issue on 27th September 2019.

Treasurer: HUGH DUNN, CPFA _____   Date signed: 27th September 2019

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 2018 £'000	31 March 2018 £'000		31 March 2019 £'000	31 March 2019 £'000
		OPERATING ACTIVITIES		
(782)		Government Grants	(782)	
(190)		Constituent Council Requisitions	(190)	
0		Interest paid/ (received)	(1)	
(354)		Other receipts from operating activities	(396)	
	(1,326)	**Cash inflows generated from operating activities**		(1,369)
310		Cash paid to and on behalf of employees	481	
215		Cash paid to suppliers of goods and services	1,309	
	525	**Cash outflows generated from operating activities**		1,790
	(801)	**Net cash flows from operating activities**		421
		INVESTING ACTIVITIES		
177		Purchase of property, plant and equipment	0	
	177	**Net cash flows from investing activities**		0
		FINANCING ACTIVITIES		
0		Other receipts from financing activities	0	
	0	**Net cash flows from financing activities**		0
	(624)	**Net(increase)/ decrease in cash and cash equivalents**		421
	76	**Cash and cash equivalents at the beginning of the reporting period**		700
	700	**Cash and cash equivalents at the end of the reporting period (Note 15)**		279

The South East of Scotland Transport Partnership (SESTRAN)

1. STATEMENT OF ACCOUNTING POLICIES

1.1 Accounting Policies

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

1.2 Revenue Expenditure

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

1.3 Revenue Income

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

1.4 Accruals of Expenditure and Income

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

1.5 Operating Leases

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

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

1.6 Overheads

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

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

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

The South East of Scotland Transport Partnership (SESTRAN)

1.   STATEMENT OF ACCOUNTING POLICIES *(continued)*

1.8   Employee Benefits

Pensions

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

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

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

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

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

Accruals of Holiday Leave

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

1.9   Non Current Assets

Property, Plant and Equipment

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

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

Recognition:

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

Depreciation:

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

Measurement:

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

The South East of Scotland Transport Partnership (SESTRAN)

1. STATEMENT OF ACCOUNTING POLICIES *(continued)*

1.10 Government Grants and Other Contributions

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

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

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

1.11 Provisions

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

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

1.12 Reserves

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

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

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

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

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

The South East of Scotland Transport Partnership (SESTRAN)

1.   STATEMENT OF ACCOUNTING POLICIES *(continued)*

1.14 Cash and Cash Equivalents

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

1.15 Contingent Liabilities

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

1.16 Value Added Tax

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

1.17 Events After the Reporting Period

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

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

1.18 Short Term Debtors and Short Term Creditors

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

1.19 Changes in Accounting Policies and Estimates and Errors

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

1.20 Going Concern

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

The South East of Scotland Transport Partnership (SESTRAN)

2. EXPENDITURE AND FUNDING ANALYSIS

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

Expenditure and Funding Analysis

	Net Expenditure Chargeable to the General Fund	Adjustments	Net Expenditure in the CIES
2018/19	**£'000**	**£'000**	**£'000**
Core	544	174	718
Projects	389	(46)	343
Net Cost of Services	**933**	**128**	**1,061**
Other Income and Expenditure			
Government grant	(782)	0	(782)
Constituent council requisitions	(150)	0	(150)
Interest Received	(1)	0	(1)
Net pension interest cost	0	19	19
(Surplus) or deficit on the provision of services	**0**	**147**	**147**

	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)**

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:

2018/19	Adjusts. For Capital Purposes £'000	Net Change for Pensions Adjusts. £'000	Other Differences £'000	Total Statutory Adjusts. £'000
Core	116	59	(1)	174
Projects	(46)	0	0	(46)
Net Cost of Services	**70**	**59**	**(1)**	**128**
Other Income and Expenditure				
Net pension interest cost	0	19	0	19
(Surplus) or deficit on the provision of services	**70**	**78**	**(1)**	**147**

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

- 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

2018/19	Core £'000	Projects £'000	Total £'000
Expenditure			
Employee expenses	345	0	345
Other service expenses	200	724	924
Total Expenditure	**545**	**724**	**1,269**
Income			
Government grants and other contribs.	(1)	(335)	(336)
Total Income	**(1)**	**(335)**	**(336)**
Net Cost of Services	**544**	**389**	**933**

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

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 2019 £'000	31st March 2018 £'000
Expenditure		
Employee expenses	403	277
Other service expenses	875	1,168
Depreciation, amortisation and impairment	119	105
Interest payments	73	58
Total Expenditure	1,470	1,608
Income		
Fees, charges and other service income	0	0
Interest and investment income	(55)	(50)
Income from constituent councils	(150)	(174)
Government grants and other contributions	(1,118)	(1,423)
Total Income	(1,323)	(1,647)
(Surplus) or Deficit on the Provision of Services	147	(39)

The South East of Scotland Transport Partnership (SESTRAN)

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 2019/20 Code. For 2019/20 the following accounting policy changes that need to be reported relate to:

- Amendments to IAS 40 Investment Property: Transfers of Investment Property;
- Annual Improvements to IFRS Standards 2014-2016 Cycle;
- IFRIC 22 Foreign Currency Transactions and Advance Consideration;
- IFRIC 23 Uncertainty over Income Tax Treatments, and
- Amendments to IFRS 9 Financial Instruments: Prepayment Features with Negative Compensation.

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.

- Local Government Pension Scheme - Guaranteed minimum pension (GMP). The interim solution to avoid inequalities between men and women's benefits following the introduction of the Single State Pension in 2016 has resulted in a recalculation of pension liabilities relating to the estimated impact of GMP indexation changes. The estimate for the Partnership is that total liabilities could be 0.17% higher as at 31 March 2019 (approx. £4,000). The increased liability has been reflected in the pension liability as a past service cost (refer to Note 24 Defined Benefit Pension Schemes). This is an estimate which will be revised at the upcoming valuation.

- Local Government Pension Scheme (LGPS) - McCloud judgement. Legislation requires the LGPS to undertake periodic valuations to monitor the cost of the LGPS to ensure it remains sustainable and affordable. The cost management process has been paused following the Court of Appeal ruling that the transitional arrangements in both the Judges' Pension Scheme (McCloud) and Firefighters' Pension Scheme (Sargeant) were age discriminatory. These cases could have knock on implications for the LGPS (potentially increasing the liabilities). The Partnership's actuary has included an estimate within the pension liability as a past service cost (refer to Note 24 Defined Benefit Pension Schemes) which will be subject to future revision as the outcome of the the judgement becomes clearer in line with the upcoming valuation.

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 2019 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 and the figures included in the 2018/19 Annual Accounts reflect the roll-forward position to 31st March 2019. The roll-forward allows for changes in financial assumptions, additional benefit accrual and estimated cash flows over the period. The balance sheet position has deteriorated during 2018/19. Corporate bond yields are lower at 31 March 2019 than 31 March 2018, which serves to increase the value placed on the obligations. The effect of this will have been partially offset by investment returns being greater than the 31 March 2018 discount rate.

Under accounting guidance, employers are expected to disclose the sensitivity of the valuation to key assumptions.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%	377
0.5% increase in the Salary Increase Rate	3%	106
0.5% increase in the Pension Increase Rate	8%	261

6. EVENTS AFTER THE BALANCE SHEET DATE

The Unaudited Annual Accounts were authorised for issue on 31st May 2019. 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 2019, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.
The financial statements and notes have not been adjusted for the following event, which took place after 31 March 2019, as the event provides information that is relevant to an understanding of the Partnerships's financial position, but does not relate to conditions at that date:

- The Partnership appointed Mr Jim Grieve to the Partnership Director post on 3rd May 2019 on an internal secondment basis.

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.

2018/19	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	119	(119)			(119)
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	(49)	49			49
Adjustments primarily involving the Pensions Reserve					
Reversal of items relating to retirement benefits debited or credited to the CIES	134			(134)	(134)
Employer's pension contributions and direct payments to pensioners payable in the year	(56)			56	56
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	**147**	**(70)**	**1**	**(78)**	**(147)**

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.

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 impairment 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)

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

	2018/19 £'000	2017/18 £'000
Interest income on plan assets	(54)	(50)
Interest Received	(1)	0
Pensions interest cost	73	58
	18	8

10. TAXATION AND NON SPECIFIC GRANT INCOME

	2018/19 £'000	2017/18 £'000
Government Grant	(782)	(782)
Constituent Council Requisitions	(150)	(174)
	(932)	(956)

The South East of Scotland Transport Partnership (SESTRAN)

11. PROPERTY, PLANT AND EQUIPMENT

11.1 Movements on balances:

Movements in 2018/19

Cost or Valuation	Vehicles Plant and Equipment £'000	Assets Under Construction £'000	Total Property Plant and Equipment £'000
At 1st April 2018	778	0	778
Additions	49	0	49
At 31st March 2019	827	0	827
Accumulated Depreciation			
At 1st April 2018	(356)	0	(356)
Depreciation charge	(119)	0	(119)
At 31st March 2019	(475)	0	(475)
Net Book Value			
At 31st March 2019	352	0	352

The South East of Scotland Transport Partnership (SESTRAN)

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

11.2 Movements on balances:

Comparative Movements in 2017/18

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

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 £100,000 to support a Scottish Government grant of £200,000 to provide more electric bike hubs throughout the SEStran Region in 2019/20.

The South East of Scotland Transport Partnership (SESTRAN)

12. FINANCIAL INSTRUMENTS

12.1 Financial Instruments - Classifications

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Non-exchange transactions, such as those relating to government grants, do not give rise to financial instruments.

Financial Liabilities

A financial liability is an obligation to transfer economic benefits controlled by the Partnership and can be represented by a contractual obligation to deliver cash or financial assets or an obligation to exchange financial assets and liabilities with another entity that is potentially unfavourable to the Partnership.

The Partnership's financial liabilities held during the year comprised:
- Trade payables for goods and services received.

Financial Assets

A financial asset is a right to future economic benefits controlled by the Partnership that is represented by cash, equity instruments or a contractual right to receive cash or other financial assets or a right to exchange financial assets and liabilities with another entity that is potentially favourable to the Partnership.

The Partnership's financial assets held during the year comprised:
- Cash in hand,
- Cash and cash equivalents (Loans and receivables). The Partnership maintains its funds 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.
- Trade receivables for goods and services provided.

12.2 Financial Instruments - Balances

The financial liabilities disclosed in the Balance Sheet are analysed across the following categories

	Current	
	31st March 2019 £'000	31st March 2018 £'000
Trade creditors	557	976

The financial assets disclosed in the Balance Sheet are analysed across the following categories:

	Current	
	31st March 2019 £'000	31st March 2018 £'000
Loans and receivables	462	890
Trade debtors	156	8
	618	898

The South East of Scotland Transport Partnership (SESTRAN)

12. FINANCIAL INSTRUMENTS *(continued)*

12.3 Financial Instruments - Fair Values

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

The fair values calculated are as follows:

	31 March 2019		31 March 2018	
Financial Liabilities	**Carrying Amount £'000**	**Fair Value £'000**	**Carrying Amount £'000**	**Fair Value £'000**
Trade creditors	557	557	976	976

	31 March 2019		31 March 2018	
Financial Assets	**Carrying Amount £'000**	**Fair Value £'000**	**Carrying Amount £'000**	**Fair Value £'000**
Loans and receivables	462	462	890	890
Trade debtors	156	156	8	8
	618	618	898	898

12.4 Income, Expenses, Gains and Losses

The gains and losses recognised in the Comprehensive Income and Expenditure Statement in relation to financial instruments are made up as follows:

	31st March 2019 £'000	31st March 2018 £'000
Total expense and income in Surplus or Deficit on the Provision of Services:		
Interest Income	1	1

13. DEBTORS

	31st March 2019 £'000	31st March 2018 £'000
Debtors:		
Central government bodies	27	1
Other local authorities	4	11
HM Customs and Excise - VAT	24	49
Other entities and individuals	459	403
	514	464

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14. PROVISION FOR BAD DEBTS

Cost or Valuation	31st March 2019 £'000	31st March 2018 £'000
Opening Balance	0	(12)
Provision made during year	0	0
Unused amounts reversed during the year	0	12
Closing Balance	0	0

15. CASH AND CASH EQUIVALENTS

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

	31st March 2019 £'000	31st March 2018 £'000
Bank account	279	700
	279	700

16. CREDITORS

	31st March 2019 £'000	31st March 2018 £'000
Central government bodies	0	(4)
Other local authorities	(5)	(134)
Other entities and individuals	(543)	(998)
Employee costs	(61)	(8)
	(609)	(1,144)

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 2019 £'000	31st March 2018 £'000
18.1	Capital Adjustment Account	352	422
18.2	Pension Reserve	(867)	(662)
18.3	Accumulated Absence Account	(6)	(7)
		(521)	(247)

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.

	2018/19 £'000	2017/18 £'000
Balance at 1st April	422	351
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	(119)	(94)
• Charges for revaluation of non-current assets	0	(12)
Net written out amount of the cost of non-current assets consumed in year	303	245
Capital financing applied in the year:		
• Contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	49	177
Balance at 31st March	352	422

18.2   Pension Reserve

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

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18. UNUSABLE RESERVES *(continued)*

18.2 Pension Reserve *(continued)*

	2018/19 £'000	2017/18 £'000
Balance at 1st April	(662)	(307)
Remeasurements of the net defined benefit liability	(127)	(324)
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.	(134)	(84)
Employer's pension contributions and direct payments to pensioners payable in the year.	56	53
Balance at 31st March	(867)	(662)

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.

	2018/19 £'000	2017/18 £'000
Balance at 1st April	(7)	(6)
Settlement or cancellation of accrual made at the end of the preceding year	7	6
Amounts accrued at the end of the current year	(6)	(7)
Balance at 31st March	(6)	(7)

19. MEMBERS EXPENSES

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

	2018/19 £'000	2017/18 £'000
Expenses	1	1
	1	1

The South East of Scotland Transport Partnership (SESTRAN)

20. EXTERNAL AUDIT COSTS

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

Fees payable in respect of:	2018/19 £'000	2017/18 £'000
• external audit services carried out by the appointed auditor for the year	10	11
	10	11

21. GRANT INCOME

The Partnership credited the following grants, contributions and donations to the Comprehensive Income and Expenditure Statement in 2018/19:

	2018/19 £'000	2017/18 £'000
Credited to Taxation and Non Specific Grant Income		
Scottish Government - Revenue Grant	(782)	(782)
Constituent Council Requisitions (Note 22.3)	(150)	(174)
	(932)	(956)
Credited to Services		
EU Grant - Social Car	(5)	(58)
EU Grant - Regio Mob	(24)	(81)
EU Grant - Sharenorth	(27)	(53)
EU Grant - RTPI	0	(82)
EU Grant - Surflogh	(29)	(6)
EU Grant - e-Bikes	(24)	0
EU Grant - Bling	(2)	0
Contribution - Transport Scotland	(46)	0
Contribution - City of Edinburgh Council	(2)	0
Contribution - East Lothian Council	(2)	(2)
Contribution - Fife Council	(2)	0
Contribution - Scottish Borders Council	(1)	(3)
Contribution - West Lothian Council	0	(1)
Contribution - HITRANS	(2)	(3)
Contribution - NESTRANS	(3)	(1)
Contribution - SUSTRANS	(110)	(118)
Contribution - SWESTRANS	0	(1)
Contribution - TACTRAN	(4)	(3)
Contribution - ZETRANS	0	(1)
	(283)	(413)

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 2018-19 is shown in Note 19.

22.3 Other Parties

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

	2018/19 £'000	2017/18 £'000
• Revenue Expenditure - Support Services		
City of Edinburgh Council - Financial & Legal Services/ Clerking	42	33
Falkirk Council - HR Services	2	2
Fife Council - Clerking/ Legal Services	0	11
	44	46
• Revenue Expenditure - Other		
City of Edinburgh Council	1	0
City of York Council		12
East Lothian Council		60
Edinburgh and Lothians Greenspace Trust		59
Falkirk Council		17
Midlothian Council		25
Newcastle City Council	13	0
NHS Lothian	46	0
Scottish Government	17	17
	77	190

The South East of Scotland Transport Partnership (SESTRAN)

22.   RELATED PARTIES *(continued)*

22.3   Other Parties *(continued)*

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	2018/19 £'000	2017/18 £'000
• Revenue Income - Requisitions		
Clackmannanshire Council	(5)	(6)
East Lothian Council	(10)	(11)
City of Edinburgh Council	(48)	(56)
Falkirk Council	(15)	(18)
Fife Council	(35)	(41)
Midlothian Council	(9)	(10)
Scottish Borders Council	(11)	(12)
West Lothian Council	(17)	(20)
	(150)	(174)
• Revenue Income - Interest on Revenue Balances		
City of Edinburgh Council	(1)	(1)
	(1)	(1)
• Revenue Income - Other		
Constituent Councils	(16)	(49)
City of Edinburgh Council	(2)	0
East Lothian Council	(2)	(2)
Fife Council	(2)	0
Network Rail		(3)
NHS Fife		(1)
Scottish Borders Council	(1)	(3)
Scottish Goverment		(1)
Transport Scotland	(46)	0
West Lothian Council		(1)
	(69)	(60)

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 2019, with its related parties.

CREDITORS	2018/19 £'000	2017/18 £'000
• Creditors - Related Parties (Revenue Grants)		
East Lothian Council	0	(60)
Falkirk Council	0	(17)
Midlothian Council	0	(25)
NHS Lothian	(46)	0
Scottish Enterprise	(150)	0
	(196)	(102)
• Creditors - Related Parties (Other)		
City of Edinburgh Council	(5)	(30)
Edinburgh and Lothians Greenspace Trust	0	(40)
Falkirk Council	(2)	(2)
Constituent Councils	(32)	(18)
Scottish Governmernt	0	(4)
	(39)	(94)
• Creditors - Other Parties	(564)	(975)
Total Creditors	(799)	(1,171)

DEBTORS		
• Debtors - Related Parties (Revenue Grants/ Other)		
Fife Council	0	7
Network Rail	4	3
NHS Fife	0	1
Scottish Borders Council	0	2
Scottish Enterprise	150	0
Scottish Government	0	1
Stirling Council	4	0
Strathclyde Partnership for Transport	0	1
Transport Scotland	26	0
	184	15
• Debtors - Other Parties	330	449
Total Debtors	514	464

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 (MOTO) with the Scottish Government, which forms part of the Civil Estates Occupancy Agreement (CEOA).

The Partnership signed a new MOTO and is permitted to occupy the space from 8th February 2019 to 7th February 2022 (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, continued into 2019/20. 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 reduced to ten, being those required for fixed signs in Fife. This led 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 2018/19 was £27,000 (2017/18 £67,000)

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

	2018/19 £'000	2017/18 £'000
• Not later than 1 year	18	22
	18	22

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 1.8, the Partnership is an admitted body to the Local Government Pension Scheme (LGPS) which is administered by the Lothian Pension Fund.

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

The South East of Scotland Transport Partnership (SESTRAN)

24. DEFINED BENEFIT PENSION SCHEMES *(continued)*

24.2 Transactions Relating to Post-employment Benefits

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

Comprehensive Income and Expenditure Statement	2018/19 £000	2018/19 £000	2017/18 £000	2017/18 £000
Cost of services:				
Service cost, comprising:				
Current service costs	85		76	
Past service costs	30		0	
		115		76
Financing and investment income:				
Net interest expense		19		8
Total post employee benefit charged to the surplus on the provision of services		134		84
Other post-employment benefits charges to the Comprehensive Income / Expenditure Statement Remeasurement of the net defined liability, comprising:				
Return on plan assets, excluding the amount included in the net interest expense above	(137)		(50)	
Actuarial gains and (losses) arising on changes in financial assumptions	264		(113)	
Actuarial gains and (losses) arising on changes in demographic assumptions	0		(12)	
Other experience	0		499	
		127		324
Total post-employment benefits charged to the Comprehensive Income / Expenditure Statement		261		408
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.		78		31
Actual amount charged against the General Fund Balance for pensions in the year:				
Employer's contributions payable to the scheme		56		53
		56		53

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:

	2018/19 £'000	2017/18 £'000
Fair value of employer assets	2,212	2,016
Present value of funded liabilities	(3,079)	(2,678)
Present value of unfunded liabilities	0	0
Net liability arising from defined benefit obligation	(867)	(662)

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

	2018/19 £'000	2017/18 £'000
Opening fair value of scheme assets	2,016	1,913
Interest income	54	50
Remeasurement gain / (loss):		
Return on plan assets, excluding the amount included in the net interest expense	137	50
Contributions from employer	56	53
Contributions from employees into the scheme	17	17
Benefits paid	(68)	(67)
Unfunded benefits paid	0	0
Closing fair value of scheme assets	2,212	2,016

Reconciliation of Present Value of the Scheme Liabilities

	2018/19 £'000	2017/18 £'000
Present value of funded liabilities	(2,678)	(2,220)
Present value of unfunded liabilities	0	0
Opening balance at 1st April	(2,678)	(2,220)
Current service cost	(85)	(76)
Interest cost	(73)	(58)
Contributions from employees into the scheme	(17)	(17)
Remeasurement gain / (loss):		
Change in demographic assumptions	0	12
Change in financial assumptions	(264)	113
Other experience	0	(499)
Past service cost	(30)	0
Benefits paid	68	67
Unfunded benefits paid	0	0
Closing balance at 31st March	(3,079)	(2,678)

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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.

	2018/19		2017/18	
	£'000	%	£'000	%
Equity Securities:				
Consumer *	235	11	276	14
Manufacturing *	272	12	300	15
Energy and Utilities *	167	8	126	6
Financial Institutions *	186	8	179	9
Health and Care *	120	5	99	5
Information technology *	72	3	123	6
Other *	216	10	127	6
Sub-total Equity Securities	1,268		1,230	
Debt Securities:				
Corporate Bonds (non-investment grade)	0	0	39	2
UK Government *	225	10	195	10
Sub-total Debt Securities	225		235	
Private Equity:				
All *	0		6	
All	30		30	
Sub-total Private Equity	30	1	37	2
Real Estate:				
UK Property	150	7	130	6
Overseas Property	0	0	2	0
Sub-total Real Estate	150		132	
Investment Funds and Unit Trusts:				
Equities *	22	1	19	1
Bonds	56	3	0	0
Infrastructure	275	12	239	12
Other	0	0	5	0
Sub-total Investment Funds and Unit Trusts	353		263	
Derivatives:				
Foreign Exchange *	0	0	1	0
Other *	0	0	0	0
Sub-total Derivatives	0		1	
Cash and Cash Equivalents				
All *	186	8	119	6
Sub-total Cash and Cash Equivalents	186		119	
Total Fair Value of Employer Assets	2,212		2,016	

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
- Total returns for the period from 1 April 2018 to 31 March 2019   9.8%

	2018/19	2017/18
Mortality assumptions - longevity at 65 for current pensioners:		
• Males	21.7 years	21.7 years
• Females	24.3 years	24.3 years
Mortality assumptions - longevity at 65 for future pensioners:		
• Males	24.7 years	24.7 years
• Females	27.5 years	27.5 years
Pension increase rate	2.5%	2.4%
Salary increase rate (see below)	4.2%	4.1%
Discount rate	2.4%	2.7%

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 liabilites as at 31 March 2019 on varying bases. The approach taken by the Actuary is consistent with that adopted to derive the IAS19 figures.

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

The South East of Scotland Transport Partnership (SESTRAN)

24. DEFINED BENEFIT PENSION SCHEMES *(continued)*

24.7 **Analysis of projected amount to be charged to profit or loss for the period to 31 March 2020**

	Assets £000	Obligations £000	Net (liability) / asset £000	% of pay
Projected current service cost	0	(102)	(102)	(42.7%)
Past service cost including curtailments	0	0	0	0.0%
Effect of settlements	0	0	0	0.0%
Total Service Cost	0	(102)	(102)	(42.7%)
Interest income on plan assets	53	0	53	22.2%
Interest cost on defined benefit obligation	0	(74)	(74)	(31.0%)
Total Net Interest Cost	53	(74)	(21)	(8.8%)
Total included in Profit or Loss	53	(176)	(123)	(51.5%)

SESTRAN's estimated contribution to Lothian Pension Fund for 2019/20 is £57,000.

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.

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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 2019, the Partnership had financial assets of £132,000 subject to foreign exchange risk. The foreign exchange loss or gain on these financial assets cannot be determined until 2019/20, when the Partnership is in receipt of the related grant income from the European Regional Development Fund. The Partnership has no financial liabilities denominated in foreign currencies.

The South East of Scotland Transport Partnership (SESTRAN)

INDEPENDENT AUDITOR'S REPORT

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

Report on the audit of the financial statements

Opinion on financial statements

We certify that we have audited the financial statements in the annual accounts of The South East of Scotland Transport Partnership for the year ended 31 March 2019 under Part VII of the Local Government (Scotland) Act 1973. The financial statements comprise the Movement in Reserves Statement, Comprehensive Income and Expenditure Statement, Balance Sheet, Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2018/19 (the 2018/19 Code).

In our opinion the accompanying financial statements:

- give a true and fair view in accordance with applicable law and the 2018/19 Code of the state of affairs of the body as at 31 March 2019 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the 2018/19 Code; and
- have been prepared in accordance with the requirements of the Local Government (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003.

Basis of opinion

We conducted our audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the Code of Audit Practice approved by the Accounts Commission for Scotland. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We were appointed by the Accounts Commission on 31 May 2016. The period of total uninterrupted appointment is 3 years. We are independent of the body in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to the body. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern basis of accounting

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

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

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

Risks of material misstatement

We have reported in a separate Annual Audit Report, which is available from the Audit Scotland website, the most significant assessed risks of material misstatement that we identified and our conclusions thereon.

Responsibilities of the Treasurer and Partnership for the financial statements

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

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

The Partnership is responsible for overseeing the financial reporting process.

The South East of Scotland Transport Partnership (SESTRAN)

INDEPENDENT AUDITOR'S REPORT (Contd.)

Auditor's responsibilities for the audit of the financial statements

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

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, intentional omissions, misrepresentations, or the override of internal control. The capability of the audit to detect fraud and other irregularities depends on factors such as the skilfulness of the perpetrator, the frequency and extent of manipulation, the degree of collusion involved, the relative size of individual amounts manipulated, and the seniority of those individuals involved. We therefore design and perform audit procedures which respond to the assessed risks of material misstatement due to fraud.

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

Other information in the annual accounts

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

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

Report on other requirements

Opinions on matters prescribed by the Accounts Commission

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

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

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

Matters on which we are required to report by exception

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

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

We have nothing to report in respect of these matters.

The South East of Scotland Transport Partnership (SESTRAN)

INDEPENDENT AUDITOR'S REPORT (Contd.)

Conclusions on wider scope responsibilities

In addition to our responsibilities for the annual accounts, our conclusions on the wider scope responsibilities specified in the Code of Audit Practice are set out in our Annual Audit Report.

Use of our report

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

Karen Jones (for and on behalf of Scott-Moncrieff Audit Services)
For and on behalf of Scott-Moncrieff
Exchange Place 3
Semple Street
Edinburgh
EH3 8BL

Date:

Finance Officer's Report

1. Introduction

1.1 This report presents the first update on financial performance of the Core and Projects budgets of the Partnership for 2019/20, in accordance with the Financial Regulations of the Partnership. This report presents an analysis of financial performance to the end of August 2019.

1.2 The Partnership's Core and Projects budgets for 2019/20 were approved by the Partnership on 22nd March 2019.

2. Core Budget

2.1 The Core budget provides for the day-to-day running costs of the Partnership and includes employee costs, premises costs and supplies and services. The Partnership approved net expenditure of £584,000 on 22nd March 2019. Details of the Partnership's Core budget is provided in Appendix 1 to this report.

2.2 Cumulative expenditure for the five months to 31st August 2019 was £216,000. This is within the Core budget resources available for the period.

2.3 All expenditure estimates have been updated to reflect current expenditure commitments. At the end of August 2019, it is projected that expenditure for the year will be under spent by £31,000 due to a vacancy in the employee establishment earlier in the year. The post is now recruited and all other core expenditure is anticipated to be incurred in line with budget in 2019/20.

Projects Budget

2.4 The approved Projects budget is detailed in Appendix 2. The Partnership approved net Projects expenditure of £388,000 on 22nd March 2019. The Projects report elsewhere on this agenda provides detailed information on progress with individual projects.

2.5 Net expenditure to 31st August 2019 was £105,000. Net expenditure on the Projects budget is forecast to be in line with budget at the year-end.

Balances

2.6 The Partnership holds a balance of £40,000 due to slippage in the 2018/19 budget. At its meeting on 22nd March 2019, the Partnership approved, in principle, the under spend on the core and projects budget be carried forward to 2019/20 to be available for allocation to Sustainable and Active Travel projects; this subject to confirmation of the final audited outturn. Following the annual external audit, there is no change to the balance of underspend from 2018/19 and it is therefore recommended that the

underspend be utilised as funding for the Sustainable and Active Travel Grant Scheme. It is anticipated these funds will be fully spent in 2019/20.

Cash Flow

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

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

Date	Balance due to SEStran(+ve) /due by SEStran (-ve)
	£
30 April 2019	-£35,410
31 May 2019	-£46,363
30 June 2019	+£100,647
31 July 2019	+£182,923
31 August 2019	+£189,315

2.8 Interest is charged/paid on the month end net indebtedness balances between the Council and the Partnership. Interest will be calculated in March 2020.

2.9 The positive cash flow between June and August 2019 is attributable to funding received from Scottish Government grant and Council requisitions.

3 **Recommendations**
It is recommended that the Partnership:

3.1 Notes the forecast underspend of £31,000 on the core employee budget;

3.2 Approve, the 2018/19 underspend of £40,000 be utilised as funding for the Sustainable and Active Travel Grant Scheme, in line with the decision of the Partnership on 22nd March 2019.

3.3 notes that further updates will be presented to future meetings of the Partnership in 2019/20

Hugh Dunn
Treasurer
27th September 2019

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Appendix   Appendix 1 – Core Budget Statement at 31st August 2019
Appendix 2 – Projects Budget as at 31st August 2019

Contact   iain.shaw@edinburgh.gov.uk

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

	Annual Budget £'000	Period Budget £'000	Period Actual £'000	Annual Forecast £'000	Forecast Variance £'000
Employee Costs					
Salaries	365	152	126	344	(21)
National Insurance	41	17	17	39	(2)
Pension Fund	87	36	33	66	(21)
Recharges – Projects	(132)	(41)	(36)	(119)	13
Training & Conferences	10	4	1	10	0
Interviews & Advertising	2	0	0	2	0
	373	**168**	**141**	**342**	**(31)**
Premises Costs					
Office Accommodation	16	8	8	16	0
	16	**8**	**8**	**16**	**0**
Transport					
Staff Travel	**9**	**4**	**3**	**9**	**0**
Supplies and Services					
Marketing	20	8	0	20	0
Communications & Computing	48	22	17	48	0
Hosted Service - Routewise	42	42	42	42	0
Printing, Stationery & General Office Supplies	6	3	2	6	0
Insurance	4	0	0	4	0
Equipment, Furniture & Materials	1	0	0	1	0
Miscellaneous Expenses	4	2	2	4	0
	125	**77**	**68**	**125**	**0**
Support Services					
Finance	30	0	0	30	0
Legal Services / HR	7	0	2	7	0
	37	**0**	**2**	**37**	**0**
Corporate & Democratic					
Clerks Fees	12	0	0	12	0
External Audit Fees	11	0	0	11	0
Members Allowances and Expenses	1	0	0	1	0
	24	**0**	**0**	**24**	**0**
Total Expenditure	**584**	**257**	**216**	**553**	**(31)**
Funding:					
Scottish Government Grant	(394)	(207)	(207)	(394)	0
Council Requisitions	(190)	(190)	(190)	(190)	0
Total Funding	**(584)**	**(397)**	**(397)**	**(584)**	**0**
Net Expenditure/ (Income)	**0**	**(140)**	**(181)**	**(31)**	**(31)**

Projects Budget 2019/20 - as at 31ˢᵗ August 2019   **Appendix 2**

	Budget 2019/20	EU /Other Grant	Net Expenditure Budget	Net Spend to 31 August 2019	Forecast	Forecast Variance
	£'000	£'000	£'000	£'000	£'000	£'000
EU Projects						
Share-north	46	(23)	23	3	23	0
Regio-mob	18	(15)	3	1	3	0
Surflogh	52	(26)	26	12	26	0
Bling	36	(18)	18	6	18	0
Primaas	0	0	0	0	5	5
Connect	0	0	0	0	2	2
Total	**152**	**(82)**	**70**	**22**	**77**	**7**
RTPI						
Maintenance	60	0	60	0	60	0
Development	40	0	40	3	30	(10)
Income-screens		(20)	(20)	0	(10)	10
Total – RTPI	**100**	**(20)**	**80**	**3**	**80**	**0**
Regional Transport Strategy	65	0	65	1	65	0
Sustainable Travel	131	0	131	54	124	(7)
GO e-Bike	0	0	0	24	0	0
Urban Cycle Networks	232	(200)	32	90	32	0
Equalities Action Forum	10	0	10	(14)	10	0
Thistle Assistance	0	0	0	(75)	0	0
Total	**690**	**(302)**	**388**	**105**	**388**	**0**
Sustainable Travel - carry forward from 2018/19	40	0	40	0	40	0

Review of Governance Scheme 2019

1. INTRODUCTION

1.1 This report seeks approval, following proposed amendments of SEStran's List of Committee Powers.

2. BACKGROUND

2.1 The external audit into SEStran identified a risk that the Performance and Audit Committee may be perceived as not operating independently or providing effective scrutiny and challenge to officers. The audit findings recommended a review of the Governance Scheme to consider whether the Chair of the Partnership should be entitled to substitute for any member of the Performance and Audit Committee.

3. GOVERNANCE SCHEME

3.1 The proposed change to the List of Committee Powers addresses the concerns raised by External Audit, stating that the Chair of the Partnership will not be permitted to substitute for any member of the committee.

4. RECOMMENDATIONS

4.1 The Board are asked to:
- Repeal and approve the governance documents appended to the report to take effect from 28 September 2019;
- 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
20 September 2019

Appendix: List of Committee Powers

Policy Implications	As outlined in the report.
Financial Implications	None
Equalities Implications	None
Climate Change Implications	None

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
June 2018	Gavin King	1.1	FINAL	Succession Planning Committee remitted to prepare contingency and succession plans
September 2019	Gavin King	1.2	FINAL	Change to membership removing Chair's entitlement to substitute for any member.

List of Committee Powers

CONTENTS

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 not 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).

ANNUAL REPORT 2018/19

1.   INTRODUCTION

1.1   The purpose of this report is to inform the Partnership Board of SEStran's achievements during the 2018/19 financial year, by presenting a draft copy of the text proposed, to provide the basis of SEStran's Annual Report 2018/19.

2.   ANNUAL REPORT

2.1   The report focuses on the project portfolio and showcases the contributions that SEStran has made to the region over the last year, in line with the objectives of the RTS and the SEStran annual business plan.

2.2   Following Partnership Board approval, the Annual Report will be finalised for publication by the end of October. Continuing with previous years' precedence, the 2018/19 report will only be available in digital format and online with hard copies available on request.

3.   RECCOMMENDATION

3.1   The Partnership Board is asked to comment on the contents of the draft Annual Report 2018/19 and delegate the Partnership Director to finalise the design work with a suitable external agency for publication.

Jim Grieve
Partnership Director
20th September 2019

Appendix 1 – Draft Annual Report 2018/19

Policy Implications	None
Financial Implications	Design costs can be met from within existing budget.
Equalities Implications	Annual Report details SEStran's Equality Mainstreaming work.
Climate Change Implications	The Annual report highlights our Climate Change reporting publications and work on reducing the environmental impact of transport in the South East of Scotland.

2018-19 Annual Report

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- Events
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- Contact Information

(Note page numbers to be confirmed pending final publication formatting)

Foreword

The Government's review of the National Transport Strategy (NTS) continued throughout 2018/19 and the first draft of the new NTS has now been released for consultation.

The NTS sets out the policies that Scottish Government and its stakeholders will pursue over the next twenty years to ensure that Scotland's transport system delivers on four priority themes: promoting equality, protecting our climate, helping our economy prosper and improving our health and wellbeing, and to support the vision: To have a sustainable, inclusive and accessible transport system, helping deliver a healthier, fairer and more prosperous Scotland for communities, businesses and visitors.

Our own Regional Transport Strategy (RTS) is closely aligned to the NTS and through our own consultative processes will ensure it continues to provide a fit for purpose strategy for the south-east Scotland region. My role, as the Regional Transport Partnerships' (RTPs) representative on the Strategy Review Board has also continued and I am pleased to have been able to contribute to the review at that level.

As part of the review, a Roles & Responsibilities Working Group, including RTP representation, was established and charged with making recommendations for future transport governance. Their report promoted the merits of some form of regional governance, bringing together land use planning, economic development and transport which the RTPs have consistently maintained is an approach that is most likely to result in a successful sustainable transport strategy. This report is currently being considered by the Scottish Government.

Following successful bids to the government's Low Carbon Travel & Transport (LCTT) and the Scottish Enterprise "Can-do" funds of £300,000 and £150,000, respectively, work was taken forward in delivering more electric bike facilities at Innerleithen, Edinburgh, Musselburgh Eskbank and Dalkeith and in options to expand the scope of the Thistle Assistance Card. The latter is seeking input from the best entrepreneurial and technological expertise to develop journey planning facilities to be added to the Thistle Card App for those with disabilities.

Despite the ever-present mist of Brexit, SEStran achieved both an extension to our Share-North project, looking at the introduction of "Mobi-hubs" to create facilities for ride share using low-emission vehicles, including active travel options and success as a partner in a new project called BLING (Blockchain in Government). In partnership with Edinburgh University, SEStran is exploring the use of this technology for smart contracts in shared-use transport and freight delivery.

SEStran is currently a partner in six European projects that contribute to the work that SEStran undertakes in the region.

Significantly increased further work was carried out in association with Sustrans in developing new cycle schemes at various locations, including the Edinburgh Bioquarter, The Wisp to Sheriffhall, Winchburgh to KIrkliston and Kirkaldy to Buckhaven.

Further active travel schemes at the A701 in Midlothian, an innovative design approach ("LYDAR") at Musselburgh and Tranent and Larbert to Stirling (In partnership with our fellow RTP, Tactran) were also progressed with grant funding from Transport Scotland's Active Travel team.

Of concern to all of us involved in transport in Scotland, particularly those with a responsibility for rural areas, as I am, is the very evident decline in bus patronage, throughout the whole country. In order to at least initiate a process to try to reverse that trend, SEStran held a "Bus Congress" in

February 2019; bringing together politicians, bus operators, academics, Traveline and other stakeholders. Several presentations were given at this very well attended event and I look forward to progress on this topic in future. However, the aforementioned NTS review along with the Transport Bill currently going through parliament and the current Strategic Transport Projects Review (STPR 2) will all have a bearing on how this topic develops in future.

Our refreshed partnership Board is now well established and, at each quarterly Board meeting we have managed to include a presentation on a transport subject which has been the catalyst for a range of enthusiastic and constructive discussion among members which has helped to guide and inform our work programme. I would like to express my thanks to the members of the Board for their valuable contribution over the past year.

We have also seen very encouraging engagement with our stakeholders through our forums; Integrated Mobility, Freight and Equalities & Access to Healthcare.

Our officials re-introduced a "Rail Quarterly" with representation from Transport Scotland, Network Rail and Franchise Operators which is also proving to be a valuable engagement.

Both myself and the Partnership Director continued to represent the RTPs on the East Coast Mainline Association (ECMA) which seeks continued investment in the east coast main railway line and has an eye to the future on High Speed Rail for this side of the country and this body is now making itself heard in both UK and Scottish Government circles.

Very much in everyone's mind now is the re-write of the Regional Transport Strategy, which commenced at the very end of 2018/19. This is a fundamental duty of SEStran and will be a main focus of the organisation for the next couple of years.

We all look forward to the challenges ahead.

Cllr Gordon Edgar Chair

(Insert photo signature and twitter)

Introduction

About Us

SEStran is the statutory Regional Transport Partnership for the South East of Scotland. We are one of seven Regional Transport Partnerships in Scotland established under the Transport (Scotland) Act 2005. SEStran encompasses eight local authorities.

(Insert Map of Scotland with SEStran Region.)

SEStran Team

SEStran has a core staff of 9, and 1 Cycling Scotland embedded officer, as of April 2019:

- Business Support Assistant, Cheryl Fergie
- Business Manager, Angela Chambers
- Business Support Officer, Hannah Markley
- Partnership Director, Jim Grieve
- Head of Programmes, Vacant
- Programmes Manager, Keith Fisken
- Strategy Manager, Jim Stewart
- Project Officer, Julie Vinders
- Cycling Scotland Officer, Beth Harley-Jepson
- Active Travel Officer, Peter Jackson

Local Authority Partners

City of Edinburgh, Clackmannanshire, East Lothian, Falkirk, Fife, Midlothian, Scottish Borders and West Lothian.

Headquarters

SEStran's operational and administrative premises are based in Edinburgh at Victoria Quay.

Partnership Board

The board consists of 20 elected members from the partnership local authorities and nine appointed non-councillor members. The Partnership Board meet quarterly.

Partnership Board – Insert Names and Images as of August 2018

Non-Councillor Members – Insert names.

SEStran's Vision

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

Insert Transport Image

Aims

- Allowing all groups in society to share in the region's success through high quality access to services and opportunities including healthcare, education, public services and employment opportunities
- Reducing the number of commuter journeys by single occupancy vehicles within South East Scotland
- Maximising public transport provision and achieving public transport integration and intermodality
- Improving safety for all road and transport users
- Enhancing community life and social inclusion
- Maintaining existing infrastructure to a standard that ensures that it can be fully utilised
- Enhancing movement of freight, especially by rail and other non-road modes

Target

"By 2022, to reduce the percentage of people commuting to Edinburgh by single occupant car from each local authority area in South East Scotland by 10% compared to a 2001 base. For Edinburgh residents working out with the City Council area, to reduce their reliance on the single occupant car for commuting by 10% also over the same period."

What we do

SEStran participates in a diverse range of transport projects and events on a local, national and international scale. All our work is focused on delivering against our core strategic objective areas:

1. Economy – to ensure transport facilitates economic growth, regional prosperity and vitality in a sustainable manner
2. Accessibility – to improve accessibility for those with limited transport choice (including those with mobility difficulties) or no access to a car, particularly those living in rural areas
3. Environment – to ensure that development is achieved in an environmentally sustainable manner
4. Safety and Health – to promote a healthier and more active SEStran area population
5. Corporate – to continually improve performance to achieve greater efficiency and effectiveness in SEStran service delivery.

As with previous years in the 2018/19 Annual Report we have highlighted the relationship between our work and our strategic objectives with an icon, a number in a circle relating to the above and also the key priorities represented by each of the following icons:

Note to Designers: Where there is 'Insert Icon' can we have the number in a circle and can we develop an icon for the following – bus, train, active travel, car sharing, economy (pound sign)? This should be a list here with an explainer for each of the icons. Please discuss with Keith

What we do: European Projects *(new page)*

European Projects

SEStran is pleased to continue to be involved in working closely with European partners on innovative and progressive transport projects, contributing and sharing ideas to help benefit our own regional transport network.

SHARE North: **Shared Mobility Solutions for a Liveable and Low-Carbon North Sea Region (an Interreg North Sea Region project)** *insert icons*

The SHARE-North project is about promoting shared mobility as a form of sustainable transport and viable alternative to the private car. In 2018/19, SEStran promoted shared mobility through Tripshare SEStran as well as GO e-Bike, the regional e-bike sharing scheme in the South East of Scotland.

In October 2018, SEStran welcomed the SHARE-North partners to Edinburgh for a partner meeting. During the meeting, the project partners submitted an extension application of the project until December 2021. This extension was approved by the EU programme secretariat in December 2018.

The partner visit to Edinburgh coincided with SEStran's second Integrated Mobility Forum. The lead partner from Bremen presented the SHARE-North project and several other partners gave presentations on the importance of promoting shared mobility. The forum was attended by 45 delegates from various organisations, including bus and rail operators, local councillors, Transport Scotland, private companies, NHS and charities.

With the project extended for 2.5 years, SEStran plans to continue to promote shared mobility, focusing in particular on bringing the European concept of 'Mobihubs' (sustainable mobility hubs) to the South East of Scotland. More information can be found on: https://mobihubs.eu/ and https://share-north.eu/.

REGIO MOB (an Interreg Europe project) *insert icons*

The REGIO MOB project aims to promote sustainable travel by influencing relevant policy instruments. In the case of SEStran, the REGIO MOB project will address the re-write of the Regional Transport Strategy, the process for which has now officially started.

In 2018/19, REGIO MOB entered 'phase 2' of the project which involved implementing an Action Plan which was developed in April 2018. The Action Plan focused on monitoring the impact of the GO e-Bike scheme to improve sustainable mobility which built on the REGIO MOB knowledge exchange during phase 1 of the project. SEStran commissioned the Sustrans Research and Monitoring Unit to carry out an Active Travel Survey for the region, evaluating he levels of active mobility based on the P.A.S.T.A (Physical Activity Through Sustainable Transport Approaches) as presented by the Italian Lead Partner. The methodology aims to show how promoting active mobility (walking and cycling) can result in a healthier, more physically active population. The GO e-Bike First Year Report, which came out in April 2019, indicated that 33% of users replaced a daily car journey with a GO e-Bike trip. In addition to the Sustrans Audit report, SEStran is planning to carry out a survey at St Andrews University to research the relationship between active mobility and health following the implementation of the GO e-Bike hub.

The findings from this work will be used to inform the re-write of the Regional Transport Strategy, for which a Main Issues Report will be produced in 2019/20.

SURFLOGH: Sustainable Urban Logistics Hubs (an Interreg North Sea Project) *insert icons*

SURFLOGH aims to improve the role of logistics hubs in the network of urban logistics through connecting long-distance freight transport and last mile distribution in strategically located urban freight centres.

The whole area of last mile deliveries is part of the wider concept of city logistics, which concerns the public and private planning and management of urban logistics. The City Logistics concept has emerged as a comprehensive approach aimed at attempting to mitigate the negative impacts of urban freight transportation without penalizing many economic, social, administrative, cultural, touristic, and other activities.

SEStran are leading on a work package along with Edinburgh Napier University Transport Research Institute (TRI), developing business models for urban freight hubs. These business models will focus on the scalability and applicability of models for different locations and circumstances. The first stage of this research was presented at the 2019 STAR Conference in Glasgow in May 2019.

At the regional Logistics & Freight Forum in November 2018 SEStran, Edinburgh Napier University & ZEDIFY launched an e-cargo bike pilot for Edinburgh, this will trial the impact of city logistics in the centre of Edinburgh.

Work was initiated last year by SEStran and Edinburgh Napier University to host the mid-term conference in Edinburgh in May 2019. An opportunity for project partners to promote their work and engage with delegates from Scotland, the rest of the UK and Europe.

https://northsearegion.eu/surflogh/about/

BLING: Blockchain in Government

SEStran and the Centre for Design Informatics at the University of Edinburgh are collaborating on a project exploring opportunities around Blockchain technology developing practical transport focused applications for the technology with the development of a pilot project in the South East of Scotland.

Blockchain is a key enabling technology that will underpin efforts to deliver innovative services under the Digital Agenda for Scotland and Europe. Blockchain promotes user trust by making it possible to build systems that share information and record transactions in a verifiable, secure and permanent way. Based on a 'distributed ledger', blocks of information are chained together with cryptography to produce a system that stores, manages and verifies information.

The team at Design Informatics supported by SEStran began prototyping ways to create Location Based Smart Contracts – agreements about the location and relations of smart objects in space that allow conditions such as proximity or co-location to trigger actions like financial transfers or opening physical locks. These systems are backed with blockchains, to explore new techniques for making location data secure without being invasive.

In March 2019 Design Informatics & SEStran introduced experts to smart contracts through the BLING GeoPact demonstrator. Transport and technology experts visited the University of Edinburgh for a hands-on demonstration of location-based smart contracts.

The demonstration took place at the Bayes Centre and took participants through the process of completing smart contracts for delivering goods, by visiting various specially designated locations.

(Insert Bling Logo/Image/Interreg Logo)

SEStran submitted two further European funded applications this year, **CONNECT** focussed on best practice and sustainability in port environments and **PriMaaS** which is focused on integrating Mobility as a Service (MaaS) solutions into policy development.

(Insert image)

What we do: Changing Travel Behaviour *(note larger headline text on each page in this section)*

Tripshare *insert icons*

This year, SEStran has continued to work with local authority partners and Liftshare to encourage sustainable travel through car-sharing in the SEStran region. Particularly where active travel or public transport is not viable, car-sharing offers a sustainable solution for commuters in an attempt to reduce the number of single occupancy cars on the road. During the financial year 2018/19, Tripshare SEStran gained 482 new members, bringing the total membership up to 8,675 at the end of March 2019.

Tripshare SEStran was promoted to the general public, particularly during National Liftshare week from 24th September to 14th October, during which new and existing members had a chance of winning an annual cinema pass.

The Tripshare SEStran platform was presented at the '*Carpool Addict'* event in Brussels in February 2019, as part of the SHARE-North project. Tripshare SEStran is recognised in the SHARE-North project as a viable alternative to the private car and key element of shared mobility. The platform contributes to reducing the number of cars on the roads, which remains a high priority for SEStran.

 (Insert Tripshare logo and car share image)

Thistle Assistance Programme <mark>insert icons</mark>

In 2018/19 SEStran undertook further work with transport providers, older and disabled people and our Equalities Forum, to better understand the problems and worries faced by many when using public transport with the aim of developing and expanding the Thistle Assistance Programme.

This work was supported by the Thistle Assistance Programme being acknowledged in Transport Scotland 'Going Further: Scotland's Accessible Travel Framework'[1] for being at the forefront of providing 'good assistance' by recognising and supporting the needs of disabled people and ensuring transport staff understand their needs. SEStran continues working in partnership with government, transport providers, disability groups and citizens aims to encourage the roll-out of the Thistle Card throughout Scotland by increasing awareness of the programme and providing training tools for transport providers.

In March 2018 SEStran applied for funding from the Scottish Enterprise Can Do innovation fund to develop the Thistle Assistance Journey Planner – door to door journey information for people that have difficulty using public transport.

The project seeks to identify and understand in detail the barriers faced by commuters with protected characteristics when travelling and journey planning. Five developers were successful in applying for the £150,000 funding available and are working on the first stage of the project which is due to finish in October 2019.

SEStran in December 2018 was successful with a £30,000 bid to Transport Scotland's Accessible Travel Fund. SEStran will be using the funding to develop increased awareness of the Thistle Assistance programme through the development of a standalone website and promotional campaign building on the past work undertaken by SEStran.

The key objectives for the Website and Awareness Campaign are:

- to give easy access to all information about the Thistle Assistance Programme.
- promote the programme benefits
- explain who is eligible
- explain how people can request the card and download the App
- provide information on other ways to get involved in the project

We continue working with key Transport Providers (ScotRail, Lothian Buses/Trams, Stagecoach, First East Buses) Transport Scotland and other stakeholders to explore how the new Thistle Assistance approach can be integrated into their existing processes to improve awareness of the issues faced by customers, how to spot them and then how to engage and help.

(Insert image and logo)

Hate Crime Charter <mark>insert icons</mark>

SEStran is involved in a working group with Disability Equality Scotland, Police Scotland and Transport Scotland to develop a Hate Crime Charter for public transport as a key outcome of Transport Scotland's Accessible Travel Framework. The Charter is for transport operators to sign up to, pledging their commitment to tackling hate crime. The aim of the working group is to trial the Charter first on a regional basis, with the aim of rolling it out nationally. Between June and December 2018, three consultation events were held in Fife, Clackmannanshire and West Lothian.

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[1] https://www.transport.gov.scot/publication/going-further-scotland-s-accessible-travel-framework/

Various representatives from equalities groups, local authorities, and transport operators attended the events. The findings from these three events were put into a draft Charter.

The next steps for the working group will be to implement the Charter in collaboration with operators and is tailored to be best fit for purpose with the ultimate aim to reduce hate crime on public transport.

(Insert Police Scotland/Disability Equality Scotland/Transport Scotland logo)

Real Time Passenger Information (RTPI) *insert icons*

SEStran is partnering with the City of Edinburgh Council (leading) on the development of a new Content Management System (CMS) for regional RTPI delivery. The procurement process started with the work out for tender with the City of Edinburgh Council managing the tender process. Depending on the award process and new contractor, it is hoped that the new CMS will be in place in 2019/20.

Using Traveline data via a website set up, SEStran has been able to improve the quality and the reliability of information delivered via the screen network outside of the Lothian Bus network with a successful test at the Galashiels Interchange. SEStran will be able to implement this solution at key sites, subject to funding availability, until the new CMS is operational.

The promotion of the digital screens displaying RTPI continued throughout the year with several new sites across the region using the screens.

(Insert RTPI Images)

GO e-Bike *insert icons*

SEStran launched GO e-Bike in April 2017 with the aim of increasing usage and awareness of power-assisted cycling across the South East of Scotland and beyond. The launch projects continue in St. Andrews, Buckhaven, West Lothian, and the 'Try a GO e-Bike Roadshow'. It was great to see people engaging with the project and at time of writing a total of just over 1000 trips have been made over the year.

GO e-Bike aims to promote a healthier more active population, reduce inequalities in our communities and improve our environment. In order to enhance this aim, SEStran successfully bid for £300,000 from the Round 2 Low Carbon Travel and Transport funding from Transport Scotland, to create active travel hubs across the region. The hubs will be set up in Granton (Edinburgh), Innerleithen (Scottish Borders), and a series of connected hubs in Dalkeith, Eskbank, and Musselburgh.

The Scottish Government is 'stepping up promotion of the use of electric bicycles, including financial support to ensure many people can benefit from active travel'. SEStran is helping to deliver on this vision as GO e-bike expands and promotes the benefits to communities throughout the region.

(Insert GO e-Bike logo/ERDF/TS Logos)

ReCYCLEd Signs

Re-CYCLEd Signs engages with children from schools in the SEStran region to design and build imaginative, vibrant signs for existing walking and cycle routes and is designed to involve young

people, and their families, in cycling and walking as an enjoyable healthy choice, not just a fun activity, but also as a safe option for travelling to school or to clubs.

SEStran has been working with BikePunks, a community project based in the Scottish Borders which promotes the upcycling of bike parts which are donated by the local community. Through youth work, they actively encourage young people to come and learn the skills of bike maintenance, metalworking, creating artworks, and the process of design.

The project promotes awareness of the active travel routes in the SEStran region, creating even more accessible active travel opportunities for citizens and developing unique artwork which will enhance our communities.

The first four signs are located at Falkirk High, Falkirk Grahamston and Eskbank Stations and at Jarnac Court in Dalkeith highlighting the active travel links and encouraging the use of active travel as a means of inter-modal connectivity to rail.

SEStran received £5,000 grant funding from the ScotRail Cycle Fund to help with the project and in 2019/20 will be looking to place more ReCYCLEd Signs at key locations in the region.

(Insert sign image/BikePunks/ScotRail Logos)

What we do: Consultation Responses *(note larger headline text on each page in this section)*

SEStran contributes every year to consultations at a local, regional and national level on a wide-ranging series of transport related topics.

Borders Transport Corridors – Pre-Appraisal Report

In May 2018 SEStran submitted a response to a study that considered the accessibility for Scottish Borders communities and settlements whilst exploring 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.

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.

Transport (Scotland) Bill

In September 2018 SEStran responded to the Transport (Scotland) Bill introduced by the Cabinet Secretary for Finance and Constitution, Derek Mackay MSP, in the Scottish Parliament on 8 June 2018. The Bill addresses a number of Scottish Government commitments from the 2017-18 Programme for Government. The Bill aims to empower Local Authorities and enable them to implement future commitments as set out in the Programme for Government.

Falkirk Local Development Plan 2

In September 2018, SEStran received Falkirk's proposed Local Development Plan 2 (LDP2). The LDP2 sets out a broad vision and strategy for the area for the 20-year period from 2020 to 2040. The Proposed Plan provided a detailed and comprehensive overview of development planning in the Falkirk area. SEStran's comments were supportive in nature, and it is hoped that the suggestions will add to the contents of the LDP2.

Scottish Law Commission – Automated Vehicle Consultation

In February 2019, SEStran contributed to the Scottish Law Commission's consultation on automated vehicles. The consultation was aimed at reviewing the UK's regulatory framework for the safe deployment of automated vehicles.

Proposed December 2019 TransPennine Express timetable

In December 2018 SEStran contributed to the stakeholder consultation document to support Transport for the North and partners in Scotland in understanding the proposed timings of trains and frequency of services planned for December 2019.

George Street and First New Town Design Project – Consultation Response

In January 2019 SEStran submitted a response to the designs proposed by the City of Edinburgh Council. The concept design aims to enhance the environmental and heritage quality of the streets in the First New Town.

Transportation Noise Action Plan (TNAP) 2019-2023

In January 2019 SEStran responded to the above consultation supporting the overall approach to the incorporation of noise management into all transport related activities and the management of noise levels where this is necessary. However, SEStran noted that it would need to be established who is responsible for this work and what the roles are of relevant stakeholders.

RURAL ECONOMY AND CONNECTIVITY COMMITTEE RESTRICTED ROADS (20 MPH SPEED LIMIT) (SCOTLAND) BILL

SEStran, in line with its objectives laid out in our Regional Transport Strategy (RTS) responded in January 2019 to the above consultation stating that the available evidence demonstrates that a change to the default speed limit to 20mph on restricted roads will improve safety for all road and transport users and as such achieve the aims of the bill.

The aims of the bill align strongly with SEStran's key objectives relating to safety and health for the South East of Scotland including:

- ✓ Improve safety
- ✓ Reduce accidents
- ✓ Increase trips by walk/cycle
- ✓ Improve air quality
- ✓ Reduce transport noise

(Insert 20mph image)

What Else Have We Been Doing? *(new section with large title on each page)*

Active Travel Projects 2018/19 insert icons

The Regional Cycle Network Grant Scheme continues the partnership between Sustrans Scotland and SEStran's commitment to delivering improvements to the cross-boundary utility routes. Expanding on a previous application in 2016/17, funding was granted to the Edinburgh BioQuarter partners to progress detailed design on an active travel corridor from Cameron Toll to the BioQuarter.

SEStran secured further funding for feasibility studies from Sustrans Community Links funding. Three studies investigated strategic links in the region: Winchburgh to Kirkliston, connecting West Lothian to Edinburgh Airport; Sheriffhall to the Wisp, enhancing upon work at the BioQuarter, into Midlothian; and Kirkcaldy to Buckhaven, connecting communities in Fife in areas of multiple deprivation.

In 2018 the Regional Transport Partnerships lobbied for further funding and gained the Regional Active Travel Development Fund from Transport Scotland to facilitate projects promoting sustainable cross boundary travel. SEStran proposed three projects, a feasibility study of sustainable transport prioritisation and improvements on the A701 in Midlothian; a feasibility and concept design study for a cycling route between Larbert and Stirling in partnership with Tactran; and developing detailed designs for Musselburgh, Tranent, and North Berwick using 3D video models. These projects were due for completion in summer 2019.

SEStran was successful in a bid to the Smarter Choices Smarter Places Open Fund in November 2018 and was awarded £13,650 in match funding to collect travel data in and around Edinburgh through the TravelVU app developed by Trivector Traffic AB. The aim of the project was to gather data on travel behaviours using smart phones as individuals make journeys and describe the purpose or destinations. The project began in March 2019 and will be completed in summer 2019.

(Insert active travel image)

Regional Transport Strategy 2

It was agreed at the March 2019 SEStran Partnership Board that SEStran would develop a '*main issues*' report to inform the development of the next Regional Transport Strategy (RTS) this work will begin from April 2019.

(Insert Partnership working Image)

Electric Vehicle & Mobility Strategy

In addition to the re-write of the Regional Transport Strategy, SEStran has started working towards the development of an Electric Vehicle Strategy for the South East of Scotland. The strategy will be an integral part of the new RTS and will aim to address the barriers to EV uptake and the challenges faced by local authorities when implementing EV infrastructure.

Not only will the EV strategy focus on electric vehicles, but on electric mobility in general, covering e-bikes and e-cargo bikes as well, incorporating the learnings from SEStran's projects including GO e-Bike, REGIO MOB and SURFLOGH.

(Insert EV Image)

TravelKnowHow Scotland *insert icons*

In 2018/19 SEStran continued to support TravelKnowHow Scotland. TravelKnowHow is an online resource which offers organisations across Scotland easy access to a wide variety of tools to implement workplace Travel Plans and reduce the negative impact of single occupancy car journeys. Supported by Scotland's seven Regional Transport Partnerships and funded by Transport Scotland. TravelKnowHow Scotland supports and contributes directly to the Scottish Government's Low Carbon Scotland ambition for decarbonising transport.

TravelKnowHow Usage figures in 2018/19:

- *55 new registrations during the 2018/19 period*
- *Total registrations 272 (as at end of March 2019)*
- *Of the 55 new registrations 27% were from the SEStran Region*
- *Of those registrations: 76.9% were from the public sector & 23.1% were from the private sector*

(Insert TravelKnowHow logo)

Working in Partnership with Cycling Scotland

SEStran's Regional Cycle Training and Development Officer (RCTDO) continued to support Bikeability Local Authority Co-ordinators over this year. The results from the last academic year had shown an increase in schools delivering cycle training and more pupils than ever taking part. Strong progress was seen in Clackmannanshire, where a pilot for paid professional delivery was used. They achieved delivery of Level 2 on-road cycle training in 100% of their schools.

In March 2019 a Bikeability volunteer conference was held in Edinburgh for the East of Scotland where coordinators shared best practice and participated in professional development and training to support delivery. Following on from this conference and the annual coordinators meeting held in Glasgow, a new SEStran coordinators meeting has been set-up to improve collaboration and sharing of knowledge and resources at a regional level. This meeting will be held on a quarterly basis. In addition, an online platform was set-up to support coordinators to collaborate at a national level.

A new Bikeability Scotland strategy was developed for a more flexible approach to delivery and to better support volunteers this will be further developed through 2019 and pilot projects will be implemented.

The RCTDO attended networking and conference events promoting the programmes of SEStran and Cycling Scotland.

(Insert Cycling Scotland logo)

Improving Rail Infrastructure *(Section Heading)*

Insert rail image

Local Rail Development Fund

As part of the programme for government Transport Scotland launched the Local Rail Development Fund (LRDF), with £2,000,000 made available to fund projects that will enhance Scotland's rail connectivity. The LRDF aligns with Scottish Government's Rail Enhancement and Capital Investment Strategy.

In June 2018 SEStran & Fife Council supported a successful bid from the Newburgh Train Station Group for the first phase of funding. £82,000 (exc. VAT) was secured to undertake a multi-model

transport appraisal in the Newburgh area with SYSTRA appointed to undertake the work in December 2018. Phase 1 – the Initial Case for Change was due to be completed in April 2019 with a report submitted to Transport Scotland (TS) for review. Further work will be undertaken in 2019 to develop a detailed case for change and outline business case.

Levenmouth Rail Link

SEStran continues to support the Sustainable Transport Study work being undertaken by Transport Scotland on the re-opening of the rail link. The detailed appraisal work that has been carried out suggests that improved transport links, which give Leven a direct rail link to the capital, will lead to an enhanced local economy, bringing better access to employment and education and the potential for new investment. Parts of the Levenmouth area are currently ranked amongst the most deprived in Scotland (Scottish Index of Multiple Deprivation - SIMD 2016). Easier and more sustainable travel options will make it easier for people to reach hospitals, schools and visit other areas of the country as well as giving better access to Levenmouth.

Note: At time of publication the Sustainable Transport Study was completed by Peter Brett Associates with a report going to Scottish Government for consideration.

Following this assessment of transport links in the area, the Cabinet Secretary for Transport, Infrastructure and Connectivity announced in August 2019 that the reopening of the link to Levenmouth and the rail network is to be taken forward to the next stage of development alongside new bus and active travel provision.

https://www.transport.gov.scot/news/levenmouth-on-track-for-rail-investment/

What we do events *(new title on each page of this section)*

Formal Partnership Meetings *insert icons*

The Partnership Board met quarterly over the reporting period and in addition to dealing with standard business, officers have introduced a presentation/discussion item for each meeting. Topics have included active travel, bus travel, rail updates from ScotRail and Transport Scotland and Edinburgh City Centre Transformation.

These have generated valuable discussion from a regional perspective and have gone on to provide input into our forum groups.

SEStran hosts three different forums which are all held twice a year. The aim of these forums is to provide a platform for interested parties to come together and to provide a regional voice in various transport-related matters. The forums are a mechanism for consulting with regional stakeholders in addition to those represented by members and advisors around the board table of SEStran.

The Integrated Mobility Forum seeks opportunities to improve integrated mobility across the region and provide a consultative role to Transport Scotland in the context of Integrated Mobility, Travel Planning and seeking funding to support future opportunities. The forum also aims to promote public transport and access to transport interchanges, as well as reducing single occupancy car journeys.

The Logistics and Freight Forum aims to support economic growth and resilience across the South East of Scotland by developing, promoting and implementing sustainable business and distribution solutions. This will be carried out via constructive partnership between local authorities, government agencies, business and representative groups. The forum will provide a unified, regional voice in working with organisations such as Transport Scotland, Network Rail and ports, and aims to have a balanced range of views which represents the interests of those involved.

Finally, the SEStran Equalities Forum and Access to Healthcare Forum is the primary stakeholder and officer group, chaired by the Partnership Director, to deliver our Equality Outcomes and legislative requirement to consult Health Boards and those who represent those with, or share a protected characteristic.

(source and insert image)

Tweedlove Bike Festival *insert icons*

In June 2018, SEStran supported the 'TweedLove Bike Festival', and in particular the Family Ride, which has become a local legend in the area after yet another successful year. GO e-Bike was present in the festival village displaying e-bikes for the public to trial with activities for children and adults alike. Community partners were on hand to demonstrate and promote the benefits and accessibility that e-bikes bring to personal mobility.

The GO e-Bike Family Ride, Tweedlove 2018 *insert icons*

Rolling into Peebles for another year in June, the GO e-Bike Family Ride event returned. SEStran was proud to be back sponsoring Tweedlove for 2018, as inclusive events like the Family Ride make cycling accessible to people of all ages and abilities. The ride encourages families and friends to get together and cycle in a relaxed environment for a car free pedal through Peebles.

The event adopted a new format with a led ride around the town that was open for anyone to come along and have a go at their own pace, finishing at a town park for an open-air cinema showing. As well as being lots of fun, the event helps to deliver SEStran's aims to enable and support more people to travel actively in their own communities, to promote social inclusion and enhance community life.

The Tweedlove Bike Festival, based in the Scottish Borders, runs from May to September each year. For more information about the festival visit: http://www.tweedlove.com

(insert Tweedlove logo and Festival pictures)

Regional Rail Liaison Meeting *insert icons*

In February 2018 SEStran along with Transport Scotland, Network Rail and ScotRail convened the first quarterly South East Scotland Regional Rail liaison meeting. The meeting had an agenda centred on the key rail issues within the SEStran region. The meeting was an opportunity to share information with key stakeholders to better understand problems, identify challenges and opportunities, and improve the delivery of rail services across the South east of Scotland.

East Coast Mainline Authorities (ECMA) *insert icons*

ECMA and its secretariat are now well established. Both SEStran's Chair and Partnership director are currently representing the Regional Transport Partnerships (Tactran, Nestrans & Hitrans) with an interest in the east coast mainline as ECMA Vice Chair and Officer Group representative, respectively.

A study to illustrate the economic benefits of the line to the entire UK was carried out in 2016. A further piece of work to update that study was initiated in 2018/19. When complete, the findings will be used to inform a range of lobbying initiatives aimed at both the UK and Scottish Governments to try to ensure that the necessary investment on this essential piece of national infrastructure is made.

(Insert ECMA logo and rail image)

More Updates Other Programs and Policies *(new section header)*

Equalities and Diversity

SEStran has been preparing its Mainstreaming and Equalities Outcomes Progress Report for the period 2017-19, which is required to be published by 30 April 2019.

During the reporting period SEStran have engaged with our legal advisers to ensure full compliance with our obligations under the Public Sector Equalities Duties. Some of the actions undertaken during the reporting period are:

Staff Engagement

SEStran has improved how it engages and supports its employees and during 2018 reviewed and updated the annual equalities monitoring form. The form is more detailed and provides a much clearer picture, in terms of protected characteristics. The recruitment equalities monitoring form has also been updated to capture far more information.

In May 2018 staff attended Equate Scotland's Positive Language and Unconscious Bias training. Further training on the Equality Act and 2012 Regulations, specifically tailored to SEStran, setting out its responsibilities was delivered in March 2019. Staff also have access to online equalities and diversity training modules.

Non-Councillor Member Board Appointments

SEStran consulted with Equate Scotland, Changing the Chemistry and Stonewall to develop an all-inclusive application process to attract a wider range of applicants for the Non-Councillor Board Member vacancies. Appointments were made in June 2018 and this has resulted in a gender balance of the Non-Councillor Members.

Disability Confident Scheme

SEStran signed up to the Government's Disability Confident scheme in February 2017 as a commitment to pursuing our equalities outcomes. Since receiving our first "Disability Confident Committed" certificate we have now, in 2018, progressed to the level 2 status of "Disability Confident Employer" by pledging to implement the core actions and activities outlined in the scheme guidance.

Equate Scotland – Careerwise

SEStran worked in partnership with Equate Scotland through its Careerwise scheme, which supports women in STEM. An eight-week student placement was provided during summer 2018.

Cyber Security

In order to comply with the Scottish Government's Public Sector Cyber Security Action Plan, SEStran carried out a robust review of its IT provision. Under the scheme, an independent cyber security consultant was appointed in 2018 and audited the partnership's IT environment. The outcome of this audit was SEStran being awarded Cyber Essentials Plus accreditation.

Regional Transport Strategy (RTS) Monitoring *(new section header)*

SEStran's original Regional Transport Strategy (RTS) was approved in March 2007 and covered the period from 2008 until 2015. The strategy was subject to a refresh in August 2015 and now covers the period from then until 2025.

The RTS 2015 represents an update of the RTS 2008, rather than a new strategy. The vision, objectives and policy framework of the strategy remain unchanged and the various chapters have been revised only where necessary, in order to take account of the most recent data and information, as well as the more detailed strategy development that SEStran has undertaken since 2008. The substance of the strategy and suggested interventions remain unchanged.

(Insert Kelpies Image)

Appendix: Annual Accounts and Reports

Annual Accounts

SEStran's Annual Accounts can be accessed online here:

[INSERT LINK TO ACCOUNTS]

Climate Change Report

Part four of the Climate Change (Scotland) Act 2009,places duties on public bodies to act in the way best calculated to contribute to the delivery of emissions reduction targets, to help deliver any statutory climate change adaptation programme, and in a way that they consider is most sustainable. The act came into force on 1 January 2011. Following the introduction of an Order by Scottish government in 2015, all 151 public bodies that appear on the 'Major Player' list must submit an annual report to the Sustainable Scotland Network (SSN), detailing their compliance with the climate change duties.

[INSERT LINK]

Public Services Reform Act

The Public Services Reform (Scotland) Act 2010 (Sections 31 and 32) imposes duties on Scottish public bodies to publish financial information as soon as is reasonably practicable after the end of each financial year. This statement is produced annually by the South East of Scotland Transport Partnership (SEStran) to ensure compliance with the requirements of the Act. It can be accessed online here:

[INSERT LINK}

Community Empowerment Act

SEStran is a listed public authority under the Community Empowerment Act and one of our duties under the Act is to consider requests from the community. Participation Requests can help groups from the local community (a community-controlled body) to liaise with SEStran and other listed authorities on improving issues in an area. We welcome requests from groups that can aid SEStran in delivering its strategic functions in the South East of Scotland. To gain more information on how to place a request, please follow the link:

sestran.gov.uk/corporate/ participation-requests/

Public Records Act

SEStran is required under the terms of Section 1 of the Public Records (Scotland) Act 2011 to produce a Records Management Plan, setting out proper arrangements for the management of its records and to submit this to the Keeper of the Records for approval. SEStran submitted its RMP in January 2011 and it is available here:

sestran.gov.uk/wp-content/ uploads/2017/06/SEStranRecords-Management-Planv2.0.pdf

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NATIONAL TRANSPORT STRATEGY (NTS2)

1. INTRODUCTION

1.1. The National Transport Strategy (NTS2) a Draft Strategy for Consultation[1] was issued by Scottish Government on 31 July 2019. Scottish Government have asked for views on the proposed draft NTS2 by 23 October 2019.

1.2. The purpose of this report is to advise the board of the content of the draft strategy and discuss the proposed SEStran response.

2. STRUCTURE OF THE DRAFT NTS2

2.1. The draft NTS2 has five sections as outlined below.

A vision for transport in Scotland;
Current and emerging challenges;
Meeting the challenges;
Transport governance; and
What we will do.

2.2. Chapter 2, The vision for transport in Scotland is given below.

"We will have a sustainable, inclusive and accessible transport system, helping deliver a healthier, fairer and more prosperous Scotland for communities, businesses and visitors."

The vision is underpinned by four Priorities, each with three associated Outcomes. The vision will be the basis upon which Scottish Government take major strategic decisions and evaluate the success of transport policies going forward. All four Priorities are interlinked to deliver the vision.

The four priorities and their associated outcomes from the Strategy are listed below.

1. Promotes equality:
   Will provide fair access to services we need;
   Will be easy to use for all; and
   Will be affordable for all.

2. Takes climate action:
   Will adapt to the effects of climate change;
   Will help deliver our net-zero target; and
   Will promote greener, cleaner choices.

3. Helps our economy prosper:

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[1] https://www.transport.gov.scot/media/45149/national-transport-strategy-draft-for-consultation-july-2019.pdf

Will get us where we need to get to;
Will be reliable; and
Will use beneficial innovation.

4. Improves our health and wellbeing:
   Will be safe and secure for all;
   Will enable us to make healthy travel choices; and
   Will help make our communities great places to live.

2.3. Chapter 3, Current and emerging challenges identifies and discusses a number of positive trends in Transport in recent years. Notwithstanding these positive developments, the draft NTS2 acknowledges that Scotland's transport system continues to face a number of challenges: many people encounter problems when trying to access the services they need; businesses still face congestion and delays when reaching their customers; and vehicles continue to emit greenhouse gases and pollute the places we live and work.

NTS2 identifies a number of challenges that the strategy needs to address and these are listed below.

Poverty and child poverty
Social isolation
Gender inequalities
The changing transport needs of young people
Ageing population
Disabled people
Scotland's regional differences
Global climate emergency
Technological advances
Air quality
Decline in bus use
Productivity
Labour markets
Fair work and skilled workforce
Trade and connectivity
Freight
Tourism
Digital and energy
Spatial planning
Reliability and demand management
Safety and security
Health and active travel
Information & integration
Resilience

There is significant discussion and links to evidence within the draft NTS2, to support these main issues associated with the challenges and their inclusion as factors to influence the strategy.

2.4. Chapter 4, Meeting the challenges, proceeds to identify 14 high-level policy statements of intent aimed at achieving the vision and outcomes. Further detail is

provided through a series of enablers which represent mechanisms for delivering the high-level policies.

38 enablers are identified and the full list of policies and enablers is included as appendix 1.

The Policies and Enablers were tested, using a Scenario Planning Tool, to understand how they perform under different plausible futures. These futures include a range of different scenarios, such as where the economy is weak or strong, where society is less or more equal, where the environment has or has not addressed the effects of climate change, or where we have a healthy or unhealthy population that takes high or low levels of active travel. The aim is to understand how effective policies are under different futures and how flexible the policies can be changed as the future changes.

2.5. Chapter 5, Transport Governance – democracy, decision-making and delivery, discusses at a very strategic level how transport is delivered in Scotland. This work was undertaken by a Roles and Responsibilities Working Group as part of NTS2.

The following key challenges were identified and need to be addressed:
- financial constraints limiting investment at a regional and/or local level;
- lack of support for all transport modes;
- limited resource capability and skills;
- difficulties working across boundaries and responsiveness to local needs;
- disconnect between long-term goals and short-term action;
- mixed local accountability, overall leadership and influence;
- complex governance arrangements;
- lack of ongoing maintenance of assets;
- inconsistent and/or unclear accountability;
- disconnect with Planning, Economic and Health agendas;
- lack of clarity on roles and responsibilities, particularly for the public; and
- responsiveness to the conflicting pressures of business/public sector.

The Roles and Responsibilities Working Group made three broad recommendations to the Scottish Ministers:

1. The case for change has been made and that the current arrangements are no longer sustainable;
2. Our future transport governance arrangements should be on the basis of some form of regional model allowing for variations in approach between different geographic regions; and
3. Governance is a complex issue, and further work needs to be done to develop a model for future transport governance in Scotland that is capable of being implemented.

Scottish Ministers agreed with the recommendations made by the Group and propose that further collaborative work to look at implementable models will follow on from this consultation to ensure we successfully achieve better outcomes for our citizens, communities, and businesses.

From a transport perspective, a regional approach to governance provides an effective means of addressing cross-boundary issues and reflecting travel to work

catchments. Moreover, a strong regional approach to transport together with alignment with economic, planning, marine planning, and housing objectives supports approaches to place-shaping.

2.6. Chapter 6, What we will do, outlines that all stakeholders involved in Transport have a role to play in delivering the Strategy and making it a success. However, in particular NTS2 identifies what action Scottish Government will take. In order to deliver the Strategy, the Scottish Government will take immediate action in three key areas: Increasing Accountability; Strengthening Evidence; and Managing Demand.

It is proposed to establish a Transport Strategy Delivery Board and Transport Citizens' Panels to increase accountability.

In terms of managing demand it is proposed to embed the Sustainable Travel Hierarchy in decision making, promoting walking, wheeling, cycling, public transport and shared transport options in preference to single occupancy private car use. In doing so Transport Scotland will review and update the Scottish Transport Appraisal Guidance (STAG) and investment decision-making processes.

2.7. NTS2 is a crucial piece of national policy and the above summary seeks to provide board members with the key information within the Strategy to enable them to make informed comment on the Strategy. Some discussion on some key aspects of the draft NTS2 now follow.

3. CONSIDERATION OF KEY ELEMENTS OF NTS2

3.1. A number of key areas within the strategy will now be discussed in turn.

4. SUSTAINABLE TRAVEL HIERARCHY AND SUSTAINABLE INVESTMENT HIERARCHY

4.1. An important element in the draft strategy that will impact on future investment decisions is that the Sustainable Travel Hierarchy will be embedded into the decision making process, promoting walking, wheeling, cycling, public transport and shared transport options in preference to single occupancy private car use. The sustainable travel hierarchy is represented below.

Prioritising Sustainable Transport
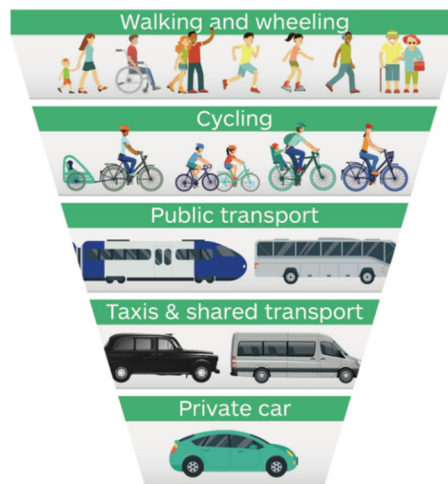
4.2. The primary purpose of this hierarchy is to seek to influence and manage transport demand.

4.3. Overarching this demand management approach is the adoption of the Sustainable Investment Hierarchy which will be used to inform budgetary decisions at a national level. The Sustainable Investment Hierarchy is shown below.

4.4. The combination of these two hierarchies should result in national investments that favour active travel modes and sharing above single occupancy private car use.

4.5. Whilst individual local authorities can develop and deliver policies or interventions in support of the delivery of the national strategy and hierarchies at a local level, the success of the NTS will to a large extent depend upon the successful delivery of wider transport demand management strategies and measures at a regional level. The wider travel to work areas of our major towns and cities broadly match our established, statutory RTP areas. The increase in regional travel to work demand has significant cross boundary impacts that are best considered, and co-ordinated, at a regional level through the RTP bodies.

5. GOVERNANCE ARRANGEMENTS

5.1. Section 2.5 of this report covers the discussions within the NTS of the issue of Transport Governance. SEStran welcomes the acknowledgement with the NTS that a case for change has been made and that the current transport governance arrangements are no longer sustainable.

5.2. SEStran agree that future transport governance arrangements should be on the basis of a regional model allowing for variations in approach between different geographic regions. The statutory Regional Transport Partnerships already provide such an arrangement on a well established geographical basis. The RTPs already have Regional Transport Strategies in place and are very familiar with all transport issues associated with their area.

5.3. Regional transport governance exists in a complex landscape, and although further work needs to be done to develop a model for future transport governance in Scotland that is capable of being implemented the current baseline, of the RTP set up is a strong starting point for strengthened regional governance. SEStran welcomes the opportunity to further input into discussions on how regional transport governance can be developed to better address cross boundary issues.

5.4. The strategy also noted the theme that there was the "*potential for a more coherent and joined up approach to national, regional and local transport together with closer integration between spatial planning, economic development and transport.*" SEStran welcomes the recognition within NTS of the need for this integrated approach. SEStran identifies that there is a unique, current opportunity to pursue a place-based agenda, through stronger regional alignment of transport planning and transport delivery. This is needed to drive shared action on cross-boundary outcomes.

5.5. Many if not all of the key challenges identified in section 2.5 of this report can be tackled by providing the right regional body with appropriate delivery powers, dedicated staff resources and funding to deliver a step change in pursuing a more place based agenda, aligning regional spatial planning and economic development with transport priorities.

6. DISCUSSION POINTS FOR SESTRAN RESPONSE

6.1. The vision, priorities and outcomes identified in Chapter 2 of the draft NTS2 are welcomed and are indeed set at an appropriate strategic and national level. The vision by its nature is aspirational and sets out what all transport users would want from an ideal transport system.

6.2. The 12 outcomes identified reflect areas of the transport system that Scottish Government consider can be monitored and evaluated to measure the success of the proposed strategy. A number of Headline indicators are being developed by Scottish Government and they are contained in Annex A of the draft strategy document. The measurement of these indicators is crucial to the successful monitoring of how well the application of the 14 policies and 38 enablers has delivered the aims of the strategy.

6.3. The list of challenges identified in section 2.3 above is extensive and highlights the complex interaction of all these matters in delivering the vision identified in draft NTS2.

Many, if not all, of the factors are interdependent and require a coordinated regional approach. The following areas are considered by SEStran to be critical to the successful delivery of the strategy.

Global climate emergency
Reliability and demand management
Health and active travel
Spatial planning
Information & integration
Decline in bus use
Safety and security
Resilience
Trade and connectivity

6.4. The inclusion of a section on Transport Governance – democracy, decision making and delivery within the draft NTS2 is a fundamental recognition that to be able to deliver the aims of the national strategy there must be a change to how regional transport functions are managed and delivered.

6.5. Therefore, it is vital that the proposed review of transport governance is given the highest priority and changes are recommended and implemented as a matter of urgency.

6.6. SEStran considers that the statutory Regional Transport Partnerships are a key starting point in developing any future model of regional spatial planning, economic development and transport. Transport availability and its relationship with spatial planning is fundamental to deliver development that is sustainable and meets the priorities identified in the draft NTS 2. SEStran considers that governance is required at appropriate levels, with the current RTP providing a strong basis for strengthened regional governance around the delivery of transport related outcomes. Most of these outcomes rely on interventions that cross local boundaries; they therefore require an appropriate level of accountability balanced with shared responsibility that crosses those boundaries.

6.7. RTPs are able to take objective decisions that address regional gaps in provision and therefore address regional outcomes. Rather than relying on voluntary local authority partnerships using already stretched resources, it is essential that regional governance is provided by dedicated staff, independent of local authorities.

6.8. Whilst it is acknowledged that the role of the national strategy is not to allocate funding it is considered that some acknowledgement of the challenges associated with delivering the strategy within a challenging economic climate should have been stated. The expectations from the draft strategy are high but it is how investment decisions are made that will determine the success in the delivery of the strategy.

6.9. Transport investment decisions should account for the true cost of car use to society. Transport should be a key enabling factor for society: Any transport strategy should focus on delivering a truly integrated transport network which allows people to move through it seamlessly, boundaries both physical and virtual (provider/ticket/mode) whilst necessary should not be a hindrance to members of our society moving from one place to another.

6.10. The formal consultation is by an online survey and the responses to the key questions are contained in appendix 2.

7. RECOMMENDATION

7.1. It is recommended that the Board discusses and notes the content of this report; and

7.2. Subject to the outcome of the discussion approves the consultation response to be sent to Scottish Government via the on line survey (appendix 2).

Jim Stewart
Strategy and Projects Officer
27 September 2019

Appendix 1: Draft NTS2 - List of Polices and Enablers.
Appendix 2: SEStran response to NTS2 survey questions.

Policy Implications	The new NTS2 will impact on future strategy development.
Financial Implications	No changes to existing arrangements but review of regional governance may change this in the future.
Equalities Implications	A full range of supporting assessments have been produced by Scottish Government in support of the Strategy. Equality Impact Assessment Record. Equality Impact Assessment Results. Child Rights and Wellbeing Impact Assessment. Fairer Scotland Duty Summary. Islands Communities Assessment.
Climate Change Implications	A SEA Environmental Report (including Non-Technical Summary) has been undertaken.

Policy	Enabler
Continue to improve the reliability, safety and resilience of our transport system	Increase safety of the transport system and meet casualty reduction targets
	Increase resilience of Scotland's transport system from disruption and promote a culture of shared responsibility
	Implement measures that will improve perceived and actual security of Scotland's transport system
	Increase the use of asset management across the transport system
Embed the implications for transport in spatial planning and land use decision making	Ensure greater integration between transport, spatial planning, and how land is used
	Ensure that transport assets and services adopt the Place Principle
	Ensure the transport system is embedded in regional decision making
Integrate policies and infrastructure investment across the transport, energy and digital system	Ensure that local, national and regional policies offer an integrated approach across all aspects of infrastructure investment including the transport, digital, and energy system
Provide a transport system which enables businesses to be competitive domestically, within the UK and internationally	Optimise accessibility and connectivity within business-business and business-consumer markets by all modes of transport
	Ensure gateways to and from domestic and international markets are resilient and integrated into the wider transport networks to encourage people to live, study, visit and invest in Scotland
	Support measures to improve sustainable surface access to Scotland's airports and sea ports
Provide a high-quality transport system that integrates Scotland and	Ensure that infrastructure hubs and links form an accessible integrated system that improves the end-to-end journey for people and freight

Policy	Enabler
recognises our different geographic needs	Minimise the connectivity and cost disadvantages faced by island communities and those in remote and rural areas
	Safeguard the provision of lifeline transport services and connections
Improve the quality and availability of information to enable better transport choices	Support improvements and innovations that enable all to make informed travel choices
	Support seamless journeys providing the necessary infrastructure, information and interchange facilities to connect all modes of transport
	Ensure that appropriate real-time information is provided to allow all transport users to respond to extreme weather and incidents
Embrace transport innovation that positively impacts on our society, environment and economy	Support Scotland to become a market leader in the development and early adoption of beneficial transport innovations
Improve and enable the efficient movement of people and goods on our transport system	Ensure the Scottish transport system efficiently manages needs of people and freight
	Promote the use of space-efficient transport
Provide a transport system that is equally accessible for all* * all includes everyone across Scotland but particularly those with protected characteristics of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation and people living in poverty.	Ensure transport in Scotland is accessible for all
	Identify and remove barriers to public transport connectivity and accessibility within Scotland
	Reduce the negative impacts which transport has on the safety, health and wellbeing of people
	Continue to support the implementation of the recommendations from, and the development of, Scotland's Accessible Travel Framework

Policy	Enabler	145
Improve access to healthcare, employment, education and training opportunities to generate inclusive sustainable economic growth	Ensure sustainable labour market accessibility to employment locations	
	Ensure sustainable access to education and training facilities	
	Improve sustainable access to healthcare facilities for staff, patients and visitors	
Support the transport industry in meeting current and future employment and skills needs	To meet the changing employment and skills demands of the transport industry and upskill workers	
	Support initiatives that promote the attraction and retention of an appropriately skilled workforce across the transport sector	
Provide a transport system which promotes and facilitates travel choices which help to improve people's health and wellbeing	Promote and facilitate active travel choices across mainland Scotland and islands	
	Integrate active travel options with public transport services	
	Support transport's role in improving people's health and wellbeing	
Reduce the transport sector's emissions to support our national objectives on air quality and climate change	Facilitate a shift to more sustainable modes of transport for people and commercial transport	
	Reduce emissions generated by the transport system to improve air quality	
	Reduce emissions generated by the transport system to mitigate climate change	
	Support management of demand to encourage more sustainable transport choices	
Plan our transport system to cope with the effects of climate change	Increase resilience of Scotland's transport system to climate change related disruption	
	Ensure the transport system adapts to the projected climate change impacts	

National Transport Strategy NTS2
Draft for Consultation

The consultation commenced on 31 July and runs until 23 October. The consultation mechanism for responding to the content of the draft NTS2 is an online consultation which asks for comment on the strategy via a number of question. There are 14 main questions in 6 sections and the supporting text from the questionnaire along with each question and the proposed draft response to each question is given below.

Section A: The Vision and Outcomes Framework
Four Priorities each with 3 Outcomes
Vision: We will have a sustainable, inclusive and accessible transport system, helping deliver a healthier, fairer and more prosperous Scotland for communities, businesses and visitors.
Promotes equality
Will provide fair access to services we need
Will be easy to use for all
Will be affordable for all
Takes climate action
Will adapt to the effects of climate change
Will help deliver our net-zero target
Will promote greener, cleaner choices
Helps our economy prosper
Will get us where we need to get to
Will be reliable, efficient and high quality
Will use beneficial innovation

Improves our health and wellbeing
Will be safe and secure for all
Will enable us to make healthy travel choices
Will help make our communities great places to live

1. Is the Vision that is set out for the National Transport Strategy the right Vision for transport policy over the next 20 years?
Yes
~~No~~
The vision identified in Chapter 2 of the draft NTS2 is set at an appropriate strategic and national level and is mostly supported. The vision must be set within the context that the strategy should take account of:

- A need to optimise what currently exists to improve resilience and efficiency; and
- The need for the transport system to be environmentally and commercially sustainable.

2a. Are the Priorities and Outcomes that the Strategy is trying to achieve the right Priorities and Outcomes for transport policy over the next 20 years?

Yes

~~No~~

The priorities and outcomes are aspirational and set at an appropriate level for a National Transport Strategy. They reflect other key national strategy/policies and initiatives such as the Climate Change Plan 2018-2032, Climate Change Bill, Fairer Scotland Action Plan 2016, A Fairer Scotland for Disabled People: delivery plan, Active Travel Task Force Delivery Plan, Accessible Travel Framework to name a few of the key documents.

2b. Are some of these Priorities and Outcomes more important than others or are they equally important?

The priorities and outcomes are all interconnected and therefore without setting priorities there is a risk that by taking an approach of 'parity of esteem' between the various policy drivers then tensions are created which are unresolved and which will act as a constraint, a logjam on decision-making and delivery as no policy driver will take precedence. There are clear policy imperatives, which the Scottish Government has already set out elsewhere, which should help to delineate priorities, the most important being (in that order) with equality running through:

- Inclusive Growth
- Net Zero Carbon
- Improved Health Outcomes

The whole purpose of the Strategy should be to deliver a holistic and fully integrated approach to delivering transport solutions. Although it should be said that without a successful and prosperous economy the deliverability of other priorities is diminished.

However, "*takes climate action*" and "*improves our health and wellbeing*" must be key drivers in setting priorities for the future transport network and investment priorities.

This however, must not be at the expense of economic growth and development. The provision of physical infrastructure to "*promote equality*" can be delivered in a straightforward way but how transport can be made affordable to all is a key challenge to be tackled by the policies and the enablers identified in the strategy.

3. Are the Challenges the Strategy highlights in Chapter 3 the key Challenges for transport, or are there others the Strategy should focus on?

The challenges identified in the strategy highlight the important role that transport can play in helping to tackle poverty and child poverty, social isolation, gender inequalities, young people, ageing population, disabled people, access to employment trade and connectivity is highlighted in detail in the consultation document.

All of these issues above will be improved by focussing on the following key challenges

- Decline in bus use
- Reliability and demand management
- Health and active travel
- Information and integration
- Resilience
- Air Quality
- Reliance on car (for shorter journeys)
- Behavioural change – Need for travel – commuting.

The main challenge in delivering a successful National Transport Strategy is how it enables financial sustainability of the solutions to be achieved both in terms of capital and ongoing revenue expenditure.

Deregulated bus services are still a major issue in the provision of financially sustainable bus transport and the disparate nature of rail operation adds additional complications and the cost of rail-based transport is prohibitive for many users of transport.

Whilst the challenges have been well documented they are outlined at a high level and the real success will be in how the policies and enablers in the Strategy can deliver practical positive improvements within the transport network.

Transport investment decisions should account for the true cost of car use to society.

Transport should be a key enabling factor for society: Any transport strategy should focus on delivering a truly integrated transport network which allows people to move through it seamlessly, boundaries both physical and virtual (provider/ticket/mode) whilst necessary should not be a hindrance to members of our society moving from one place to another.

Section B: The Policies to Deliver the NTS

Through the process to develop the National Transport Strategy, 14 policies have been identified that will deliver its Vision and Outcomes and address the Challenges. These are listed below:

- Plan our transport system to cope with the effects of climate change;
- Continue to improve the reliability, safety and resilience of our transport system;
- Embed the implications for transport in spatial planning and land-use decision making;
- Integrate policies and infrastructure investment across the transport, energy and digital system;
- Provide a transport system which enables businesses to be competitive domestically, within the UK and internationally;
- Provide a high-quality transport system that integrates Scotland and recognises our different geographic needs;
- Improve the quality and availability of information to enable better transport choices;
- Embrace transport innovation that positively impacts on our society, environment and economy;
- Improve and enable the efficient movement of people and goods on our transport system;
- Provide a transport system that is equally accessible for all;
- Improve access to healthcare, employment, education and training opportunities to generate inclusive sustainable economic growth;
- Support the transport industry in meeting current and future employment and skills needs;
- Provide a transport system which promotes and facilitates travel choices which help to improve people's health and wellbeing;
- Reduce the transport sector's emissions to support our national objectives on air quality and climate change

4a. Are these the right policies to deliver Priorities and Outcomes of the National Transport Strategy

Yes. The policies are high level and broad in their formulation. They reflect the priorities and outcomes identified. Some policies and their enablers are aspirational in nature and the detail of how the policies will be implemented and funded is the main factor that will allow measurable improvement to be seen.

Some policies are more tangible such as "*improve the quality and availability of information to enable better transport choices*" and "*Improve access to healthcare, employment, education and training opportunities to generate inclusive sustainable economic growth*". These potentially have a more direct outcome and subject to a satisfactory delivery mechanism and adequate funding can be delivered more readily.

4b. Are some of these policies more important than others or are they equally important?

The priorities and outcomes are all interconnected and therefore without setting priorities there is a risk that by taking an approach of 'parity of esteem' between the various policy drivers then tensions are created which are unresolved and which will act as a constraint, a logjam on decision-making and delivery as no policy driver will take precedence. There are clear policy imperatives, which the Scottish Government has already set out elsewhere, which should help to delineate priorities, the most important being (in that order) with equality running through:

- Inclusive Growth
- Net Zero Carbon
- Improved Health Outcomes

The whole purpose of the Strategy should be to deliver a holistic and fully integrated approach to delivering transport solutions.

However, policies which help tackle the issues below should be the main priority areas for focus.

- Decline in bus use
- Reliability and demand management

- Health and active travel
- Information and integration
- Resilience
- Air Quality
- Reliance on car (for shorter journeys)
- Behavioural change – Need for travel – commuting.

The policies which would seem best to tackle the above issues are:

- Continue to improve the reliability, safety and resilience of our transport system;
- Embed the implications for transport in spatial planning and land-use decision making;
- Provide a transport system which enables businesses to be competitive domestically, within the UK and internationally;
- Improve the quality and availability of information to enable better transport choices;
- Improve and enable the efficient movement of people and goods on our transport system;
- Provide a transport system that is equally accessible for all.

Section C: Transport governance – democracy, decision-making and delivery

5a. Are there specific decisions about transport in Scotland that are best taken at the national level (e.g. by Transport Scotland or the Scottish Government), at a regional (e.g. by Regional Transport Partnerships), or at a local level (e.g. by Local Authorities)?

The case for a change in the Transport Governance has been made by the work undertaken by the "Roles and Responsibilities Working group". SEStran proposes the following levels for key decision making:

National Level
The requirement for all operators to provide integrated ticketing facilities should be taken at a national level.

Provision of concessionary fares should be set at a national level.

Regional Level

RTPs are well placed to take decisions and deliver at a regional level. RTPs respond to a recognised and established need to decide on cross boundary priorities – in fact they were established on a voluntary basis following the creating of 32 unitary authorities, to make strategic decisions on transportation priorities that cross boundaries and correspond to travel-to-work geographies. RTPs, through established boards, can take decisions about transport providing both accountability and responsibility that transcends individual authority areas; involving a wide range of end users and stakeholders.

RTPs, with existing, dedicated staff resources, have experience and a track record of working with established relationships with rail and bus operators, SUSTRANS, Transport Scotland, and aligning Regional Transport Strategy with regional economic and spatial strategies and time-bound projects. In providing a link between local and national bodies, RTPs are able to take objective decisions that address regional gaps in provision and therefore address regional outcomes. Rather than relying on voluntary local authority partnerships using already stretched resources, it is essential that regional governance is provided by dedicated staff, independent of local authorities.

As transport decisions underpin the success of both spatial and economic strategies, RTPs are ideally placed to take decisions that directly benefit wider outcomes for inclusive growth. Subject to being vested with the appropriate responsibilities for decisions, and addition of requisite planning and economic expertise within their governance structure, RTP's could enhance their current role to deliver a common sense coordinated approach to cross boundary issues and tackle many of the current problems associated with the delivery of regional transport provision. This would provide the opportunity to streamline regional decision making within established, and statutory, regional bodies.

5b. Should local communities be involved in making decisions about transport in Scotland? If so, how should they be involved, and on which specific issues should they be involved in making decisions on?

There is a role for local communities to play in all aspects of transport. The level of engagement and input will depend on whether the engagement is about the strategy or specific projects. There is always a challenge because local community views tend to focus on very local issues. However, the statutory RTP bodies provide a

sensible regional locus for engagement of local communities across a regional area, and are therefore able to involve and respond to the needs of wide-ranging local concerns within their regional strategies and priorities.

Decisions should also be evidence based involving operators and experts and should be objective, looking at the bigger picture. However, we do not know what a net zero carbon future might look like, nor in the shorter-term how we achieve a modal shift to active travel (the outcome framework for active travel is currently being produced). So we have no evidence as yet around these commitments, hence the NTS needs to be a balance of policy-driven and evidence-led.

Section D: The Strategy as a whole

6. Does the National Transport Strategy address the needs of transport users across Scotland, including citizens and businesses located in different parts of the country?
Yes
~~No~~

Yes in part, although it is a high level strategy document with aspirations that' if fulfilled would indeed meet the needs of transport users. However, the Strategy by itself cannot address the needs of transport users. It does set the framework for assessing and developing future projects and transport aspirations, priorities and outcomes. The focus of the strategy seeks to meet the needs identified in the current and emerging challenges section. However, it is the subsequent decisions and investment that may address the needs of transport users.

Section E: Looking Ahead
7a. What aspects of the transport system work well at the moment?

Lothian Buses are a good model of how a local authority partnership can deliver high quality bus services.
Segregated cycle routes provide opportunities for greater active travel and high quality active travel schemes. Although they tend to be confined to high density centres at present.
Real Time Passenger Information is a vital component that encourages public transport use.
Park and Ride has proven to be successful and is a key element in delivering mode share change.

Bus priority has been successful in improving bus reliability in increasing levels of overall congestion.
Bike share scheme have been successfully introduced in many towns and cities.

7b. What practical actions would you like to see the National Transport Strategy take to encourage and promote these?

Expand the Lothian buses model to other areas of the country.
Support the implementation of increased bus priority in cities and towns.

8a. What aspects of the transport system do not work well at the moment?

A lack of integrated ticketing;
Commercially driven private sector bus provision;
A complicated rail management and operation structure;
Unreliable rail travel;
Rural transport provision/disparity with cities;
Too much on road freight;
The impact of congestion in cities and other key national routes e.g. Edinburgh City Bypass. There is inadequate public transport priority to offset this congestion;
The current model of funding active travel schemes through a bidding process introduces a further level of complexity to project delivery especially for cross boundary projects; and
The Borders Railway has been a success, but the ongoing growth of the region is already being compromised because it was implemented as a single track non-electrified railway.

8b. What practical actions would you like to see the National Transport Strategy take to improve these?

There is an urgency to resolve the issue of regional governance. Until that is changed the ability to deliver an improved transport system that can function at a regional level will not change.

Supporting investment in bus priority within cities and towns to tackle congestion to support local and regional public transport movements.

9. Chapter 6 of the Strategy sets out immediate actions the Scottish Government will take in three key areas: Increasing Accountability; Strengthening Evidence; and Managing Demand. Is there anything you would

like to say about these actions?

The formation of a Transport Strategy Delivery Board and Transport Citizens' Panels will help to monitor the effectiveness and direction of the Strategy especially at a national level.

However, the delivery of the Sustainable Travel hierarchy will depend on the delivery of appropriate projects at a regional and a local level. The links to Economic Development and Planning and the development of spatial strategies are key to fully integrating the aims of the strategy into delivery on the ground.

Therefore, this reinforces the need to resolve issues of Regional Governance so there are clearly identified responsibilities for delivery and appropriately funded bodies who have all the powers necessary to deliver and implement measures in support of the aims of the National Transport Strategy.

The strengthening of the evidence base is important to measure and monitor progress. How that data is collected and managed is a significant and resource intensive task. The responsibility for this data collection must rest with Transport Scotland. Reliable and consistent data will be key to the successful monitoring of the effective of the Strategy.

10. Is there anything else you would like to say about the National Transport Strategy?

The measure of success of the strategy will be in the delivery of a transport system which supports the aims of the 'Place Principle'.

Section F: Strategic Environmental Assessment (SEA)
Download the SEA Environmental report. (user_uploads/environmental-report-290720191008f.pdf)

11. What are your views on the accuracy and scope of the information used to describe the SEA environmental baseline set out in the Environmental Report?

The scope and information presented in the document is extensive and identifies the key environmental issues that are relevant to the development and implementation of the NTS. In particular, the evidence supports the emphasis of the strategy on the priorities of "Takes climate action" and "Improves our health and wellbeing".

12. What are your views on the predicted environmental effects as set out in the Environmental Report?

The environmental impacts will depend on the detail of each local scheme and will vary scheme by scheme. However, it is considered on balance that the predicted environmental impacts set out in the report are a reasonable assessment of the likely impacts of implementing the strategy.

13. What are your views on the proposals for mitigation and monitoring of the environmental effects set out in the Environmental Report?

The use of EIA, HRA, and via site controls and Environmental Management Plans is an appropriate approach to manage the direct environmental impacts of the transport interventions.

14. Is there anything else you would like to say about the Environmental Report?

No

Projects Report & EU Exit Update

1. INTRODUCTION

1.1 The report provides the Partnership Board with an update on the current status and progress of the various projects SEStran is involved in and covers the position on the EU exit process.

2. PROJECTS PERFORMANCE

2.1 The RAG status (red-amber-green) is used throughout the projects update to highlight the current state of progress for each active project. The projects update is included as Appendix 1 to this report.

2.2 The table below explains the meaning of the different colours used throughout the report to highlight how a project is progressing.

Status	Meaning:
	Complete
	Progressing according to plan
	Some issues/delay encountered
	Severe issues or delayed

2.3 The strategic objectives as set out in the SEStran Regional Transport Strategy are used throughout the projects update to highlight how the projects link back to the RTS:

Economy

Accessibility

Environment

Safety & health

Corporate

3. EU EXIT UPDATE

3.1 The EU Exit Process has been postponed with a new deadline of 31 October 2019.

4. RECOMMENDATIONS

4.1 It is recommended that the Partnership Board take note of the contents of the report.

Keith Fisken

Programmes Manager
20th September 2019

Appendix 1: Projects update

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

1. Active Travel Projects

1.1 GO e-Bike

In April 2018, SEStran successfully launched GO e-Bike, a regional bike-sharing scheme funded by SEStran, with a contribution from the SHARE-North project. The first four GO e-Bike hubs were launched in St Andrews, Buckhaven, West Lothian and Falkirk and SEStran has secured funding from the Low Carbon Travel and Transport (LCTT) Fund to expand the GO e-Bike scheme through 6 further hubs.

Latest developments:

- **Forth Bike hub**   *Complete*

  In June 2019, the Forth e-bike hub was launched at Helix Park, Falkirk Wheel and Forth Valley Royal Hospital in collaboration with Forth Environment Link, NHS Forth Valley, Transport Scotland, Clackmannanshire, Stirling and Falkirk Councils. At the time of writing, some 1188 cycle trips had been made since the launch of the scheme. More information about the scheme can be found on: https://www.forthbike.co.uk/.

- **GO e-Bike expansion with LCTT funding**   *In progress*

  - The hubs at Socialbite Village and TYA Bike Punks are seeing great usage of the e-bikes.
  - Socialbite village residents have been getting support in the use and charging of the bikes from West Lothian Bike Library.
  - A promotional campaign developed for GO e-Bike launched at the TRANSCEND festival in June. Do the Ride Thing encourages responsible use of bicycles in all settings and promotes the benefits that e-bikes can bring.
  - The launch coincided with the GO e-Bike Family ride where some 500 riders cycled from Peebles to Innerleithen on the Tweed Valley Railway path.
  - A contract is now in place with Bewegen Technologies Inc. to deliver the shared e-bike system in East Lothian and Midlothian. Work is now beginning on preparing bikes and the planning for installation later in the year.
  - Site plans are being finalised with interactions with Scottish Power Energy Networks for a connection at Eskbank station.

1.2 Regional Cycle Network Grant Scheme

The Regional Cycle Network Grant Scheme continues the partnership between Sustrans Scotland and SEStran's commitment to delivering improvements to the cross-boundary utility routes.

Latest developments:

- **Edinburgh BioQuarter**   *Delayed*
  - Design work is being progressed after input from Sustrans and City of Edinburgh officers.
  - The project has been allocated £95,500, as a continuance of 2018-19 funding.
  - Public consultation is being prepared for October 2019.

- Some further design changes are being investigated to fulfil potential future funding requirements.
- **SEStran Strategic Cycle Network Review** *In progress*
  - SEStran are preparing a brief for the review of the Cross-Boundary Cycle Development study 2015.
  - Preparatory work is underway to define the scope of the new study and engage with partners and other important stakeholders.
  - Funding has now been approved from Sustrans to deliver this project with a tender to be published in September.

1.3 Regional Active Travel Development Fund – Transport Scotland

SEStran received £200,200 in funding for cross-boundary active travel routes in the SEStran region. SEStran is using the funding for three feasibility and design studies in Falkirk, Midlothian and East Lothian. For the financial year 2019/20 SEStran has received £250,000 for a series of new projects that are getting underway.

Latest developments:

- **Project 1: Larbert to Stirling** *Complete*
  - SEStran is working in partnership with Tactran to carry out a feasibility and design study on the A9 route from Larbert to Plean (and through to Stirling).
  - Consultants 2020 have made an initial options assessment and are working to complete feasibility in May. Public consultation will be concluding in early June.
- **Project 2: A701 corridor** *Complete*
  - SEStran has awarded Arup a contract worth £34,467.50 to carry out a feasibility study of the A701 for improvements to public transport, walking and cycling provisions. In April Arup presented the options appraisal to Midlothian to confirm agreement for the proposals.
  - The finalised study report is due for completion at the end of May.
- *Project 3: East Lothian LiDar* *Complete*
  - East Lothian have appointed Peter Brett Associates, AECOM Ltd, and IKM to develop 3D visualisations. The concept design work is ongoing. The visualisations are expected to be complete by mid-June. The total contract award is £120,458.91.
  - 6 routes around Musselburgh were looked at in detail to feed design for the Musselburgh Master Plan.
  - The designs in North Berwick have presented options for changes to the High Street.
  - East Lothian is undertaking some further work in Tranent to complete all design.
  - All design is still subject to public consultation.
- *New Project 1: Kirkcaldy to Buckhaven* *In progress*
  - SEStran conducted a tender competition in July and have appointed AECOM Ltd to progress preliminary work to consultation and further design.
  - The total contract award is £79, 991.70.
  - AECOM and SEStran have met with landowners to discuss the project and potential future support.

1.4 Cycle Training & Development – Cycling Scotland

Support and develop the delivery of Bikeability Scotland National Standard cycle training by local authority Bikeability coordinators. Promote, encourage and develop cycle training opportunities across SEStran projects.

Latest developments:

- **Bikeability Scotland**   `In progress`
    - Action plans are being prepared for Falkirk and Scottish Borders to better support the delivery of Bikeability.
    A regional Bikeability coordinator meeting is being organised to enable better collaboration between the eight Local Authority Bikeability coordinators and support the sharing of knowledge and resources. The first meeting is planned for September subject to availability.
- **Go e-Bike cycle training**   `In progress`
    - Training is being offered to all hubs as they are completed and as part of ongoing development plans.
    - The Cycling Scotland 'Essential Cycling Skills' programme and guided rides are being offered to all employers taking part in the employer roadshow.
    - Tweeddale Youth Action Bike Punks project will be running a Cycle Ride Leader & Led Ride Assistant course.
    - Shadowing opportunities are being set-up for TYA at other cycling hubs, including West Lothian Bike Library and Recyke-a-Bike (Stirling).
    - Social Bite Village in Granton are receiving bike maintenance training through West Lothian Bike Library in August. They are also being supported to trial e-cargo bikes through Sustrans and will receive Essential Cycling Skills and cargo bike training.
    - Employers have received Essential Cycle Skills training from West Lothian Bike Library following the e-bike trial.
    - Collaboration being explored with Easyriders cycle training project in Scottish Borders. E-bikes from the Scottish Borders hub would be offered to increase accessibility to the training.
- **Adult Cycle Training**   `In progress`
    - Potential for a female beginner's cycle training course currently being explored with Cycling Scotland tutors. Pilot would be in Edinburgh.

1.5 Sustainable and Active Travel Grant Scheme

SEStran supports additional projects through grant funding that will help deliver against the Partnerships sustainable transport objectives.

Latest developments:

- **Queen Margaret University**   `In progress`
    - Queen Margaret University was awarded £7,150 in order to update their Travel Plan.
- **ReCYCLEd Signs**   `In progress`
    - The first 4 signs have been finished with two being delivered to Falkirk for instillation at Falkirk High & Grahamston rail stations and a further 2 for Midlothian Council for Dalkeith and Bonnyrigg.

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- SEStran provided a further £5,000 grant funding to Tweeddale Youth Association to produce 3 more signs in 2019/20.
- If local authority partners are interested in obtaining a sign for a location with an existing active travel map, please contact SEStran (Keith Fisken) to discuss.

2. Public Transport Projects

2.1 Real Time Passenger Information (RTPI)

SEStran's RTPI system began in 2010 with the aim to tackle a declining bus patronage and make bus travel more predictable and reliable. SEStran is working with the City of Edinburgh Council to move towards a new Content Management System that will improve the public facing regional screen network.

Latest developments:

- **Development of new Content Management System**   `Delayed`
  - The new Content Management System is out for tender with the City of Edinburgh Council managing the tender process. Depending on the award process and new contractor, it is hoped that the new CMS will be in place by the end of the calendar year.
  - Using Traveline data via a website set up, we have been able to improve the quality and the reliability of information delivered via the screen network outside of the Lothian Bus network with a successful test at the Galashiels Interchange. SEStran will be able to implement this solution at key sites (as there is a cost) until the new CMS is operational.

2.2 Hate Crime Charter

SEStran is involved in a working group, together with Transport Scotland, Police Scotland and Disability Equality Scotland, to develop a regional Hate Crime Charter for public transport. Hate Crime is a key work package which came out of the Accessible Travel Framework developed by Transport Scotland. SEStran is developing the charter on a regional scale for all protected characteristics under the current hate crime legislation.

Latest developments:

- **Development of Hate Crime Charter**   `In progress`
  - Public transport operators and different equalities groups have been involved through consultation events and surveys. The group is now reaching out to transport operators for a pre-pilot survey seeking feedback on the draft Hate Crime Charter and developing a monitoring

mechanism. Based on the learnings from this engagement, the working group hopes to roll out the Charter nationally.

2.3 Thistle Assistance Programme

The South East of Scotland Transport Partnership has developed the Thistle Assistance Card and App to make using public transport easier for older people and those with disabilities, illness or mobility issues. SEStran is currently undertaking work to improve and evolve the program.

Latest developments:

- **Journey Planner - Phase One Proof of concept development**   `In progress`
    - SEStran has been working to develop an intermodal journey planner and Thistle Card App, which will make it easier for people to use the Card when using public transport.
    - Work on the phase 1 concepts for the App continue with the developers.
    - Due to complete this phase in October 2019 with a presentation to the project team.
    - Phase 1 concepts will be evaluated to determine if any have the potential to move to a Phase 2 public pilot.
    - SEStran will be working with Scottish Enterprise to explore potential funding for Phase 2.
- **Development of Thistle Assistance Website**   `In progress`
    - SEStran has been working with the Hillside Agency on the development of the new Thistle Assistance branding, website and campaign.
    - Design concepts have been presented to Transport Scotland, Disability Groups and RTPs (see appendix 1).
    - Work is due to be completed in September 2019 with the website, new branding and campaign available to all partners to use to promote.
- **Development of SEStran Website – Accessibility Regulations 2018**   `In progress`
    - In order to comply with legislation [Public Sector Bodies (Websites and Mobile Applications)(No. 2) Accessibility Regulations 2018](#) SEStran will be developing the Partnership website to improve accessibility across the site for all users and at the same time improve the functionality of the site.
    - The legislation states that public sector websites and mobile apps should be made accessible;
    - Any new sites from September 2018 should be accessible after September 2019. Existing sites should be made accessible from September 2020. Mobile applications after June 2021;
    - Accessible means Complies with all Level A and AA Success Criteria of the Web Content Accessibility Guidelines (WCAG) version 2.1;
    - £2,000 allocated from the Transport Scotland Fund will be used to undertake the work as part of the Thistle Assistance program development.
- **Marketing Communications Internship**   `In progress`
    - SEStran will be working in partnership with Inclusion Scotland to provide an Internship to work on the Thistle Assistance program.
    - This opportunity for someone with a disability to gain experience and skills is part of the 'We can Work Internship' project from the Inclusion Scotland [Employability Program](#) and will be jointly funded by Inclusion Scotland and SEStran.
    - The position will focus on marketing and communications and be based in Victoria Quay with a projected start date end October 2019.

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2.4 Local Rail Development Fund (LRDF)

The £2 million Scottish Government Local Rail Development Fund, was announced in February 2018, with the aim of providing funding to develop community led options to improve local rail connections.

Latest developments:

- **Newburgh Train Station**   `In Progress`
  - SEStran & Fife Council supported a successful bid from the Newburgh Train Station Group for the first phase of funding.
  - £82,000 (exc. VAT) was secured to undertake a multi-model transport appraisal in the Newburgh area with SYSTRA appointed to undertake the work in December 2018.
  - Phase 1 – the Initial Case for Change was completed in April 2019 with a report submitted to Transport Scotland (TS).
  - Feedback has been received from TS and the project team is currently reviewing the comments and will undertake further work over the coming months to progress the case for change.
  - £8,000 has been claimed from the budget for the work to date.
- **Forth Ports Leith**   `In Progress`
  - SEStran in partnership with Forth Ports made an application in June 2019 to the second round of LRDF funding.
  - The proposal is for a multi-modal freight study in and around the Port of Leith to explore key issues and opportunities whilst maximising the potential for existing infrastructure (rail heads etc.).
  - Transport Scotland have approved SEstran's submission and awarded a grant of £150,000 to conduct the study up to 31st March 2021. https://www.transport.gov.scot/public-transport/rail/rail-policy-and-strategy/local-rail-development-fund/
  - SEStran will begin work on procurement of a consultant to undertake the work.
  - Scottish Transport Appraisal Guidelines (STAG) will be the framework that the project will follow, with each decision point being assessed by Transport Scotland before moving to the next stage (see appendix 2).

3. European-funded Projects

3.1 SHARE-North
Interreg North Sea Region – Jan 2016 to Dec 2021

SHARE-North focuses on shared mobility modes and their potential to address sustainable transport challenges in the North Sea region. This includes developing, implementing, promoting and assessing car sharing, bike sharing, ride sharing and other forms of shared mobility in urban and rural areas and employment clusters. The project has been extended for another three years during which SEStran plans to promote shared-mobility through Tripshare SEStran and the introduction of 'Mobihubs' (mobility hubs) in the SEStran region.

Latest developments:

- **Project outcomes**   `In progress`

- SEStran is currently looking at bringing Mobihubs to the SEStran area taking learnings from the various European partners. SEStran is looking for partners from the Local Authorities to work jointly to deliver a Mobihub in the SEStran region.
- SEStran has developed a Mobihub scoping paper, setting out background information and guidance on suitable locations, which will be used to form partnerships and develop a Mobihub.
- In addition, SEStran has started reviewing current TripshareSEStran arrangements to continue to promote ride-sharing in our region.

3.2 REGIO-Mob
Interreg Europe – Apr 2016 to March 2020

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".

Latest developments:
- **Implementation of REGIO-Mob Action Plan**   *In progress*
  - As part of the REGIO-Mob Action Plan, SEStran planned to implement GO e-Bike and measure the effects on the scheme on people's health and levels of physical activity using a research methodology presented as best practice by the Italian lead partners.
  - In May and June 2019, SEStran conducted a GO e-Bike health survey and hosted a focus group with staff at St Andrews University to measure the impact GO e-Bike has had on people's levels of physical activity and perceptions of well-being. The findings from the survey and focus group will be summarised in a report and used in the development of a new Regional Transport Strategy.
- **Monitoring of policy instrument development**   *In progress*
  - The findings from the GO e-Bike survey and focus group will be used to inform the development of the Electric Vehicle Strategy (e-bike section) and the Regional Transport Strategy, recognising the fact that e-bikes can be an enabling technology to promote a healthier and more active population.

3.3 SURFLOGH
Interreg North Sea Region – Jun 2017 – Oct 2020

SURFLOGH aims to improve the role of logistics hubs in the network of urban logistics in the North Sea Region. By introducing city labs, a transnational platform is created to promote innovation in city logistics. These platforms will bring together different actors to exchange knowledge, work on innovative pilot projects and implement results within policy strategies and the urban logistics system.

Latest developments:
- **Development of business case with Edinburgh Napier University**   *In progress*
  - SEStran is leading on a work package along with Edinburgh Napier University Transport Research Institute (TRI), developing business models for urban freight hubs.

- The first stage of the research (literature review) and business model framework has been completed by SEStran and Edinburgh Napier University and has been presented to the project team and EU Joint Secretariat for review.
- A further paper is being developed for publication and presentation.
- **Edinburgh Pilot – ZEDIFY**

In progress

  - The pilot is up and running and currently delivering up to one pallet worth of small packets in central Edinburgh from a site west of Haymarket station.

3.4 BLING
Interreg North Sea Region – Jan 2019 to Dec 2021

Blockchain is a key enabling technology that will underpin efforts to deliver innovative services under the Digital Agenda for Europe. The Blockchain IN Government (BLING) project focuses on providing one of the first dedicated platforms to bring these tools and approaches into local and regional services. SEStran will be developing a pilot with the University of Edinburgh, which will showcase innovative use of the technology in a transport environment.

Latest developments:
- **Development of Edinburgh Pilot**

In progress

  - The Design Informatics team at the University of Edinburgh team supported by SEStran is prototyping ways to create Location Based Smart Contracts – agreements about the location and relations of smart objects in space that allow conditions such as proximity or co-location to trigger actions like financial transfers or opening physical locks. These systems are backed with blockchains, to explore new techniques for make location data secure without being invasive.
  - SEStran and the University of Edinburgh presented the Edinburgh pilot to at a Blockchain Conference in Gothenburg in June 2018.
  - Further work will continue to move the pilot from 'the lab' into the real world over the next 6 months.

3.5 PriMaaS
Interreg Europe – Aug 2019 to Jan 2023

The main objective of Mobility-as-a-Service (MaaS) is to change the way people travel and pay for mobility services. The PriMaaS project is about promoting the integration of traditional collective transport modes with personal and innovative ones by influencing the development of regional policy instruments. Through interregional learning, policies can be updated to promote equitable mobility services truly focused on citizens' needs.

Latest developments:
- **Kick-off meeting in September**

In progress

  - Following some clarifications to the project application, the European Joint Secretariat has now fully approved the PriMaaS project.
  - SEStran officers attended the kick-off meeting where the partners discussed the project's priorities for the upcoming 3.5 years.

- SEStran will be organising Regional Stakeholder Meetings as a platform to discuss the MaaS concept and develop a Baseline Assessment Report during the first phase of the project.

3.6 CONNECT

Interreg North Sea Region – Oct 2019 to Mar 2022

CONNECTing North Sea Region's TEN-T nodes – Support intermodality growth in the North Sea Region through smart efficiency enhancements. The overall objective is to support smart intermodality growth in the NSR through efficiency enhancements. The project focuses on: implementation of new smart processes and working tools (smart intermodality) and developing of strategies for smart efficiency enhancements (smart involvement). https://northsearegion.eu/north-sea-connect

Latest developments:

- **Application Approved by the Joint Secretariat**   *In progress*
  - SEStran has been part of a further successful application for EU funding for the CONNECT project from the Interreg North Sea grouping.
  - 10 partners from across the region will be working on developing and promoting best practise in sustainable port operational development.
  - SEStran will be running a work package on communication and marketing.
  - The first partnership meeting will be in November 2019 and the project will run

4. Strategy Developments

4.1 TravelVU: Getting a VU on Edinburgh

SEStran was successful in a bid to Smarter Choices Smarter Places Open Fund in November 2018 and was awarded £13,650 in match funding to collect travel data in and around Edinburgh through the TravelVU app developed by Trivector Traffic AB.

Latest developments:

- **Data collection through TravelVU App**   *Complete*
  - A final report was produced by Trivector at the end of July.
  - While participation was low the survey captured a large number of journeys and trip destinations.
  - SEStran is exploring how to make further use of the app with support from partners.

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4.2 Electric Vehicle Strategy

SEStran is planning to develop an Electric Vehicle (EV) Strategy for the region aimed at addressing the barriers to the EV uptake and the challenges faced by local authorities when implementing EV infrastructure. This will form an integral part of the new Regional Transport Strategy.

Latest developments:

- **Development of draft EV Strategy**

  In progress

  SEStran has been looking into the Electric Vehicle Strategies of partner RTPs such as Hitrans and Tactran. SEStran is currently investigating what the strategy should cover and how this can best be achieved. It is envisaged that a Baseline Report and Demand Forecast Note will need to be developed as a baseline for the development of an EV Strategy which can be incorporated into the new RTS.

4.3 Regional Transport Strategy

SEStran's original Regional Transport Strategy (RTS) was approved in March 2007 and covered the period from 2008 until 2015. The strategy was subject to a refresh in August 2015 and covers the period until 2025.

Latest developments:

- **Main Issues Report**

  In progress

  - A paper was presented and agreed by the SEStran Partnership Board in June outlining the proposed project delivery and governance structure and proposing a timeline for the initial phases of the project.
  - SEStran will now begin the process of preparing a "Main Issues" report, as a prelude to a complete review of the RTS. SEStran will employ external experts to prepare the Main Issues Report.
  - A scoping exercise is nearing completion to identify the extent of work needed to deliver the new RTS and the tender documents are being prepared.

5. SEStran forums & upcoming events

5.1 SEStran Forum Meetings

SEStran hosts three different forum groups which are all held twice a year. The aim of these forums is to provide a platform for interested parties to come together and to provide a regional voice in various transport-related matters.

Upcoming meetings:

- **Equalities and Access to Healthcare Forum**

  The next meeting will be held at Victoria Quay at 2pm on 2 October 2019.

- **Integrated Mobility Forum**

  The next meeting will be held at Victoria Quay at 10pm on 10 October 2019.

- **Logistics and Freight Forum**

  The next meeting will be held on 13 November 2019.

Appendix 1: Thistle Assistance Design
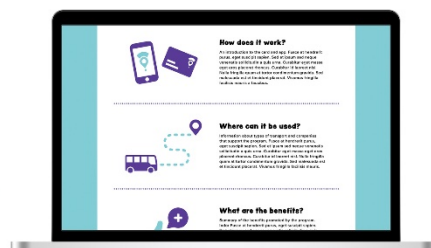
Appendix 2: STAG Process
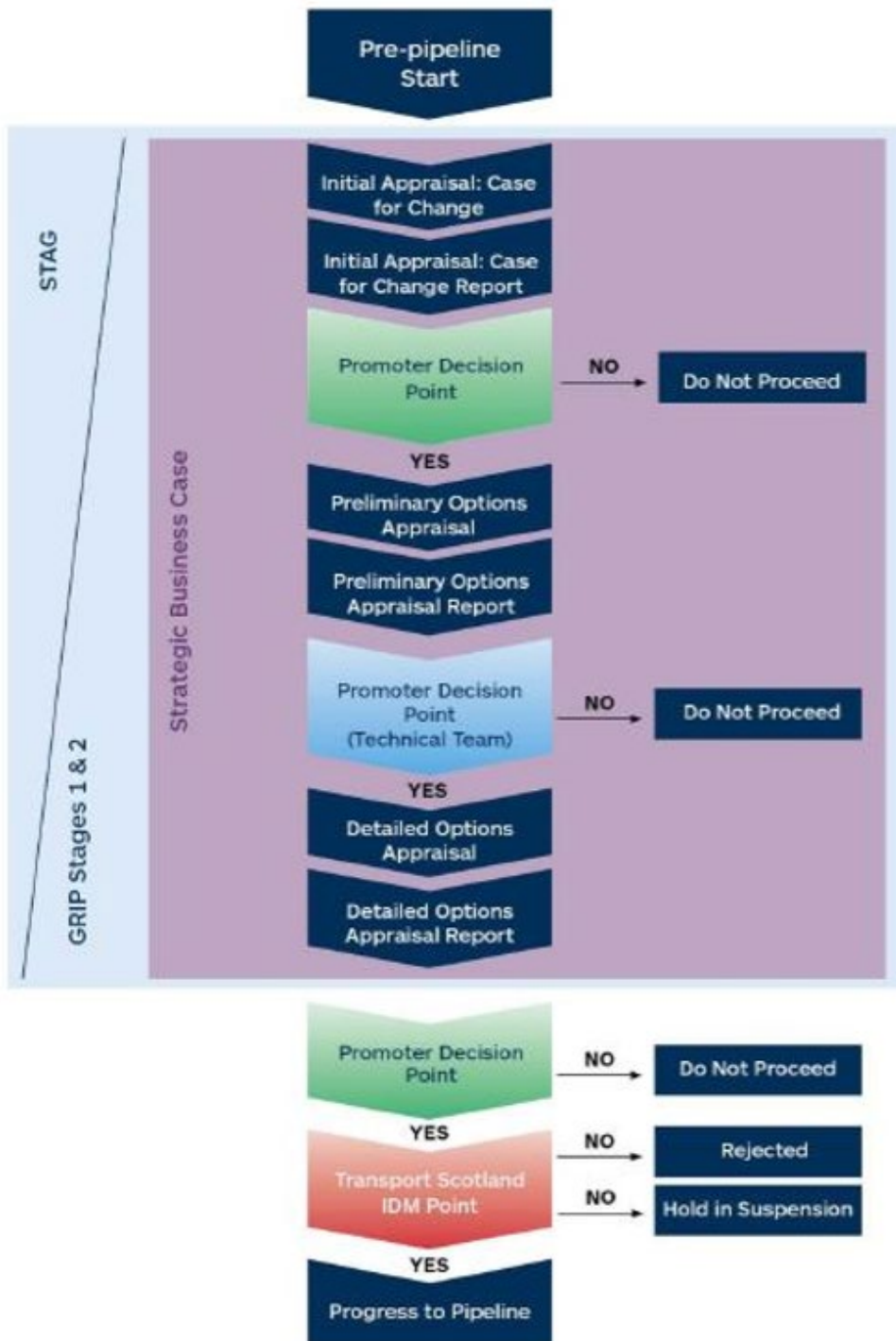
Public Services Reform (Scotland) Act 2010

1. INTRODUCTION

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

2. DATA TO BE PUBLISHED

2.1 **Expenditure**

2.1.1 Section 31 (1) and (2) require public bodies to publish as soon as is reasonably practical after the end of each financial year a statement of any expenditure they have incurred during that financial year on or in connection with the following matters:
- Public relations
- Overseas travel
- Hospitality and entertainment
- External consultancy
- Payments with a value in excess of £25,000
- Members or employees who received remuneration in excess of £150,000.

2.2 SUSTAINABLE ECONOMIC GROWTH

2.2.1 Section 32(1)(a) provides that as soon as is reasonably practical after the end of each financial year each listed public body must publish a statement of the steps it has taken during that financial year to promote and increase sustainable growth through the exercise of its functions. As this requires the publication of a statement it is not sufficient simply to refer to other published material such as the annual report.

2.3 EFFICIENCY, EFFECTIVENESS & ECONOMY

2.3.1 Section 32(1)(b) provides that as soon as is reasonably practical after the end of each financial year each listed public body must publish a statement of the steps it has taken during that financial year to improve efficiency, effectiveness and economy in the exercise of its functions. Again this requires the publication of a free standing statement and it is not sufficient simply to refer to other published material such as the annual report.

2.4 The data as described in sections 2.1 to 2.3 of this report is included in appendix 1 of this report and will be published on the SEStran website in accordance with the requirements of the Act.

3.   RECOMMENDATION

3.1   The Board is asked to note the content of the material for publication under the Public Services Reform (Scotland) Act 2010 and detailed in appendix 1 of this report.

Hannah Markley
Business Support Officer
September 2019

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

Appendix 2 – PSRA Invoice Details

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

Appendix 1 - Statements of Compliance with the Public Services Reform (Scotland) Act 2010

1. BACKGROUND

1.1 Sections 31 and 32 of the Public Services Reform (Scotland) Act 2010 ("the Act") impose duties on Scottish public bodies to publish information on expenditure and certain other matters as soon as is reasonably practicable after the end of each financial year. This statement is produced by the South East of Scotland Transport Partnership (SEStran) to ensure compliance with the requirements of the Act.

1.2 SEStran works hard to be a transparent, responsive, best value organisation that delivers on its vision for the South East of Scotland's transport network, as outlined in its statutory Regional Transport Strategy.

1.3 SEStran's vision is for a regional transport system that:
"***Provides all citizens of South East Scotland with a genuine choice of transport which fulfils their needs and provides travel opportunities for work and leisure on a sustainable basis.***"

1.4 SEStran's annual report and accounts for 2018/19 set out the impact of the work and the outcomes achieved, together with associated costs. This is laid before the Partnership Board of SEStran in September 2019. The purpose of this statement is to disclose those costs which are relevant to Section 31(1) and (2) of the Act.

1.5 Section 31(1) of the 2010 Act requires public bodies to publish as soon as is reasonably practical after the end of each financial year a statement of any expenditure they have incurred during that financial year on or in connection with the following matters:

- Public relations;
- Overseas travel;
- Hospitality & entertainment;
- External consultancy
- Payments in excess of £25,000.

1.6 Public bodies are required to publish the total amount of expenditure incurred during each financial year on or in connection with each of the categories set out above, but it is of course open to SEStran to publish a more detailed breakdown of expenditure if they so wish.

2. PUBLIC RELATIONS

2.1 SEStran spent £22,031 on public relations in 2018/19. This is 1.7% of the total expenditure for the year. The costs included television advertising campaigns with STV for the Thistle Card and Tripshare, printing and publication of documents, including the Annual Reports and the Business Plan for 2018/19.

3. OVERSEAS TRAVEL

3.1 SEStran incurred expenditure of £4,331.33 on overseas travel in 2018/19. This is the equivalent of 0.3% of total expenditure for the year. This travel is in relation to European projects that SEStran is involved in and is therefore subsidised by the EU at percentages varying from 50% to 100%.

4. HOSPITALITY & ENTERTAINMENT

4.1 SEStran incurred an expenditure of £2049.97 on hospitality in 2018/19. This was in relation to an E-Bike launch event, Bus Congress and RTP meetings. There was also a Regio Mob event which was subsidised by the EU at 85%, three Sharenorth events which were subsidised by the EU at 50% and a Surflogh event which was also subsidised by the EU at 50%. No expenditure was incurred on benefits, sporting or cultural events.

5. EXTERNAL CONSULTANCY

5.1 SEStran incurred expenditure of £183,874.76 on external consultancy. This is the equivalent of 14% of the total expenditure for the year. SEStran continued to commission Henderson Loggie as first level controllers for auditing requirements, along with WYG for RTPI assistance. SEStran also sought consultative assistance from 121 HR solutions, One Stop IT Solutions, Crannog Consulting, Stand, Sustrans and Trivector.

6. PAYMENTS IN EXCESS OF £25,000

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

6.2 SEStran made the following payments over £25,000

Payee	Subject Matter	Gross Amount
Carplus Bikeplus	Go e-Bike	£37,966.00
AECOM	Urban Cycle Networks	£30,871.00
Forth Environment Link	Go e-Bike grant offers	107,915.00
Ineo Systrans	RTPI	£28,203.00

Ineo Systrans	RTPI	£28,203.00
Ineo Systrans	RTPI	£28,203.00
Ineo Systrans	RTPI	£28,203.00

6.2   Payments were made to Bikeplus in relation to the SEStran project Go e-Bike. These payments covered a range of services, including the purchasing of bikes, infrastructure and equipment for the four bike hubs and Bikeplus project management.

6.3   Payment of £30,871 was made to AECOM for the project "SEStran Urban Cycle Network." This was a combined cycle route study in Fife, West and East Lothian. This included the data gathering, design work and progress of the project. This payment was made through the Regional Cycle Network Scheme, awarded by Sustrans.

6.4   Payment of £107,915.00 was made to Forth Environment Link for the delivery of two e-bike hubs at Alloa Train Station and The Falkirk Wheel project. This included electric assisted bikes, docking stations, installation, civil engineering work and planning, shipping and marketing and administration. This payment was made through the Sustainable Travel Grant.

6.5   The Ineo Systrans payment of £112,812.00 was in relation to the maintenance contract for the Real Time Passenger Information project.

6.6   Throughout 2018/19 SEStran paid certain consultants in excess of £25,000 over several payments. These are listed below:

Supplier	Subject Matter	Total Amount	Comments
AECOM	Urban Cycle Networks	£54,870.73	Urban Cycle Networks
WYG Group	RTPI	£42,080.97	Helpdesk

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

7.1   Section 31(4) of the Act places a duty on public bodies to publish the number of individuals who received remuneration in excess of £150,000.

7.2   No employee, office holder or other individual involved with SEStran received remuneration in excess of £150,000 during 2018/19.

8. SUSTAINABLE ECONOMIC GROWTH

8.1 Section 32(1)(a) of the Act places a duty on public bodies to publish a statement of the steps it has taken during the financial year to promote and increase sustainable growth through the exercise of its functions.

8.2 SEStran is a statutory body, under the Transport (Scotland) Act 2005 and is tasked with producing a Regional Transport Strategy for South East Scotland.

8.3 The following statement sets out the steps that SEStran has taken in 2018/19 to promote and increase sustainable economic growth in the exercise of its functions. Further information on this and our work is contained in our Audited Annual Accounts and Annual Report for 2018/19.

8.4 In delivering against its published priorities in the revised Regional Transport Strategy, SEStran contributed to the Scottish Government's overall objectives and National Outcomes. During 2018/19 this work contributed to:

- Reducing the number of commuter journeys by single occupancy vehicles within the South East of Scotland
  - ➤ *In the financial year 2018/19, SEStran Tripshare contributed to 881.52 tonnes of CO2 reduction and 2.3 tonnes of NOx reduction.*
- Minimising the overall need for travel; overall by car.
  - ➤ *SEStran's Cycling Officer, continued to support Bikeability Local Authority Coordinators over this year. An annual increase in the number of pupils taking part was seen across the region. A Bikeability volunteer conference was held for the East of Scotland once more, to share best practice and participate in professional development and training to support delivery.*
  - ➤ *SEStran's GO e-Bike project continued to promote the use of e-bikes as an alternative to car use. Projects from the previous year continue to perform with staff business journeys at St. Andrews University, sustained demand for the Employer Poolbike Roadshow, and community promotion through West Lothian Bike Library and CLEAR Buckhaven. GO e-Bike is expanding further with new sites in Innerleithen with Tweeddale Youth Action, and in Granton with Socialbite Village.*
  - ➤ *SEStran's work in the development of cycle networks saw investment in projects ranging from feasibility to concept and detailed design. New projects were commissioned looking at: Winchburgh – Kirkliston, B9080; Sheriffhall – The Wisp, A7; Kirkcaldy – Buckhaven, A955; Larbert - Plean, A9; Straiton – Gowkley Moss, A701. Investment was made to continue design looking at: Cameron Toll – Edinburgh BioQuarter, A7; Musselburgh Active Travel Network; Tranent Town Realm; North Berwick Town Realm.*
- Maximising public transport provision and achieving public transport integration and intermodality.
  - ➤ *In 2018/19 SEStran carried out further publicity for the Thistle Assistance Programme via print media advertising with a view to encouraging wider use of the card for those who would otherwise find it difficult to travel by public transport.*

- Improving safety for all road and transport users
  - *SEStran's Equality Outcomes 2017 – 2021 were published. For example, there can be a fear of crime particularly when travelling alone on certain modes/routes of transport, particularly in terms of antisocial behaviour or sexual harassment of women on public transport and/or hate crime towards other groups. This can affect the frequency of travel for these groups and curtail their mobility so the RTPI system can play a part in increasing confidence, alongside our promotion of the Thistle Assistance Programme.*
- Enhancing community life and social inclusion
  - *SEStran is involved in Transport Scotland's Hate Crime working group to implement a regional hate crime charter for public transport in the SEStran region'.*
- Enhancing movement of freight, particularly by rail and other off-road modes
  - *SEStran continues to work with Edinburgh Napier University and ZEDIFY Logistics on the EU funded SURFLOGH project which aims to improve the commercial sustainability of last and first mile freight distribution and developing business models for urban freight hubs.*
  - *In 2018/19 SEStran was part of a further successful bid for a project that explores block chain technology in government; BLING. SEStran will be working with the University of Edinburgh developing a pilot that will explore applications for this technology within sustainable city logistics.*
- Enhancing real time passenger information available for bus services in both urban and rural areas
  - *SEStran has continued to invest in expansion of the RTPI system, assisted by awards of ERDF grants (40%) by spending £85,076 on providing new GPS enabled ticket machines capable of connecting to the realtime system, for 11 bus operators in the region.*
  - *Another qualitative point about RTPI is the safety aspect for women or elderly or other travellers, in that they know their bus is on the way and feel safer in the knowledge of how long they will wait and maybe making contact with people who are going to pick them up. There is an assurance factor as well re linking journeys and making connections*
  - *Since 2016 SEStran has developed a program for the provision of public facing screens delivering live bus and rail time information. The program has involved 300 screens being deployed in a variety of locations, including hospitals, libraries, government buildings, business and hotels across the SEStran region. The aim of the programme is to eventually have all operators (large & small) in the region, integrated into the system.*

9. EFFICIENCY, EFFECTIVENESS AND ECONOMY

9.1 Section 32(1)(a) of the Act requires public bodies to publish a statement of the steps taken to improve efficiency, effectiveness and economy in the exercise of their functions.

9.2 The following statement sets out the steps that South-East of Scotland Regional Transport Partnership (SEStran) has taken in 2018-19 to improve its efficiency, effectiveness and economy in the exercise of its functions.

9.3 Supporting the principles of public sector reform, SEStran is aware of the overall need to ensure the delivery of public services as efficiently and effectively as possible.

9.4 In relation to the Scottish Government's National Outcome 16: *Our public services are high quality, continually improving, efficient and responsive to local people's needs*, we are committed to delivering services that are high quality, continually improving, efficient and responsive.

9.5 SEStran receives a total of £190,000 from its constituent councils.

9.6 In 2017/18 a grant of £782,000 was received from the Scottish Government. SEStran spent 100% of this budget.

9.7 In 2018/19 SEStran were involved with several European projects as follows:
- Bling
- Share-North
- Surflogh
- Regio-Mob

9.8 SEStran received £81,033.28 from the EU in relation to these projects.

9.9 In procurement, SEStran have continued to make use of the Public Contracts Scotland (PCS) portal, taking advantage of efficiencies associated with e-procurement. It is their intention in the future to use available frameworks and PCS for procurement.

9.10 In the current economic climate, and with reduced resources, SEStran will continue to work with all involved in regional transport to ensure effective delivery of strategy, policy and projects that deliver the vision for the transport network of the South East of Scotland.

SESTRAN
Public Services Reform (Scotland) Act 2010 Information   Account codes 3541 & 3531
Year ended 31st March 2019

1)   Public Relations

Supplier	External costs - invoiced (net)	Internal Staff Costs	Supplier Total	Comments
Hillside Outside	£1,000		**£1,000**	INV-568
Stand Ltd	£350			GO E-BIKE Brand Design - S0004804
Stand Ltd	£1,248			GO E-BIKE Flag Banners - S0004811
Stand Ltd	£980			SEStran Annual Report 18 - S0004971
Stand Ltd	£4,060			GO E-BIKE Website- S0005137
Stand Ltd	£2,120			Go E-BIKE Banners - Pop Up-S0005139
Stand Ltd	£320		**£9,078**	GO E-BIKE Website S0005163
STV Central Ltd	£3,462			SY 1035
STV Central Ltd	£6,925		**£10,387**	SY 1041
Tactran	£666		**£666**	125
Witch Media	£900		**£900**	71313

Total Net SEStran   **£22,031**

SESTRAN
Public Services Reform (Scotland) Act 2010 Information
Year ended 31st March 2019

2)   Overseas Travel

Reason	Origin / Destination	Travel Costs	Subsistence	Accommodation	EU Contribution	Cost to SEStran
Bling Trip to Amsterdam, 8/2/19	Amsterdam	£65.95			50%	£32.98
Bling Trip to The Netherlands, 22/1/19	Accommodation			£115.09		
Connect Project Trip to Hamburg, 23/8/18	Edinburgh-Hamburg	£68.73			50%	£34.37
	Hamburg-Edinburgh	£123.89			50%	£61.95
ECOMM Trip to Uppsala, 30/5/18-1/6/18	Accommodation			£312.82		
	Edinburgh-Stockholm-Edinburgh	£513.18				
Interreg/Surflogh Trip to Oslo, 12/6/18	Edinburgh-Oslo	£278.70			50%	£139.35
Pursuit Trip to Brussels, 14/6/18	Transport	£25.76				
	Edinburgh-Brussels	£55.47				

Trip	Item	Travel	Subsistence	Accommodation	%	Amount
Pursuit Trip to Brussels, 14/6/18-15/6/18	Edinburgh-Brussels	£18.21				
	Flights, Brussels-Edinburgh	£534.40				
	Accommodation			£184.78		
Regio Mob Trip to Krakow, 13/3/19-17/3/19	Transport	£18.99			85%	£2.88
Regio Mob Trip to Sofia, 26/4/18	Accommodation			£239.68	85%	£35.95
Regio Mob Trip to Krakow, 13/3/19-17/3/19	Accommodation			£302.68	85%	£45.40
	Accommodation			£34.95	85%	£5.24
	Krakow-Edinburgh	£116.83			85%	£17.50
Regio Mob Trip to Amsterdam, 23/4/18-26/4/18	Subsistence, Edinburgh-Schipol		£7.25		85%	£1.09
	Subsistence		£8.67		85%	£1.31
	Parking, Edinburgh Airport	£24.16			85%	£3.60
Regio Mob Trip to Krakow, 13/2/19	Edinburgh-Krakow	£189.74				
Sharenorth Trip to Bergen, 7/5/18	Transport	£14.60			50%	£7.30
Sharenorth trip to Brussels, 3/7/18-6/7/18	Edinburgh-Brussels	£197.76			50%	£98.88
	Brussels-Edinburgh	£96.33			50%	£48.17
	Brussels-Charleroi	£16.49				
Sharenorth Trip to Brussels, 13/2/19-14/2/19	Accommodation			£93.02	50%	£46.51
Sharenorth Trip to Brussels, 13/2/19	Travel	£156.00			50%	£78.00
Sharenorth Trip to Brussels,13/2/19	Public Transport	£12.65			50%	£6.33
Sharenorth Trip to Bergen, 7/5/18-10/5/18	Accommodation			£266.99	50%	£133.50
	Edinburgh-Bergen-Edinburgh	£424.30			50%	£212.15
Sharenorth Trip to Drongen, 18/7/19	Accommodation			£147.29	50%	£73.65
Sharenorth Trip to Eindhoven, 18/2/19	Eindhoven-Edinburgh	£47.01			50%	£23.51
Sharenorth Trip to Drongen, 3/7/18-6/7/18	Transport, Brussels Airport-Drongen	£14.45			50%	£7.23
	Transport, Drongen-Brussels	£8.44			50%	£4.22
Sharenorth Trip to Bremen, 2/4/19-5/4/19	Edinburgh-Bremen-Edinburgh	£344.28			50%	£172.14
	Edinburgh-Bremen-Edinburgh	£344.28			50%	£172.14
	Accommodation			£884.06	50%	£442.03
Surflogh Trip to Groningen, 18/10/18-19/10/18	Amsterdam Airport-Groningen	£91.71			50%	£45.86
	Amsterdam Airport-Groningen	£183.42			50%	£91.71
	Groningen-Amsterdam Airport	£137.93			50%	£68.97

Surflogh Trip to Mechelen,	Public Transport	£15.25			50%	£7.63
4/2/7-7/2/19	Public Transport	£7.62			50%	£3.81
Surflogh Trip to Oslo,	Edinburgh-Oslo-Edinburgh	£139.17			50%	£69.59
12/6/18-15/6/18	Accommodation, Subsistence		£364.75		50%	£182.38
Surflogh Trip to Sweden, 17/4/18-19/4/18	Accommodation, Sweden		£356.87		50%	£178.44
Surflogh Trip to Groningen, 31/10/18-2/11/18	Accommodation		£1,136.61		50%	£568.31
	Edinburgh-Amsterdam-Edinburgh	£923.00			50%	£461.50
	Edinburgh-Amsterdam-Edinburgh	£543.28			50%	£271.64
Surflogh Trip to Brussels, 4/2/19-7/2/19	Edinburgh-Brussels-Edinburgh	£270.76			50%	£135.38
	Accommodation		£338.80		50%	£169.40
	Accommodation		£338.80		50%	£169.40

Total Net SEStran   **£4,331.33**

SESTRAN
Public Services Reform (Scotland) Act 2010 Information
Year ended 31st March 2019

3)   Hospitality & Entertainment

Supplier	Project / Service	Net Amount	Comments	EU Contribution	Cost to SEStran
Forgan's Deposit	Sharenorth	100.00	Share North event	50%	£50.00
Forgan's Deposit	Sharenorth	367.10	Share North event	50%	£183.55
Malmaison	RTP Chairs Dinner				£299.50
Sodexo	E-bike Conference	704.00	E-Bike Launch Event		£704.00
Sodexo	Regio-Mob	2,991.67	EU dissimination event	85%	£448.75
The Scotch Malt Whiskey S	Sharenorth	728.33	Room hire, dinner	50%	£364.17

Total Net SEStran   **£2,049.97**

SESTRAN
Public Services Reform (Scotland) Act 2010 Information
Year ended 31st March 2019

4)   External Consultancy

Supplier	Project / Service	Net Amount	Comments	EU Contribution	Cost to SEStran
121 HR Solutions Ltd	Legal	348.00	HR Support & Travel costs		£348.00

121 HR Solutions Ltd	Legal	1,226.75	HR & travel		£1,226.75
121 HR Solutions Ltd	Legal	609.25	HR & travel		£609.25
121 HR Solutions Ltd	Legal	142.50	HR Support		£142.50
121 HR Solutions Ltd	Legal	234.00	appeal hearing & train fair, parking charge		£234.00
121 HR Solutions Ltd	Legal	329.10	HR costs & travel		£329.10
Arup	Cycle Scheme	10,000.00	feasibility study		£10,000.00
Crannog Consulting	Core	800.00	webserver configuration & website migration		
Crannog Consulting	Core	245.00	Cloud websever subscription, webserver care package		
Crannog Consulting	Core	245.00	Cloud websever subscription, webserver care package		
Crannog Consulting	Core	245.00	Cloud websever subscription, webserver care package		
Crannog Consulting	Core	245.00	Cloud websever subscription, webserver care package	£1,780.00	
Henderson Loggie	Regio Mob	1,380.00	Grant claim		£1,380.00
Liftshare	Tripshare	23,098.95	1 year license		£23,098.95
One Stop IT Solutions	IT	20.42	call charges		
One Stop IT Solutions	Core	2,007.15	agreement managed proactive IT		
One Stop IT Solutions	Core	1,702.70	agreement managed proactive IT		
One Stop IT Solutions	Core	240.50	Microsoft office		
One Stop IT Solutions	Core	1,691.40	agreement managed proactive IT		
One Stop IT Solutions	Core	550.00	Fortinent renewal		
One Stop IT Solutions	Core	16.55	Call charges		

One Stop IT Solutions	Core	1,691.40	agreement managed proactive IT		
One Stop IT Solutions	Core	226.00	StarTech.com converter		
One Stop IT Solutions	Core	1,691.40	agreement managed proactive IT		
One Stop IT Solutions	Core	18.93	call charges		
One Stop IT Solutions	Core	1,695.90	Agreement (ITCARE)		
One Stop IT Solutions	Core	1,800.00	Cyber essentials		
One Stop IT Solutions	Core	70.00			
One Stop IT Solutions	Core	1,546.00	agreement managed proactive IT		
One Stop IT Solutions	Core	26.77	call charges		
One Stop IT Solutions	Core	1,546.00	agreement managed proactive IT		
One Stop IT Solutions	Core	1,513.00	agreement managed proactive IT		£18,054.12
Pedal Distributions UK	Surflogh	11,350.24	Grant claim	50%	£5,675.12
Quorum Cyber	Core	2,200.00	SG contribution		£2,200.00
Stand	Go e-Bike	4,060.00	website design, project management, website annual hosting		
Stand	Go e-Bike	2,120.00	Banners		
Stand	Go e-Bike	320.00	website		£6,500.00
Sustrans	NOVUS FX	9,000.00	Regional active travel audit		£9,000.00
Trapeze	Core	2,600.00	Publish system		
Trapeze	Core	995.00	Training services		£3,595.00
Trivector	Travel data collection	5,500.00	TRavelVU	50%	£2,750.00
AECOM	Urban Cycle Networks	24,000.00	Date gathering, design work		
AECOM	Urban Cycle Networks	30,871.00	Date gathering, design work		£54,871.00
WYG	RTPI - Revenue Contribution	£15,547	Bustracker SEStran display scsreens		

WYG	RTPI - Revenue Contribution	£9,120	SEStran display screen support		
WYG	RTPI - Revenue Contribution - Revenue Contribution	£5,406	SEStran display screen support		
WYG	R17 Sustainable Travel Awareness	£4,304	SEStran display screen support		
WYG	RTPI - Revenue Contribution	£7,704	Bustracker SEStran display scsreens		£42,080.97

Total Net - SEStran   **£183,874.76**

SESTRAN
Public Services Reform (Scotland) Act 2010 Information
Year ended 31st March 2019

5)   **Payments in Excess of £25,000**

Payee	Commodity / Service Description	Gross Amount	Sub Totals
AECOMM	Urban Cycle Networks	£24,000	
AECOMM	Urban Cycle Networks	£30,871	**£54,870.73**
Carplus Bikeplus	R17 Sustainable Travel Awareness	£24,000	
Carplus Bikeplus	*RTPI - Revenue Contribution*	*£17,541*	
Carplus Bikeplus	R17 Sustainable Travel Awareness	£13,500	
Carplus Bikeplus	R17 Sustainable Travel Awareness	£37,966	**£93,007.13**
Forth Environment Link	Go e-Bike	£107,915	**£107,915.00**
Ineo Systrans	RTPI - Revenue Contribution	£28,203	
Ineo Systrans	RTPI - Revenue Contribution	£28,203	
Ineo Systrans	RTPI - Revenue Contribution - Reven	£28,203	
Ineo Systrans	RTPI - Revenue Contribution	£28,203	**£112,812.00**
Midlothian Council	R17 Sustainable Travel Awareness	£25,000	**£25,000.00**
WYG	RTPI - Revenue Contribution	£15,547	
WYG	RTPI - Revenue Contribution	£9,120	
WYG	RTPI - Revenue Contribution - Reven	£5,406	
WYG	R17 Sustainable Travel Awareness	£4,304	
WYG	RTPI - Revenue Contribution	£7,704	**£42,080.97**

Total Net- SEStran   **£435,686**

6)   **Members or employees who received remuneration in excess of £150,000**

12 July 2019

EDINBURGH LOW EMISSION ZONE CONSULTATION – Response by SEStran

Please find attached our response to the above consultation. We felt that the format of the online facility would not allow the more comprehensive response which we feel is merited.

You'll be aware that our fundamental duty as a statutory regional partnership is to produce and implement, as funds and collaborations permit, a Regional Transport Strategy (RTS).

We have now begun the process of updating and re-writing the RTS. We are currently at the stage of identifying main issues to be addressed and it is clear the introduction of a LEZ within the City of Edinburgh will be of regional significance and will therefore be a key feature of the new RTS.

We are, of course, supportive of your proposals which will bring many welcome benefits to the residents of the city. We would, however, contend that the implementation of a LEZ and mitigation of its impacts, should also be addressed at a strategic regional level.

In order to help inform the RTS rewrite process and to facilitate further discussion with our partner authorities on the implications of the introduction of a LEZ into the city, we intend to convene a meeting with appropriate representatives in the near future and would like to invite you, and your colleagues, to be involved.

To conclude, SEStran welcomes the LEZ with proper considerations for the wider impacts in the region. The Council's proposals to improve the air quality in the city are ambitious and encouraging, and it is hoped that SEStran's comments on the LEZ proposals are informative and useful in helping the Council implement its proposals. Nevertheless, SEStran would like to emphasise that a regional approach must be taken to properly implement the LEZ and mitigate the inevitably wide-ranging implications in accessing Edinburgh as a major concentration of education, employment and leisure.

Please respond to my letter by contacting Julie Vinders (julie.vinders@sestran.gov.uk / 0131 524 5158) for further discussion.

Kind regards,

Jim Grieve
Partnership Director

12 July 2019

SEStran Comments on the Low Emission Zone for City of Edinburgh

SEStran welcomes the proposal to introduce a Low Emission Zone (LEZ) to improve the air quality in Edinburgh. While SEStran generally supports the concept of a LEZ, it must be considered that a LEZ is merely a tool to improve the air quality of a particular area and should not be considered in isolation as an end in its own right. A LEZ must be accompanied by additional measures and interventions to mitigate the potentially negative impact a LEZ can have. A lot of people travel to and from Edinburgh for work and educational purposes or for leisure. (Approximately 35% of employees working in Edinburgh live out with the city and commute in)[1] [2].

Edinburgh is the economic centre for the South East of Scotland and contributes significantly to the Scottish economy. SEStran acknowledges the challenge that exists in tackling poor air quality while stimulating economic growth.

To ensure economic growth is disconnected from an increase in the emission of air pollutants, an appropriate strategy of mitigation measures must be in place to provide capacity in alternative travel options. SEStran recognizes that the City of Edinburgh Council is working on a number of initiatives to improve the connectivity in the City and encourage sustainable travel.

A Regional strategy is needed to mitigate impacts of LEZ and provide appropriate alternative travel solutions.

Regional Impact Issues associated with the introduction of a LEZ:

- Impact on regional trips commuting, tourism, freight etc to and from the city centre;
- Demand management:
    - While the LEZ has potential to reduce the number of cars in the city, it is not designed to do so and the people who can afford it, will simply buy a cleaner vehicle (perhaps a bit sooner than they would have done without the LEZ in place);
    - There is therefore an opportunity to use the LEZ to reduce the number of vehicles in the city centre by providing appropriate and attractive transport alternatives, such as active travel facilities and infrastructure, shared mobility, and good public transport;
- Displacement impacts out with Edinburgh resulting from the wider city zone;
- Potential of reduced access to employment for low income commuters who can't afford a more modern car;
    - Equality issue: Those who cannot afford to buy a cleaner vehicle, however, will perhaps increasingly depend on the public transport network to access employment and education. Particularly in areas of transport poverty, the LEZ might pose an equalities issue and potentially restrict access to facilities and services for people living in these areas.

Freight Impacts

- City wide strategy is needed – as movements of HGV & LGV vehicles will have cross boundary regional impact;

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[1] Transport and Travel in Scotland 2017 Table 16 Travel Diary Table TATIS 2017.xlsx
[2] Census 2011 data Table AT_009_2011

- Combination of policy development and incentives for providers to ensure buy in and operational implementation from providers;
- Consolidation hubs (regional/micro/mobile) and First/last mile solutions;
- Explore opportunities for technological solutions that can also be integrated/combined with LEZ technology;
- Impact on small and medium sized enterprises: businesses with small profit margin might struggle to purchase cleaner vehicles and might potentially lose business in the city as a result. This is perhaps an opportunity to switch from van to cargo-bike but a LEZ on its own will not achieve this;
- Need to carry out a detailed assessment of the necessary infrastructure, operational financial and contractual requirements to ensure buy-in and commitment for future consolidation solutions. See SEStran work on SURFLOGH.[3]

Bus Based Public Transport

- Timescales for implementation of zone will impact on bus operators with the potential to increase short/medium term costs;
- Manufacturing capacity to retrofit vehicles given that 4 LEZs are being introduced at same time;
- Bus based commuting into city centre from outlying areas may be affected by the proposed LEZ areas. Will bus based public transport options to the city centre from outlying areas be reduced because of the need to upgrade fleet? Potential fare increases will make public transport less attractive and affordable. Discussions is needed with bus operators providing services to City Centre; and
- Air quality issues in towns out with City of Edinburgh could be affected by vehicle displacement away from routes serving the city centre.

Grace Periods

- The current city centre scheme proposes a longer grace period for residents compared to non-residents: this poses a potential equalities issue as residents of Edinburgh normally have a range of transport options (public transport network covers most part of the city);
- Non-residents, however, and particularly those who cannot afford to live in the city, often have fewer transport options and they are potentially significantly more impacted by the LEZ. Therefore, the grace period should not discriminate between residents and non-residents. In addition, and again, the introduction of a LEZ offers an opportunity to reduce the number of cars in the city, as long as its implementation is accompanied with additional strategic interventions to provide viable transport alternatives and incentives;
- Residents should be encouraged to use alternative travel modes, but this must be accompanied with additional measures, such as the provision of car-sharing, bike-sharing etc. A LEZ on its own will simply encourage people to buy a cleaner vehicle while the number of cars driving through the city could potentially remain the same (or even increase if bus fares go up, etc.).

Exemptions

- There will be several exemptions that will be developed through the emerging regulations and which will be applied at a national level. However, there is no information available on what local exemptions will apply to the Edinburgh LEZ;
- SEStran would suggest that time focused exemptions be the preferred mechanism rather than try and identify specific user groups as this would result in increased complexity.

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[3] https://www.sestran.gov.uk/projects/surflogh

Regional Mitigation Issues

It is considered that a regional approach (strategy) is needed to deliver and maximise the benefits of a LEZ for Edinburgh and the surrounding regions.

In addition to the impacts within Edinburgh City there are significant cross boundary travel and transport issues that are affected by the proposed LEZ; which must also consider the proposed development growth that will continue to increase demand for commuting trips into Edinburgh from the surrounding area following the introduction of a LEZ.

Continuing growth within Edinburgh will increase the demand for services and the associated demand for goods and associated freight transport.

Some measures to mitigate key impacts identified include:

- Measures to improve cross boundary public transport journey times;
- Increased park and ride provision;
- Coordinated delivery at a regional level of park and ride public transport infrastructure;
- Public transport costs;
- Integrated multi modal hubs to raise the profile of new and existing public transport network, the provision of shared mobility and associated active travel infrastructure;
- Improved orbital public transport routes around outer zone;
- Coordination of freight consolidation;
- Development of low carbon freight hubs;
- A720 City Bypass – development and improvement through for example orbital bus route.

Edinburgh City Centre Transformation - Proposed Strategy for Consultation

Response by SEStran, 28 June 2019

Link to consultation document:
http://www.edinburgh.gov.uk/CET/downloads/file/8/edinburgh_city_centre_transformation_proposed_strategy_for_consultation

Response ID ANON-GSB3-ZCAC-G

Submitted to Edinburgh City Centre Transformation - Proposed Strategy for Consultation
Submitted on 2019-06-28 08:40:17

Introduction
1 What is your name?
Name: Jim Stewart

2 If you would like to be contacted with the results of this survey and about the next stages of this project please enter your email address below.
Email: jim.stewart@sestran.gov.uk

3 If you are responding on behalf of an organisation, what is your organisation?
Organisation: SEStran

A walkable city centre
4 Do you agree with this proposal?
Agree strongly
Do you have any further comments::
SEStran strongly support the improvement of infrastructure and improved recognition of the needs of pedestrians throughout the transport network as laid out in the Regional Transport Strategy Refresh 2015.

A walkable city centre
5 Do you agree with this proposal?
Agree strongly

Do you have any further comments::

Public Realm Improvements
6 Do you agree with this proposal?
Agree strongly

Do you have any further comments::
The transforming of streets relative to the Scottish Government's Designing Streets Guidance is necessary to see these objectives met. SEStran fully supports the use of sustainable travel and improvements to the public realm which ensuring the flow of freight along and to businesses and residences.

High-quality and fully connected cycling network
7 Do you agree with this proposal?
Agree strongly

Do you have any further comments::
SEStran strongly support the improvement of infrastructure and improved recognition of the needs of cyclists throughout the transport network as laid out in the Regional Transport Strategy Refresh 2015

Bus priority
8 Do you agree with this proposal?
Agree strongly

Do you have any further comments::
Furthermore, the extension of bus lanes, or increased enforcement of bus lanes, could be an additional measure to help improve bus times and make bus travel more accurate and reliable.

A free city centre hopper bus
9 Do you agree with this proposal?
Agree strongly

Do you have any further comments::
SEStran fully support this proposal as it provides a major incentive to encourage modal shift especially for short and local cross city journeys.

Access for private cars and city centre businesses
10 Do you agree with this proposal?
Agree strongly

Do you have any further comments::
However, the management of deliveries to businesses and ensuring economic activity is not adversely impacted is an important part of the detailed development of the proposals. In particular how proposals for last mile cargo delivery is developed and integrated within the proposals is critical to successful delivery of the overall city centre transformation scheme.
In relation to residents living in the city centre, it should be recognised that there is less need for people to own their own vehicle. Instead, the use of the existing public transport system supplemented by car sharing should be encouraged for local residents. That reduces the need for residential cars and car parking in the city centre and allows for more space to be given to people. In particular, perhaps the reassessment of the level of parking provision for residents should consider more car club bays in favour of residents bays to encourage car sharing.

A potential tram loop around the city centre
11 Do you agree with this proposal?
Agree strongly

Do you have any further comments::
The Regional Transport Strategy Objectives are to support growth and improvements in Economy, Accessibility, Environment, and Health and Safety. SEStran support the provision of enhanced public transport facilities including trams where appropriate .

New public transport interchanges
12 Do you agree with these proposals?
Agree slightly

Do you have any further comments::
Care needs to be taken to ensure that the package of measures does not lead to an overall reduction in accessibility to the city centre by public transport.
Changes to levels of bus accessibility to the city centre need to be fully offset by other sustainable and active travel options integrated at the new public transport interchanges.

New vertical connections
13 Do you agree with this proposal?
Agree strongly

Do you have any further comments::

A new walking and cycling bridge
14 Do you agree with this proposal?
Agree strongly
Do you have any further comments::
SEStran strongly support the improvement of infrastructure and improved recognition of the needs of pedestrians and cyclists throughout the transport network as laid out in the Regional Transport Strategy Refresh 2015.

Waverley Bridge plaza
15 Do you agree with this proposal?
Agree strongly

Do you have any other comments::
SEStran has already comment on the Waverley Masterplan. The public transport connectivity between the station and all all public transport modes must be integrated into the design of the new urban space.

Catalyst Areas
16 How much do you support the range of proposals for each of the catalyst areas?
Catalyst areas - Haymarket:
Fully support

Catalyst areas - Lothian Road:
Fully support

Catalyst areas - New Town:
Fully support

Catalyst areas - Old Town:
Fully support

Catalyst areas - Waverley/ Calton:
Fully support

Catalyst areas - Innovation Mile:
Fully support

Do you have any comments about the catalyst area proposals: :
The general comments already made about due consideration of the needs of residents and businesses for deliveries and servicing needs to be a key element in developing the detail of the scheme. How are proposed consolidation hubs for goods going to be developed and what support is there from the business
communities and the logistics companies who deliver? The wider freight movements that have origins/destination to the north of the city centre needs to be considered and managed given the proposed changes to some key north south links especially the A7 North Bridge corridor.
At the moment there are minor mentions for tactical interventions (pg 97 Freight consolidation hubs at the periphery of the city) in this document but no real evidence for an overarching strategic approach covering the entire city. It is suggested that a proper sustainable freight strategy for the city, that would encompass consolidation centres, first/last mile, zones for loading/unloading and timings should be developed to avoid a piecemeal approach to tackling a substantial transport demand within the city centre .
There would have to be a combination of policy and incentive levers. SEStran are partners in ongoing European funded projects SURFLOGH and BLING which are researching issues associated with sustainable urban logistics and could inform ongoing strategy development.

Your thoughts
17 This strategy is designed to be transformational. Do you believe it is?
Agree slightly

Meadows to George Street Consultation Response

Q1a   To what extent do you support/oppose the aim of improving conditions for people walking on the streets within the Meadows to George Street project (Hanover Street, the Mound, Bank Street, George IV Bridge, Forrest Road, Bristo Place, Teviot Place)?

Strongly support

Q1b   Could you briefly explain your view?

SEStran strongly support the improvement of infrastructure and improved recognition of the needs of pedestrians throughout the transport network as laid out in the Regional Transport Strategy Refresh 2015.

Q2   To what extent do you support/oppose the aim of improving conditions for people cycling along the Meadows to George Street corridor (Hanover Street, the Mound, Bank Street, George IV Bridge, Forrest Road, Bristo Place, Teviot Place)?

Strongly support

Q2a   Could you briefly explain your view?

SEStran strongly support the improvement of infrastructure and improved recognition of the needs of pedestrians and cyclists throughout the transport network as laid out in the Regional Transport Strategy Refresh 2015. This is an important corridor of movement North-South and vice versa, where there is existing segregated infrastructure in the Meadows making important onward connections.

Whilst recognising the improvements for walking and cycling it must be noted that users of public transport will benefit from any reallocation of road space to improve journey times and reduce congestion.

Q3a   To what extent do you support/oppose the proposed plan of transforming the streets into places for people and restricting general traffic on certain streets?

Strongly support

Q3b   Could you briefly explain your view?

The Regional Transport Strategy Objectives are to support growth and improvements in Economy, Accessibility, Environment, and Health and Safety. The transforming of streets relative to the Scottish Government's Designing Streets Guidance is necessary to see these objectives met. SEStran fully supports the use of sustainable travel whilst ensuring the flow of freight, through the reduction of congestion created by general motor traffic.

Q4a   To what extent do you support/oppose the proposals for Forrest Road

Support

Q4b   Could you briefly explain your view?

The proposals are a dramatic improvement to the environment that currently exists on Forrest Road, and a better link between the Meadows and onto Forrest Road is required. There are a number of factors that need to be complicit to reach a successful solution.

Loading and Access need to be maintained whilst also encouraging residents and business along this road and Forest Hill to consider appropriate timing periods for this access to occur. SEStran would encourage

the trialling of sustainable logistics solutions within this area to reduce the need for vehicles that may be limited by time restrictions.

https://northsearegion.eu/surflogh/

The existing layout of Potterrow with two road lanes in each direction would need to be appropriately re-engineered to match the traffic directions created through this project, taking cognisance of the wider University of Edinburgh Campus Masterplan in this area.

The pedestrianisation of Forrest Road will create a welcoming environment for those on foot passing through the area along with those making use of businesses along the road. However, the route still exists as a movement corridor for those on bike and improvements should not seek to create an additional barrier to this movement by introducing conflict between vulnerable users.

Q5a   To what extent do you support/oppose the proposals on Candlemaker Row, which aim to increase pedestrian priority whilst retaining the number 2 bus service? (See website for more details of the limited vehicle access: www.meadowstogeorgestreet.info)

Strongly support

Q5b   Could you briefly explain your view?

Given the data collected for Pedestrian Comfort Level and Pedestrian Desire Lines recorded, this proposal reduces potential issues around pedestrian and vehicle conflicts and is an outward example of prioritising sustainable transport over other modes.

Q6   To what extent do you support/oppose the proposed improvements to the public space around Greyfriars and the Bedlam theatre?

Strongly Support

Q6   What would you like to see in this space?

	Support	Not support	Not sure
Seating			
Greenery (such as trees and planters)			
Incorporating elements of play (for children and adults)			
Artistic installation (permanent)			
Artistic installation (temporary)			
Space for street performance			
Heritage and culture information boards			
Places to enjoy the view			

Q6b   Do you have any other comments you would like to offer?

As with comments made for Q4 and Q5, these are areas where there is a high demand of use by pedestrians and these improvements are welcome but must be tempered with the need to continue to provide a safe route for those on bike to pass through.

Q7   To what extent do you support/oppose opening up a new public space at the top of the Mound?

Support

Q7   What would you like to see in this space?

	Support	Not support	Not sure
Seating			
Greenery (such as trees and planters)			
Incorporating elements of play (for children and adults)			

Artistic installation (permanent)
Artistic installation (temporary)
Space for street performance
Heritage and culture information boards
Places to enjoy the view

Q7b Do you have any other comments you would like to offer?

While supporting the provision of more public space this should not place an increased burden of responsibility upon the local authority with respect to maintenance.

Q8a To what extent do you support/oppose the proposal to retain general traffic on The Mound and Hanover Street between Market Street and Queen Street?

Strongly support

Q8b Could you briefly explain your view?

This corridor is still an important North-South connection with particular access to Waverley Station. It should be noted that where other projects such as the City Centre Transformation, and the Waverley Station Masterplan seek to change the street scape in this area that access is maintained to those who need it.

Q9a To what extent do you support/oppose the proposals to improve pedestrian areas through wider pavements, planters, seatings and new crossings?

Strongly support

Q9b Could you briefly explain your view

The proposals change the environment along the route and place more emphasis on sustainable modes of transport. There are many times in Edinburgh that the current footway provisions are not adequate to accommodate the number of pedestrians. As highlighted in the comfort Level scores particularly on George IV Bridge.

Q9c Do you have any other comments or ideas we should consider regarding the pavements and crossings on these streets?

We strongly support the use of floating bus stops along the route though would have a preference that these are not compromising the width of the cycle track. Additional width could be sought from the other side of the carriage way to maintain a straight edge to the cycle track.

Q10a To what extent do you support/oppose the proposals for segregated cycleways along the route?

Strongly support

Q10b Could you briefly explain your view?

The option for safe infrastructure for this route can only be met by segregation from conflict with other vehicles. In particular as this route has large volumes of taxi carriages, this potential conflict between cycles is eliminated with full segregation.

Q10c Do you have any other comments or ideas to improve cycling along these streets?

Cycle tracks should be obvious in their purpose and design. This requires bold thinking to establish a recognised standard and one that equivalent to the ambition of this project as one of the first large scale infrastructure projects.

Q11a   Are you a business owner in the area?

Q11c   Where do you feel loading bays are most essential along the corridor?

Loading bays as designed on the Westside should be south of the Library buildings with appropriate capacity to service businesses on the west and east sides from these locations, and in as such be conveniently placed to crossing points to provide safe delivery from couriers.

Q12a   Do you consider yourself to have a disability or long term health condition (mental health and/or physical health)?

Q12d   To help in our reporting, can you tell us what your perspective is on the project area? Tick all that apply to you

> Resident in or near the area
> Business owner/ manager in or near the area
> Student in or near the area
> Organisation/ Institution operating in the area
> Someone who regularly travels through the area
> Employee in or near the area
> Other

Q13   How do you usually make your journeys in and around Edinburgh?

	most often	2nd most often	3rd most often	4th most often	5th most often
Walk					
Bicycle					
Bus					
Car (as driver)					
Car (as passenger)					
Taxi					
Tram					
Train					
Other					

Q14   How would you prefer to travel assuming you had the opportunities and conditions to do so?

	most often	2nd most often	3rd most often	4th most often	5th most often
Walk					
Bicycle					
Bus					
Car (as driver)					
Car (as passenger)					
Taxi					
Tram					
Train					
Other					

Q14b   What prevents you from travelling this way?

Q15   How often do you travel on the streets in our project area?

Several times a day	Once a day	Several times a week
Once a week	Several times a month	Once a month
Less than once a month	Never	Other time period

Q16   Which of the following best reflects your current working status?

In full time employment   In part time employment (including semi-retired)
In full/part time education   Retired   Volunteer
Unemployed   Other (please specify in the box below)   Prefer not to say

Q17   To which of these age groups do you belong?

Under 16   16-24   25-34   35-44   45-54
55-64   65-74   75+   Prefer not to say

Q18   Please tell us about your gender identity?

Man   Woman   Identify in another way   Prefer not to say

Q19   Are you the parent of guardian of children under the age of 16?

                    Yes   No   Prefer not to say

Q20   What is your ethnicity?

White Scottish
White Irish
White other British
Gypsy/ Traveller
White other
Black African, African Scottish or African British
Black Caribbean, Caribbean Scottish or Caribbean British
Arab, Arab Scottish or Arab British
Indian, Indian Scottish or Indian British
Asian
Chinese, Chinese Scottish or Chinese British
Prefer not to say
Any other mixed background
Other (please specify)

GO SEStran
South East of Scotland
Transport Partnership

Rural Economy and Connectivity Committee,
T3.60, Scottish Parliament,
 Edinburgh
EH99 1SP

06 September 2019

Dear Sirs,

RECC - pre budget scrutiny - road maintenance in Scotland - call for views

I write on behalf of SEStran, the statutory Regional Transport Partnership (RTP) covering eight local authorities in the South East of Scotland. The area covered is diverse in both geographical and socio-economic terms, and includes City of Edinburgh, Falkirk, Fife, Midlothian, East Lothian, West Lothian, Scottish Borders and Clackmannanshire.

SEStran welcome the opportunity to be involved and contribute to the call for views on such a key aspect of transport services. Our comments are included on the attached response.

If you require any further detail on any of the points raised above, please contact myself at jim.stewart@sestran.gov.uk or 0131 524 5159.

Yours Sincerely,

Jim Stewart

Strategy and Projects Officer.

**Rural Economy and Connectivity Committee
Call for Views
Pre-Budget/Financial scrutiny on roads maintenance in Scotland**

Response by South East Scotland Region Transport Partnership (SEStran)

About SEStran

SEStran is the Regional Transport Partnership (RTP) for the south east of Scotland, covering eight local authorities. The area covered is diverse in both geographical and socio-economic terms, and includes City of Edinburgh, Falkirk, Fife, Midlothian, East Lothian, West Lothian, Scottish Borders and Clackmannanshire. SEStran's main function is the publication of a statutory Regional Transport Strategy.

General Points

Policy 13 of the Regional Transport Strategy 2015 – 2025 Refresh published in July 2015 identifies that *"The RTS will give a high priority to the maintenance of public transport networks and infrastructure"*. Whilst this is specifically aimed at public transport networks the principle of investing in maintaining the road network so it can be safely used by all road users especially where it supports active travel is fully supported.

The format of the specific SEStran comments below reflect the table produced in the consultation document and specifically relate to the numbered sections.

Issues and Key Questions within the Call for Views

a) How have recent spending decisions on roads maintenance affected the quality of Scotland's roads, road users, businesses, public services, and the economy?

There has been a general reduction in the quality of maintenance of the road network throughout Scotland.

SCOTS monitor closely the condition of the road network based on the SRMCS survey data. SCOTS has undertaken work to establish the cost of the headline backlog, which is the cost of producing a network free from any 10m subsections in an amber or red condition. The 2019 headline backlog figure of £1.888 billion is £31.8 million less than the £1.919 billion backlog for 2017 (adjusted for inflation).

SCOTS also estimate the average annual budget for each authority to maintain steady state Road Condition Index scores. The previously published steady state figure for 2017 was £254.8 million (at 2019 prices). The 2019 steady state was calculated to be £254.8 million calculation therefore represents a decrease of £0.8 million or 0.3% in percentage terms over the two-year period.

Colleagues in SCOTS will be better qualified to speak to these figures but they provide evidence that there is a substantial backlog of investment needed to improve the condition of the road network and that there is a minimum budget level needed to maintain the existing status quo.

There is considerable variation across local authority areas in terms of budget provision and the nature and type of network defects. Therefore, some authorities show slight improvements in RCI whilst other show deterioration.

However, continuing underinvestment in road maintenance funding will lead to an ongoing deterioration in the network, and an increase in the headline backlog investment figure.

b) If spending on roads maintenance continues at current levels, what could be the likely effects on the above groups?

The impacts of will be manifested in a potential increase in accidents and damage to vehicles and potential injury to road users. This could affect the ability to facilitate public transport improvements and increased demand from services provided next to the carriageway.

As the transport network would be less efficient for freight and goods movements there would be an increase in cost to business:

- time - due to delays on poor roads and vehicles off the road and
- financial – cost of repairs and replacement due to reduced vehicle life span,

Both would have an impact on margins, investment and business confidence with flow on effects to overall economic growth.

c) How could any negative effects of reduced road spending best be addressed?

There is evidence of roads authorities better prioritising and targeting maintenance activity which has led to improved output from reducing resources and this should continue.

However, the funding needed to create a defect free network is not a realistic aspiration. Therefore, a decision needs to be made on what is considered to be a sustainable level of investment for road maintenance. The minimum level of investment should ensure that at the very least conditions on the network do not deteriorate over time.

Innovative approaches to other funding mechanisms should be explored; workplace parking levy's, tolls on high volume routes, charging for HGV & LGV movements for example. The latter could also help work towards environmental targets if the freight industry develops models that employ greater efficiencies with capacity – same volume of goods moved by less vehicles.

Use 'smarter' approaches to road maintenance and new road builds; getting better value from innovative new technology, materials and techniques to reduce costs and improve the lifespan of work undertaken.

d) Is the current model of funding and delivering roads maintenance, which is split between Transport Scotland and local authorities, the most economic and efficient option?

The Audit Scotland report: Maintaining Scotland's, Roads: a follow-up report [1] outlines that there is now a consensus between Strategic Action Group members for roads maintenance that the current model of roads maintenance delivery in Scotland is likely to be unsustainable. However, there is not yet a clear plan in place to address these structural challenges. In particular,

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[1] https://www.audit-scotland.gov.uk/uploads/docs/report/2018/ir_180626_maintaining_roads.pdf

progress towards sharing services and greater collaboration at a strategic level remains slow. Councils were at the early stages of establishing regional arrangements but there was a lack of clear plans and timetables for determining the potential extent of shared services at an operational level.

Consideration of overall network resilience is important in this context. Incidents on a well-maintained core network lead to an impact on the surrounding peripheral network and therefore a lack of investment in the peripheral network can lead to the network being less able overall to cope with major incidents.

Although there are examples of shared services e.g. Ayrshire Alliance and Tayside Contracts there is clearly insufficient evidence to convince other authorities to enter into shared services agreement. The whole issue of Regional Governance for Transport functions is identified as an issue within the NTS2 consultation and has relevance in this context. The review of integration of Planning, Economics and Transportation on a Regional basis may be a catalyst since the delivery of maintenance functions is a transportation function.

Summary

The recent announcement in the 2019-20 Programme for Government to invest over £500 million in improved bus priority infrastructure to tackle the impacts of congestion on bus services and raise bus usage is welcomed. However, ongoing capital investment in new infrastructure must be matched with a commitment to provide adequate resources to maintain the existing infrastructure so that the maximum benefits accrue from the investment for all road users.

Therefore, investment to maintain existing infrastructure is crucial to ensuring that the quality of Scotland's roads continue to provide access and connectivity for existing road users, businesses, public services, and the help maintain economic activity.

6 September 2019

GO SEStran
South East of Scotland Transport Partnership

CHIEF OFFICER LIAISON GROUP MEETING
2:00PM WEDNESDAY 21 AUGUST 2019

Present:

Jim Grieve (Chair) (JG)	SEStran
Peter Jackson (PJ)	SEStran
Keith Fisken (KF)	SEStran
Hannah Markley (HM)	SEStran
Jim Stewart (JS)	SEStran
Graeme Malcolm (GM)	West Lothian Council
Kevin Collins (KC)	Falkirk Council
Lesley Deans (LD)	Clackmannanshire Council
Iain Shaw (IS)	City of Edinburgh Council
John Mitchell (JM)	Fife Council

Apologies:

Angela Chambers	SEStran
Julie Vinders	SEStran
Beth Harley-Jepson	SEStran
Peter Forsyth	East Lothian Council
Graeme Johnstone	Scottish Borders Council
Nicola Gill	West Lothian Council
Ken Gourlay	Fife Council
Ewan Kennedy	City of Edinburgh Council
Alan Murray	Clackmannanshire Council
Douglas Proudfoot	East Lothian Council
Neil Dougall	Midlothian Council

Ref.		Actions
1.	**Welcome and Apologies for Absence**	
1.1	The Chair welcomed the Officers to the meeting and apologies were noted as above.	
2.	**Minutes**	
2.1	**Chief Officers Liaison Group (22nd May 2019)** Agreed as a correct record	

1

3.	**Financial reports**	
3.1	IS advised that the next board paper will consist of 3 financial reports; the external auditors report, audited accounts 18/19 and the financial performance report for this current year. The audited accounts 18/19 report will highlight the underspend of £32,000 and will show how it can be carried forward to the next financial year.	205
4.	**Projects Update**	
4.1	KF presented a brief breakdown of some of SEStran's project outputs. The project update was requested by the board to see how it is linked to the Business plan. - A promotional campaign developed for GO e-Bike launched at the TRANSCEND festival in June. Do the Ride Thing encourages responsible use of bicycles in all settings and promotes the benefits that e-bikes can bring. This also include combining cycle training to employability pool (open to new employers). - The comms strategy for Bikeability Scotland will be launched in September and will be included in the project report for the board. - LD asked if pictures of the final ReCYCLEd Signs could be shared. KF agreed to circulate. - Real time passenger information (RTPI) in Galashiels is stable and SEStran is going to fund the cost in Fife. KF mentioned to members if there are anymore key sites who have problems with travel line information then to let him know. However, the budget is limited. Hopefully more sites can be managed within budget. JG stated that if we deal with sites already mentioned, then most sites will get back to RTPI. - KF stated that the Journey Planner for The Thistle Assistant Programme is funded by Scottish enterprise and phase 1 is due to be completed in October 2019. This will then be shared at the next equality & access to healthcare forum which can be discussed in more depth. - SEStran will be working with Scottish Enterprise to explore phase 2 funding to continue the project. - KF also noted that there is a piece of UK legislation highlighted in 2018 which requires all public sector websites to be enabled & accessible for all this year. KF asked to pass onto colleagues and local authorities. - KF announced that SEStran will be employing an intern through Inclusion Scotland to work with the Thistle Assistance. Due to start in October and KF is happy to share more information about this opportunity.	**KF**

	• Feedback has been received from Transport Scotland (TS) about the initial case for change for the Newburgh Train Station. The report will be updated to align with TS requirements. • The community group is happy to proceed with Fife Council and SEStran support, and TS will continue to fund. • KF stated that SEStran are looking for partners from Local Authorities to work jointly to deliver mobi-hubs in the SEStran region. If interested partners should speak to JS or JV. • KF also presented to officers the new EU 'CONNECT' project. This will kick off in October and involves best practice in port areas. SEStran are leading on a work package involving communicating and marketing.	
	• The final update KF mentioned is a reminder of the up and coming forum meetings. JM asked if it would be possible for the Freight and Logistics forum to be brought forward? JG stated he would be happy to discuss if we can move it to the end of October?	**JG/KF**
5.	**Draft Annual Report**	
	KF mentioned that SEStran will be presenting a draft Annual Report at the next P&A and Partnership Board meeting and happy to circulate for any additional comments. The report will be published by the end of the year.	
6.	**ECMA**	
	JG presented a brief update about the recent ECMA meeting, attended by Councillor Gordon Edgar and Jim Grieve. KF will be attending the next meeting in September.	
7.	**Regional Working Groups**	
	JS highlighted the next Regional Transport working group in September and stated there has been no feedback from consultants about the workshop yet. JS also made the chief officers aware that JG will now be chairing the Regional Transport working group for ESES.	
8.	**Electric Vehicle Strategy**	
	JS mentioned that he had received HITRANS and draft TACTRAN EV documentation. Establishing a baseline is key, therefore external consultancy support is needed. The effectiveness and usefulness of their PTO approach was discussed. LD mentioned that there needs to be a regional strategy that is suitable for all and delivers guidance. JM mentioned he is happy to share Fifes version of the EV strategy.	
9.	**Edinburgh Low Emission Zone**	
	JS stated that the next LEZ meeting is at the end of August and would appreciate any input about any agenda items. JS will then put together a	**JS**

	short agenda for Edinburgh.	
10.	**Consultation Responses**	
(a)	*Low Emission Zones* This topic was already discussed in item 9.	207
(b)	*City Centre Transformation* Members had a look at the response by SEStran to the proposed strategy for consultation for the Edinburgh City Centre City Transformation.	
11.	**AOCB**	
	GM asked if SEStran are going to send a response to TS about NTS2? JG confirmed that a SEStran response and an RTP response will be submitted.	
12.	**Date of Next Meeting**	
	The date of the next meeting is 2.00pm on **Wednesday 6th November 2019 in Room 3D-34, Victoria Quay, Edinburgh, EH6 6QQ.**	