



PERFORMANCE & AUDIT COMMITTEE

Mandela Room, City Chambers, Edinburgh, EH1 1YJ

Friday 8th March 2019 – 10:00am

AGENDA

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11. DATE OF NEXT MEETING	
The date of the next meeting has been scheduled for 10:00am on Friday 7th June 2019, Mandela Room, City Chambers, Edinburgh, EH1 1YJ	

Gavin King
Secretary to SESTRAN
Democracy, Governance and Resilience Senior Manager
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The City of Edinburgh Council
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1st March 2019

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

PERFORMANCE & AUDIT COMMITTEE MEETING

**HELD IN MANDELA ROOM, CITY CHAMBERS, EDINBURGH, EH1 1YJ
ON FRIDAY, 16 November 2018
10.00 A.M.**

PRESENT:	<u>Name</u>	<u>Organisation Title</u>
	Councillor Imrie (in the Chair)	Midlothian Council
	Councillor Balsille	Clackmannanshire Council
	Councillor Dempsey	Fife Council
	Councillor Edgar	Scottish Borders Council
	Councillor Horne	West Lothian Council
	Callum Hay	Non-Councillor Member
	Simon Hindshaw	Non-Councillor Member

IN ATTENDANCE:	<u>Name</u>	<u>Organisation Title</u>
	Angela Chambers	SEStran
	Jim Grieve	SEStran
	Gavin King	City of Edinburgh Council
	Stuart Johnston	City of Edinburgh Council
	Karen Jones	Scott Moncrieff
	Iain Shaw	City of Edinburgh Council

Action by

A1. ORDER OF BUSINESS

It was confirmed that an additional item would be considered at the end of the public items around supporting the proposal to manufacture trains at Longannet.

A2. APOLOGIES

Apologies were received from Councillors Fullarton, Key, Macinnes, Small, and Watson. Doreen Steele and Barry Turner.

A3. DECLARATIONS OF INTERESTS

None.

A4. MINUTES

Decision

- 1) To approve the minute of 7 September 2018 as a correct record subject to further clarity around the pension deficit risks and how they would be mitigated being made more explicit.
- 2) To agree that a report be taken to a future meeting of the

Performance and Audit Committee or Partnership Board about the future of SEStrans Pension Fund.

A5. FINANCE REPORTS

(a) Financial Planning 2019/20

An update was provided on the financial planning being progressed for the Partnership for the 2019/20 revenue budget.

Decision

- 1) To note the update on the financial planning assumptions being progressed for the Partnership for the 2019/20 revenue budget.
- 2) To note the report would be presented to the Partnership Board on 7 December 2018.

(b) Treasury Management – Mid-Term Review

Details were provided of the investment activity undertaken on behalf of the Partnership during the first half of the 2018/19 Financial Year.

Decision

To note the investment activity undertaken.

A6. RISK MANAGEMENT

A six-monthly update of the Risk Register was provided to the Committee.

Decision

- 1) To incorporate an additional “appetite for risk” column to highlight that R010 was still a high risk but it was tolerable.
- 2) To otherwise note the Risk Register.

A7. HR Policy Review

An update was provided on the review of SEStran’s Human Resources policies and procedures which had commenced and work would continue over the remainder of the financial year to complete the exercise. Three policies had been initially identified which required revision and had subsequently been amended to ensure that SEStran met employment legislation requirements and continued to apply best practice.

Decision

- 1) To approve the updated policies as outlined in section 2 of the report for immediate implementation.

- 2) To agree that flexible working arrangements be incorporated in to the Adverse Weather policy.

A8 Longannet

The Chair highlighted that there was an opportunity for SEStran to support Longannet being used to manufacture trains, relative to a contract for High Speed Rail (HS2).

Decision

To agree to write, jointly with SESplan, to the Cabinet Secretary for Transport, Infrastructure and Connectivity and the Secretary of State for Transport about both the Scottish and UK Government investing and building contract trains at the former Longannet power station.

A9. Partnership Management Remuneration

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 the following item of business for the reason that it involved the likely disclosure of exempt information as defined in Paragraphs 1 and 6 of Part 1 of Schedule 7(A) of the Act.

A report was tabled at the meeting in relation to the remuneration arrangements for the period of the Partnership Director's absence since 8 December 2017.

Decision

- 1) To approve the recommendation outlined in the report.
- 2) To note that a report would be brought to the Partnership Board meeting on 7 December 2018.

A10. AOB

Decision

To agree that a performance report regarding SEStran projects be brought to the next meeting of the Performance and Audit Committee.

A11. DATE OF NEXT MEETING (Provisional)

10:00am on Friday 8 March 2018 in the Mandela Room, City Chambers, Edinburgh, EH1 1YJ.

Internal Audit Plan

1. INTRODUCTION

- 1.1 The City of Edinburgh Council Internal Audit (IA) team performs one annual review to provide assurance over the controls established to mitigate certain key SEStran partnership risks.
- 1.2 The purpose of this paper is to provide an update on the outcomes of the 2018/19 SEStran IA review; request the Committee's insights on areas for potential inclusion in the scope of the planned 2019/20 review and request the Committee's views regarding the requirement for an annual SEStran IA opinion.

2. SCOPE OF THE 2018/19 INTERNAL AUDIT REVIEW

- 2.1 The scope of the 2018/19 IA review assessed the design adequacy and operating effectiveness of the key controls established to ensure ongoing compliance with GDPR, with focus on SEStran's progress towards achieving the Scottish Government's Cyber Essentials Plus accreditation; and existing operational technology controls.

Review Outcomes

- 2.2 Our review confirmed that an adequate and appropriate control environment has been established to support SEStran's ongoing compliance with GDPR and ensure that the organisation is appropriately protected from cyber security.
- 2.3 Whilst some minor control weaknesses were identified, these are unlikely to have a significant impact on either GDPR compliance or security. Consequently, three Low rated findings were raised reflecting the opportunity to improve these controls.
- 2.4 The first finding reflects minor weaknesses in security arrangements supporting transfer of employee data to third party payroll and human resource providers that could be improved to ensure that personal sensitive employee information is appropriately protected.
- 2.5 The remaining findings highlight the need to improve employee awareness of cyber security and GDPR requirements through ongoing testing and ensure that all external assurance recommendations are documented and monitored to avoid potential key person dependency risks.
- 2.6 We also identified a number of areas of good practice applied by SEStran. These are included in the opinion section of the report (section 2).

- 2.8 The full terms of reference and final report are included at Appendices 1 and 2.

3. 2019/20 INTERNAL AUDIT REVIEW

- 3.1 The Internal Audit team has now completed their 2019/20 annual planning process, and the draft plan will be presented to the Council's Governance, Risk, and Best Value Committee for review and scrutiny on 19 March 2019.
- 3.2 The draft annual plan includes one 15-day Internal Audit review for SEStran. This is consistent with the level of assurance provided in prior years.
- 3.3 Initial discussions with SEStran management has highlighted the potential for IA to provide assurance in relation to the risks associated with development of the Regional Transport Strategy in 2019/20 review.

4. INTERNAL AUDIT ANNUAL OPINION

- 4.1 Public Sector Internal Audit Standards (PSIAS) require an organisation's Chief Internal Auditor to deliver an annual internal audit opinion that can be used by the organisation to inform its governance statement.
- 4.2 The annual internal audit opinion must conclude on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control.
- 4.3 The IA opinion would normally be based on the outcomes of a risk based IA plan designed to provide assurance across the full population of an organisation's risks, with focus on the most significant risks.
- 4.4 It should also be noted that IA is not the sole source of assurance provision for SEStran, as a number of additional external third line assurance providers are engaged (in addition to the annual external audit review of LPF's financial statements) to provide assurance across SEStran risks.
- 4.5 As IA delivers only one annual audit for SEStran that does not cover their entire population of risks, and is not their sole source of assurance provision, it is IA's view that it is not appropriate for IA to provide an annual opinion for SEStran.
- 4.6 It is IA's recommendation that the Committee and Board should instead place reliance on the collective outcomes of the annual IA review and assurance reviews completed by external assurance providers to form a holistic view on the effectiveness of the controls established by SEStran to manage their risks, and their governance arrangements.

5. RECOMMENDATIONS

- 5.1 The Committee is requested to:
- note the outcomes of the 2018/19 IA review;
 - confirm whether IA assurance in 2019/20 should focus on the adequacy and effectiveness of the framework supporting development of the

Regional Transport Strategy, and provide insights in relation to any other key SEStran risks and areas of concern that should be considered for inclusion in the 2019/20 IA review; and

- approve the IA recommendation that the Committee and Board should place reliance on the collective outcomes of the annual IA review and assurance reviews completed by external assurance providers, with no requirement for an annual IA opinion.

Lesley Newdall

Chief Internal Auditor, City of Edinburgh Council

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

March 2019

Appendix 1: Final Report

Appendix 2: Terms of Reference

Policy Implications	None
Financial Implications	SEStran is charged an annual fee for provision of the annual IA assurance review. The fee for 2017/18 was £5,000. The fee for 2018/19 is currently being quantified and will be discussed and agreed with management prior to finalisation.
Equalities Implications	None
Climate Change Implications	None

The City of Edinburgh Council

Internal Audit

South East of Scotland Transport Partnership (SEStran)

Final Report

28 February 2019

OO1802

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This internal audit review is conducted for the South East Scotland Transport Partnership under the auspices of the 2018/19 internal audit plan approved by the South East Scotland Transport Partnership Board in March 2018. The review is designed to help the South East Scotland Transport Partnership assess and refine its internal control environment. It is not designed or intended to be suitable for any other purpose and should not be relied upon for any other purpose. The City of Edinburgh Council accepts no responsibility for any such reliance and disclaims all liability in relation thereto.

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

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

1. Background and Scope

Background

The City of Edinburgh Council performs an annual Internal Audit review for the South East of Scotland Transport Partnership (SEStran). The scope of this review was directed by the SEStran management team and focuses on the organisation's most significant risks.

GDPR

The European Union (EU) General Data Protection Regulation (GDPR) became effective on 25 May 2018, and is designed to regulate the protection of natural persons in relation to processing their personal and personal sensitive data, and its free movement. It is expected that organisations will have established plans detailing the actions they need to implement to achieve compliance with the new regulations, with focus on addressing known legacy issues.

The legislation includes eight rights for individuals allowing easier access to their personal data held by organisations; a new fines regime; and a clear responsibility for organisations to obtain the consent of people they collect information on.

Consequently, it is essential that organisations have established appropriate data and records management frameworks that are aligned with GDPR requirements.

SEStran management has advised that advice was obtained from an information governance consultant who reviewed existing records management processes and developed training for team members. Additional legal advice was also obtained from Anderson Strathern.

Cyber Security

To ensure ongoing GDPR compliance, it is essential that organisations have established appropriate cyber security and operational technology controls to ensure that personal and personal sensitive data maintained in technology systems is appropriately secured.

In recent years, there has been a significant number of organisational data breaches including Facebook; Marriot Hotels; Morrisons; Uber; and local authorities. Many of these occurred due to weaknesses in external cybersecurity and internal operational technology controls designed to ensure that personal data held in systems is appropriately secured and protected.

The Scottish Government (SG) has noted that the importance of cyber resilience in Scotland's public bodies has never been greater, and has introduced the Public-Sector Action Plan for Cyber Resiliency (the Plan). The Plan sets out the key actions that the Scottish Government (SG), public bodies, and key partners were expected to take before the end of 2018 to further enhance cyber resilience across Scotland's public sector.

The SG has advised organisations to aim for either Cyber Essentials (essentially a self-assessment of their cyber controls), or Cyber Essentials Plus (CE Plus) accreditation, which involves completion of an independent assessment against the nine key actions included in the SG plan.

Management had advised that the majority of SEStran data is maintained in Microsoft Office 365, with archived data held on a server.

SEStran management had also advised that a cyber risk pre-assessment has been performed by an external consultant, resulting in the recommendation that SEStran should aim for cyber essentials plus accreditation, having already achieved Cyber Essentials certification. Accreditation for Cyber Essentials Plus was achieved 22nd February 2019.

Third party supplier management

To ensure ongoing compliance with GDPR requirements, it is important that organisations receive assurance from third parties (who process or store data on their behalf) confirming that they have established appropriate GDPR compliance frameworks; cyber security; and operational technology controls.

SEStran relies on a number of third parties for provision of outsourced services. Falkirk Council currently provide HR services; payroll is provided by the City of Edinburgh Council; technology services and support are outsourced to One Stop; and legal services are provided by Anderson Strathern.

SEStran payroll data is also provided to European organisations that provide funding.

Scope

The scope of this review assessed the design adequacy and operating effectiveness of the key controls established to ensure ongoing compliance with GDPR, with focus on progress towards CE Plus; existing operational technology controls; and third-party supplier management.

Our review was completed on 18th February 2019, and our findings and opinion are based on the outcomes of our testing as at that date.

2. Executive summary

Total number of findings: 3

Summary of findings raised	
Low	1. Third party supplier management.
Low	2. Staff knowledge and awareness of cyber security.
Low	3. External assurance recommendations.

Opinion

Our review confirmed that an adequate and appropriate control environment has been established to support SEStran's ongoing compliance with GDPR, and ensure that the organisation is appropriately protected from cyber security.

Whilst some minor control weaknesses were identified, these are unlikely to have a significant impact on either GDPR compliance or security. Consequently, three Low rated findings have been raised reflecting the opportunity to improve these controls.

The first finding reflects minor weaknesses in security arrangements supporting transfer of employee data to third party payroll and human resource providers that could be improved to ensure that personal sensitive employee information is appropriately protected.

The remaining findings highlight the need to improve employee awareness of cyber security and GDPR requirements through ongoing testing and ensure that all external assurance recommendations are documented and monitored to avoid potential key person dependency risks.

Our detailed findings and recommendations are laid out at Section 3 below.

Areas of good practice

The following areas of good practice were identified during our review:

- numerous policies such as Records Management; Data Protection; and Retention have been established to support ongoing compliance with applicable legislation and regulations;
- third parties are regularly engaged to provide external assurance provision (for example external reviews were commissioned to confirm the extent of GDPR compliance and the effectiveness of cyber security controls to support Cyber Essentials accreditation);
- Scottish Government Cyber Essentials certification and Cyber Essentials Plus Accreditation were achieved by February 2019;
- regular ongoing testing of technology systems to ensure effective and enhanced performance with minimal defects or issues;
- employees complete various training modules and refresher sessions, with key messages reinforced at team meetings, to further enhance awareness of policies;
- a breach register is maintained to record policy breaches and ensure that they are appropriately addressed; and
- a Register of Processing has now been drafted for immediate use.

3. Detailed findings

1. Third Party Supplier Management

Low

Contractually binding agreements exist between SEStran and their third party suppliers that outline the services that will be provided, and the information that will be processed. These are reviewed annually, with the agreement renewed where required.

At the time of our review, the contract for payroll service between SEStran and the City of Edinburgh Council (CEC) had been renewed, and the agreement with Falkirk Council for Human Resources support was being drafted.

Review of contracts and supporting service level agreements (SLAs) for both suppliers and the processes applied to manage employee data highlighted that:

- Supplier arrangements do not state requirements for secure transfer of employee payroll information (which includes personal sensitive employee information in relation to new starts; leavers; bank details; NI no; and salary details);
- Transfer of employee data is currently performed via secure external webmail for both Payroll and Human Resource services. Whilst occupational health documents attached in e mails are password protected, documents that include personal sensitive employee payroll data are not password protected;
- The contract and supporting SLA's for the City of Edinburgh Council has not yet been updated to specify how CEC will ensure that SEStran payroll data is transferred; managed; and processed in line with GDPR requirements. The agreement is due to be updated in May 2019 to include changes that affect processing; and
- There is no process documentation detailing how employee data is obtained; recorded and maintained on SEStran systems and transferred to Edinburgh and Falkirk Councils for processing as required by the new GDPR regulations at Article 30 (1) – (2).

Management has advised that Advice was obtained from an external consultant who confirmed that SEStran is exempt from Article 30 due to their size.

Risk

- Personal sensitive employee data could potentially be compromised; and
- Potential breach of GDPR requirements.

Recommendation – City of Edinburgh Council contract review

The contract and supporting SLAs between SEStran and the City of Edinburgh Council should be updated to specify SEStran's expectations in relation to the secure transfer; management; and processing of employee payroll data in line with GDPR requirements.

Agreed Management Action

1. The SLAs will be updated to state how information will be secured and transferred; and
2. Password protection will be applied to all documents that contain personal sensitive employee data transferred between SEStran and third party suppliers with immediate effect, with passwords sent separately to the intended e mail recipient.

Owner: Jim Grieve, Interim Partnership Director

Implementation Date: 31st May 2019

Contributors: Angela Chambers, Business Manager

Recommendation – employee data process mapping

The processes applied to obtain; record; maintain; and transfer personal sensitive employee data should be documented to meet new GDPR documentation requirements (Article 30 (1) – (2)).

Agreed Management Action

1. Advice was obtained from an external consultant who advised that SEStran is exempt from Article 30 due to their size; and
2. A register of processing will be developed and maintained detailing the nature of data received and how it is processed and managed by SEStran in line with Information Commissioner's Office guidance.

Owner: Jim Grieve, Interim Partnership Director

Implementation Date: Complete

Contributors: Angela Chambers, Business Manager

2. Staff knowledge and awareness of Cyber Security and GDPR

Low

Employee updates on GDPR; Cyber Security; and other relevant areas are provided as and when required. Employees maintain individual training logs detailing the type of training undertaken and the date of completion. External training is also provided and employees attend where appropriate. Additionally, team meetings serve as a refresher session to cover relevant policies to ensure ongoing employee awareness and understanding.

Whilst comprehensive training and updates are provided for employees, these do not include knowledge testing.

Additionally, no phishing or cyber simulation exercises have been performed to assess ongoing employee awareness.

Risk

- Potential risk of breach of significant legislation (for example GDPR); and
- Significant technology impacts and potential GDPR breaches if SEStran suffers a cyber attack.

Recommendation -

SEStran should consider implementing training assessments in relation to significant legislative and regulatory requirements, and simulated cyber or phishing attacks to test employee awareness and confirm it is at an appropriate level.

Agreed Management Action

1. GDPR training now includes a video and a test at the end. Certificate of completion is received after successfully passing the test; and
2. The IT supplier has been engaged to arrange a phishing simulation exercise to test employee knowledge and awareness.

Owner: Jim Grieve, Interim Partnership Director
Contributors: Angela Chambers, Business Manager

Implementation Date: 31st May 2019

3. External Assurance Recommendations

Low

SEStran engage with a number of external consultants to provide assurance in relation to compliance with applicable legislation and regulations, and effective management of risk.

The outcomes of these assurance reviews and implementation progress are not recorded and monitored to support update reporting to the Board. This results in key person dependency, as the Business Manager would have the task of ensuring that recommendations are actioned and included within reporting for Board Meetings to advise of changes.

Risk

- There is a key person dependency on the Business Manager to individually track and progress the actions;
- Oversight of the actions may be lost if not tracked;
- Unidentified issues may exist and go unaddressed.

Recommendation -

SEStran should design and implement a process to support ongoing monitoring external assurance recommendations to support effective management oversight and Board reporting, and reduce key person dependency risk.

Agreed Management Action

A tracker has now been developed and implemented to record all external assurance recommendations and their progress. The tracker includes sections for the type of assurance; the finding; recommendation; progress to date; and planned completion dates.

Owner: Jim Grieve, Interim Partnership Director
Contributors: Angela Chambers, Business Partner

Implementation Date: Complete

Appendix 1 - Basis of our classifications

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

Terms of Reference – South East of Scotland Transport Partnership (SEStran)

To: Jim Grieve, Interim Partnership Director (SEStran)
Angela Chambers, Business Partner (SEStran)

From: Lesley Newdall, Chief Internal Auditor, City of Edinburgh Council

Date: 11th January 2019

The City of Edinburgh Council performs an annual Internal Audit review for the South East of Scotland Transport Partnership (SEStran). The scope of this review is directed by the SEStran management team and focuses on the organisation's most significant risks.

Background

GDPR

The European Union (EU) General Data Protection Regulation (GDPR) became effective on 25 May 2018, and is designed to regulate the protection of natural persons in relation to processing their personal and personal sensitive data, and its free movement. It is expected that organisations will have established plans detailing the actions they need to implement to achieve compliance with the new regulations, with focus on addressing known legacy issues.

The legislation includes eight rights for individuals allowing easier access to their personal data held by organisations; a new fines regime; and a clear responsibility for organisations to obtain the consent of people they collect information on.

Consequently, it is essential that organisations have established appropriate data and records management frameworks that are aligned with GDPR requirements.

SEStran management has advised that advice was obtained from an information governance consultant who reviewed existing records management processes and developed training for team members. Additional legal advice was also obtained from Anderson Strathern.

Cyber Security

To ensure ongoing GDPR compliance, it is essential that organisations have established appropriate cyber security and operational technology controls to ensure that personal and personal sensitive data maintained in technology systems is appropriately secured.

In recent years, there has been a significant number of organisational data breaches including Facebook; Marriot Hotels; Morrisons; Uber; and local authorities. Many of these occurred due to weaknesses in external cybersecurity and internal operational technology controls designed to ensure that personal data held in systems is appropriately secured and protected.

The Scottish Government (SG) has noted that the importance of cyber resilience in Scotland's public bodies has never been greater, and has introduced the Public-Sector Action Plan for Cyber Resiliency (the Plan). The Plan sets out the key actions that the Scottish Government (SG), public bodies, and key partners will be expected to take before the end of 2018 to further enhance cyber resilience across Scotland's public sector.

The SG has advised organisations to aim for either cyber essentials (essentially a self-assessment of their cyber controls), or cyber essentials plus (CE Plus) accreditation, which involves completion of an independent assessment against the nine key actions included in the SG plan.

Management has advised that the majority of SEStran data is maintained in Microsoft Office 365, with archived data held on a server.

SEStran management has advised that a cyber risk pre-assessment has been performed by an external consultant, resulting in the recommendation that SEStran should aim for cyber essentials plus accreditation.

Third party supplier management

To ensure ongoing compliance with GDPR requirements, it is important that organisations receive assurance from third parties (who process or store data on their behalf) confirming that they have established appropriate GDPR compliance frameworks; cyber security; and operational technology controls.

A range of services for SEStran are outsourced, such as: Falkirk Council currently provide HR services; Payroll function provided by CEC; technology services and support are outsourced to One Stop; legal services are provided by Anderson Strathern; and payroll data is also provided to European organisations that provide funding.

Scope

This review will assess the design adequacy and operating effectiveness of the key controls established to ensure ongoing compliance with GDPR, with focus on progress towards CE Plus; existing operational technology controls; and third-party supplier management.

Sample testing will be performed across the period 1st April 2018 to 31st March 2019.

Approach

Our audit approach is as follows:

- Obtain an understanding of the SEStran GDPR compliance framework; progress towards CE plus; operational technology controls; and supplier management;
- Identify the key risks associated with these processes;
- Evaluate the design of the controls in place to address the key risks;
- Test the operating effectiveness of the key controls on a sample basis; and
- Obtain evidence to confirm that previously raised Internal Audit recommendations have been effectively implemented and embedded.

The audit areas and related control objectives included in the review are:

Audit Area	Control Objectives
GDPR Compliance Framework	<p>We will confirm:</p> <ul style="list-style-type: none"> • That all recommendations resulting from the GDPR gap analysis have been effectively implemented; • That responsibility for GDPR and records management compliance and oversight responsibilities have been allocated at an appropriate level within the organisation; • That GDPR training has been provided to all existing employees and is included in induction training for all new employees; • That all operational processes (including all internal and external data flows) have been documented; • That a register of processing has been established detailing the nature of data processed and how it is protected; • Whether data privacy impact assessments (DPIAs) have been performed across all existing processes to ensure that data is appropriately protected, and that DPIAs will be performed for all new process and system changes; • That an appropriate and effective Subject Access Request (SAR) process has been implemented and is consistently applied; • That a process has been established to remove personal and private data from SEStran records upon request, or that the rationale for retaining the data can be provided; • That an appropriate and effective breach reporting process has been established; and • That management performs ongoing reviews to ensure that the records management policy is consistently applied.
Cyber Security and Operational Technology Controls	<p>We will confirm:</p> <ul style="list-style-type: none"> • That an appropriate plan has been established to support progress towards CE Plus accreditation; • That the plan includes implementation of the recommendations included in the independent cyber risk pre-assessment (notably resolution of the external website security risk); • That the organisation has established their key cyber security controls (including those provided by third parties), and regularly tests them (or receives assurance from third parties) that they continue to operate effectively; • That an independent assessor has been engaged to support CE Plus accreditation; • That training on cyber security and phishing has been provided to all employees; will be provided on an ongoing basis (to reflect increasing maturity and complexity of cyber threats) and is provided to all new employees as part of their induction training;

	<ul style="list-style-type: none"> • That a phishing or cyber simulation has been performed to assess levels of employee cyber awareness, and will be performed on an ongoing basis; • That personal and private data transferred to third parties is either transferred via securely encrypted e mail or a secure portal; • That all Microsoft 365 security controls have been configured and are consistently used (for example the requirement to set complex user passwords and change them on a regular basis); • That access to servers is appropriately secured with only limited access; and • That appropriate user management controls have been established with access to key systems appropriately allocated for new starts, and promptly removed for users.
Third Party Supplier Management	<p>We will confirm:</p> <ul style="list-style-type: none"> • That appropriate GDPR and technology security requirements have been established in all third-party contracts; and • That regular ongoing assurance is obtained from third parties regarding the effectiveness of their ongoing GDPR and cyber and technology security controls.
Identification of Risks	Confirm that risks associated with ongoing GDPR compliance; cyber and technology security controls; and transfer of data to and processing by third parties are regularly assessed and reflected in the organisation's risk register.
Implementation of IA recommendations	Obtain evidence to confirm that the recommendations raised in the 2017/18 SEStran Governance Internal Audit Governance review have been effectively implemented and sustained.

Internal Audit Team

Name	Role	Contact Details
Lesley Newdall	Chief Internal Auditor	0131 469 3216
Saima Afzal	Internal Auditor	0131 469 3082

Key Contacts

Name	Title	Role	Contact Details
Jim Grieve	Interim Partnership Director, South East of Scotland Transport Partnership	Key Contact	0131 524 5160
Angela Chambers	Business Manager, South East of Scotland Transport Partnership	Key Contact	0131 524 5154

Timetable

Fieldwork Start	15 th January 2019
Fieldwork Completed	29 th January 2019
Draft report to Auditee	5 th February 2019
Response from Auditee	15 th February 2019
Final Report to Auditee	25 th February 2019

Appendix 1: Information Request

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

- Access to systems and databases relevant to obtain evidence of third party suppliers;
- Copy of the relevant policies for Cyber Security, Information Security and third party supplier management.

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

Appendix 2: Roles and Responsibilities

City of Edinburgh Council Internal Audit

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

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

The responsibilities of Internal Audit in respect of individual audit assignments are detailed in Appendix 3.

South East of Scotland Transport Partnership

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

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

Where an audit report is delivered, management are required to provide formal responses to all recommendations, including specifying responsibility and anticipated dates for the

implementation of the solutions within two weeks of the draft report being issued. They are also responsible for the implementation of the solutions and this implementation will be monitored and subject to follow-up review.

Internal Audit work is performed solely for the South East of Scotland Transport Partnership (SEStran) and solely for the purposes outlined above. Reports and documents prepared by Internal Audit should not be provided to anyone else.

The responsibilities of the auditee in respect of individual audit assignments are detailed in Appendix 3.

Appendix 3: Audit Process

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

Area	Principles	Further guidance
Reporting	Management response to internal audit report	<ul style="list-style-type: none"> • The Auditee will have 2 weeks to provide management comments. During this period, where appropriate, the Auditee should consult with management team on the findings and recommendations in the Internal Audit report. • Internal Audit will issue the final report within 1 week of receipt of management comments to the Partnership Director.
Reporting	Reporting of internal audit findings to the [enter name of appropriate scrutiny committee] Committee	<ul style="list-style-type: none"> • Internal Audit will present the audit report annually to the SEStran Performance and Audit Committee. The update report will summarise the findings arising from the finalised internal audit report. It will also include progress on implementation of prior year internal audit recommendations.
Follow up	Monitoring the implementation of internal audit recommendations	<ul style="list-style-type: none"> • A questionnaire will be issued to be completed by the Auditee to allow opportunity to comment directly to the Chief Internal Auditor on the satisfaction of the audit service provided. This forms part of the Internal Audit Quality Review program. • Internal audit will track the status of all open recommendations. Recommendations that are overdue will be reported to the SEStran Performance and Audit Committee on an annual basis. Internal Audit will advise management of all open recommendations and invite them to provide evidence that the recommendations have been actioned.

South East of Scotland Transport Partnership

External Audit Plan
2018/19

March 2019





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1. Introduction



Introduction

1. This document summarises the work plan for our 2018/19 external audit of the South East of Scotland Transport Partnership (“the Partnership”).
2. The core elements of our work include:
 - an audit of the 2018/19 annual accounts;
 - a review, where applicable, of the Partnership’s arrangements for governance and transparency, financial management, financial sustainability and value for money; and
 - any other work requested by Audit Scotland.

Audit appointment

3. The Accounts Commission is an independent body appointed by Scottish Ministers responsible for securing the audit of local authorities and other local government bodies. The Commission’s work is governed mainly by the Local Government (Scotland) Act 1973.
4. Audit Scotland is an independent statutory body that provides the Accounts Commission with the services required to carry out their statutory functions, including monitoring the performance of auditors through a quality control process.
5. The Accounts Commission has appointed Scott-Moncrieff as external auditor of the Partnership for the five year period 2016/17 to 2020/21. This document comprises the audit plan for 2018/19 and summarises:
 - the responsibilities of Scott-Moncrieff as the external auditor;
 - our audit strategy;
 - our planned audit work and how we will approach it;
 - our proposed audit outputs and timetable; and
 - background to Scott-Moncrieff and the audit team.

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 will comply with Financial Reporting Council’s (FRC) Revised Ethical Standard (June 2016). In our professional judgement, the audit process is independent and our objectivity has not been compromised in any way.

Adding value through the audit

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

Feedback

9. Any comments you may have on the service we provide, the quality of our work and our reports would be greatly appreciated at any time. Comments can be reported directly to the audit team or through our online survey: www.surveymonkey.co.uk/r/S2SPZBX.
10. While this plan is addressed to the Partnership, it will be published on Audit Scotland’s website www.audit-scotland.gov.uk.



2. Respective responsibilities of the auditor and the Partnership



Respective responsibilities of the auditor and the Partnership

Auditor responsibilities

Code of Audit Practice

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

Our responsibilities

12. Auditor responsibilities are derived from statute, the Code, International Standards on Auditing (UK) (ISAs (UK)), professional requirements and best practice and cover their responsibilities when auditing financial statements and when discharging their wider scope responsibilities (paragraph 14). These are to:

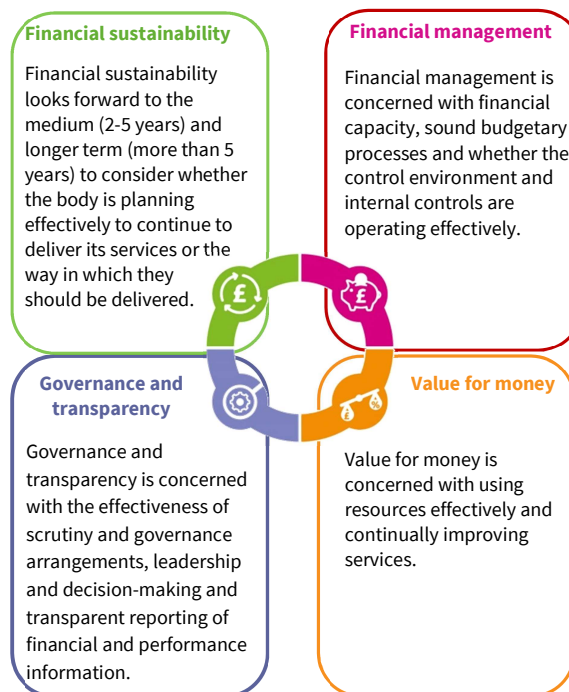
- undertake statutory duties, and comply with professional engagement and ethical standards
- provide an opinion on audited bodies' financial statements and, where appropriate, the regularity of transactions
- review and report on, as appropriate, other information such as annual governance statements,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

13. Weaknesses or risks identified by auditors are only those which have come to their attention during their normal audit work in accordance with the Code, and may not be all that exist. Communication by auditors of matters arising from the audit of the financial statements or of risks or weaknesses does not absolve management from its responsibility to address the issues raised and to maintain an adequate system of control.

Wider scope audit work

14. 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

Exhibit 1: Audit dimensions of wider scope public audit



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.

15. The Code sets out four audit dimensions that frame the wider scope audit work into identifiable audit areas. These are summarised in Exhibit 1.
16. Where the application of the full wider scope is judged by us not to be appropriate then our annual audit work on the wider scope is restricted to:
 - Audit work to allow conclusions to be made on the appropriateness of the disclosures in the governance statement; and
 - Consideration of the financial sustainability of the organisation and the services that it delivers over the medium and longer term.

17. Our assessment takes into account the size, nature and risks of the Partnership. Taking these factors into consideration, we have concluded that application of



the restricted wider scope is appropriate at the Partnership.

Best Value

18. Appointed auditors have a duty to be satisfied that local government bodies have made proper arrangements to secure best value.
19. Our work in respect of the Partnership's best value arrangements will be integrated into our audit approach, including our work on the wider scope audit dimensions referred to above.

Strategic audit priorities for local government audits

20. The Accounts Commission has set the following five strategic Audit Priorities that it expects auditors to consider in all work across local government:
 - Having clear priorities with a focus on outcomes, supported by effective long term planning.
 - Demonstrating the effective appraisal of options for changing how services are delivered in line with their priorities.

- Ensuring that members and officers have the right knowledge, skills and support to design, develop and deliver effective services in the future.
- Empowering local communities and involving them in the design and delivery of local services and planning for their local area.
- Reporting the organisation's performance in a way that enhances accountability to citizens and communities, helping them contribute better to the delivery of improved outcomes.

21. Our consideration of these priorities will be integrated into our 2018/19 audit work. The extent to which we will report on these will be dependent on the findings of our work as it relates to the four dimensions referred to above.

Partnership responsibilities

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

Exhibit 2 – Partnership's responsibilities

Area	Partnership's responsibilities
<p>Financial statements: Annual accounts containing financial statements and other related reports should be prepared.</p>	<p>The Partnership has responsibility for:</p> <ul style="list-style-type: none"> • preparing financial statements which give a true and fair view of their financial position and their expenditure and income, in accordance with the applicable financial reporting framework and relevant legislation • maintaining accounting records and working papers that have been prepared to an acceptable professional standard and that support their financial statements and related reports disclosures • maintaining proper accounting records • preparing and publishing, along with their financial statements, an annual governance statement, management commentary (or equivalent) and a remuneration report that are consistent with the disclosures made in the financial statements



Area	Partnership's responsibilities
<p>Financial sustainability: Financial sustainability looks forward to the medium and longer term to consider whether the organisation is planning effectively to continue to fulfil its functions in an affordable and sustainable manner.</p>	<p>The Partnership is responsible for putting in place proper arrangements to ensure the financial position is soundly based having regard to:</p> <ul style="list-style-type: none"> • Such financial monitoring and reporting arrangements as may be specified; • Compliance with any statutory financial requirements and achievement of financial targets; • Balances and reserves, including strategies about levels and their future use; • How the organisation plans to deal with uncertainty in the medium and long term; and • The impact of planned future policies and foreseeable developments on the financial position.
<p>Financial management: Financial management is concerned with financial capacity, sound budgetary processes and whether the control environment and internal controls are operating effectively.</p>	<p>The Partnership is responsible for ensuring that financial affairs are conducted in a proper manner. Management is responsible, with the oversight of those charged with governance, to communicate relevant information to users about the entity and its financial performance.</p> <p>The Partnership is responsible for developing and implementing effective systems of internal control as well as financial, operational and compliance controls. These systems should support the achievement of their objectives and safeguard and secure value for money from the public funds at its disposal.</p> <p>It is the Partnership's responsibility to establish arrangements to prevent and detect fraud, error and irregularities, bribery and corruption and also to ensure that its affairs are managed in accordance with proper standards of conduct by putting proper arrangements in place.</p>
<p>Governance and transparency: Governance and transparency is concerned with the effectiveness of scrutiny and governance arrangements, leadership and decision making, and transparent reporting of financial and performance information.</p>	<p>The Partnership is responsible for establishing arrangements to ensure the proper conduct of their affairs including the legality of activities and transactions, and for monitoring the adequacy and effectiveness of these arrangements.</p> <p>The Partnership is also responsible for establishing effective and appropriate internal audit and risk management functions.</p>
<p>Value for money: Value for money is concerned with the appropriate use of resources and ensuring continual improvement of services delivered.</p>	<p>The Partnership has a specific responsibility to ensure that arrangements have been made to secure best value. Audited bodies are responsible for ensuring that these matters are given due priority and resources, and that proper procedures are established and operate satisfactorily.</p>



3. Audit strategy



Audit strategy

Risk-based audit approach

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

audit focuses on the areas of highest risk. Our audit planning is based on:

Discussions with senior officers at the Partnership	Our understanding of the sector and its key priorities and risks	Discussions with Audit Scotland and other auditors
Guidance from Audit Scotland	Discussions with internal audit and reviews of their plans and reports	Review of the Partnership's corporate strategies, plans and risk registers

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

Communications with those charged with governance

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

Professional standards and guidance

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

Partnership working

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

Audit Scotland

28. Although we are independent of Audit Scotland and are responsible for forming our own views and opinions, we do work closely with them throughout the audit. This helps, for example, to identify common priorities and risks, treat consistently any issues

arising that impact on a number of audited bodies, and further develop an efficient and effective approach to public audit. We will share information about identified risks, good practices and barriers to improvement so that lessons to be learnt and knowledge of what works can be disseminated to all relevant bodies.

29. Audit Scotland undertakes national performance audits on issues affecting the public sector. We will review the Partnership's arrangements for taking action on any issues reported in the national performance reports which may have a local impact. We plan to assess the extent to which the Partnership uses the national performance reports as a means to help improve performance at the local level.
30. During the year we may also be required to provide information to Audit Scotland to support the national performance audits.

Internal audit

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

Service organisations

32. The Partnership utilises a number of the constituent local authorities to provide services including financial



ledger, payroll and human resources services. Where the systems may have a material impact on the financial statements we will work with these authorities to understand the controls in place at the service organisation.



4. Annual accounts



Annual accounts

Introduction

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

Approach to audit of the annual accounts

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

Risk-based audit planning

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

An audit of key systems and internal controls

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

A final audit of the annual accounts

40. During our final audit we will test and review the material amounts and disclosures in the annual accounts. The extent of testing will be based on our risk assessment.
41. Our final audit will seek to provide reasonable assurance that the annual accounts are free from material misstatement and comply with the Code of Practice on Local Authority Accounting in the United Kingdom 2018/19 (the Code).

Independent auditor's report

42. Our opinion on whether the financial statements give a true and fair view of the financial position and the income and expenditure will be set out in our independent auditor's report which will be included in the annual accounts.
43. We also provide an opinion on the audited part of the remuneration report, annual governance statement and management commentary.

Materiality

44. Materiality is an expression of the relative significance of a matter in the context of the financial statements as a whole. A matter is material if its omission or misstatement would reasonably influence the decisions of an addressee of the auditor's report. The assessment of what is material is a matter of professional judgement over both the amount and the nature of the misstatement. We will review our assessment of materiality throughout our audit.
45. Our initial assessment of materiality for the Partnership's annual accounts is £16,000. Our assessment of materiality equates to approximately 1% of the Partnership's 2017/18 gross expenditure.
46. As noted above, our initial assessment of materiality is set with reference to gross expenditure. We consider this to be the principal consideration for the users of the accounts when assessing the performance of the Partnership. We will review and update our assessment of materiality following receipt of the unaudited annual accounts.
47. Performance materiality is the amount set by the auditor at less than overall materiality for the financial statements as a whole to reduce to an appropriately low level the probability that the aggregate of the uncorrected and undetected misstatements exceed materiality for the financial statements as a whole.
48. We set a performance (testing) materiality for each area of work which is based on a risk assessment for the area. We perform audit procedures on all transactions, or groups of transactions, and balances that exceed our performance materiality. This means that we perform a greater level of testing on the areas deemed to be at significant risk of material misstatement.



Area risk assessment			
	£		
	High	Medium	Low

	High	Medium	Low
Performance materiality	6,400	8,000	10,400

49. We will report any misstatements identified through our audit that fall into one of the following categories:

- All material corrected misstatements;
- Uncorrected misstatements with a value in excess of 5% of the overall materiality figure; and

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

Key audit risks in the annual accounts

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

Exhibit 3 – Key audit risks in the annual accounts

1. Management override

In any organisation, there exists a risk that management 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*.

51. In response to this risk we will review the Partnership's accounting records and obtain evidence to ensure that any significant transactions outside the normal course of business were valid and accounted for correctly. We will adopt data analytics techniques to review and test aspects of this key audit risk. We will review the key accounting estimates, judgements and decisions made by management. This will include, for example, depreciation rates and asset valuations.

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.

52. As part of our planning process we have considered the nature of the revenue streams at the Partnership against the risk factors set out in ISA (UK) 240. We have identified that for Scottish Government grant funding and council requisitions, the risk of revenue recognition can be rebutted due to a lack of incentive and opportunity to manipulate revenue of this nature. We have concluded, however, that the risk of fraud in relation to revenue recognition is present in all other income streams.
53. For all other income streams, we will review the controls in place over revenue accounting. We will consider the Partnership's key revenue transactions and streams and carry out testing to confirm that the Partnership's revenue recognition policy is appropriate and has been applied consistently throughout the year.



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.


- 
54. In response to this risk we will evaluate the significant expenditure streams (excluding payroll which is not deemed to be a significant risk area) and review the controls in place over accounting for expenditure. We will consider the Partnership’s key areas of expenditure and obtain evidence that the expenditure is recorded in line with appropriate accounting policies and the policies have been applied consistently across the year.
 55. During the 2017/18 audit, it was identified that in the absence of the Partnership Director, appropriate contingency arrangements for the approval of expenditure were not in place. The Chair of the Partnership Board approved invoices from December 2017 until September 2018. During our 2018/19 audit, we will follow up on revised expenditure approval arrangements implemented by the Partnership and ensure that these have been consistently applied.

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.

- 
56. We will review the steps taken by officers to improve the maintenance of the fixed asset register. We will consider management’s annual impairment review and verification exercises to ensure that the asset records held are accurate and assets are valued appropriately.



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.

57. We will review the controls in place to ensure that the data provided from the pension fund to the actuary is complete and accurate. We will review the reasonableness of the assumptions used in the calculation against other local government pension fund actuaries and other observable data. We will agree the disclosures in the financial statements to information provided by the actuary.

Management commentary, Remuneration report and Annual governance statement

58. We also provide an opinion on the audited part of the remuneration report, annual governance statement and management commentary.
59. The Partnership Director resigned from his post in November 2018 with the Head of Programmes taking on the role of interim Partnership Director. The new (interim) Partnership Director will be responsible for signing aspects of the 2018/19 annual accounts. We will, during our audit, consider what arrangements are in place to ensure the interim Partnership Director has the appropriate assurances to allow them to sign the 2018/19 annual accounts.

62. This work will include an assessment of whether appropriate disclosures have been made with respect of the change in Partnership Director during the year as part of our 2018/19 audit.

Annual Governance Statement

63. We will review the annual governance statement and assess whether it is consistent with the annual accounts and whether it has been properly prepared in accordance with the Delivering Good Governance Framework (2016).
64. We will assess whether the new Partnership Director has been given appropriate assurances in order to be able to sign the annual governance statement.

Management Commentary

60. We are required to review the management commentary and ensure it is consistent with the financial statements and also confirm that it has been prepared in accordance with the statutory guidance issued under the Local Government Scotland Act 2003.

Remuneration report

61. We are required to review the audited part of the remuneration report and confirm that it has been properly prepared in accordance with The Local Authority Accounts (Scotland) Regulations 2014.



5. Wider scope audit



Wider scope audit

Introduction

65. As described in section 2, the Code frames a significant part of our wider scope responsibilities in terms of four audit dimensions. Following consideration of the size, nature and risks of the Partnership, the application of the full wider scope audit is judged by us not to be appropriate. Our annual audit work on the wider scope will therefore be restricted to:
- Audit work to allow conclusions to be made on the appropriateness of the disclosures in the governance statement; and
 - Consideration of the financial sustainability of the organisation and the services that it delivers over the medium and longer term.
66. Our planned audit work against these two areas is risk based and proportionate. Our initial assessment builds upon the understanding of the Partnership which we developed from previous years, along with discussions with management and review of committee minutes and key strategy documents.
67. In 2018/19 we have 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
68. At this stage of our audit planning process, we have identified one significant risk to the wider scope of our audit (Exhibit 4). Audit planning is a continuous process and we will report any identified significant risks, as they relate to the wider scope, in our annual audit report.

Exhibit 4 – Wider Scope Significant Risk

1. 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 (2015-2025) in place which is due to be refreshed in 2019. 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.

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



6. Audit outputs, timetables and fees



Audit outputs, timetable and fees

This section of our plan provides details of our audit outputs, timetable and proposed audit fees for the audit of the Partnership.

Audit output	Format	Description	Target month
External audit plan	Report	This report sets out the scope of our audit for 2018/19.	March 2019
Independent Auditor's Report	Report	This report will contain our opinion on the financial statements, the audited part of the remuneration report, annual governance statement and management commentary.	September 2019
Annual Report to the Partnership and the Controller of Audit	Report	At the conclusion of each year's audit we issue an annual report setting out the nature and extent of our audit work for the year and summarise our opinions, conclusions and the significant issues arising from our work. This report pulls together all of our work under the Code of Audit Practice.	September 2019

Audit outputs

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

	2018/19	2017/18
Auditor remuneration	£9,800	£9,900
Pooled costs	£820	£730
Audit support costs	£530	£520
Total expected fee	£11,150	£11,150

Audit fee





72. Audit Scotland sets an expected fee for each audit carried out under appointment that assumes the body has sound governance arrangements in place, has been operating effectively throughout the year, prepares comprehensive and accurate draft accounts and meets the agreed timetable for audit. The expected fee is reviewed by Audit Scotland each year and adjusted if necessary based on auditors' experience, new requirements, or significant changes to the audited body.
73. As auditors we negotiate a fee with the audited body during the planning process. The fee may be varied above the expected fee level to reflect the circumstances and local risks within the body.
74. For 2018/19 we propose setting the audit fee above the expected fee level. The expected fee for the Partnership is £9,790. We propose setting the fee above this level at £11,150 to take cognisance of the level of risk and the audit work we will carry out as identified in this plan:

75. We will take account of the risk exposure of the Partnership and the management assurances in place. We assume receipt of the draft working papers at the outset of our on-site final audit visit. If the draft accounts and papers are late, or agreed management assurances are unavailable, we reserve the right to charge an additional fee for additional audit work. An additional fee will be required in relation to any other significant exercises not within our planned audit activity.



Audit timetable

76. A summary timetable, including audit outputs, is set out as follows:

FEB 19		Planning meeting with senior officers
MAR 19		Presentation of External Audit Plan to the Performance and Audit Committee
JUL 19		Accounts presented for audit and final audit visit begins
SEP 19		Presentation of our Annual Report on the Audit to the Performance and Audit Committee



7. Appendices



Appendix 1: Your audit management team

Scott-Moncrieff is one of the largest independent accountancy firms in Scotland. We have 16 partners and over 200 staff operating from Edinburgh, Glasgow and Inverness. We are also part of the global Moore Stephens network. We have been external auditors within the public sector for at least fifty years. We provide a comprehensive range of services to clients across the public sector, including NHS bodies, local authorities, central government bodies and FE colleges. We also provide services to charities, schools, as well as private and public limited companies.

Edinburgh	Glasgow	Inverness
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Your audit management team



Karen Jones

Director

karen.jones@scott-moncrieff.com

Karen is one of our directors responsible for the audit of our Audit Scotland external audit appointments. She has considerable experience in planning and delivering audits, producing management reports and liaising with senior officers.



Rachel Wynne

Assistant Manager

rachel.wynne@scott-moncrieff.com

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

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



Appendix 2: Confirmation of independence

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

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



Appendix 3: Statement of understanding

Introduction

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

Annual report and accounts

We will require the annual accounts and supporting working papers for audit by the agreed date specified in the audit timetable. It is assumed that the relevant Partnership staff will have adequate time available to deal with audit queries and will be available up to the expected time of completion of the audit. We will issue a financial statements strategy which sets out roles, responsibilities and expectations in terms of audit deliverables. This document helps to ensure we can work together effectively to deliver an efficient and effective audit.

Scope of audit

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

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

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

Internal audit

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

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

Fraud and irregularity

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

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

Ethics

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

Fees

We base our agreed fee upon the assumption that all of the required information for the audit is available within the agreed timetable. If the information is not available within the timetable we reserve the right to charge a fee for the additional time spent by our staff. The fee will depend upon the level of skill and responsibility of the staff involved. The indicative financial statements strategy referred to above is a key means for us to clarify our expectations in terms of quality, quantity and extent of working papers and supporting documentation.

Service

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

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

Reports

During the course of the audit we will produce reports detailing the results and conclusions from our work. Any recommendations arising from our audit work will be included in an action plan. Management are responsible for providing responses, including target dates for implementation and details of the responsible officer.

Agreement of terms

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

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Scott-Moncrieff Chartered Accountants is registered to carry on audit work and regulated for a range of investment business activities by the Institute of Chartered Accountants of Scotland.

REVENUE BUDGET 2019/20

1. Introduction

- 1.1 This report presents a revenue budget for 2019/20 for review by the Partnership's Performance and Audit Committee.
- 1.2 A revenue budget for 2019/20 will be presented to the Partnership Board for approval at its meeting on 22nd March 2019.

2. Proposed Revenue Budget 2019/20

- 2.1 Section 3 of the Transport (Scotland) Act requires the constituent councils of a Regional Transport Partnership to meet the net expenses of the Partnership.
- 2.2 A financial planning report was considered by the Partnership on 7th December 2018. The Partnership noted the financial planning assumptions being progressed for 2019/20. These assumptions included no change in constituent council requisitions and Scottish Government grant from 2018/19.
- 2.3 On 21 February 2019, the Scottish Government confirmed grant will be at the same level as 2018/19 - £782,000.
- 2.4 The Scottish Parliament approved a one-year Revenue Budget on 21st February 2019. The proposed revenue budget for the Partnership reflects this one-year planning time frame.
- 2.5 A revenue budget with a standstill council requisition of £190,000 has been prepared in consultation with officers of the Partnership. Revenue budget lines have been updated to take account of known cost commitments and savings.
- 2.6 Within the core revenue budget, provision is made for the following:
 - An employee structure of 8.54fte – no change from the structure reported to Performance and Audit Committee on 17th February 2017;
 - staff recharges to projects of £132,000;
 - pay award provision of up to 3%, aligned to the Scottish Government public sector pay offer for 2019/20 - £10,858;
 - increment pay provision of up to £4,000;
 - 5.6% increase in employers' pension fund contribution rate. Lothian Pension Fund has advised that the profile of the Partnership's Pension Fund membership does not now meet the criteria of the Contribution Stability Mechanism and that the Partnership should therefore be removed from the Mechanism. The Fund has agreed to phase in the contribution rate increase over 2019/20 and 2020/21. The 2019/20 contribution rate will be 24.6% and a fixed amount of £15,500 – an increase of £20,985 from 2018/19. From 2020/21, the employer contribution rate will be 27.7% plus a fixed amount of £18,700.

- 2.7 A detailed analysis of the core revenue budget for 2019/20 is shown in Appendix 1, with the projects budget detailed in Appendix 2.
- 2.8 For the proposed 2019/20 revenue budget, external income of £302,000 is anticipated to fund 23.7% of proposed expenditure. Scottish Government grant funding will meet 61.4% of proposed expenditure with council contributions funding 14.9% of expenditure. The table below shows the profile of the Partnership's expenditure and income since 2012/13.

SEStran Budget 2012/13 – 2019/20

	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Core	461	463	465	550	551	478	531	584
Projects	709	504	1,076	2,384	725	510	614	590
RTPI	117	222	286	230	344	339	108	100
Total Budget	1,287	1,189	1,827	3,164	1,620	1,327	1,253	1,274
External Funding								
EU Grants	245	146	233	131	152	95	139	82
Other income	60	61	266	1,051	486	260	142	220
Bus Investment Fund			346	1,000	0	0	0	0
Total External Funding	305	207	845	2,182	638	355	281	302
Scottish Government	782	782	782	782	782	782	782	782
Council Requisition	200	200	200	200	200	190	190	190
Total Funding	1,287	1,189	1,827	3,164	1,620	1,327	1,253	1,274

- 2.9 Risk and contingency planning have been considered as part of the budget development process. A risk assessment is included at Appendix 3.

3. Revenue Budget - 2020/21 and Later Years

- 3.1 The proposed revenue budget is for financial year 2019/20 only. 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 with planning for longer-term funding assumptions.
- 3.2 A revenue budget proposal for 2020/21 will be developed for consideration by the Partnership in the autumn of 2019. Within the scope of funding information available, a medium term financial plan shall also be developed, which will seek to align to the Business Plan and Regional Transport Strategy.

4. Recommendations

- 4.1 It is recommended that the Performance and Audit Committee note this report.
- 4.2 Performance and Audit Committee is asked to note that it is anticipated that the recommendation to the Partnership meeting on 22nd March 2019 will be to approve the following recommendations:
- 4.2.1 note the proposed revenue budget developed for 2019/20, as detailed in Appendices 1 and 2;
- 4.2.2 approve a core revenue and projects budget for 2019/20 based on a standstill constituent council requisition of £190,000.
- 4.2.3 Based on the core revenue and projects budget approved at paragraph 4.2.2, instruct the Treasurer to requisition the individual constituent councils for the relevant amounts as follow:

Council <i>Note ¹</i>	'Stand-still' requisition
<i>Clackmannanshire</i>	<i>£6,158</i>
<i>East Lothian</i>	<i>£12,548</i>
<i>Edinburgh</i>	<i>£61,425</i>
<i>Falkirk</i>	<i>£19,166</i>
<i>Fife</i>	<i>£44,453</i>
<i>Midlothian</i>	<i>£10,783</i>
<i>Scottish Borders</i>	<i>£13,767</i>
<i>West Lothian</i>	<i>£21,700</i>
Total	£190,000

- 4.2.4 note that financial planning for 2020/21 and a medium term financial plan will be developed throughout 2019 for consideration by the Partnership in autumn 2019;
- 4.2.5 note that the proposed budget is subject to a number of risks and that all income and expenditure of the Partnership will continue to be monitored closely with updates reported to each Partnership meeting.

5. Background Reading/External References

[Financial Planning 2019/20 – Partnership Board, 7th December 2018](#)

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

HUGH DUNN
Treasurer
8th March 2019

¹ Council requisitions are split according to National Records of Scotland Mid-Year population estimates 2017

Appendices Appendix 1 – Proposed Core Revenue Budget 2019/20
Appendix 2 – Proposed Revenue Projects Budget 2019/20
Appendix 3 – Risk Assessment

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

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

Core Revenue Budget 2019/20
Appendix 1

	Approved 2018/19	Proposed 2019/20	Cost Commitments
	£000	£000	
Employee Costs			
Salaries, National Insurance and Pension Fund	444	493	8.54 FTE permanent employees. The 2019/20 Lothian Pension Fund contribution rate includes an increase of £20,985 from 2018/19, following removal of Contribution Stability Mechanism.
Premises Costs	16	16	Lease for office in Victoria Quay and related costs.
Staff Travel	9	9	
Supplies and Services			
Marketing	20	20	£10,000 Car Share/£10,000 general marketing and sustainable travel.
Communications & Computing	37	37	
Hosted Service – Routewise	53	53	£50,000 saving per annum in total to participating constituent councils.
Printing/Stationery/Supplies	10	7	
Insurance	4	4	Employer/employee liability insurance.
Equipment/Furniture/Materials	1	1	
Training/Conferences	10	10	
Interview Expenses/Advertising	2	2	
Miscellaneous Expenses	3	3	

Core Revenue Budget 2019/20

Appendix 1 (continued)

	Approved 2018/19	Proposed 2019/20	Cost Commitments
	£'000	£'000	
Support Services			
Finance	25	30	Service Level Agreement with City of Edinburgh Council. Preparation of statutory annual accounts, payment of payroll and invoices, debt recovery, banking and cash management, budget preparation, Internal Audit. Cost increase reflects review of recharges rates.
Legal Services / HR	7	7	Per contractual agreements with the Partnership's external legal provider and Falkirk Council HR service.
Corporate and Democratic			
Clerks Fees	15	12	Per Service Level Agreement with City of Edinburgh Council.
External Audit Fees	10	11	
Members Expenses	1	1	Non-Council Members expenses – Partnership meetings.
Interest	0	0	Net cost of borrowing per Partnership's Treasury Management Strategy.
Funding			
Recharges: EU Projects	(136)	(132)	Recovery of employee costs – Share-north, Regio-mob, Surflogh, Bling projects.
Scottish Government Grant	(341)	(394)	
Net Core Expenditure	190	190	To be met by constituent councils

Projects Budget 2019/20
Appendix 2

	Approved 2018/19	Proposed 2019/20	EU /Other Grant	Net Expenditure	Description
	£'000	£'000	£'000	£'000	
EU Projects					
Share-north	30	46	(23)	23	Working with project partners to promote Tripshare and to introduce 'mobility hubs ('Mobihubs') to the region.
Regio-mob	10	18	(15)	3	Based on reports prepared by CoMoUK, reporting on the health benefits of the GO e-Bike project.
Surflogh	50	52	(26)	26	Working with Zedify to deliver the e-cargo bike pilot scheme. Pilot scheme will inform the development of a business case for first/last mile delivery solutions in sustainable urban freight logistics.
Bling	0	36	(18)	18	Working with project partners, including the University of Edinburgh, develop and implement a transport focused pilot that aims to deliver Blockchain in government.
Total	90	152	(82)	70	
Real-Time Passenger Information System (RTPI)					
Maintenance	108	60		60	Maintenance contract with INEO until current agreement terminates.
Development	0	40	0	40	Integration of Bustracker SEStran with the new Content Management System.
Income - operators	(42)	0	0	0	
Income - screens	0	0	(20)	(20)	
Total – RTPI	66	100	(20)	80	

Projects Budget 2019/20
Appendix 2 (continued)

	Approved 2018/19	Proposed 2019/20	EU /Other Grant	Net Expenditure	Description
Regional Transport Strategy – re-draft	0	65	0	65	External Expertise.
Sustainable Travel	243	131	0	131	Provision of match funding to constituent councils, universities and colleges and Police Scotland.
Urban Cycle Networks	32	232	(200)	32	Contractually committed on a year to year basis. Includes funding for Cycling Officer.
Equalities Action Forum	10	10		10	Funding for the Equalities Action Forum for a minimal level of actions identified by the Forum.
Total	441	690	(302)	388	To be met from Scottish Government Grant

Risk Assessment**Appendix 3**

Risk Description	Existing Controls
Pay awards. The proposed budget assumes provision for a pay award of up to 3% in 2019/20, which is based on alignment with the Scottish Government's public sector pay offer. A 1% increase in pay award uplift equates to an increase in cost of approximately £4,700.	Alignment with Scottish Government Public Sector Pay Offer.
The proposed budget does not adequately cover price inflation.	Allowance has been made for specific price inflation and other budgets have been adjusted in line with current demand / forecasts.
The deficit on the staff pension fund could lead to increases in the employer's pension contribution.	Following Lothian Pension Fund's Triennial Actuarial Review in 2017, Partnership contribution rates are confirmed to 2020/21.
Following the outcome of the EU Referendum, the Partnership is unable to access EU funding.	The Partnership continues to seek alternative funding sources to progress knowledge exchange/transfer and to seek to successfully bid for EU projects following the United Kingdom servicing notice under Article 50.
Delays in payment of grant by the EU results in additional short-term borrowing costs.	SEStran grant claims for EU funded projects are submitted in compliance with requirements of EU control processes to ensure minimal delay in receipt of payment. Ongoing monitoring of cash flow is undertaken to manage exposure to additional short-term borrowing costs.
Current staffing levels cannot be maintained due to funding constraints and the Partnership incurs staff release costs.	The Partnership continues to seek additional sources of funding for activities aligned to the Partnership's objectives to supplement resources.
Savings approved to balance the budget with available resources are not delivered.	Regular monitoring of savings implementation, with action taken by Partnership officers to develop alternative measures, if required for approval by the Partnership.

ANNUAL TREASURY STRATEGY

1. Purpose of report

- 1.1** The purpose of this report is to propose an Investment Strategy for 2019/20.

2. Annual Treasury Strategy

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

3. Recommendations

- 3.1** It is recommended that the Committee refers the Strategy to the Partnership Board to approve the continuation of the current arrangement outlined in Appendix 1.

Hugh Dunn
Treasurer

Appendix Appendix 1 - Annual Treasury Strategy

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

Annual Treasury Strategy

(a). Treasury Management Policy Statement

1. The Partnership defines its Treasury Management activities as:

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

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

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

(b). Permitted Investments

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

(c). Prudential Indicators

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

Draft Business Plan 2019/20

1. Introduction

- 1.1 The report provides Members of the Committee with the first draft of SEStran's Business Plan for 2019/20.

2. Draft Business Plan 2019/20

- 2.1 The Draft Business Plan for 2019/20 sets out SEStran's strategic objectives and the various programmes SEStran will be involved in during the new financial year. In addition, the Draft Business Plan sets out how these programmes are linked to, and work towards the achievement of, SEStran's strategic objectives, using a different icon for each strategic objective.

3. Recommendations

- 3.1 It is recommended that the Members of the Committee take note of the Draft Business Plan 2019/20 as attached to this report.
- 3.2 Furthermore, the Members of the Committee are invited to submit any comments to the Draft Business Plan 2019/20.

Julie Vinders
Project Officer
28 February 2019

Appendix 1. Draft Business Plan 2019/20

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



South East of Scotland Transport Partnership (SEStran) 2019/20 Business Plan

Foreword

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

Within the partnership there are diverse transport challenges, ranging from urban congestion to rural public transport and declining bus patronage, and from integrated mobility to sustainable logistics and freight hubs. The region is highly diverse from both a geographic and socio-economic perspective; the area has a wide range of urban and rural environments, and while Edinburgh is a main driving force for the region's rapidly growing economy, other areas cope with serious social and economic deprivation. Projected increases in population and households will put additional pressures on the transport system and integrated land use and transport planning will be essential if increased car dependency is to be avoided.

SEStran's projects therefore aim at tackling the transport challenges specific to our region. Over the last 10 years, SEStran has successfully been involved in a significant number of European funded projects. This has not only brought additional funding into the organisation, it has also allowed staff to share best practices with, and gain knowledge from, a wide range of European organisations on sustainable transport.

Brexit therefore presents another challenge, and 2019/20 will be a decisive year for SEStran and the possibility of future participation in European funded projects. Nevertheless, until the exit process is completed, SEStran will continue to win and participate in projects with the rest of the EU and share best practices in transport-related issues. In addition, SEStran will continue to seek other sources of funding in this new financial year, and the years to come.

The coming years will see the conclusion of the second National Transport Strategy review (NTS2), within which a review of regional governance is included. We await the outcome of that exercise, which was assigned to a "Roles and Responsibilities" working group. However, in the meantime, the RTPs together have been promoting the merits of combining transport, planning and economic development at a regional level. Consistent with the above approach and to be able to offer some practical initiatives towards reversing the country's declining bus patronage, we will explore the potential benefits of other RTP operating models.

In addition, Transport Scotland has recently appointed consultants to take forward the second Strategic Transport Projects review (STPR2) and SEStran will be involved in assessing appropriate input for this region. We will also continue our work as part of the East Coast Mainline Authorities Consortium, with colleagues representing communities from the Highlands to Hertfordshire in promoting the benefits and the need to maintain and improve the East Coast Main Railway Line.

It will be a particularly challenging time for SEStran but I have every confidence that we will have a successful year ahead.

Councillor Gordon Edgar

Chair of the South East of Scotland Transport Partnership

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1. Introduction

SEStran presents its 2019/20 Business Plan, which sets out the organisation's plans for the next twelve months and outlines how it works to deliver its vision:

The South East of Scotland is a dynamic and growing area which aspires to become one of Northern Europe's leading economic regions. Essential to this aspiration is the development of a transport system that enables the economy to function effectively, allows all groups in society to share in the region's success through high quality access to services and opportunities, respects the environment, and contributes to a healthier population.

In 2019/20, SEStran will work across five core strategic themes to deliver on its vision. This Business Plan sets out key priorities for SEStran to help achieve these objectives in the new financial year.

Five core strategic themes:

- **Economy** – To ensure transport facilitates economic growth, regional prosperity and vitality in a sustainable manner
- **Accessibility** – To improve accessibility for those with limited transport choice, mobility difficulties, or no access to a car
- **Environment** – To ensure that development is achieved in an environmentally sustainable manner
- **Safety and health** – To promote a healthier and more active SEStran area population
- **Corporate** – To continually improve performance to achieve greater efficiency and effectiveness in SEStran service delivery



Economy



Accessibility



Environment



Safety &
Health



Corporate

2. Strategic Objectives

Economy

To ensure transport facilitates economic growth, regional prosperity and vitality in a sustainable manner

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



Accessibility

To improve accessibility for those with limited transport choice, mobility difficulties, or no access to a car

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



Environment

To ensure that development is achieved in an environmentally sustainable manner

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



Safety and Health

To promote a healthier and more active SEStran area population

- To increase the proportion of trips by foot/bicycle;
- To meet or improve all statutory air quality requirements;
- To improve road safety and personal security, particularly regarding active travel and public transport;
- To reduce the impacts of transport noise



Corporate

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

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



3. Planned activities 2019/20

3.1 Running programmes

GO e-Bike



In 2018, SEStran successfully launched GO e-Bike, a regional bike-sharing scheme funded by SHARE-North project and SEStran's core budget. The aim is to increase usage and awareness of power-assisted cycling across the South East of Scotland. GO e-Bike launched four different e-bike hubs in St Andrews, Buckhaven, West Lothian and Falkirk and the aim of the scheme is to promote a healthier and more active population, reduce inequalities and improve the environment.

Objectives:

- Promote a more active and healthier life style by increasing usage and awareness of power-assisted cycling.
- Reduce road congestion and transport emissions
- Increase accessibility of active travel by introducing e-trike at GO e-Bike hubs.

Plans for 2019/20:

- SEStran will support the existing hubs through training and shared learning events, and opportunities for further development
- SEStran will be expanding the project with six new hubs in Edinburgh, the Scottish Borders, Midlothian and East Lothian, after a successful bid to Low Carbon Transport & Travel funding.
- GO e-Bike promotional activity will include headline sponsor for the family ride at the Tweedlove Transcend Festival.

Tripshare SEStran



Tripshare SEStran is one of the largest car sharing platforms in Scotland, with over 8,500 members. Tripshare helps people share the cost of their commute to work or a one-off journey. On top of that, Tripshare reduces the number of single occupancy cars on the road and offers a low-cost transport option for those with no access to a car. SEStran will continue to promote car-sharing throughout the South East of Scotland.

Objectives:

- Tackle congestion by reducing the number of single occupancy cars on the roads

Plans for 2019/20:

- SEStran will use funding from the SHARE-North project (see page...), to continue to promote Tripshare SEStran in a region wide campaign. In addition, SEStran will redesign the website and logo.

-
- Provide a platform for large employers in the region to encourage carpooling to work
 - SEStran will collaborate with and take learnings from Taxistop, Belgium to promote carpooling through Tripshare SEStran.

Thistle Assistance Programme - Card & App



The Thistle Assistance Card was developed by SEStran to make public transport more accessible for older people and those with disabilities or illnesses. After a successful bid for funding from the Scottish Enterprise Can Do innovation fund, SEStran will work towards the development of an app-based door-to-door journey planning solution that aims to alleviate barriers to public transport.

Objectives:

- Encouraging use of public transport by making it easier and more accessible for older people and those with disabilities or illnesses.

Plans for 2019/20:

- SEStran will be working with 5 developers to create an app-based door-to-door journey planner with the aim of making public transport more accessible to all.
- From the 5 phase 1 projects SEStran aims to get 1-2 successful concepts to take through to phase 2 development with further funding from Scottish Enterprise.
- This project will be funded by Scottish Enterprise from their Can-Do Innovation fund and will run for 6 months in 2019.
- SEStran will continue to promote the existing Thistle Assistance Card through key influencers and partners, online and at key accessible travel events and forums.
- SEStran will develop a unique website for the Thistle Assistance Program for launch in 2019.

Real Time Passenger Information (RTPI)



The introduction of SEStran's RTPI system began in 2010, in partnership with First Scotland East and Stagecoach Fife bus operators. This system has successfully contributed to encouraging public transport use by making public transport more reliable. However, due to technological advances and the withdrawal of First Scotland East from the system, SEStran has been exploring potential solutions in collaboration with all relevant stakeholders to continue to provide an ongoing RTPI service.

Objectives:

- Tackle declining bus patronage by providing real-time information about bus arrivals
- Encouraging sustainable transport modes by making public transport more reliable and accessible

Plans for 2019/20:

- SEStran will be working to install more digital screens showing real-time bus, tram and rail information at key locations, such as transport interchanges and key buildings.
- SEStran will be working with City of Edinburgh Council to develop a new content management system that will improve the public facing regional screen network.

Active Travel Projects



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. In 2018 the Regional Transport Partnerships lobbied for further funding and gained Regional Active Travel Development Fund from Transport Scotland to facilitate further projects promoting sustainable cross boundary travel.

Objectives:

- Promote a more active and healthier life style by encouraging cycling and supporting cycling infrastructure

Plans for 2019/20:

- Coordinate the development of a new strategic cross boundary route audit and development plan.
- Continue work alongside local authorities to develop designs for cross-boundary routes.

Cycle Training & Development



SEStran's Regional Cycle Training and Development Officer is responsible for supporting Local Authority Bikeability Co-ordinators and works to promote and expand cycle training opportunities across the region.

Objectives:

- To advance the education of the public generally and young people in particular in safer cycling and cycling road safety.
- Promote cycle training opportunities in SEStran projects where applicable.

Plans for 2019/20:

- In partnership with Cycling Scotland, SEStran will continue to enable access to training opportunities at all life stages including Play on Pedals Training in the early years setting, Bikeability Scotland in schools, Essential Cycling Skills for adults, and Practical Cycle Awareness Training for professionals in the SEStran region. Complementing these training opportunities, SEStran will promote 'Cycle

- Increase in delivery of Level 2 Bikeability training
- Friendly' behaviour change packages for workplaces campuses, communities and schools.
- SEStran will offer tailored cycle training support as part of the delivery of the Go e-Bike hubs and employer scheme.
- Further opportunities will be explored to support the delivery of cycle training in different settings to enable more people to enjoy the benefits of cycling.

3.2 European-funded Projects

REGIO-Mob

April 2016 – March 2020

An Interreg Europe project

Promoting sustainable mobility through interregional collaboration



The REGIO-Mob project involves six European partners with the main objective to ensure sustainable growth in Europe through the promotion of sustainable mobility and the improvement of relevant policy documents. Having entered phase 2 of the project, the REGIO-Mob partners will now focus on implementing the best practices they have adopted from other regions. SEStran has adopted the PASTA methodology developed by our partners in Italy to measure the health benefits of the GO e-Bike project: pastaproject.eu.

Objectives:

- Secure Europe's sustainable growth by promoting sustainable mobility
- Measure the health benefits of bike sharing using the PASTA methodology
- Influence the SEStran Regional Transport Strategy as informed by interregional learning.

Plans for 2019/20:

- During phase 2 of REGIO-Mob, SEStran plans to carry out an active travel audit to measure the health benefits of the GO e-Bike bike sharing scheme across the region. Evidence from this research will inform the electric bikes chapter in the SEStran Electric Vehicle Strategy and SEStran Regional Transport Strategy (see page X).

SHARE-North

January 2016 – December 2021

Interreg North Sea Region

Shared Mobility Solutions for a Liveable and Low-Carbon North Sea Region



The challenges of sustainable transport in the North Sea Region cannot be met by technical solutions alone – it also requires behavioural change. Shared mobility modes and their potential to address these challenges are the focus of the SHARE-North project. 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.

Objectives:

- To reduce the number of (nearly empty) car trips and increase efficiency of the existing road infrastructure
- To promote bike sharing, car sharing, ride sharing and other forms of shared mobility
- To reduce congestion due to parked and moving cars
- To achieve emission reductions through shared mobility
- To raise the profile of shared mobility as viable component of integrated transport strategies

Plans for 2019/2020:

- Following the approval of a three-year extension of the project, SEStran plans to build on the experiences gained during the first three years of SHARE-North.
- SEStran plans to collaborate with CoMoUK and WYCA to introduce Mobihubs (mobility hubs) to the SEStran region, building on experiences from Bremen, Germany and Bergen, Norway.
- SEStran will collaborate with and take learnings from Taxisstop, Belgium to promote carpooling through Tripshare SEStran. In addition, it will use SHARE-North funding to update and redesign the platform.

SURFLOGH

Interreg North Sea Region

Case studies for sustainable Urban Logistics Hubs



June 2017 – October 2020

The focus of SURFLOGH is the optimisation of the interaction between freight logistics hubs and the urban freight logistics system, promoting both efficient and sustainable logistics in urban areas in smaller and medium-sized cities, city regions and networks. Together with Edinburgh Napier University Transport Research Institute, SEStran is developing different business models for urban freight hubs. SEStran is also working with ZEDIFY, an electric cargo-bike delivery company, to develop a last mile delivery pilot in the City of Edinburgh.

Objectives:

- To encourage the adoption of green innovative solutions in urban freight logistics
- To increase efficiency in urban distribution via urban logistics hubs
- To stimulate green transport in an urban environment
- To stimulate innovations in urban logistics

Plans for 2019-2020:

- SEStran will be working with ZEDIFY logistics to expand on the successful launch of the Edinburgh pilot.
- Edinburgh Napier University & SEStran will be presenting a paper to the STAR Conference in Glasgow in May 2019.
- SEStran will be hosting the mid-term conference in May 2019 with attendees coming from Scotland and Europe.
- SEStran will be continuing to work with Edinburgh Napier University on the development of business models for each of the partner hubs by conducting primary research interviewing key stakeholders.

BLING

Interreg North Sea Region

Blockchain in Government



January 2019 – December 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. The project provides a unique combination of public authorities, knowledge institutions and SMEs who will work together to explore, enable and deliver an approach to accelerating the adoption and deployment of blockchain across the NSR to enable the creation and delivery of the next generation of smart services for citizens, governments and SMEs.

Objectives:

- Stimulate the public sector to generate innovation demand and innovative solutions for improving public service delivery

Plans for 2019-2020:

- SEStran will be working with various project partners, including the University of Edinburgh, to develop and implement a transport focused trial pilot that aims to deliver Blockchain in government.

3.3 Forums groups

Forum groups



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.

Objectives:

- Bring together interested parties and provide a regional voice in transport-related matters
- Provide a platform for organisations to connect with each other and have meaningful discussions

Plans for 2019-2020:

- The **Integrated Mobility Forum** will bring together various stakeholders to improve integrated mobility across the region and aims to promote public transport and access to transport interchanges, as well as reducing the number of single occupancy car journeys.
- The **Logistics and Freight Forum** will bring together local authorities, government agencies, businesses and other stakeholders with the aim of developing, promoting and implementing sustainable business and distribution solutions.
- The **Equalities and Access to Healthcare Forum** will seek to deliver equalities outcomes and promote projects such as RTPi and the Thistle Card & App to address inclusion issues which disproportionately affect some members in the SEStran region.

3.4 Strategy

Hate Crime Charter



Together with Disability Equality Scotland, Police Scotland and Transport Scotland, SEStran is developing a regional Hate Crime Charter for Public Transport.

Objectives:

- Encourage public transport operators to report hate crime incidents more and aim at preventing hate crime in the future.

Plans for 2019-2020:

- Once the draft version of the Hate Crime Charter is finalised, SEStran will trial the Charter in Fife, Clackmannanshire and West Lothian.
- Based on the learnings from this trial, SEStran hopes to roll out the Charter nationally.

Governance & Partnership working



SEStran is the Regional Transport Partnership for the South East of Scotland. By its very nature, SEStran is responsible for collaborative working and promoting a regional approach to transport-related matters. SEStran therefore aims to provide a platform for various stakeholders to discuss and address transport related issues in the South East of Scotland.

Objectives:

- Continue to be involved in pressing transport issues and represent a regional voice in transport related matters in the South East of Scotland
- Continue to lead by example and deliver sustainability and climate change objectives as an organisation.

Plans for 2019-2020:

- SEStran will continue to be involved in transport related policy developments and respond to relevant consultations as they are published.
- SEStran will continue to organise meetings that bring together relevant stakeholders to discuss pressing transport related issues, such as bus, rail and active travel.
- SEStran will continue to provide the Sustainable and Active Travel Fund to help organisations adopt sustainable transport solutions within their workplace.

Regional Transport Strategy Review



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. Following the Government's decision to review the National Transport Strategy in late 2016, the SEStran Partnership Board agreed to await the outcome of this review

before re-writing the RTS. The outcome of the NTS review is expected to emerge during the coming year. SEStran will now begin the process of preparing a “Main Issues” report, as a prelude to a re-write of the RTS.

Objectives:

- To start the process of re-writing the SEStran RTS.
- To develop an electric vehicle strategy for the SEStran region in collaboration with the Local Authorities.

Plans for 2019-2020:

- SEStran will be working to establish a main issues report regarding transport in the SEStran region. SEStran will prepare a programme and engage consultants to assist in the development of the main issues report.
- In addition, SEStran will be working with the Local Authorities to develop an Electric Vehicle Strategy for the region which aims at addressing the barriers to the EV uptake and the challenges faced by local authorities when implementing EV infrastructure.

Future Planning



SEStran recognises that there is a need to address transport related issues at a regional level to promote consistency throughout the region and develop effective solutions for the Local Authorities in the South East of Scotland. In particular, the challenges of providing bus services in the South East of Scotland can best be addressed at a regional level. SEStran will therefore be investigating the possibility of enhanced partnership working between SEStran and the Local Authorities it represents.

Objectives:










- Promote a regional approach to transport planning and addressing transport related issues in the South East of Scotland through enhanced partnership working with the Local Authorities in the region.












Plans for 2019-2020:




- SEStran will be working with the Local Authorities to explore the possibility of sharing additional powers between the Local Authorities and SEStran as the Regional Transport Partnership.
- SEStran will employ a consultant to carry out a detailed study into the possibilities for a Model 2 RTP, which would mean that SEStran shares its powers with the Local Authorities, or a Model 3 RTP, which would delegate all transport powers to SEStran.




4. Annexes


Annex 4.1 – Key Performance Indicators

Project	Strategic objective	Key focus areas	Key performance indicators
GO e-Bike			
To deliver more sustainable and healthier transport solutions for the people and communities of the SEStran region	   	Expand the GO e-Bike project	Deliver 6 new GO e-Bike hubs
		Raise awareness of bike sharing with the public and key stakeholders using SHARE-North experiences and outputs to promote bike-sharing in the region.	Raise shared mobility on the political agenda using the SHARE-North Manual for Municipalities
		Increase programme reach and awareness	Seek additional funding opportunities for further e-bike hubs
Tripshare SEStran			
To tackle congestion by reducing the number of single occupancy cars on the roads	  	Continue to promote Tripshare SEStran in a region wide campaign. In addition, SEStran will SHARE-North funding to redesign the website and logo.	Additional members signed up to Tripshare SEStran and redesign of website.
		Provide a platform for large employers in the region to encourage carpooling to work	Collaborate with and take learnings from Taxistop, Belgium to promote carpooling through Tripshare SEStran.
Thistle Card Assistance			
To encourage use of public transport by making it easier and more accessible for older people and those with disabilities or illnesses.	 	Create an app-based door-to-door journey planner with the aim of making public transport more accessible to all.	Work with 5 Can Do competition winners to develop prototype concepts.

Real Time Passenger Information (RTPI)			
To tackle declining bus patronage by providing real-time information about bus arrivals and making public transport more reliable and accessible	 	SEStran will be working to install more digital screens showing real-time bus, tram and rail information at key locations, such as transport interchanges and key buildings.	Install additional RTPI screens at key locations.
Active Travel programme			
Use Sustrans Scotland funding to develop regional cycle network, with a particular focus on cross-boundary routes	  	Coordinate new strategic cross boundary study	Identify plan for prioritised routes throughout region
		Design Projects 100% funded	Full spend of RCNGS
		Support sustainable cross boundary projects	Full spend of RATDF
		Increase Active Travel reach	Utilise funding opportunities from SG for further project opportunities
Cycle Training and Development			
To support Local Authority Bikeability Co-ordinators and promote and expand cycle training opportunities across the region.	  	Support the coordination of Bikeability Scotland Level 2 delivery.	Increase in Bikeability Scotland Level 2 delivery.
		Identify opportunities for delivering cycle training in conjunction with Go e-Bike hubs and potential employer scheme. Developing and supporting opportunities for cycle training at any age across the region.	Training sessions delivered.
REGIO-Mob			
To secure Europe’s sustainable growth by promoting sustainable mobility	  	Measure the health benefits of bike sharing using the PASTA methodology	Obtain qualitative and quantitative data from GO e-Bike users

		Influence the SEStran Regional Transport Strategy (RTS) as informed by interregional learning.	Incorporate REGIO-Mob learnings into SEStran’s electric vehicle strategy and RTS
SHARE-North			
To develop, implement, promote and assess shared mobility solutions, such as car sharing, bike sharing, ride sharing in urban and rural areas and employment clusters.		Collaborate with CoMoUK and WYCA to introduce Mobihubs (mobility hubs) to the SEStran region, building on experiences from Bremen, Germany and Bergen, Norway.	Work collaboratively to introduce Mobihubs to the SEStran region
		Use SHARE-North funding to update and redesign the Tripshare SEStran carpool platform	Take learnings from Taxisop, Belgium to promote carpooling through Tripshare SEStran.
SURFLOGH			
To optimise the interaction between freight logistics hubs and the urban freight logistics system, promoting both efficient and sustainable logistics in urban areas		Work with Zedify to expand Edinburgh hub	Increase customer base and number of deliveries
		Measure impact of Edinburgh hub	How much equivalent CO2 emissions have been saved?
		Explore how sustainable logistics can be integrated further	Conduct a hackathon in Edinburgh
		Interview key stake holders in pilot countries, Netherlands, Sweden and Belgium	Conduct 4 interview visits with Edinburgh Napier University
		Share and disseminate information about sustainable logistics to a wider audience.	Host SURFLOGH mid-term conference in Edinburgh
BLING			
To stimulate the public sector to generate innovation demand and innovative solutions for improving public service delivery		Work with various project partners, including the University of Edinburgh, to develop and implement a transport focused trial pilot that aims to deliver Blockchain in government.	Develop a pilot trial of the technology
		Share and disseminate information about BLOCKCHAIN technology in Transport	

Forum & Liaison groups			
To provide a platform for interested parties and provide a regional voice in transport-related matters		Bring together interested parties and provide a regional voice in transport related matters	Organise three different forums that bring together various stakeholders to address transport related issues.
Hate Crime Charter			
To encourage public transport operators to report hate crime incidents more with the aim of preventing hate crime in the future.		Develop a Hate Crime Charter for the region	Produce final draft version
			Trial the Hate Crime Charter in selected local authorities
			Potentially rollout the Charter nationally.
Governance & Partnership working			
To continue to be involved in pressing transport issues and represent the SEStran region as a whole		Continue to be involved in pressing transport issues and represent a regional voice in transport related matters in the South East of Scotland	Continue to be involved in transport related policy developments and respond to relevant consultations
			Organise stakeholder meetings to address various transport related issues
		Continue to lead by example and deliver sustainability and climate change objectives as an organisation	Provide the Sustainable and Active Travel Fund to help organisations adopt sustainable transport solutions
Regional Transport Strategy			
To start the process of re-writing the SEStran RTS and to develop an		Prepare a programme and engage consultants to assist in the development of the main issues report.	Establish a main issues report

electric vehicle strategy for the SEStran region in collaboration with the Local Authorities.		Work with the Local Authorities to develop an Electric Vehicle Strategy for the region.	Develop a draft Electric Vehicle Strategy
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Annex 4.2 – Budget Summary

	2012/13 £'000	2013/14 £'000	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000
Budget								
Core	461	463	465	550	551	478	531	584
Projects	709	504	1,076	2,384	725	510	614	590
RTPI	117	222	286	230	344	339	108	100
Total budget	1,287	1,189	1,827	3,164	1,620	1,317	1,253	1,274

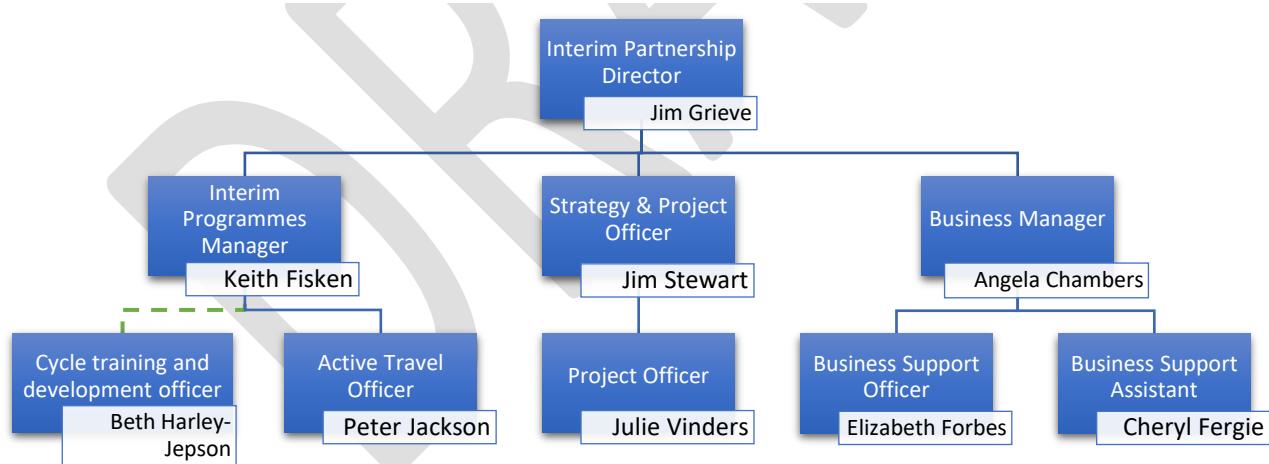
External funding								
EU grants	245	146	233	131	64	95	139	82
Other income	60	61	266	1,051	686	250	142	220
Bus Investment Fund	-	-	346	1,000	-	-	-	-
Total external funding	305	207	845	2,182	750	345	281	302
Core funding								
Scottish Government	782	782	782	782	782	782	782	782
Council Requisition	200	200	200	200	200	190	190	190
Total funding	1,287	1,189	1,827	3,164	1,620	1,327	1,253	1,274

Annex 4.3 – Staff and Organisational Chart

Interim Partnership Director	Jim Grieve
Interim Programmes Manager	Keith Fiskien
Cycle Training and Development Officer*	Beth Harley-Jepson
Active Travel Officer	Peter Jackson
Strategy & Projects Officer	Jim Stewart
Project Officer	Julie Vinders
Business Manager	Angela Chambers
Business Support Officer	Elizabeth Forbes
Business Support Assistant	Cheryl Fergie

* Cycle Training and Development Officer is employed by Cycling Scotland and embedded in SEStran.

Figure 1: Organisational Chart



NOTES ONLY

Logos to be included after editing:



TripshareSustran.com
Start the day with a pick me up



**Disability
Equality
Scotland**



**POLICE
SCOTLAND**
Keeping people safe



**TRANSPORT
SCOTLAND**
CÒMHDAHAIL ALBA



Thistle Assistance Card



Cycling Scotland



Progress Report of SEStran Projects

1. INTRODUCTION

- 1.1 The report provides members of the Committee with an update on the progress and timeframe for the SEStran projects.

2. Measurement schedule

Status	
	Proceeding according to workplan
	Behind schedule / some issues encountered
	Severe issues that need urgent attention

Financial year and quarters

2018/19	Q3 = Sep – Dec 2018
	Q4 = Jan – March 2019
2019/20	Q1 = April – June 2019
	Q2 = July – Sep 2019
	Q3 = Oct – Dec 2019

3. Real-Time Passenger Information

Progress		Status
Timeframe	Ongoing	
Project outputs	Issues at Galashiels	
	New CMS	

Summary:

WYG is addressing issues at the Galashiels Interchange where incorrect information was being displayed at the screens. The current agreement with INEO will end in June 2019 and SEStran is exploring options to keep the service going until the agreement comes to an end. It is hoped that the new Content Management System will be in place early in the new financial year. Bustracker SEStran will be integrated with the new CMS.

Timeframe:

<i>Financial year</i>	2018/19		2019/20		
	Q3	Q4	Q1	Q2	Q3
INEO contract					
Issues at Galashiels					
New CMS					

4. Regional Cycle Network Grant Scheme (RRCNGS)

Progress		Status			
Timeframe	Until summer 2019				
Project outputs	Feasibility studies for active travel options				
Summary:					
SEStran made a successful bid to Community Links funding and awarded Aecom with a contract to undertake three feasibility studies worth £90,249 using 100% funding from Community Links. The three routes being studied are: Winchburgh to Edinburgh Airport, Buckhaven to Kirkcaldy, and The Wisp to Sheriffhall Roundabout. The finalised studies are expected in spring 2019 and the Buckhaven to Kirkcaldy and The Wisp to Sheriffhall Roundabout studies are due to progress through to design.					
Timeframe:					
<i>Financial year</i>	2018/19		2019/20		
	Q3	Q4	Q1	Q2	Q3
SEStran bid to Community Links					
Tender competition					
Feasibility studies					

5. Regional Active Travel Development Fund (RATDF)

Progress		Status			
Timeframe	Until summer 2019/20				
Project outputs	Feasibility studies for active travel routes along A701 and A9 corridors				
Summary:					
Following a tender competition, Arup was awarded a contract to carry out a feasibility study of the A701 corridor for improvements to public transport, walking and cycling provisions. SEStran is currently working with TACTRAN to produce a feasibility study on the A9 corridor between Larbert and Stirling with connections into the wider active travel network around Larbert.					
Timeframe:					
<i>Financial year</i>	2018/19		2019/20		
	Q3	Q4	Q1	Q2	Q3
SEStran bid to RATDF					
Tender competition					
Feasibility study along A701					
Feasibility study along A9					

6. GO e-Bike

Progress		Status			
Timeframe	Ongoing				
Project outputs	Shared e-bike facilities				
Summary:					
CoMoUK is finalising a progress report regarding the first 4 hubs that were launched in Fife, West Lothian and Falkirk. The report will present some successes and lessons for the future, and there are some early indications of e-bikes replacing car trips, providing health benefits and leading to sales of e-bikes.					
SEStran is currently working toward the launch of 2 new GO e-Bike hubs in early spring at Social Bite Village in Edinburgh and Tweeddale Youth Action in Peebles.					
Timeframe:					
<i>Financial year</i>	2018/19	2019/20			
	Q3	Q4	Q1	Q2	Q3
Monitoring of initial 4 hubs					
Tender competitions for new hubs					
Procurement of equipment					
Launch of 2 new hubs					

7. Cycle Training & Development

Progress		Status			
Timeframe	Until summer 2019				
Summary:					
As part of trialling a new model for delivering Bikeability Scotland training in schools, a number of pilots are being developed within the SEStran region.					
Timeframe:					
<i>Financial year</i>	2018/19	2019/20			
	Q3	Q4	Q1	Q2	Q3
Bikeability pilots in SEStran					

8. Smarter Choices Smarter Places

Progress		Status
Timeframe	Until March/April 2019	
Project outputs	Traffic data collection	
Summary:		
SEStran was awarded £13,650 as a 50% match for a project looking at travel behaviour in and around Edinburgh. SEStran is working with Trivector Traffic AB to conduct data collection through a mobile app which tracks how people travel, how far, how fast, why, and by what mode. The data collection period will be from 4 th until 31 st March 2019.		

Timeframe:					
Financial year	2018/19		2019/20		
	Q3	Q4	Q1	Q2	Q3
Bid to SCSP funding					
Award to Trivector Traffic AB					
TravelVU pilots in Edinburgh					

9. SHARE-North

Progress		Status			
Timeframe	Ongoing until December 2021				
Project outputs	GO e-Bike contribution				
	Extension activities				
Summary:					
SHARE-North funding has contributed to the launch of GO e-Bike to support bike-sharing in the region. SHARE-North funding has also been used to organise the partner meeting in Edinburgh in October 2018.					
With the project extension being approved by the EU North Sea Region Programme Secretariat, SEStran will be working with project partners to promote Tripshare and replicate the carpool addict label. SEStran will also be looking at introducing 'Mobihubs' (mobility hubs) to the SEStran region.					
Timeframe:					
<i>Financial year</i>	<i>2018/19</i>		<i>2019/20</i>		
	Q3	Q4	Q1	Q2	Q3
Procurement of GO e-Bikes					
Partner meeting Edinburgh					
Project extension activities					

10. REGIO-Mob

Progress		Status
Timeframe	Ongoing until March 2020	
Project outputs	Active travel audit	
	Measuring health benefits	
Summary:		
<p>SEStran adopted the PASTA methodology used by project partner ANCI Lazio to measure the positive health benefits of the GO e-Bike scheme. Sustrans was commissioned to carry out an Active Travel Audit of the SEStran region which was delivered in November 2018.</p> <p>SEStran will be using reports and surveys prepared by CoMoUK and the St Andrews University Transition team to measure the health benefits of the GO e-Bike project.</p>		

Timeframe:					
Financial year	2018/19		2019/20		
	Q3	Q4	Q1	Q2	Q3
Active Travel Audit					
Measuring health benefits					

11. SURFLOGH

Progress		Status			
Timeframe	Ongoing until October 2020				
Project outputs	E-cargo bike scheme and business case				
Summary:					
The SURFLOGH project kicked off in June 2017. SEStran has been working with Zedify to deliver an electric cargo bike pilot scheme in Edinburgh. This pilot scheme informs the development of a business case for first/last mile delivery solutions in sustainable urban freight logistics which is being prepared in collaboration with the Transport Research Institute at Edinburgh Napier University.					
Timeframe:					
Financial year		2018/19		2019/20	
	Q3	Q4	Q1	Q2	Q3
E-cargo bike pilot scheme					
Development of business case					

12. BLING

Progress		Status			
Timeframe	Ongoing until December 2021				
Summary:					
The BLING project started in January 2019 and the kick-off meeting was held in Zwolle, the Netherlands from 7-8 February 2019. SEStran will be working with various project partners, including the University of Edinburgh, to develop and implement a transport focused trial pilot that aims to deliver Blockchain in government.					
Timeframe:					
Financial year		2018/19		2019/20	
	Q3	Q4	Q1	Q2	Q3
Start of project					
Development of blockchain trial					

13. Hate Crime Charter

Progress		Status				
Timeframe	Financial year 2019/20					
Project outputs	Hate Crime Charter & trial					
Summary:						
SEStran is collaborating with Police Scotland and Disability Equality Scotland to develop a Hate Crime Charter aimed at reporting and preventing hate crime incidents. Police Scotland and Disability Equality Scotland are now finalising the first draft. After a regional trial, SEStran hopes to roll out the Charter nationally.						
Timeframe:						
	<i>Financial year</i>	<i>2018/19</i>		<i>2019/20</i>		
		Q3	Q4	Q1	Q2	Q3
Draft charter						
Regional trial						
Potential national launch						

14. Can Do & Thistle Card App

Progress		Status			
Timeframe	Financial year 2019/20				
Project outputs	Journey planner & Thistle Card App				
Summary:					
Can Do funding will be used to develop a intermodal journey planner and Thistle Card App. A tender competition was run by Innovate UK in January 2019, from which 5 entries will be taken forward into Phase 1 of the project.					
Timeframe:					
Financial year	2018/19	2019/20			
	Q3	Q4	Q1	Q2	Q3
Bid to Can Do funding					
Tender competition					
App development					
Launch of app					

15. Recommendations

- 15.1** It is recommended that the Members of the Committee take note of the progress of the SEStran projects.

Julie Vinders
Project Officer
 22 February 2019

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

HR Policy Review

1. INTRODUCTION

- 1.1 The purpose of this report is to provide an update to the Committee on the review of HR policies and procedures that commenced in November 2018. The review was carried out in conjunction with SEStran's HR Adviser and was concluded for this financial year.
- 1.2 The following policies/documents were identified as requiring revision and these have now been amended to ensure that SEStran meets employment legislation requirements and continues to apply best practice.

2. CHANGES TO POLICIES AND PROCEDURES

- 2.1 The following is a summary of the changes made to policies:

2.1.1 Incident Reporting Policy (Appendix 1)

- The terms "accident" and "incident" were used inconsistently through the document and have been changed to "incident".
- Removed content from section on the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013 (RIDDOR) and included a link to the HSE guidance document *INDG453(rev 1) – Reporting accidents and incidents at work*. Also included is a link to the online form for reporting incidents to the HSE.
- The policy originally required that incident forms were kept for 12 months or 24 months if the incident resulted in injury. Regulation 12 of RIDDOR requires that records of reportable injuries and any work-related injury that prevents a person carrying out their normal duties for more than three consecutive days is kept for three years. That would add a third retention criterion to the policy. (Not all reported incidents that prevent a person carrying out their normal duties for more than three days, or even seven for that matter, would necessarily be work related and so wouldn't be captured by Regulation 12.) As it may not be obvious which of the criteria would be applicable, to avoid any confusion, the three year retention period has been applied to all incident reports.
- Appendix 1 has been removed. This was a copy of an HSE document which has since been revised and an updated version published. A link is now included to the online version in the main body of the policy.
- Some minor changes have been made to the accident form. Including updates made to sections 5 and 6 of the form to better reflect the requirements of RIDDOR.
- Additional paragraph under Section 9 – "Monitoring and Reviewing" to include a requirement to review incidents and identify any trends and areas for improvement.
- Removed repetition and simplified content.

2.1.2 **Statement of Particulars (Appendix 2)**

- Removal of retirement age.
- HR Adviser commented that notice period of 12 weeks for Partnership Director is very generous and suggests bringing in to line with notice period of staff.
- Inclusion of calculation to be used for holiday pay.

2.1.3 **Travel and Subsistence Policy (Appendix 3)**

- Inclusion of first class rail travel, applicable in certain circumstances. These include rail card discounts and value for money, compared to standard class tickets.

3. RECOMMENDATIONS

- 3.1 It is recommended that the Committee considers and agrees appropriate notice period for Partnership Director; and

Approves the updated policies as outlined in section 2 for immediate implementation.

Angela Chambers
Business Manager
March 2019

Appendix 1 Incident Reporting Policy
Appendix 2 Statement of Particulars
Appendix 3 Travel and Subsistence Policy

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

Appx 1



~~ACCIDENT &~~ INCIDENT REPORTING POLICY

DOCUMENT VERSION CONTROL

Date	Author	Version	Status	Reason for Change
Sept 2015	SEStran	1.1	FINAL	Updated RIDDOR
Oct 2017	SEStran	1.2	FINAL	Adoption of version control
<u>March 2019</u>	<u>SEStran</u>	<u>1.3</u>	<u>FINAL</u>	<u>Changes to retention, RIDDOR and language.</u>

1. POLICY STATEMENT

SEStran are committed to the safety of employees, and anyone who could be affected by our activities, by minimising the risks from all work related incidents. We aims to provide a safe and healthy working environment for all employees. ~~SEStran is~~We are committed to the safety of employees, and anyone who could be affected by our activities, by ensuring that best practices are employed to minimise minimising the risks from all accidents and work related incidents at work. Incident reporting and investigation will help by identifying where we can improve our processes.

We will investigate and record all incidents including near misses and other events. SEStran operates a "no-blame" approach to incident reporting. Incidents are valuable learning events and should be treated as such. Identifying improvements in processes and operational controls will be the focus of any investigation.

~~SEStran accepts that employees should have a safe working environment whilst at work. SEStran will take all reasonably practicable steps to reduce accidents/incidents at work and is committed to accident/incident reporting and investigation to assist in this process.~~

~~This Accident/Incident Reporting Policy complies with the requirements of Health & Safety Regulations as defined in the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013 (RIDDOR).~~

1.1. DEFINITION

For the purpose of this policy an ~~accident or~~ incident is a:

~~"Any unplanned or unwanted event(s) or activity(s), arising from work activities which has resulted in, or had a potential to cause:~~

- personal injury
- ill-health or
- damage to property, plant or equipment
- any loss in productivity

~~."~~

This ~~will~~ includes any acts of violence to employees as described ~~within~~ the Violence at Work Policy and harassment of any employee by a third party as defined by the Dignity at Work Policy. ~~It is a requirement that all accidents or incidents are reported by employees to their manager, on the day of the accident, where practicable.~~

2. INTRODUCTION

3.2.

SEStran ~~is committed to the health and safety of employees and other who might be affected by our work activities.~~ and We will take all reasonable steps to ensure that the work environment is safe.

~~SEStran We~~ will ~~ensure that design~~ working practises ~~are designed~~ to ensure that any risks are minimised. Any potential ~~risks hazards~~ will be subject to ~~Risk-risk Assessments assessments~~ and these will be regularly reviewed. ~~We recognise that Even with the operational controls identified in risk assessments in place It is accepted~~ unplanned or unwanted events can still occur, however, that accidents/incidents may occur as a result of a wide range of potential human errors. The investigation of work related incidents is an important step in effectively managing the risks associated with our work activities. It provides an opportunity to learn from what has happened and take action to help prevent it from happening again.

4.3. SCOPE

This policy ~~encompasses applies to~~ all employees of SEStran ~~and covers all activities arising out of company business.~~ and It complements the Violence at Work Policy and the Dignity at Work Policy. ~~This policy will cover all activities arising out of company business.~~

5.4. REPORTING OF ACCIDENTS/INCIDENTS

~~SEStran aims to ensure that a~~All accidents/incidents involving employees, consultants and clients that arise from our activities ~~are~~must be reported using the Incident Reporting Form (Appendix 21). ~~—This will include~~ near miss incidents in which no person was injured but where a dangerous situation was identified. ~~—These accidents/incidents will be investigated to establish what lessons can be learned to prevent such accidents/incidents re-occurring in the future.~~Near misses commonly go unreported but are just as important to report as they can highlight potential problems that, under slightly different circumstances, could have caused harm.

~~Accidents/Incidents~~ must be immediately reported by the ~~injured party/affected person(s); immediately to their~~ line manager/~~or most senior person on the site of the accident/incident. Where this is not possible another employee should ensure the incident is reported to the relevant line manager.~~ The line manager will investigate the incident and complete the Incident Reporting Form~~—.~~ Where the line manager is unavailable the incident must be reported to another manager. The manager must firstly establish if the injured party is still at the scene of the accident and if the scene of the accident is safe to approach. If it is not safe to approach the injured party or the area, the manager must take steps to make the area safe and ensure appropriate First Aid is made available as required.

Fatalities must also be immediately reported to the Partnership Director.

Where appropriate, Section 4(a) of the Incident Report Form should be completed if the affected person has any time off work or attends hospital for treatment.

~~If the accident/incident is very serious e.g. multiple injured persons or life changing injuries, the line manager must ensure that the scene of the accident / incident is untouched; for example, if there are multiple or life changing injuries or significant damage to property. The manager must contact the Scottish Government Health & Safety team, and should determine if the accident/incident requires to be notified to the HSE which may, in turn, require an HSE investigation of the site of the accident/incident. In such circumstances, the scene may require to be cordoned off pending more detailed investigations.~~

~~The Accident / Incident Reporting form Form should be used to report all accidents/incidents involving employees, consultants, contractors and visitors. The form and guidance on completing it are included at appendix 4 and 2. Scottish Government also have accident/incident reporting~~

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~~responsibilities as landlord. For more information please refer to appendix 3, Victoria Quay information pack.~~

The form can be completed by hand or electronically. Additional documents may be added to the report together with relevant photographs. Once complete, the original copy(s) should be sent electronically to the Partnership Director (jim.grieve@sestran.gov.uk). The manager should retain the original form and additional information for ~~12 months, except where there is an injury sustained by the injured party, then it should be held for 24 months~~ a period of 3 years.

Field Code Changed

Completed Incident Report Forms and the information they contain must be treated as confidential at all times. Forms should not be circulated beyond those directly involved. Where the line manager or Partnership Director is required to share any general information about the incident any identifying details should be removed.

6.5. INVESTIGATION

Once the area has been made safe every effort should be made to preserve the scene of the incident. The line manager must investigate of the ~~accident~~ / incident ~~must occur~~ as soon as possible after the ~~notification~~ being notified.
~~Dependent on the seriousness of the situation, photographs and further details of the scene should be taken to ensure sufficient detailed description and evidence is available.~~

Where the ~~accident~~/incident is serious, or could have been more serious, a more detailed investigation must be considered; for example, multiple or life changing injuries or significant damage to property. The line manager should consult with the Partnership Director to determine the extent of the investigation that may be required; including whether to request assistance from the Scottish Government's Occupational Health and Safety Team.

If the incident has resulted from a building defect or failure of a building operational control then the relevant premises manager should also be notified so they have the opportunity to conduct their own investigation.

Guidance on conducting an investigation is included in the HSE publication HSG24 – Investigating accidents and incidents which is available at:

<http://www.hse.gov.uk/pubns/hsg245.pdf>

~~The purpose of the investigation is to identify the root causes of accidents/incidents;~~

- Identify if accidents/incidents are reportable to the HSE;
- Investigate ways to reduce future accidents/incidents;
- Review the relevant risk assessments with a view to making them more robust;
- Identify the cost of accidents/incidents.

Where appropriate, Section 4(a) of the accident/incident report form should be completed when the injured affected person has any time off work or attends hospital for treatment as a result of this workplace accident/incident. If there were no injuries, however the accident/incident has had serious consequences, then the investigation must still be conducted. The questions may not cover all areas, so there may be a Any additional investigation notes and outcomes/observations not covered in the form should be added to the report as required.

7.6. RIDDOR

~~There is a legal requirement under The Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013~~ the Reporting Accidents and Incidents at Work Regulations 2013 (RIDDOR) requires that, ~~to notify the HSE of specific certain accidents injuries or diseases arising from a work activity~~ activities are notified to the HSE. Guidance on which incidents/juries or diseases are reportable is included in the HSE publication INDG453(rev 1) – Reporting Accidents and Incidents at Work which is available at:

<http://www.hse.gov.uk/pubns/indg453.pdf>

RIDDOR reports should be submitted to the HSE using one of the online forms available at:

<http://www.hse.gov.uk/riddor/report.htm>

Occupational diseases must be reported to the HSE as soon as is practical. ~~There are as follows:~~

- ~~A fracture, other than to fingers, thumbs and toes;~~
- ~~Amputation of an arm, hand, finger, thumb, leg, foot or toe;~~
- ~~Permanent loss of sight or reduction of sight;~~
- ~~Crush injuries leading to internal organ damage;~~
- ~~Serious burns covering more than 10% of the body, or damaging the eyes;~~
- ~~Scalpings (separation of skin from the head) which require hospital treatment;~~
- ~~Unconsciousness caused by head injury or asphyxia;~~
- ~~Over seven day injuries to workers. This is where an employee or self-employed person, is away from work or unable to perform their normal work duties for more than seven consecutive days (not counting the day of accident).~~

- ~~Fatalities.~~

~~Fatalities must be reported to the Partnership Director and the Scottish Government Health & Safety team immediately.~~

~~The requirement to report these accidents/incidents to the HSE as RIDDOR reports apply with different thresholds for reporting, these are;~~

- ~~Non-fatal accidents requiring hospital treatment;~~
- ~~Accidents resulting in the death of any person.~~

~~It should be noted that if the visit to the hospital is for treatment and no treatment is given, it does require to be reported. Additionally injuries received as a result of sports activities are not reportable.~~

~~There are also a range of Occupational Health diseases that may affect employees that are reportable to the HSE, these include:~~

- ~~Noise induced deafness;~~
- ~~Hand Arm Vibration Syndrome;~~
- ~~Repetitive Strain injury;~~
- ~~Carpal Tunnel Syndrome;~~
- ~~Occupational Dermatitis;~~
- ~~Occupational Asthma.~~

~~These~~While ~~Occupational~~ diseases may be ~~identified~~diagnosed by ~~the an~~ employee's GP in the first instance ~~however,~~ all such cases should be referred to Occupational Health. The line manager should also immediately inform Falkirk Council's Health, Safety and Care Team at:

health.safety@falkirk.gov.uk

~~They who will provide advice to the Health, Safety and Care Team who will carry out an initial investigation before reporting to the HSE.~~

The Health, Safety and Care Team will provide guidance to the line manager on investigating the cause of the occupational disease and assist in preparing the report.

~~Persons not at work who receive an injury as a result of a work related accident will require to be reported where an injured party is taken directly from your place of work to hospital for medical treatment.~~

7. RISK ASSESSMENT

The Partnership Director will ensure that any relevant risk assessments are reviewed to take account of any incident or near miss and the findings of the subsequent investigation.

8. RESPONSIBILITIES

8.1. PARTNERSHIP DIRECTOR

The Partnership Director is responsible for the effective operation of the policy across SEStran as a whole and for ensuring that relevant procedures are implemented. They are also responsible for ensuring that adequate resources are made available to implement appropriate protective measures, where these have been identified as a result of risk assessment or ~~accident~~/incident investigation.

8.2. MANAGERS

Managers are responsible for implementation of the SEStran ~~Accident~~/Incident reporting procedures ~~ensuring that all employees report all accidents/incidents at work at the earliest opportunity~~. They are also responsible for ensuring that an ~~Accident~~/Incident Reporting ~~form~~ Form (within Incident/Accident Book) is completed fully on each occasion. ~~In the event of injury, they are responsible for ensuring that prompt medical support is provided where required.~~

In all cases Managers are responsible for conducting an investigation to identify how the ~~accident~~/incident occurred and for identifying and implementing any appropriate measures to prevent re-occurrence.

The Manager will report the ~~accident~~/incident to the Partnership Director and, if required under RIDDOR, to HSE.

8.3. EMPLOYEES

Employees are responsible for reporting all ~~accidents~~/incidents to their manager immediately, or as soon as ~~possible~~practicable following the ~~accident~~/incident. They will give a full and accurate account of details leading to the ~~accident~~/incident and of the ~~accident~~/incident itself.

The employee will cooperate with the Manager's investigation into the ~~accident~~/incident including provision of written witness testimony where appropriate.

9. MONITORING AND REVIEWING

The Partnership Director will provide relevant information on incidents to the Performance and Audit Committee at appropriate intervals. The Performance and Audit Committee will consider information provided on incidents to identify trends and possible improvements to systems of work and risk assessments.

The Partnership Director, in conjunction with the Performance and Audit Committee will monitor and review this policy annually, in conjunction with the

Performance and Audit Committee, taking in to consideration legislative amendments and best practice advice.

~~Appendix 1: HSE Reporting Accidents and Incidents at Work~~

Appendix ~~21~~: ~~Accident~~ Incident Report Form



SEStran ACCIDENT/INCIDENT REPORT FORM

SECTION 1 SERVICE: DEPARTMENT/SECTION:	PREMISES/LOCATION OF ACCIDENT/INCIDENT:
SECTION 2 EMPLOYEE <input type="checkbox"/> - (go to Section 2a) OTHER - (tick relevant box & go to section 2b) SERVICE USER <input type="checkbox"/> MEMBER OF PUBLIC <input type="checkbox"/> CONTRACTOR <input type="checkbox"/>	
SECTION 2a NAME: _____ D.O.B _____ Employee No. _____ Telephone No. _____ JOB TITLE _____ PLACE OF WORK _____	SECTION 2b NAME: _____ D.O.B _____ HOME ADDRESS _____ Telephone No. _____
SECTION 3- DATE & TIME OF ACCIDENT:	
TYPE OF ACCIDENT: Please tick below as appropriate ACCIDENT <input type="checkbox"/> INCIDENT <input type="checkbox"/> NEAR MISS <input type="checkbox"/> DANGEROUS OCCURRENCE <input type="checkbox"/> VIOLENCE:- <input type="checkbox"/> Physical <input type="checkbox"/> i.e. throwing object <input type="checkbox"/> use of weapon <input type="checkbox"/> Verbal <input type="checkbox"/> i.e. posturing <input type="checkbox"/> harassment : sexual <input type="checkbox"/> racial <input type="checkbox"/> disability <input type="checkbox"/> religion <input type="checkbox"/> Both <input type="checkbox"/> Other <input type="checkbox"/> please specify	
SECTION 3a - DESCRIPTION OF ACCIDENT/INCIDENT <i>Were there any witnesses? Yes/No- if yes see Section 8</i> DESCRIPTION OF INJURY: (If appropriate)	
DETAILS OF NAME OF FIRST AIDER AND ANY FIRST AID TREATMENT OR ADVICE/SUPPORT GIVEN: (If appropriate)	
SECTION 3b – to be completed by person involved in Accident/Incident. SEStran will process this data for recording and monitoring purposes in relation to the Health & Safety Policy and Procedures. In order to comply with Health & Safety relevant Legislation , SEStran may have to disclose details of this accident/incident to the HSE. I confirm that the details on this form are correct and that I am the person/guardian/parent of the person involved in the accident/incident as described. Please circle as appropriate Printed Name: Signed Line/Unit Manager Date	

This form should be completed by the Employee and relevant Line/Unit Manager and returned as quickly as possible to the Office Manager. Line/Unit Managers should monitor whether the absence lasts 7 days or more and notify the HSE accordingly. You should NOT WAIT until the individual has signed the form or returned to work before forwarding a copy of the form to the Health Safety & Care Team.

Section 4 - MANAGER'S INVESTIGATION DETAILS (Note: ~~Line Manager~~ *or Manager of Premises* to complete this section- Please attach copies of sketches, photographs and/or relevant documents to support your investigation. Witness statement(s) should also be included if applicable – see Section 8 – separate copies to be completed for each witness.
EXACT LOCATION OF ACCIDENT/ INCIDENT

CAUSE OF ACCIDENT/ INCIDENT

IMMEDIATE ACTION TAKEN TO PREVENT RECURRENCE OF ACCIDENT/INCIDENT (If appropriate)

WAS DEBRIEFING RECEIVED? YES ☐ NO ☐ IF YES WAS IT: EMPLOYEE ☐ SERVICE USER ☐ BOTH ☐ GIVE DETAILS

PROPOSED FURTHER ACTION TO PREVENT RECURRENCE OF ACCIDENT/INCIDENT (If appropriate)

Printed Name: Signed Line/Unit Manager Date

SERIOUS ACCIDENT/INCIDENT – PARTNERSHIP DIRECTOR COMMENTS

Printed Name: Signed Partnership Director Date Signed

This form should be completed by the Employee and relevant Line/Unit Manager and returned as quickly as possible to the Office Manager. Line/Unit Managers should monitor whether the absence lasts 7 days or more and notify the HSE accordingly. You should NOT WAIT until the individual has signed the form or returned to work before forwarding a copy of the form to the Health Safety & Care Team.

Director/Head of Service _____ (date)

This form should be completed by the Employee and relevant Line/Unit Manager and returned as quickly as possible to the Office Manager. Line/Unit Managers should monitor whether the absence lasts 7 days or more and notify the HSE accordingly. You should NOT WAIT until the individual has signed the form or returned to work before forwarding a copy of the form to the Health Safety & Care Team.

SECTION 5 – ABSENCE DETAILS AS A RESULT OF ACCIDENT/INCIDENT

WAS TIME TAKEN OFF WORK? YES ☐ NO ☐

WAS TIME OF MORE THAN 3 DAYS ☐ NO ☐ e.g. Reportable under old RIDDOR Requirements

WAS TIME TAKEN OFF* MORE THAN 7 DAYS? ☐ YES ☐ NO ☐ If YES go to Section 6

☐ NO ☐

N.B. * This includes any work related injury that prevents an employee being unable to perform their normal duties for more than 7 days (not counting the day of the accident) whether absent or not. **If absence lasts for more than 7 days, the Line Manager MUST notify the HSE as these absences are reportable as per RIDDOR legislation. (See details below on how to report to HSE)**

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SECTION 6 - REPORT TO HSE

The following must be reported to the HSE: **SECTION 6 – REPORT TO HSE**

N.B. The Line Manager must notify the HSE if an employee/client/service user: is fatally injured/has a major injury/is absent for more than 7 days as a result of an accident/incident at work or violence /is taken to hospital and stays in for more than 24 hours/or is involved in a dangerous occurrence, or a member of public who is injured through SEstran's negligence is taken directly to hospital from our premises. Must be reported within 15 days of accident.

DATE REPORTED TO H.S.E.:
REPORTED VIA: INTERNET: <http://www.hse.gov.uk/riddor/report.htm> ☐ Printed form to be attached to accident/incident form (HR 14)
TELEPHONE: (08453009923) ☐ Only for fatal or Major Injury September 2011

Specified Injury	Includes any fracture (other than fingers, thumbs or toes), amputation, dislocation, permanent loss or reduction of sight, serious burns, scalplings requiring hospital treatment, unconsciousness caused by head injury or injuries from working in enclosed space. Any work related injury that prevents an employee being unable to perform their normal duties for more than seven days.
Member of Public or Visitor	Work related injury to a member of the public which requires them to be taken from the place of the incident to a hospital for treatment
Occupational Disease	Specified conditions due to physical agents or demands of work, exposure to substances or infections due to biological agents.
Dangerous Occurrence	There are 27 categories of dangerous occurrences that are relevant to many workplaces. For more information refer to Schedule 2 of RIDDOR available at: http://www.legislation.gov.uk/ukxi/2013/1471/schedule/2/made
A printed copy of the RIDDOR report should be attached to this form.	

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SECTION 7 COSTS ASSOCIATED WITH ACCIDENT/INCIDENT

DIRECT COSTS

INJURED PERSON Lost Time = (hours)
Days Lost = (days)

ANCILLARY PERSONS

FIRST AIDER Lost Time = (hours)
WITNESS Lost Time = (hours)
SUPERVISOR Lost Time = (hours) (hours)

This form should be completed by the Employee and relevant Line/Unit Manager and returned as quickly as possible to the Office Manager. Line/Unit Managers should monitor whether the absence lasts 7 days or more and notify the HSE accordingly. You should NOT WAIT until the individual has signed the form or returned to work before forwarding a copy of the form to the Health Safety & Care Team.

GRADE

MANAGER	Lost Time =	(hours)
OTHERS (please specify)	Lost Time =	
<u>DAMAGED EQUIPMENT</u>	(Repair costs or replacement costs)	£
	e.g. damaged clothes, replacement staff etc.	£
<u>INDIRECT COSTS</u>		£
<u>TOTAL COSTS</u>		

This form should be completed by the Employee and relevant Line/Unit Manager and returned as quickly as possible to the Office Manager. Line/Unit Managers should monitor whether the absence lasts 7 days or more and notify the HSE accordingly. You should NOT WAIT until the individual has signed the form or returned to work before forwarding a copy of the form to the Health Safety & Care Team.

Section 8 - WITNESS STATEMENT(S) – WITNESS REPORT OF ACCIDENT/INCIDENT

N.B. If more than one witness statement, please photocopy this page and attach it to the form.

DID YOU WITNESS THE ACTUAL ACCIDENT/INCIDENT TAKING PLACE?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
DID YOU ATTEND THE SCENE AFTER THE ACCIDENT/INCIDENT TOOK PLACE?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
ARE YOU AN EMPLOYEE?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
NAME OF WITNESS	Address/ or place of work	

Telephone number:

WITNESS STATEMENT:

Witness:

Printed Name: Signed Date

SEStran will process this data for recording and monitoring purposes in relation to our Health & Safety Policy and Procedures. In order to comply with Health & Safety Legislation, SEStran may have to disclose details of this ~~accident~~ incident to the HSE.

This form should be completed by the Employee and relevant Line/Unit Manager and returned as quickly as possible to the Office Manager. Line/Unit Managers should monitor whether the absence lasts 7 days or more and notify the HSE accordingly. You should NOT WAIT until the individual has signed the form or returned to work before forwarding a copy of the form to the Health Safety & Care Team.

Section 9 – Ethnicity of person/s involved in accident/incident

Please note: This section should be fully completed by the individual involved in the accident/incident in order to satisfy the requirements of SEStran to report on statistics in connection with the Race Relations (Amendment) Act 2000 and all information will be treated as strictly confidential

A. WHITE

- ☐ Scottish
☐ English
☐ Welsh
☐ Irish
☐ Northern Irish
☐ Any other

White background, please write in

B. MIXED

- ☐ Any Mixed background, please write in

C. ASIAN, ASIAN SCOTTISH, ASIAN ENGLISH, ASIAN WELSH OR OTHER ASIAN BRITISH

- ☐ Indian
☐ Pakistani
☐ Bangladeshi
☐ Chinese
☐ Any other Asian background, please write in

D. BLACK, BLACK SCOTTISH, BLACK ENGLISH, BLACK WELSH OR OTHER BLACK BRITISH

- ☐ Caribbean
☐ African
☐ Any other Black background, please write in

E. OTHER ETHNIC BACKGROUND

Any other background, please write in

This form should be completed by the Employee and relevant Line/Unit Manager and returned as quickly as possible to the Office Manager. Line/Unit Managers should monitor whether the absence lasts 7 days or more and notify the HSE accordingly. You should NOT WAIT until the individual has signed the form or returned to work before forwarding a copy of the form to the Health Safety & Care Team.

Appendix2

This form should be completed by the Employee and relevant Line/Unit Manager and returned as quickly as possible to the Office Manager. Line/Unit Managers should monitor whether the absence lasts 7 days or more and notify the HSE accordingly. You should NOT WAIT until the individual has signed the form or returned to work before forwarding a copy of the form to the Health Safety & Care Team.



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STATEMENT OF CONDITIONS OF EMPLOYMENT - EMPLOYEES OTHER THAN PARTNERSHIP DIRECTOR

From: SESTRAN (the Employer)

To: **NAME** (the Employee)

This Statement sets out the particulars of the terms and conditions of your employment as at **DATE**, which are required to be given to you under the Employment Rights Act 1996.

1. Service dates

- 1.1 Your period of continuous service for statutory employment rights dates from **DATE** (SESTRAN start date).
- 1.2 Your period of continuous service for the purpose of calculating entitlement to redundancy payments and conditions of service (such as annual leave, sickness entitlement and notice) dates from **DATE** (which recognises previous local authority continuous service).
- 1.3 * **This is a temporary appointment which ends on DATE**
(*delete if permanent post)

2. Job Title and Duties

You will be employed as **JOB TITLE**.

Your duties shall be those usually inferred from the above job title, as summarised by the job description for the post, and/or such other duties as SESTRAN may from time to time reasonably require in order to meet the needs of its business. Because of the evolving nature and changing demands of our business, you must understand that any job description will serve only as a guide to the duties you will be expected to undertake and will be subject to review in consultation with you.

3. Place of Work

Your employment will be based at SESTRAN's premises situated at: Area 3D (Bridge), Victoria Quay, EDINBURGH EH6 6QQ, and such other place or places within the United Kingdom as SESTRAN may require to meet the needs of its business.

4. Remuneration

- 4.1 You will be paid salary of £**SALARY** per annum by direct credit monthly in arrears to your nominated bank account. Annual inflationary increases will be based on those agreed by the Scottish Joint Council for Local Government Employees.

- 4.2 SESTRAN has the right to deduct from your salary any sums which you may owe SESTRAN including, without limitation, any overpayments or loans made to you by SESTRAN.

5 Expenses

SESTRAN shall reimburse to you the full amounts of all travel, accommodation and other expenses which you reasonably and properly incur on the business of SESTRAN, subject to your complying with such procedures for prior approval of expenses and vouching of receipts as SESTRAN may lay down from time to time.

6 Normal Hours of Work

Your normal hours of work are 37 hours per week to be worked between the standard office hours of 7am to 5pm, subject to the exigencies of the service, with such breaks as agreed and as required to meet the needs of SESTRAN's business.

7 Annual Leave/Public Holidays

- 7.1 The following public holidays are recognised:

New Year's day
Public Holiday after New Year's day
Christmas Day
Boxing Day

The entitlement to the public holidays, as expressed above, applies to five full day working patterns. For alternative working patterns pro rata leave entitlements will be calculated as follows:

Number of days leave for employees working fixed hours each day =

Full-time public holiday entitlement in days x $\frac{\text{number of days working per week}}{5}$

Number of hours leave for employees working variable working hours per day =

Full-time public holiday entitlement (days) x $\frac{\text{full-time PH entitlement (days)} \times \text{full-time hours in days}}{\text{hours worked by full-time employee per week}}$

- 7.2 The Annual Leave Year runs from 1 January to 31 December in each year. Annual leave entitlement may only be taken in the leave year in respect of which it is due, except with SESTRAN's consent.

- 7.3 Annual leave entitlement is based on completed years of service with SESTRAN at the beginning of the leave year as detailed below (continuous local authority service will be taken into account in calculation of annual leave):

Continuous Service	Annual Leave
Less than 5 years	30
More than 5 years	35

The entitlement to the public holidays, as expressed above, applies to five full day working patterns. For alternative working patterns pro rata leave entitlements will be calculated as noted above.

The Partnership Director has the discretion to close the office for operational reasons, for example, between Christmas and New Year, in which case you will be required to take annual leave for the days in question.

7.4 Your annual paid holiday entitlement is **XXX days**, or a proportionately smaller number of days for any annual leave year when you are not employed by SESTRAN for the full year.

7.4.7.5 The calculation of a day's holiday pay is annual salary/260. This will give you a daily rate for annual leave.

7.5.7.6 Holidays are to be taken at times which are convenient to SESTRAN and which have been previously agreed.

7.7 Upon termination of your employment you will be required to repay to SESTRAN salary received for holidays taken in excess of your entitlement and be entitled to salary in lieu of any unused holiday entitlement.

7.6

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8 Sickness

8.1 Sickness entitlement is based on completed years of service with SESTRAN as detailed below (continuous local authority service will be taken into account in calculation of sickness entitlement):

Continuous Service at Commencement of absence from duty	Full Allowance for a maximum period of:	Half Allowance or a further maximum period of:
Less than 1 year	5 weeks	5 weeks
1 year but less than 2 years	9 weeks	9 weeks
2 years but less than 3 years	18 weeks	18 weeks
3 years but less than 5 years	22 weeks	22 weeks
5 years and over	26 weeks	26 weeks

The above limits apply in respect both of the amount of sick pay to which you are entitled in any one year (1 January to 31 December) and also the amount of sick pay to which you are entitled for any one absence.

8.2 During all sickness absences the following procedure must be followed:

- 8.2.1 On the first day of sickness you must inform your line manager, or in their absence the PA/OfficeBusiness Manager, by telephone of the reason for your absence and your anticipated return date.
- 8.2.2 If the absence continues keep your line manager informed, for example, if you suggested you might be off for 2 days, and on the third day you are still unfit then you should call.
- 8.2.3 If the sickness continues for more than three days you must phone in on the fourth day.
- 8.2.4 A self-certification form will be issued to you on the fourth day of absence which should be completed and returned as quickly as possible.
- 8.2.5 If the absence is for eight working days or more you must provide SESTRAN with a medical certificate for all days absent from then onwards. You must also maintain contact with your line manager during your absence.

SESTRAN may investigate your illness and may require you to attend a medical examination by SESTRAN's doctors or to produce evidence of your condition. Failure to comply with such requests may be considered as a disciplinary matter.

9 Collective Agreements

Your terms and conditions are not governed by any collective agreements.

10 Pension Benefits

10.1 SEStran employees are eligible for membership of the Local Government Pension Scheme, as administered by the Lothian Pension Fund. The Scheme is a Career Average Salary Scheme, which provides high quality inflation proofed benefits. It is fully approved by the Inland Revenue and further information on the Lothian Pension Fund can be obtained at: <http://www.lpf.org.uk/>

Under the rules of the Scheme, you will become a member automatically, unless you complete an opt out form or write to Lothian Pension Fund, Atria One, 144 Morrison Street, Edinburgh, EH3 8EX, confirming that you do not wish to join the Scheme.

11 Notice of Termination

11.1 Notice from Employer - The period of notice to which you are entitled from SESTRAN to terminate your employment is based on your length of continuous service is summarised as follows:

Service

Less than one month

nil

Less than four years (but at least one month) 4 week's notice

At least four years

one week for each completed year of service, to a maximum of 12 weeks

SESTRAN reserves the right to pay salary (at the rate payable under Clause 4.1 above) in lieu of notice.

11.2 * Notice from employee - ~~Programme Officer/Strategy Officer~~s Salary grade ~~1 or above~~: You will be required to give 8 weeks notice on termination of employment.

*** All other employees: You will be required to give 4 weeks notice on termination of employment.**

(*Amend as appropriate)

12 Disciplinary Procedure

A copy of the Disciplinary Procedure can be obtained from the SESTRAN [PA/OfficeBusiness](#) Manager or from your line manager. This details the disciplinary procedures applicable to your employment, including the process for appealing if you are dissatisfied with the outcome of any disciplinary decision relating to you.

13 Grievance

If you have a grievance regarding your employment at any time, you should bring this to the attention of your line manager. If this approach does not resolve the matter, further stages, including appeal, are detailed in SESTRAN's Grievance Policy & Procedures which can be obtained from the SESTRAN [PA/OfficeBusiness](#) Manager or from your line manager.

14 Equal Opportunities/Dignity at Work

SESTRAN is committed to providing equality of opportunity in employment and to avoiding unlawful discrimination in employment and against customers. There is a commitment to creating a work environment free of harassment and bullying, where everyone is treated with dignity and respect. You are expected to comply with SESTRAN's Equal Opportunities-Dignity at Work Policy at all times. A copy of the policy is available from the SESTRAN [PA/OfficeBusiness](#) Manager or from your line manager.

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15 Other Employment

You will not engage in any other business or private practice or any other appointment or commission (whether within or outwith normal working hours) without SESTRAN's prior written consent.

16 Maternity, Adoption, Parental and Carer's Leave

You are entitled to the statutory rights in respect of maternity leave, adoption leave, parental leave and time off to care for dependants, in accordance with current employment legislation.

16 Confidentiality

16.1 You may not disclose any trade secrets or other information of a confidential nature relating to SESTRAN or their business, or in respect of which SESTRAN owes an obligation of confidence to any third party, during or after your employment except in the proper course of your employment or as required by law.

16.2 With regard to any documents, tangible items or re-usable material which belong to SESTRAN of which contain any confidential information

16.2.1 you must not remove any or all of them from SESTRAN's premises at any time without advance authorisation;

16.2.2 you must return any or all of them which are in your possession or under your control to SESTRAN upon request and, in any event, upon the termination of your employment; and

16.2.3 if requested by SESTRAN, you must destroy or delete any or all of them which are in your possession or under your control.

~~17 Normal Retirement Age~~

~~SESTRAN's normal retirement age is 65 years. You can make a request to work beyond this age by writing to the Partnership Director.~~

~~17~~ Changes to Your Terms of Employment

SESTRAN reserves the right to make reasonable changes to any of these terms and conditions of employment. You will be advised of new policies and procedures developed which impact on these conditions.

~~17~~ Data Protection Statement

In relation to the Data Protection Act 1998 and General Data Protection Regulations (GDPR), you agree to the processing of personal data by SESTRAN for the purposes of calculating your remuneration and maintaining records on attendance, health, discipline and grievances such as are necessary for the performance of your contract. A copy of SEStran's Privacy Notice can be found here: <https://www.sestran.gov.uk/wp-content/uploads/2018/05/2018-SEStran-GDPR-Privacy-Notice-v1.0.pdf>

Commented [j1]: Add reference to privacy notice.

20 Acceptance

Please sign and return the attached copy statement to indicate your acceptance of its terms. If you have any questions about the meaning of any clause, please do not hesitate to ask your line manager.

Signed by:

Partnership Director

(for and on behalf of the SESTRAN)

Accepted and agreed by:

Employee

Date:

STATEMENT OF CONDITIONS OF EMPLOYMENT - PARTNERSHIP DIRECTOR

From: SESTRAN (the Employer)

To: **NAME** (the Employee)

This Statement sets out the particulars of the terms and conditions of your employment as at **DATE**, which are required to be given to you under the Employment Rights Act 1996.

1. Service dates

- 1.1 Your period of continuous service for statutory employment rights dates from **DATE** (SESTRAN start date).
- 1.2 Your period of continuous service for the purpose of calculating entitlement to redundancy payments and conditions of service (such as annual leave, sickness entitlement and notice) dates from **DATE** (which recognises previous local authority continuous service).

2. Job Title and Duties

You will be employed as **Partnership Director**.

Your duties shall be those usually inferred from the above job title, as summarised by the job description for the post, and/or such other duties as SESTRAN may from time to time reasonably require in order to meet the needs of its business. Because of the evolving nature and changing demands of our business, you must understand that any job description will serve only as a guide to the duties you will be expected to undertake and will be subject to review in consultation with you.

3. Place of Work

Your employment will be based at SESTRAN's premises situated at: Area 3D (Bridge), Victoria Quay, EDINBURGH EH6 6QQ, and such other place or places within the United Kingdom as SESTRAN may require to meet the needs of its business.

4. Remuneration

- 4.1 You will be paid salary of **£SALARY** per annum by direct credit monthly in arrears to your nominated bank account. Annual inflationary increases will be based on those agreed by the Scottish Joint Council for Local Government Employees.
- 4.2 SESTRAN has the right to deduct from your salary any sums which you may owe SESTRAN including, without limitation, any overpayments or loans made to you by SESTRAN.

5 Expenses

SESTRAN shall reimburse to you the full amounts of all travel, accommodation and other expenses which you reasonably and properly incur on the business of SESTRAN, subject to your complying with such procedures for prior approval of expenses and vouching of receipts as SESTRAN may lay down from time to time.

6 Normal Hours of Work

The basic working week is 37 hours per week, however you will be required to work the hours required to fulfil the duties and responsibilities attached to the position.

7 Annual Leave/Public Holidays

7.1 The following public holidays are recognised:

New Year's day
Public Holiday after New Year's day
Christmas Day
Boxing Day

The entitlement to the public holidays, as expressed above, applies to five full day working patterns. For alternative working patterns pro rata leave entitlements will be calculated as follows:

Number of days leave for employees working fixed hours each day =

Full-time public holiday entitlement in days x $\frac{\text{number of days working per week}}{5}$

Number of hours leave for employees working variable working hours per day =

Full-time public holiday entitlement (days) x $\frac{\text{full-time PH entitlement (days)} \times \text{full-time hours in days}}{\text{hours worked by full-time employee per week}}$

7.2 The Annual Leave Year runs from 1 January to 31 December in each year. Annual leave entitlement may only be taken in the leave year in respect of which it is due, except with SESTRAN's consent.

7.3 Annual leave entitlement is based on completed years of service with SESTRAN at the beginning of the leave year as detailed below (continuous local authority service will be taken into account in calculation of annual leave):

Continuous Service	Annual Leave
Less than 5 years	30

More than 5 years	35
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The entitlement to the public holidays, as expressed above, applies to five full day working patterns. For alternative working patterns pro rata leave entitlements will be calculated as noted above.

The Partnership Director has the discretion to close the office for operational reasons, for example, between Christmas and New Year, in which case you will be required to take annual leave for the days in question.

7.4 Your annual paid holiday entitlement is **XXX days**, or a proportionately smaller number of days for any annual leave year when you are not employed by SESTRAN for the full year.

7.4.7.5 The calculation of a day's holiday pay is annual salary/260. This will give you a daily rate for annual leave.

7.5.7.6 Holidays are to be taken at times which are convenient to SESTRAN and which have been previously agreed.

7.6.7.7 Upon termination of your employment you will be required to repay to SESTRAN salary received for holidays taken in excess of your entitlement and be entitled to salary in lieu of any unused holiday entitlement.

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8 Sickness

8.1 Sickness entitlement is based on completed years of service with SESTRAN as detailed below (continuous local authority service will be taken into account in calculation of sickness entitlement):

Continuous Service at Commencement of absence from duty	Full Allowance for a maximum period of:	Half Allowance or a further maximum period of:
Less than 1 year	5 weeks	5 weeks
1 year but less than 2 years	9 weeks	9 weeks
2 years but less than 3 years	18 weeks	18 weeks
3 years but less than 5 years	22 weeks	22 weeks
5 years and over	26 weeks	26 weeks

The above limits apply in respect both of the amount of sick pay to which you are entitled in any one year (1 January to 31 December) and also the amount of sick pay to which you are entitled for any one absence.

8.2 During all sickness absences the following procedure must be followed:

- 8.2.1 On the first day of sickness you must inform the Business Manager by telephone of the reason for your absence and your anticipated return date.
- 8.2.2 If the absence continues keep the Business Manager informed, for example, if you suggested you might be off for 2 days, and on the third day you are still unfit then you should call.
- 8.2.3 If the sickness continues for more than three days you must phone in on the fourth day.
- 8.2.4 A self-certification form will be issued to you on the fourth day of absence which should be completed and returned as quickly as possible.
- 8.2.5 If the absence is for eight working days or more you must provide SESTRAN with a medical certificate for all days absent from then onwards. You must also maintain contact with your line manager during your absence.

Commented [j1]: Would it be business manager for this post?

SESTRAN may investigate your illness and may require you to attend a medical examination by SESTRAN's doctors or to produce evidence of your condition. Failure to comply with such requests may be considered as a disciplinary matter.

9 Collective Agreements

Your terms and conditions are not governed by any collective agreements.

10 Pension Benefits

10.1 SEStran employees are eligible for membership of the Local Government Pension Scheme, as administered by the Lothian Pension Fund. The Scheme is a Career Average Salary Scheme, which provides high quality inflation proofed benefits. It is fully approved by the Inland Revenue and further information on the Lothian Pension Fund can be obtained at: <http://www.lpf.org.uk/>

Under the rules of the Scheme, you will become a member automatically, unless you complete an opt out form or write to Lothian Pension Fund, Atria One, 144 Morrison Street, Edinburgh, EH3 8EX, confirming that you do not wish to join the Scheme.

11 Notice of Termination

11.1 Notice from Employer - The period of notice to which you are entitled from SESTRAN to terminate your employment is 12 weeks.

Commented [j2]: This is very generous, you could amend to the para below but it is a change to t&c

The minimum period of notice to be given by the SESTRAN to an employee to terminate employment is:

Continuous Service	Period of notice
Up to 1 month	Nil
1 month but less than 2 years	1 week
2 years or more	1 week for every year of employment up to a maximum of 12 weeks

SESTRAN reserves the right to pay salary (at the rate payable under Clause 4.1 above) in lieu of notice.

11.2 Notice from Employee - **12 weeks** notice of termination of employment is required.

12 Disciplinary Procedure

A copy of the Disciplinary Procedure can be obtained from the SESTRAN Business Manager. This details the disciplinary procedures applicable to your employment, including the process for appealing if you are dissatisfied with the outcome of any disciplinary decision relating to you.

13 Grievance

If you have a grievance regarding your employment at any time, you should bring this to the attention of your line manager. If this approach does not resolve the matter, further stages, including appeal, are detailed in SESTRAN's Grievance Policy & Procedures which can be obtained from the SESTRAN Business Manager.

Commented [JG3]: Needs to be referred to the Chair in the first instance

14 Equal Opportunities/Dignity at Work

SESTRAN is committed to providing equality of opportunity in employment and to avoiding unlawful discrimination in employment and against customers. There is a commitment to creating a work environment free of harassment and bullying, where everyone is treated with dignity and respect. You are expected to comply with SESTRAN's Equal Opportunities-Dignity at Work Policy at all times. A copy of the policy is available from the SESTRAN Business Manager.

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17.2.2 you must return any or all of them which are in your possession or under your control to SESTRAN upon request and, in any event, upon the termination of your employment; and

17.2.3 if requested by SESTRAN, you must destroy or delete any or all of them which are in your possession or under your control.

~~18 Normal Retirement Age~~

~~SESTRAN's normal retirement age is 65 years. You can make a request to work beyond this age by writing to the Chair.~~

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SESTRAN reserves the right to make reasonable changes to any of these terms and conditions of employment. You will be advised of new policies and procedures developed which impact on these conditions.

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In relation to the Data Protection Act 2018 and General Data Protection Regulations (GDPR), you agree to the processing of personal data by SESTRAN for the purposes of calculating your remuneration and maintaining records on attendance, health, discipline and grievances such as are necessary for the performance of your contract. A copy of SEStran's Privacy Notice can be viewed here: <https://www.sestran.gov.uk/wp-content/uploads/2018/05/2018-SEStran-GDPR-Privacy-Notice-v1.0.pdf> ~~You would want to refer to your privacy notice here.~~

21 Acceptance

Please sign and return the attached copy statement to indicate your acceptance of its terms. If you have any questions about the meaning of any clause, please do not hesitate to ask your line manager.

Signed by:

CHAIR

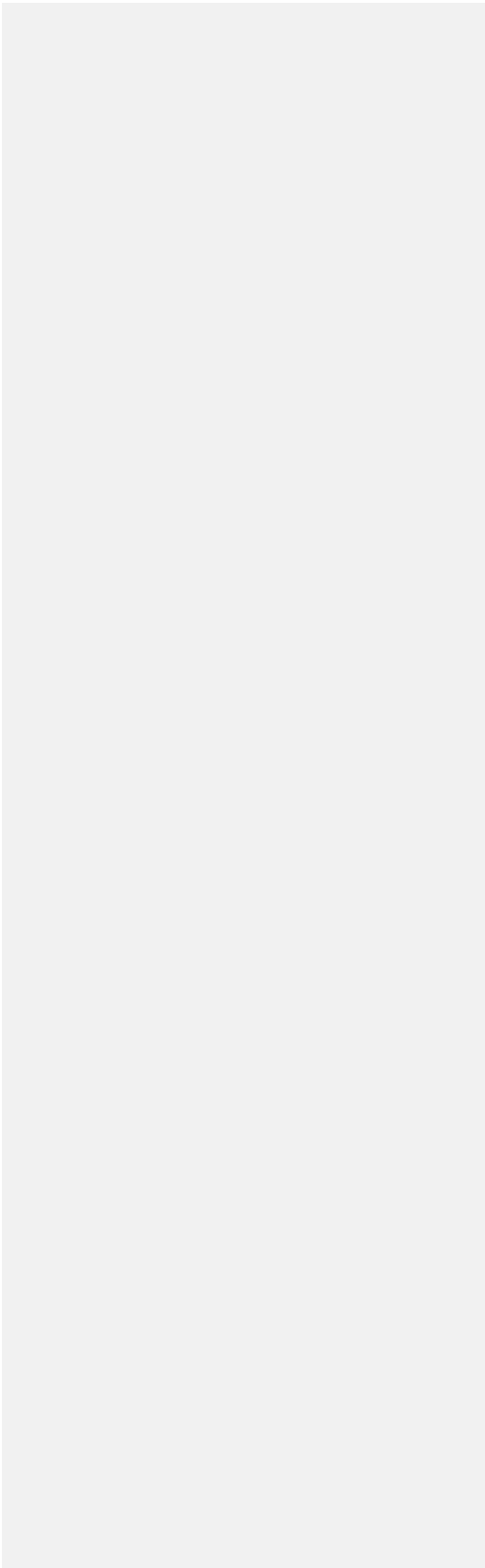
(for and on behalf of the SESTRAN)

Accepted and agreed by:

Employee

Date:

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TRAVEL & SUBSISTENCE POLICY

DOCUMENT VERSION CONTROL —GOVERNANCE SCHEME

Date	Author	Version	Status	Reason for Change
	SEStran	1.0	Policy created <u>FINAL</u>	Implementation <u>Policy Adopted</u>
Oct 2017	SEStran	1.1	Adoption of version control <u>FINAL</u>	Implementation <u>Adoption of version control</u>
<u>March 2019</u>	<u>SEStran</u>	<u>1.2</u>	<u>FINAL</u>	<u>Minor Amendment to rail travel options</u>

POLICY STATEMENT

The purpose of this policy is to set out the procedures relating to official travel and the entitlement to travel and subsistence (T&S) claims.

The provisions of this policy are designed to ensure that best value for money is achieved. The policy identifies the most appropriate arrangements for T&S costs.

In addition to the above, SEStran also has an obligation under Section 44 of the Climate Change (Scotland) Act 2009 to act:

- In a way best calculated to contribute to the delivery of the Act's emissions reduction targets;
- In a way best calculated to deliver any statutory adaptation programme, and
- In a way that it considers most sustainable

Adherence to the guidance within this procedure will ensure that business travel arrangements are safe, cost effective and compliant with SEStran's environmental and legal obligations.

SCOPE

This policy applies to all employees of SEStran, any consultants employed by SEStran and all Members/Observers of the SEStran Partnership Board while engaged on SEStran business. SEStran is committed to delivering best value and encouraging greener travel and as such this policy endorses the following objectives:

- To reduce the need to travel
- To increase awareness among staff of travel choices and their implications
- To encourage the use of sustainable forms of transport on official business

RESPONSIBILITIES

It is important that employees, Members and other personnel are aware of their individual responsibilities to ensure the policy is adhered to.

- Use the Business Travel Hierarchy as below
- Ensure that personal vehicles are insured for business use and have current MOT certificates (if applicable);
- Ensure that all subsistence claim forms are completed in accordance with the guidance provided within this policy.

Line Managers

- Ensure that only essential travel is undertaken and that alternative options and forward planning are used to achieve best value
- Ensure that all subsistence claim forms are completed in accordance with the guidance outlined within this document before providing authorisation.

BUSINESS TRAVEL HIERARCHY

When employees, Members and other personnel are required to travel for official purposes (official meetings, seminars or workshops, training courses) they must consider the business travel hierarchy as laid out below. This hierarchy considers both environmental and economic impact.

1. Is there a need for travel – can a telephone call, video conference or email deliver the same outcome
2. Walking/Cycling – These are the healthiest, most sustainable and lowest cost travel options, however only viable for journeys over a short distance.
3. Bus/Rail – Public Transport provides an alternative to car-based business travel. Benefits include lower CO2 emissions and increased efficiency allowing for the ability to work while travelling.
4. Taxi/Private Car – It is recognised that sometimes this may be the most time-efficient mode of transport however this results in congestion and high carbon emissions. If this mode of transport is used multi-occupancy trips should be encouraged where possible.
5. Air Travel – This method of transport may be more efficient in terms of cost and travel time however it does result in the highest CO2 emissions and should be the last option considered for domestic travel.

TRAVEL PLANNING

Travel arrangements should be planned to keep the total expense to the minimum taking account of business needs and efficiency. As walking/cycling are only viable for journeys over a short distance, public transport should be considered the preferred mode of business travel for most journeys unless it significantly increases door-to-door travel time. Travel should be booked as far in advance as possible to ensure the best available priced ticket. It is recognised that public transport will not be a practical option for all employees/Members. In these cases it is acceptable to consider alternative travel options instead. Those with travel concession passes should use these where possible to reduce the cost of travel.

Rail

Rail travel should be restricted to specific train times to allow staff to purchase lower cost 'advance' tickets. Flexible tickets should only be purchased when those travelling cannot be sure of when their meeting/event will end. First class travel may be is only permitted when a staff member has a discounted rail card and/or is

travelling long distance, or the overall cost of the first class ticket represents value for money when factoring cost of subsistence, ~~not permitted for any employee or Board member unless the overall cost of the first class ticket is less than the overall cost of the cheapest standard class ticket. In exceptional cases rail tickets may be upgraded to first class tickets with the authorisation of the Chair (in the case of Board Members) and a~~ Authorisation of the Partnership Director will be required.~~(in the case of staff).~~

SEStran will purchase railcards on behalf of employees or Members who travel regularly on SEStran business, if the purchased railcard can be used to reduce the cost of their business travel.

Personal Vehicle

For round trips a personal vehicle can be used at the discretion of the employee and authorising officer if it represents the most efficient option in terms of travelling time and/or no alternative method of undertaking the journey is practical. The vehicle must have an up to date MOT certificate and insurance to cover business travel. Mileage will only be paid for approved business journeys. The vehicle's odometer should be used to determine the journey distance. Online route planning websites such as Google Maps can assist in providing mileage if required. Mileage will be claimed at the below rates:

Miles Claimed	Rate Per Mile
0 – 10,000	45p
10,000 +	25p

Air Travel

This method of transport may be more efficient in terms of cost and travel time however it does result in the highest CO2 emissions and this should be taken in to consideration when arranging travel. All fares booked will be the lowest cost economy class ticket that satisfies travel requirements. Availability of lower cost air fares is generally greater when reservations are made significantly in advance of travel, although the optimal advance booking time will vary for each destination. Employees and Members should therefore request travel bookings as far in advance as possible.

SUBSISTENCE

Subsistence should not be claimed where SEStran, or any other body, provides a suitable meal free of charge.

SEStran will only reimburse subsistence expenses incurred by an employee if they meet the following qualifying conditions:

- The employee/Member is travelling on behalf of the SEStran in performance of their duties, in the case of attending Partnership Board meetings, Performance & Audit committee and any other pre-authorised activity.
- The employee/Member incurred a cost of a meal (food and drink) after starting the journey

Subsistence claims must be supported by receipts stapled securely to the form. Reimbursement of subsistence expenses will be limited to the benchmark rates provided by HM Revenues & Customs as detailed below:

Rate	Description	Value
Breakfast	Where an employee leaves home before 6am and has to buy a meal which they would normally had at home.	Up to £5.00
5 hour	Where an employee has been away from home for a period of at least 5 hours and has incurred the cost of a meal	Up to £5.00
10 hour	Where an employee has been away from home for a period of at least 10 hours and has incurred the cost of a meal or meals	Up to £10.00
Late evening	Where an employee has to work later than usual and has to buy a meal which they would normally have had at home	Up to £15.00

Only three 'rates' can be claimed in a 24 hour period. A meal is defined as a combination of food and drink. Exceptions to the above rates may be pre-agreed with the Partnership Director when employees/Members are travelling outwith the SEStran area e.g. attending a conference in London/Europe.

COMPLETING THE TRAVEL & SUBSISTENCE EXPENSES CLAIM FORM

Travelling and subsistence claims must be authorised by line managers for staff and Partnership Director for Board Members. Claims must be submitted for payment within 90 days of the expense being incurred or journey undertaken. Expense claims submitted outside of this 90 day limit will only be paid in exceptional circumstances. Claims will be paid a month in arrears.

STAFF PURCHASE CARDS

The above restrictions in terms of travel & subsistence also apply to any costs incurred on SEStran purchase cards. For further information on use of the purchase cards please refer to the SEStran purchase card rules and procedures.

REVIEW

This policy is designed to encourage a change in employee and Member business travel modes to be more financially efficient and to reduce the organisations CO2 emissions. This will be monitored through the following provisions:

- Carbon emissions will be reported under the Climate Change (Scotland) Act 2009 which requires SEStran to publish details of compliance with climate change duties.
- A report on Members' allowances will be published annually, under the SEStran financial regulations.

This document will be reviewed annually by SEStran.

Cyber Essentials

1. INTRODUCTION

- 1.1 This purpose of this report is to provide the Committee with an update on the Cyber Resilience project.

2. BACKGROUND

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

3. PROGRESS

- 3.1 Following pre-assessment last March, Cyber Essentials was awarded in January 2019. This was followed by an independent audit of SEStran's IT systems and the higher level accreditation of Cyber Essentials PLUS was gained February 2019.
- 3.2 This award demonstrates that SEStran has the appropriate controls in place and has adopted best practice in information security.

5. RECOMMENDATIONS

- 5.1 The Committee are asked to note the contents of this report.

Angela Chambers
Business Manager
March 2019

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