

PERFORMANCE & AUDIT COMMITTEE

Mandela Room, City Chambers, Edinburgh, EH1 1YJ
Friday 6th March 2020 – 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 5th June 2020, Mandela Room, City Chambers, Edinburgh, EH1 1YJ | |

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

28th February 2020

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

PERFORMANCE & AUDIT COMMITTEE

**HELD IN THE MANDELA ROOM, CITY CHAMBERS, EDINBURGH, EH1 1YJ
ON FRIDAY 22 November 2019
10AM**

| PRESENT: | <u>Name</u> | <u>Organisation Title</u> |
|-----------------|--------------------------|---------------------------|
| | Councillor Imrie (Chair) | Midlothian Council |
| | Councillor Dempsey | Fife Council |
| | Councillor Fullarton | Scottish Borders Council |
| | Councillor Murtagh | Falkirk Council |
| | Simon Hindshaw | Non-Councillor Member |
| | Barry Turner | Non-Councillor Member |

| IN ATTENDANCE: | <u>Name</u> | <u>Organisation Title</u> |
|-----------------------|-----------------|---------------------------|
| | Angela Chambers | SEStran |
| | Keith Fisker | SEStran |
| | Jim Grieve | SEStran |
| | Anna Herriman | SEStran |
| | Martin Scott | City of Edinburgh Council |
| | Iain Shaw | City of Edinburgh Council |
| | Karen Jones | Scott Moncrieff |

Action by

A1. ORDER OF BUSINESS

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

A2. APOLOGIES

Apologies were received from Councillor Horne, Callum Hay and Doreen Steele.

A3. DECLARATION OF INTERESTS

None.

A4. MINUTES

To approve the minute of the Performance and Audit Committee of 6 September 2019 as a correct record.

A5. Finance Reports

(a) Financial Planning 2020-23

An update was provided on the financial planning being progressed for the Partnership for the 2020/21 revenue budget, together with indicative financial plans for 2021/22 and 2022/23.

Decision

- 1) To note the update on the financial planning assumptions being progressed for the Partnership for the 2020/21 revenue budget and indicative financial plans for 2021/22 and 2022/23.
- 2) To note the report would be presented to the Partnership Board on 6th December 2019.

(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 2019/20 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 note the Risk Register.
- 2) To note that a final version of the Risk Register will be presented to Partnership Board for noting.

A7. PROJECT PERFORMANCE AND EU EXIT UPDATE

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

Decision

- 1) To note the report.
- 2) To agree that a link to the Thistle Assistance Programme Phase 1 final report would be circulated.

A10. DATE OF NEXT MEETING

Friday 6 March 2020 at 10.00am in the Mandela Room, City Chambers,
Edinburgh, EH1 1YJ

South East of Scotland Transport Partnership

External Audit Annual Plan 2019/20

March 2020





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1. Introduction



Introduction

1. This document summarises the work plan for our 2019/20 external audit of the South East of Scotland Transport Partnership (“the Partnership”).
2. The core elements of our work include:
 - an audit of, and provision of a specified audit opinion, on the 2019/20 annual accounts;
 - consideration and reporting on, where applicable, the Partnership’s arrangements on the four audit dimensions: financial sustainability, financial management, governance and transparency, and value for money; and
 - any other work requested by Audit Scotland, including the contribution to performance audits (including overview reports, performance audit reports, and impact reports).

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 2019/20 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 management 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 comply with the Financial Reporting Council’s (FRC) Ethical Standards. In our professional judgement, the audit process is independent and our objectivity has not been compromised in any way.
8. We set out in Appendix 2 our assessment and confirmation of independence.

Adding value through the audit

9. 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

10. Any comments you may have on the service we provide, the quality of our work and our reports would be greatly appreciated at any time. Comments can be reported directly to any member of your audit team.

Openness and transparency

11. This plan 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

12. 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.

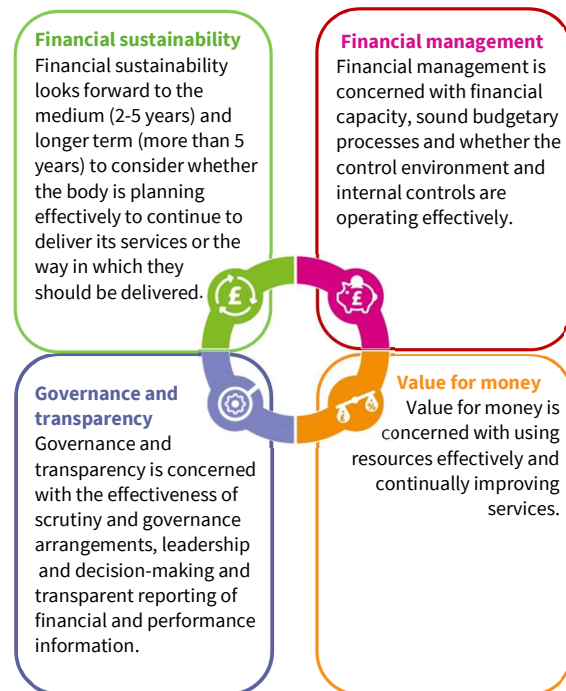
Our responsibilities

13. 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 15). These are to:

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

14. 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.

Exhibit 1: Audit dimensions of wider scope public audit



Wider scope audit work

15. The special accountabilities that attach to the conduct of public business, and the use of public money, mean that public sector audits must be planned and undertaken from a wider perspective than in the private sector. This means providing assurance, not only on the financial statements, but providing audit judgements and conclusions on the appropriateness, effectiveness and impact of corporate governance and performance management arrangements and financial sustainability.
16. The Code sets out four audit dimensions that frame the wider scope audit work into identifiable audit areas. These are summarised in Exhibit 1.
17. 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.
18. Our assessment takes into account the size, nature and risks of the organisation. Taking these factors into consideration, we have concluded that application of the restricted wider scope is appropriate at the Partnership.

Best Value

19. Appointed auditors have a duty to be satisfied that local government bodies have made proper arrangements to secure best value.
20. Our work in respect of the Partnership's arrangements to secure best value 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

21. The Accounts Commission has set the following five strategic Audit Priorities that it expects auditors to consider in all work across local government¹:
- Having clear priorities with a focus on outcomes, supported by effective long term planning (governance and transparency).
 - The strategic appraisal of options to reshape services in line with priorities. This should consider good practice, innovation and collaborative working with partners (financial sustainability).
 - Ensuring that members and officers have the right knowledge, skills and support to design, develop and deliver effective services in the future (financial sustainability).
 - Empowering local communities and involving them in the design and delivery of local services and planning for their local area (governance and transparency).
 - 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 (value for money).

22. Our consideration of these priorities will be integrated into our 2019/20 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

23. 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.

¹ Areas noted in () relate to the corresponding wider scope audit dimension



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. |
| <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. |



| Area | Partnership's responsibilities |
|---|---|
| <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 are responsible, with the oversight of those charged with governance, to communicate relevant information to users about the entity and its financial performance.</p> <p>The Partnership is responsible for developing and implementing effective systems of internal control as well as financial, operational and compliance controls. These systems should support the achievement of their objectives and safeguard and secure value for money from the public funds at its disposal.</p> <p>The Partnership is responsible for establishing 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. Those charged with governance should be involved in monitoring these arrangements.</p> <p>The Partnership is also responsible for establishing effective and appropriate internal audit and risk management functions.</p> |
| <p>Value for money: Value for money is concerned with the appropriate use of resources and ensuring continual improvement of services delivered.</p> | <p>The Partnership has a specific responsibility to ensure that arrangements have been made to secure best value. They are responsible for ensuring that these matters are given due priority and resources, and that proper procedures are established and operate satisfactorily.</p> |



3. Audit strategy

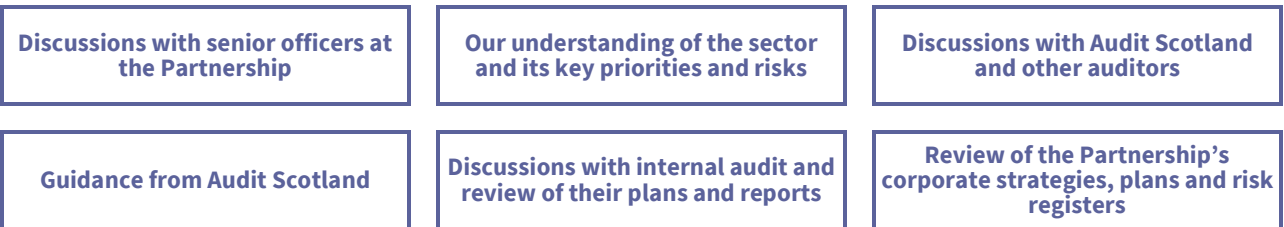


Audit strategy

Risk-based audit approach

24. 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:



25. 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.

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

Communications with those charged with governance

26. 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.

30. 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 also consider the extent to which the Partnership uses the national performance reports as a means to help improve performance at the local level.

Professional standards and guidance

27. 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).

31. During the year we may also be required to provide information to Audit Scotland to support the national performance audits or provide information to support the assessment of the impact of specified published performance audit reports.

Partnership working

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

Internal audit

32. 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 process and look to minimise duplication of effort, to ensure the total audit resource to the Partnership is used efficiently and effectively.

Audit Scotland

29. 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



Service organisations

33. A number of the constituent local authorities provide services to the Partnership including financial ledger, payroll and human resources services. Where those services (and associated systems) have a material impact on the financial statements we will work with those authorities to understand the controls in place over the systems used in delivering these services.



4. Annual accounts



Annual accounts

Introduction

34. 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 of our plan set out our approach to the audit of the Partnership's annual accounts.

Approach to audit of the annual accounts

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

Risk-based audit planning

36. 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

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

A final audit of the annual accounts

41. 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.
42. 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 2019/20 (the Code).

Independent auditor's report

43. 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.
44. We also provide an opinion on the audited part of the remuneration report, annual governance statement and management commentary.

Materiality

45. 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 review our assessment of materiality throughout our audit.
46. Performance materiality is the working level of materiality used throughout the audit. We use performance materiality to determine the nature, timing and extent of audit procedures carried out. 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.
47. Performance materiality is set at a value 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 overall materiality.
48. Our initial assessment of materiality and performance materiality is set out in the following table:



| Materiality | |
|---|--------|
| £ | |
| <p>Overall materiality: Our initial assessment is based on 1% of the Partnership's 2018/19 gross expenditure. We consider this benchmark to be the principal consideration for the users of the annual accounts when assessing the performance of the Partnership.</p> | 14,400 |
| <p>Performance materiality: using our professional judgement we have calculated performance materiality at approximately 75% of overall materiality.</p> | 10,800 |

49. We will also 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 financial statements

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

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 are 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 and accruals.

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. We have identified that for funding received as requisition from the constituent local authorities and Scottish Government grant funding, the risk of revenue recognition can be rebutted due to a lack of incentive and opportunity to manipulate transactions of this nature. We have concluded, however, the risk of fraud in relation to revenue recognition is present in all other revenue streams. We will evaluate each material revenue stream, including the controls over revenue accounting. We will conduct substantive testing on all material revenue streams to confirm revenue has been recognised appropriately and in line with accounting policies.

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.

53. In response to this risk we will evaluate the significant expenditure streams at the Partnership (excluding payroll which we do not consider to be a significant audit 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 was recorded in line with appropriate accounting policies and the policies have been applied consistently across the year.



Pension assumptions

An actuarial estimate of the pension fund asset/liability 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. There is a risk that the assumptions used are not appropriate.

- 
54. 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.



5. Wider scope



Introduction

55. 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.
56. 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.
57. In 2019/20, Audit Scotland has also identified the following wider scope risks, which we will consider during our audit as they relate to the Partnership:
- Fraud and corruption in respect of the procurement function; and
 - EU withdrawal
58. 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

Financial sustainability

The Partnership has yet to fully develop medium to long term financial plans. In December 2019, the Partnership received an update on the development of a medium-term financial plan (covering the three year period commencing 2020/21).

The Transport (Scotland) Bill received Royal Assent in November 2019. The Act allows Scotland's Regional Transport Partnerships' (RTPs) to manage year-end finances by enabling them to hold a balance of funds. RTPs' will also be able to hold and operate capital funds, renewal and repair funds and insurance funds in a similar way to Scottish local authorities. The Scottish Government has carried out a 12 week consultation on these proposals, the results of which have yet to be published.

The Act will have a significant impact on the way in which the Partnership develops its revenue and, if applicable, capital financial plans. A reserves policy has been prepared which will be presented to the Partnership for consideration in 2020.

59. During our audit we will review whether the Partnership has appropriate arrangements in place to develop its medium to long term financial plans. Our work will include an assessment of progress made in developing financially sustainable plans that support the delivery of the Partnership's statutory functions and strategic objectives.



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 2019/20. | March 2020 |
| 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 2020 |
| 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 2020 |

Audit outputs

60. Prior to submitting our outputs, we will discuss all issues with management to confirm factual accuracy and agree a draft action plan where appropriate.
61. 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.

| | 2019/20 | 2018/19 |
|---------------------------|----------------|----------------------------|
| Auditor remuneration | £8,640 | £9,800 |
| Pooled costs | £850 | £820 |
| Audit support costs | £520 | £530 |
| Total expected fee | £10,010 | £11,150² |

Audit fee

62. 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.
63. 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.
64. For 2019/20 we propose setting the audit fee at the expected fee level. The audit fees for the current year and prior year are set out in the table below:

65. 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.

² The expected fee level for 2018/19 was £9,790. Our audit fee in 2018/19 was £1,360 above the expected fee level.



Audit timetable

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

| | | |
|----------------|---|---|
| JAN 20 | ● | Planning meetings with officers from the Partnership and City of Edinburgh Council |
| MAR 20 | ● | Presentation of External Audit Annual Plan to the Performance and Audit Committee |
| JUN 20 | ● | Unaudited annual accounts presented to those charged with governance |
| JUL 20 | ● | Final audit takes place |
| SEPT 20 | ● | Presentation of our Annual Report on the Audit to the Performance and Audit Committee |



7. Appendices



Appendix 1: Scott-Moncrieff

Scott-Moncrieff is one of Scotland's leading firms of auditors and business advisers. We are part of the fast-growing Cogital Group, giving us a both a UK-wide presence and international reach in 190 offices with 6,500 staff. Cogital Group is an innovator, investor and early adopter of technologies that provide continuous improvement to the service we provide our clients.

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

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

Your audit management team



Karen Jones

Director

karen.jones@scott-moncrieff.com

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



Nicola MacKenzie

Assistant Manager

nicola.mackenzie@scott-moncrieff.com

Nicola has over 5 years' public sector external audit experience. She has delivered external audit services to a range of public sector bodies.

Nicola 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.

In particular, FRC's Ethical Standards stipulate that where an auditor undertakes non audit work, appropriate safeguards must be applied to reduce or eliminate any threats to independence. Scott-Moncrieff has not been appointed by the Partnership to provide any non-audit services during the year.

We confirm that we comply with FRC's Ethical Standards. 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 staff will have adequate time available to deal with audit queries and will be available up to the expected time of completion of the audit.

Scope of audit

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

As auditors we do not act as a substitute for the Partnership'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 annual accounts. This will take place by means of a letter of representation, which will require to be signed by the Treasurer.

Internal audit

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

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

Fraud and irregularity

In order to discharge our responsibilities regarding fraud and irregularity we require any fraud or irregularity issues to be reported to us as they arise. In particular we require to be notified of all frauds which:

- Involve the misappropriation or theft of assets or cash which are facilitated by weaknesses in internal control
- Are over £5,000

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.

Anti-money laundering

The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 impose an obligation on the Auditor General to inform the National Crime Agency (NCA) if she knows or suspects that any person has engaged in money laundering or terrorist financing. Audit Scotland has extended this responsibility to the Accounts Commission in respect of local government.

We require the Partnership to notify us on a timely basis of any suspected instances of money laundering so that we can inform Audit Scotland who will determine the necessary course of action.

Ethics

We are bound by the ethical guidelines of our professional body, the Institute of Chartered Accountants in England and Wales.

Fees

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

Service

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



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.

Internal Audit Assurance

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 2019/20 SEStran IA review and to request the Committee's insights on areas for potential inclusion in the scope of the planned 2020/21 audit.

2. SCOPE AND OUTCOMES OF THE 2019/20 INTERNAL AUDIT REVIEW

Audit Scope

- 2.1 The scope of the 2019/20 IA review assessed the design adequacy of governance arrangements and stakeholder engagement plans supporting the new Regional Transport Strategy (RTS) development and considered whether the project is being delivered in line with applicable guidance and legislative requirements.
- 2.2 The design adequacy and operating effectiveness of key third-party supplier management controls in relation to third parties engaged to support the new RTS was also considered.

Audit Outcomes

- 2.3 Whilst it is acknowledged that SEStran consistently delivers a portfolio of individual projects that is aligned with the objectives defined in the current RTS, the RTS rewrite project is a significant undertaking as it will provide a framework that guides the future long term management of, and investment in, transport across the SEStran geography, and must be aligned with applicable legislation and guidance.
- 2.4 Consequently, it is important to ensure that appropriate governance and risk management arrangements (including effective consultant management arrangements) have been established to support the project, providing the SEStran Board with assurance that all current transport related issues have been adequately researched and understood when preparing the MIR, and that the final RTS incorporates applicable legislation and guidance (where appropriate).
- 2.5 The audit highlighted that whilst some moderate control weaknesses were identified in the design of the governance and risk management frameworks

established to support delivery of the first stage of the SEStran regional transport strategy (RTS) rewrite project (the main issues report (MIR)), the established governance and risk management frameworks provide reasonable assurance that project risks are being managed, and that SEStran's objectives to deliver a new strategy based on MIR outcomes should be achieved.

- 2.6 The medium rated finding raised in Section 3, is a consolidation of minor governance exceptions associated with the risks of potentially insufficient scrutiny and oversight of the RTS project and the limited ability to identify and effectively manage project risks.
- 2.7 A number of areas of good practice were also identified that are applied by SEStran. These are included in the opinion section of the report (section 2).
- 2.8 The final audit report is included at Appendix 1.

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 24 March 2020.
- 3.2 The draft annual plan includes Internal Audit review for SEStran, which is consistent with the level of assurance provided in prior years.
- 3.3 Initial discussions with SEStran management have highlighted the potential for IA to provide further assurance in relation to the risks associated with the ongoing development of the Regional Transport Strategy in 2020/21 review, with focus on how the RTS has considered and incorporated the future impacts of carbon neutrality and climate change.

4 RECOMMENDATIONS

- 4.1 The Committee is requested to:
 - note the outcomes of the 2019/20 IA review;
 - confirm whether IA assurance in 2019/20 should focus on the adequacy and effectiveness of the framework supporting ongoing development of the Regional Transport Strategy (including carbon neutrality and climate change); and
 - provide insights in relation to any other key SEStran risks and areas of concern that should be considered for inclusion in the 2020/21 IA review.

Appendix 1: Internal Audit 2019/20 Report

Lesley Newdall

Chief Internal Auditor, City of Edinburgh Council

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

March 2019

| | |
|-----------------------------|--|
| Policy Implications | None |
| Financial Implications | SEStran is charged an annual fee for provision of the annual IA assurance review. The fee for 2018/19 was £5,000. The fee for 2019/20 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

28th February 2020

OO1901

Overall report rating:

**Some
improvement
required**

Whilst some control weaknesses were identified, in the design and / or effectiveness of the control environment and / or governance and risk management frameworks, they provide reasonable assurance that risks are being managed, and the SEStran's objectives should be achieved.

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This internal audit review is conducted for the South East Scotland Transport (SEStran) Partnership and is designed to help SEStran 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 SEStran. 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 the SEStran Partnership Board as appropriate.

1. Background and Scope

Background

Structure and Objectives

In accordance with [Transport \(Scotland\) Act 2005](#), The South East of Scotland Transport partnership (SEStran) is the established statutory regional transport partnership for the South East of Scotland representing eight local authorities: City of Edinburgh; Clackmannanshire; East Lothian; Falkirk; Fife; Midlothian; Scottish Borders; and West Lothian.

SEStran is responsible for producing a Regional Transport Strategy (RTS) for the South East of Scotland. The first South East of Scotland RTS covered the period 2008 to 2023 and was refreshed in 2015 to ensure that the strategic approach to transport development across the SEStran geography remained realistic and achievable given availability of funding and resources.

The [refreshed RTS](#) covers the period 2015 to 2025 and includes four key objectives: to ensure transport facilities accelerate economic growth and regional prosperity; to improve accessibility for those with limited transport choices; to ensure developments are achieved in environmentally sustainable manner; and to promote a healthier and more active SEStran area population, and was approved by Scottish Ministers in July 2015.

The Regional Transport Strategy (RTS) rewrite project

In response to the pace of legislative change, economic growth, and the ongoing review and development of both national and local policies, SEStran has established a project to review and rewrite the RTS.

A paper titled 'New Regional Transport Strategy' was presented to the June 2019 SEStran Partnership Board that outlined the planned project approach and included a high level project plan, timescales, and roles and responsibilities of project working groups.

The first stage of the project (preparation of the Main Issues Report (MIR), that will be used as a basis for development of the new RTS) is in progress, with an external consultant appointed to assist with MIR delivery.

In line with the requirements of the [Transport \(Scotland\) Act 2005](#), SEStran is required to perform statutory consultation with a wide range of external stakeholders including bus and train operators; the NHS; School Children; professional bodies; equalities organisations when developing the new RTS.

RTS project management and governance

The following project management and governance structure has been established to support delivery of the RTS project:

- **RTS Project Management Team** - (previously Officer Delivery and Working Group) - responsible for operational management of the project, including management of contracts and consultants; approval of key deliverables; updating management on all contract and budget management and risks associated with the project; and ongoing communication with all working groups.
- **RTS Steering Group** – a subgroup of the main SEStran Partnership Board that includes four volunteer SEStran board members. The Steering Group is responsible for constructive challenge, and provision of advice and support to the Project Management Team prior to reporting on RTS development progress to the Board.
- **SEStran Partnership Board** – responsible for overall governance of the RTS project, including review of draft RTS content; review and challenge of key recommendations; approval of the draft

strategy prior to statutory consultation; and approval of the final strategy prior to submission to Scottish Ministers.

Legislation, policies and guidance

Development of the RTS will take into account Transport Scotland's [Scottish Transport Appraisal Guidance \(STAG\)](#) and the Transport Scotland policies and Scottish Government legislation detailed below:

- the [Transport \(Scotland\) Act 2005](#) that provides for the creation and functionality of new transport bodies enabling Scottish Ministers to discharge certain transport functions.
- The Scottish [National Transport Strategy \(NTS\)](#) first published by Transport Scotland in December 2006 and refreshed in January 2016. A further review has been performed and a [new national transport strategy](#) (NTS2) was published on 5th February 2020 . NTS2 focuses on four key outcomes: equality; climate action; inclusive economic growth; and health and well-being. Carbon emissions is a key priority with a 75% reduction target to be achieved by 2030, and net-zero emissions by 2045.
- The [Strategic Transport Projects Review \(STPR\)](#). The second STPR (STPR2) is designed to support delivery of draft NTS2 priorities and will inform transport investment in Scotland for the period 2022 - 2042 through provision of a programme of potential transport investment opportunities. STPR2 will influence the SEStran RTS as SEStran covers three of the STPR2 regions. STPR2 is expected to be finalised in early 2021.
- [The Planning \(Scotland\) Act 2019](#). SEStran believes that linkage between planning and transportation is essential to support effective delivery of integrated transport solutions that will support both future development and sustainable travel.
- [The Transport \(Scotland\) Act 2019](#) includes a number of provisions relevant to RTS development, including creation and enforcement of low emission zones; improvement of bus services; introduction of Workplace Parking levies; and provisions for ticketing arrangements and schemes.
- The [Climate Change \(Emissions Reduction Targets\) \(Scotland\) Bill](#) was introduced in May 2018 to make provision setting targets for the reduction of greenhouse gases emissions, with a 75% reduction target by 2030 and a net-zero emissions target for 2045 and to make provision about advice, plans, and reports in relation to those targets.

Scope

The scope of this audit assessed the design adequacy of governance arrangements and stakeholder engagement plans supporting the new RTS development and considered whether the project is being delivered in line with applicable guidance and legislative requirements. The design adequacy and operating effectiveness of key third-party supplier management controls in relation to third parties engaged to support the new RTS was also considered.

Our areas of audit focus as detailed in our terms of reference are included at Appendix 2.

Testing was performed across the period June 2019 to February 2020.

Limitations of Scope

The scope of this review was limited to the assessment of the design of the overall project management and governance arrangements for the RTS rewrite project. The review did not provide assurance on the proposed scope, content, and quality of the new RTS.

Reporting Date

Our audit work concluded on 24 February 2020, and our findings and opinion are based on the conclusion of our work as at that date.

2. Executive summary

Total number of findings: 1

Summary of findings raised

Medium

1. Regional Transport Strategy Project Governance and Management

Opinion

Some Improvement Required

Whilst some moderate control weaknesses were identified in the design of the governance and risk management frameworks established to support delivery of the first stage of the SEStran regional transport strategy (RTS) rewrite project (the main issues report (MIR)), the established governance and risk management frameworks provide reasonable assurance that project risks are being managed, and that SEStran's objectives to deliver a new strategy based on MIR outcomes should be achieved.

The medium rated finding raised in Section 3, is a consolidation of minor governance exceptions associated with the risks of potentially insufficient scrutiny and oversight of the RTS project and the limited ability to identify and effectively manage project risks.

Whilst it is acknowledged that SEStran consistently delivers a portfolio of individual projects that is aligned with the objectives defined in the current RTS, the RTS rewrite project is a significant undertaking as it will provide a framework that guides the future long term management of, and investment in, transport across the SEStran geography, and must be aligned with applicable legislation and guidance.

Consequently, it is important to ensure that appropriate governance and risk management arrangements have been established to support the project, providing the SEStran Board with assurance that all current transport related issues have been adequately researched and understood when preparing the MIR, and that the final RTS incorporates applicable legislation and guidance (where appropriate).

Additionally, as the MIR is being delivered for SEStran by an external consultant, it is important to ensure that supplier management risks are effectively managed throughout the first stage of the project to confirm that agreed objectives are achieved to support the quality and timely delivery of the final MIR.

It is also important to ensure that the moderate control weaknesses identified in the design of the governance and risk management framework established to support delivery of the MIR by May 2020 are addressed to support delivery of the remaining stages of the project that are planned through to final delivery of the RTS to the Scottish Minister which is currently scheduled for December 2021, although this is dependent on finalisation of concurrent legislative processes. Further information on the findings and supporting Internal Audit recommendations are included at section 3 below.

Implementation of Internal Audit findings raised in previous audits

Our review also confirmed that the three low rated findings raised in 2018/19 audit of GDPR compliance and cyber security have been effectively addressed.

Areas of good practice

The following areas of good practice were also evident:

- a detailed procurement exercise was completed that included tendering for the appointment of consultants to deliver the Main Issues Report (MIR) stage of the RTS project. The Public Contracts Scotland web portal was used to support procurement process that ensuring that it was completed in alignment with Scottish Government Procurement guidance; and
- active ongoing engagement with key stakeholders was evident to support delivery of the MIR stage of the RTS project.
- SEStran currently chairs the Edinburgh and South East Scotland regional transport working group and is closely involved with Transport Scotland. This involvement should ensure that the RTS is developed in accordance with ongoing legislative and transport policy developments throughout the next phases of the project.

SEStran Management Response

The opinion is summarised by “Some Improvement Required”, as is the overall report rating and this is broadly accepted and acknowledged.

The summary goes on to describe “some moderate control weaknesses” but concludes that there is “reasonable assurance” that a new strategy based on MIR outcomes should be achieved. The medium rating, as described in Appendix 1, includes phrases which include the words “...breach in laws and regulations “ and “...would prevent SEStran being able to operate in the short term...”. SEStran officials’ view is that these aspects of the rating are inconsistent with the report’s overall findings and the Auditor confirmed that their findings were established in relation to a “Moderate impact on SEStran’s reputation....”.

The auditors have recognised the fundamental importance of the RTS in terms of SEStran’s role and this has influenced their approach to the audit; in that failure to deliver a robust RTS would have a significant impact on the organisation’s reputation.

There are 6 itemised detailed findings in the audit covering project governance, project management responsibilities, risk management, progress reporting to the Board, project programme and management of the consultant employed to deliver the MIR and albeit understood that the MIR stage is essentially a prelude to the actual rewrite process, they have looked at the process as a whole, through to submission of the new RTS to the Scottish Ministers.

SEStran understands that each of the detailed findings, individually, would be rated as minor but their cumulative effect has resulted in a “medium” rating.

The governance related findings are based on a report on the RTS re-write intentions taken to the Partnership Board in June 2019 which represented what was foreseen at that time. However, a project such as the RTS rewrite is difficult to define fully, at a stage prior to being equipped with the knowledge that the MIR will provide and when viewed in retrospect, issues around governance and project management could and should have been clearer. It is also the case that SEStran’s budget for next year has not yet been confirmed which is an impediment to future planning of the project.

The findings on risk management and on progress reports to the Board were discussed at some length with the auditor. SEStran has in place both a risk register, albeit generic, which contains an identified project delivery risk and a RAG (Red, amber, green) based project reporting format which is considered appropriate for most projects. However, the auditor’s advice, in respect of the merits of both a project specific risk register and a more detailed report for significant projects, was accepted. In particular, the more detailed progress report would facilitate a greater degree of scrutiny by the Board.

The findings in respect of contract management were stated to be very minor, and SEStran had addressed them in ensuring that the full brief will be delivered by the agreed date.

Many of the required management responses to the findings raised will be covered in a report to the P&A Committee and Partnership Board later this month, including an update on progress, programme and introducing a specific risk register template.

Areas of good practice in procurement and in stakeholder engagement were noted.

3. Detailed findings

1. Regional Transport Strategy Project Governance and Management

Medium

Review of the project governance and consultant management arrangements established to support the RTS project highlighted that:

1. **Composition of project governance forums and project groups** - the actual composition of the SEStran Partnership Board and RTS project Steering Group is not aligned with the structure detailed in the June 2019 Board paper introducing the RTS project and its proposed governance arrangements.

The June Board paper notes that membership of the SEStran partnership Board comprises the Partnership Director; the Strategy and Projects Officer; and three Board members, whilst actual membership includes 21 Board members. Similarly, the paper notes that the RTS steering group comprises the Partnership Director; the Strategy and Projects Officer; and three Board members, whilst accrual membership includes two Councillor Board members and two non-Councillor Board members.

2. **Project group responsibilities** - the June 2019 RTS Board paper does not clearly differentiate between the RTS project groups established to support operational project delivery and those responsible for ongoing project governance, as all project forums (including the SEStran Partnership Board; the RTS Steering group; and the original SEStran Officer Delivery and Working Group) are described as Project Groups.

Management has confirmed that they are aware of the need to clarify the composition of governance and operational project forums and Project group responsibilities, and that these will be included in an update paper that will be presented to the Board in March 2020.

3. **Project risk management** - whilst SEStran maintains an organisational risk register that includes a generic project management risk in relation to all SEStran projects, an RTS specific risk register or RAID log that captures RTS project Risks, Assumptions, Issues and Dependencies and that actions taken to manage and resolve these has not yet been developed.

Management has also noted that they have now established an RTS project RAID log template that will be populated and used to manage the risks, issues, and dependencies associated with subsequent RTS project phases.

4. **Project progress reporting** - whilst SEStran presents a quarterly project status report to the Board that covers all ongoing SEStran projects and includes a high level overview of their progress with supporting red, amber, green (RAG) ratings, no detailed project dashboard has yet been established to support ongoing governance and oversight of RTS project delivery.

5. **RTS Project timeline** – the project timeline has not been updated to reflect delays in the delivery with the first stage of project.

6. **Consultant management** – review of key consultant deliverables for the main issue report (MIR) stage of the RTS project highlighted that these were not achieved in line with the agreed deliverables included in the contract as two deliverables were not provided by the agreed date.

Management has advised that alternative delivery arrangements were agreed, however, these were not recorded as outcomes from ongoing consultant status update meetings.

Risks

The potential risks associated with our findings are:

- Insufficient scrutiny and oversight of the RTS project by established project governance forums.
- RTS project risks, issues, and dependencies (including project delivery risks and dependencies associated with use of consultants) are not identified and effectively managed.

1.1 Recommendation: Composition and responsibilities of project forums and groups

Management should ensure that an update is provided to the Board that details the composition and respective responsibilities of the Regional Transport Strategy (RTS) project governance forums and groups.

1.1 Agreed Management Action: Composition and responsibilities of project forums and groups

Draft reports, covering these recommendations have been prepared and will be presented to the Performance and Audit Committee and the Partnership Board in March 2020.

Owner: Jim Grieve, Partnership Director, SEStran

Implementation Date:
31st March 2020

1.2 Recommendation: Project risk management and timeline

Project risk management: Management should develop a risk, issues, and dependencies (RAID) log, or an appropriate alternative that should be populated to include all new and emerging risks, known issues and dependencies that could potentially impact effective delivery of the Regional Transport Strategy project.

Risks identified should be assessed and scored based on their likelihood and impact and updated to include details of actions to be applied to address the risks, issues, and dependencies identified with actions allocated to appropriate owners for resolution and completion timeframes agreed.

The log should also be discussed and reviewed by an appropriate project group to enable identification of any new and emerging risks, issues, and dependencies, and progress with agreed actions to address those already identified.

Progress with addressing the most significant risks, issues, and dependencies should be included in ongoing project progress reporting to relevant project governance forums.

Project timeline: The project timeline should be regularly reviewed, discussed and updated by relevant project groups to ensure that the risk of slippage in delivery of key project milestones are identified, and timeframes reset.

Any project delivery risks identified should be included in the RAID log and also highlighted in the project dashboard / management information (refer recommendation 1.3) that is provided to relevant project governance forums for review and oversight.

1.2 Agreed Management Action: Project Risk Management

A risks, issues, and dependencies template has been prepared for use by the project management team to record progress with addressing the most significant Regional Transport Strategy risks, issues and dependencies, that will be reported to the SEStran Partnership Board.

The project timeline will be regularly updated and reviewed, with any potential delivery risks reflected in the RAIDS log.

Owner: Jim Grieve, Partnership Director, SEStran

Implementation Date:

1st June 2020

1.3 Recommendation: Project progress reporting

A project dashboard, or another appropriate format of project progress reporting should be established to support consistent ongoing project progress reporting for the duration of the Regional Transport Strategy project. This should include, but not be limited to:

- a project status assessment (for example, red, amber, or green) that is based on defined criteria, with supporting rationale provided for the overall project assessment.
- details of project delivery in comparison to key milestones recorded in the project timeline.
- confirmation as to whether the project remains within its allocated budget, with supporting rationale provided for any overspends incurred.
- confirmation that significant risks, issues and dependencies are being effectively managed.

1.3 Agreed Management Action: Project progress reporting

The existing SEStran Partnership Board reporting format will be developed to include these areas to provide the Board with the necessary information to support effective scrutiny.

Owner: Jim Grieve, Partnership Director, SEStran

Implementation Date:

30th June 2020

1.4 Recommendation: Consultant management

Variations from the agreed deliverables detailed in the contract for consulting services should be discussed and agreed at the regular status update meetings that have been established, with the agreed actions recorded and any risks identified noted as per the risk arrangements agreed in 1.2.

1.5 Agreed Management Action: Consultant management

These delivery changes were minor and were discussed and agreed by SEStran management and the Consultant. All significant contract variations are routinely recorded. Consequently, management accepts this risk.

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 that would prevent SEStran from being able to operate in the long term*; or • Critical material monetary or financial statement impact in excess of external audit's financial statements materiality threshold that would impact SEStran's ability to continue as a going concern; or • Critical breach in laws and regulations that could result in material fines or long term consequences; or • Critical impact on the reputation of the organisation which could threaten its future (long term) viability. |
| High | <p>A finding that could have a:</p> <ul style="list-style-type: none"> • Significant impact on operational performance that would prevent SEStran from being able to operate in the medium term**; or • Significant monetary or financial statement impact in line with external audit financial statements materiality threshold that requires an adjustment to the financial statements; • Significant breach in laws and regulations resulting in significant monetary fines and medium term consequences; or • Significant impact on the SEStran's reputation that could threaten its future (medium term) viability |
| Medium | <p>A finding that could have a:</p> <ul style="list-style-type: none"> • Moderate impact on operational performance that would prevent SEStran from being able to operate in the short term***; or • Moderate monetary or financial statement impact that is below the external audit financial statements materiality threshold, but requires an adjustment to the financial statements; or • Moderate breach in laws and regulations resulting in moderate fines and short term consequences; or • Moderate impact on the reputation of the organisation that could threaten its future (short term) viability. |
| Low | <p>A finding that could have a:</p> <ul style="list-style-type: none"> • Minor impact on operational performance that does not prevent SEStran from being able to operate; or • Minor monetary or financial statement impact that is below the external audit financial statements materiality threshold, and does not require an adjustment to the financial statements; or • Minor breach in laws and regulations with limited consequences; or • Minor impact on the reputation of the organisation that does not threaten its future viability. |
| Advisory | <p>A finding that does not have a risk impact but has been raised to highlight areas of inefficiencies or good practice.</p> |

* Long term – a period of one year or more

** Medium term – a period of 3 to 12 months

*** Short term – a period of 1 to 3 months

Please see the [Internal Audit Charter](#) for full details of opinion ratings and classifications.

Appendix 2: Areas of audit focus

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

| Audit Area | Control Objectives |
|--|--|
| Project Governance | <p>1.1 A project plan has been established to support the RTS rewrite project that is aligned with the key stages specified in the STAG and includes key deliverables (including timeframes for communication and publication of documentation) and dependencies for completion of each stage.</p> <p>1.2 A risks, assumptions, issues, and dependencies (RAID) log has been established and is maintained that details any risks, assumptions, issues and dependencies that could potentially impact project delivery, together with responsibilities and timelines for their ongoing management and resolution.</p> <p>1.3 Appropriately skilled and experienced internal and external resources have been allocated to support delivery of the new RTS within the required timeframes.</p> <p>1.4 Project governance forums include members, with relevant project management knowledge and transport strategy experience.</p> <p>1.5 Terms of reference have been established for project governance forums, that detail the composition of members, their roles and responsibilities, meeting frequencies, and upward reporting responsibilities to the main Board.</p> <p>1.6 Sufficiently detailed agendas and minutes / action logs are prepared for governance forum meetings.</p> <p>1.7 Complete and accurate management information (MI) has been established to support progress reporting to governance forums. This should include (but not be limited to) project progress and details of any significant RAIDS items that could adversely impact upon project delivery.</p> <p>1.8 There is a clearly established escalation process to ensure that all significant RAIDS items impacting project delivery are escalated, and appropriate solutions identified and implemented.</p> <p>1.9 There are adequate arrangements in place to ensure that ongoing policy and legislative changes are identified and incorporated in the new RTS development process.</p> |
| Third party supplier – Contract management | <p>2.1 Procurement documentation for engagement of external consultant specifies the necessary qualifications, skills and experience required.</p> <p>2.2 A legally binding contract has been established to support the consultancy arrangements. This includes but is not limited to following aspects,</p> |

| | |
|------------------------|--|
| | <ul style="list-style-type: none"> • Consultant’s roles and responsibilities including the extent of resources /information required from SEStran • Deliverables in terms of quality and timescales • Frequency and content of the status update reporting and meetings <p>2.3 SEStran management performs effective ongoing oversight of all third party consultants engaged to support the new RTS project and takes appropriate action to address any performance and delivery issues.</p> |
| Stakeholder management | <p>3.1 Relevant stakeholders and external agencies that are required to be consulted, have been identified.</p> <p>3.2 A consultation timeline has been developed and published and shared with stakeholders.</p> <p>3.3 Progress with achievement of consultation timeframes is regularly monitored as part of established project governance processes.</p> <p>3.4 Detailed documentation detailing consultation outcomes is produced and reviewed to identify any significant themes or trends.</p> <p>3.5 All significant consultation themes and trends are included in project deliverables (where appropriate).</p> |

Revenue Budget 2020/21

1. Introduction

- 1.1 This report presents a revenue budget for 2020/21 for review by the Partnership's Performance and Audit Committee.
- 1.2 A revenue budget for 2020/21 will be presented to the Partnership Board for approval at its meeting on 20th March 2020.

2. Main Report

Scottish Government Draft Budget 2020-21

- 2.1 A one-year Draft Scottish Budget was announced on 6 February. The Draft Budget is subject to Parliamentary process, with a Stage 1 Parliamentary debate scheduled to take place on 27 February.
- 2.2 Transport Scotland has advised revenue grant funding of £782,000 for 2020/21, subject to final confirmation following approval by Parliament of the Scottish Budget. This represents no change to the current year's grant.

Proposed Revenue Budget 2020/21

- 2.3 Section 3 of the Transport (Scotland) Act 2005, as amended by the Section 122 of the Transport (Scotland) Act 2019 requires the constituent councils of a Regional Transport Partnership to meet the estimated net expenses of the Partnership. The Transport (Scotland) Act 2019 is anticipated to be enacted on 19 March 2020.
- 2.4 A financial planning report was considered by the Partnership on 6th December 2019. The Partnership noted the financial planning assumptions being progressed for 2020 - 2023. These assumptions included no change from 2019/20 funding levels for constituent council requisitions and Scottish Government grant.
- 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 There is no change to the core revenue budget assumptions reported to the Partnership on 6th December 2019. The assumptions are re-stated below, for clarity:
 - 2.6.1 an employee structure of 8.54fte – no change from the structure reported to Performance and Audit Committee on 17th February 2017;
 - 2.6.2 staff recharges to projects of £151,000;

- 2.6.3** pay award, estimated at 3% (£18,931) and pay increment provision (£5,853);
- 2.6.4** an increase in the employer’s Pension Fund contribution rate and fixed contribution rate following removal of Lothian Pension Fund’s Stability Contribution Mechanism – a total increase of £12,452.
- 2.7** Since the meeting of the Partnership on 6th December 2019, changes have been made to the proposed Projects budget, reflecting a re-prioritisation of project activity. Following consultation with the Partnership Director, additional budget provision is now proposed for Regional Transport Strategy development (£+11,000) and Sustainable Travel (£+27,000). Match funding for Low Carbon Travel and Transport Challenge Fund projects has been removed.
- 2.8** An analysis of the proposed core revenue budget for 2020/21 is shown in Appendix 1. Proposed Projects activity for 2020/21 is shown in Appendix 2.
- 2.9** Appendix 3 shows the profile of Core and Projects budget expenditure and income since 2011. External income of £602,000 is anticipated to fund 38% of proposed expenditure in 2020/21, with Scottish Government grant (£782,000) funding 50% and Council contributions (£190,000) meeting 12% of 2020/21 expenditure.
- 2.10** Scottish Government grant funding has remained fixed at £782,000 since 2011/12. Council requisitions reduced by 5% in 2017/18 from £200,000 to £190,000.
- 2.11** Based on these estimates, 2020/21 Council requisitions are shown in the table below:

| Council Note ¹ | Requisition |
|-------------------------------------|--------------------|
| Clackmannanshire | £6,116 |
| East Lothian | £12,589 |
| Edinburgh | £61,700 |
| Falkirk | £19,080 |
| Fife | £44,255 |
| Midlothian | £10,869 |
| Scottish Borders | £13,717 |
| West Lothian | £21,674 |
| Total | £190,000 |

- 2.12** Council Chief Officers reviewed and accepted the financial planning assumptions at their meeting on 26th February 2020.
- 2.13** A risk assessment for 2020/21 is included at Appendix 4.

Financial Planning 2021/22 and 2022/23

- 2.14** The proposed revenue budget is for financial year 2020/21. Indicative financial plans are provided for the period 2021 – 2023.

¹ Council requisitions are split according to National Records of Scotland Mid-Year population estimates 2018

- 2.15** Projections for the effect of anticipated pay awards and other inflationary assumptions for 2021- 2023 were included in the financial planning report to the Partnership of 6th December 2019. At this stage, there are no changes to these projections. Financial planning for 2021 – 2023 continues to be based on the Partnership receiving annual stand-still Scottish Government and Council funding of £782,000 and £190,000 respectively.
- 2.16** Project forecasts for 2021/22 have been updated for Regional Transport Strategy development (£+5,000) and Sustainable Travel (£+33,000). Match funding for Low Carbon Travel and Transport Challenge Fund projects has been removed. There are no changes proposed to Project activity in 2022/23.
- 2.17** Indicative financial plans from 2021/22 to 2022/23 are shown in Appendix 5. The indicative plan presents expenditure and income balanced for each financial year.

3 Recommendation

- 3.1** It is recommended that the Performance and Audit Committee.
- 3.1.1** note the financial planning assumptions for the Partnership’s revenue budget for 2020/21;
- 3.1.2** note that financial planning for 2021/22 to 2022/23 will be developed throughout 2020 for consideration by the Partnership in autumn 2020;
- 3.1.3** note that the proposed budget is subject to a number of risks. All income and expenditure of the Partnership will continue to be monitored closely with updates reported to each Partnership meeting.

4 Background Reading/External References

- 4.1** [Financial Planning 2020/21 to 2022/23 – Partnership Board](#), 6th December 2019
- 4.2** [Partnership Staffing Update: Performance and Audit Committee](#), 17th February 2017
-

Hugh Dunn
Treasurer
6th March 2020

Appendix

Appendix 1 – Proposed Core Revenue Budget 2020/21

Appendix 2 - Projects - Proposed Activity 2020-21

Appendix 3 - SEStran Budget 2011/12 – 2020/21

Appendix 4 - Risk Assessment 2020/21

Appendix 5 - Indicative Financial Plan 2021/22 – 2022/23

Contact

iain.shaw@edinburgh.gov.uk

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

Proposed Core Revenue Budget 2020/21

Appendix 1

| | Approved Budget 2019/20 | Indicative Budget 2020/21 |
|--|------------------------------------|--------------------------------------|
| | £000 | £000 |
| Employee Costs | | |
| Salaries | 367 | 386 |
| National Insurance | 40 | 42 |
| Pension Fund | 86 | 101 |
| Recharges | (132) | (151) |
| Training & Conferences | 10 | 10 |
| Interviews & Advertising | 2 | 2 |
| | 373 | 390 |
| Premises Costs | 16 | 16 |
| Transport | 9 | 9 |
| Supplies and Services | | |
| Marketing | 20 | 0 |
| Communications & Computing | 37 | 48 |
| Hosted ICT Services – Novus FX | 53 | 42 |
| Printing, Stationery & General Office Supplies | 7 | 7 |
| Insurance | 4 | 4 |
| Equipment, Furniture & Materials | 1 | 1 |
| Miscellaneous Expenses | 3 | 3 |
| | 125 | 105 |
| Support Services | | |
| Finance | 30 | 30 |
| Legal Services / HR | 7 | 7 |
| | 37 | 37 |
| Corporate & Democratic | | |
| Clerks Fees | 12 | 12 |
| External Audit Fees | 11 | 11 |
| Members Allowances and Expenses | 1 | 1 |
| | 24 | 24 |
| Interest | 0 | 0 |
| Total Gross Expenditure | 584 | 581 |
| Funding: | | |
| Scottish Government Grant | (394) | (391) |
| Council Requisitions | (190) | (190) |
| Total Funding | (584) | (581) |

Projects - Proposed Activity 2020-21
Appendix 2

| | 2019/20 | 2020-21 | | | |
|--|-----------------------|-------------------------|--------------|-----------------------|--|
| Service | Net Expenditure £'000 | Gross Expenditure £'000 | Income £'000 | Net Expenditure £'000 | Activity |
| Sustainable Travel | 131 | 40 | 0 | 40 | |
| Urban Cycle Network | 0 | 100 | (100) | 0 | 100% funded by Sustrans. |
| Urban Cycling Officer | 32 | 32 | 0 | 32 | Cycling Scotland representation |
| Equalities Action Forum | 10 | 0 | 0 | 0 | |
| Active Travel Fund | 0 | 200 | (200) | 0 | |
| LCTT – Mobility Hubs | 0 | 0 | 0 | 0 | |
| RTS Development | 65 | 141 | 0 | 141 | Re-draft of Regional Transport Strategy – external expertise |
| GO e-BIKE | 0 | 38 | 0 | 38 | |
| EU – Funded Projects | | | | | |
| Regio – mob | 3 | 0 | 0 | 0 | Ends March 2020 |
| Share–north | 23 | 46 | (23) | 23 | Ends December 2021 |
| Surflogh | 26 | 50 | (25) | 25 | Ends April 2022 |
| Bling | 18 | 38 | (19) | 19 | Ends December 2022 |
| Primaas | 0 | 60 | (51) | 9 | Phase 1 ends January 2022 (main activities) |
| Connect | 0 | 48 | (24) | 24 | Ends March 2022 |
| Local Rail Development Fund | | | | | |
| Leith Docks | 0 | 150 | (150) | 0 | |
| Real-Time Passenger Information System (RTPI) | | | | | |
| Maintenance | 60 | 50 | 0 | 50 | |
| Development | 40 | 0 | 0 | 0 | |
| Income – screens | (20) | 0 | (10) | (10) | Bus Operators income |
| Total | 388 | 993 | 602 | 391 | |

SEStran Budget 2011/12 – 2019/20 and 2020/21

Appendix 3

| | 11/12 | 12/13 | 13/14 | 14/15 | 15/16 | 16/17 | 17/18 | 18/19 | 19/20 | 20/21 |
|-------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Core | 467 | 461 | 463 | 465 | 550 | 551 | 478 | 531 | 584 | 581 |
| Projects | 841 | 757 | 552 | 1,076 | 2,384 | 725 | 510 | 614 | 590 | 943 |
| RTPI | 110 | 117 | 222 | 286 | 230 | 344 | 339 | 108 | 100 | 50 |
| Total Budget | 1,418 | 1,335 | 1,237 | 1,827 | 3,164 | 1,620 | 1,327 | 1,253 | 1,274 | 1,574 |
| External Funding | | | | | | | | | | |
| EU Grants | 313 | 245 | 146 | 233 | 131 | 152 | 95 | 139 | 82 | 142 |
| Urban Cycle Network | 50 | 50 | 50 | 100 | 100 | 100 | 100 | 100 | 200 | 100 |
| Active Travel Fund | | | | | | | | | | 200 |
| Local Rail Development Fund | | | | | | | | | | 150 |
| RTPI | | | | 141 | 138 | 173 | 160 | 42 | 20 | 10 |
| Rail Station Development | | | | | 800 | 200 | | | | |
| One Ticket | | 10 | 11 | 13 | 13 | 13 | | | | |
| SESPlan | 48 | 48 | 48 | 12 | | | | | | |
| Bus Investment Fund | 0 | 0 | 0 | 346 | 1,000 | 0 | 0 | 0 | 0 | 0 |
| Total External Funding | 411 | 353 | 255 | 845 | 2,182 | 638 | 355 | 281 | 302 | 602 |
| Scottish Government | 782 | 782 | 782 | 782 | 782 | 782 | 782 | 782 | 782 | 782 |
| Council Requisition | 225 | 200 | 200 | 200 | 200 | 200 | 190 | 190 | 190 | 190 |
| Total Funding | 1,418 | 1,335 | 1,237 | 1,827 | 3,164 | 1,620 | 1,327 | 1,253 | 1,274 | 1,574 |

| Risk Description | Existing Controls |
|---|--|
| <p>Pay awards The proposed budget makes provision for a pay award of up to 3% in 2020/21. An uplift of 1% in pay award equates to an increase of £4,911.</p> | <p>Alignment with Scottish Local Government pay award.</p> |
| <p>Staff recharges – Externally Funded Projects The proposed budget assumes that £151,000 of staff time can be recharged to externally funded projects. There is a risk this may not be achievable.</p> | <p>Any shortfall in employee cost recharges will be offset by a corresponding reduction in Projects Budget expenditure.</p> |
| <p>Inflation There is a risk that the proposed budget does not adequately cover price inflation and increasing demand for services.</p> | <p>Allowance made for specific price inflation. Budgets adjusted in line with current cost forecasts.</p> |
| <p>Delays in payment of grant funding - results in additional short-term borrowing costs.</p> | <p>SEStran grant claims for all projects, including EU funded projects are submitted in compliance with requirements of grant funders processes to ensure minimal delay in payment. Ongoing monitoring of cash flow is undertaken to manage exposure to additional short-term borrowing costs.</p> |
| <p>Pension Fund Contributions The deficit on the staff pension fund could lead to increases in the employer's pension contribution. The impact of any future legislation changes to public sector pension schemes, following the outcome of the 'McCloud Judgement' may lead to an increase in employer contribution rates.</p> | <p>Following Lothian Pension Fund's Triennial Actuarial Review in 2017, Partnership contribution rates are confirmed to 2020/21.</p> |
| <p>Funding Reductions Reduction in funding from Scottish Government and/or council requisitions. There is a risk that current levels of staffing cannot be maintained due to funding constraints and that the Partnership will incur staff release costs.</p> | <p>Continue to seek to source external funding. Recruitment control and additional sources of external funding for activities aligned to the Partnership's objectives to supplement resources.</p> |

Indicative Financial Plan 2020/21 – 2022/23

Appendix 5

| | 2020/21 £'000 | 2021/22 £'000 | 2022/23 £'000 | |
|------------------------------------|------------------|------------------|------------------|--|
| Core | | | | |
| Employee costs | 541 | 564 | 586 | |
| Employee recharges | (151) | (119) | (55) | |
| Premises | 16 | 16 | 16 | |
| Transport | 9 | 9 | 9 | |
| Supplies/Services | 105 | 105 | 105 | |
| Support Services | 37 | 37 | 37 | |
| Corporate and Democratic | 24 | 24 | 24 | |
| Total Core | 581 | 636 | 722 | |
| Projects | | | | |
| Sustainable Travel | 40 | 40 | 102 | Funding re-instated in 2022/23 following completion of re-draft of Regional Transport Strategy |
| Urban Cycle Network | 100 | 100 | 100 | 100% funded by Sustrans |
| Urban Cycling Officer | 32 | 32 | 32 | Cycling Scotland Representation |
| Equalities Action Forum | 0 | 0 | 10 | |
| Active Travel Fund | 200 | 200 | 200 | Fully funded externally |
| LCTT – Mobility Hubs | 0 | 0 | 0 | |
| RTS Development | 141 | 118 | 20 | |
| GO e-BIKE | 38 | 30 | 20 | |
| RTPI Maintenance | 50 | 50 | 50 | |
| EU – Funded Projects | | | | |
| Share–north | 46 | 0 | 0 | Ends December 2021 |
| Surflogh | 50 | 50 | 2 | Ends April 2022 |
| Bling | 38 | 26 | 26 | Ends December 2022 |
| Primaas | 60 | 60 | 10 | Phase 1 ends January 2022 |
| Connect | 48 | 48 | 0 | Ends March 2022 |
| Local Rail Development Fund | | | | |
| Leith Docks | 150 | 0 | 0 | |
| Total Projects | 993 | 754 | 572 | |
| TOTAL EXPENDITURE | 1,574 | 1,390 | 1,294 | |
| Income | | | | |
| Scottish Government | (782) | (782) | (782) | |
| Constituent Councils | (190) | (190) | (190) | |
| Active Travel Fund | (200) | (200) | (200) | |
| Local Rail Development | (150) | 0 | 0 | |
| Sustrans | (100) | (100) | (100) | |
| LCTT – Mobility Hubs | 0 | 0 | 0 | |
| EU Grant Income | (142) | (113) | (22) | |
| RTPI – Screens | (10) | (5) | 0 | |
| TOTAL INCOME | (1,574) | (1,390) | (1,294) | |
| Balance | 0 | 0 | 0 | |

ANNUAL TREASURY MANAGEMENT STRATEGY

1 Purpose of report

- 1.1 The purpose of this report is to propose a Treasury Management Strategy for 2020/21.

2 Annual Treasury Management 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

- It is recommended that the Performance and Audit Committee:
- 3.1 review the Annual Treasury Management Strategy and
- 3.2 refers the Strategy to the Partnership Board to approve the continuation of the current arrangement, as outlined in Appendix 1.

Hugh Dunn
Treasurer

Appendix Appendix 1 - Annual Treasury Management Strategy

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

Annual Treasury Management 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 Partnership therefore adopts the Treasury Management Practices of the City of Edinburgh Council. The Partnership'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 and 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.

Reserves Policy

1. Introduction

- 1.1** The Scottish Government has advised that the Transport (Scotland) Act 2019 is to be enacted on 19 March 2020. The Partnership is recommended to approve a Reserves Policy, given the amendments to Regional Transport Partnerships powers included in the Act.
- 1.2** This report is prepared for review by the Partnership's Performance and Audit Committee. A Reserves Policy will be presented to the Partnership Board for approval at its meeting on 20th March 2020.

2. Main Report

- 2.1** The Partnership's functions are determined by the Transport (Scotland) Act 2005. A technical bulletin issued by Audit Scotland in June 2007 indicated that the Transport (Scotland) Act 2005 does not permit Regional Transport Partnership's (RTP's), to generate a surplus or deficit on the General Fund and hence to add to reserves.
- 2.2** This anomaly in the Transport (Scotland) Act 2005 has now been rectified by the Transport (Scotland) Act 2019. RTP's can now hold and contribute to a General Fund reserve.
- 2.3** The Chartered Institute of Public Finance and Accountancy (CIPFA) Local Authority Accounting Panel (LAAAP) Bulletin 99, Local Authority Reserves and Balances, issued in July 2014 provides accounting guidance.
- 2.4** Reserves can be held for three main purposes:
- A working balance to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing;
 - A contingency to cushion the impact of unexpected events and emergencies;
 - A means of building up funds to meet known or predicted liabilities, for example, costs of voluntary early release schemes.
- 2.5** The Local Authority Accounting Panel consider that local authorities (including Joint Boards) should establish reserves and that the level of those reserves should be based on the advice of their chief finance officers (the Treasurer). RTP's should make their own judgements on such matters, considering all the relevant local circumstances. Such circumstances within RTP's will be unique and vary between each RTP, dependant on business needs and risk factors.

2.6 In order to assess the adequacy of the unallocated General Fund reserve, it is necessary to take account of the strategic, operational and financial risks facing the Partnership. The assessment should take account of controls in place to manage identified risks together with the overall financial standing of the Partnership and general arrangements to support effective financial risk management. The financial and operational risks facing the Partnership are detailed in the Revenue Budget 2020/21 report elsewhere on this agenda. These are summarised below and re-stated at Appendix 2.

- pay award uplift in excess of budget provision;
- under-recovery of staff recharges from externally-funded projects;
- inflation in excess of budget provision;
- delays in payment of grant funding;
- increase in Pension Fund contributions;
- reduction in funding.

2.7 Since its establishment as a statutory body in 2006, the Partnership has achieved a financial outturn within the approved budget in each financial year. Where underspends have occurred, constituent councils have approved such underspends be applied to deliver planned projects in the following financial year.

Proposed Reserves Policy

2.8 Based on the risks described in paragraph 2.6 and at Appendix 2 and the Partnership's record of financial management, it is recommended that the Partnership approves an initial Reserve Policy as follows:

- Maintain a minimum general reserve level of 5% of the approved annual core revenue budget, to mitigate core revenue budget risks; specifically, to provide a contingency to cushion the impact of unexpected financial events;
- Where slippage occurs on revenue projects, which are included in the approved annual revenue Projects budget, retain within the General Fund reserve an earmarked balance of the underspent Project budget.
- Reserve balances must be reported and reviewed annually as part of the Partnership's budget setting process. Where any amendments are proposed to be made to reserves or new reserves created during the year, a report must be prepared for the Partnership.

2.9 Based on a core revenue budget for 2020/21 of £581,000 proposed in the Revenue Budget 2020/21 report elsewhere on this agenda, the minimum unallocated general reserve would be £29,000.

2.10 It is recommended that the Partnership works towards establishing an unallocated general fund reserve of £29,000, initially through establishment and review of the 2019/20 year-end position.

2.11 The proposed Reserves Policy is appended to this report at appendix 1 and covers 4 main areas: -

- the statutory parameters and professional guidance underpinning the Reserves Policy;
- the reserves held by the Partnership;
- the governance proposals for managing the reserves; and
- the arrangements for review of the Reserves Policy,

Other Reserves

2.12 Other reserves held on the Partnership Balance Sheet, which are not covered by the Reserves Policy are unusable reserves and the Capital Grants Unapplied Account. These unusable reserves reflect the requirements of the Code of Practice of Local Authority Accounting in the United Kingdom. The breakdown of these balances is detailed below:

| Unusable Reserves | 2018/19 (£000's) | Detail |
|------------------------------|-----------------------------|---|
| Capital Adjustment Account | 352 | Non-cash reserve, that absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. |
| Revaluation Reserve | 0 | Non-cash reserve, which accounts for any gains and losses made when revaluing its property, plant and equipment and intangible assets. |
| Pensions Reserve | (867) | Non-cash reserve, which absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions. |
| Accumulated Absences Account | (6) | Non-cash reserve, which absorbs the differences that would otherwise arise on the General Fund Balance from accruing for compensated absences earned but not taken in the year (e.g. annual leave entitlement carried forward at 31 March). |
| Total Unusable | (521) | |

2.13 The Capital Grants Unapplied Account is comprised of capital grants received, but not yet utilised. The Partnership had no Unapplied Capital Grants at 31st March 2019.

3 Recommendation

3.1 It is recommended that the Performance and Audit Committee note this report.

4 Background Reading/External References

4.1 [Local Authority Reserves and Balances \(LAAP Bulletin 99\) CIPFA Local Authority Accounting Panel, July 2014](#)

Hugh Dunn

Treasurer

6th March 2020

Appendix Appendix 1 – Reserves Policy
 Appendix 2 – Risk Assessment

Contact iain.shaw@edinburgh.gov.uk

| | |
|-----------------------------|---|
| Policy Implications | The proposed Reserves Policy is detailed at Appendix 1. |
| Financial Implications | Following implementation of the Transport (Scotland) Act 2019, the Partnership has powers to establish a usable General Fund reserve. |
| Equalities Implications | There are no equality implications arising as a result of this report. |
| Climate Change Implications | There are no climate change implications arising as a result of this report. |

South East Scotland Transport Partnership (SEStran) - Reserves Policy

1. Introduction

- 1.1 It is best practice that the Partnership has a documented and approved Reserves Policy.
- 1.2 Local Authority Accounting Practice (LAAP) Bulletin 99 published in July 2014 provides advice from the Chartered Institute of Public Finance and Accountancy (CIPFA) in respect of Local Authority Reserves and Balances. This guidance applies to the Partnership.
- 1.3 This Policy reflects the key messages from the LAAP Bulletin and also outlines the practical application.

2. LAAP Bulletin 99 – Main Messages

- 2.1 In Scotland there are explicit statutory powers under Schedule 3 of the Local Government (Scotland) Act 1975 permitting Local Authorities to maintain a General Fund Reserve. These powers extend to the Partnership.
- 2.2 Within the General Fund Reserve, organisations are allowed to create specific funds earmarked for specific purposes, which are called earmarked reserves.
- 2.3 It is the duty of the Chief Finance Officer (Treasurer) to report on the robustness of estimates and adequacy of reserves as part of their statutory duty. This requirement also needs to take account of the requirements of CIPFA's Prudential Code in respect of affordability when making recommendations about any Capital Programme plans.
- 2.4 The LAAP Bulletin makes it clear it is not the responsibility of External Auditors to prescribe the optimum or minimum level of reserves for organisations.
- 2.5 Whilst not prescribing a generally acceptable minimal level of reserves the LAAP Bulletin makes it clear that reserves should not be held without a clear purpose. This purpose however does include "a contingency to cushion the impact of unexpected events or emergencies".
- 2.6 In the case of Earmarked Reserves there should be a clear protocol setting out the purpose of the reserve, how and when the reserve can be used and a process for review of the reserve to ensure continuing relevance and adequacy.
- 2.7 The LAAP Bulletin concludes that "it is not normally prudent for reserves to be deployed to finance recurrent expenditure" and "where such action is taken it should be made explicit and an explanation given as to how such expenditure will be funded in the medium to long term".

3 General Fund Reserve Operated by the Partnership

- 3.1 The General Fund Reserve is split between earmarked and non-earmarked reserves. As the name suggests the earmarked reserves are held for a specific purpose, but there is no restriction on whether the funds are spent on capital or revenue. The non-earmarked reserve is the Partnership's true general reserve

and is held as an organisational contingency. The Partnership's non-earmarked reserve is targeted to be held at 5% of approved core revenue budget expenditure.

4. Governance of Reserves

4.1 It is important that there is clarity on the rules and responsibilities in respect of the governance of the Partnership's Reserves. The governance arrangements are:

4.1.1 Balances – The non-earmarked General Fund balance will be held at a minimum of 5% of approved core budget expenditure. Earmarked General Fund balances to be held at approved levels varied for any draws and additions. Balances will be reviewed annually as part of the budget setting process.

4.1.2 Creation – With the exception of earmarked General Fund reserves all other reserves are statutory. The creation of a new earmarked reserve requires the approval of the Partnership. As a minimum a request to create a new earmarked reserve must include: -

- a description of what the reserve is for;
- the reason that the reserve is required;
- the amount of reserve that is required;
- timescales for the utilisation of the reserve; and
- how the reserve will be funded.

4.1.3 Additions – Where an addition to reserves is planned as part of the budget setting process it must be approved by the Partnership. In year additions to reserves must be approved by the Partnership.

4.1.4 Draws – The utilisation of reserves must be approved by the Partnership as part of the Capital or Revenue budget process. Where the need to utilise a reserve arises in year it must be approved by the Partnership.

4.1.5 Reporting / Review – Reserve balance must be reported / reviewed annually as part of the Partnership's budget setting process. Where any amendments are being made to reserves or new reserves created during the year, a report to the Partnership must include details of all current reserve balances held.

Unapplied Capital Grants are excluded from the above governance arrangements as, although a cash reserve, the fund is simply utilised to account for capital grants between financial years.

5. Review

The Reserves Policy requires to be reviewed and approved by the Partnership within a three-year period of previous approval. The Partnership Director may review the Reserves Policy at any time where a change in the external or internal environment has had or is going to have a significant impact on the policy. Any changes to the Policy must be approved by the Partnership.

| Risk Description | Existing Controls |
|---|--|
| <p>Pay awards The proposed budget makes provision for a pay award of up to 3% in 2020/21. An uplift of 1% in pay award equates to an increase of £4,911.</p> | <p>Alignment with Scottish Local Government pay award.</p> |
| <p>Staff recharges – Externally Funded Projects The proposed budget assumes that £151,000 of staff time can be recharged to externally funded projects. There is a risk this may not be achievable.</p> | <p>Any shortfall in employee cost recharges will be offset by a corresponding reduction in Projects Budget expenditure.</p> |
| <p>Inflation There is a risk that the proposed budget does not adequately cover price inflation and increasing demand for services.</p> | <p>Allowance made for specific price inflation. Budgets adjusted in line with current cost forecasts.</p> |
| <p>Delays in payment of grant funding - results in additional short-term borrowing costs.</p> | <p>SEStran grant claims for all projects, including EU funded projects are submitted in compliance with requirements of grant funders processes to ensure minimal delay in payment. Ongoing monitoring of cash flow is undertaken to manage exposure to additional short-term borrowing costs.</p> |
| <p>Pension Fund Contributions The deficit on the staff pension fund could lead to increases in the employer's pension contribution. The impact of any future legislation changes to public sector pension schemes, following the outcome of the 'McCloud Judgement' may lead to an increase in employer contribution rates.</p> | <p>Following Lothian Pension Fund's Triennial Actuarial Review in 2017, Partnership contribution rates are confirmed to 2020/21.</p> |
| <p>Funding Reductions Reduction in funding from Scottish Government and/or council requisitions. There is a risk that current levels of staffing cannot be maintained due to funding constraints and that the Partnership will incur staff release costs.</p> | <p>Continue to seek to source external funding. Recruitment control and additional sources of external funding for activities aligned to the Partnership's objectives to supplement resources.</p> |

New Regional Transport Strategy (RTS): Update Report

1 Introduction

- 1.1 This report provides Performance and Audit Committee with an update on work to develop the new RTS, as agreed by the Board on 21 June including progress on the first, preliminary stage of the RTS, and clarification on the next steps for the RTS.
- 1.2 The report provides an update on the national context for the RTS rewrite, including legislative changes with relevance to the operation of Regional Transport Partnerships.

2 New RTS – national context

- 2.1 The report to the June 2019 Partnership Board noted the key areas of national legislation and policy development with clear significance for a new RTS. Since June 2019, the following process concluded:-

- The [Planning \(Scotland\) Act 2019](#) received Royal Assent in July 2019. It requires a National Planning Framework to be presented to Parliament, and to be supported by Regional Spatial Strategies (replacing Strategic Development Plans), covering one or more planning authority areas.
- The [Climate Change \(Emissions Reduction Targets\) \(Scotland\) Act 2019](#) received Royal Assent in October 2019. It sets targets to reduce Scotland's emissions of all greenhouse gases to net-zero (from 1990) by 2045, with interim targets specified.
- The [Transport \(Scotland\) Act 2019](#) received Royal Assent in November 2019. It clarifies, amongst other things, the powers by which Local Authorities will introduce Low Emission Zones, and by which transport authorities may pursue integrated ticketing between public transport operators.
- The Act establishes a number of changes and new opportunities for RTP operation, as follows:
 - o With reference to Part 3 and in particular [s.35's](#) insertion of provisions into the Transport (Scotland) Act 2001, including '3L Multi-authority bus services improvement partnerships'; this will present opportunities for the RTPs – and perhaps more so if there was agreement to take on functions under s.10 or s.14 of the 2005 Act. Regulations are awaited before further consideration of additional functions.

- [s.38](#) of the new Act on local services franchises doesn't mention RTPs but does make some provision for 'multi-authority franchising.'
 - The changes that directly affect SEStran and the other RTPs are in [s.122](#). Sub section (1) amends s.3 of the 2005 Act (amended version attached at **Appendix 1**) has the effect to expressly allow carry over of both expenses and reserves. There's also provision in the new subsection 4A for an RTP to provide a budget forecast to the constituent authorities.
 - Subsection (2) amends the Local Government (Scotland) Act 1975 to bring the RTPs into the provisions about borrowing and lending in [Schedule 3 to that Act](#) - previously it was only SPT.
 - Subsection (3) similarly amends [s.165\(6\) of the Local Government etc. \(Scotland\) Act 1994](#) to bring the RTPs within the ambit of that section's powers about borrowing and lending.
 - The [National Transport Strategy, \(NTS2\)](#) published in February 2020. It establishes the twenty-year vision for Transport in Scotland, with four key priorities (reducing inequalities, taking climate action, delivering inclusive economic growth and improving health and well-being).
- 2.2 The Second Strategic Transport Projects Review (STPR2) process is due to conclude in the first quarter of 2021, identifying the transport investment projects and priorities for Scotland for the next twenty years, to deliver the vision, priorities and outcomes for transport set out in the NTS2.
- 2.3 It is worth also noting Scotland's Programme for Government 2019/20, which announced £500M in new investment for bus priority measures in September 2019; the expectation is that RTPs will be instrumental in developing any cross-boundary partnership bids for these funds. There is clear synergy between these opportunities and the considerations around a new RTS.

3 New RTS – regional context update

- 3.1 SEStran is closely involved with the three STPR2 related Regional Transport Working Groups (RTWGs) operating within the region and chairs the South East of Scotland grouping. RTWG groupings conform to growth deal areas. Given the synergies between STPR2 process and the RTS, the RTWGs will continue to have a significant role as consultee groups in the development of the RTS.

4 New RTS Progress – Main Issues Report

- 4.1 The Main Issues Report (MIR) is underway, with significant data analysis completed across a wide range of data sets relating to travel patterns, costs of travel, land use, demographics, employment areas, and more, as agreed in the delivery plan reported to the June 2019 Board. Progress is being shared with the RTS Steering Group.

- 4.2 A summary report of the Main Issues, and a presentation by Jacobs (consultants working on the MIR) will be provided at the Partnership Board meeting of 20 March 2020. This will be an opportunity for comments to be gathered from the Board. The final draft report will be circulated to the Board for comment and agreement at the end of March.

5 New RTS Next Steps

- 5.1 The ensuing, full RTS rewrite process will be carried out, as required by statute, in accordance with the requirements of the Transport (Scotland) Act 2005, and delivered through further consultancy support services. Update detail on proposed delivery arrangements is provided at Appendix 2.
- 5.2 In terms of the determination of appropriate interventions arising from the developing strategy, there is an obvious need for integration with the conveniently concurrent STPR2 development process. As stated previously, SEStran is well placed within the relevant RTWGs to ensure that this happens. There is also a clear need for Tactran and SEStran to be well coordinated where the STPR2 defined regions overlap.
- 5.3 It is also necessary to be mindful of the Planning (Scotland) Act 2019 which will require one or more local authorities or regions, however they may be defined, to produce a Regional Spatial Strategy (RSS). Allied to this, over the medium term a revised form of regional governance will be devised; ensuring that the developing RTS can be integrated within this and be fully aligned with future RSS arrangements is an important and challenging consideration for the process.
- 5.4 As the preliminary Main Issues stage of the RTS development concludes, officers have developed an updated delivery plan attached at Appendix 2. A notional delivery programme timeline is available; this may require further time to be allocated for appraisal tasks, to ensure appraisal of interventions takes into account the evolving regional picture described in this report. Further detail on the indicative timeline will be available at the Partnership Board.
- 5.5 It is anticipated that a Prior Information Notice will be issued in late March 2020, before the tender for consultancy support for the RTS is advertised.
- 5.6 A preliminary meeting has been held to instigate the Equalities Impact Assessment, and discussions have commenced with Scottish Environment Protection Agency (SEPA) to set out the terms of a Strategic Environment Assessment for the RTS.

6 Recommendations

- 6.1 It is recommended that Committee notes the content of this report.

Anna Herriman
Senior Partnership Manager
March 2020

| | |
|-----------------------------|--|
| Policy Implications | A new RTS will impact on future strategy development. |
| Financial Implications | Funds are earmarked from the 2020/2021 budget, for consultancy services to develop and deliver the new Regional Transport Strategy. |
| Equalities Implications | The new RTS is subject to an Equalities Impact Assessment (EQIA) |
| Climate Change Implications | The new RTS will be subject to a Strategic Environmental Assessment (SEA) |
| Appendices | Appendix 1: Transport (Scotland) Act 2005 as amended by 2019 Act Appendix 2: New Regional Transport Strategy: Updated Delivery Plan |

Transport (Scotland) Act 2005 as amended by 2019 Act

Administration

3 Regional Transport Partnerships: funding and borrowing

(1) The net expenses of a Transport Partnership for each financial year shall be paid by—

- (a) its constituent councils; or
- (b) where there is only one, that council.

(2) The share of the expenses to be paid by a constituent council under subsection (1)(a) above shall be—

- (a) such as the Transport Partnership, having regard to its transport strategy, thinks fit; or
- (b) where the Partnership is unable to decide, such as is determined by the Scottish Ministers by order.

(3) The Scottish Ministers may, by order, provide as to the arrangements for the payment of amounts payable under this section.

(4) For the purposes of this section, the net expenses of a Transport Partnership for a financial year are those of its estimated expenses for that year, and of any outstanding expenses from the financial year previous to that year, which are not met—

- (a) by a grant made by any person which is not repayable;
- (b) by a grant so made which is subject to a condition requiring repayment and which remains unsatisfied;
- (c) by any other income for that year; or
- (d) by funds held by the Transport Partnership that it allocates to meet expenses for that year.

(4A) A Transport Partnership must, having regard to its Transport Strategy, prepare a forecast of its net expenses for each financial year and provide a copy of its forecast to –

- (a) its constituent councils, or
- (b) where there is only one, that council.

(5) A Transport Partnership may give grants or loans to any person for any purposes that, in its opinion, contribute to the implementation of the Partnership's transport strategy.

(6) Such grants or loans may be given subject to such conditions (including conditions requiring repayment in specified circumstances) as the Transport Partnership decides.

(7) A Transport Partnership may borrow money for the purpose of its capital expenditure.

(8) In this section, “financial year” means the period of 12 months ending with 31st March.

New Regional Transport Strategy

Updated Delivery Plan

Background

The requirement to prepare and publish a Regional Transport Strategy (RTS) for the South East of Scotland is contained within the Transport (Scotland) Act 2005. SEStran's current RTS was first published in 2008, and refreshed in 2015.

Given the pace of change in terms of legislation, and policies at both a national and a local level, it was agreed at the June 2019 SEStran Board, that a full review of the RTS should be undertaken and a new RTS developed.

The report to the June 2019 Board, outlining the terms of reference and initial project plan and timescale, provide the basis for the new RTS development. Subject to acceptance by the Board of the Main Issues Report, the next stage of the RTS will be developed, in accordance with an updated Delivery Plan.

Requirements of the new RTS

The scope of a Regional Transport Strategy is clearly set out and established within the Transport (Scotland) Act 2005. The RTS is required to provide the transport strategy covering the whole established region, to which partner Transport authorities (those of the eight constituent member Councils) must then perform their local transport functions in a manner consistent with the RTS.

The Regional Transport Strategy must therefore include provision for the respects in which transport in the region needs to be provided, developed or improved having regard to, among other things:

- future needs including those occasioned by demographic and land use changes; and what can be done, taking account of cost, funding and practicability;
- meeting the needs of all inhabited places, in particular, those which the Partnership considers different from the remainder of the region by reason of their remoteness or the sparsity of their populations;
- meeting the need for efficient transport links between heavily populated places;
- how transport in the region will be provided, developed, improved and operated so as:-
 - (i) to enhance social and economic well-being;

- (ii) to promote public safety, including road safety and the safety of users of public transport;
- (iii) to be consistent with the principle of sustainable development and to conserve and enhance the environment;
- (iv) to promote social inclusion;
- (v) to encourage equal opportunities and, in particular, the observance of the equal opportunities requirements;
- (vi) to facilitate access to hospitals, clinics, surgeries and other places where a health service is provided;
- (vii) to integrate with transport elsewhere.

SEStran Delivery Aims and Objectives

The new RTS development process must, in addition to the statutory scope outlined above:-

- respond to issues identified in the Main Issues Report;
- follow a number of statutory stages and requirements (including ample consultation and appraisal), prior to completion, and be developed in accordance with Scottish Transport Appraisal Guidance;
- take into account and help inform and support local transport policy and interventions, and other regional partnership and sub-regional partnership aims;
- align to the new National Transport Strategy, and other relevant national policy and legislation covering planning, social, economy and environment / climate undertakings;
- be completed by the end of 2021 for consideration by Scottish Ministers.

Expert technical support and resourcing will be secured through competitively procured consultancy support services. All procurement will be conducted through Public Contracts Scotland, to ensure full compliance with current procurement rules and legislation.

Project Management Arrangements

The delivery of the new RTS will be overseen and managed by internal SEStran.

Key roles with specific RTS responsibilities are outlined here:

Partnership Director:

- Responsible for overall oversight of project management and delivery;
- Review escalated risks and agree remedial actions when required.

Senior Partnership Manager:

- Provide strategic direction for the development of the RTS ensuring strategic alignment;
- Oversee RTS progress, resource allocation, risk management and approved budget;
- Convene regular meetings of the Project Management Team;
- Review Risk Register and further escalate any risks as necessary;
- Review draft RTS material and reports;
- Ensure RTS processes are fully compliant with all statutory requirements.

Strategy and Projects Officer:

- Communicate with partners representatives regularly on RTS development;
- Provide technical overview of consultancy services and quality;
- Manage consultancy support service providers;
- Draft consultancy brief and agree procurement processes for RTS;
- Manage consultancy support services;
- Escalate all performance issues and risks to Senior Partnership Manager;
- Maintain RTS Risk Register and RAID logs, reporting at Project Management Team;
- Initiate and carry out integral SEA and EQIA assessments for the RTS;
- Prepare Project reports to Partnership Board, liaison committees and RTS Steering Group as appropriate.

RTS Project Management Team Remit

An internal Project Management Team (previously termed Officer Delivery and Working Group), as agreed at the June 2019 meeting, will ensure the delivery of the RTS functions meets agreed objectives. The SEStran RTS Project Management Team will provide the day to day management of delivery of the RTS. (The work within each of the key stages of the RTS, including statutory and good practice consultation, technical appraisal, any modelling, report drafting will be largely be delivered through procured consultancy support). The RTS Project Management Team will meet separately, in addition to weekly SEStran Team Meetings.

The core RTS Project Management Team includes the Senior Partnership Manager, Strategy and Projects Officer, supported as required by the Partnership Director, Programmes Manager or Projects Officers as required. Membership may draw on any or all staff expertise at any appropriate stage, and attendance at meetings will reflect the stage of RTS development.

RTS Steering Group Remit

Whilst the final sign-off of the RTS rests with Scottish Ministers, and the governance of the RTS is a requirement of the SEStran Board, the establishment of a special RTS Steering Group, made up of SEStran Board members, was agreed in June 2019 to help challenge, and provide scrutiny to support the development of the Strategy prior to reporting key stages of RTS development to the Board.

Membership: 2 x Councillor Board Members, 2 x Non Councillor Board Members, SEStran Partnership Director.

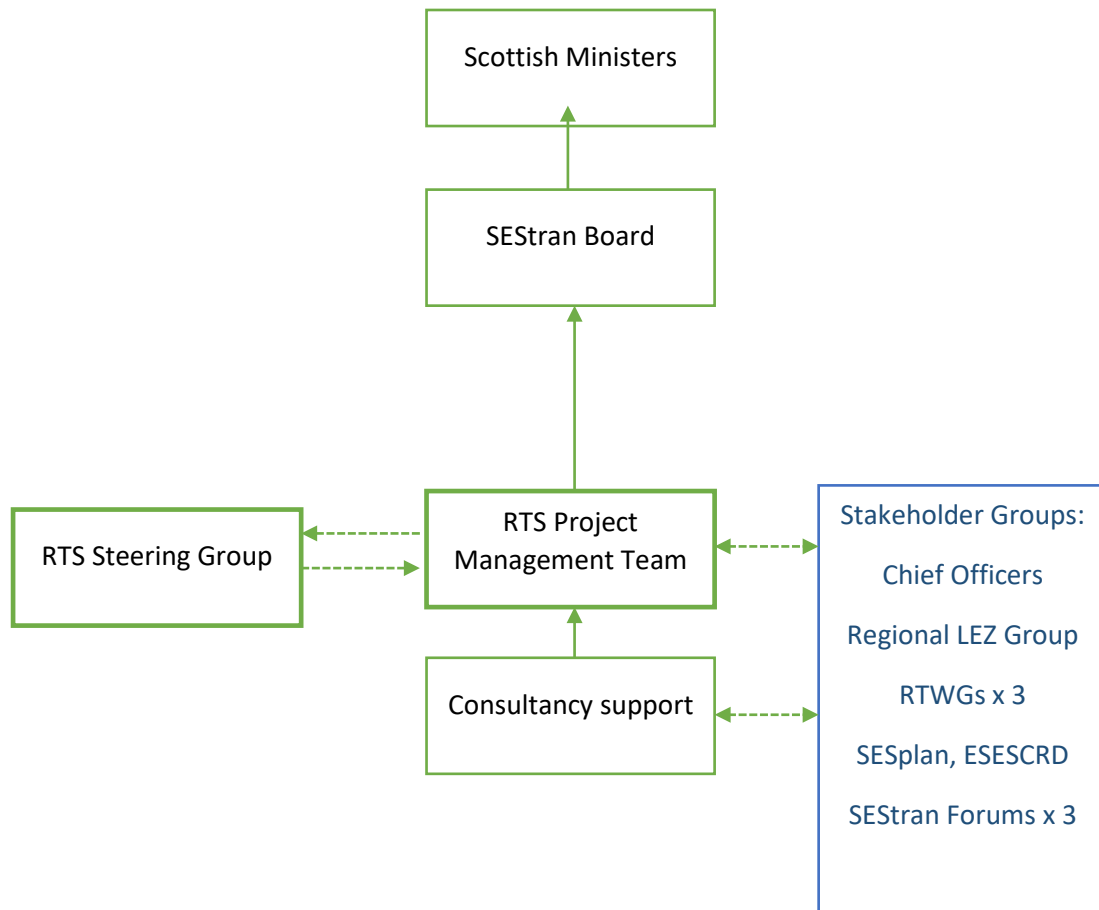
Attendees: Transport Scotland Transport Partnerships Manager, in attendance as RTP advisory officer.

Support: Senior Partnership Manager, Strategy and Projects Officer, Administration Officer

Project Governance Arrangements

The RTS Project Management Team will report RTS project progress and outcomes to the SEStran Board.

The relationships with key interface / partner / stakeholder groupings are included here for clarity, as the project moves to the next stage of RTS development.



RTS Delivery Programme Timeline and Key Work Stages

| | | J | A | S | O | N | D | J | F | M | A | M | J | J | A | S | O | N | D | J | F | M | A | M | J | J | A | S | O | N | D | J | F | M | A | M | J | J | A | S | O | N | D | | | | | | |
|--|---|---------|---|---|---|---|---|---|---|---|---|---|---|----------|---|---|---|---|---|---|---|---|---|---|---|----------|---|---|---|---|---|---|---|---|---|---|---|----------|---|---|---|---|---|--|--|--|--|--|--|
| | | 2019/20 | | | | | | | | | | | | 2020/21 | | | | | | | | | | | | 2021/22 | | | | | | | | | | | | 2022/23 | | | | | | | | | | | |
| Preliminary Stage | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Stage 1 | Procurement | [Grid] | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Main Issues and scoping | [Green] | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Stakeholder Engagement | [Green] | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | RTP Board Meeting | x | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Objectives Vision | | | | | | | | | | | | | [Brown] | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | RTP Board Meeting * | | | | | | | | | | | | | x | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Confirmation of RTP funding for 2020/21^ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Stage 2 | Consultation Key Stakeholders | [Red] | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Procure Consultancy Support | [Grid] | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Option Generation High Level Assessment | [Blue] | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | High Level Transport Options | [Green] | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | RTP Board Meeting ** | | | | | | | | | | | | | x | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Scoping Report to SEA Gateway | | | | | | | | | | | | | x | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| RTS Development | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Stage 1 | Consultation (SEA Scoping 5 weeks) (Key Stakeholders 5 weeks) | | | | | | | | | | | | | [Red] | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Procure Consultancy Support | [Grid] | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Detailed Options Appraisal + | | | | | | | | | | | | | [Grey] | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | RTP Board Meeting | | | | | | | | | | | | | x | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Writing Draft Strategy | | | | | | | | | | | | | [Blue] | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | RTP Board Meeting *** | | | | | | | | | | | | | | | | | | | | | | | | | x | | | | | | | | | | | | | | | | | | | | | | | |
| Stage 2 | Consultation (RTA Public Consultation (8 weeks) SEA Consultation (8 weeks)) | | | | | | | | | | | | | [Red] | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Procure Consultancy Support | [Grid] | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Refining estimates and costs | | | | | | | | | | | | | [Grey] | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | RTP Board Meeting | | | | | | | | | | | | | | | | | | | | | | | | | x | | | | | | | | | | | | | | | | | | | | | | | |
| | Complete and refine FINAL RTS | | | | | | | | | | | | | | | | | | | | | | | | | [Blue] | | | | | | | | | | | | | | | | | | | | | | | |
| | RTP Board Meeting**** | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | x | | | | | | | | | | | |
| | Final RTS | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | x | | | | | | | | | | | |
| Stage 3 | Approval by Ministers | | | | | | | | | | | | | | | | | | | | | | | | | [Yellow] | | | | | | | | | | | | | | | | | | | | | | | |
| SEA | Procure Consultancy Support | [Grid] | | | | | | | | | | | | [Green] | | | | | | | | | | | | [Green] | | | | | | | | | | | | [Green] | | | | | | | | | | | |
| | Scoping Report to SEA Gateway | | | | | | | | | | | | | x | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Environmental Report | | | | | | | | | | | | | | | | | | | | | | | | | x | | | | | | | | | | | | | | | | | | | | | | | |
| EQIA | | | | | | | | | | | | | | [Purple] | | | | | | | | | | | | [Purple] | | | | | | | | | | | | [Purple] | | | | | | | | | | | |
| CA's Consultation Authorities | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| * Board Approval of main issues and objectives | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| ** Board Approval of options report along supported by high level assessment (STAG case for change evidence). Decision to proceed to full RTS. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| *** Board Approval of Draft RTS | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| **** Board Approval of Final RTS | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| + Preparing reports e.g STAGs ASTs costs estimates etc | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| ^ Confirmation of funding and implementation of Transport (Scotland) Act 2019 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

Key Work Stages

| | | |
|------------------------|---------------------------------------|---|
| Prelim Stage | Main Issues and report | <p>Review the following existing RTS areas:</p> <ul style="list-style-type: none"> • Objectives • Policies • Monitoring • Delivery • Current Strategy objectives • Vision <p>Engage and discuss with local authority chief officers/transport officers.</p> <p>Undertake technical analysis of multiple datasets.</p> <p>Develop Transport Planning Objectives. Summarise findings and develop report for consultation stage.</p> <p>Embark upon SEA and EQIA processes.</p> <p>Identify high level options</p> |
| RTS Development | | |
| 1 | RTS Consultation Transport Options | <p>Full and wide engagement and consultation on findings of the main issues report.</p> <p>Detailed development of transport options, following a sifting and preliminary assessment based on the evidence gathered and reviewed as part of Stage 1.</p> |
| 2 | Consultation Appraisal Draft Strategy | <p>Stakeholder consultation on transport options report.</p> <p>Detailed appraisal of options and development of transport options, policies and regional and national context.</p> <p>Development of implementation, monitoring and evaluation plan.</p> <p>Prepare and write draft strategy seek board approval for formal final consultation.</p> |
| | Consultation Final RTS | <p>Analysis of consultation feedback and responses, prior to final strategy approval and then publication.</p> <p>Completion of EQIA and SEA work.</p> |

SEStran Draft Business Plan 2020/21

1 Introduction

- 1.1 This report provides Performance and Audit Committee members with the first draft of SEStran’s Business Plan 2020/21, for review and comment.

2 Draft Business Plan 2020/21

- 2.1 Before each new financial year a Business Plan is produced for publication on the SEStran website and wider distribution. The Business Plan identifies all planned programmes of work and activity to be delivered against SEStran’s core strategic objectives.
- 2.2 One minor change is proposed; this is to rename the strategic objective ‘Corporate’ as ‘Governance’ in order to better reflect the intended nature of this objective – which is to support and deliver effective governance of the organisation.

3 Recommendations

- 3.1 The Committee is asked to note the updated contents of the draft Business Plan, and
- 3.2 Members of the Committee are invited to submit any comments to the Draft Business Plan 2019/20.

Anna Herriman
 Senior Partnership Manager
 February 2020

Appendix 1: Draft Business Plan 2020/21

| | |
|-----------------------------|------|
| Policy Implications | None |
| Financial Implications | None |
| Equalities Implications | None |
| Climate Change Implications | None |



South East of Scotland
Transport Partnership

SEStran

Business Plan DRAFT V02

2020/21

January 2020

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 SEStran area there are diverse transport challenges, ranging from urban congestion to rural public transport and declining bus patronage, and from the need to deliver more 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 at the centre of the region's rapidly growing economy and the opportunities this brings, other communities in the region are affected by serious social and economic deprivation, further impacted by limited access to sustainable and affordable travel choices. 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.

NTS 2 (the review of Scotland's National Transport Strategy) was presented to Scottish Parliament on 5 February 2020. The Scottish Government's vision is to have a sustainable, inclusive, safe and accessible transport system helping deliver a healthier, fairer and more prosperous Scotland for communities, businesses and visitors which will reduce inequalities, take climate action, help deliver inclusive economic growth and improve health and wellbeing. I am pleased to say that I represented the Regional Transport Partnerships on the Strategy Board, chaired by the Cabinet Secretary, and I am very happy to be associated with the new strategy.

Linked to NTS2 is STPR2 (Second Strategic Transport Projects Review) being taken forward by Transport Scotland. Three STPR regional areas exist across the SEStran geography, with SEStran represented on the Regional Transport Working Groups established for each STPR2 area, and chairing the Regional Transport Working Group encompassed by the Edinburgh and South East Scotland city deal geography. Ultimately, the STPR process will identify a series of interventions consistent with the aims of NTS2 to be delivered at national, regional and local levels over the next 20 years. We look forward to appropriate regional interventions being identified, through the Working Groups, later this year.

There is an ever-increasing focus on the climate crisis we are currently facing and working towards a net zero carbon future will be a major influence on transport and its infrastructure in the decades to come. It is of note that this country is hosting the next international climate change conference ("COP26"), in November this year and therefore we can expect a great deal of attention being focussed on this country and what we are doing to help address the climate situation, particularly in respect of transport.

SEStran is now in the process of preparing a new Regional Transport Strategy (RTS) which will reflect the vision and aims of NTS 2 and will also take into account the rapid economic growth taking place in the south east region, and respond to initiatives being pursued by our partner councils, such as Edinburgh's proposed Low Emission Zone. The initial stage a "Main Issues Report", currently under preparation, will provide the basis for more detailed work in the financial year 2020/21.

The longer-term future of regional governance remains under consideration by Transport Scotland and the Scottish Government. Scotland's seven RTPs will continue to support the case for statutory Regional Partnerships with the potential to augment current transport functions with planning and economic development expertise, as an effective and efficient way to develop holistic regional strategies and visions – such as new Regional Spatial Strategies which have been introduced under the new Planning (Scotland) Act 2019. It is my firm belief that it is only by taking this more coordinated, statutory regional approach that the aims of NTS2 and the new RTS will be delivered. It is also my view that SEStran may need to again review and reassess its model 1 RTP status, to enable it to take a more effective role in working with bus companies to make a real contribution to our most disadvantaged communities, and towards reversing declining patronage and in so doing helping to deliver NTS2.

SEStran continues to be very much involved in EU projects, with six currently underway; most of which will continue beyond the EU exit transition period. SURFLOGH, a project that has trialled sustainable freight hub and last mile delivery, will hold its final conference in Belgium later this year. All of SEStran's current EU projects are very relevant to the NTS2 and to the Regional Transport Strategy and will provide valuable knowledge to assist all SEStran partners in the future. In the meantime, and certainly during the transition period, SEStran will continue to pursue partnerships and applications towards any relevant EU projects and will look to future arrangements to succeed those currently in place, to enable continued partnership working with the EU.

A range of active travel projects will continue into the coming year, including work with Sustrans Scotland and for Transport Scotland's Active Travel Team, in addition to funding the delivery of new e-bike hubs in the region.

There is a great deal to take up SEStran's attention this coming year, with all of the policy development taking place (NTS2, STPR2, NPF4, etc.). SEStran plays a key role in all of these, and this is in addition to significant project work and strategy development to be progressed over the year. As ever, though, I am confident that our officials will succeed in their many aims and I am therefore delighted to present our Business Plan for 2020/21.

Councillor Gordon Edgar

Chair of the South East of Scotland Transport Partnership

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1. Introduction

SEStran presents its 2020/21 Business Plan, which outlines the plans for the next twelve months to deliver the 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 2020/21, SEStran will work across its five established core strategic themes to deliver on its vision.

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
- **Governance** – To continually improve performance to achieve greater efficiency and effectiveness in SEStran service delivery

SEStran's first four established strategic themes fully align with the four priorities agreed in Scotland's new National Transport Strategy:

- reduce inequalities
- take climate action
- help deliver inclusive economic growth
- improve our health and wellbeing

2. Strategic Objectives

Economy

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



- To maintain and improve access to the labour market and key business locations, particularly by sustainable travel modes - 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 with a transport dimension, particularly land-use planning and economic development;
- To reduce the negative impacts of congestion, by supporting interventions that 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 for all, through safe, affordable and sustainable travel options including active and public and shared modes of travel when
- 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

Environment

To ensure that development is achieved in an environmentally sustainable manner



- To ensure SEStran contributes to achieving Scotland's target of 'net zero' carbon emissions by 2045, and meet intervening targets, and UK 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

Governance

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 and assess the potential benefits of enhanced RTP operating models to deliver better bus / public transport services in the region.

3. Strategy

Regional Transport Strategy



As a Statutory Partnership of eight local authorities, SEStran has a duty to produce, and then review, its Regional Transport Strategy, to which local or sub-regional plans and strategies should align.

Since the existing RTS was refreshed in 2016, key new Scottish legislation and national policies have been agreed, that directly affect regional land use planning and transport planning.

The region is also in a period of significant change, with investment and economic growth, expanding new housing and an increasing population. At least six new decision-making bodies exist across the region, designed to drive forward sub-regional economic growth plans, and develop regional spatial strategies. This adds to a clearly very complex picture.

While a number of new, major transport interventions in the region have brought benefits to many communities and areas of employment, the speed of growth has also made some of the region's existing issues, like limited public transport capacity, or road congestion, worse. Many rural communities remain unable to access affordable, sustainable and reliable travel options which cannot be delivered by one local authority alone.

A new Regional Transport Strategy will therefore be developed over 2020/21, to provide a clear, ambitious framework to which all related sub-regional and local plans and decisions can align.

A Main Issues Report will be completed by early April 2020, establishing the case for the development of the new Regional Transport Strategy.

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Objectives:

- Contribute to the four new priorities of the National Transport Strategy.
- Articulate an ambitious regional strategy to which all sub-regional and local plans and strategies can align.

Plans for 2020/21:

- SEStran will commence development of the new Regional Transport Strategy, ensuring appropriate levels of engagement, appraisal and consultation are built into the process.
- SEStran will review the existing Regional Transport Strategy as part of the RTS development.
- SEStran will engage and involve all eight partner Councils in the development of the RTS, with regular progress updates provided to the SEStran Board.

4. Planned activities 2020/21

4.1 Current programmes and projects

GO e-Bike



Following its launch, GO e-Bike has created hubs across the SEStran region. Through the successful bid to Low Carbon Transport & Travel funding, the scheme expanded through 2019. The aim is to increase usage and awareness of power-assisted cycling across the South East of Scotland. GO e-Bike now has ten different e-bike hubs, in Fife (Transition St Andrews) and Buckhaven (CLEAR), West Lothian (West Lothian Bike Library), Falkirk and Clackmannanshire (Forth Bike Scheme), Scottish Borders (Tweeddale Youth Action), East Lothian and Midlothian and Edinburgh (Social Bite Village).

Objectives:

- Promote more active and healthier lifestyles 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 2020/21:

- SEStran will support the existing hubs through training and shared learning events, and opportunities for further development
- SEStran will continue to evaluate and monitor outcomes from hubs set up through Low Carbon Transport & Travel funding, and ongoing sustainability.
- SEStran will continue to promote the use of all e-bikes including trikes and cargo bikes at regional events, which will include headline sponsor for the family ride at the Tweedlove Festival.



Tripshare SEStran



Tripshare SEStran is one of the largest car-sharing platforms in Scotland, with over 9,400 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 2020/21:

- SEStran will review existing arrangements for Tripshare SEStran and continue to explore the best way of promoting car-sharing through an online platform. In addition, SEStran will explore opportunities for a Scotland-wide car-sharing platform.

- Provide a platform for large employers in the region to encourage carpooling to work
- SEStran will continue to work with the SHARE-North project partners to exchange knowledge and implement best practices relating to car sharing in the SEStran region.



Thistle Assistance Programme - Card & App



The Thistle Assistance Card was developed to make it easier and more convenient for people with a mobility or travel challenge to make their door-to-door journey using sustainable transport – making sure a journey by sustainable means is as seamless and as easy as getting in the car or calling a taxi.

Objectives:

- Encouraging use of public transport by making it easier and more accessible for disabled and older people.

Plans for 2020/21:

- SEStran will investigate funding options to deliver Phase 2 of the Thistle Assistance App project (to develop a mobile phone app for Thistle Assistance card or any public transport users. This follows- the successful delivery, in 2019/20, of Phase One with five proof of concepts delivered by five project developers SEStran will.
- The objective of Phase 2 is to develop a procurable and commissionable application that can enhance the user experience of Thistle Assistance.
- SEStran will continue to promote the new Thistle Assistance branding and website through key influencers and partners, online and at key accessible travel events and forums.
- In partnership with transport operators, SEStran will develop a training toolkit aimed at staff to improve awareness and highlight ‘best practice’ when engaging with people that have a mobility challenge as they use public transport services.

Public Transport Studies

This area of SEStran’s work is aimed at ensuring appropriate studies, business cases, appraisals and even bids are carried out in partnership with operators and member Councils, to support improvements to public transport reliability,



availability and accessibility for more people in the region. It focuses on improving public transport service reliability, availability, and increasing patronage.

Objectives:

- To work in partnership with member Councils and regional operators, in assessing public transport options for key regional corridors.
- To support and add value to plans and strategic projects identified as part of STPR2
- To raise general awareness of the potential for improved public transport routes among members of all the SEStran region's communities

Plans for 2020/21:

- SEStran will explore funding options to update its 'Orbital Bus Route' business case, to include options for guided, autonomous public transport, serving communities and new developments across East Lothian, Edinburgh, Midlothian and West Lothian.
- SEStran will monitor progress on guided autonomous bus study focussing on congested routes in Fife.
- SEStran will meet regularly with bus operators in the region and support regional bus service improvements.
- SEStran will use findings from its three Transport Scotland funded Strategic studies - Regional Park and Ride Strategy, Mobility Hub Strategy, and Demand Responsive Transport, to help inform the new Regional Transport Strategy.
- SEStran is developing partnerships with bus operators and councils in the north and west of the region to explore bids to Transport Scotland's £.5Bn Bus Improvement Fund Bus to develop bus priority measures.

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 providing passengers with confidence about bus arrival times, and associated benefits – such as minimising waiting times at bus stops. However, due to technological advances prompting the withdrawal of both First Scotland East and Stagecoach Fife 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

Plans for 2020/21:

- SEStran will deliver with the City of Edinburgh Council the new content management system that will provide the region with an updated RTPI system that has expanded geographic reach, increased operator participation and improved reliability.

- Encouraging sustainable transport modes by making public transport more reliable, safer and accessible
- Encourage multi-modal transport choices
- 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.

Active Travel Projects



SEStran and Sustrans Scotland will continue to work in partnership on the Regional Cycle Network Grant Scheme to deliver improvements to strategic active travel routes.

SEStran will continue to develop proposals to Transport Scotland for the Regional Active Travel Development Fund to facilitate further projects promoting sustainable cross boundary travel.

Objectives:

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

Plans for 2020/21:

- Build on Strategic Network study outputs and prioritised projects identified in partnership with local authorities.
- Maximise funding potential from Sustrans Scotland for projects from Strategic Network study.
- Continue partnership work with local authorities to develop future projects for cross-boundary routes.
- Further develop projects from 2019 and explore new projects that add capacity to the region's active travel network.

Cycle Training & Development



The 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.

Plans for 2020/21:

- 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 other road users in the SEStran region. Complementing these training opportunities, SEStran will promote 'Cycle

- Promote cycle training opportunities in SEStran projects where applicable.
- 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.

Local Rail Development Fund

The £2M Scottish Government Local Rail Development Fund (the Fund), was launched to respond to the interest and enthusiasm shown by local organisations in looking at opportunities to tackle local transport issues. SEStran is working on two projects as a result of successful bids into the fund.

Objectives:

- Examine multi-modal sustainable transport options to improve passenger and freight services in the region.

Plans for 2020/21:

Newburgh

- Continue to work in partnership with the Newburgh Train Station Group and Fife Council to deliver the next phase of the study subject to Transport Scotland Approval of The Initial Case for Change report submitted in January 2020.

Forth Freight Study

- SEStran will be working in partnership with Forth Ports to deliver this study in 2020/21.
- This study will look to investigate existing freight movements, the barriers faced by multimodal freight terminals when trying to target and encourage customers to make the switch and evaluate the potential environmental benefits and commercial viability of sustainable freight/goods movements.
- The study shall assess current rail freight services and examine opportunities for maximising and improving existing infrastructure at port locations, capacity and the balance of freight / passenger movements.
- The aim would be to appraise the development of sustainable freight gateways and potential for freight consolidation centres at key locations to maximise the sustainable movement of freight in door-to-door transport chains, with a focus on investigating the increase of rail as a key mode during these movements.

4.2 European-funded Projects

SHARE-North

Interreg North Sea Region

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



January 2016 – December 2021

The focus of the SHARE-North project is to promote shared mobility modes and their potential to address key transport challenges. 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 single occupancy cars 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 2020/21:

- SEStran will continue to promote shared mobility and will focus on promoting the introduction of Mobility Hubs in the SEStran area, building on experiences from Bremen, Germany and Bergen, Norway.
- SEStran will collaborate with and take learnings from Taxisstop, Belgium to promote ridesharing 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 to optimise the interaction between freight logistics hubs and the urban freight logistics system, promoting efficient and sustainable logistics in urban areas of 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 2020/21:

- 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 2020.
- 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.
- Case studies and research finding will be presented at the final conference in Belgium in September 2020.



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 **BL**ockchain **IN** Government (BLING) project focuses on providing one of the first dedicated platforms to bring these tools and approaches into local and regional services. Blockchain and Distributed Ledger Technologies have catalysed new thinking around the use of distributed systems to transform the provision of services that help to move people and things through cities.

Objectives:

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

Plans for 2020/21:

- 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.
- The University of Edinburgh & SEStran have created GeoPact, a system that supports the deployment of location-aware smart contracts. These contracts use location data as part of coded agreements about how objects and people move in space and time.
- The opportunities for real world deployment of these technologies will be explored further by the project team in 2020.



PriMaaS

August 2019 – February 2023

Interreg Europe



Mobility-as-a-Service (MaaS) is a recent concept which seeks to improve the way people travel by integrating the provision of different transport solutions. The provision of transport services is one of the key pillars of strategic importance for regional authorities. Therefore, regional policy instruments can play a valuable role in supporting the introduction of MaaS and simultaneously ensure these new platforms will contribute to low carbon transport policy goals, social inclusion and increased levels of accessibility. The main vision of PriMaaS is to promote the integration of traditional collective transport modes with personal and innovative ones by creating equitable mobility services truly focused on citizens' needs.

Objectives:

- Create a knowledge hub to support regions in promoting the MaaS concept and meeting citizens' transport needs
- Incorporate MaaS as key mobiliser of sustainable transport solutions in the development of the Regional Transport Strategy 2

Plans for 2020/21:

- This year, SEStran will be contributing to the development of a Baseline Assessment Report by the project consortium. Through Exchange of Experience events with the project partners, current levels of MaaS can be explored and best practices can be identified.
- SEStran will be hosting various Regional Stakeholder Groups to identify and learn from best practices in the area and the wider project consortium.
- The exchange of best practices will ultimately inform the development of an Action Plan to incorporate MaaS as a key mobiliser of sustainable transport solutions in the rewrite of the SEStran Regional Transport Strategy.

4.3 Regional Partnership Working

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

Plans for 2020/21:

- In partnership with Forum membership, forward work programmes the forums will be developed during 2020/21.
- The **Integrated Mobility Forum** will bring together various stakeholders to improve integrated mobility across the region

in transport-related matters

- Provide a platform for organisations to connect with each other and have meaningful discussions

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 people in the SEStran region.

Regional LEZ group



In partnership with the City of Edinburgh Council, SEStran has established a regional Low Emission Zone group to address the cross-boundary implications arising from the capital's plans to introduce a Low Emission Zone by the end of 2020. The group is attended by officers from all Local Authorities in the SEStran area, as well as Transport Scotland, to ensure consistency with the other LEZs being planned in Scotland.

Objectives:

- Identify and mitigate regional implications of the Edinburgh Low Emission Zone
- Communicate the LEZ developments across the area to ensure all affected parties are informed

Plans for 2020/21:

- SEStran will continue to work closely with all partner Councils to monitor the implementation of the LEZ and consider the regional impact.
- SEStran will host the regional LEZ group meetings to consider Edinburgh's LEZ developments, and identify and mitigate regional implications in collaboration with the Local Authority transport officers that attend the group meetings.
- The group is also a forum for Transport Scotland to inform SEStran and its member authorities of associated funding opportunities, such as the LEZ Public Transport Provision funding.

Rail Quarterly



SEStran has set up the Rail Quarterly meeting with the aim of providing a forum for officials representing Network Rail, Transport Scotland and the Train operators in the SEStran area to discuss rail opportunities and issues.

Objectives:

- To promote rail as sustainable mode for both passengers and freight.
- Keep pace with rail developments and issues within the region.

Plans for 2020/21:

- SEStran will continue to host quarterly meetings as part of the close working relationship with key stakeholders in the area.
- Highlight key rail focussed projects including the Newburgh and Regional Sustainable Freight studies to the group.

Bus Quarterly



SEStran has set up the bus quarterly meeting with the aim of providing a forum for representatives from bus operators in the SEStran area to raise bus issues with SEStran and local authorities and address these issues in partnership.

Objectives:

- To provide a platform to address bus challenges and declining bus patronage in the SEStran area.
- To work in partnership with operators and Local Authorities to apply for funding aimed at improving bus operations in the SEStran area.

Plans for 2020/21:

- SEStran will continue to look at strategic bus challenges in the area, and investigate the potential for specific regional improvements, such as interventions along an orbital Edinburgh bypass corridor.
- SEStran will continue to host quarterly meetings as part of the close working relationship with key bus operators in the area.

MaaS Stakeholder Group



SEStran has established a Mobility-as-a-Service (MaaS) Regional Stakeholder Group as part of the Interreg Europe PriMaaS project. The aim of the group is to assess current levels of MaaS in the SEStran area, and identify the potential of MaaS to improve transport and contribute to delivering more sustainable transport in the SEStran area. The group is attended by local authorities, transport operators, transport planners and consultancies, and MaaS experts.

Objectives:

-

Plans for 2020/21:

- SEStran will host bi-annual meetings to bring together various interested

Communication



Objectives:

- To ensure the role of SEStran, in representing a regional voice in transport related matters in the South East of Scotland, is more widely understood and recognised.
- Continue to lead by example and deliver sustainability and climate change objectives as an organisation.

Plans for 2020/21:

- Increase awareness of the development of the new Regional Transport Strategy across a wide range of stakeholders to improve engagement levels.
- Increase awareness of the wide range of SEStran activities and funded activities across the region within appropriate advocacy, stakeholder, community and beneficiary groups, through advertising, use of social media and awareness raising activities.
- Increase awareness and distribution of SEStran's key strategic studies that are relevant to a wide range of partners in the region.
- Promote and share SEStran knowledge and awareness through participation at key conferences, working or enquiry groups.
- SEStran will continue to raise awareness of its statutory role in relation to all other Governance arrangements in the area, including Community Planning Partnerships.

Governance



As the statutory Regional Transport Partnership for the South East of Scotland, SEStran is responsible for developing and maintaining a Regional Transport Strategy, with which local authorities must align their local transport strategies. SEStran provides appropriate platforms 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 2020/21:




- SEStran will ensure appropriate arrangements are in place for stakeholder engagement and involvement in the new Regional Transport Strategy development.
- SEStran will participate in the three regional working groups set up for Transport Scotland's Second Strategic Transport Projects Review, chairing the Edinburgh and East of Scotland grouping.
- As the Strategic Transport Partnership, SEStran will support and provide the strategic transport input for all Growth Deal arrangements in place or evolving across the SEStran area.
- 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 contribute to the work of Community Planning Partnerships within the region.



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5. Annexes




Annex 4.1 – Key Performance Indicators


| GO e-Bike | | | | | |
|--|---|--|--|---------------------------------------|--|
| Impact | Strategic objective | Key focus areas | Key performance indicators | Critical Success Factor | |
| GO e-Bike will add to the active travel facilities in the SEStran region, delivering more sustainable and healthier transport solutions for people in the SEStran region |  | Support GO e-Bike Hubs | User numbers and monitoring impact from hubs | Cooperation from hub partners | |
| | | Increase programme reach and awareness in region. | Website promotion and user campaign “Do the Ride Thing” | Availability of funding | |
| | | Promotion of all forms of e-bikes across region. | Seek additional funding opportunities for further e-bike hubs | Availability of funding | |
| Tripsshare SEStran | | | | | |
| Impact | Strategic objective | Key focus areas | Key Performance Indicators | Critical Success Factor | |
| Reviewing Tripsshare SEStran will help provide an updated platform that is better fit for purpose to meet the needs of the car-sharing community and reduce the number of single occupancy cars. |  | Review the current arrangements for Tripsshare SEStran and continue to explore the best way of promoting car-sharing through an online platform. | Establish options for a Scotland-wide car-sharing platform | Cooperation from other RTPs | |
| | | Provide a platform for large employers in the region to encourage carpooling to work | Work with the SHARE-North project partners to exchange knowledge and implement best practices. | Cooperation from SHARE-North partners | |
| Thistle Assistance Card & App | | | | | |
| Impact | Strategic objective | Key focus areas | Key Performance Indicators | Critical Success Factor | |

| | | | | |
|---|---|--|---|--|
| <p>The Thistle Card App will provide a door-to-door journey planner making public transport more accessible for disabled and older people.</p> <p>Develop awareness of Thistle Assistance Programme</p> |  | <p>Create an app-based door-to-door journey planner with the aim of making public transport more accessible to all.</p> <p>Develop new training tool for operators</p> <p>Utilise new branding, website and social media</p> | <p>Work with 5 Can Do competition winners to develop phase 2 concepts.</p> <p>Work with transport operators</p> | <p>Dependent on securing funding for Phase 2.</p> <p>Increased usage of website/social media</p> <p>Increased awareness amongst public</p> |
| <p>Real Time Passenger Information (RTPi)</p> | | | | |
| <p>RTPi makes public transport more accessible and reliable. The provision of real-time information contributes to tackling a declining bus patronage in the SEStran region.</p> |  | <p>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.</p> | <p>Work with CEC and developers to design a new CMS interface.</p> <p>Integrate key regional operators into the new system. Test new system and role across the region via the digital screen network and other interfaces.</p> | <p>Cooperation from CEC, CMS procurement process and integration of regional operators.</p> |
| <p>Active Travel Programmes</p> | | | | |
| <p>Impact</p> <p>The active travel projects contribute to the development of a regional cycle network, with a particular focus on cross-boundary routes</p> | <p>Strategic objective</p>  | <p>Key focus areas</p> <p>Coordinate new strategic cross-boundary study</p> <p>Design Projects 100% funded</p> <p>Support sustainable cross boundary projects</p> | <p>Key Performance Indicators</p> <p>Identify plan for prioritised routes throughout region</p> <p>Deliver project within budget</p> <p>Deliver project within budget</p> | <p>Critical Success Factor</p> <p>Partnerships with Local Authorities</p> <p>Collaboration with consultants</p> <p>Collaboration with consultants</p> |

| | | | | |
|---|---|---|---|---|
| | | Increase Active Travel reach | Utilise funding opportunities from SG for further project opportunities | Availability of funding |
| Cycle Training and Development | | | | |
| Impact | Strategic objective | Key focus areas | Key performance indicators | Critical Success Factor |
| The cycle training supports the Local Authority Bikeability Co-ordinators and expands cycle training opportunities across the region. |  | Support the coordination of Bikeability Scotland Level 2 delivery. Develop and support pilots for new delivery models. | Increase in Bikeability Scotland Level 2 delivery by 10% across the region. | Cooperation and engagement from Bikeability Co-ordinators. Capacity of co-ordinators. |
| | | 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 in two hubs. Training sessions offered to all employer schemes. | Publication of training sessions and ensuring engagement. |
| SHARE-North | | | | |
| Impact | Strategic objective | Key focus areas | Key Performance Indicators | Critical Success Factor |
| SHARE-North raises the potential for shared mobility to address transport challenges. Mobility hubs will integrate different modes of shared mobility and SHARE-North will contribute to reviewing Tripshare SEStran. |  | 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 1 Mobihub to the SEStran region | Identification of a suitable location for a Mobihub |
| | | Use SHARE-North funding to update and redesign the Tripshare SEStran car-sharing platform | Take learnings from Taxistop, Belgium to promote car-sharing through Tripshare SEStran. | Cooperation from SHARE-North partners |
| SUFLOGH | | | | |
| Impact | Strategic objective | Key focus areas | Key Performance Indicators | Critical Success Factor |

| | | | | |
|--|---|---|--|---|
| <p>SURFLOGH promotes sustainable solutions for urban freight logistics. The pilot with Zedify informs the development of a business case for e-cargo bike deliveries in Edinburgh.</p> |  | <p>Work with Zedify to expand Edinburgh hub</p> <p>Measure impact of Edinburgh hub</p> <p>Explore how sustainable logistics can be integrated further</p> | <p>Increase customer base and number of deliveries for first and last mile deliveries.</p> <p>Measure the equivalent CO₂ emission volumes reduced or saved as a result of the trial</p> <p>Conduct a hackathon in Edinburgh</p> | <p>Cooperation from Zedify</p> <p>Sufficient journey and emissions data from partners</p> <p>Cooperation from participants</p> <p>Cooperation from stakeholders</p> |
| <p>BLING</p> | | <p>Share and disseminate information about sustainable logistics to a wider audience.</p> | <p>Present new research paper at 2020 STAR Conference in Glasgow and at SURFLOGH final conference in Belgium.</p> | <p>Cooperation from audience</p> |
| <p>Impact:</p> <p>The BLING project will deliver a trial that explores opportunities for the integration of Blockchain in transport.</p> |  | <p>Work with project partners, including the University of Edinburgh, to develop and implement a transport focused trial pilot that aims to deliver Blockchain in government. Share and disseminate information about BLOCKCHAIN technology in Transport.</p> | <p>Build on successful pilot with University of Edinburgh. Present key research papers</p> | <p>Cooperation from stakeholders to deliver pilot trial</p> |
| <p>Forum & Liaison Groups</p> | | | | |
| <p>Impact</p> | <p>Strategic objective</p> | <p>Key focus areas</p> | <p>Key Performance Indicators</p> | <p>Critical Success Factor</p> |

| | | | | |
|--|--|---|---|--|
| <p>The Forums facilitate discussion and provide a platform for interested parties to formulate a regional voice in transport-related matters</p> |  | <p>Bring together interested parties and provide a regional voice in transport related matters</p> | <p>Organise three different forums that bring together various stakeholders to address transport related issues.</p> | <p>Involvement of key stakeholders</p> |
| <p>Hate Crime Charter</p> | | | | |
| <p>Impact</p> <p>The Hate Crime Charter will encourage the reporting of hate crime incidents on public transport with the aim of preventing hate crime in the future.</p> | <p>Strategic objective</p>  | <p>Key focus areas</p> <p>Develop a Hate Crime Charter for the region</p> | <p>Key Performance Indicators</p> <p>Produce final draft version</p> <p>Trial the Hate Crime Charter in selected local authorities</p> <p>Potentially rollout the Charter nationally.</p> | <p>Critical Success Factor</p> <p>Cooperation from Police Scotland and Disability Equality Scotland</p> <p>Adoption of Charter by operators</p> <p>Adoption of Charter by operators</p> |
| <p>Governance & Partnership working</p> | | | | |
| <p>Impact</p> <p>Partnership working ensures that SEStran is able to represent the region as a whole in addressing transport related issues.</p> | <p>Strategic objective</p>  | <p>Key focus areas</p> <p>Continue to be involved in pressing transport issues and represent a regional voice in transport related matters in the South East of Scotland</p> | <p>Key performance indicators</p> <p>Continue to be involved in transport related policy developments and respond to relevant consultations</p> <p>Organise stakeholder meetings to address various transport related issues</p> | <p>Critical Success Factor</p> <p>Resource availability</p> <p>Cooperation from stakeholders</p> |
| <p>Continue to provide a representative role for RTP, at meetings of the East Coast Main Line Authorities (ECMA).</p> | | | | |

| Regional Transport Strategy | | | | | |
|---|---|--|--|---|--|
| Impact | Strategic objective | Key focus areas | Key Performance Indicators | Critical Success Factor | |
| <p>To create and maintain a Regional Transport Strategy is a fundamental duty of the RTPs. It is essential that the strategy is kept up to date given that many changes in the transport of people and goods are foreseen in the years to come. The RTS will provide the regional plan of action for future developments and interventions.</p> |  | <p>Following on from the completion of a Main Issues report, procure appropriate consultancy services to develop a new RTS, including delivery of statutory consultation elements and appraisal work, and drafting of the RTS report.</p> <p>Work with the Local Authorities to develop an Electric Vehicle Strategy for the region.</p> | <p>Signed contract with consultants Completion of consultation stages Delivery of appraisal work</p> | <p>Stakeholder engagement</p> <p>Cooperation from Local Authorities</p> | <p>Continue to lead by example and deliver sustainability and climate change objectives as an organisation</p> <p>Provide the Sustainable and Active Travel Fund to help organisations adopt sustainable transport solutions</p> <p>Involvement of organisations</p> |

[Link to annual report](#)

Annex 4.2 – Budget Summary

| | 2013/14 £'000 | 2014/15 £'000 | 2015/16 £'000 | 2016/17 £'000 | 2017/18 £'000 | 2018/19 £'000 | 2019/20 £'000 | 2020/21 £'000 |
|---------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Budget | | | | | | | | |
| Core | 463 | 465 | 550 | 551 | 478 | 531 | 584 | 581 |
| Projects | 504 | 1,076 | 2,384 | 725 | 510 | 614 | 1014 | 943 |
| RTPI | 222 | 286 | 230 | 344 | 339 | 108 | 100 | 50 |
| Total budget | 1,189 | 1,827 | 3,164 | 1,620 | 1,327 | 1,253 | 1,698 | 1574 |

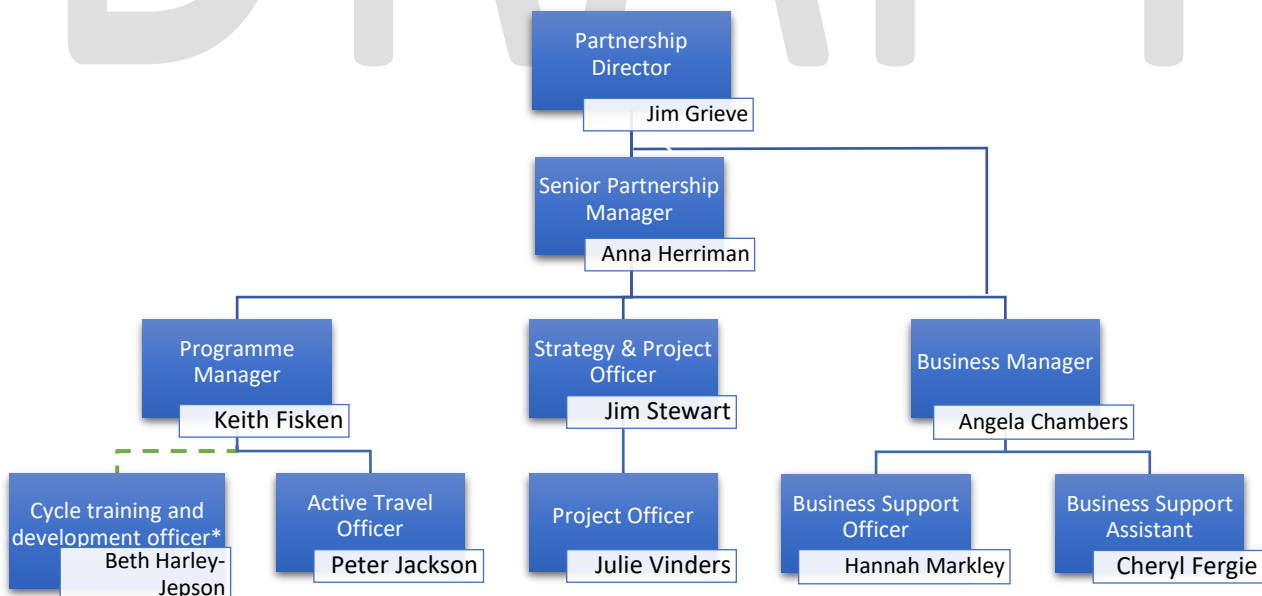
| | | | | | | | | |
|-------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|-------------|
| External funding | | | | | | | | |
| EU grants | 146 | 233 | 131 | 64 | 95 | 139 | 122 | 142 |
| Other income | 61 | 266 | 1,051 | 686 | 250 | 142 | 604 | 460 |
| Bus Investment Fund | - | 346 | 1,000 | - | - | - | - | - |
| Total external funding | 207 | 845 | 2,182 | 750 | 345 | 281 | 726 | 602 |
| Core funding | | | | | | | | |
| Scottish Government | 782 | 782 | 782 | 782 | 782 | 782 | 782 | 782 |
| Council Requisition | 200 | 200 | 200 | 200 | 190 | 190 | 190 | 190 |
| Total funding | 1,189 | 1,827 | 3,164 | 1,620 | 1,327 | 1,253 | 1,698 | 1574 |

Annex 4.3 – Staff and Organisational Chart

| | |
|---|--------------------|
| Partnership Director | Jim Grieve |
| Senior Partnership Manager | Anna Herriman |
| Programme Manager | Keith Fisken |
| Regional 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 | Hannah Markley |
| Business Support Assistant | Cheryl Fergie |

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

Figure 1: Organisational Chart







Projects Performance & EU Exit Update

1. INTRODUCTION

- 1.1 The report provides the Committee with an update on the progress of the various projects SEStran is involved in and covers the position on the EU exit process.


2. Projects performance

- 2.1 The RAG status (red-amber-green) is used throughout the projects update to highlight the current state of progress for each active project.
- 2.2 The table below explains the meaning of the different colours used throughout the report to highlight how a project is progressing:

| Status | Meaning: |
|---|-------------------------------|
|  | Complete |
|  | Progressing according to plan |
|  | Some issues encountered |
|  | Severe issues or delayed |

- 2.3 The strategic objectives as set out in the SEStran Regional Transport Strategy are used throughout the projects update to highlight how the projects link back to the RTS:

 *Economy*

 *Accessibility*

 *Environment*

 *Safety & health*

 *Corporate*

3. EU Exit Update

- 3.1 The UK officially left the EU on 31 January 2020. In the withdrawal agreement, both the EU and UK Government agreed there will be a transition period until December 2020, meaning nothing changes until this date. SEStran has received a letter from the Ministry for Housing, Communities and Local Government (MHCLG) saying all partners in EU-funded projects should continue to deliver project activities, make finance claims, and are still eligible to apply for further ETC (Interreg) funding as part of this current 2014-2020 Programme Period.

4. RECOMMENDATIONS

4.1 It is recommended that the Committee takes note of the contents of the report.

Julie Vinders
Project Officer
28 February 2020

Appendix 1: Projects update

| | |
|-----------------------------|--|
| Policy Implications | |
| Financial Implications | |
| Equalities Implications | |
| Climate Change Implications | |

SEStran Projects Update

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1. Active Travel Projects

1.1 GO e-Bike



In April 2018, SEStran successfully launched GO e-Bike, a regional bike-sharing scheme funded by SEStran, with a contribution from the SHARE-North project. The first four GO e-Bike hubs were launched in St Andrews, Buckhaven, West Lothian and Falkirk and SEStran has secured funding from the Low Carbon Travel and Transport (LCTT) Fund to expand the GO e-Bike scheme through 6 further hubs.

Latest developments:

- **Employer Pool bike Roadshow** Complete
 - After launch in 2018 the employer scheme restarted in March 2019.
 - Summary report is now being drawn up to close off the scheme.
- **GO e-Bike expansion with LCTT funding** In progress
 - Tweeddale Youth Action continue to promote the Hub in the Tweeddale area with cargo bike delivery opportunities being explored with local businesses. A recycling collection service for local businesses and individuals is also being developed.
 - Sites in East Lothian and Midlothian were visited by officers and the contractor Bewegen. Work is now progressing with Scottish Power to begin installation of the stations.

1.2 Regional Cycle Network Grant Scheme



The Regional Cycle Network Grant Scheme continues the partnership between Sustrans Scotland and SEStran's commitment to delivering improvements to the cross-boundary utility routes.

Latest developments:

- **Edinburgh BioQuarter** In progress
 - Agreement on further work has allowed consultants to progress to 3D design between Lady Road and Little France.
 - Final designs will be complete in March for City of Edinburgh to progress the project further within their capital active travel programmes.
- **SEStran Strategic Cycle Network Review** In progress
 - Local Authority partners were engaged through December and January by consultants to scope issues across the region.
 - A wider stakeholder workshop was facilitated in January to look at opportunities across and boundaries.
 - Arup are currently compiling options for a shifting exercise at the end of February.

1.3 Regional Active Travel Development Fund – Transport Scotland



SEStran received £200,200 in funding for cross-boundary active travel routes in the SEStran region. SEStran is using the funding for three feasibility and design studies in Falkirk, Midlothian and East Lothian. For the financial year 2019/20 SEStran has received £250,000 for a series of new projects that are getting underway.

Latest developments:

- **Project 1: Kirkcaldy to Buckhaven** In progress
 - AECOM are continuing design work with consultations within a number of the communities along the route and have now compiled all the findings.
 - Following a progress meeting with SEStran and Fife Council, AECOM are now preparing further design work with some rescoping after the public consultations.
- **Project 2: Alloa Town Centre Street Design** In progress
 - Developing design to enhance the centre for active mobility and better access to services and public transport.
 - **Total award £80,000**
- **Project 3: West Lothian Active Travel Links** In progress
 - To provide active travel provision between Ecclesmachan and Threemiletown, providing a safe link to local bus services.
 - To provide a link from Bathgate Hills quiet roads through Bangour and connect to the Livingston green network.
 - **Total award £55,000**
- **Project 4: ELGT Wisp to Sheriffhall Greenway** In progress
 - Design of active travel route from The Wisp to the Sheriffhall roundabout, linking through new development land and connecting with the path network at the Edinburgh Royal Infirmary.
 - Additional links to Danderhall would be investigated to provide a safe link onto the greenway and access to services.
 - **Total Award £35,000**

1.4 Cycle Training & Development – Cycling Scotland



Support and develop the delivery of Bikeability Scotland National Standard cycle training by local authority Bikeability coordinators. Promote, encourage and develop cycle training opportunities across SEStran projects.

Latest developments:

- **Bikeability Scotland** In progress
 - Falkirk and Scottish Borders are priority areas for support with Bikeability as they have the lowest delivery rates in Scotland. Revised delivery plans have been signed off for both areas. A meeting has been held with Falkirk Council to address low delivery rates. Discussions have been held with Scottish Borders to revise their offer to schools.
 - The annual Bikeability conference is being held in Perth on the 24th March.

- A Bikeability comms strategy is currently being rolled out across six LAs in Scotland to increase awareness of the programme. Three are within SEStran area: Falkirk, West Lothian and Fife.
- **GO e-Bike cycle training** In progress
 - Training is being offered to all hubs as they are completed and as part of ongoing development plans.
 - Tweeddale Youth Action Bike Punks project completed Cycle Ride Leader & Led Ride Assistant course.
 - Tweeddale Youth Action Bike Punks project are receiving a four-day Cycle Trainer course to enable them to support the delivery of Bikeability Scotland cycle training in schools. This course also provides them the opportunity to go on to offer adult cycle training with a short supplementary training course.
 - A Cycle Trainer Assistant course was set-up for West Lothian Bike Library to enable them to support the delivery of Bikeability Scotland in West Lothian and surrounding LAs. They were supported to become an approved supplier on the Bikeability Scotland Training Provider DPS. They have since been appointed to provide training support to schools in Midlothian.
- **Adult Cycle Training** In progress
 - Potential for adult cycle training course currently being explored with Cycling Scotland tutors. Pilot would likely be in Edinburgh or East Lothian.

2. Public Transport Projects

2.1 Real Time Passenger Information (RTPI)



SEStran's RTPI system began in 2010 with the aim to tackle a declining bus patronage and make bus travel more predictable and reliable. SEStran is working with the City of Edinburgh Council to move towards a new Content Management System that will improve the public facing regional screen network.

Latest developments:

- **New Content Management System** *Delayed*
 - The new Content Management System tender process has been completed by City of Edinburgh, with the successful contractor 21st Century (now named Journeo <https://www.journeo.com>) being appointed.
 - Work has now begun on the design on the new CMS including the SEStran regional system.
 - SEStran & Journeo are currently developing a project plan to implement the new CMS with the aim of an operational RTPI solution in place by June 2020.
 - An interim step is being developed using Trapeze scheduled data and Journeo software for deployment across the existing screen network.
 - Additional funds from the LEZ fund will be used to upgrade the existing Windows 7 PCs that are used in the system to Windows 10 to improve the capability of the system.
- **Identifying funds to support ETM purchase, agreeing conditions of grant** *In progress*
 - Two regional bus operators, Peter Hogg of Jedburgh and Telford Coaches, require new electronic ticket machines (ETMs) to facilitate integrated ticketing, contactless payments and Real Time Passenger Information.
 - SEStran successfully applied to Transport Scotland's LEZ fund, for funds to meet the total cost of grant aid of £42,560 provide grant aid to the two operators.

2.2 Thistle Assistance Programme



The South East of Scotland Transport Partnership has developed the Thistle Assistance Card and App to make using public transport easier for older people and those with disabilities, illness or mobility issues. SEStran is currently undertaking work to improve and evolve the program.

Latest developments:

- **Journey Planner App - Phase One Proof of concept development** *Complete*
 - SEStran has been working to develop an intermodal journey planner and Thistle Card App, which will make it easier for people to plan and make journeys by public transport.
 - Phase 1 concepts were evaluated on the 8th of November 2019 with presentations to Scottish Enterprise, Transport Scotland & SEStran from the 5 developers.
 - In each case the 5 developers determined that there was a viable proof of concept (POC) that could be taken forward.
 - SEStran is working with Scottish Enterprise and other funding bodies to explore potential funding for Phase 2.

- **Thistle Assistance Website & Branding** Complete
 - SEStran has been working with the Hillside Agency on the development of the new Thistle Assistance branding, website and campaign.
 - HITRANS asked SEStran to develop a television advert to use in their region and this has been actioned. This went onto STV in the Hitrans region at the end of November. The development costs will be covered by HITRANS.
 - The Thistle Assistance website was also launched at the end of November www.thistleassistance.com
 - Work complete with the website, new branding and campaign available to all partners to use to promote the facility.
 - SEStran is investing £20K in an expanded advertising campaign using radio (Forth FM & Radio Borders) and print media.

- **SEStran Website – Accessibility Regulations 2018** In progress
 - In order to comply with legislation ([Public Sector Bodies \(Websites and Mobile Applications\)\(No. 2\) Accessibility Regulations 2018](#)) SEStran will be developing the Partnership website to improve accessibility across the site for all users and at the same time improve the functionality of the site.
 - The legislation states that public sector websites and mobile apps should be made accessible;
 - Any new sites from September 2018 should be accessible after September 2019. Existing sites should be made accessible from September 2020. Mobile applications after June 2021;
 - Accessible means Complies with all Level A and AA Success Criteria of the Web Content Accessibility Guidelines (WCAG) version 2.1;
 - £2,000 allocated from the Transport Scotland Fund will be used to undertake the work as part of the Thistle Assistance program development.

- **Marketing Communications Internship** In progress
 - SEStran has been working in partnership with Inclusion Scotland to provide an Internship to work on the Thistle Assistance program.
 - The position focuses on marketing and communications and is based in Victoria Quay starting in November 2019 and running up to the middles of April 2020.

2.3 Local Rail Development Fund (LRDF)



The £2 million Scottish Government [Local Rail Development Fund](#), was announced in February 2018, with the aim of providing funding to develop community led options to improve local rail connections.

Latest developments:

• **Newburgh Train Station**

In Progress

- SEStran & Fife Council supported a successful bid from the Newburgh Train Station Group for the first phase of funding.
- £82,000 (exc. VAT) was secured to undertake a multi-modal transport appraisal in the Newburgh area with SYSTRA appointed to undertake the work in December 2018.
- Phase 1 – the Initial Case for Change was completed in April 2019 with a report submitted to Transport Scotland (TS).
- In January 2020 after feedback was received from TS the Case for Change report was amended and resubmitted with a recommendation that the project continue to the next stage – Initial Options Appraisal.
- The report is currently with the Transport Scotland Appraisal team being reviewed.
- £17,000 has been claimed from the budget for the work to date.

• **Forth Freight Strategy**

In Progress

- SEStran in partnership with Forth Ports made a successful application in June 2019 to the second round of LRDF funding and will receive up to £150,000 to conduct the study.
- The proposal is for a multi-modal freight study in the Port of Leith and other ports on the Forth to explore key issues and opportunities whilst maximising the potential for existing infrastructure (rail heads etc.).
- Procurement for a contractor to work on the study is underway via Public Contracts Scotland.
- The procurement process closed on the 21st of February with the project reviewing submissions with the aim of appointing a contractor to help with the work by end March 2020.
- End date for the study with a final report due is March 2021.

2.4 LEZ Public Transport Provision Fund



SEStran has taken initiative to set up an LEZ Regional Stakeholder Group, to cover the latest Edinburgh LEZ developments and identify funding opportunities to mitigate cross-boundary implications. The group meets every 3-4 months and is attended by Local Authority Officers as well as Transport Scotland. In November 2019, SEStran secured £205,000 funding from the LEZ Public Transport Provision Fund from Transport Scotland for four projects which are to be delivered by this financial year 2019/2020.

Latest developments:

• **Regional Park & Ride Strategic Study**

In progress

- Arup has been appointed to review and update the 2009 Regional Park and Ride Strategy. The purpose of the study is to review present day Park and Ride provision and usage in the SEStran area, and to set a framework for the development and assessment of future investment in Park and Rides across the region.

- **Smart Ticketing Machines** In progress
 - SEStran will purchase Smart Ticket machines for two of the region’s local bus operators, which will help facilitate real time passenger information on the services operated.
 - SEStran will also use this funding for a software upgrade for the RTPi provided on digital screens across the region.
- **Mobility Hub Strategic Study** In progress
 - Based on the learnings from the SHARE-North project, SEStran has appointed Steer Group for the development of a “Mobility Hub” Strategic study to help promote shared mobility in the SEStran area and guide the implementation of Mobility Hubs as a complementary measure to maintain levels of accessibility as a result of the LEZ intervention.
- **Demand Responsive Transport (DRT) Strategic Study** In progress
 - SYSTRA has been appointed for the development of a “Demand Responsive Transport” (DRT) Strategic Study for the SEStran region to support access to the city for those with limited public transport solutions (such as in rural areas) as an alternative to upgrading to a compliant vehicle that meets the LEZ standards.

3. European-funded Projects

3.1 SHARE-North

Interreg North Sea Region – Jan 2016 to Dec 2021



SHARE-North focuses on shared mobility modes and their potential to address sustainable transport challenges in the North Sea region. This includes developing, implementing, promoting and assessing car sharing, bike sharing, ride sharing and other forms of shared mobility in urban and rural areas and employment clusters.

Latest developments:

- **Mobility Hubs** In progress
 - SEStran has been exploring various avenues to introduce the Mobility Hub concept to the SEStran area. In doing so, SEStran builds on the expertise and support from the European partners.
 - A Mobility Hubs seeks to raise the profile of shared mobility (car club, bike-sharing, carsharing), by integrating these modes of transport with existing public transport provision.
 - SEStran is using the LEZ Public Transport Provision Funding from Transport Scotland to develop a framework for the implementation of Mobility Hubs in the SEStran region.
- **Tripshare SEStran** In progress
 - SEStran is reviewing Tripshare SEStran and is in the process of rebranding the website.
 - SEStran will present the platform at a SHARE-North online webinar which will be held in March 2020.

3.2 REGIO-Mob

Interreg Europe – Apr 2016 to March 2020



REGIO-Mob aims to promote “learning, sharing of knowledge and transferring best practices between the participating regional and local authorities to design and implement regional mobility plans (or Regional Transport Strategies)”.

Latest developments:

- **Project activities and Final Conference** Complete
 - The Final Conference was held in October 2019 and the remainder of the project months focused on the administrative closure of the project.
- **Project closure** In progress
 - The final projects report summarises the impact REGIO-Mob has had on promoting active mobility through e-bikes. The impact of e-bikes to make cycling more accessible and their potential to facilitate mode shift was evidenced through GO e-Bike and will be incorporated into the Regional Transport Strategy.

3.3 SURFLOGH

Interreg North Sea Region – Jun 2017 to Oct 2020



SURFLOGH aims to improve the role of logistics hubs in the network of urban logistics in the North Sea Region. By introducing city labs, a transnational platform is created to promote innovation in city logistics. These platforms will bring together different actors to exchange knowledge, work on innovative pilot projects and implement results within policy strategies and the urban logistics system.

Latest developments:

- **Development of business case with Edinburgh Napier University** In progress
 - SEStran is leading on a work package along with Edinburgh Napier University Transport Research Institute (TRI), developing business models for urban freight hubs.
 - The first stage of the research (literature review) and business model framework has been completed by SEStran and Edinburgh Napier University and has been presented to the project team and EU Joint Secretariat for review.
 - A further paper is being developed for publication and presentation.
- **Edinburgh Pilot – ZEDIFY** In progress
 - The pilot is up and running and currently delivering up to one pallet worth of small packets in central Edinburgh from a site west of Haymarket station.

3.4 BLING

Interreg North Sea Region – Jan 2019 to Dec 2021



Blockchain is a key enabling technology that will underpin efforts to deliver innovative services under the Digital Agenda for Europe. The BLockchain IN Government (BLING) project focuses on providing one of the first dedicated platforms to bring these tools and approaches into local and regional services. SEStran will be developing a pilot with the University of Edinburgh, which will showcase innovative use of the technology in a transport environment.

Latest developments:

- **Development of Edinburgh Pilot**

In progress

- The Design Informatics team at the University of Edinburgh team supported by SEStran is prototyping ways to create Location Based Smart Contracts – agreements about the location and relations of smart objects in space that allow conditions such as proximity or co-location to trigger actions like financial transfers or opening physical locks. These systems are backed with blockchains, to explore new techniques to make location data secure without being invasive.
- Further work will continue to move the pilot from ‘the lab’ into the real world with a successful test of the technology using the cycle logistics company ZEDIFY completed in December 2019.
- A ‘Collider’ event focused on the potential applications of blockchain technology and the issues (policy & legal) will be hosted by the University of Edinburgh & SEStran on the 18th of March 2020.
- Edinburgh will host a BLING partnership group meeting and ‘mini-conference’ in May 2020.

3.5 PriMaaS

Interreg Europe – Aug 2019 to Jan 2023



Mobility-as-a-Service (MaaS) is a recent concept whose main objective is to change the way people travel and pay for mobility services. The main vision of PriMaaS is to promote MaaS and incorporate wider societal goals through interregional collaboration, sharing best practices, and policy development.

Latest developments:

- **PriMaaS Regional Stakeholder Group**

In progress

- The first Regional Stakeholder Group was held on 15 January 2020 at Victoria Quay, Edinburgh. The meeting was attended by Transport Scotland, Local Authorities, MaaS Scotland, CoMoUK, and various consultancies including SIEMENS, JLM Consulting and IBI Group.
- Through this meeting, a baseline was established of the current levels of MaaS integration in the SEStran area.

- **Preparation of Baseline Assessment Report**

In progress

- As part of the first phase of the project, SEStran is tasked with producing a Baseline Assessment Report, which will assess the current levels of transport and MaaS integration in the SEStran area. It is intended to resource this work externally.

3.6 CONNECT

Interreg North Sea Region – Oct 2019 to Mar 2022



CONNECTing North Sea Region's TEN-T nodes – Support intermodality growth in the North Sea Region through smart efficiency enhancements. The overall objective is to support smart intermodality growth in the NSR through efficiency enhancements. The project focuses on: implementation of new smart processes and working tools (smart intermodality) and development of strategies for smart efficiency enhancements (smart involvement). <https://northsearegion.eu/north-sea-connect>

Latest developments:

- **Project Application**

Delayed

- The CONNECT project is currently on hold due to the departure of one partner.
- Discussions are taking place with the Interreg Joint Secretariat as to the future of the project.

4. SEStran forums & upcoming events

4.1 SEStran Forum Meetings



SEStran hosts three different forum groups which are held twice a year. The aim of these forums is to provide a platform for interested parties to come together and to formulate a regional voice in various transport-related matters.

Upcoming meetings:

- **Equalities and Access to Healthcare Forum**

The next forum will be held at Victoria Quay, Edinburgh from 10:00-12:30 on Wednesday 1 April 2020.

- **Integrated Mobility Forum**

The next forum will be held at Victoria Quay, Edinburgh from 10:00-12:30 on Friday 24 April 2020

- **Logistics and Freight Forum**

The next forum will be held at Victoria Quay, Edinburgh from 13:30-16:30 on Wednesday 13 May 2020. This forum will be linked to the BLING partner meeting, which SEStran is hosting in Edinburgh.

Cyber Resilience

1. INTRODUCTION

- 1.1 This purpose of this report is to provide the Committee with an update on the ongoing Cyber Resilience programme of work being undertaken by SEStran.

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 placed on public sector bodies was to achieve [Cyber Essentials](#) certification.
- 2.3 Following pre-assessment in March 2018, Cyber Essentials was awarded to the partnership 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. CYBER SECURITY

3.1 Cyber Essentials

- 3.1.1 It is recommended that assessment for Cyber Essentials is carried out on an annual basis and re-assessment, followed by an independent audit of the full network was conducted in February 2020, resulting in SEStran retaining its Cyber Essential PLUS status for a further year.

3.2 Scottish Public Sector Supplier Cyber Security - Guidance Note

- 3.2.1 In January 2020 the Scottish Government issued the Scottish Public Sector Supplier Cyber Security - Guidance Note. The key aims of the guidance is:
- To support Scottish public sector organisations to put in place consistent, proportionate, risk-based policies that effectively reduce the risk of Scottish public services being damaged or disrupted by cyber threats as a result of supplier cyber security issues; and
 - to minimise any necessary additional burdens on Scottish public sector organisations (as purchasers) and private and third sector organisations (as suppliers), whilst ensuring the presence of proportionate cyber security controls in the public sector supply

chain. This includes a requirement to avoid discouraging SMEs, in particular, from bidding for public sector contracts.

- 3.2.2 The guidance provides organisations with an improved awareness of supply chain security, as well as helping to raise the baseline level of competence, through the continued adoption of good practice.
- 3.2.3 Furthermore, Scottish public sector organisations are encouraged to take a proportionate approach to the application of security controls in line with the guidance note. Where a cyber risk has been identified, any decisions about minimum cyber security requirements should be risk-based and proportionate to an organisation's risk appetite. This is to avoid an overly prescriptive approach to cyber security.
- 3.2.4 Whilst SEStran holds limited data, Officers will carry out a review of the partnership's supplier chain cyber security and implement the principles, where appropriate, in line with the guidance and supporting toolkits, using a proportionate and risk-based approach.
- 3.2.5 Once this exercise is concluded, any significant actions identified will be included in the partnership's risk register, which is regularly presented to the Performance and Audit Committee.

4. RECOMMENDATIONS

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

Angela Chambers
Business Manager
March 2020

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| Policy Implications | As outlined in the report |
| Financial Implications | Cost of reassessment at £1500 |
| Equalities Implications | None |
| Climate Change Implications | None |