

**SESTRAN PARTNERSHIP BOARD MEETING**

**Dunedin Room, City Chambers, Edinburgh, EH1 1YJ  
10:00am Friday 20<sup>th</sup> March 2020**

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

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

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Gavin King  
Secretary to SESTRAN  
Democracy, Governance and Resilience Senior Manager  
Strategy & Communication Division  
The City of Edinburgh Council  
Waverley Court 2.1  
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13<sup>th</sup> March 2020

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Agendas and papers for all SEStran meetings can be accessed on [www.sestran.gov.uk](http://www.sestran.gov.uk)

## SEStran Partnership Board Minutes

10am, Friday 6 December 2019

European Room, City Chambers, Edinburgh, EH1 1YJ

### Present

### Name

### Organisation Title

Cllr Gordon Edgar (Chair)	Scottish Borders Council
Laura Alexander	Non-Councillor Member
Cllr Karen Doran	City of Edinburgh Council
Cllr Jim Fullarton	Scottish Borders Council
Vivienne Gray	Non-Councillor Member
Cllr Norman Hampshire	East Lothian Council
Callum Hay	Non-Councillor Member
Simon Hindshaw	Non-Councillor Member
Cllr Russel Imrie	Midlothian Council
Richard Llewellyn	Non-Councillor Member
Cllr Lesley Macinnes	City of Edinburgh Council
Cllr Laura Murtagh	Falkirk Council
Cllr Cameron Rose	City of Edinburgh Council
Cllr Peter Smaill	Midlothian Council
Catherine Thomson	Non-Councillor Member
Barry Turner	Non-Councillor Member

### In Attendance

Angela Chambers	SEStran
Kevin Collins	Falkirk Council
Keith Fisker	SEStran
Rhianne Forrest	SEStran
Ken Gourlay	Fife Council
Jim Grieve	SEStran
Anna Herriman	SEStran
Gavin King	City of Edinburgh Council (Secretary)

Paul Lawrence	City of Edinburgh Council
Martin Scott	City of Edinburgh Council (Clerk)
Iain Shaw	City of Edinburgh Council (Treasury)
Jim Stewart	SEStran

**Apologies for  
Absence**

Cllr David Key	City of Edinburgh Council
Cllr Donald Balsillie	Clackmannanshire Council
Cllr Craig Hoy	East Lothian Council
Cllr Colin Davidson (Deputy Chair)	Fife Council
Cllr Dave Dempsey	Fife Council
Cllr Ian Ferguson	Fife Council
Cllr Cathy Muldoon	West Lothian Council
Dr Doreen Steel	Non-Councillor Member
Paul White	Non-Councillor Member

**Resolution to Consider in Private**

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

**C1. Regional Governance and the Regional Transport Strategy**

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The Board were advised of the potential conflicts arising from the Regional Growth Framework Proposals.

**Decision**

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

(Reference – report by the Partnership Director, submitted)

## All Board - Thistle Assistance Presentation

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The Board received a presentation from Keith Fiskin and Rhianne Forrest of SEStran on the Thistle Assistance relaunch. Thistle Assistance was about helping to relieve travel anxiety and encourage people to feel confident when using different forms of public transport across Scotland. There was an increased awareness about individuals who had mobility issues and support was out there but there were still barriers faced by individuals.

A newly designed Thistle Assistance card, app and website was being launched to help make travelling by public transport in Scotland more accessible for everyone. The new Thistle Assistance website was complemented by dedicated social media pages to engage with and learn from people who use the card and app. Research for the card and app highlighted individual's experiences of travel and the barriers they faced. The initial stage of the Thistle Assistance Journey Planner app was completed in 2019 and the app would be more fully developed from the beginning of 2020.

Following a wide-ranging discussion and a number of questions, the following key points emerged:

- The app could be tailored to suit the needs of individuals. For example, the solution for individuals with visual impairments would be more audio based and a solution for individuals with hearing impairments would be visual.
- SEStran and their partners would be working on a training toolkit that would be delivered with transport operators, for their staff in the first quarter of 2020. Edinburgh Trams had already put material in their induction pack.
- The card and app may be useful during pregnancy, or if you have temporary mobility issues, when some extra care and assistance may be required

### Decision

To thank Keith Fiskin and Rhianne Forrest for their presentation.

## A1. Minutes

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### Decision

- 1) To agree the minute of the SEStran Partnership Board of 27 September 2019 as a correct record subject to removing Cllr Murtagh from the list of members present.
- 2) To agree the minute of the Succession Planning Committee of 8 November 2019 as a correct record.
- 3) To agree the minute of the Performance and Audit Committee of 22 November 2019 as a correct record.

## **A2(a) Financial Planning 2020/23**

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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**

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.

### **Declaration of Interest**

Councillor Cameron Rose declared a non-financial interest as a member of the Lothian Pension Fund Committee.

(Reference – report by the Treasurer, submitted)

## **A2(b) Finance Officer's Report**

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The Board considered a report which presented the second update on financial performance of the Core and Projects budgets of the Partnership for 2019/20, in accordance with the Financial Regulations of the Partnership. The report provided an analysis of financial performance to the end of October 2019.

### **Decision**

- 1) To note the forecast underspend of £67,000 on the core employee budget and overspend of £15,000 on the Projects budget – a net forecast underspend of £52,000.
- 2) To note that a further update would be presented to the March 2020 meeting of the Partnership.

(Reference – report by the Treasurer, submitted)

## **A2(c) Treasury Management – Mid-Term Review**

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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 on its behalf.

(Reference – report by the Treasurer, submitted)

### **A3. Projects Performance and EU Exit Update**

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

#### **Decision**

- 1) To note the report.
- 2) To approve the Grant awards detailed in section 1.3 of the projects update. The total value of awards was £170,000 which comes from the total award from Transport Scotland for this fund.
- 3) To approve the Grant awards outlined in section 2.1 of the report by the Programmes Manager, of £29,260 to Peter Hogg of Jedburgh and £13,300 to Telford Coaches, for the purchase of new electronic ticket machines to facilitate integrated ticketing, contactless payments, and Real Time Passenger Information. The total value of awards was £42,560 which could be met from funds available within the annual award from Transport Scotland to SEStran.
- 4) To agree to explore the possibility of Board involvement in the quarterly bus operator meetings and explore mechanisms of reporting the outputs of the meetings to the Board.

(Reference – report by the Programmes Manager, submitted)

### **A4. Appointments to Performance & Audit Committee**

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The Board's approval of the City of Edinburgh Council representative to the Performance and Audit Committee was sought.

#### **Decision**

- 1) To approve the appointment of the Cllr. Rose to the Performance and Audit Committee.
- 2) To note East Lothian Council representation would be reported to a future Board.
- 3) To note the membership of the Performance and Audit Committee

(Reference – report by the Secretary, submitted)

### **A5. Dates of Future Meetings 2020**

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The proposed calendar of SEStran Partnership Board meetings in 2020 along with the full schedule of SEStran meetings was submitted.

#### **Decision**

To approve the proposed programme of meetings for 2020.

(Reference – report by the Business Manager, submitted)

## **A6. Date of Next Meeting**

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### **Decision**

To note that the next meeting would be held on Friday 20 March 2020 at 10am in the Dean of Guild Room, City Chambers, Edinburgh.

## **B1. Climate Change Report**

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The Board received a report which outlined SEStran's responsibilities, as a public body, in relation to the Climate Change Act (Scotland) 2009.

### **Decision**

To note the report.

(Reference – report by the Active Travel Officer, submitted)

## **B2. Risk Management Report**

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The biannual risk register update was provided.

### **Decision**

To note the report and the risk register

(Reference – report by the Business Manager, submitted)

## **B3. Board Diversity Succession Plan**

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The Board Diversity Succession Plan was presented for noting.

### **Decision**

- 1) To note the Board Diversity Succession Plan.
- 2) To note that officers would liaise with Scottish Government colleagues to receive information on Members diversity, in relation to their protected characteristics.
- 3) To note that officers would undertake an exercise to conduct a skills audit of the current Board members.

(Reference – report by the Business Manager, submitted)

## **B4. Consultation Responses**

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Details were provided of the Partnership's response to National Transport Strategy 2 (NTS2).

### **Decision**

To note the response.



## **B5. Minutes**

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### **Decision**

- 1) To note the minute of the Equalities and Access to Healthcare Forum of 2 October 2019.
- 2) To note the minute of the Integrated Mobility Forum of 10 October 2019.
- 3) To note the minute of the Logistics & Freight Forum – 31 October 2019.
- 4) To note the minute of the Chief Officers Liaison Group Meeting of 6 November 2019.

**PERFORMANCE & AUDIT COMMITTEE**

**HELD IN THE MANDELA ROOM, CITY CHAMBERS, EDINBURGH, EH1 1YJ  
ON FRIDAY 6 MARCH 2020  
10AM**

<b>PRESENT:</b>	<u>Name</u>	<u>Organisation Title</u>
	Councillor Imrie (Chair)	Midlothian Council
	Councillor Balsillie	Clackmannanshire Council
	Councillor Dempsey	Fife Council
	Councillor Fullarton	Scottish Borders Council
	Councillor Murtagh (by telephone)	Falkirk Council
	Councillor Rose	City of Edinburgh Council
	Barry Turner	Non-Councillor Member
	Dr Doreen Steel (by telephone)	Non-Councillor Member

<b>IN ATTENDANCE:</b>	<u>Name</u>	<u>Organisation Title</u>
	Angela Chambers	SEStran
	Jim Grieve	SEStran
	Anna Herriman	SEStran
	Nicola Mackenzie	Scott Moncrieff
	Martin Scott	City of Edinburgh Council
	Iain Shaw	City of Edinburgh Council
	Dheeraj Shekhar	City of Edinburgh Council

**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 Callum Hay, Simon Hindshaw and Gavin King.

**A3. DECLARATION OF INTERESTS**

None.

**A4. MINUTES**

To approve the minute of the Performance and Audit Committee of 22 November 2019 as a correct record.

## **A5. Audit Plans**

### (a) External Audit Plan 2019/20

A summary of the work plan for the 2019/20 external audit of the South East of Scotland Transport Partnership (“the Partnership”) was provided.

#### **Decision**

To note the report.

#### **Declaration of Interest**

Councillor Cameron Rose declared a non-financial interest as a member of the Lothian Pension Fund Committee.

(Reference – report by the External Auditor, submitted)

### (b) Internal Audit 2019/20

An update on the outcomes of the 2019/20 SEStran Internal Audit review was provided. Members were invited to provide insights on areas for potential inclusion in the scope of the planned 2020/21 audit.

#### **Decision**

1) To note the outcomes of the 2019/20 Internal Audit review.

(Reference – report by the Chief Internal Auditor, submitted)

## **A6. Finance Reports**

### (a) Revenue Budget 2020/21

Details were provided of the revenue budget for 2020/21 for review by the Committee.

#### **Decision**

- 1) To note the financial planning assumptions for the Partnership’s revenue budget for 2020/21.
  
- 2) To note that financial planning for 2021/22 to 2022/23 would be developed throughout 2020 for consideration by the Partnership in autumn 2020.
  
- 3) To note that the proposed budget was subject to a number

of risks and that all income and expenditure of the Partnership would continue to be monitored closely with updates reported to each Partnership meeting.

(Reference – report by the Treasurer, submitted)

(b) Annual Treasury Management Strategy

Details were provided on the proposed Investment Strategy for 2020/21.

**Decision**

To refer the Strategy to the Partnership Board to approve the continuation of the current arrangement, as outlined in Appendix 1.

(Reference – report by the Treasurer, submitted)

(c) Reserves Policy

The Scottish Government had advised that the Transport (Scotland) Act 2019 was to be enacted on 19 March 2020. The Partnership was recommended to approve a Reserves Policy, given the amendments to Regional Transport Partnerships powers included in the Act.

**Decision**

To note the report.

(Reference – report by the Treasurer, submitted)

**A7. NEW REGIONAL TRANSPORT STRATEGY (RTS) UPDATE**

An update was provided on the work to develop the new Regional Transport Strategy (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.

The update included details on the national context for the RTS rewrite, including legislative changes with relevance to the operation of Regional Transport Partnership.

**Decision**

To note the report.

(Reference – report by the Senior Partnership Manager, submitted)

## **A8. DRAFT BUSINESS PLAN**

The first draft of SEStran's Business Plan for 2020/21 was submitted.

Following a wide-ranging discussion and exchange of views, the following key points emerged:

- How would the hydrogen versus electric vehicle debate be included in future business plans
- An electric vehicle strategy and hydrogen strategy were being worked on but were not included in the business plan
- A hydrogen filling station had opened in Wallyford which was fully funded by the private sector. Larger vehicles were moving towards hydrogen and to be aware of this in SEStran's strategic planning
- Any questions prior to the Board meeting would be welcome.

### **Decision**

To note the Draft Business Plan 2020/21.

(Reference – report by the Senior Partnership Manager, submitted)

## **A9. PROJECTS PERFORMANCE & EU EXIT UPDATE**

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

### **Decision**

To note the update.

(Reference – report by the Senior Partnership Manager, submitted)

## **A10. CYBER RESILIENCE UPDATE**

An update was provided on the ongoing Cyber Resilience programme of work being undertaken by SEStran.

### **Decision**

To note the report.

(Reference – report by the Business Manager, submitted)

**A10. DATE OF NEXT MEETING**

Friday 5 June 2020 at 10.00am in the Mandela Room, City Chambers,  
Edinburgh, EH1 1YJ.

## **External Audit Plan 2019/20**

### **1. PURPOSE OF REPORT**

- 1.1 To present the External Audit Plan for 2019/20.

### **2. SESTRAN 2019/20 – ANNUAL AUDIT PLAN**

- 2.1 Scott-Moncrieff, as the appointed independent external auditor of the Partnership, have prepared an Annual Audit Plan for 2019/20. This plan details the audit approach based on an understanding of the characteristics, responsibilities and principal activities, risks and governance arrangements of the Partnership. A copy of the Plan is appended to this report.
- 2.2 The External Audit Plan 2019/20 was considered and noted by Performance and Audit Committee at its meeting on 6 March 2020.

### **3 RECCOMENDATION**

- 3.1 It is recommended that members review and note the External Audit Plan for 2019/20.

Jim Grieve  
**Partnership Director**  
13 March 2020

**Appendix:** External Audit Plan 2019/20

# South East of Scotland Transport Partnership

External Audit Annual Plan 2019/20

March 2020







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# 1. Introduction

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## 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](http://www.audit-scotland.gov.uk).



# 2. Respective responsibilities of the auditor and the Partnership

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## 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.

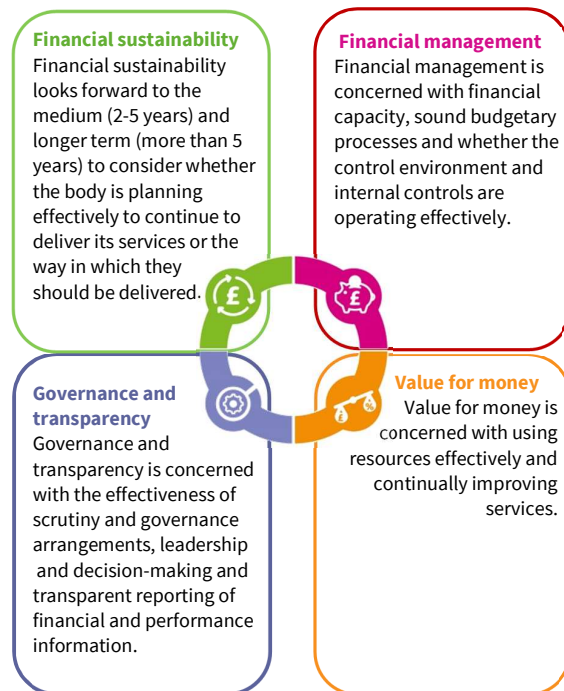
#### Our responsibilities

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

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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

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21. The Accounts Commission has set the following five strategic Audit Priorities that it expects auditors to consider in all work across local government<sup>1</sup>:
- 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.

<sup>1</sup> Areas noted in ( ) relate to the corresponding wider scope audit dimension



## Exhibit 2 – Partnership’s responsibilities

Area	Partnership’s responsibilities
<p><b>Financial statements:</b> 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"> <li>• 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;</li> <li>• 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;</li> <li>• maintaining proper accounting records;</li> <li>• 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.</li> </ul>
<p><b>Financial sustainability:</b> 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"> <li>• Such financial monitoring and reporting arrangements as may be specified;</li> <li>• Compliance with any statutory financial requirements and achievement of financial targets;</li> <li>• Balances and reserves, including strategies about levels and their future use;</li> <li>• How the organisation plans to deal with uncertainty in the medium and long term; and</li> <li>• The impact of planned future policies and foreseeable developments on the financial position.</li> </ul>



Area	Partnership's responsibilities
<p><b>Financial management:</b> 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><b>Governance and transparency:</b> 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><b>Value for money:</b> 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

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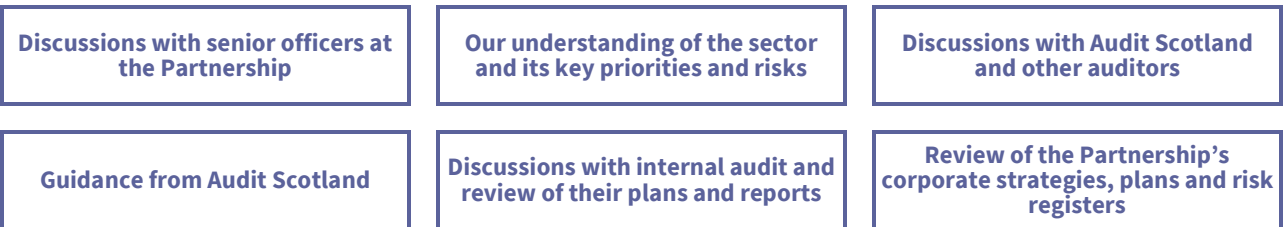


# Audit strategy

## 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

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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

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# 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><b>Overall materiality:</b> 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><b>Performance materiality:</b> 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

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## 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

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## 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
<b>Total expected fee</b>	<b>£10,010</b>	<b>£11,150<sup>2</sup></b>

### 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.

<sup>2</sup> 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:

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



# 7. Appendices

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## 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](mailto: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](mailto: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 Partnership Board'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. 2020/21 INTERNAL AUDIT REVIEW**

- 3.1 The Internal Audit team has now completed their 2020/21 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 Board is requested to:
  - note the outcomes of the 2019/20 IA review;
  - confirm whether IA assurance in 2020/21 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](mailto:lesley.newdall@edinburgh.gov.uk) | Tel: 0131 469 3216

March 2020

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

28<sup>th</sup> 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.

# Contents

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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 5<sup>th</sup> 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:**

1<sup>st</sup> 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:**

30<sup>th</sup> 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
<b>Critical</b>	<p>A finding that could have a:</p> <ul style="list-style-type: none"> <li>• <b>Critical</b> impact on operational performance that would prevent SEStran from being able to operate in the long term*; or</li> <li>• <b>Critical</b> 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</li> <li>• <b>Critical</b> breach in laws and regulations that could result in material fines or long term consequences; or</li> <li>• <b>Critical</b> impact on the reputation of the organisation which could threaten its future (long term) viability.</li> </ul>
<b>High</b>	<p>A finding that could have a:</p> <ul style="list-style-type: none"> <li>• <b>Significant</b> impact on operational performance that would prevent SEStran from being able to operate in the medium term**; or</li> <li>• <b>Significant</b> monetary or financial statement impact in line with external audit financial statements materiality threshold that requires an adjustment to the financial statements;</li> <li>• <b>Significant</b> breach in laws and regulations resulting in significant monetary fines and medium term consequences; or</li> <li>• <b>Significant</b> impact on the SEStran's reputation that could threaten its future (medium term) viability</li> </ul>
<b>Medium</b>	<p>A finding that could have a:</p> <ul style="list-style-type: none"> <li>• <b>Moderate</b> impact on operational performance that would prevent SEStran from being able to operate in the short term***; or</li> <li>• <b>Moderate</b> monetary or financial statement impact that is below the external audit financial statements materiality threshold, but requires an adjustment to the financial statements; or</li> <li>• <b>Moderate</b> breach in laws and regulations resulting in moderate fines and short term consequences; or</li> <li>• <b>Moderate</b> impact on the reputation of the organisation that could threaten its future (short term) viability.</li> </ul>
<b>Low</b>	<p>A finding that could have a:</p> <ul style="list-style-type: none"> <li>• <b>Minor</b> impact on operational performance that does not prevent SEStran from being able to operate; or</li> <li>• <b>Minor</b> 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</li> <li>• <b>Minor</b> breach in laws and regulations with limited consequences; or</li> <li>• <b>Minor</b> impact on the reputation of the organisation that does not threaten its future viability.</li> </ul>
<b>Advisory</b>	<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"> <li>• Consultant’s roles and responsibilities including the extent of resources /information required from SEStran</li> <li>• Deliverables in terms of quality and timescales</li> <li>• Frequency and content of the status update reporting and meetings</li> </ul> <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 approval.

### 2. Main Report

#### Scottish Government Draft Budget 2020-21

- 2.1 A one-year Scottish Budget was approved by the Scottish Parliament on 5 March 2020.
- 2.2 Transport Scotland has advised revenue grant funding of £782,000 for 2020/21. 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. Section 122 of 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 6<sup>th</sup> 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 6<sup>th</sup> 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 of £782,000 funding 50% and Council contributions of £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:

<b>Council</b> Note <sup>1</sup>	<b>Requisition</b>
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
<b>Total</b>	<b>£190,000</b>

- 2.12** Council Chief Officers reviewed and accepted the financial planning assumptions at their meeting on 26<sup>th</sup> February 2020. The report was reviewed by the Partnership's Performance and Audit Committee at its meeting on 6<sup>th</sup> March 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.
- 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 6<sup>th</sup> December 2019. At this stage, there are no changes to these projections. Financial planning for 2021 – 2023 continues to be based on the

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

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 Partnership:

- 3.1.1** approve a core revenue and projects budget for 2020/21 as detailed in Appendices 1 and 2, based on a standstill constituent council requisition of £190,000;
- 3.1.2** Based on the core revenue and projects budget approved at paragraph 3.1.1, instruct the Treasurer to requisition the individual constituent councils for the relevant amounts as follows:

<b>Council</b>	<b>Requisition</b>
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
<b>Total</b>	<b>£190,000</b>

- 3.2** note that financial planning for 2021/22 to 2022/23 will be developed throughout 2020 for consideration by the Partnership in autumn 2020;
- 3.3** 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](#), 6<sup>th</sup> December 2019
- 4.2** [Partnership Staffing Update: Performance and Audit Committee](#), 17<sup>th</sup> February 2017
-

**Hugh Dunn**  
Treasurer  
20<sup>th</sup> 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](mailto: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**

	<b>Approved Budget 2019/20</b>	<b>Indicative Budget 2020/21</b>
	<b>£000</b>	<b>£000</b>
<b>Employee Costs</b>		
Salaries	367	386
National Insurance	40	42
Pension Fund	86	101
Recharges	(132)	(151)
Training & Conferences	10	10
Interviews & Advertising	2	2
	<b>373</b>	<b>390</b>
<b>Premises Costs</b>	<b>16</b>	<b>16</b>
<b>Transport</b>	<b>9</b>	<b>9</b>
<b>Supplies and Services</b>		
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
	<b>125</b>	<b>105</b>
<b>Support Services</b>		
Finance	30	30
Legal Services / HR	7	7
	<b>37</b>	<b>37</b>
<b>Corporate &amp; Democratic</b>		
Clerks Fees	12	12
External Audit Fees	11	11
Members Allowances and Expenses	1	1
	<b>24</b>	<b>24</b>
<b>Interest</b>	<b>0</b>	<b>0</b>
<b>Total Gross Expenditure</b>	<b>584</b>	<b>581</b>
<b>Funding:</b>		
Scottish Government Grant	(394)	(391)
Council Requisitions	(190)	(190)
<b>Total Funding</b>	<b>(584)</b>	<b>(581)</b>

Projects - Proposed Activity 2020-21

Appendix 2

Service	2019/20	2020-21			Activity
	Net Expenditure £'000	Gross Expenditure £'000	Income £'000	Net Expenditure £'000	
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	
<b>EU – Funded Projects</b>					
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
<b>Local Rail Development Fund</b>					
Leith Docks	0	150	(150)	0	
<b>Real-Time Passenger Information System (RTPI)</b>					
Maintenance	60	50	0	50	
Development	40	0	0	0	
Income – screens	(20)	0	(10)	(10)	Bus Operators income
<b>Total</b>	<b>388</b>	<b>993</b>	<b>602</b>	<b>391</b>	



## 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
<b>Total Budget</b>	<b>1,418</b>	<b>1,335</b>	<b>1,237</b>	<b>1,827</b>	<b>3,164</b>	<b>1,620</b>	<b>1,327</b>	<b>1,253</b>	<b>1,274</b>	<b>1,574</b>
<b>External Funding</b>										
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
<b>Total External Funding</b>	<b>411</b>	<b>353</b>	<b>255</b>	<b>845</b>	<b>2,182</b>	<b>638</b>	<b>355</b>	<b>281</b>	<b>302</b>	<b>602</b>
Scottish Government	782	782	782	782	782	782	782	782	782	782
Council Requisition	225	200	200	200	200	200	190	190	190	190
<b>Total Funding</b>	<b>1,418</b>	<b>1,335</b>	<b>1,237</b>	<b>1,827</b>	<b>3,164</b>	<b>1,620</b>	<b>1,327</b>	<b>1,253</b>	<b>1,274</b>	<b>1,574</b>

Risk Description	Existing Controls
<p><b>Pay awards</b> 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><b>Staff recharges – Externally Funded Projects</b> 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><b>Inflation</b> 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><b>Delays in payment of grant funding -</b> 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><b>Pension Fund Contributions</b> 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><b>Funding Reductions</b> 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	
<b>Core</b>				
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	
<b>Total Core</b>	<b>581</b>	<b>636</b>	<b>722</b>	
<b>Projects</b>				
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	
<b>EU – Funded Projects</b>				
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
<b>Local Rail Development Fund</b>				
Leith Docks	150	0	0	
<b>Total Projects</b>	<b>993</b>	<b>754</b>	<b>572</b>	
<b>TOTAL EXPENDITURE</b>	<b>1,574</b>	<b>1,390</b>	<b>1,294</b>	
<b>Income</b>				
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	
<b>TOTAL INCOME</b>	<b>( 1,574)</b>	<b>(1,390)</b>	<b>(1,294)</b>	
<b>Balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	

## **Finance Officer's Report**

### **1. Introduction**

- 1.1** This report presents the third update on financial performance of the Core and Projects budgets of the Partnership for 2019/20, in accordance with the Financial Regulations of the Partnership. This report presents an analysis of financial performance to the end of January 2020.
- 1.2** The Partnership's Core and Projects budgets for 2019/20 were approved by the Partnership on 22nd March 2019.

### **2. Core Budget**

- 2.1** The Core budget provides for the day-to-day running costs of the Partnership and includes employee costs, premises costs and supplies and services. The Partnership approved net expenditure of £584,000 on 22nd March 2019. Details of the Partnership's Core budget is provided in Appendix 1.
- 2.2** Cumulative expenditure for the ten months to 31<sup>st</sup> January 2020 was £416,000. This is within the Core budget resources available for the period.
- 2.3** All estimates have been updated to reflect current expenditure commitments. At the end of January 2020, it is projected that expenditure for the year will be under spent by £60,000 due to a vacancy in the employee establishment earlier in the year, together with underspends on conference and training and communications and computing budgets. Other core expenditure is anticipated to be incurred in line with budget in 2019/20.

### **Projects Budget**

- 2.4** The approved Projects budget is detailed in Appendix 2. The Partnership approved net Projects expenditure of £388,000 on 22nd March 2019. Project Update reports to each meeting of the Partnership Board throughout 2019/20 have provided progress updates on delivery of all Projects.
- 2.5** Net expenditure to 31<sup>st</sup> January 2019 was £293,000.
- 2.6** Net expenditure on the Projects budget is forecast to be £6,000 in excess of budget at the year-end, mainly due to increased investment in Sustainable Travel projects. Income recoveries of £140,000 are anticipated by year-end from the Low Carbon Travel and Transport Challenge Fund for the Go e-Bike project. The forecast Projects budget overspend will be offset by the forecast underspend on the Core revenue budget.
- 2.7** At its meeting on 27<sup>nd</sup> September 2019, the Partnership approved the 2018/19 budget under spend of £40,000 to be allocated to Sustainable and

Active Travel projects in 2019/20. It is anticipated these funds will be fully spent in 2019/20. This is reflected in the Projects budget forecast.

## Cash Flow

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

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

Date	Balance due to SEStran(+ve) /due by SEStran (-ve)
	£
30 April 2019	+£89,594
31 May 2019	+£147,663
30 June 2019	-£417,601
31 July 2019	+£91,664
31 August 2019	+£101,801
30 September 2019	+£190,772
31 October 2019	+£45,162
30 November 2019	+£102,436
31 December 2019	+£194,183
31 January 2020	+£72,646

- 2.9** Interest is charged/paid on the month end net indebtedness balances between the Council and the Partnership. Interest will be calculated in March 2020.
- 2.10** The positive cash flow is attributable to funding received from Scottish Government grant and Council requisitions.

## 3 Recommendations

It is recommended that the Partnership notes:

- 3.1** the forecast underspend of £60,000 on the core revenue budget and
- 3.2** the forecast overspend of £6,000 on the Projects budget; this due to Sustainable Travel project investment;
- 3.3** the additional Project costs will be fully offset by the underspend on the core revenue budget;

**3.4** subject to approval of the Reserves Policy report elsewhere on this agenda and following establishment of the final audited outturn, any year-end balances will be reviewed in the context of the Partnership's Reserves Policy.

**Hugh Dunn**  
Treasurer  
20<sup>th</sup> March 2020

**Appendix**            Appendix 1 – Core Budget Statement at 31st January 2020  
                              Appendix 2 – Projects Budget as at 31st January 2020

**Contact**             iain.shaw@edinburgh.gov.uk

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

Core Budget 2019/20 – as at 31st January 2020

Appendix 1

	Annual Budget £'000	Period Budget £'000	Period Actual £'000	Annual Forecast £'000	Forecast Variance £'000
<b>Employee Costs</b>					
Salaries	365	304	281	345	(20)
National Insurance	41	34	33	40	(1)
Pension Fund	87	72	57	66	(21)
Recharges – Projects	(132)	(83)	(84)	(132)	0
Training & Conferences	10	8	3	5	(5)
Interviews & Advertising	2	2	0	0	(2)
	<b>373</b>	<b>337</b>	<b>290</b>	<b>324</b>	<b>(49)</b>
<b>Premises Costs</b>					
Office Accommodation	16	16	16	16	0
	<b>16</b>	<b>16</b>	<b>16</b>	<b>16</b>	<b>0</b>
<b>Transport</b>					
Staff Travel	9	7	6	9	0
<b>Supplies and Services</b>					
Marketing	20	17	3	20	0
Communications & Computing	48	41	31	39	(9)
Hosted Service - Routewise	42	42	43	43	1
Printing, Stationery & General Office Supplies	6	5	5	6	0
Insurance	4	4	6	6	2
Equipment, Furniture & Materials	1	1	0	0	(1)
Miscellaneous Expenses	4	3	4	5	1
	<b>125</b>	<b>113</b>	<b>92</b>	<b>119</b>	<b>(6)</b>
<b>Support Services</b>					
Finance	30	0	2	30	0
Legal Services / HR	7	0	5	7	0
	<b>37</b>	<b>0</b>	<b>7</b>	<b>37</b>	<b>0</b>
<b>Corporate &amp; Democratic</b>					
Clerks Fees	12	0	0	12	0
External Audit Fees	11	4	5	11	0
Members Allowances and Expenses	1	1	0	0	(1)
	<b>24</b>	<b>5</b>	<b>5</b>	<b>23</b>	<b>(1)</b>
<b>Total Expenditure</b>	<b>584</b>	<b>478</b>	<b>416</b>	<b>528</b>	<b>(56)</b>
<b>Funding:</b>					
Scottish Government Grant	(394)	(341)	(341)	(394)	0
Council Requisitions	(190)	(190)	(190)	(190)	0
Other	0	0	(1)	(4)	(4)
<b>Total Funding</b>	<b>(584)</b>	<b>(531)</b>	<b>(532)</b>	<b>(588)</b>	<b>(4)</b>
<b>Net Expenditure/ (Income)</b>	<b>0</b>	<b>(57)</b>	<b>(116)</b>	<b>(60)</b>	<b>(60)</b>

Projects Budget 2019/20 - as at 31st January 2020

Appendix 2

	Budget 2019/20	EU /Other Grant	Net Expenditure Budget	Net Spend to 31 January 20	Forecast	Forecast Variance
	£'000	£'000	£'000	£'000	£'000	£'000
<b>EU Projects</b>						
Share-north	46	(23)	23	10	12	(11)
Regio-mob	18	(15)	3	12	12	9
Surflogh	52	(26)	26	25	29	3
Bling	36	(18)	18	14	17	(1)
Primaas	0	0	0	2	2	2
<b>Total EU Projects</b>	<b>152</b>	<b>(82)</b>	<b>70</b>	<b>63</b>	<b>72</b>	<b>2</b>
<b>RTPI</b>						
Maintenance	60	0	60	0	52	(8)
Development	40	0	40	14	14	(26)
Income-screens		(20)	(20)	0	0	20
<b>Total – RTPI</b>	<b>100</b>	<b>(20)</b>	<b>80</b>	<b>14</b>	<b>66</b>	<b>(14)</b>
Active Travel Fund	0	0	0	29	0	0
LEZ Support Fund	0	0	0	0	0	0
Regional Transport Strategy	65	0	65	0	50	(15)
Sustainable Travel:	131	0	131			(131)
- GO e-Bike				94	94	94
- Other				56	81	81
Urban Cycle Networks	232	(200)	32	53	22	(10)
Equalities Action Forum	10	0	10	9	9	(1)
Thistle Assistance	0	0	0	(25)	0	0
<b>Total</b>	<b>690</b>	<b>(302)</b>	<b>388</b>	<b>293</b>	<b>394</b>	<b>6</b>



## **Reserves Policy**

### **1. Introduction**

- 1.1** Section 122 of the Transport (Scotland) Act 2019 is anticipated to be enacted on 19th March 2020. The Partnership is recommended to approve a Reserves Policy, given the amendments to Regional Transport Partnership powers included in the Act.
- 1.2** This report recommends a Reserves Policy for approval by the Partnership. The draft Policy was reviewed by the Partnership's Performance and Audit Committee on 6th 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 Partnerships (RTP's), to generate a surplus or deficit on the General Fund and hence to add to reserves.
- 2.2** The anomaly in the Transport (Scotland) Act 2005 is anticipated to be rectified by Section 122 of the Transport (Scotland) Act 2019, which is due to be enacted on 19 March 2020. Once enacted, RTP's will be able to hold and contribute to a General Fund reserve. Appendix 1 provides details of Transport Scotland information on the enactment date.
- 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 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 3.

- 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 3 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 2 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:

<b>Unusable Reserves</b>	<b>2018/19 (£000's)</b>	<b>Detail</b>
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).
<b>Total Unusable</b>	<b>(521)</b>	

**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 31<sup>st</sup> March 2019.

**3 Recommendation**

**3.1** It is recommended that the Partnership:

**3.1.1** Approves the Reserves Policy, as detailed at Appendix 2;

**3.1.2** Approves that the Partnership works towards establishing an unallocated General Fund reserve of £29,000, based on 5% of the proposed core revenue budget for 2020/21, following review of the 2019/20 year-end position.

#### **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

20<sup>th</sup> March 2020

**Appendix** Appendix 1 – Transport Scotland letter - 19 February 2020

Appendix 2 – Reserves Policy

Appendix 3 – Risk Assessment

**Contact** [iain.shaw@edinburgh.gov.uk](mailto:iain.shaw@edinburgh.gov.uk)

Policy Implications	The proposed Reserves Policy is detailed at Appendix 2.
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.

**Transport Strategy and Analysis**

Buchanan House, 58 Port Dundas Road, Glasgow G4 0HF  
Direct Line: 0131 244 7057  
Joanne.gray@transport.gov.scot



Scottish Local Authority Directors of Finance  
Regional Transport Partnership Lead Officers

Your ref:

Our ref:

Date:  
19 February 2020

I refer to my letter of 14 January 2020, which set out our proposal for the commencement of section 122 of the Transport (Scotland) Act 2019. Thank you to those of you who responded to my letter.

I can now confirm that it is our intention to bring s.122 into force on 19 March, meaning that the Regional Transport Partnerships will have the new powers available to them in financial year 2019-20. This was the option favoured by the majority or both RTPs and councils with no compelling reason given not to commence this year.

I trust this is helpful.

Yours sincerely

JOANNE GRAY

### 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 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 can 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 will vary 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 balances 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><b>Pay awards</b> 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><b>Staff recharges – Externally Funded Projects</b> 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><b>Inflation</b> 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><b>Delays in payment of grant funding -</b> 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><b>Pension Fund Contributions</b> 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><b>Funding Reductions</b> 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>



## **ANNUAL TREASURY MANAGEMENT STRATEGY**

### **1 Purpose of report**

- 1.1 The purpose of this report is to recommend for approval 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 and is offset by expenditure undertaken by the City of Edinburgh Council on behalf of the Partnership. Interest is given on month end net indebtedness balances between the Council and the Partnership in accordance with the former Local Authority (Scotland) Accounts Advisory Committee's (LASAAC) Guidance Note 2 on Interest on Revenue Balances (IoRB). These arrangements were put in place given the existing administration arrangements with the City of Edinburgh Council and the relatively small investment balances which the Partnership has. Although the investment return will be small, the Partnership will gain security from its counterparty exposure being to the City of Edinburgh Council.

### **3 Recommendations**

- 3.1 It is recommended that the Partnership approve the Annual Treasury Management Strategy, as detailed in Appendix 1.

**Hugh Dunn**  
Treasurer

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**Appendix**      Appendix 1 - Annual Treasury Management Strategy

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

## APPENDIX 1

### 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.

## Appointments to Performance & Audit Committee

### 1. INTRODUCTION

- 1.1 This report seeks the Board's approval of the East Lothian Council representative to Performance and Audit Committee.

### 2. APPOINTMENTS

- 2.1 East Lothian Council made the following nomination for a representative to the Performance and Audit Committee:

- Cllr. Craig Hoy to be appointed as representative for East Lothian Council;

- 2.2 The Board is asked to note the current membership of the Performance and Audit Committee:

- Cllr. Russell Imrie (Chair) – Midlothian Council
- Cllr. Cameron Rose – City of Edinburgh Council
- Cllr. Laura Murtagh – Falkirk Council
- Cllr. Dave Dempsey – Fife Council
- Cllr. Jim Fullarton – Scottish Borders Council
- Cllr. Donald Balsillie – Clackmannanshire Council
- Cllr. Chris Horne – West Lothian Council
- Callum Hay – Non-Councillor Member
- Doreen Steele – Non-Councillor Member
- Barry Turner – Non-Councillor Member
- Simon Hindshaw – Non-Councillor Member

### 3. RECOMMENDATIONS

The Board is asked to:

- 3.1 Approve the appointment of Cllr. Hoy to the Performance and Audit Committee, and;
- 3.2 Note the membership of the Performance and Audit Committee.

Gavin King  
**Secretary**  
13 March 2020

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

## SEStran Draft Business Plan 2020/21

### 1 Introduction

- 1.1 This report provides Board members with a 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 to next year’s plan; 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 Board is asked to agree to the following:-
- a) note the updated contents of the draft Business Plan; and
  - b) that, in consultation with the Chair and Deputy Chairs of the Partnership, the Partnership Director will agree the final content of the Business Plan 2020/21 for publication.

Anna Herriman  
**Senior Partnership Manager**  
March 2020

### Appendix 1: Draft Business Plan 2020/21

Policy Implications	All activity within the Business Plan reflects
Financial Implications	None
Equalities Implications	None
Climate Change Implications	None



SEStran

# Business Plan 2020/21

Draft v.03

March 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.

NTS2 (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 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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DRAFT

## 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 and socially inclusive

### 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

### 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 (RTS), to which local plans and strategies must align.

Since the existing RTS was refreshed in 2016, several key new Scottish legislation and national policies have been agreed which directly affect regional land use planning and transport planning, such as the National Transport Strategy, Planning (Scotland) Act 2019, and Climate Change (Scotland) Act 2019.

Rapid changes in the SEStran region include significant increase in population matched by new house building. A strong economy and development of new strategic growth sites through growth deals all have implications for regional transport. Technological advances that impact on transport are also now better understood. Studies by SEStran (freight consolidation and Mobility Hubs) and by partners, such as East Lothian's review of Mobility as a Service (MaaS) best practice, demonstrate the implication of these changes for transport.

A number of the new, major transport interventions in the region, such as Queensferry Crossing, have brought benefits to many communities and areas of employment. Yet the speed of growth has also made some of the region's existing transport issues, like limited public transport capacity, or road congestion, worse. Many rural communities remain unable to access affordable, sustainable and reliable travel options.

A Main Issues Report will be completed by early April 2020, will summarise these changes, and establish the case for the development of the new RTS. The RTS will provide a clear, ambitious framework to which all related sub-regional and local plans and decisions can align.

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#### *Objectives:*

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

#### *Plans for 2020/21:*

- SEStran will commence development of the new RTS, ensuring appropriate levels of engagement, appraisal and consultation are built into the process.
- SEStran will review the existing RTS and take account of a wide range of relevant studies, 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.

**GOe-Bike**

## 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
- Provide a platform for large employers in the region to encourage carpooling to work

### 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.
- 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 Two 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

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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.

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### 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
- Encourage sustainable transport by making public transport journeys safer and more accessible
- Encourage multi-modal transport choices

### Plans for 2020/21:

- SEStran will work in partnership with the City of Edinburgh Council to deliver a 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.
- 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:

- Increase awareness of safer cycling and cycling road safety for young people in particular, and for the general public.
- Promote cycle training opportunities within SEStran projects.
- Support Local Authorities to increase delivery of Bikeability Scotland training

**Cycling  
Scotland**

### 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.
- SEStran will promote 'Cycle 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 to support the delivery of cycle training in different settings will be explored, 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

#### *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 Taxistop, Belgium to promote ridesharing through Tripshare SEStran. In addition, it will use SHARE-North funding to update and redesign the platform.

- To achieve emission reductions through shared mobility
- To raise the profile of shared mobility as viable component of integrated transport strategies



## SURFLOGH

June 2017 – October 2020

Interreg North Sea Region

*Case studies for sustainable Urban Logistics Hubs*



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 Scottish Transport Applications and Research (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

January 2019 – December 2021

Interreg North Sea Region

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

## Blockchain in Government



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 a system called 'GeoPact', which 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

Interreg Europe



**August 2019 – February 2023**

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. Integrating transport options is of strategic importance for regional authorities. The regional transport strategy 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 collective transport modes such as bus or train, with personal ones, such as bike or car, with innovative modes 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

### Plans for 2020/21:

- This year, SEStran will be contributing to the development of a Baseline Assessment Report by the project consortium. Current levels of MaaS can be explored and best practices can be identified Through 'Exchange of Experience' events.
- SEStran will host various Regional Stakeholder Groups to identify and learn from best practices in the area and the wider project consortium.

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the development of the new Regional Transport Strategy

- 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 in transport-related matters
- Provide a platform for organisations to connect with each other and have meaningful discussions

##### 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 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.

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*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.

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## 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.

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*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.

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## 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.

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*Objectives:*

- To provide a platform to address bus challenges and declining bus patronage.
- To work in partnership with operators and Local Authorities to improve bus operations.

*Plans for 2020/21:*

- SEStran will continue to monitor strategic bus challenges in the area and investigate potential funding opportunities to develop specific improvements, (for example, 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.

*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.

- 
- Continue to lead by example and deliver sustainability and climate change objectives as an organisation.
  - 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:*




- Ensure stakeholders and partners are engaged in the development of the new Regional Transport Strategy.
- Participate in the three regional working groups set up for Transport Scotland’s Second Strategic Transport Projects Review and continue to chair the Edinburgh and South East of Scotland grouping.
- Support and provide strategic transport input for all Growth Deal arrangements in place or evolving in the SEStran region.
- Continue to be involved in transport related policy developments and respond to relevant consultations as they are published.
- Continue to organise meetings that bring together relevant stakeholders to discuss pressing transport related issues, such as bus, rail and active travel.
- Contribute to the work of Community Planning Partnerships within the region.






## 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 region's active travel facilities, delivering more sustainable and healthier transport solutions for people.		Support GO e-Bike Hubs	User numbers and monitoring impact from hubs	Cooperation from hub partners	
		Increase programme reach and awareness in region Promotion of all forms of e-bikes across region	Website promotion and user campaign "Do the Ride Thing" Seek additional funding opportunities for further e-bike hubs	Availability of funding	
Tripshare SEStran					
Impact	Strategic objective	Key focus areas	Key Performance Indicators	Critical Success Factor	
Reviewing Tripshare 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 Tripshare SEStran and continue to explore the best way of promoting car-sharing through an online platform. Provide a platform for large employers in the region to encourage carpooling to work	Establish options for a Scotland-wide car-sharing platform Work with the SHARE-North project partners to exchange knowledge and implement best practices.	Cooperation from other RTPs 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><b>Real Time Passenger Information (RTPi)</b></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><b>Active Travel Programmes</b></p>				
<p><b>Impact</b></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><b>Strategic objective</b></p> 	<p><b>Key focus areas</b></p> <p>Coordinate new strategic cross-boundary study</p> <p>Design Projects 100% funded</p> <p>Support sustainable cross boundary projects</p>	<p><b>Key Performance Indicators</b></p> <p>Identify plan for prioritised routes throughout region</p> <p>Deliver project within budget</p> <p>Deliver project within budget</p>	<p><b>Critical Success Factor</b></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
<b>Cycle Training and Development</b>				
<b>Impact</b>	<b>Strategic objective</b>	<b>Key focus areas</b>	<b>Key performance indicators</b>	<b>Critical Success Factor</b>
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.
<b>SHARE-North</b>				
<b>Impact</b>	<b>Strategic objective</b>	<b>Key focus areas</b>	<b>Key Performance Indicators</b>	<b>Critical Success Factor</b>
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 Mobility hubs to the SEStran region, building on experiences from Bremen, Germany and Bergen, Norway.	Work collaboratively to introduce 1 Mobility hub to the SEStran region	Identification of a suitable location for a Mobility hub.
		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
<b>SUFLOGH</b>				
<b>Impact</b>	<b>Strategic objective</b>	<b>Key focus areas</b>	<b>Key Performance Indicators</b>	<b>Critical Success Factor</b>

<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>Increase customer base and number of deliveries for first and last mile deliveries.</p>	<p>Cooperation from Zedify</p>
<p>Measure impact of Edinburgh hub</p>		<p>Measure the equivalent CO<sub>2</sub> emission volumes reduced or saved as a result of the trial</p>	<p>Sufficient journey and emissions data from partners</p>	
<p>Explore how sustainable logistics can be integrated further</p>		<p>Conduct a hackathon in Edinburgh</p>	<p>Cooperation from participants</p>	
<p>Interview key stakeholders in pilot countries, Netherlands, Sweden and Belgium</p>		<p>Conduct 4 interview visits with Edinburgh Napier University</p>	<p>Cooperation from stakeholders</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><b>BLING</b></p>				
<p><b>Impact:</b> The BLING project will deliver a trial that explores opportunities for the integration of Blockchain in transport.</p>	<p><b>Strategic objective</b></p> 	<p><b>Key focus areas</b></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><b>Key performance indicators</b></p> <p>Build on successful pilot with University of Edinburgh. Present key research papers</p>	<p><b>Critical Success Factor</b></p> <p>Cooperation from stakeholders to deliver pilot trial</p>
<p><b>Forum &amp; Liaison Groups</b></p>				
<p><b>Impact</b></p>	<p><b>Strategic objective</b></p>	<p><b>Key focus areas</b></p>	<p><b>Key Performance Indicators</b></p>	<p><b>Critical Success Factor</b></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><b>Hate Crime Charter</b></p>				
<p><b>Impact</b></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><b>Strategic objective</b></p> 	<p><b>Key focus areas</b></p> <p>Develop a Hate Crime Charter for the region</p>	<p><b>Key Performance Indicators</b></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><b>Critical Success Factor</b></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><b>Governance &amp; Partnership working</b></p>				
<p><b>Impact</b></p> <p>Partnership working ensures that SEStran is able to represent the region as a whole in addressing transport related issues.</p>	<p><b>Strategic objective</b></p> 	<p><b>Key focus areas</b></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><b>Key performance indicators</b></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><b>Critical Success Factor</b></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 (RTS)		Strategic objective	Key focus areas	Key Performance Indicators	Critical Success Factor
<p><b>Impact</b></p> <p>It is SEStran’s statutory duty to create and maintain a Regional Transport Strategy. The strategy must be kept up to date to reflect the pace of the changes affecting the transport of people and goods. The RTS provides a regional framework for future developments and interventions.</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>	
					<p>Following the completion of a Main Issues Report, procure consultancy services to develop a new RTS, including statutory consultation elements and appraisal, and the drafting of a new RTS report.</p>
<p>Work with the Local Authorities to develop an Electric Vehicle Strategy for the region.</p>			<p>Develop a draft Electric Vehicle Strategy</p>	<p>Cooperation from Local Authorities</p>	

SEStran Annual Report 2018/19:

<https://www.sestran.gov.uk/wp-content/uploads/2020/02/SEStran-201819-Annual-Report.pdf>

## 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
<b>Budget</b>								
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
<b>Total budget</b>	<b>1,189</b>	<b>1,827</b>	<b>3,164</b>	<b>1,620</b>	<b>1,327</b>	<b>1,253</b>	<b>1,698</b>	<b>1574</b>

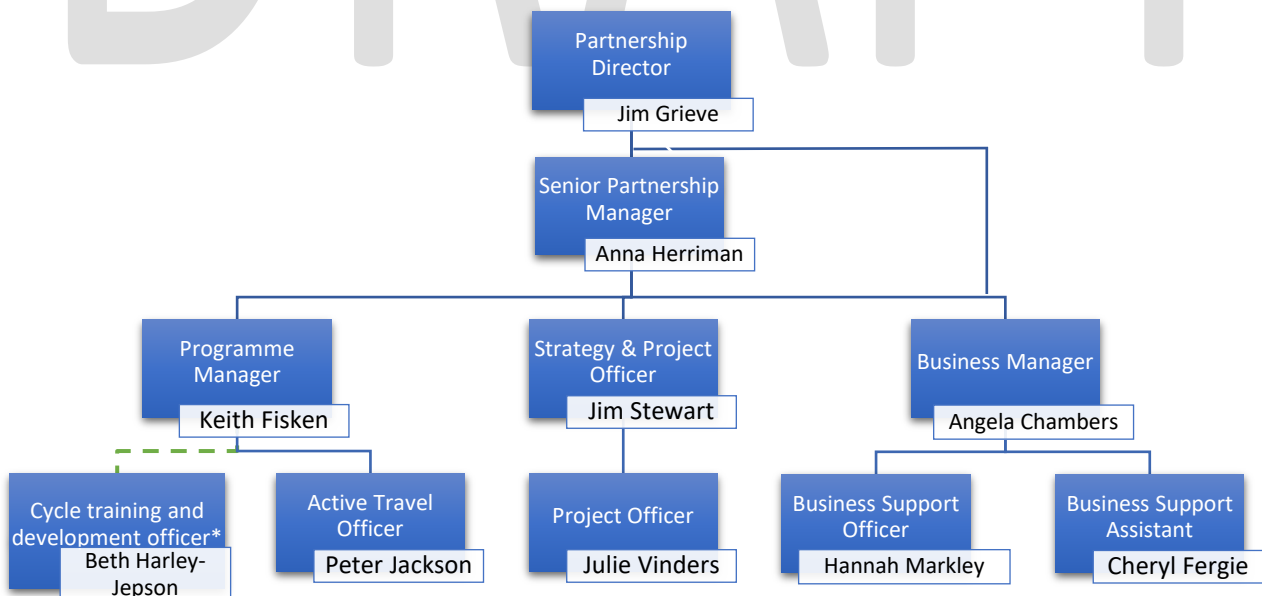
<b>External funding</b>								
EU grants	146	233	131	64	95	139	122	142
Other income	61	266	1,051	686	250	142	604	460
Bus Investment Fund	-	346	1,000	-	-	-	-	-
<b>Total external funding</b>	<b>207</b>	<b>845</b>	<b>2,182</b>	<b>750</b>	<b>345</b>	<b>281</b>	<b>726</b>	<b>602</b>
<b>Core funding</b>	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

## Annex 4.3 – Staff and Organisational Chart

<b>Partnership Director</b>	Jim Grieve
<b>Senior Partnership Manager</b>	Anna Herriman
<b>Programme Manager</b>	Keith Fisken
<b>Regional Cycle Training and Development Officer*</b>	Beth Harley-Jepson
<b>Active Travel Officer</b>	Peter Jackson
<b>Strategy &amp; Projects Officer</b>	Jim Stewart
<b>Project Officer</b>	Julie Vinders
<b>Business Manager</b>	Angela Chambers
<b>Business Support Officer</b>	Hannah Markley
<b>Business Support Assistant</b>	Cheryl Fergie

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

**Figure 1: Organisational Chart**





## Annex 4.4 – Glossary

SEStran aims to use clear and inclusive language in our publications and reports. We realise that some project names or specific terms aren't commonly used, and many processes or concepts also have acronyms or abbreviated titles. This glossary is a quick reference point for uncommon terms and abbreviations.

<b>Term or abbreviation</b>	<b>Full title and meaning</b>
<b>BLING</b>	' <a href="#">Blockchain in Local Government</a> ' is a project in which SEStran is a partner testing how blockchain can support the delivery and distribution of goods
<b>Blockchain</b>	A system of using coordinated data checks to verify online information exchange – it allows for very secure online transactions
<b>CoMoUK</b>	<a href="#">CoMoUK</a> is the name of a Trust that promotes shared and integrated mobility
<b>COP26</b>	<a href="#">The 26<sup>th</sup> United Nations Climate Change Conference</a> which is due to take place in Glasgow in November 2020
<b>ECMA</b>	The Consortium of <a href="#">East Coast Main Line Authorities</a> (Councils, Combined Authorities and Regional Transport Partnerships) along the area served by the East Coast Main Rail Line
<b>Interreg</b>	<a href="#">Interreg North Sea Region</a> is a European Funding programme that helps regional and local governments deliver better policy.
<b>LEZ</b>	<a href="#">Low Emission Zones</a> - being introduced in four of Scotland's cities following provisions for local authorities contained in the Transport (Scotland) Act 2019
<b>LRDF</b>	<a href="#">Local Rail Development Fund</a> – funding provided by Transport Scotland
<b>MaaS</b>	Mobility as a Service is a concept of integrating journey options, planning, ticketing and payment, allowing people to more freely choose between different modes of transport or operators
<b>NTS2</b>	The second <a href="#">National Transport Strategy for Scotland</a> , launched in February 2020
<b>PriMaaS</b>	<a href="#">PriMaas</a> is a project in which SEStran is a partner, testing how implementing Mobility as a Service into regions can assist in delivering more accessible and sustainable transport
<b>RTPI</b>	Real Time Passenger Information
<b>RTS</b>	Regional Transport Strategy. SEStran's current <a href="#">RTS</a> is on our website
<b>RTP</b>	<a href="#">Regional Transport Partnerships</a> - there are seven established across Scotland
<b>SEStran</b>	<a href="#">SEStran</a> is the South East of Scotland Transport Partnership
<b>SHARE-North</b>	<a href="#">SHARE-North</a> is a project in which SEStran is a partner – the name reflects the ambition to achieve more use of shared mobility solutions.
<b>STAR</b>	<a href="#">Scottish Transport Applications and Research Conference</a>
<b>STPR2</b>	<a href="#">Second Strategic Transport Projects Review for Scotland</a> , led by Transport Scotland
<b>SURFLOGH</b>	<a href="#">SURFLOGH</a> is a project in which SEStran has been a partner. The project aims to stimulate sustainable and efficient 'last mile' deliveries in urban areas. The name is formed from 'Sustainable Urban Freight Logistics Hubs'

DRAFT

## New Regional Transport Strategy (RTS): Update Report

### 1 Introduction

- 1.1 This report provides SEStran Board with an update on work to develop the new RTS, as agreed by the Board on 21 June, including progress on the preliminary 'Main Issues' stage of the RTS, and clarification on the next steps for the RTS, including an updated delivery plan and timescales.
- 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 Board noted the key areas of national legislation and policy development with clear significance for a new RTS. Since June 2019, the following are now concluded:-
  - The [Planning \(Scotland\) Act 2019](#) received Royal Assent in July 2019. It requires future National Planning Frameworks (NPF) to be presented to Parliament, and contains a duty for one or more planning authority areas to produce Regional Spatial Strategies (replacing Strategic Development Plans) which will form part of the NPF.
  - 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 [Transport \(Scotland\) 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).
  - During development of the NTS2, one issue identified was the need to strengthen regional governance arrangements. Development of future options to strengthen regional transport governance will be taken forward by a “Roles and Responsibilities Working Group” led by Transport Scotland. RTPs input into this group is coordinated through SPT, a Model 3 RTP, and Hitrans, a Model 1 RTP, with distinct urban / rural perspectives.

2.2 The Second Strategic Transport Projects Review (STPR2) is a national process with eleven regional groupings established as part of the process to help ensure regional perspectives are taken into account. The national process, which is due to conclude in the first quarter of 2021, will identify the transport investment projects and priorities for Scotland for the next twenty years, to deliver the transport vision, priorities and outcomes set out in 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 with the considerations around a new RTS.

### 3 New RTS – regional context update

3.1 SEStran is closely involved with all three non-statutory Regional Transport Working Groups (RTWGs) that have been established to provide a regional perspective during the national STPR2 process. There are strong synergies

between STPR2 process and the development of a new RTS, therefore RTWGs will continue to have a significant role as consultee groups in the development of the RTS. The three RTWG groupings operating within the region are those of:

- Edinburgh and South East of Scotland (conforming to the Edinburgh City Region Deal area. This RTWG is chaired by SEStran),
- Forth Valley (Comprising the Stirling, Clackmannanshire Deal area and proposed Falkirk Deal area)
- Tay (conforming to the Tay Cities Deal area and taking in north Fife)

3.2 The draft National Planning Framework 4 (NPF4) is due to be considered by Scottish Parliament in September 2020; it is understood this will include an outline of emerging Regional Spatial Strategies (RSSs).

3.3 Given the requirement to ensure major land use planning decisions are strongly aligned to the development of a Regional Transport Strategy across the entire region and into adjoining RTS regions, SEStran remains involved in the conversations taking place to develop RSSs in the region.

3.4 The interrelationship between the statutory nature of the RTS, the policy context and various partnership arrangements that are in operation in the SEStran area is set out in **Appendix 2**.

#### **4 New RTS – Stage one, Main Issues Report**

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

4.2 Stakeholder engagement events were held on 24 February and 5 March 2020, involving a broad range of relevant stakeholder representatives from established SEStran forums and input from these sessions has been incorporated into the refinement of draft Main Issues.

4.3 The summary report on Main Issues at **Appendix 3** has been prepared for this Board meeting, and input from the Board on the Main Issues summary will be collated, and a final draft of the Main Issues Report will be circulated to Board members for approval at the end of March 2020.

4.4 Jacobs' commission includes undertaking the identification of high level options for the RTS, in response to main issues identified and this work will be completed after the Main Issues Report is approved. Board members will be invited by Jacobs to a workshop that will help to inform potential options, with a provisional timescale of early April.

## 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 [Guidance from the 2005 Act](#) on the preparation of RTSs, published in 2006. Development of the RTS will be 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 aligned to future RSS arrangements is a further challenge.
- 5.4 As the preliminary Main Issues stage of the RTS development concludes, officers have developed an updated delivery plan attached at **Appendix 4** that allows for sufficient time within appraisal stage to ensure adequate consideration of any interventions against the evolving regional picture described here.
- 5.5 It is anticipated that a procurement process for consultancy support services for the development of the RTS will commence early in 2020/21.
- 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.

Name Anna Herriman  
Job title **Senior Partnership Manager**  
Date February 2020

Jim Stewart  
**Strategy Officer**

Policy Implications	A new RTS will impact on future strategy development and local transport authorities' plans and strategies.
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	<p>Appendix 1: Transport (Scotland) Act 2005 as amended by 2019 Act</p> <p>Appendix 2: RTS and regional coordination.</p> <p>Appendix 3: Summary Main Issues Report – Draft</p> <p>Appendix 4: New Regional Transport Strategy: Updated Delivery Plan</p>

# Transport (Scotland) Act 2005 as amended by 2019 Act

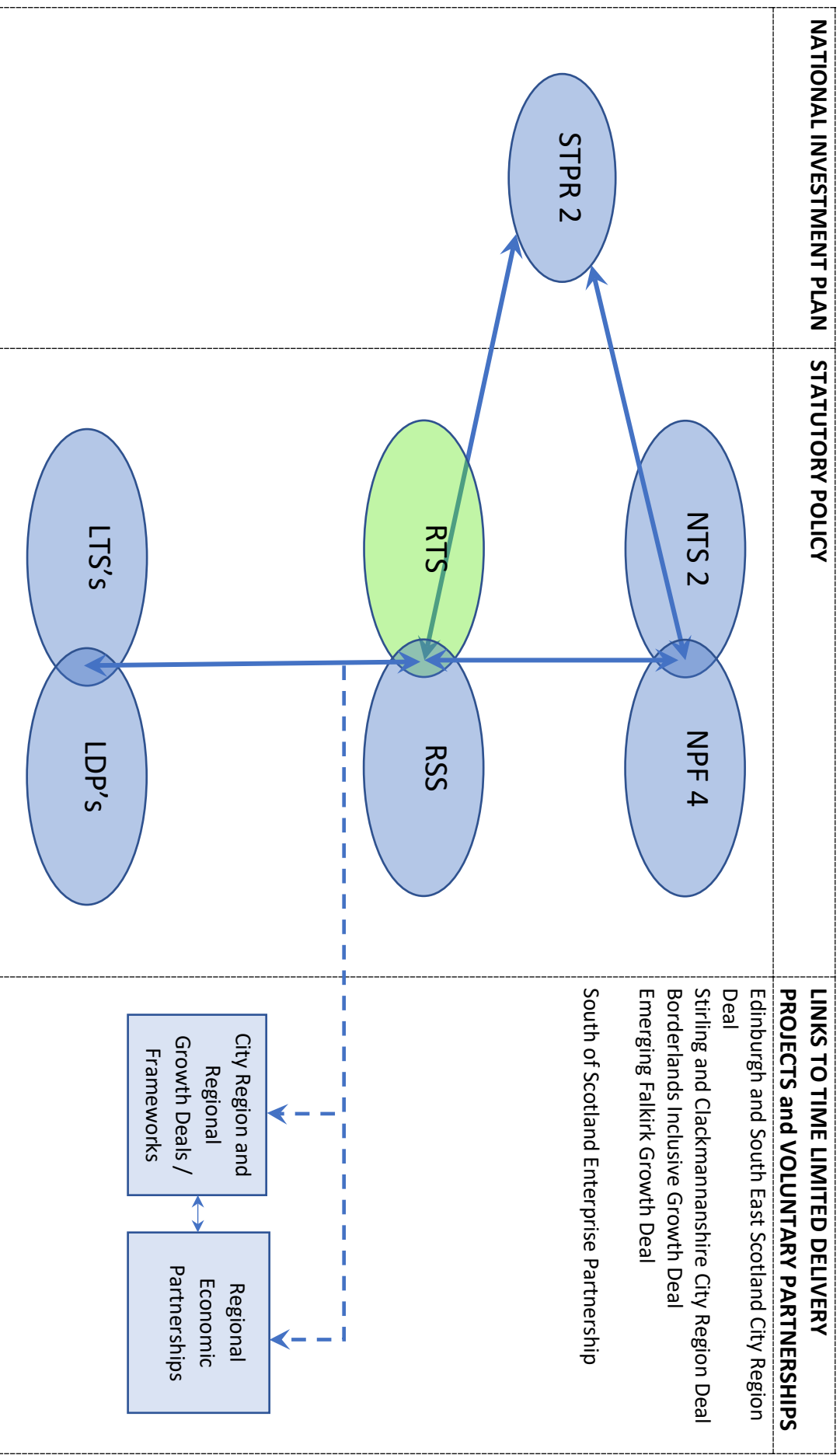
## Administration

### 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.



**POLICY AND PARTNERSHIP FRAMEWORKS**



Second Strategic Transport Project Review (STPR 2); Second National Transport Strategy (NTS 2); Fourth National Planning Framework (NPF 4)  
 Regional Transport Strategy (RTS); Regional Spatial Strategy (RSS) Local Transport Strategies' (LTS's); Local Development Plans (LDP's).



## SEStran Main Issues Report

Executive summary of process and main issues

Document 8 | 3

13 March 2020

SEStran

## SEStran Main Issues Report

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Revision	Date	Description	Author	Checked	Reviewed	Approved
1	6/3/20	Draft for client comment	TJS	GD	GD	TJS
2	12/3/20	Update following client comment	TJS	GD	GD	TJS
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## 1. Introduction

SEStran is working to prepare a new Regional Transport Strategy (RTS). As part of that process, SEStran has commissioned Jacobs to produce a Main Issues Report of factors relevant to the new RTS.

The commission remains underway. In the Main Issues Report, we will be seeking to identify and communicate the key factors which do or could affect travel demand in the region and the policy outcomes which transport decisions could influence.

This report provides:

- a summary of the process that Jacobs is following (in Section 2)
- a list of issues that have been identified as pertinent to the RTS (Section 3)
- a draft of the main issues for the future development of the RTS (Section 4).

## 2. Process

Jacobs' work to identify the Main Issues for the RTS has two main strands: an evidence review and stakeholder engagement.

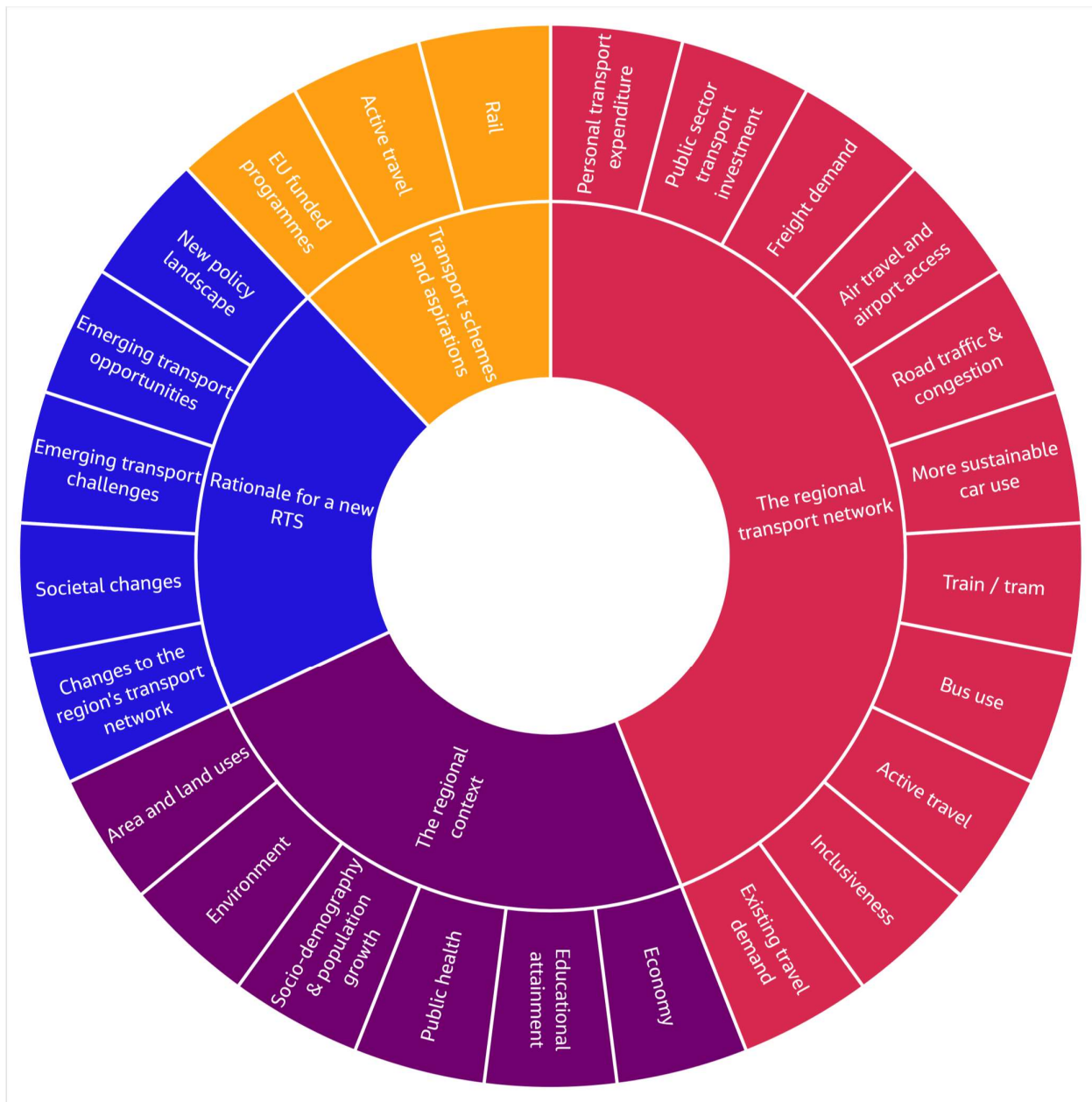
### 2.1 Evidence review

Jacobs is reviewing a broad range of sources of evidence to identify Main Issues. In each instance, we have sought to identify the data that is most salient to a new RTS, highlight trends and collate information that can help take an informed view of future conditions.

Our sources have included:

- Relevant national, regional and local policies for transport, land-use development, the environment, social inclusion, public health and economic growth
- A review of committed and proposed transport investments
- Published national and regional datasets
- Assessments that are relevant to understanding future conditions or attitudes, which may affect transport demand.

The evidence base covers the following themes and data sources shown in the figure below. Our Main Issues report is being structured around these topics, enabling evidence to be readily identified.



## 2.2 Stakeholder engagement

Two engagement events have informed the development of the Main Issues:

- 1) A discussion on 19 February 2020 with key transport and planning officers from SEStran and its constituent local authorities; and
- 2) A workshop on 5 March 2020 attended by 16 representatives of organisations involved in or affected by transport delivery in the region (including local authorities, transport operators, the NHS and further education sector).

The events were facilitated by Jacobs staff, with attendees drawn from invitee lists provided by SEStran officers. Both events generated many useful suggestions for Main Issues which are included in the list below.

The discussions also highlighted strong aspirations for transformational change to the region's transport system, to achieve more inclusive and sustainable solutions. Although not the primary topic for discussion at the events, many stakeholders were keen to identify the role that the SEStran RTS could play in delivering such change, and this desire should be taken into account in the setting of RTS objectives and actions.

### **3. Identified issues**

The list below presents the issues that our review has identified. Our final report to SEStran, which is in production, will present the evidence base that underpins each of these issues. The ordering of the list of issues is not intended to imply any priority between them; those that are considered to be of particular importance to the new RTS are outlined in Section 4.

#### **3.1 Issues relevant to the region's environment**

- Scotland is committed to net-zero carbon emissions by 2045 (with interim targets of reductions of at least 75% (from a 1990/1995 baseline) by 2030 and 90% by 2040), but carbon emissions from transport in the region are not yet falling
- Climate models predict an increase in the number and severity of extreme weather events, especially of temperature and precipitation. Parts of the region's transport system must adapt if network reliability is to be maintained
- Air pollution from transport is harming people's health in some parts of the region; there are 13 locations in the region at which Air Quality Management Areas have been declared largely because of pollution from transport

#### **3.2 Issues relevant to the region's people and places**

- More than a quarter of the region's population (and over half of people aged 80 and over) do not travel anywhere on any given day, partly due to a lack of appropriate transport
- A lack of appropriate, affordable transport means that many of the region's people are excluded from accessing a full range of opportunities for education, employment, healthcare and other needs; this disproportionately affects people that are older, disabled, on low incomes, or live in rural areas
- The region's population is growing (by an estimated 3.8% in the ten years to 2026); increased demand for travel will result
- The region's elderly population is forecast to grow much more quickly than the total (the number of people aged 75+ is forecast to grow by 79% over the next 25 years). This is likely to create significant additional demand for door-to-door and other supported transport
- A lack of affordable housing in parts of the region (caused by increasing population and reducing average household size) is contributing to increased travel distances, and many new housing developments are relatively distant from main trip attractors
- An increase in use of sedentary travel choices over recent decades has contributed to high levels of obesity and associated health problems

### 3.3 Issues relevant to transport demand in the region

- Changing employment patterns, the location at which services are provided and use of town centres are influencing travel demand; commuting patterns are becoming less rigid which is affecting peak demand, some locations are losing services such as banks and post offices, and fewer people are travelling to town centres for retail
- Many short journeys are made by car, adversely affecting congestion, pollution and public health
- The relative cost of car use has fallen compared to that of public transport and general cost inflation; this enables many people in the region to sustain high levels of car use
- Public transport is optimised to serve major demand flows, leaving gaps in the network away from the main corridors
- Conversely, the region's strategic road network is being used to connect a large number of diverse origin and destination points, often enabling connectivity for journeys for which public transport does not offer an attractive solution
- Many bus services are delayed by traffic congestion and urban bus speeds have been falling in recent years, undermining the competitiveness of public transport
- Bus use has been falling in many parts of the region, with the largest falls in areas with weaker service levels, which threatens the viability of parts of the region's bus network. But there are good examples within the SEStran region which illustrate that investment in bus services can increase patronage
- The region's rail network is constrained, limiting the opportunity for further expansion for passenger and freight
- Freight demand is changing, driven largely by increasing demand for home deliveries; this is creating new demand for road traffic
- Rail and shipping provide opportunities to shift some longer-distance freight movements from road
- Long journey times and journey time unreliability are affecting freight and passenger flows (by road and public transport) reducing the growth potential of the regional economy
- The number of road accidents in the region in which people have been killed or injured has been falling in recent years, but 494 people were killed or seriously injured on the region's roads in 2018, 70 (14%) of whom were children
- Passenger numbers at Edinburgh airport (the region's only airport with scheduled flights) have been growing quickly, and car/taxi remains the dominant surface access mode
- Emerging transport solutions (e.g. electric and autonomous vehicles, MaaS) are providing new opportunities but also potential challenges for governance, social inclusion and traffic congestion

### 3.4 Issues relevant to transport delivery in the region

- The policy context for transport and related outcomes (including for the environment, social inclusion and health) has changed substantially since SEStran's extant RTS was published in 2016, but transport investment decisions have yet to fully adjust to the changes
- Revenue expenditure is insufficient to maintain the quality of local transport infrastructure and provide services that meet the needs of all people
- Coordination between transport delivery agencies is not consistently good
- There is a lack of coordination between development planning outcomes and sustainable transport objectives
- There is a recognised need to strengthen regional governance around transport decisions to achieve better coordination across delivery agencies



## 4. Main Issues: draft list

From the evidence base and list of identified issues, Jacobs has developed the following list of Main Issues for a new SEStran RTS. Again, the ordering of the Main Issues is not intended to imply priority between them.

- Much of the relevant policy and legislative context for transport investment decisions has changed: SEStran's new RTS should respond to the need to deliver these different outcomes, and also to the new tools and opportunities that are available
- Coordination between transport delivery agencies is not consistently good. Land use planning decisions are not consistently supporting sustainable travel objectives and sustainable transport provision is not delivered early enough in the development process to support modal shift
- The region's transport network must respond to a growing and ageing population
- Current action is not delivering a reduction in carbon emissions from transport in the region and there is a need to act quickly if targets for reduction are to be met, and to minimise resilience risks
- Many of the region's people (and especially those that are older, disabled, on low incomes, or live in rural areas) lack appropriate, affordable transport to enable them to meet their needs
- The relative cost of car use has fallen compared to that of public transport and general cost inflation; this enables many people in the region to sustain high levels of car use
- There are good examples of initiatives promoting healthier and more sustainable modes, but they are yet to make a significant difference to net demand for car use
- Some parts of the region's transport network lack capacity to enable sustainable peak time growth
- The future is increasingly uncertain, due to both potential changes in technology (e.g. for autonomous vehicles) and in societal attitudes (e.g. changes in employment patterns, changes in attitudes towards single-occupancy car use); the new RTS must be able to respond to these issues and opportunities as they emerge.

## 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 internally by 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.

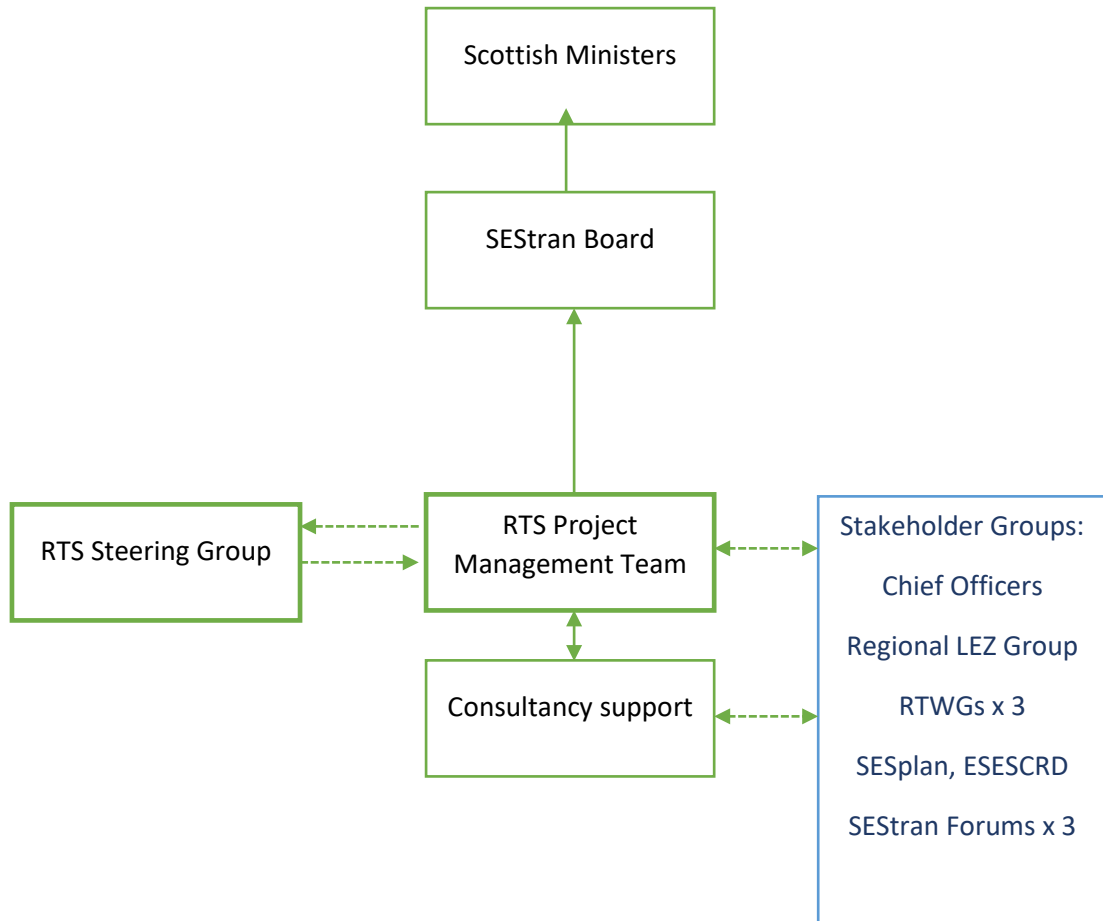
Attendees: Transport Scotland Transport Partnerships Manager, in attendance as RTP advisory officer.

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

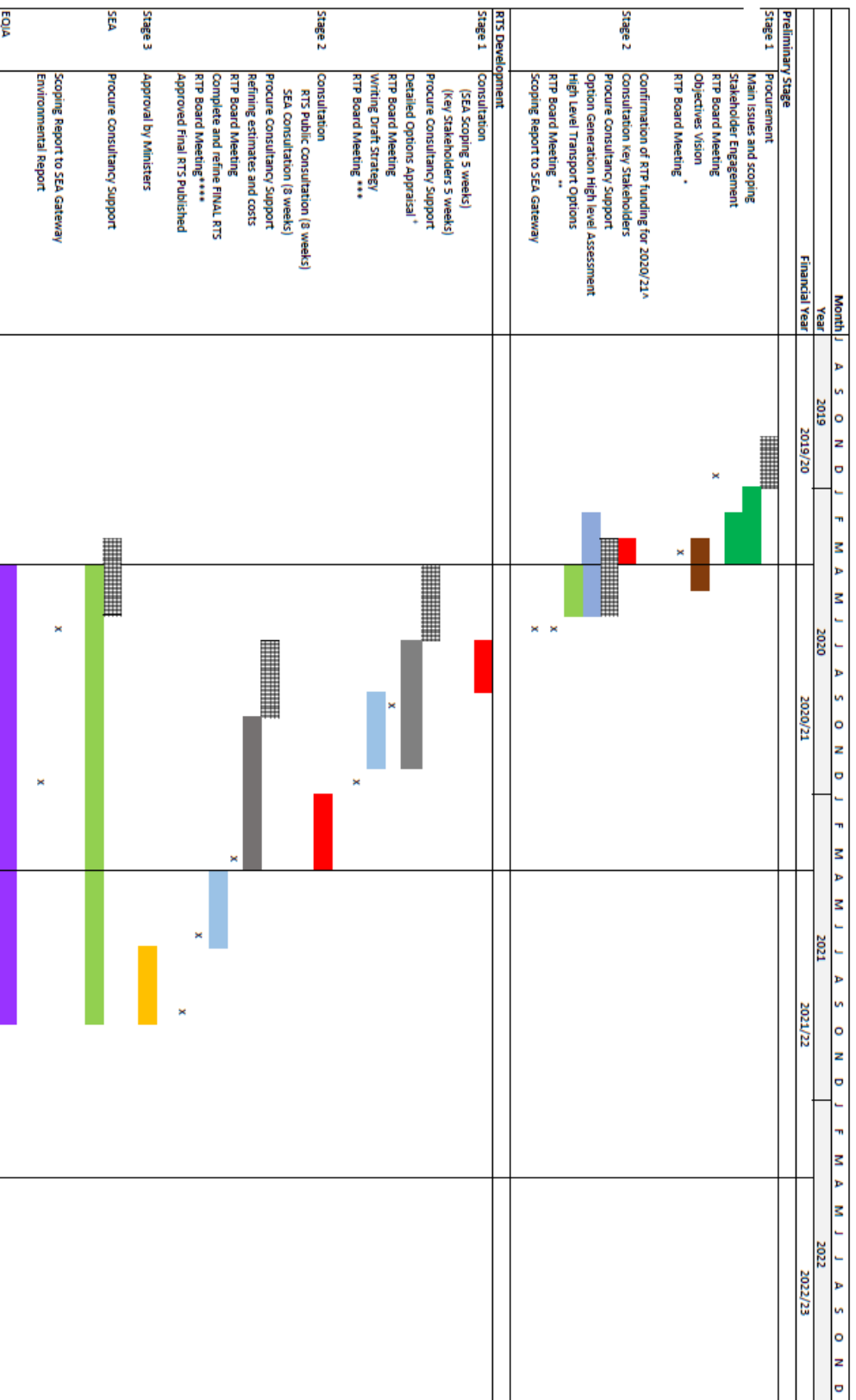
# Project Governance Arrangements

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 and Key Work Stages



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

Procurement of consultancy support  
 Consultation stages  
 Objectives  
 Appraisal and cost estimating  
 Ministerial approval  
 Develop SEA Scoping and undertake E  
 Report writing stages

## Key Stages

1	Main Issues and report	<p>Review the following existing RTS areas:</p> <ul style="list-style-type: none"> <li>• Objectives</li> <li>• Policies</li> <li>• Monitoring</li> <li>• Delivery</li> <li>• Current Strategy objectives</li> <li>• Vision</li> </ul> <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>
2	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>
3	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>
4	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>







## Projects Performance & EU Exit Update

### 1. INTRODUCTION

- 1.1 The report provides the Board 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 Board takes note of the contents of the report.

Julie Vinders  
**Project Officer**  
11 March 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 24<sup>th</sup> 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 and hardware upgrades** Delayed
  - The new Content Management System tender process has been completed by City of Edinburgh, with the successful contractor 21<sup>st</sup> 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 Public Transport Provision 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.
- **RTPI Electronic Ticketing Machines** In progress
  - A regional bus operator, Telford Coaches, requires new electronic ticket machines (ETMs) to facilitate integrated ticketing, contactless payments and Real Time Passenger Information.
  - SEStran will use the LEZ Public Transport Provision fund to provide grant aid for the purchase of 6 ETMs, and is working with Transport Scotland to see if the unutilised remainder (now no longer required from one of the operators) can be used to augment the RTPI system.

### 2.2 Thistle Assistance Programme



SEStran 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 programme.

#### 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 8<sup>th</sup> 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](http://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 middle 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.
  - Transport Scotland approved the Case for Change Report on the 5<sup>th</sup> of March and the project will now move to the next stage, the initial options appraisal.
  - £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 21<sup>st</sup> 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 set up a Regional LEZ 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 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 ETMs for one 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 hardware and 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. 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.
  - The study will be a guide to Mobility Hubs as a complementary measure to maintain levels of accessibility following 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 Mobility Hubs to the SEStran region. 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 Fund 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.

### 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 closure** Complete
  - The last three months of the project focused on the administrative closure of the project. The final report summarised the impact of REGIO-Mob and the importance of having transport policies that seek to promote physical activity through active mobility, and e-bikes in particular.

### 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 at the May 2020 STAR Conference in Glasgow.
- **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.
  - The pilot delivery partner ZEDIFY has developed a first-mile solution that they are now trialling.
- **Partner Meeting Borås in Sweden (9<sup>th</sup> to 11<sup>th</sup> March)**
  - SEStran participated in hackathon run by the City of Borås and the University of Gothenburg. Students presented some innovative ideas for sustainable logistics. SEStran sat on the judging panel with the winning group invited to present at the end conference in Belgium in September.

- The Boras City pilot ‘Good Goods’ was launched, an exciting approach which will contribute a key case study for the Business Model Research. <https://northsearegion.eu/surflogh/pilots/boraas-good-goods/>

### 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.
  - The next stage of the research will be to develop a Smart Contracts interface that can be easily use and adapted in the ‘real world’.
  - The BLING project will present a poster at the 2020 STAR Conference in Glasgow (May).
  - A ‘Collider’ event focused on the potential applications of blockchain technology and the issues (policy & legal) was hosted by the University of Edinburgh & SEStran on the 18<sup>th</sup> 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 that changes 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 at Victoria Quay, Edinburgh on 15 January 2020. 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.

## Consultation Responses to NPF4 Call for Ideas

### 1 INTRODUCTION

- 1.1 This report advises the Board on:
- SEStran’s submission to the NPF4 “Call for Ideas”,
  - the Edinburgh and South East of Scotland City Region Deal (ESES CRD) Joint Committee’s response, and-
  - the local response being prepared by East Lothian Council.
- 1.2 SEStran’s own draft submission to NPF4 is included at **Appendix 1** for approval.
- 1.3 The ESES CRD response was recommended for approval at the meeting of its Joint Committee on 6 March, subject to ratification by individual Councils, SESplan and SEStran. SEStran was notified of this request on 11 March 2020.
- 1.4 This report recommends that the Board agrees not to ratify the whole ESES CRD response, but agrees to endorse the approval of amended answers to the 5 questions posed, provided at **Appendix 2**. The amendments are proposed by SEStran in order to demonstrate the necessary alignment with the Regional Transport Strategy.
- 1.5 East Lothian Council has agreed the outline of key elements for a proposed NPF4 consultation response at its meeting of 25 February, and has requested endorsement by SEStran. This outline is provided at **Appendix 3**. The report recommends that the Board agrees to endorse the key elements of East Lothian Council’s response.

### 2 NPF4

- 2.1 The National Planning Framework (NPF) is a long-term spatial plan for Scotland that sets out where development and infrastructure is needed to support sustainable and inclusive growth.
- 2.2 The Scottish Government has started work to prepare the fourth NPF (NPF4) which will look to Scotland in 2050. It will guide spatial development, set out our national policies, designate national developments and reflect regional spatial priorities.

- 2.3 NPF4 is expected to look very different from NPF3, with a longer time-horizon, fuller regional coverage and improved alignment with wider programmes and strategies, including on infrastructure and economic investment. In particular, NPF4 will need to align with the outcomes in the National Performance Framework; respond to the shift to inclusive growth; improve health and well-being for the people of Scotland, improve equalities and eliminate discrimination; provide a spatial planning response to the Global climate emergency; provide a renewed focus on rural development including rural repopulation; and give a stronger steer on housing delivery and diversification including the setting of targets on land for housing.
- 2.4 NPF4 will for the first time incorporate Scottish Planning Policy (SPP) and will take on enhanced status as part of the statutory development plan. Research on the operation and effectiveness of the current SPP will be published shortly.
- 2.5 NPF4 will also take into account regional spatial strategies which are likely to be prepared by local authority partnerships.
- 2.6 The Planning (Scotland) Act 2019 includes legislative requirements on the review process, including up to 120 days consideration by the Scottish Parliament. The aim is to carry out intensive early engagement during January to March/April 2020 before laying a draft in Parliament for consultation around September 2020. Public consultation will run alongside Parliament's consideration. Following this formal consultation, the final version will be laid before Parliament in 2021. NPF4 will be approved by Parliament before it is adopted by Scottish Ministers.
- 2.7 NPF4 will be subject to a number of impact assessments including the Fairer Scotland Duty, Strategic Environmental Assessment, Equality Impact Assessment, Islands Impact Assessment, Business and Regulatory Impact Assessment, plus Children's Rights and Well-being Impact Assessment. Key stakeholders and the public will be properly consulted with at key stages in the process.
- 2.8 The NPF4 "Call for Ideas" asks all consultees for answers to five questions (listed below), to be submitted by 31 March 2020.
1. What development will be needed to address climate change?
  2. How can planning best support our quality of life, health and wellbeing in the future?
  3. What does planning need to do to enable development and investment in our economy so that it benefits everyone?
  4. What policies are needed to improve, protect and strengthen the special character of our place?

5. What infrastructure do we need to build to realise our long term aspirations?

### **3 SESTRAN RESPONSE TO NPF4 “CALL FOR IDEAS” (APPENDIX 1)**

3.1 SEStran’s response to NPF4 focuses on encouraging NPF4 to reflect the importance of a demonstrable link between Regional Spatial Strategies and Regional Transport Strategies (RTSs). RTSs provide the statutory framework by which one or more planning authorities can help plan for developments that will help increase regional mobility and improve the efficiency of strategic movement through regions. SEStran’s view is that NPF4 developments must reference RTSs priorities in order to help achieve the wider NTS2 priorities.

### **4 ESESCRD RESPONSE**

4.1 The Edinburgh and South East Scotland City Region Deal Joint Committee have considered a draft response which incorporates an extensive introduction. The Joint Committee was recommended to approve the response subject to ratification by individual councils, the SESplan Joint Committee and SEStran before it is formally submitted to Government on 31 March 2020. A link to the covering report, including introductory element and response to the five key questions can be found under Background Reading.

4.2 The aforementioned introduction, in discussing the desired partnership approach to delivering on the various policies, does not appear to recognise the essential part to be played by the council partners’ statutory Regional Transport Strategy (RTS), making it inappropriate to recommend to the SEStran Board that it ratifies the whole document.

4.3 However, the ESESCRD response also includes answers to the five questions posed by government in respect of the NPF4 consultation and which could be amended and potentially endorsed by SEStran.

4.4 Concurrent with this exercise, there are a number of interrelated processes recently completed or underway which will have a bearing on the emerging NPF4 and which will influence the response to the above questions. These processes include NTS 2, the re-write of the RTS, STPR2, the work of the Infrastructure Commission and the review of regional governance. In respect of future governance, the seven RTPs have promoted the view that transport and planning must be jointly governed at a regional level in the belief that without this joined up arrangement, a sustainable transport policy which will meet the objectives set out NTS 2 will not succeed. In the now clear climate emergency environment this is of paramount importance. The RTPs have further promoted the view that such governance should build on the existing statutory partnerships, independently resourced and managed to be able to provide a truly regional perspective.



## **5 EAST Lothian Council's NPF4 Call for Ideas – Summary of Key Points (Appendix 3)**

- 5.1 At its meeting on 25 February 2020, East Lothian Council considered key elements of an early draft response to the NPF4 Call for Ideas, and the relevant extract of that report has been included at **Appendix 3**. This outline of East Lothian Council's proposed response to NPF4 will be included within a wider report to be approved under delegated authority before being submitted to the Scottish Government by the 31<sup>st</sup> March. The description of the key elements of developments proposed in the East Lothian area will form the basis of a response to the five standard NPF4 questions. The proposed outline for the Council's NPF4 submission accords with the RTS objectives and policies, and provides context for the role of the Strategy in relation to the development of key NPF4 sites.

## **6 RECOMMENDATIONS**

- 6.1 That the Partnership Board approves SEStran's draft NPF4 Call for Ideas response for submission;
- 6.2 That the Partnership Board does not ratify the entire ESESCRD Joint Committee's response to NPF4;
- 6.3 That the Partnership Board endorses the ESESCRD Joint Committee's answers to the five "Call for Ideas" questions, subject to the amendments noted, and instructs the Partnership Director to liaise with the ESES Team to conclude the submission.
- 6.4 That the Partnership Board endorses the proposed key elements of the East Lothian Response.

Jim Grieve  
**Partnership Director**  
13 March 2020

### **Appendices**

1. SEStran response to NPF4 "Call for Ideas"
2. ESESCRD Response to NPF4 "Call for Ideas" Questions with SEStran Amendments
3. East Lothian Council's NPF4 "Call for Ideas" – Summary of Key Points

Policy Implications	None
Financial Implications	None
Equalities Implications	None
Climate Change Implications	None
Background Reading	Report: ESES Regional Response to National Planning Framework 4 “Call for Ideas”: <a href="https://democracy.edinburgh.gov.uk/documents/s14948/Item%205.4%20-%20ESES%20Regional%20Response%20to%20National%20Planning%20with%20app.pdf">https://democracy.edinburgh.gov.uk/documents/s14948/Item%205.4%20-%20ESES%20Regional%20Response%20to%20National%20Planning%20with%20app.pdf</a>

## SEStran Response to NPF4 Call for Ideas

### What do you want planning to do for your place?

Taking into account these long term changes, we are now keen to hear your views on the future of planning in Scotland, focusing on the following questions:

#### 1. What development will we need to address climate change?

*think about... what we will need to do to reach the target of net zero emissions by 2045; the opportunities that this could provide to support jobs and the economy; how places can be made more resilient to the long term impacts of climate change; what climate change-friendly places might look like in the future.*

Development by its very nature is somewhat set against the ambitions of reduced emissions. In order for the economy to grow and encourage more jobs, further development is required. Mitigation can be made in as much as developments must meet high standards of sustainability for housing quality, quality of life, areas of nature and exploration of the outdoors, high quality workplaces that can be made flexible to growing trends, and transport connections that limit the ease of car use in favour of mass transit and physical exercise options.

As identified in the Infrastructure Commission for Scotland Report 2020<sup>1</sup>, an infrastructure first approach must be taken towards development. Appropriate infrastructure must be in place to be more than capable of handling long term impacts of climate change and climate events in increasing frequency in new developments and appropriate measures should be undertaken to address existing development. Planning guidance for green and blue infrastructure should be updated, (current policy dates from 2006<sup>2</sup> to 2011<sup>3</sup>), to reflect the increased impact of climate change and move to regulation of implementation rather than best practice. Adopting these infrastructures will improve resilience for climate impacts whilst offering opportunities to encourage carbon capturing and boosting biodiversity in all communities.

To a large extent much residential development over the last ten years has favoured car above other transport modes, and while this is now being addressed through better development and street guidance there are opportunities to enhance neighbourhoods with sustainable solutions such as mobility hubs. SEStran through its partnership in the INTERREG Share North programme<sup>4</sup> has shared learnings from other EU nations implementing options that provide choices for travel and convenience, such as parcel collection points and shared vehicles (cars, e-bikes, e-cargo bikes). SEStran are developing a Mobility Hub Strategy that will aid the South East of Scotland regional partners in establishing hubs throughout the region following best practice. Opportunities should also be sought to implement these options in existing high-density developments. All developments both residential and commercial, need to develop from a presumption of access by public transport and active travel, in order to provide opportunities for all.

At a regional level, one key impact from the evident population shift in Scotland towards major cities, and of re-settlement from areas on west to areas on the east of Scotland, is that the levels of demand for transport will increase quickly across the

<sup>1</sup> [Infrastructure Commission Scotland](#)

<sup>2</sup> [PAN79 Water & Drainage](#)

<sup>3</sup> [Green Infrastructure](#)

<sup>4</sup> [INTERREG Share North](#)

entire SEStran area, impacting on transport system capacity. These trends in population movement are anticipated to continue for the next 20 or so years

In a period where rapid decarbonisation of transport is required, yet the demands for transport are increasing, strategic decisions around sustainable infrastructure investment need to be taken at a regional level, to ensure objective assessment of different infrastructure and other transport investments - thus supporting overall positive outcomes across an entire region, rather than locally positive changes that have negative consequences in neighbouring areas. This is particularly relevant to the provision and standardisation of EV charging infrastructure, with opportunities to support existing re-fuelling businesses to provide for the transition to EVs and support a behaviour that is prevalent in favour of widespread neighbourhood charging locations.

Regional co-ordination of transport development and delivery is the most effective way to ensure a high level, objective approach across expanding 'travel to work' areas, during a time critical time window for achieving Scotland's Climate Change (Emissions) Act 2019 targets. The need to formally strengthen the link between RTPs Regional Transport Strategies (Statutory), and local development planning and Regional Spatial Strategies development is also time sensitive.

## **2. How can planning best support our quality of life, health and wellbeing in the future?**

*think about... where we might want to live in 2050; how many and what types of homes we will need; how we can encourage more people to live in rural Scotland; whether we could target development to address longstanding differences in health and quality of life; whether and where we might need new settlements, and regeneration of existing communities; how places could be more inclusive, diverse, creative, vibrant, safe, resilient and empowering.*

As with many areas within the United Kingdom there is continued evidence of a desire for home ownership. In Scotland in 2017, owner occupier and buying with a mortgage represented 63% of all households<sup>5</sup>. What this figure expresses in terms of type of home is harder to determine. In the United Kingdom there is an 80% bias for houses rather than flats for all tenure types. There remains a desire for those with family to seek housing that provides space for play and leisure in a safe environment. This continues to work against the need for higher density living when population trends continue towards urban living. This pressure is compounded by the increasing trend of smaller households, putting further demand on the stock required per head of population.

As discussed in the previous question, more green and blue infrastructure in developments and towns provide a multiplicity of benefits as expressed in the 2011 guidance documents, some of which would address the social desire for safe spaces for play and leisure. Currently there remains a desire to maximise brownfield sites for development to reduce urban sprawl, but the resultant effects often mean a less attractive location with higher living concentrations and associated externalities. Often where there is a desire to utilise a brownfield site, full consideration is not given to the wider impacts on utility demand and public services through increased density. Where a brownfield site becomes available options should be explored for green and blue infrastructures, which provide greater opportunities for permeability in towns and

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<sup>5</sup> [UK Housing Review 2019](#)

places to rest, enhancing the accessibility of our communities, and opportunities for carbon capture.

New settlement areas provide the opportunity for greater wholistic planning across all directorates, however while they can provide for housing, healthcare and education, there is less influence on employment to reduce the need to travel. Additionally, connections between settlements are not often planned in advance resulting in further reliance on private cars. Greater sustainable transport provision needs to be implemented prior to the completion of developments to enable communities to access services with more travel choices. In order to facilitate this, there needs to be greater Regional governance by statute, and alignment of strategic plans across policy.

### **3. What does planning need to do to enable development and investment in our economy so that it benefits everyone?**

*think about... what our economy might look like in 2050; how planning can anticipate and respond to the economic challenges of Brexit; what the key sectors might be and what infrastructure they may need to support them; how planning could stimulate and distribute growth; what type, scale and distribution of business and industrial land and premises will be needed; where significant investment sites might be; how economic opportunities could improve, or be accessible from, places where deprivation is concentrated.*

To be effective, the planning system must be capable of dealing not only with land use but with the broader social, environmental and economic aspects of urban ecosystems and strike a balance, in which the development needs are met in the most sustainable way. In addition, successful urban revitalisation needs an integrated long-term strategy that includes measures related to several policy areas such as mobility, housing, cultural heritage, start-up support. This can be achieved through effective, regional governance of these policy areas.

There is clear evidence that a lack of accessibility to transport options has a limiting effect on opportunities and that those who are least skilled, or remote from the labour market have the least location flexibility in seeking new job or training opportunities. Therefore, SEStran views transport and accessibility/affordability of transport as integral to an inclusive economy. The links between transport, health and employability are complex but it is clear from academic evidence that mental and physical health are negatively affected if an individual is not able to participate fully in society, and a lack of transport options can be a contributory factor. Active travel, however, could be part of the solution in breaking down such barriers.

In supporting the ambitions of the new National Transport Strategy, existing road infrastructure must be optimised for the use of sustainable transport modes, creating a viable option for mode shift. This could be achieved by consideration for more bus only routes to address congestion on strategic movement corridors. Further opportunities from this prioritisation would arise for autonomous bus use along such routes, drawing lessons from the forthcoming ForthCAV project. Critically these supporting infrastructures need to make connections with transport hubs including access to airports, to facilitate public transport and active travel, ensuring connections from all surrounding areas.

In recognition of the gateway role to the South East of Scotland, the SEStran region is home to a large concentration of freight operations. A detailed assessment of the necessary infrastructure, operational financial and contractual requirements needs to be undertaken to ensure buy-in and commitment to a sustainable freight strategy. It

must be linked to policy development at a local, regional and national level whilst sustaining economic activity.

NTS2 recognises the importance of freight to the success of Scotland's economy, but also urges to ensure that the negative impacts generated by the movement of goods vehicles are addressed "The freight sector will have to respond to the increasing need to decarbonise through the use of new technologies and business models, as well as adapting to changing demands of consumers." Planning decisions nationally need to support opportunities to maximise freight by modes other than road, while at regional and local levels freight hubs on the periphery can service towns and cities with ULEVs and e-cargo bikes.

To aid the transition of freight from reliance on road transport, opportunities should be sought to optimise sea transport where practical. Planning decisions to reduce congestion around ports would make this option more attractive to operators and allow for action on tackling emissions in these areas.

SEStran through its partnership in the INTERREG SURFLOGH<sup>6</sup> programme has shared learning from other EU nations and direct experience in Edinburgh supporting first and last mile delivery through the use of cargo bikes and urban consolidations centres (UCCs). Planning decisions will require mixed use developments to facilitate such freight hubs and consolidation points in strategic locations around cities and towns.

Regional Transport Strategies provide the necessary framework to ensure adequate investment into public transport provision, intermodal hub development and other regional transport investment decisions that support sustainable movement in the region.

Without Regional coordination of interventions there is a significant risk of poor connectivity between neighbouring local infrastructure investments or overreliance of car / road use. This could potentially constrain economic growth potential across city regions and around key NPF4 development sites.

#### **4. What policies are needed to improve, protect and strengthen the special character of our places?**

*think about... what special places will need protection in the future.; what the future might be for our rural, coastal and island communities; how we could unlock the potential of vacant and derelict land; what our city and town centres might look like in the future; whether we need to think about the concept of green belts; how we can get the most out of our productive land; how we can protect and restore peatland; how we can plan blue and green infrastructure; what we can do to protect and enhance biodiversity; and how we can strengthen the character and heritage of our many different places.*

In 2017 , 40% of dwellings fell below the Scottish housing Quality standard and, while this marks a near 30% improvement over 15 years, it continues to highlight that there are inequalities in the places where people live. Of particular note is that almost 9000 homes were deemed to be not healthy, safe or secure. This represents more than half of all housing completions in Scotland for that year (UK housing review 2019). While this represents a clear shortage of quality housing, the continued delivery of

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<sup>6</sup> [INTERREG SURFLOGH](#)

housing that takes no cognisance of historical design weakens the character and heritage of our places.

For a number of years, the Scottish Government has had the ambition to integrate policy across portfolios to best utilise investment and produce a holistic and integrated solution. SEStran would continue to advocate for this approach but to date there has not been a suitable framework to act on. Effective, statutory regional governance can elicit collaboration from multiple local authorities across a spectrum of policy areas. If such bodies are fully resourced, they can add capacity to their respective regional areas in the direct delivery of initiatives to address gaps on the policy fringe. Examples of joined up policy can arise from innovative flood prevention schemes where infrastructure enhances public realm for places to dwell, places to play, provision of safe walk and cycling routes, and enhancing biodiversity which could easily be replicated in Scotland.<sup>7</sup>

## **5. What infrastructure do we need to build to realise our long term aspirations?**

*think about... what infrastructure we will need in the future; how we can make better use of existing infrastructure capacity, including through innovation; where transport connections will be needed to support future development; where our international gateways, hubs and links will be in a post-Brexit world; how we can sustain our lifelines; how digital connectivity could change the way we live and work; where our natural resources for energy are; and what emerging and future technologies we will need to plan for.*

The different categories of infrastructure all have a role to play with respect to the identified drivers. However, it must be reiterated that good quality transport provision is fundamental to support all of these categories: the built environment of housing; public infrastructure such as education, health, justice and cultural facilities; safety enhancement such as waste management or flood prevention; and public services such as emergency services and resilience. This is because all these categories require people, goods and services to move freely to enable the delivery of their services. Therefore, a balanced approach is required which should reflect the importance of investment in transport infrastructure that delivers low carbon solutions to promote economic growth and the other key overall objectives.

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<sup>7</sup> [Aarhus Surface Water Project](#)

## Appendix 2.

### ESESCRD Response to NPF4 Call for Ideas Questions with SEStran Amendments

The following extract is from the report "[ESES Regional Response to National Planning Framework 4 "Call for Ideas"](#)". The extract shows ESESCRD answers to the five questions which can be endorsed subject to the SEStran amendments shown in red:

**Report approved 6 March 2020.**

*"Question 1: What development will be needed to address climate change?"*

Planning authorities and regional partnerships have been invited to prepare interim regional spatial strategies to inform the content of the National Planning Framework. The ESESCRD ~~City Regional Deal~~ partners intend making submissions on this but the work to inform those submissions is not yet complete.

However, the spatial strategy is likely to build upon ~~the RTS and~~ the strategy set out in the second Strategic Development Plan for Edinburgh and the South East of Scotland (SDP2) with an addition to incorporate the strategy for North East Fife to reflect the geographical extent of the City Region Deal ~~and the agreed extent of the geography for the Interim Regional Spatial Strategy~~. Additionally, it will outline a series of measures to respond to both the challenges and opportunities presented by climate change.

Although SDP2 was rejected by the Minister this was a result of the Minister not being satisfied that the transportation impacts of the strategy had been properly assessed. There was no indication that the spatial strategy of that document was not acceptable to the Minister and given that the strategy was agreed by all SESplan partners it is appropriate that, ~~along with the RTS~~, this forms the basis of the Interim Spatial Strategy.

If the South East of Scotland is to continue to be the engine room of national economic growth in Scotland, the levels of growth set out in SDP2, and the associated spatial strategy, will have to be supported. It should be the role of NPF4 to ensure co-ordination of investment to allow the levels of growth to be achieved ~~is in keeping with the Regional Transport Strategy for the SEStran area. Sustainable growth should not be put at risk as a result of un-coordinated infrastructure responses.~~

The SDP2 action programme identified the necessary infrastructure to support growth and the strategic elements should feature in NPF4 as a base line. However, a further review should be undertaken in the context of the Infrastructure Commission's report, ~~along with the emerging new RTS and STPR2~~ to see if the interventions set out can be achieved in a way which ensures economic growth while minimising the need to travel by unsustainable means and minimising the impact of existing capacity.



*“Question 2: How can planning best support our quality of life, health and wellbeing in the future?”*

Although the South East of Scotland is characterised by economic success this continues to mask significant disparity and disadvantage in the region. The success and prosperity in the region is not experienced by all both the Scottish Borders and Fife sit across more than one region with Tayside (Fife) experiencing medium growth and the South (Scottish Borders) experiencing low growth when considering comparable economic performance.

- Too many people unable to move on from low wage and low skill jobs.
- There are pockets of multiple deprivation with nearly a fifth of our children living in poverty.
- Housing need and demand is outstripping supply, especially affordable housing.
- Lack of connectivity and affordable public transport options both within and across boundaries particularly in many of our rural areas leaving communities disconnected from places of work and opportunity.
- A just transition to a low carbon economy – **the region is regional partners and operators are** currently considering how best to deliver a just transition to a zero-carbon future. This can only be achieved through collective ambition, investment and resources. Ensuring sustainable economic growth which increases opportunity for everyone in the South East of Scotland, while protecting our most important environmental assets is key to ensuring quality of life, health and wellbeing. This will require positive intervention to ensure that those who are furthest from the market, both physically and educationally are able to access employment and training opportunities. To support this the National Planning Framework should:
  - Recognise that a diverse economy will require a range of house types and tenures in the region.
  - Establish tenure specific housing targets for the region which are supported by an evidence base of demand for each housing tenure.
  - Establish land use strategies which encourage the use of brownfield land before development on greenfield sites.
  - **Recognise** that land use strategies **must support supported by a the regional transport strategy which works to deliver a broad range of outcomes for people and communities**, and does not, **nor will** not focus solely on maximising capacity and speed for city to city journeys, but which ensures equality of access to regional hubs for all communities and areas of growth.

*“Question 3: What does planning need to do to enable development and investment in our economy so that it benefits everyone?”*

While the economy in the South East of Scotland remains the most significant contributor nationally, there continue to be risks to the economic success of the area. To respond to change the region must be able to adapt. This requires a policy framework which provides certainty to businesses and communities but is flexible enough to respond to economic change which could occur rapidly and potentially without warning. The policy framework must recognise the changes which will result

from technology and the changes which will be necessary to respond to climate change. To support this the National Planning Framework should:

- Ensure that there is a strategy for sustainable growth which benefits all parts of the South East of Scotland while protecting important environmental assets.
- Take positive action to avoid the creation of dormitory towns except in circumstances where they are focused on the most sustainable transport options.
- Support measures to increase workforce mobility in the South East of Scotland, especially for residents of disadvantaged communities, primarily through affordable public transport.
- Establish a requirement for developers to deliver priority routes for active travel **and public transport** to and from the new strategic housing sites, as well as from main centres of population to centres of employment, education and training.
- Focus on the routes where investment in bus priority measures will have the greatest impact on modal shift and supporting the more disadvantaged communities.
- Interventions that, individually and/or collectively, demonstrably address climate change and reduce carbon emissions.
- Considering potential longer-term schemes for tram, light rail and heavy rail.
- Provide a framework for the transition to sustainable methods of construction.
- Set a framework for accredited carbon offsetting which will support the transition to a net carbon zero city region.
- Consider the Major Areas of Change highlighted in the main body of this response as potential National developments.

*“Question 4: What policies are needed to improve, protect and strengthen the special character of our place?”*

The Edinburgh and South East Scotland city region is internationally recognised as both a leisure destination and a place to do business. **However, that success risks the very basis of that success the region could become a victim of its own success.** It is recognised that Edinburgh is in danger of overheating as both a leisure destination and a place to do business while at the same time significant capacity for growth exists elsewhere in the city region. The **partners** have a role in promoting the advantage of the area outwith the city centre, but more co-ordinated action is required to ensure that these locations become destinations of choice. To support this, the National Planning Framework should:

- Establish a policy framework which protects the region’s most important environmental assets from development.
- Support the development of green networks across the region which provide, opportunities to increase access to the countryside, biodiversity and carbon reduction.
- Recognise the significant economic benefit which is derived from tourism to the region and ensure that the infrastructure necessary to support **sustainable** tourism is prioritised.

*“Question 5: What infrastructure do we need to build to realise our long-term aspirations?”*

Supporting sustainable economic growth will require a range of infrastructure interventions. That will inevitably require both new infrastructure and investment in current infrastructure to ensure that capacity is being maximised. Historically, the public sector has been adept at identifying the necessary infrastructure – for example through development plan action programmes – but has been less successful in ensuring delivery of the infrastructure because, in most cases, delivery is outwith the control of local authorities **and regional partnerships**. **City Partners** in the Region **Deal Partners** recognise the role of the Infrastructure Commission in securing coordination of infrastructure investment and delivery and the work of the commission should be incorporated within the NPF. But the work of the commission also needs to be recognised in the National **and Regional Transport Strategies** and other national strategies. There should be one infrastructure plan for the country which prioritises requirements and identifies funding solutions. The NPF should set growth targets based on the delivery of infrastructure improvements and not the other way around. In establishing that framework a fundamental rethink is required. In order to ensure sustainable economic growth existing road and rail infrastructure capacity should be maximised. Together with reducing the need to travel, there should be a focus on modal change of freight from road to rail and or sea. Although rail infrastructure is under pressure during the day time, significant capacity exists at night. Moving greater volumes of freight from road to rail would free up capacity on the road infrastructure to support sustainable travel while reducing the need for further investment in road infrastructure.-This should be done in parallel with investment in public transport infrastructure to making community travel by bus a realistic option, particularly for those journeys not focused on regional hubs. To support this the National Planning Framework should:

- Establish an Action Programme for infrastructure requirements in each region.
- Ensure that the Action Programme prioritises the delivery of infrastructure having regard to economic impact of providing that infrastructure and the level of growth it would support.
- Establish a funding mechanism or **enhance regional** mechanisms to ensure delivery of the necessary infrastructure.
- Support measures to ensure that developers build homes which are sustainable and can support homeworking and the use of low carbon technologies including the provision of electric vehicle charging points.

## **East Lothian Council's NPF4 Call for Ideas – Summary of Key Points for NPF Submission Blindwells/Cockenzie/Climate Change Zone**

The following paragraphs are an extract from a Report to East Lothian Council:  
Item 07 [Development Planning: National Planning Framework 4/Regional Spatial Strategies and Local Development Plan](#)

**Report approved 25 February 2020.**

### **“Summary of Key Points for NPF Submission Blindwells/Cockenzie/Climate Change Zone**

For the submission these three proposals will be identified as being of national importance with the possibility of them together being an area of opportunity and co-ordinated action. They provide the opportunity for the progression of influential, innovative and carbon neutral places. The submission will focus on the following points:

- Blindwells new settlement should be identified in NPF4 as being of national importance. It is one of seven key strategic sites within the Edinburgh and South East Scotland City Region Deal. The Scottish Government has committed to help enable the delivery of such sites. The Blindwells Development Area is unique. The ELLDP2018 plans for a future expansion of Blindwells from the 130 hectares BW1 allocated site into the 410 hectare safeguarded BW2 site; this safeguarded expansion land is subject to demonstrable collective landowner willingness to promote a comprehensive solution for the Blindwells Development Area, the satisfactory outcome of ongoing technical work, the formation of a public–private partnership, the development of a viable business case and a comprehensive solution and delivery vehicle that will ensure the delivery and completion of a single new town. There is also scope to consider the innovative deployment of powers within the 2019 Act, such as a Masterplan Consent Area, as well as the potential use of other similar statutory instruments.
- The Blindwells New Town Development Area and former Cockenzie Power Station site, taken together, are 625 hectares, the vast majority of which is previously developed land. This is likely the largest such opportunity in Scotland. Over 30 years, these projects could enable significant new employment and economic development opportunities. They could deliver a substantial quantum of new homes, including affordable homes, as well as a new regional town centre and new infrastructure, including green and blue and low carbon infrastructure.
- The former Cockenzie Power Station site is also unique and requires to be identified of national importance in the NPF. It provides around 70 hectares of land now in public ownership (much of it brownfield). Circumstances have changed in relation to previous ambitions within NPF3 for the delivery of thermal generation and carbon capture and storage here. Although the package of uses for the Cockenzie sites continues to be explored, there will be a focus on

employment, and low and zero carbon energy, and there could be a focus on a port and sustainable construction.

- Within this sub-regional area, there is also scope to consider how the space between these sites and communities offers scope to enable a low carbon place. The proposal for an overall comprehensive approach to this should therefore also be promoted as a nationally important exemplar. This Climate Change Zone proposal would be situated between, and include parts of, the neighbouring regenerating communities and strategic development sites of the former coalfield. It would aim to knit this place together and to balance built development in the area with the enhancement of shared green and blue networks, as well as make provision for other shared grey and low and zero carbon infrastructure, including movement and active travel networks. The proposal would also explore how to address this sub-regional area's challenges by converting them into opportunities and multiple benefits, while promoting a transition to carbon neutral.
- These proposals provide the opportunity for enhancement to the national rail network which would have positive impact both for Scotland and the rest of the United Kingdom. Proposals for four-tracking the east coast main rail line, or for delivering an extension to the High Speed Rail Network to Scotland, which could deliver a new railway station and all-purpose overbridge of the rail line should be included in the NPF.
- The role of East Lothian in providing future growth will also be identified in the response. East Lothian has and will continue to accommodate a large amount of growth over the next decade through sites in its existing LDP. To address current and emerging climate legislation and policy it is important that future growth is sustainable and linked to the vision of a zero carbon new settlement at Blindwells.

## **Cyber Resilience**

### **1. INTRODUCTION**

- 1.1 This purpose of this report is to provide the partnership 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 Board is asked to note the contents of this report.

Angela Chambers  
**Business Manager**  
 13 March 2020

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

**Scotland's Low Emission Zones: Consultation on Regulations and Guidance**

SEStran Response

**1a Do you agree with the proposed present-day emission standards for Scottish LEZs?**

**If not, why not?**

SEStran agrees with present-day emission standards but acknowledges the likely introduction of stricter emission standards in the future. There's a need for bus operators to be informed of these intentions now, and allow them to plan for this shift (i.e. a higher standard than euro 6 by 2030) and make informed investment decisions, which take into account the lifespan of a bus fleet.

Furthermore, SEStran believes that, in principle, Scotland's LEZs should apply to motorcycles, mopeds, motorised tricycles and quadricycles just like any other motorised vehicles. While the emissions share might be negligible given their small number on the roads, these vehicles do contribute to air pollution and should therefore be held to an equivalent emissions standard, and not seen as an alternative mode for current car users. SEStran believes these vehicles should only be scoped out of an LEZ scheme if there is a robust justification for their exclusion, rather than the other way around where they are excluded, unless there is a robust justification for their inclusion in a LEZ scheme.

**1b What are your views on Scotland making a transformative shift to zero or ultra-low emission city centres by 2030? Please be as specific as possible in your reasoning.**

SEStran is supportive of the ambition to make a transformative shift towards zero or ultra-low emission city centres by 2030. This is in line with the international and national objectives and urgency to tackle climate change and improve air quality. With the toughest climate law worldwide now in place, Scotland is taking the lead in tackling climate change and setting ambitious emission reduction targets.

As the Scottish Government has committed to be carbon neutral by 2045, the ambition for cities to take the lead to be zero or ultra-low emission by 2030 is positive. It is important, however, to consider what zero or ultra-low emission city centres look like, and how it will have an impact on our communities and various aspects of society. Such an ambition requires a detailed roadmap and clear investment plan to prepare to allow for a smooth transition over this 10-year period. In the end, a transformative shift can only be sustainable if it is achieved in a fair manner, and includes all communities and aspects of our society.

SEStran considers that a detailed roadmap for LEZs must take into account that cities depend upon a far wider region for workforce. LEZs will have a disproportionately negative impact on outlying



communities where those who are least likely to be able to afford city centre house prices, are also most likely to be car reliant given regional rural public transport options into cities are less frequent, more expensive and less reliable. This means that a roadmap must plan and provide for the implementation of a wide range of complementary measures across Scotland's regions surrounding cities where LEZs are being implemented.

SEStran, in partnership with City of Edinburgh Council, has established a regional LEZ working group involving all SEStran partner councils, to explore and understand implications of the LEZ and identify potential mitigators and it is likely these will require investment.

Similarly, the rewrite of the SEStran Regional Transport Strategy will include focus on ensuring that appropriate interventions and affordable, accessible transport options are available for those needing to commute or travel regularly into the City / proposed LEZ area.

Moreover, there is a need to consider what the zero emission scenarios looks like, and how this compares to ultra-low emission scenarios? The transport sector currently contributes most to GHG emissions in Scotland. Significant change will be needed if ultra-low emission city centres are to be achieved, let alone zero emission city centres. These scenarios must be considered to inform decision-making and the adoption of the right policies today, in order to achieve these objectives.

**2a Which of the proposed national LEZ exemptions do you agree with? Please be as specific as possible in your reasoning.**

SEStran is supportive of the proposed exemptions.

SEStran recognises the challenges of administering the exemption of blue badge holders in the LEZ scheme, given the fact that the blue badge 'travels' with the person who holds the card, and not with the vehicle itself. SEStran proposes blue-badge holders should not automatically be exempt from the LEZ scheme, but should be able to apply for a temporary exemption (either in advance or retrospectively) – allowing the vehicle they travel with to be exempt from the LEZ scheme on the specific day/period for which the exemption has been applied.

**2b Are there any other LEZ exemptions you would propose? If so, what should these exemptions be and why?**

No other exemptions proposed.

**3a Do you agree with the proposed base level and subsequent tiers of penalty charges for each vehicle type as outlined in Table 5? Please explain your answer.**

SEStran agrees that the penalty charge should be consistent across Scotland. SEStran also supports the proposed base level and subsequent tiers of penalty charges for different vehicle types. The base level and surcharge tiers would need to be reasonable to deter people from driving into the LEZ with a non-compliant vehicle. SEStran also recognises the importance of having a penalty charge and surcharge system that is not overly complex, allowing people to understand the charges they will face if they do not comply with the LEZ scheme.

SEStran recognises that the proposed penalty regime is complex, and potentially poses challenges for Local Authorities to administer and confusion for the general public around the height of the penalty for multiple contraventions and different vehicle types. Furthermore, this regime can become particularly challenging when a contravention gets challenged, or when an exemption is applied for retrospectively. A more simplified charging regime might be more favourable. Furthermore, it is proposed that the effectiveness of the charging regime is subject to review as discussed in question 6 as well.

**3b Which surcharge 'curve' in Figure 1 represents the best approach to designing a surcharge?**

Subject to the views expressed in 3a above, either graph 1 or 2 would be most appropriate and fair. It must be borne in mind that multiple contraventions might occur before a person becomes aware of the first contravention (due to the delay in administering the charge for the contravention, and the potentially continued driving into the zone with a non-compliant vehicle).

**3c How should the surcharge approach be applied in order to discourage non-compliant vehicles from driving within a LEZ?**

Subject to the views expressed in 3a above, the tiered surcharge would need to go up and down as appropriate after time.

**3d How many days should lapse before a registered keeper of a vehicle returns to the base tier of the penalty charge?**

Subject to the views expressed in 3a above, SEStran believes a reasonable number of days should lapse, taking into account the time involved in administering a charge and for a person to become aware of the first contravention.

**4 Do you agree with the general principles of the LEZ enforcement regime?  
If not, why not?**

SEStran acknowledges the need to properly enforce LEZs in order for these schemes to be effective. However, SEStran also recognises the costs associated with enforcement, which are likely to be significant. It is therefore key that any LEZ regime is kept under continuous review, to balance the costs against its benefits and overall objectives, i.e. improved air quality. SEStran recognises that a proper balance must be sought between enforcing LEZ schemes and investing in measures that seek

to reduce the overall number of vehicles on Scotland's roads and support society to make the necessary shift towards more sustainable transport.

**5 What are your views on the proposed list of 'other persons' that local authorities must consult with on their LEZ plans?**

SEStran proposes that Local Authorities must be required to consult with Regional Transport Partnerships and the neighbouring authorities, to identify and address regional implications of any proposed LEZ scheme. In general, SEStran believes that consultation around an LEZ scheme should not be limited to stakeholders within the local authority in which the scheme will be implemented, but should look at the wider implications in the region, and involve regional engagement with appropriate stakeholders.

**6 If a LEZ scheme review was undertaken, what elements would you expect the review to investigate and how would the review ensure transparency and accountability?**

Similarly to the response in question 4, SEStran believes any LEZ scheme should be continuously reviewed against its ultimate objective of improving air quality. It is also essential that the LEZ scheme meets and respects other environmental and social objectives, such as the objective to reduce CO2 emissions, and improve equality and social inclusion.

Proposed elements of LEZ review:

- Overall objectives of LEZ scheme
- Current performance of scheme against its objectives
- Emissions standards
- Charging regime
- Wider implications in the region and neighbouring authorities
- Appropriateness of support measures (e.g. availability and uptake of support funding for retrofits/upgrades, investment in sustainable transport alternatives, etc.)
- Communication plan/strategy

**7 What secondary objectives should be created for LEZ schemes? Please be as specific as possible in your reasoning**

The overall objective of the LEZ must be to improve the quality of life. As part of this objective, an LEZ must seek to improve the air quality in line with national air quality objectives within the zone, but also outside the zone. Any negative effects on the air quality just outside an LEZ zone should, for example, be avoided where possible or mitigated.

Furthermore, an LEZ should be viewed as a tool as part of a wider strategy to improve air quality and reduce number of vehicles on the roads, in order to improve the overall quality of life. A study in the

Netherlands on the effectiveness of LEZs has shown that not only the vehicle standard, but also a general reduction in the number of vehicles, is key if the ambient air quality is to be improved.<sup>1</sup>

Secondary objectives:

- Align with the climate change agenda and contribute to achieving net-zero emissions by 2045 and interim targets as set out in the Climate Change (Scotland) Act 2019. This means contributing to decarbonising transport in alignment with the Climate Change Plan 2018, and to reducing transport emissions by at least 37% between 2018 and 2032.<sup>2</sup>
- Align with the National Transport Strategy and transport hierarchy.
- Promote equality and social inclusion

There is limited opportunity for significant reduction in congestion from LEZs. Therefore, there are limited secondary objectives that can be applied to the scheme.

However, there are pressing issues aligned to congestion, such as the need for reallocation of road space into cities to facilitate improved public transport operation.

The LEZs will require complementary overall traffic reduction measures to achieve wider social benefit and greater modal shift onto public transport.

**8 Do you agree with the steps outlined in Figure 2 for enabling a LEZ scheme to come into effect? If not, why not?**

Yes, appropriate checks must be in place and final approval from Scottish Ministers is required before a Local Authority can proceed with putting an LEZ in place. As part of this approval, it must be ensured that the regional implications are considered and addressed. Appropriate regional engagement with the relevant Regional Transport Partnership and neighbouring local authorities must be a prerequisite of any LEZ being developed and considered for approval by Scottish Ministers.

**9 How can local authorities maximise the technological opportunities available from the deployment of approved devices?**

Automatic Number Plate Recognition, supported by real time operational traffic management systems on the perimeter of LE areas may provide some opportunities to add value for real time traffic management information and routing, especially on congested corridors into cities.

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<sup>1</sup> "With the exception of one urban street where traffic flows were drastically reduced, the local traffic policies including LEZ were too modest to produce significant decreases in traffic-related air pollution concentrations" in Boogaard et al. (2012) 'Impact of low emission zones and local traffic policies on ambient air pollution concentrations' (435 Science of The Total Environment 132), available at: <https://doi.org/10.1016/j.scitotenv.2012.06.089>.

<sup>2</sup> This target is likely to increase as the Climate Change Plan is currently being updated to reflect the new target of net-zero emissions by 2045 as introduced by the Climate Change (Scotland) Act 2019.

- 10 **What positive or negative impacts do you think the LEZ proposals outlined within this consultation may have on:**
- (a) **particular groups of people, with particular reference to ‘protected characteristics’ listed above**
  - (b) **the very young and old**
  - (c) **people facing socioeconomic disadvantages**

Given the fact that buses are included in the LEZ scheme, there is a risk that this additional cost for operators will push up bus fares. This might have a negative impact particularly on those who are at risk of transport poverty – as buses often provide basic accessibility for certain groups of the population, including for example low income groups, disabled people, parents and carers. Moreover, lower income groups often do not have the financial means to make alternative transport choices, such as upgrading to a compliant vehicle. This might negatively impact their ability to access education, employment, health, and other opportunities.

While support funding has been made available for bus operators for retrofits, this might not be sufficient to avoid an increase in the operating costs for bus operators, and an increase in bus fares, which would particularly affect those who are dependent on the bus as their main (or only) mode of transport. Given the Government's desire to reduce inequalities, LEZs must be implemented alongside a wider investment plan to increase transport alternatives, such as park and rides, car clubs and other forms of shared mobility, and public transport, including appropriate infrastructure and priority to improve reliability and experience.

- 11 **Do you think the LEZ proposals outlined within this consultation are likely to increase, reduce or maintain the costs and burdens placed on business sectors? Please be as specific as possible in your reasoning**

SEStran believes the LEZ proposals are likely to increase the costs for businesses to operate, as they might need to invest in a cleaner fleet to comply with the LEZ standards. In the long term, however, the operating costs of a cleaner fleet might benefit the business (e.g. electric vehicles often have a higher purchasing price but lower operating costs).

- 12 **What impacts do you think the LEZ proposals outlined within this consultation may have on the personal data and privacy of individuals?**

The implications would be similar to other decriminalised enforcement mechanisms, such as bus lane enforcement.

- 13 **Do you think the LEZ proposals outlined within this consultation are likely to have an impact on the environment? If so, which ones and how? Please be as specific as possible in your reasoning.**

Generally, SEStran believes the LEZ proposals will result in cleaner air within the zone, which is beneficial for the environment and improves the quality of life. It is essential however, that any displacement as a result of an LEZ boundary, does not worsen the air quality in the outlying streets/area. Appropriate traffic management must be put in place to mitigate any potentially negative impacts on the environment.

**14 Do you have any other comments that you would like to add on the Scottish Government's LEZ proposals outlined within this consultation?**

No comment.

**SEStran response**  
**26 February 2020**

Annex D: Consultation Questions

Q1. What additional training, information or guidance do you think Public Sector Bodies need to help them increase their action on climate change?

Q2. What are your views on the proposed structure for the High Ambition Climate Network of Chief Executives and Elected Members?

SEStran officers act on behalf on the Partnership Board in order to meet the vision and aims of the Partnership and business plans. SEStran support the principle of elected members and senior officers guiding the direction for the climate network with appropriate measures to filter this information to officers at a working level, particularly with regards to reporting progress. Consideration should be given to whether an electronic forum is sufficient to disseminate information from senior level officers to working level officers.

Q3. Do you agree that Public Sector Bodies should be required to set targets for when they will achieve zero direct emissions, and for reduced indirect emissions?

No

SEStran has taken steps to reduce direct and indirect emissions, through the relocation of workplace to within a shared building and a travel hierarchy but due to the irregular nature of travel within a year it is complex to predict total travel and not feasible to offset these emissions in a calculated way. As stated within the document, wider society needs to make collective decisions in order to facilitate the change for all of Scotland, small public bodies such as SEStran may have limited or no influence over certain areas of emission. In addition, with these targets being self set they may not achieve the desired result with targets needing to be recalculated within the first few cycles.

.Q4. Do you agree that Public Sector Bodies should report annually on how they use their resources to contribute to reducing emissions?

Yes

SEStran has fulfilled it's duty since 2014 to annually report and publish emissions as part of the SSN network, and actively report on the impact of it's work through various projects and the benefit they bring to the Partnership and the aims of sustainability in the region.

Q5. Do you agree that the details of what Public Sector Bodies are required to report on should be set out in statutory guidance instead of on the face of secondary legislation (otherwise known as an Order)?

Yes

The flexibility in guidance should be facilitated to allow for easy reporting and alleviate resource pressure. Cognisance must be taken of the reporting standards in order to avoid false reductions through a change in criteria.

Q6. Do you agree to the proposed changes to the list of Public Sector Bodies that are required to annually report their emissions?

Yes / no / don't know

If you answered no, please specify which aspect of the proposal you disagree with and why.

Q7. Do you agree with our proposals for amending the reporting requirements as set out above?

No

Disagree with the proposals of section 3(d) Net-zero emission for the reasons discussed in question 3.

The removal of section 2 places emphasis on adaptation of climate risks and consequences rather than proactive mitigation measures that can be taken to reduce emissions. This shift to adaptation is missing the context of attaining carbon net zero with no emphasis on reduced emissions and decarbonisation.

The consultation document refers to a focus on delivery but the proposals do not specifically lay out how provision will be made to report on Public Bodies action to achieve emissions reduction.

Q8. Is there anything else you think should be added to the reporting duties, or anything else you think should be removed?

Further detail is required on the proposals for sections 4 and 5 and what the new format for these would take. At this time, it is difficult to add further comment from the detail in the consultation document as discussed in question 8.

Q9. Do you agree that Public Sector Bodies should each make their own report on emissions reductions publicly available?

SEStran reports on its Climate Change Duty annually to the Partnership Board where it is scrutinised by members after the submission to SSN. The report is made available through SSN and the accompanying board reports are made available through the SEStran website.



## **Introduction.**

SEStran welcomes the opportunity to comment on the City of Edinburgh Council's consultation and is pleased to note that responses will be used by the Council to help shape final proposals.

SEStran supports the principles behind extending bus lane operational hours in Edinburgh. More dedicated operational hours for bus (and taxi and bike) is a means to securing more reliable bus passenger journey times for services within, to and from Edinburgh.

## **Policy view.**

SEStran considers that the proposals are strongly aligned to, and support, national commitments around travel behaviours:

- the significant financial commitment in the Scottish Government's Programme for Government 2019, to initiatives and investment to tackle the negative impact of congestion on bus services.
- the Scottish Government's Climate Emergency Declaration, which requires coordinated action at all levels of governance,
- the new investment hierarchy expressed within the draft National Transport Strategy and the adopted road user hierarchy outlined in Designing Streets guidance. Both hierarchies prioritise active and then public transport modes above the facilitation of private vehicle use.

SEStran takes the view that the proposals are strongly aligned to SEStran Regional Transport Strategy 2015-2025, which identifies that key public transport corridors will be more intensely used, and capacity and level of service in these corridors will have to reflect these increasing pressures<sup>1</sup>. Due to regional population growth, commuting pressures in the SEStran region mean bus travel needs to continually, and rapidly improve. There is an urgent need to address increased bus journey times across the region. There is an urgent need to decrease overall numbers of individual car journeys in the region to reduce congestion. The population is increasing, and public transport reliability and numbers of journeys by public transport need to outstrip car-based travel. This will ensure the region's economic growth can be as inclusive as possible to those outside the city.

By extending bus lane operation beyond current peak hours, bus service and journey time reliability can be improved. An extension to the operational hours will have many positive impacts for bus passengers in and beyond the City of Edinburgh Council area.

Bus lanes should be viewed as a key part of a comprehensive set of policy tools to reduce traffic density, alongside 20mph, Low Emission Zones (LEZs), congestion zones, pedestrianisation, one-way streets and complementary regional measures. In fact, only with a wide range of policy interventions including bus lanes, will other initiatives, such as the Council's major LEZ proposals, fully succeed.<sup>2</sup>

In addition, SEStran considers that the extension of bus lane operating hours may provide better and safer access for bike users on roads where there is no option for bike lane provision. Proposals

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<sup>1</sup> [Regional Transport Strategy 2015-2025](#) pp21-23 Chapter2 "SEStran Area – Key Trends and Issues"

<sup>2</sup> Boogaard et al (2012) say that using a comprehensive set of tools may be the key determinant; "where in addition to the LEZ – **traffic intensity** was reduced 'soot', NO<sub>2</sub> and NO<sub>X</sub> concentrations decreased significantly".

therefore accord with the established Scottish hierarchy of transport users and may support active travel targets of the Council. However, the interaction of bus and bikes in standard-width bus lanes is not ideal, with competition for space and issues near bus stops. For this reason, SEStran would welcome a longer-term strategy to address this interaction.

### **Practical considerations for implementation.**

There is strong justification to increase the operational hours, as currently, bus lane hours do not meet the longer peak hours that are evident on roads into and out of the city (with disbenefit to bus passengers, people travelling by bike and taxi).

However, SEStran notes the Council faces very complex challenges, to try and balance competing needs at bus lane locations where small business loading is also evident. It is difficult to consult on these kinds of policy decisions in isolation of a wider range of transport and movement considerations. It is noted that at this stage, there are no changes proposed to loading, parking or other arrangements. Impacts of bus lane interaction with parking provision are distinct from those associated with loading; for this response we focus on loading only. In locations such as St John's Road in Corstorphine, alternative arrangements for nearby loading are limited. If the Council pursues 12-hour bus lane operation, the view of SEStran is that a comprehensive plan will also be needed, identifying facilities for localised economic activity, commerce and residential access. Without this, it should be noted that optimum performance of the bus lanes can't be fully realised.

The performance of bus lanes under current operational hours can be further improved by more efficient enforcement: the data provided by the Council shows that bus journey times have increased in both peak, as well as off-peak times. A more comprehensive plan to introduce measures such as enforcement will help deliver better performance of the lanes. Lack of enforcement can also have an impact for the safety of those travelling by bike and using bus lanes.

Finally, SEStran considers that there are also other factors that can affect the reliability of journey times, including a loss of bus lane priority through or in advance of key junctions, and from locations or frequency of bus stop on some key routes. Commercial operators also have options to improve journey time reliability, by extending the hours / numbers of express services, or increasing two-door buses on key routes.

### **Conclusion.**

The principle of extending bus lane operating times is fully supported. However, to be effective, enforcement is key, for the whole period of bus lane operation.

SEStran recognises the City of Edinburgh Council needs to take steps in delivering significant change, and that there are competing needs that are difficult to resolve in some locations.

SEStran would remain supportive if some amendments were to be made to final proposals, following consultation. This would be the case if the Council were to achieve significant extension of the peak hours and retain some standardised hours for loading related activities outside of bus lane hours (so long as these times are limited, and well outside of evident peak times seen in the city on key routes).

**Chief Officer Liaison Group Meeting**  
**2:00pm Wednesday 26<sup>th</sup> February 2020, Waverley Court, Room G.23, 4 East Market Street, Edinburgh, EH8 8BG**

**Present:**

Iain Shaw (IS)	City of Edinburgh Council
Lesley Deans (LD)	Clackmannanshire Council
Peter Forsyth (PF)	East Lothian Council
Kevin Collins (KC)	Falkirk Council
Ken Gourlay (KG)	Fife Council
Iain Aikman (IA)	Scottish Borders Council
<b>Jim Grieve (JG) (Chair)</b>	<b>SEStran</b>
Jim Stewart (JS)	SEStran
Hannah Markley (HM)	SEStran
Graeme Malcolm (GM)	West Lothian Council

**Apologies:**

Ewan Kennedy	City of Edinburgh Council
Lindsay Haddow	Midlothian Council

Ref.		Actions
<b>1.</b>	<b>Welcome and Apologies for Absence</b>	
1.1	The Chair welcomed the Officers to the meeting and apologies were noted as above.  Members also introduced themselves to IA from Scottish Borders.	
<b>2.</b>	<b>Minutes</b>	
2.1	<b>Chief Officers Liaison Group (6<sup>th</sup> November 2019)</b> Agreed as a correct record	
<b>3.</b>	<b>Financial reports</b>	
a)	<i>Revenue Budget 2020/21</i>  IS presented the report, outlining the proposed budget which the Board will be asked to consider and reach a decision on at the March	

	<p>meeting. IS explained that the report differs from previous years' reports, as additional budget provision is now proposed for Regional Transport Strategy (RTS) development and Sustainable travel. Match funding for Low Carbon Travel and Transport (LCTT) Challenge Fund project has been removed. Transport Scotland contributed two thirds towards LCTT and SEStran were to contribute the final third. However once reviewed, SEStran could no longer afford the project.</p> <p>b) <i>Finance Officer's Report</i></p> <p>IS presented the quarterly monitoring report on the current year's financial performance, which notes that the budget is currently on track. IS also advised that the current year monitoring forecast is on budget with an underspend of £60k.</p> <p>c) <i>Reserves Policy</i></p> <p>IS mentioned a piece of legislation has been updated for partnerships to hold a reserve. This will allow the carry forward of underspend on specific projects, in addition to building a reserve based on a percentage of the core budget. GM asked if the policy is the same for other RTPs. Iain stated that he used SPTs report as a model and other council reserve policies.</p> <p>The reserve policy will be presented to the Performance and Audit Committee for its review and to the Partnership Board for approval.</p>	
<b>4.</b>	<b>Draft Business Plan 2020/21</b>	
4.1	<p>JG provided a verbal update on SEStran's Business Plan 2020/2021. The draft will be taken to the board in March for approval.</p> <p>JG noted that the format is concise and matches the projects report but there are still a few edits to be completed. GM also agreed the format is well laid out and helpful. One of the aims that comes through in the report is to work with bus companies to reverse declining bus patronage and highlight growth in some parts of the region, for example Fife and East Lothian.</p> <p>JG also mentioned that SEStran will continue to promote the new Thistle Assistance card/app through key influencers and partners. There has been a lot of progress working with other RTPs and the card is currently being advertised on Forth Radio and STV.</p> <p>JG commented that officers may recall SEStran bus and rail forums. SEStran have merged these relatively formal forums; Following that change. In order to be able to work more closely with these public transport operators, SEStran has introduced discrete officer level meetings with both bus and rail personnel, on a quarterly basis. LD questioned who is invited to these meetings. JG advised that they include bus and rail operators, Network Rail and Transport Scotland.</p>	

	<p>LD also mentioned that it is important to hear if the integrated mobility is feeding back into rail and bus and is important to have all authorities attend. JG outlined that the Chief Officers can suggest items for future agendas.</p> <p>PF is interested in the rail quarterly meeting and asked who is normally invited because there might be an overlap. JG confirmed it was rail operators, Transport Scotland and Network Rail. PF encouraged to pull resources together by working and collaborating on the same issues.</p> <p>GM suggested that it would help the councils to identify their resources if, the forum information section in the Business plan gave an indication of:</p> <ul style="list-style-type: none"> <li>• What the forum will be discussing?</li> <li>• What challenges are faced?</li> <li>• What is the focus of each forum?</li> <li>• What the forums have planned over the year?</li> <li>• What we want to achieve?</li> <li>• What are the outcomes of previous forums and/or for future forums?</li> </ul> <p>KG said he felt it may be problematic to mention specific councils and their projects as this could be seen as favouring some Councils over others in terms of the focus of the Business Plan. JG mentioned the business plan is a regional focus and the next big thing is how the RTS is going to be structured.</p> <p>JG noted if officers could <b>provide feedback up to Thursday 12th March</b> (before the Partnership Board).</p>	<p><b>AH/JG</b></p>
<b>5.</b>	<b>Projects Update</b>	
5.1	<p>JS provided a summary of this report, which updated the Chief Officers on the progress of SEStran’s projects.</p> <p>JS mentioned there are a few engagement issues on the delivery of Bikeability Scotland National Standard cycle training by local authority Bikeability coordinators. GM suggested it would be useful to let each authority know if there are any specific issues in certain schools. JS will discuss with Beth Harley-Jepson (Cycling Officer) about what schools she is engaging with, then will report back to the group. JS/Beth will produce a report/update to next Chief Officer meeting with identified schools and more information.</p> <p>JS agreed that he will share the brief of the Forth Freight Strategy. JS will discuss this with Keith Fiskin (SEStran Programmes Manager).</p>	<p><b>JS/BHJ</b></p> <p><b>JS</b></p>

	<p>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 first PriMaaS Regional Stakeholder Group involved the exchange of good practice with stakeholders. Through this meeting, a baseline was established of the current levels of MaaS integration in the SEStran area. PF highlighted he is happy to share East Lothian MaaS research study. JS stated the stakeholder groups will continue with each authority included. Therefore, the distribution list will need to be reviewed.</p>	
<b>6.</b>	<b>RTS – MIR Update</b>	
6.1	<p>JS advised that SEStran has commissioned Jacobs to compile a Main Issues Report (MIR), to help inform the key transport related issues and opportunities in its region. The first stakeholder meeting is on Thursday 5<sup>th</sup> March. The meeting will involve discussion around the main issues that have been developing - gather views, knowledge and experience of issues and opportunities relating to all kinds of journey or transport in the region.</p> <p>Jacobs have produced a draft of MIR report and SEStran are working with them. A paper will be put to the board for members to give input. The report is to be completed by the end of this financial year. JS will discuss with Jacobs on how to get some information from Clacks and Falkirk.</p> <p>The final draft will be circulated once complete. The report will identify key issues in the RTS and how we're going to deal with them.</p>	JS
<b>7.</b>	<b>Low Emission Zones</b>	
7.1	<p>JS stated that the next Regional LEZ meeting is on the 9<sup>th</sup> March 2020 which is normally well attended. The consultation deadline for LEZ national regulations and guidelines was the 24<sup>th</sup> February 2020. The key theme mentioned in CEC was, what is the regional engagement in a Scottish Governments view.</p> <p>PF questioned whether CEC sent out an invitation to each authority about a 1-1 discussion around the City Mobility Plan.</p>	
<b>8.</b>	<b>RTPI</b>	
8.1	<p>JG explained, SEStran are working with CEC on the new content management system (CMS). The RTPI screens are now well distributed round the region. SEStran have recently entered into a contract with a provider, along with CEC, to provide a service and hardware can be bought at competitive prices to provide the facility.</p> <p>The new CMS is more reliable, a cheaper facility and should be a much-improved service. Additional funds will be used to upgrade the existing Windows 7 PCs that are used in the system to Windows 10 which is necessary to sustain the new system.</p>	

<b>9.</b>	<b>Bus Congestion</b>	
9.1	JG highlighted that First Group has formed a partnership with NEStran and the Aberdeen councils to be able to apply for a share of the £500million Bus Partnership Fund and have approached SEStran to consider a similar partnership for the west of the region. SEStran is keen to work with partners and operators. There may be scope for SEStran to do the same with Stagecoach in Fife.	
<b>10.</b>	<b>Tripshare</b>	
10.1	JS noted that Tripshare has been engaging with partner authorities and has established who the key contacts are. There have been discussions about the facilities to have a parking management system but no takers yet because of staff resource and budget implications. Tripshare could be a usual tool but it's resource intensive and costly. JS reminded everyone that there is a regional level of the Liftshare scheme which SEStran use to collect statistics on emission reduction. There is also a level of Tripshare for each local authority to access statistics for their council area that is funded by SEStran and each individual authority has a workplace Tripshare platform. After brief discussion it was clear that there was no real use of the local authority area statistics. Ongoing costs of scheme for SEStran is an issue and it was agreed that a separate meeting should be convened to discuss Tripshare and how to reduce the overall cost.	<b>JS</b>
<b>11.</b>	<b>ECMA Update</b>	
11.1	JG highlighted the budget for next year has been carried over (170k budget for next year). Prompted by likely RTP budget allocation, Tactran are happy to explore subscription holidays to be considered for next year.  There was an ECMA communications update to the rebranding. Work is underway with proposals to be put to the next Officer's Group meeting in April.  PF asked if Keith Fisker could attend a meeting at East Lothian Council to present a verbal ECMA update. PF will send KF an email.	<b>PF/KF</b>
<b>12.</b>	<b>Consultation Responses</b>	
a)	<i>LEZ National Regulations and Guidelines: (for noting)</i> Most authorities submitted a LEZ response. Julie Vinders sent a final draft response to SEStran staff and asked for feedback. The consultation response has now been submitted.	
b)	<i>CEC City Mobility Plan: (for noting)</i> Still awaiting consultation response/still to be completed.	

c)	<i>Public Bodies Climate Change Duties:</i> Circulated to members for further comment.	
d)	<i>CEC Bus Lane Operational Hours:</i> Circulated to members for further comment.	
<b>13.</b>	<b>AOCB</b>	
	None	
<b>14.</b>	<b>Date of Next Meeting</b>	
	The date of the next meeting is 2.00pm on <b>Wednesday 27<sup>th</sup> May 2020 in Conference room 3, Victoria Quay, Edinburgh, EH6 6QQ.</b>	