

PERFORMANCE & AUDIT COMMITTEE

**Remote Meeting via MS Office Teams
Friday 10th September 2021 – 13:00pm**

AGENDA

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| 10. DATE OF NEXT MEETING
The date of the next meeting has been scheduled for 13:00pm on Friday 19th November 2021. | |

Gavin King
Secretary to SESTRAN
Democracy, Governance and Resilience Senior Manager
Strategy & Insight Division
The City of Edinburgh Council
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3rd September 2021

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PERFORMANCE & AUDIT COMMITTEE

**REMOTE MEETING VIA MS OFFICE TEAMS
ON FRIDAY 4 June 2021
12pm**

PRESENT:	<u>Name</u>	<u>Organisation Title</u>
	Councillor Imrie (Chair)	Midlothian Council
	Councillor Dempsey	Fife Council
	Councillor Fullarton	Scottish Borders Council
	Councillor Horne	West Lothian Council
	Councillor Murtagh	Falkirk Council
	Councillor Rose	City of Edinburgh Council
	Callum Hay	Non-Councillor Member
	Doreen Steele	Non-Councillor Member
	Barry Turner	Non-Councillor Member
IN ATTENDANCE:	<u>Name</u>	<u>Organisation Title</u>
	Angela Chambers	SEStran
	Gavin Cluckie	City of Edinburgh Council
	Andrew Ferguson	SEStran
	Jim Grieve	SEStran
	Anna Herriman	SEStran
	Martin Scott	City of Edinburgh Council
	Dheeraj Shekhar	City of Edinburgh Council
	Iain Shaw	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 Councillor Balsillie, Simon Hindshaw and Karen Jones (Azets).

A3. DECLARATION OF INTERESTS

Councillor Cameron Rose declared a non-financial interest in item 6(a), Unaudited Annual Accounts 2020/21, as a quasi-Trustee member of the Lothian Pension Fund.

A4. MINUTES

To approve the minute of the Performance and Audit Committee of 5 March 2021 as a correct record.

A5. INTERNAL AUDIT 2020/21

An update on the outcomes of the 2020/21 SEStran Internal Audit review was provided. Members were invited to provide insights on areas for potential inclusion in the scope of the planned 2021/22 audit.

Decision

- 1) To note the outcomes of the 2020/21 IA review, and the associated costs.
- 2) To agree the Chief Internal Auditor would engage with the Partnership Director at the start of audit to assess what the imminent risk was for the organisation to plan and scope the audit.

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

A6. Finance Reports

(a) Unaudited Annual Accounts 2020/21

The Unaudited Annual Accounts for 2020/2021 were submitted in accordance with the Local Authority Accounts (Scotland) Regulations 2014.

The accounts were subject to audit and the audited Annual Accounts, incorporating the Auditor's report, would be presented to the Performance and Audit Committee and Partnership Board in due course.

The net revenue budget of the Partnership in 2020/21 was £0.972m, funded by Government Grant and Council Contributions. Overall the Partnership had an underspend of £122,000. The underspend arose due to a combination of underspends on the core revenue budget and projects budget, offset by an overspend on the RTPi project budget.

Decision

- 1) To note the unaudited Annual Accounts for 2020/21 and refer the Unaudited Accounts to the Partnership Board for review.
- 2) To authorise the Partnership Treasurer to amend the

accounts for presentation to the Board to reflect a change in the pension fund liability.

- 3) To note that the audited Annual Accounts, incorporating the Auditor's report, would be presented to the Performance and Audit Committee and Partnership Board in due course.

(Reference – report by the Treasurer, submitted)

Declaration of Interest

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

(b) Annual Treasury Report 2020/21

The Annual Treasury Report for 2020/21 was submitted in line with the requirements of the CIPFA Code of Practice on Treasury Management in the Public Sector.

Decision

To note the Annual Report for 2020/21 and refer it to the Partnership Board for noting.

(Reference – report by the Treasurer, submitted)

A7. RISK MANAGEMENT REPORT

Committee were provided with a six-monthly update on the risk register and were advised of the proposed development of a risk framework policy, as recommended by Internal Audit as part of its recent audit of resilience arrangements within SEStran.

Decision

- 1) To note that a final version of the Risk Register will be presented to Partnership Board for noting.
- 2) To note that a draft Risk Management Framework would be developed by management and presented to the Committee in November 2021.

(Reference – report by the Business Manager, submitted)

A8. PROJECTS PERFORMANCE REPORT

Details were provided on progress over the last quarter across SEStran's timebound projects and key work streams. Impacts on progress or delivery were explained, including those deriving from

Covid-19.

During the discussion, a number of suggestions were put forward.

The following key points emerged:

- On Active Travel, a project was underway in a different region to encourage and facilitate Muslim women to cycle whilst retaining their dress code and that consideration should be given to adding a similar project to the repertoire of SEStran's projects.
- There was potential through the relationship between Demand Responsive Transport (DRT) and Mobility as a Service (MaaS) to increase accessibility to public transport in the SEStran region.
- There were trials going on in local authority areas, including DRT options, and that it would be useful for Officers to engage with Chief Officers within local authorities in the SEStran region to learn and share best practice.

Decision

- 1) To note the progress outlined in the Performance Report (at Appendix 1) including impacts and delays recorded in relation to Covid-19.
- 2) To note amendments to the performance report template to include information on end dates where appropriate.
- 3) To note the agreed extension to the Share-North project.

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

A9. SESTRAN BUSINESS PLAN 2021-22 to 2023-24

Following the Committee's comments on the proposed three-year Business Plan at its meeting on 5th March, Committee's views were sought on the revised Plan, prior to submitting it to the Board for approval.

During the discussion, a number of proposed amendments/additions were put forward. The following key points emerged:

- In consultation with the Partnership Director and Senior Partnership Manager, the SEStran Consultant would consider how the Business Plan could reflect the need for flexibility.
- That consideration should be given to the wording of the Actions in Annex 5.1.
- To include a reference to Demand Responsive Transport (DRT) and Mobility as a Service (MaaS) in the list of actions in

Annex 5.1.

Decision

- 1) To note the terms of the report.
- 2) To recommend to the Board that it consider the finalised draft Business Plan at the June Board, with updates to the Plan being brought back for further scrutiny in due course.

(References – SEStran Performance and Audit Committee, 5 March 2021 (item A7); report by the SEStran Consultant, submitted)

A10. DATE OF NEXT MEETING

Friday 10 September 2021 - time to be confirmed.

2020/21 Draft Annual Audit Report to members of South East of Scotland Transport Partnership and the Controller of Audit

1. Introduction

- 1.1** The Annual Audit Report summarises the findings arising from the Partnership's 2020/21 external audit.

2. Main Report

- 2.1** The unaudited Annual Accounts were noted by the Partnership at its meeting on 18th June 2021 and submitted to the appointed external auditor – Azets Audit Services.

- 2.2** There are no qualifications to the draft audit certificate. The Auditor's draft opinion states that the financial statements present a true and fair view of the Partnership as at 31st March 2021 and its income and expenditure for the year then ended.

- 2.3** The audit opinion is subject to the completion of the following areas of work:

- review of most recently provided audit evidence;
- consideration of events subsequent to the balance sheet date; and
- final checks and review, including for accuracy and consistency.

- 2.4** The key messages from the audit are presented on pages 3 to 6 of the draft External Audit report.

3 Recommendations

It is recommended that the Performance and Audit Committee note:

- 3.1** the draft Annual Audit Report to members of South East of Scotland Transport Partnership and the Controller of Audit;
- 3.2** refer the Annual Audit Report to the meeting of the Partnership Board on 24th September 2021.

Hugh Dunn
Treasurer
6th September 2021

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

Contact iain.shaw@edinburgh.gov.uk

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



South East of Scotland Transport Partnership

Draft 2020/21 Annual Audit Report to members of South East of Scotland Transport Partnership and the Controller of Audit

September 2021



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Key messages

This report concludes our audit of the South East of Scotland Transport Partnership (“the Partnership”) for 2020/21.

This section summarises the key findings and conclusions from our audit.

Financial statements audit

Audit opinion	<p>The Partnership's annual accounts for the year ended 31 March 2021 are due to be considered by the Performance and Audit Committee on 10 September 2021 and approved by the Partnership on 24 September 2021.</p> <p>We report unqualified opinions within our draft independent auditor's report. Our audit opinion is subject to the completion of the following areas of work:</p> <ul style="list-style-type: none"> • Review of most recently provided audit evidence; • Consideration of events subsequent to the balance sheet date; and • Final checks and review, including for accuracy and consistency.
Key findings on audit risks and other matters	<p>COVID-19 continues to present unprecedented challenges to the operation, financial management and governance of organisations, including public sector bodies. In response to the pandemic, we identified potential areas of increased risk of material misstatement to the financial statements and/or our audit opinion. We are pleased to report those risks identified did not materialise.</p> <p>The Partnership had appropriate administrative processes in place to prepare the annual accounts and the required supporting working papers</p>
Audit adjustments	<p>We are pleased to report that there were no material adjustments or unadjusted differences to the unaudited annual accounts. We identified some disclosure and presentational adjustments during our audit, which have been reflect in the final set of accounts.</p>
Accounting systems and internal controls	<p>We have applied a risk-based methodology to the audit. This approach requires us to document, evaluate and assess the Partnership's processes and internal controls relating to the financial reporting process.</p> <p>Our audit is not designed to test all internal controls or identify all areas of control weakness. However, where, as part of our testing, we identify any control weaknesses, we have included these in this report. No material weaknesses or significant deficiencies were noted.</p>

Wider scope audit

Our annual audit work in respect of our wider scope audit responsibilities was restricted to:

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

Our conclusions and key observations are set out below:



Annual governance statement

We are satisfied that the Annual Governance Statement for the year to 31 March 2021 is consistent with the financial statements and has been prepared in accordance with the Delivering Good Governance in Local Government: Framework (2016).

The Partnership has appropriate systems in place to record, process, summarise and report financial and other relevant data. We have not identified any significant weaknesses or governance issues in the Partnership's accounting internal control systems throughout the year or as a result of remote working during the COVID-19 pandemic.

Financial sustainability

Auditor judgement



Three year financial plans (commencing 2021/22) have been developed and approved by the Partnership. There continues to be level of uncertainty around the impact of the COVID-19 pandemic on the transport and mobility sector and as a result, the Partnership will continue to closely monitor the position.

As at 31 March 2021 the Partnership holds an unallocated general fund reserve of £29,000, which meets the minimum level required by its Reserves Policy. This has only been achieved through unplanned underspends and we encourage the Partnership to continue to reflect on its strategy to maintain, utilise or further build up the unallocated general fund reserve as part of the annual budgeting process.

With Scottish Government grant funding and council requisitions remaining the same level, representing a reduction in real terms, the Partnership relies

on external funding to ensure a balanced position. The Partnership has identified a key objective within its Business Plan 2021/22 to 2023/24 to increase funding levels as a result. The main change in external funding is the reduction in EU grants. With existing projects ending over the next two years, funding will reduce from £106,000 in 2021/22 to nil by 2023/24. The Partnership do not see this as a significant risk to its financial sustainability but are looking into arrangements to succeed those currently in place.

Definition

Our wider scope audit involves consideration of the Partnership's arrangements as they relate to financial sustainability. We have used the following grading to provide an overall assessment of the arrangements in place.



Introduction



We carried out our audit in accordance with Audit Scotland's
Code of Audit Practice and maintained auditor independence



Scope

1. This report summarises the findings from our 2020/21 audit of the South East of Scotland Transport Partnership (“the Partnership”).
2. We outlined the scope of our audit in our External Audit Plan, which we presented to the Partnership at the outset of our audit. The core elements of our work include:
 - an audit of the 2020/21 annual accounts and related matters;
 - consideration of the wider dimensions of public audit work, as set out in Exhibit 1; and
 - any other work requested by Audit Scotland.

Exhibit 1: Audit dimensions within the Code of Audit Practice



Responsibilities

3. The Partnership is responsible for preparing annual accounts which show a true and fair view and for implementing appropriate internal control systems. The weaknesses or risks identified in this report are only those that have come to our attention during our normal audit work and may not be all that exist. Communication in this report of matters arising from the audit or of risks or weaknesses does not absolve management from its responsibility to address the issues raised and to maintain an adequate system of control.
4. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.
5. We would like to thank all management and staff at both the Partnership and City of Edinburgh Council for their co-operation and assistance during our audit.

Auditor 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 complied with the Financial Reporting Council's (FRC) Ethical Standard. In our professional judgement, we remain independent and our objectivity has not been compromised in any way.
8. We set out in Appendix 1 our assessment and confirmation of independence.

Openness and transparency

11. This report will be published on Audit Scotland's website www.audit-scotland.gov.uk.

Adding value through the audit

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

Feedback

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

Financial statements audit

The Partnership's annual accounts are the principal means of accounting for the stewardship of its resources and its performance in the use of those resources.

Overall conclusion

12. The annual accounts are due to be considered by the Partnership on 24 September 2021. Our draft independent auditor's report is unqualified.
13. We received the unaudited annual accounts and supporting papers of an adequate standard, in line with our agreed audit timetable. Our thanks go to staff at the Partnership and City of Edinburgh Council for their assistance with our work.

Our audit opinion

Opinion	Basis for opinion	Conclusions
Financial statements	<p>We conduct our audit in accordance with applicable law and International Standards on Auditing.</p> <p>Our findings / conclusion to inform our opinion are set out in this section of our annual report.</p>	We intend to issue unqualified audit opinions.
Going concern basis of accounting	<p>In the public sector when assessing whether the going concern basis of accounting is appropriate, the anticipated provision of the services is more relevant to the assessment than the continued existence of a particular public body.</p> <p>We assess whether there are plans to discontinue or privatise the Partnership's functions.</p> <p>Our wider scope audit work considers the financial sustainability of the Partnership.</p>	<p>As at 31 March 2021, the Partnership reported a net liability position of £0.567million. This includes the net pension liability of £0.990million.</p> <p>We reviewed the financial forecasts for 2021/22 and are satisfied that the Partnership has adequate budget to meet the ongoing employer contributions required by Lothian Pension Fund. Our understanding of the legislative framework and activities undertaken provides us with sufficient assurance that the Partnership will continue to operate for at least 12 months from the signing date. Our audit opinion is unqualified in this respect.</p>

Opinion	Basis for opinion	Conclusions
<p>Opinions prescribed by the Accounts Commission on:</p> <ul style="list-style-type: none"> • Management Commentary • Annual Governance Statement • Remuneration Report 	<p>We read all the statutory information in the annual accounts to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit.</p> <p>We plan and perform audit procedures to gain assurance that the statutory other information has been prepared in accordance with;</p> <ul style="list-style-type: none"> • Statutory guidance issued under the Local Government in Scotland Act 2003 (Management Commentary); • The Delivering Good Governance in Local Government: Framework (Annual Governance Statement); and • The Local Authority Accounts (Scotland) Regulations 2014 (Remuneration Report). 	<p>The statutory other information contains no material misstatements or inconsistencies with the financial statements.</p> <p>We have concluded that:</p> <ul style="list-style-type: none"> • The management commentary is consistent with the financial statements and has been prepared in accordance with statutory guidance issued under the Local Government in Scotland Act 2003. • The information given in the annual governance statement is consistent with the financial statements and has been prepared in accordance with the Delivering Good Governance framework. • the audited part of the Remuneration Report has been properly prepared in accordance with The Local Authority Accounts (Scotland) Regulations 2014.
<p>Matters reported by exception</p>	<p>We are required to report on whether:</p> <ul style="list-style-type: none"> • adequate accounting records have not been kept; or • the financial statements and the audited part of the Remuneration Report are not in agreement with the accounting records; or 	<p>We have no matters to report.</p>

Opinion	Basis for opinion	Conclusions
	<ul style="list-style-type: none"> we have not received all the information and explanations we require for our audit. 	

An overview of the scope of our audit

14. The scope of our audit was detailed in our External Audit Plan, which was presented to the Partnership in March 2021. The plan explained that we follow a risk-based approach to audit planning that reflects our overall assessment of the relevant risks that apply to the Partnership. This ensures that our audit focuses on the areas of highest risk. Planning is a continuous process and our audit plan is subject to review during the course of the audit to take account of developments that arise.
15. At the planning stage we identified the significant risks that had the greatest effect on our audit. Audit procedures were then designed to mitigate these risks.
16. In our audit, we test and examine information using sampling and other audit techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain evidence through performing a review of the significant accounting systems, substantive procedures and detailed analytical procedures.

Significant risk areas

17. Significant risks are defined by professional standards as risks that, in the judgement of the auditor, require special audit consideration. In identifying risks, we consider the nature of the risk, the potential magnitude of misstatement, and its likelihood. Significant risks are those risks that have a higher risk of material misstatement.
18. The significant risk areas described in the table below are those that had the greatest effect on our audit strategy, the allocation of resources in the audit and directing the efforts of the audit team. Our audit procedures relating to these matters were designed in the context of our audit of the annual accounts as a whole, and not to express an opinion on individual accounts or disclosures. Our opinion on the annual accounts is not modified with respect to any of the risks described below.

Significant risk areas

1. Management override

Significant risk description

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

Risk assessment: **High**

How the scope of our audit responded to the significant risk

Key judgement

There is the potential for management to use their judgement to influence the financial statements as well as the potential to override controls for specific transactions.

Audit procedures

- Review of the Partnership's accounting records and audit testing on transactions.
- Adoption of data analytics techniques in carrying out testing.
- Review of judgements and assumptions made in determining accounting estimates as set out in the financial statements to determine whether they are indicative of potential bias. This included a retrospective review of the prior year estimates against the current year estimates.

Key observations

We have not identified any indication of management override in the year. We did not identify any areas of bias in key judgements made by management and judgements were consistent with prior years.

2. Revenue recognition

Significant risk description

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 income and expenditure transactions in such a way as to lead to a material misstatement in the reported financial position.

Risk assessment: High

How the scope of our audit responded to the significant risk

Key judgements

Given the financial pressures facing the public sector as a whole, there is an inherent fraud risk associated with the recording of income around the year end. However, we do not deem this risk to be present in requisitions received from the constituent local authorities or Scottish Government grant funding due to a lack of incentive and opportunity to manipulate transactions.

Audit procedures

- Evaluate the significant revenue streams and review the controls in place over accounting for revenue.
- Consideration of the Partnership's key areas of revenue and obtain evidence that revenue is recorded in line with appropriate accounting policies and the policies have been applied consistently across the year.

Key observations

At the planning stage of our audit we concluded that the revenue recognition risk was present in all revenue streams except for requisitions from constituent local authorities and Scottish Government grant funding. Our conclusion remained the same throughout the audit.

Based on the work performed, we have gained reasonable assurance on the completeness and occurrence of income and we are satisfied that it is fairly stated in the financial statements.

3. Expenditure recognition

Significant risk description As most public sector bodies are net expenditure bodies, the risk of fraud is more likely to occur in expenditure. There is a risk that expenditure may be misstated resulting in a material misstatement in the financial statements.

Risk assessment: High

How the scope of our audit responded to the significant risk

Key judgements

Given the financial pressures facing the public sector as a whole, there is an inherent fraud risk associated with the recording of accruals around the year end.

Audit procedures

- Evaluate the significant non-pay expenditure streams and review the controls in place over accounting for expenditure. (Payroll is subject to separate tailored testing).
- Consideration of the Partnership's key areas of expenditure and obtain evidence that expenditure is recorded in line with appropriate accounting policies and the policies have been applied consistently across the year.
- Review of accruals around the year end to consider if there is any indication of understatement of balances held through consideration of accounting estimates.

Key observations

We gained reasonable assurance over the completeness and occurrence of expenditure and are satisfied that expenditure is fairly stated in the financial statements.

4. Pension assumptions (significant accounting estimate)

Significant risk description

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.

Risk assessment: High

How the scope of our audit responded to the significant risk

Key judgements

A significant level of estimation is required in order to determine the valuation of pension assets/liabilities. Small changes in the key assumptions (including discount rates, inflation and mortality rates) can have a material impact on the pension asset/liability.

Audit procedures

- Review of the controls in place to ensure that the data provided from the pension fund to the actuary is complete and accurate.
- Review the reasonableness of the assumptions used in the calculation against other local government pension fund actuaries and other observable data.
- Agree the disclosures in the financial statements to information provided by the actuary.
- Consider the competence, capability and objectiveness of the management expert in line with ISA (UK) 500 Audit Evidence.

Key observations

As at 31 March 2020, the Partnership showed a net pension liability of £661,000. By 31 March 2021, this had increased to a net pension liability of £990,000.

Formal actuarial valuations are carried out every three years, where each employer's assets and liabilities (obligations) are calculated on a detailed basis, using individual member data, for cash contribution setting purposes. The 31 March 2020 formal valuations for Scottish LGPS Funds were concluded by 31 March 2021.

The accounting balance sheet position as at 31 March 2021 is based on the roll forward from the 2020 formal valuation. This differs to the balance sheet position as at 31 March 2020 which was based on a roll forward from the 2017 formal valuation. This 'step change' can lead to sizeable asset and obligation 'remeasurement experience' items in the reconciliation of the balance sheet from 31 March 2020

to 31 March 2021. In addition, reductions in the discount rate increase the pension liability.

We reviewed the reasonableness of those assumptions used in the calculation against other local government pension fund actuaries and other observable data, with no issues identified. In addition, we reviewed the information in the actuarial report for completeness and accuracy against the published pension fund data.

We have considered the competence, capability and objectivity of the actuary in line with the requirements of ISA (UK) 500 'Audit Evidence'. From this review we did not identify any items which gave us cause for concern over the suitability of the actuary.

Other risk factors

Impact of COVID-19 on the annual accounts

19. COVID-19 continues to present unprecedented challenges to the operation, financial management and governance of organisations, including public sector bodies. In response to the pandemic we identified potential

areas of increased risk of material misstatement to the financial statements and/or our audit opinion. Our conclusions are set out in the table below.

Area considered	Description	Conclusion
Access to audit evidence	Our audit this year has been carried out remotely. As a consequence, we identified a risk that access to and provision of sufficient, appropriate audit evidence in support of our audit opinion may be impacted by the inherent nature of carrying out our audit remotely.	<p>We have employed a greater use of technology to examine evidence, but only where we have assessed both the sufficiency and appropriateness of the audit evidence produced.</p> <p>We will stay in close contact with Partnership and City of Edinburgh Council colleagues right up until the point of accounts signing, to ensure all relevant issues are satisfactorily addressed.</p>

Area considered	Description	Conclusion
Timescales	<p>The pre COVID-19 deadline was 30 September and the provision deadline for 2020/21 was 31 October. The Scottish Government amended the accounts regulations to require the 2020/21 annual accounts to be signed off by 31 October (amended from 30 September) and published by 15 November (amended from 31 October).</p> <p>However, the provision of the Coronavirus (Scotland) Act 2020 (which permitted bodies to delay publication of the 2019/20 accounts until reasonably practicable) have been extended. 'Reasonably practicable' was considered to be 30 November and this date is considered appropriate for 2020/21. The extension of the Act also allows flexibility over the date (usually 30 June) for the unaudited accounts.</p>	<p>The Partnership committed to continue with its original timetable; for both the publication of the unaudited accounts and approval of the audited accounts. The annual accounts are due to be considered by the Performance & Audit Committee on 10 September 2021 and the Partnership on 24 September 2021.</p>

Estimates and judgements

20. We are satisfied with the appropriateness of the accounting estimates and judgements used in the preparation of the financial statements.
21. As part of the planning and fieldwork stages of the audit we identified all accounting estimates made by management and determined which of those are key to the overall financial statements. Consideration was given to asset valuations, pension assumptions, depreciation, and

accruals. Other than pension assumptions, we have not determined the accounting estimates to be significant. We revisited our assessment during the completion stages of our audit and concluded that our assessment remained appropriate.

22. Our audit work consisted of reviewing these key areas for any indication of bias and assessing whether the judgements used by management are reasonable. We have summarised our assessment of this below, categorised between Prudent, Balanced and Optimistic.

Estimates and judgements

Pension assumptions

Balanced

An actuarial estimate of the pension fund asset/liability is calculated on an annual basis and on a triennial funding basis by an independent firm of actuaries with specialist knowledge and experience.

We have considered the competence, capability and objectivity of the actuary in line with the requirements of ISA (UK) 500 'Audit Evidence'. From this review we did not identify any items which gave us cause for concern over the suitability of the actuary.

We reviewed the reasonableness of the assumptions used in the calculation against other local government pension fund actuaries and other observable data, with no issues identified. In addition we reviewed the information in the actuarial report for completeness and accuracy against the published pension fund data.

The Partnership has disclosed in its annual accounts a sensitivity analysis to help users of the annual accounts understand the judgements management have made about the sources of estimation uncertainty.

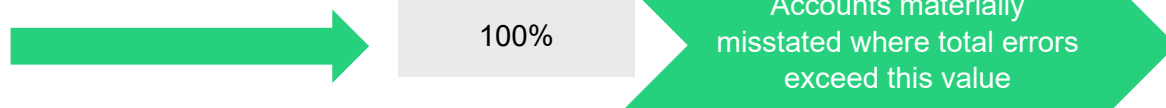
Materiality

23. 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 and is affected by our assessment of the risk profile of the organisation and the needs of users. We review our assessment of materiality throughout the audit.
24. Whilst our audit procedures are designed to identify misstatements which are material to our audit opinion, we also report to the Partnership and management any uncorrected misstatements of lower value errors to the extent that our audit identifies these.
25. Our initial assessment of materiality for the Partnership's financial statements was £31,500. On receipt of the unaudited annual accounts, we reassessed materiality and updated it to £23,000. We consider that our updated assessment has remained appropriate throughout our audit.

Materiality

Overall materiality

£23,000



Performance materiality

£17,250



Trivial threshold

£1,150



Materiality

Our assessment is made with reference to the Partnership's gross expenditure. We consider this to be the principal consideration for the users of the annual accounts when assessing financial performance.

Our assessment of materiality equates to approximately 1.5% of the Partnership's gross expenditure as disclosed in the 2020/21 unaudited annual accounts.

In performing our audit we apply a lower level of materiality to the audit of the Remuneration Report. Our materiality is set at £5,000.

Performance materiality

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.

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.

Trivial misstatements

Clearly trivial are matters that are clearly inconsequential, whether taken individually or in aggregate and whether judged by any quantitative or qualitative criteria.

Audit differences

26. We are pleased to report that there were no material adjustments to the unaudited annual accounts or unadjusted audit differences. We identified some disclosure or presentational adjustments during our audit, which have been reflected in the final set of accounts.

controls or identify all areas of control weakness. However, where, as part of our testing, we identify any control weaknesses, we report these to the Partnership. These matters are limited to those which we have concluded are of sufficient importance to merit being reported.

Internal controls

27. As part of our work we considered internal controls relevant to the preparation of the financial statements such that we were able to design appropriate audit procedures. Our audit is not designed to test all internal

Follow up of prior year recommendations

28. We followed up on progress in implementing the one outstanding audit recommendation from the prior year. Detail on this recommendation is included in the action plan at Appendix 3. We have reported this action as closed.

Area	Assessment	Comment
Control and process environment	Satisfactory	We consider the control environment within the entity to be satisfactory.
Quality of supporting schedules	Satisfactory	The supporting schedules received during the course of the fieldwork were of a high standard and sufficient for our audit purposes.
Responses to audit queries	Satisfactory	Management and City of Edinburgh Council responses to our audit queries were appropriate and received on a timely basis.

Other communications

Accounting policies, presentation and disclosures

29. Our work included a review of the adequacy of disclosures in the financial statements and consideration of the appropriateness of the accounting policies adopted by the Partnership.

30. The accounting policies, which are disclosed in the annual accounts, are considered appropriate.
31. There are no significant financial statements disclosures that we consider should be brought to your attention. All the disclosures required by relevant legislation and applicable accounting standards have been made appropriately.

32. Overall we found the disclosed accounting policies, and the overall disclosures and presentation to be appropriate.

Fraud and suspected fraud

33. We have previously discussed the risk of fraud with management. We have not been made aware of any incidents in the period nor have any incidents come to our attention as a result of our audit testing.
34. Our work as auditor is not intended to identify any instances of fraud of a non-material nature and should not be relied upon for this purpose.

Non-compliance with laws and regulations

35. As part of our standard audit testing, we have reviewed the laws and regulations impacting the Partnership. There are no indications from this work of any significant incidences of non-compliance or material breaches of laws and regulations that would necessitate a provision or contingent liability.

The Local Authority Accounts (Scotland) Regulations 2014

36. As part of our audit we reviewed the Partnership's compliance with the Local Authority Accounts (Scotland) Regulations 2014, in particular with respect to regulations 8 to 101 as they relate to the annual accounts.
37. The Scottish Government included in its Finance Circular 10/2020 provided guidance on the publication and inspection of the unaudited annual

accounts as a result of the COVID-19 pandemic.

38. Overall we concluded that appropriate arrangements are in place to comply with these Regulations and the guidance as set out in the Finance Circular 10/2020.

Written representations

39. We will present the final letter of representation to the Treasurer to sign at the same time as the financial statements are approved, on behalf of the Partnership.

Related parties

40. We are not aware of any related party transactions which have not been disclosed.

Confirmations from third parties

41. All requested third party confirmations in respect of bank and legal confirmations have been received.

¹ Regulations 8 to 10 relate to the preparation and publication of unaudited accounts, notice of public

right to inspect and object to the accounts and consideration and signing of the audited accounts.

Wider scope

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

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

Wider scope conclusions



Annual governance statement

We are satisfied that the Annual Governance Statement for the year to 31 March 2021 is consistent with the financial statements and has been prepared in accordance with the Delivering Good Governance in Local Government: Framework (2016).

The Partnership has appropriate systems in place to record, process, summarise and report financial and other relevant data. We have not identified any significant weaknesses or governance issues in the Partnership's accounting internal control systems throughout the year or as a result of remote working during the COVID-19 pandemic.

Financial sustainability

Auditor judgement



Three year financial plans have been developed and approved by the Partnership. There continues to be level of uncertainty around the impact of the COVID-19 pandemic on the transport and mobility sector and as a result, the Partnership will continue to closely monitor the position.

As at 31 March 2021 the Partnership holds an unallocated general fund reserve of £29,000, which meets the minimum level required by its Reserves Policy. This has only been achieved through unplanned underspends and we encourage the Partnership to continue to reflect on its strategy to maintain, utilise or further build up the unallocated general fund reserve as part of the annual budgeting process.

With Scottish Government grant funding and council requisitions remaining the same level, representing a reduction in real terms, the Partnership relies on external funding to ensure a balanced position. The Partnership has identified a key objective within its Business Plan 2021/22 to 2023/24 to increase funding levels as a result. The main change in external funding is the reduction in EU grants. With existing projects ending over the next two years, funding will reduce from £106,000 in 2021/22 to nil by 2023/24. The Partnership do not see this as a significant risk to its financial sustainability but are looking into arrangements to succeed those currently in place.

Our approach to the wider scope audit

42. Our approach to the wider scope audit (as set out in our 2020/21 External Audit Plan) builds on our understanding of the Partnership which we developed from previous years, along with discussions with management and review of minutes and key strategy documents.
 - Changes in governance arrangements in response to the pandemic; and
 - Counter-fraud arrangements, including the risk of fraud and corruption in relation to the procurement function.
43. During our audit we also considered the following risk areas as they relate to the Partnership:
 - Impact of COVID-19 on financial sustainability;
44. Overall we concluded that the Partnership has appropriate arrangements in place in respect of these areas as noted below

Impact of COVID-19 on financial sustainability

In response to the UK and Scottish Government escalating the national response to the COVID-19 pandemic in March 2020, the operation of the Partnership was adapted to implement remote working. The impact of the pandemic on project delivery and the transport sector has been closely monitored.

Additional costs incurred as a result of the pandemic have been minimal. Work has been ongoing to revise operational plans to reflect the impact of COVID-19 on service delivery.

Changes in governance arrangements in response to the pandemic

Governance arrangements were adapted in response to the pandemic. Partnership Board meetings have been able to continue remotely without significant disruption. We are satisfied that the Partnership received sufficient and timely information throughout the period to support effective scrutiny, challenge and decision making.

Counter-fraud arrangements, included the risk of fraud and corruption in the procurement function

Since the start of the pandemic, there has been potential for the risk of fraud and error to increase as the control environment and internal controls have changed.

We found the Partnership's arrangements for the prevention and detection of fraud and other irregularities to be adequate. We reviewed Audit Scotland's report on COVID-19 Emerging Fraud Risks and satisfied ourselves that where there have been

changes in the control environment, appropriate mitigating controls have been implemented.

We reflected on the risk of fraud and corruption in respect of the procurement function as part of our 2020/21 Annual Audit Report and deemed the level of risk to be low. We have revisited this assessment during our audit fieldwork and have not identified any changes to this.



Annual Governance statement

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

45. We are satisfied that the Annual Governance Statement for the year to 31 March 2021 is consistent with the financial statements and has been prepared in accordance with the Delivering Good Governance in Local Government: Framework (2016).
46. From our audit work we have concluded that the Partnership has appropriate systems in place to record, process, summarise and report financial and other relevant data. We have not identified any significant weaknesses or governance issues in the Partnership's accounting and internal control systems.
47. The Treasurer has confirmed that in his opinion, reasonable assurance can be placed upon the adequacy and effectiveness of the Partnership's internal control system.
48. The Partnership's internal audit function is provided by City of Edinburgh Council's internal audit

service. We have taken cognisance of the work of internal audit in forming our opinion on the appropriateness of the disclosures in the Annual Governance Statement.

Governance arrangements during COVID-19

49. With national lockdown announced on 23 March 2020, all Partnership activity moved to being delivered remotely and they have continued to operate as such to date.
50. Meetings of the Partnership and the Performance and Audit Committee have been held virtually throughout the period. The September 2020 Partnership meeting was postponed to November 2020 to better align with the revised timetable for finalising the annual accounts. Governance arrangements have otherwise continued as normal throughout the period.
51. The accounting and internal control system has continued to operate effectively during remote working, with no significant changes in controls.
52. The Partnership continued to receive and consider all standing items in 2020/21 including regular budget monitoring reports, performance information and an update on ongoing activity. We are satisfied that the Partnership received sufficient and

timely information throughout the period to support effective scrutiny, challenge and decision making.



Financial sustainability

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

Significant audit risk

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

Financial sustainability

The Partnership developed a three year financial plan in 2019/20, covering the period 2020/21 to 2022/23. In November 2020, the Partnership approved an updated financial plan detailing the draft 2021/22 budget and an indicative financial plan for 2022/23. Management are currently reviewing and revising these plans to reflect the Local Government Finance Settlement for 2021/22 and to consider indicative plans beyond 2022/23.

The COVID-19 pandemic has presented unprecedented challenges to the operation and financial management of SEStran, primarily through slippage of ongoing projects. SEStran is forecasting an underspend for 2020/21, much of which is earmarked for delivery of projects in 2021/22, and budgets for subsequent years have been reprofiled to reflect the expected level of slippage. This includes a number of European Union funded projects which have been extended to 2023/

The Partnership approved a Reserves Policy in 2019/20 and agreed to work towards establishing an unallocated general fund reserve of £29,000, to mitigate core revenue budget risks and provide contingency to cushion the impact of unexpected financial events. The Partnership however sets a balanced budget at the start of each year and therefore will only achieve the target unallocated general fund reserve position through reported underspends in the year. We recommended in our 2019/20 Annual Audit Report that the Partnership should develop a strategy as part of its annual budgeting process, setting out how the unallocated general fund reserve is built up and maintained.

Whilst the financial plan presented a balanced budget for 2021/22 and 2022/23, the achievement of financial targets will depend on continuing tight control and monitoring of income and expenditure. The impacts of COVID-19 on the transport sector are expected to be significant, with uncertainty over how regional transport strategic planning, delivery and operations will need to respond.

Noted in the 2020/21 External Audit Plan



54. Our detailed findings on the Partnership's financial framework for achieving medium term financial sustainability are set out below.

Financial performance in 2020/21

55. The Comprehensive Income and Expenditure Statement for 2020/21 shows that the Partnership spent £1.606million on the delivery of services, resulting in an accounting deficit of £71,000 (2019/20: accounting surplus of £107,000).
56. The accounting deficit includes certain elements of income and expenditure that need to be accounted for to comply with the Code of Practice on Local Authority Accounting in the United Kingdom (the 2020/21 Code), and which are subsequently adjusted to show their impact on reserves.
57. Taking account of these adjustments, the Partnership reported a deficit of £55,000 (2019/20: surplus of £189,000), which has been recognised against the general fund.

Reserves position

58. Since 2019/20, the enactment of provisions within the Transport (Scotland) Act 2019 allows Regional Transport Partnerships (RTP's) to manage year-end finances by enabling them to hold a balance of funds.
59. As at 31 March 2021, the Partnership held a general fund balance of £134,000 (31 March 2020: £189,000), of which £105,000 is earmarked to meet slippage on project delivery from 2020/21 to 2021/22. The remaining

balance of £29,000 is unallocated (31 March 2020: £12,000).

60. The Partnership's Reserves Policy outlines a minimum unallocated general reserve fund of 5% of the approved annual core revenue budget to mitigate core revenue budget risks. This equates to £29,000.
61. Whilst we are satisfied that the Partnership's reserves position as at 31 March 2021 (an unallocated general fund reserve of £29,000) is in compliance with the policy, this has only been achieved through unplanned underspends in 2020/21. As highlighted in our 2019/20 Annual Audit Report, the Partnership had set a balanced budget for 2020/21 and there was no strategy in place to build up this level of reserves.
62. The Partnership should continue to reflect on its strategy to maintain, utilise or further build up their unallocated general fund reserve as part of their annual budgeting process to ensure this remains sufficient.

Medium term financial planning

63. In March 2021 the Partnership approved a revenue budget of £1.472million for 2021/22 (2020/21: £1.661million) and indicative financial plans for 2022/23 and 2023/24.
64. The budget assumed a balanced position each year with no plans to utilise or increase the unallocated

general fund reserve. All three years are based on the Partnership receiving £782,000 grant from the Scottish

Government, £190,000 from constituent council requisitions and the balance met from external funding.

	2021/22	2022/23	2023/24
	£'000	£'000	£'000
Total budget	1,472	1,354	1,296
External funding	500	382	324
Scottish Government	782	782	782
Council requisition	190	190	190
Total funding	1,472	1,354	1,296

Source: Revenue Budget 2021/22 and Indicative Financial Plan 2022/23 to 2023/24 – presented to the Partnership March 2021

65. The COVID-19 pandemic has continued to present unprecedented challenges to the operation and financial management of the Partnership, and to all aspects of transport and mobility. The budget has been developed in a context of uncertainty as it is unclear how long these challenges will remain.
66. Key assumptions made in developing the 2021/22 budget and indicative financial plans include;
- Estimated staff recharges to projects forecasted to decrease by £32,000 in 2021/22 compared to prior year and a further £64,000 in 2022/23;
 - Pay award uplift of 2% applied in 2021/22 and 2022/23, with additional provisions made for employee increment uplifts;
 - Employer pension fund contribution rate of 33.1%, with the fixed contribution sum removed

following the outcome of the 2020 actuarial valuation; and

- Other assumptions required to reflect the timing and scale of current activity.

External funding

67. With Scottish Government grant funding and council requisitions remaining at the same level, representing a reduction in real terms, the Partnership relies on external funding to ensure a balanced position. External income is anticipated to fund 34% of indicative expenditure in 2021/22.
68. As set out in the table above, external funding is also anticipated to decrease over the next three years, a 35% reduction by 2023/24. In developing its Business Plan, the Partnership recognised that there is a requirement to increase funding levels over the period 2021/22 to 2023/24 to enable it to maintain the current level of activities. This has been identified as

- a key objective within the Business Plan.
69. The main change in external funding is the reduction of European Union grants. With existing EU projects ending over the next two years, funding will reduce from £106,000 in 2021/22 to nil by 2023/24.
70. The Partnership do not see this as a significant risk to its financial sustainability, with EU grants only accounting for 8% of total funding for 2020/21. However, the Partnership is continuing to closely monitor the position.
71. The Partnership is looking into future arrangements to succeed those currently in place that enable continued partnership working with the EU. At the time of writing it remains unclear whether replacement funding for projects of this nature will be obtained.
74. A key area of focus in 2021/22 is the development of the new Regional Transport Strategy (RTS) which will involve the input of the Partnership and stakeholders. A draft RTS is due to be finalised over the coming months with and subject to a 12 week statutory consultation process in autumn 2021.
75. The timeline for the development of the RTS allows the Partnership to take cognisance of the finalisation of Scotland's Second Strategic Transport Projects Review, the National Planning Framework and its component Regional Spatial Strategies. We will continue to monitor the development of the RTS and the Partnership's response to the new context from transport as it evolves.

Strategic Planning

72. The Partnership approved the SEStran Business Plan 2021-22 to 2023-24 in June 2021, having previously considered a draft version in March 2021.
73. The Business Plan outlines the Partnership's strategic objectives and planned activities which have been structured under five core strategic themes;
- Accessibility;
 - Environment;
 - Economy;
 - Safety and health; and
 - Governance and partnership working

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Appendix 1: Respective responsibilities of the Partnership and the Auditor

The Code of Audit Practice (2016) sets out the responsibilities of the Partnership and the auditor and are detailed below.

Partnership responsibilities

The Partnership is required to make arrangements for the proper administration of financial affairs and to secure that one of its officers has responsibility for the administration of those affairs. The Treasurer has been designated as that officer.

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

Area	Partnership responsibilities
Corporate governance	<p>The Partnership is responsible for establishing arrangements to ensure the proper conduct of its 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 has responsibility for:</p> <ul style="list-style-type: none">• preparing financial statements which give a true and fair view of its financial position and their expenditure and income, in accordance with the applicable financial reporting framework and relevant legislation;• maintaining accounting records and working papers that have been prepared to an acceptable professional standard and that support its financial statements and related reports disclosures;
Financial statements.	<ul style="list-style-type: none">• maintaining proper accounting records; and• preparing and publishing, along with the financial statements, an annual governance statement, management commentary (or equivalent) and a remuneration report that is consistent with the disclosures made in the financial statements. Management commentary should be fair, balanced and understandable and also address the longer term financial sustainability of the Partnership. <p>Management is responsible, with the oversight of those charged with governance, for communicating relevant information to users about the entity and its financial performance, including providing adequate</p>

Area	Partnership responsibilities
	<p>disclosures in accordance with the applicable financial reporting framework. The relevant information should be communicated clearly and concisely.</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 its objectives and safeguard and secure value for money from the public funds at its disposal. They are also responsible for establishing effective and appropriate internal audit and risk-management functions.</p>
Standards of conduct for prevention and detection of fraud and error	<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.</p>
Financial position	<p>The Partnership is responsible for putting in place proper arrangements to ensure the financial position is soundly based having regard to:</p> <ul style="list-style-type: none"> • Such financial monitoring and reporting arrangements as may be specified; • Compliance with statutory financial requirements and achievement of financial targets; • Balances and reserves, including strategies about levels and their future use; • Plans to deal with uncertainty in the medium and long term; and • The impact of planned future policies and foreseeable developments on the financial position.
Best value	<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>

Auditor responsibilities

Auditor responsibilities are derived from statute, the Code of Audit Practice, International Standards on Auditing (UK), professional requirements and best practice. These are to:

- undertake statutory duties, and comply with professional engagement and ethical standards;
- provide an opinion on the 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; and
- demonstrate compliance with the wider scope of public audit.

Wider scope of audit

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

The Code of Audit Practice frames a significant part of our wider scope responsibilities in terms of four audit dimensions: financial sustainability; financial management; governance and transparency; and value for money.

Best Value

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

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

Independence

In accordance with our profession's ethical guidance and further to our External Audit Annual Plan issued confirming audit arrangements there are no further matters to bring to your attention in relation to our integrity, objectivity and independence.

We confirm that Azets Audit Services and the engagement team complied with the FRC's Ethical Standard. We confirm that all threats to our independence have been properly addressed through appropriate safeguards and that we are independent and able to express an objective opinion on the financial statements.

Audit and non-audit services

The total fees charged to the Partnership for the provision of services in 2020/21 (with prior year comparators) is as follows:

	Current year £	Prior year £
Audit of South East of Scotland Transport Partnership (Auditor remuneration)	8,900	8,640
Total audit	8,900	8,640
Non-audit services	-	-
Total fees	8,900	8,640

FRC's Ethical Standard stipulates that where an auditor undertakes non audit work, appropriate safeguards must be applied to reduce or eliminate any threats to independence. No non-audit services were provided to the Partnership.

Audit quality

The Auditor General and the Accounts Commission require assurance on the quality of public audit in Scotland through comprehensive audit quality arrangements that apply to all audit work and providers. The audit quality arrangements recognise the importance of audit quality to the Auditor General and the Accounts Commission and provide regular reporting on audit quality and performance.

Audit Scotland maintains and delivers an [Audit Quality Framework](#).

The most recent audit quality report which covers our work at the Partnership since appointment can be found at <https://www.audit-scotland.gov.uk/report/quality-of-public-audit-in-scotland-annual-report-202021>

Appendix 2: Adjusted and unadjusted errors identified during the audit

Corrected and uncorrected misstatements

We did not identify any corrected or uncorrected misstatements during our audit of the annual accounts.

Disclosure amendments

No	Detail
1	Governance Report – further disclosure of information required by the Delivering Good Governance in Local Government: Framework, including confirmation of compliance with the Code of Practice on Managing the Risk of Fraud and Corruption.

Appendix 3: Follow up of prior year recommendations

We have followed up on progress in implementing the outstanding action raised in the prior years.

Recommendations are categorised into three risk ratings:

Key:

Significant deficiency

Other deficiency

Other observation

Reserves Policy

Recommendation The Partnership should, as part of its annual budgeting process, develop a strategy which sets out how the unallocated general fund reserve is built up and maintained.

Rating

Other deficiency

Implementation date: 31 March 2021

Closed

The Partnership holds an unallocated general fund reserve of £29,000 as at 31 March 2021. This meets the minimum level set by the Reserves Policy. However, as outlined at paragraph 60, this has only been achieved through unplanned in year underspends.

We continue to encourage the Partnership to reflect on their strategy to maintain, utilise or further build up their unallocated general fund reserve as part of the annual budgeting process.

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Audited Annual Accounts 2020/21

1. Introduction

- 1.1** This report presents the audited accounts for the year ended 31st March 2021. The audited accounts are appended.

2. Main Report

- 2.1** The unaudited Annual Accounts were noted by the Partnership at its meeting on 18th June 2021.

- 2.2** The Partnership's appointed External Auditor – Azets Audit Services – has completed a draft Audit report and this is presented separately on this agenda.

- 2.3** The Auditor's report provides an opinion on whether:

- the Annual Accounts give a true and fair view, in accordance with applicable law and the 2020/21 Code of Practice on Local Authority Accounting, of the state of affairs of the Partnership as at 31 March 2021 and of its income and expenditure for the year then ended;
- the Annual Accounts have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union, as interpreted and adapted by the 2020/21 Code and;
- have been prepared in accordance with the requirements of the Local Government (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003.

- 2.4** There are no qualifications to the draft audit certificate, which appears on pages 46 to 48 of the accounts. The Auditor's opinion states that the financial statements present a true and fair view of the Partnership as at 31st March 2021 and its income and expenditure for the year then ended.

- 2.5** The audit opinion is subject to completion of the following areas of work:

- review of most recently provided audit evidence;
- consideration of events subsequent to the balance sheet date; and
- final checks and review, including for accuracy and consistency.

- 2.6** Additional disclosures have been included in the Governance Statement, in line with the Delivering Good Governance in Local Government Framework, including confirmation of compliance with the Code of Practice on Managing

the Risk of Fraud and Corruption. The additional disclosures are shown in marked-up text in the Governance Statement, which appears on pages 7 to 9 of the appended Annual Accounts.

- 2.7** The Partnership Board will consider the Audited Annual Accounts at its' meeting on 24th September 2021. The Chair of the Performance and Audit Committee will have an opportunity to report to the Board on any issue arising from the Performance and Audit Committee's consideration of the accounts.

3 Recommendations

It is recommended that the Performance and Audit Committee:

- 3.1** note the audited accounts and the Auditor's opinion in the audit certificate;
- 3.2** note the audit opinion is subject to the completion of the following areas of work:
- review of most recently provided audit evidence;
 - consideration of events subsequent to the balance sheet date; and
 - final checks and review, including for accuracy and consistency.
- 3.3** refer the Audited Annual Accounts to the Partnership Board for approval.

Hugh Dunn

Treasurer

6th September 2021

Appendix Audited Annual Accounts 2020/21
Contact iain.shaw@edinburgh.gov.uk

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

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

**Audited
Annual Accounts**

2020/2021

The South East of Scotland Transport Partnership (SESTRAN)

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The South East of Scotland Transport Partnership (SESTRAN)

Management Commentary

1. Basis of Accounts

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

2. Statutory Background

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

In accordance with Section 122 of the Transport (Scotland) Act 2019, which allows Regional Transport Partnerships to carry forward reserves, the Partnership has now established a General Fund reserve. This provision in the Transport (Scotland) Act 2019 came into effect on 19 March 2020, and is available to Regional Transport Partnerships for financial years 2019/20 and onwards.

3. Corporate Strategy

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

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

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

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

SEStran's Vision Statement is as follows:

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

4. Risks and Uncertainties

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

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

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

Thirdly, the impact from the Covid-19 pandemic on all aspects of transport and mobility are likely to be very significant. The longer term implications for partner Councils, operators and transport user groups at national, regional and local levels are yet to be determined.

5. Results for the Year

The Partnership is required to present its financial performance as a Comprehensive Income and Expenditure Statement. This can be seen on page 13.

The South East of Scotland Transport Partnership (SESTRAN)

Management Commentary (*continued*)

5. Results for the Year (*continued*)

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

The net revenue budget of the Partnership in 2020/21 was £0.972m, funded by Government Grant and Council Contributions. A comparison of the outturn position with the revenue budget and earmarked reserves brought forward (£177,000) is presented in the table below. Key aspects of financial performance in 2020/21 are:

- Overall the Partnership had an underspend of £122,000 which is shown in the table below. The underspend arose due to a combination of underspends on the core revenue budget and projects budget, offset by an overspend on the RTPI project budget;
- The Partnership incurred core service expenditure of £0.563m which was £18,000 below the Core Service revenue budget. This underspend mainly reflects decreased expenditure on staff travel and conference costs;
- The Partnership incurred expenditure of £0.824m on revenue projects and received external grants and contributions of £0.441m, resulting in net expenditure of £0.383m. Net expenditure was £124,000 under budget and earmarked reserves brought forward. The main favourable variances on the Projects revenue budget arose on the Regional Transport Strategy budget (£94,000) and GO e-Bike budget (£18,000);
- Expenditure of £131,000 on the Real-Time Passenger Information (RTPI) project was partly funded by contributions of £50,000 from other parties, resulting in net expenditure of £81,000. Net expenditure was £20,000 over budget and earmarked reserves brought forward.

	Revised Budget £'000	Earmarked Reserves from 19/20 £'000	Outturn £'000	Variance £'000
Core Service	581	0	563	(18)
Revenue Projects - Net Expenditure	389	118	383	(124)
RTPI Project - Net Expenditure	2	59	81	20
Net Interest	0	0	0	0
Total Expenditure 2020/21	972	177	1,027	(122)
Government Grant	(782)	0	(782)	0
Constituent Council Requisitions	(190)	0	(190)	0
Total Government Grant and Council Contributions 2020/21	(972)	0	(972)	0

In accordance with the provisions of the Transport Scotland (2019) Act, the Partnership has agreed a Reserves Policy and established an unallocated reserve of £29,000. An earmarked balance of £105,000 is available to meet slippage on project delivery from 2020/21 to 2021/22.

Non Financial Results

During 2020/21, the Partnership commenced the development of the new Regional Transport Strategy (RTS) to set the strategic framework for transport plans and decisions within the SEStran region up to 2035. The RTS is being developed through consultancy support that was procured in late 2020. A number of work strands were underway by the end of the year, including the Strategic Environmental and Equalities and Human Rights Impact Assessments, desktop research for evidencing problems and wide ranging engagement activities.

The South East of Scotland Transport Partnership (SESTRAN)

Management Commentary (*continued*)

5. Results for the Year (*continued*)

Non Financial Results (*continued*)

The Partnership remained successful in attracting funding for delivery of region-specific strategies, studies and services of benefit to transport users and partners across the region, and engaged actively in co-ordinated responses to the Covid-19 pandemic.

- With Active Travel funding from Transport Scotland, the Partnership's Strategic Travel Network plan was further developed. Grant support was provided to West Lothian Council for specific route development and a longitudinal study surveying travel attitudes through Covid-19 was commenced;
- The Partnership progressed its Regional Cycle Network grant scheme, using funding from Sustrans Scotland for routes to the BioQuarter and Kirkliston to Cramond Brig;
- The GO e-Bike stations in East Lothian and Midlothian were fully installed with funding contribution from Transport Scotland's Low Carbon Travel and Transport (LCTT) Challenge Fund;
- The Thistle Assistance Scheme was adapted in response to Covid-19 to include mask exemption 'card' stickers and online information, utilising funds from Transport Scotland and other RTP contributions. Approximately 50,000 further new cards were distributed throughout Scotland;
- In partnership with Forth Ports, the Partnership completed the Forth Freight Study Case for Change document, identifying a number of issues and potential options for more sustainable freight in the region. This was funded by Transport Scotland's Local Rail Development Fund;
- A detailed transport appraisal for Newburgh was also completed with LRDF support from Transport Scotland, working alongside the Newburgh Train Station Group and Fife Council;
- A Marketing Internship, facilitated in partnership with Inclusion Scotland in 2019, was extended until October 2020, enabling wide promotion of Thistle Assistance Scheme during the pandemic;
- The upgrade of the Real Time Passenger Information (RTPI) system reached the final stages of testing. Working with Transport Scotland and operators, significant progress was also made towards including bus capacity information. Investment has secured new screens for deployment at regional transport hubs;
- Through the SHARE-North project, opportunities for shared mobility and the development of Mobility Hubs were explored with partner councils and Partnership forums. Knowledge was exchanged with project partners on the impacts from Covid-19 on car and trip sharing, alongside the promotion of GO e-Bike;
- Through the PriMaaS project, the Partnership shared knowledge and best practice in regional policies to support Mobility-as-a-Service (MaaS). In addition, considerable progress was made towards a region-wide MaaS platform culminating in a joint proposal to Transport Scotland's MaaS Investment Fund;
- Through the BLING project, the Partnership and its partner, the University of Edinburgh, successfully tested using blockchain to create location based Smart Contracts interface. This could be used in sustainable logistics to detect consignment proximity and trigger either secure financial transfers, or opening physical locks;
- Through the Surflogh project, an expansion of the successful first / last mile delivery trial in the Haymarket area by ZEDIFY was agreed with the project's lead partner. Preparatory work was finalised, and will enable a new hub to be operational in the Leith area in 2021;
- The Partnership played a key role supporting the Regional Transport Transition Group established in June 2020, designing a transition plan and assisting in temporary arrangements to aide regional recovery from Covid-19 impacts on travel and transport. This led to a central role supporting the three initial bids from within the region to Transport Scotland's Bus Partnership Fund;
- Five new equalities outcomes that will guide the Partnership up to 2025 were developed and agreed, following stakeholder input, throughout 2020/21.

6. Future Developments

The Partnership will maintain successful home working arrangements for all its staff, facilitating alternative opportunities for individual and team dialogue and working. These arrangements will continue into 2021/22 until such time as the Scottish Government indicates a return to office based working is safe. Ensuring the health, safety and well-being of staff remains the top priority for the Partnership.

The South East of Scotland Transport Partnership (SESTRAN)

Management Commentary *(continued)*

6. Future Developments *(continued)*

The Partnership will continue to make good use of online engagement for meetings, business and events as long as required. The high levels of engagement from across the region using such methods has benefitted the Partnership.

The Partnership will actively pursue a range of opportunities for the region that emerged during 2020/21, including seeking appropriate funding across freight, Demand Responsive Transport, Thistle Assistance Journey Planning, Mobility as a Service, Bus Service Improvement Partnerships and bids to the Bus Partnership Fund, development of cargo bike delivery and training.

The development of the new Regional Transport Strategy (RTS) is a core aspect of the Partnership's statutory role and function. It involves the input of SEStran partners and stakeholders. The Partnership will finalise a draft RTS that will be subject to a wide statutory consultation process in autumn 2021. The timescale for the completion of the RTS over this year takes into account key stages in the finalisation of Scotland's Second Strategic Transport Projects Review, the National Planning Framework and its component Regional Spatial Strategies.

The Partnership, alongside other RTPs in Scotland, will continue to work closely with Transport Scotland and partner councils to continually re-evaluate and respond to the new context for transport as it evolves.

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

Chair of Partnership Board: GORDON EDGAR _____ Date signed:

Partnership Director: JIM GRIEVE _____ Date signed:

Treasurer: HUGH DUNN, CPFA _____ Date signed:

The South East of Scotland Transport Partnership (SESTRAN)

STATEMENT OF RESPONSIBILITIES FOR THE ANNUAL ACCOUNTS

The Partnership's Responsibilities

The Partnership is required:

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

I confirm that these annual accounts were approved for signature by the South East of Scotland Transport Partnership at its Board meeting on 24th September 2021.

Chair of Partnership

Board:

GORDON EDGAR

_____ Date signed:

The Treasurer's Responsibilities

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

In preparing the Annual Accounts, the Treasurer has:

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

The Treasurer has also:

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

I certify that the Annual Accounts give a true and fair view of the financial position of the Partnership at the reporting date and the transactions of the Partnership for the year ended 31st March 2021.

Treasurer:

HUGH DUNN, CPFA

_____ Date signed:

The South East of Scotland Transport Partnership (SESTRAN)

ANNUAL GOVERNANCE STATEMENT 2020/21

1. Scope of Responsibility

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

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

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

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

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

The Partnership's financial management arrangements conform to the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2016).

2. The Partnership's Governance Framework

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

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

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

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

The South East of Scotland Transport Partnership (SESTRAN)

ANNUAL GOVERNANCE STATEMENT 2020/21 (*continued*)

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

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

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

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

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

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

4. Review of Effectiveness

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

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

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

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

- **The Partnership Board**, which provides strategic leadership, determines policy aims and objectives and takes executive decisions not delegated to officers. It provides political accountability for the Partnership's performance;
- **The Performance and Audit Committee**, which demonstrates the Partnership's commitment to the principles of good governance, **undertaking the core functions of an audit committee as identified in Audit Committees: Practice Guidance for Local Authorities and Policy (CIPFA). It scrutinises the running of the Partnership and suggests improvements;**
- **The Internal Audit Service of the City of Edinburgh Council** provides an independent and objective assurance service to the Partnership, by completing one review in each financial year that is focused on the adequacy and effectiveness of controls established to manage a key risk of the Partnership. **The Partnership seeks to ensure that Internal Audit arrangements conform with the governance requirements of the CIPFA Statement on the Role of the Head of Internal Audit.**

The South East of Scotland Transport Partnership (SESTRAN)

ANNUAL GOVERNANCE STATEMENT 2020/21 (*continued*)

4. Review of Effectiveness (*continued*)

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

The Partnership operates Anti-Bribery, Anti-Fraud and Corruption policies in accordance with the CIPFA Code of Practice on Managing the Risk of Fraud and Corruption.

The Partnership has undertaken an evaluation of compliance with the CIPFA's Financial Management Code (FM Code). The Partnership's financial management arrangements are assessed as being compliant with the FM Code.

5. Internal Audit Opinion

During the year, Internal Audit undertook one review that assessed the design adequacy and effectiveness of the Partnership's Covid-19 resilience arrangements and considered how the impacts of Covid-19 have been considered and reflected in both the content of and delivery timeframes for finalisation of the new Regional Transport Strategy. Follow-up was also performed to confirm that the agreed management actions supporting the medium rated finding on Regional Transport Strategy project governance and management raised in the 2019/20 Audit had been effectively implemented and sustained. The findings identified two amber ratings, predominantly around risk and the requirement for establishing supporting documentation to set out risk appetite.

6. Coronavirus Pandemic

The extended lockdown associated with the Covid 19 pandemic has dictated that all meetings of the Partnership have had to be held remotely online. It is anticipated that this will continue for some months to come.

The Partnership moved immediately and seamlessly into this way of working on 18 March 2020 and has been fully functional since. As a result, with the exception of the cancellation of the March 2020 Partnership Board meeting referred to in last year's Annual Governance Statement, governance of the Partnership has been unaffected. Attendance at electronically-hosted online Board meetings has significantly increased throughout 2020/21.

7. Certification

In compliance with accounting practice, the Treasurer has provided the Partnership Director with a statement on the adequacy and effectiveness of the Partnership's internal financial control system for the year ended 31st March 2021. It is the Treasurer's opinion that reasonable assurance can be placed upon the adequacy and effectiveness of the Partnership's internal control system.

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

Chair of Partnership

Board: GORDON EDGAR _____

Date signed:

Partnership Director:

JIM GRIEVE _____

Date signed:

The South East of Scotland Transport Partnership (SESTRAN)

REMUNERATION REPORT

1. Remuneration Policy for Senior Employees

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

2. Remuneration for Senior Councillors

The Partnership does not provide any remuneration to senior councillors.

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

3. Management of Remuneration Arrangements

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

4. Officers Remuneration

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

Remuneration Bands	2020/21	2019/20
£60,000 - £64,999	1	0
£75,000 - £79,999	0	1
£80,000 - £85,999	1	0

5. Senior Employees Remuneration

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

Name and Post Title	Salary, Fees and Allowances £	Compensation £	Total Remuneration 2020/21 £	Total Remuneration 2019/20 £
Jim Grieve - Partnership Director	82,529	0	82,529	78,994
	82,529	0	82,529	78,994

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

6. Senior Employees Pension Entitlement

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

Name and Post Title	In-year pension contributions			Accrued pension benefits	
	2020/21 £	2019/20 £		As at 31 March 2021 £'000	Difference from 31 March 2020 £'000
Jim Grieve - Partnership Director	21,420	0	Pension	1	1
			Lump Sum	0	0
	21,420	0			

The senior employee shown in the table above became a member of the Local Government Pension Scheme (LGPS) during 2020/21.

The South East of Scotland Transport Partnership (SESTRAN)

REMUNERATION REPORT *(continued)*

7. Pension Entitlement

Pension benefits for the Partnership's employees are provided through the Local Government Pension Scheme (LGPS). For the Partnership's employees, the Local Government Pension Scheme (LGPS) became a career average pay scheme on 1 April 2015. Benefits built up to 31 March 2015 are protected and based on final salary. Accrued benefits from 1 April 2015 will be based on career average salary.

The scheme's normal retirement age for employees is linked to the state pension age (but with a minimum of age 65).

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

The tiers and members contributions rates for 2020-21 were as follows:

	Contribution rate
Whole Time Pay	
On earnings up to and including £22,200 (2019/2020 £21,800)	5.50%
On earnings above £22,200 and up to £27,100 (2019/2020 £21,800 to £26,700)	7.25%
On earnings above £27,100 and up to £37,200 (2019/2020 £26,700 to £36,600)	8.50%
On earnings above £37,200 and up to £49,600 (2019/2020 £36,600 to £48,800)	9.50%
On earnings above £49,600 (2019/2020 £48,800)	12.00%

From April 2015, when allocating contribution rates to members, pensionable pay means the actual pensionable pay, regardless of hours worked.

There is no automatic entitlement to a lump sum for members who joined the scheme post April 2009. Members may opt to give up (commute) pension for lump sum or bigger lump sum up to the limit set by the Finance Act 2004.

The value of the accrued benefits has been calculated on the basis of the age at which the person will first become entitled to receive a pension on retirement without reduction on account of its payment at that age; without exercising any option to commute pension entitlement into a lump sum; and without any adjustment for the effects of future inflation - assuming that the person left the related employment or service as at 31st March in the year to which the value relates.

8. Exit Packages

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

Exit Package Cost Band	Number of Compulsory Redundancies		Number of Other Agreed Departures		Total Number of Exit Packages by Cost Band	Total Cost of Exit Packages in Each Band	
						£'000	£'000
All Cost Bands	0	0	0	0	0	0	0
	0	0	0	0	0	0	0

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

Chair of Partnership

Board: GORDON EDGAR

Date signed :

Partnership Director:

JIM GRIEVE

Date signed :

The South East of Scotland Transport Partnership (SESTRAN)

MOVEMENT IN RESERVES STATEMENT

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

2019/20 - Previous Year Year Comparative

Opening Balances at 1 April 2019

Movement in reserves during 2019/20

Surplus or (Deficit) on Provision of Services
Other Comprehensive Expenditure and Income

Total Comprehensive Expenditure and Income

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

Increase/Decrease in 2019/20

Balance at 31 March 2020 carried forward

Usable Reserves		Unusable Reserves	Total Partnership Reserves
General Fund Balance	Total Usable Reserves		
£'000	£'000	£'000	£'000
0	0	(521)	(521)
107	107	0	107
0	0	241	241
107	107	241	348
82	82	(82)	0
189	189	159	348
189	189	(362)	(173)

2020/21 - Current Financial Year

Opening Balances at 1 April 2020

Movement in reserves during 2020/21

Surplus or (Deficit) on Provision of Services
Other Comprehensive Expenditure and Income

Total Comprehensive Expenditure and Income

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

Increase/Decrease in 2020/21

Balance at 31 March 2021 carried forward

Usable Reserves		Unusable Reserves	Total Partnership Reserves
General Fund Balance	Total Usable Reserves		
£'000	£'000	£'000	£'000
189	189	(362)	(173)
(71)	(71)	0	(71)
0	0	(323)	(323)
(71)	(71)	(323)	(394)
16	16	(16)	0
(55)	(55)	(339)	(394)
134	134	(701)	(567)

The South East of Scotland Transport Partnership (SESTRAN)

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT 2020/21

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

2019/20				2020/21		
Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000	Services	Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000
678	(4)	674	Core	683	(6)	677
1,436	(1,266)	170	Projects	858	(507)	351
2,114	(1,270)	844	Cost Of Services	1,541	(513)	1,028
75	(54)	21	Financing & Investment Income (Note 9)	65	(50)	15
0	(972)	(972)	Taxation and Non-Specific Grant Income (Note 10)	0	(972)	(972)
2,189	(2,296)	(107)	(Surplus) or Deficit on Provision of Services	1,606	(1,535)	71
			Other Comprehensive Income and Expenditure			
0	0	0	Change in Demographic Assumptions	0	(99)	(99)
0	(369)	(369)	Change in Financial Assumptions	775	0	775
0	(18)	(18)	Other Experience	0	(45)	(45)
146	0	146	Return on Assets excluding amounts included in net interest	0	(308)	(308)
146	(387)	(241)	Total Other Comprehensive Income and Expenditure	775	(452)	323
2,335	(2,683)	(348)	Total Comprehensive Income and Expenditure	2,381	(1,987)	394

The South East of Scotland Transport Partnership (SESTRAN)

BALANCE SHEET

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

31 March 2020 £'000		Note	31 March 2021 £'000
309	Property, plant and equipment	11	303
309	Long term assets		303
773	Short-term debtors	13	654
0	Provision for Bad Debts	14	0
151	Cash and cash equivalents	15	320
924	Current assets		974
0	Contributions and Grants Received in Advance		(150)
(745)	Short-term creditors	16	(704)
(745)	Current liabilities		(854)
(661)	Other long-term liabilities (Pensions)	24	(990)
(661)	Long-term liabilities		(990)
(173)	Net assets/ (liabilities)		(567)
	Financed by:		
189	Usable reserves	17	134
(362)	Unusable reserves	18	(701)
(173)	Total reserves		(567)

The unaudited Annual Accounts were issued on the 11th June 2021.

The audited financial statements were authorised for issue on 24th September 2021

Treasurer: HUGH DUNN, CPFA

Date signed: _____

The South East of Scotland Transport Partnership (SESTRAN)

CASH FLOW STATEMENT

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

31 March 2020 £'000	31 March 2020 £'000		31 March 2021 £'000	31 March 2021 £'000
		OPERATING ACTIVITIES		
(782)		Government Grants	(782)	
(190)		Constituent Council Requisitions	(190)	
(1)		Interest paid/ (received)	(1)	
(842)		Other receipts from operating activities	(924)	
	(1,815)	Cash inflows generated from operating activities		(1,897)
488		Cash paid to and on behalf of employees	561	
1,393		Cash paid to suppliers of goods and services	1,068	
	1,881	Cash outflows generated from operating activities		1,629
	66	Net cash flows from operating activities		(268)
		INVESTING ACTIVITIES		
62		Purchase of property, plant and equipment	99	
	62	Net cash flows from investing activities		99
		FINANCING ACTIVITIES		
0		Other receipts from financing activities	0	
	0	Net cash flows from financing activities		0
	128	Net(increase)/ decrease in cash and cash equivalents		(169)
	279	Cash and cash equivalents at the beginning of the reporting period		151
	151	Cash and cash equivalents at the end of the reporting period (Note 15)		320

The South East of Scotland Transport Partnership (SESTRAN)

NOTES TO THE ANNUAL ACCOUNTS

1. STATEMENT OF ACCOUNTING POLICIES

1.1 Accounting Policies

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

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

1.2 Revenue Expenditure

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

- employees;
- day-to-day operating expenses, includes costs incurred in respect of office accommodation transport, ICT, and project expenditure.

1.3 Revenue Income

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

- Council requisitions, which fund day to day expenditure;
- European Union, Scottish Government and other grant income awarded to fund specific projects;
- other income recoveries to fund specific projects.

1.4 Accruals of Expenditure and Income

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

1.5 Operating Leases

a) Leased-in assets

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

b) Leased-out assets

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

1.6 Overheads

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

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

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

The South East of Scotland Transport Partnership (SESTRAN)

NOTES TO THE ANNUAL ACCOUNTS

1. STATEMENT OF ACCOUNTING POLICIES (*continued*)

1.8 Employee Benefits

Pensions

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

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

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

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

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

Accruals of Holiday Leave

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

1.9 Non Current Assets

Property, Plant and Equipment

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

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

Recognition:

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

Depreciation:

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

Measurement:

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

1.10 Government Grants and Other Contributions

• Revenue

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

The South East of Scotland Transport Partnership (SESTRAN)

NOTES TO THE ANNUAL ACCOUNTS

1. STATEMENT OF ACCOUNTING POLICIES (*continued*)

1.10 Government Grants and Other Contributions (*continued*)

• Capital

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

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

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

1.11 Provisions

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

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

1.12 Reserves

Reserves held on the Balance Sheet are classified as either usable or unusable. Unusable reserves cannot be applied to fund expenditure. The Transport Scotland (2019) Act permits the Partnership to operate a usable reserve. In March 2020 a Reserves Policy was approved, permitting the Partnership to hold a general reserve with a minimum value of 5% of annual Core budget. Balances held in excess of 5% require to be reviewed annually in-line with risk/identified commitments. The Partnership also operates a General Fund reserve to manage slippage on approved Project budget delivery.

The Partnership operates the following unusable reserves:

a) **Pension Reserve**

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

b) **Capital Adjustment Account**

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

c) **Accumulated Absences Account**

This represents the net monies which the Partnership requires to meet its short-term compensated absences for employees under IAS19.

1.13 Financial Instruments

Financial Assets

Loans and receivables are initially measured at fair value and carried at their amortised cost. Annual credits to the Comprehensive Income and Expenditure Statement for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument.

Surplus funds held on behalf of the Partnership are managed by the City of Edinburgh Council under a formal management agreement in a pooled investment arrangement.

The South East of Scotland Transport Partnership (SESTRAN)

NOTES TO THE ANNUAL ACCOUNTS

1. STATEMENT OF ACCOUNTING POLICIES (*continued*)

1.14 Cash and Cash Equivalents

Cash and cash equivalents include:

- Credit and debit funds held in banks

1.15 Contingent Liabilities

A contingent liability arises where an event has taken place that gives the Partnership a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Partnership.

Contingent liabilities are not recognised in the Balance Sheet but disclosed in a note to the accounts.

1.16 Value Added Tax

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

1.17 Events After the Reporting Period

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

Two types of events can be identified:

- i) those that provide evidence of conditions that existed at the end of the reporting period - the Annual Accounts are adjusted to reflect such events;
- ii) those that are indicative of conditions that arose after the reporting period - the Annual Accounts are not adjusted to reflect such events, but where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect.

Events taking place after the date of authorisation for issue are not reflected in the Annual Accounts.

1.18 Short Term Debtors and Short Term Creditors

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

1.19 Changes in Accounting Policies and Estimates and Errors

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Partnership's financial position or performance.

Changes in accounting estimates are accounted for prospectively; i.e. in the current and future years affected by the change.

Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

1.20 Going Concern

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

The South East of Scotland Transport Partnership (SESTRAN)

NOTES TO THE ANNUAL ACCOUNTS

2. EXPENDITURE AND FUNDING ANALYSIS

The Expenditure and Funding Analysis shows how annual expenditure is used and funded from resources by the Partnership in comparison with those resources consumed or earned by the Partnership in accordance with general accounting practice. It also shows how this expenditure is allocated for decision making purposes between service areas. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement (CIES) (see page 13).

Expenditure and Funding Analysis

	Net Expenditure Chargeable to the General Fund	Adjustments	Net Expenditure in the CIES
	£'000	£'000	£'000
2020/21			
Core	563	115	678
Projects	463	(113)	350
Net Cost of Services	1,026	2	1,028
Other Income and Expenditure			
Government grant	(782)	0	(782)
Constituent council requisitions	(190)	0	(190)
Interest Received	0	0	0
Net pension interest cost	0	15	15
(Surplus) or deficit on the provision of services	54	17	71
	Net Expenditure Chargeable to the General Fund	Adjustments	Net Expenditure in the CIES
	£'000	£'000	£'000
2019/20			
Core	517	157	674
Projects	267	(97)	170
Net Cost of Services	784	60	844
Other Income and Expenditure			
Government grant	(782)	0	(782)
Constituent council requisitions	(190)	0	(190)
Interest Received	(1)	0	(1)
Net pension interest cost	0	22	22
(Surplus) or deficit on the provision of services	(189)	82	(107)

The South East of Scotland Transport Partnership (SESTRAN)

NOTES TO THE ANNUAL ACCOUNTS

2. EXPENDITURE AND FUNDING ANALYSIS *(continued)*

Expenditure and Funding Analysis *(continued)*

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

	Adjusts. For Capital Purposes £'000	Net Change for Pensions Adjusts. £'000	Other Differences £'000	Total Statutory Adjusts. £'000
2020/21				
Core	119	(9)	5	115
Projects	(113)	0	0	(113)
Net Cost of Services	6	(9)	5	2
Other Income and Expenditure				
Net pension interest cost	0	15	0	15
(Surplus) or deficit on the provision of services	6	6	5	17
	Adjusts. For Capital Purposes £'000	Net Change for Pensions Adjusts. £'000	Other Differences £'000	Total Statutory Adjusts. £'000
2019/20				
Core	140	13	4	157
Projects	(97)	0	0	(97)
Net Cost of Services	43	13	4	60
Other Income and Expenditure				
Net pension interest cost	0	22	0	22
(Surplus) or deficit on the provision of services	43	35	4	82

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

The South East of Scotland Transport Partnership (SESTRAN)

NOTES TO THE ANNUAL ACCOUNTS

2. EXPENDITURE AND FUNDING ANALYSIS *(continued)*

2.2 Segmental Analysis of Income included in Expenditure and Funding Analysis

	Core £'000	Projects £'000	Total £'000
2020/21			
Expenditure			
Employee expenses	389	0	389
Other service expenses	180	970	1,150
Total Expenditure	569	970	1,539
Income			
Government grants and other contribs.	(6)	(507)	(513)
Total Income	(6)	(507)	(513)
Net Cost of Services	563	463	1,026
2019/20			
Expenditure			
Employee expenses	334	0	334
Other service expenses	187	1,533	1,720
Total Expenditure	521	1,533	2,054
Income			
Government grants and other contribs.	(4)	(1,266)	(1,270)
Total Income	(4)	(1,266)	(1,270)
Net Cost of Services	517	267	784

2.3 Expenditure and Income Analysed by Nature

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

	31st March 2021 £'000	31st March 2020 £'000
Expenditure		
Employee expenses	384	350
Other service expenses	1,037	1,623
Depreciation, amortisation and impairment	119	141
Interest payments	65	75
Total Expenditure	1,605	2,189
Income		
Fees, charges and other service income	(5)	(4)
Interest and investment income	(50)	(54)
Income from constituent councils	(190)	(190)
Government grants and other contributions	(1,289)	(2,048)
Total Income	(1,534)	(2,296)
(Surplus) or Deficit on the Provision of Services	71	(107)

The South East of Scotland Transport Partnership (SESTRAN)

NOTES TO THE ANNUAL ACCOUNTS

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

The Code requires the disclosure of information relating to the impact of an accounting change that will be required by a new standard that has been issued but not yet adopted. This applies to the adoption of the following new or amended standards within the 2021/22 Code. For 2021/22 the following accounting policy changes that need to be reported relate to:

- Definition of a Business: Amendments to IFRS 3 Business Combinations,
- Interest Rate Benchmark Reform: Amendments to IFRS 9, IAS 39 and IFRS 7 and
- Interest Rate Benchmark Reform – Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16.

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

4. CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

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

The critical judgements made in the Annual Accounts are:

- There is uncertainty about future levels of funding for local government. The Partnership has determined that this uncertainty is not yet sufficient to provide an indication that the assets of the Partnership might be impaired as a result of a need to reduce levels of service provision.
- Local Government Pension Scheme - Guaranteed minimum pension (GMP). The interim solution to avoid inequalities between men and women's benefits following the introduction of the Single State Pension in 2016 resulted in a recalculation of pension liabilities for the estimated impact of GMP indexation changes. The Partnership's actuary's understanding is that the further Lloyd's ruling is unlikely to have a significant impact on the pension obligations of a typical employer. As the historic individual member data required to assess an impact is not readily available, the Partnership's actuary has not made any allowance for this within the pension liability calculation.
- Local Government Pension Scheme (LGPS) - McCloud judgement. An allowance for the estimated impact of the McCloud judgement was included within the 31 March 2020 valuation position. The impact was calculated based on the eligibility criteria of being included within the proposed solution for the McCloud judgement (i.e. any active member who was a participant in the Fund as at 1 April 2012 will be given the greater of the final salary pension or CARE pension upon retirement). The McCloud allowance is therefore included in the 31 March 2021 pension liability.
- The Goodwin case judgement, in respect of deemed discrimination in spousal transfer on death of a member, may also result in the potential increasing of the pension liabilities. Whilst there is still uncertainty surrounding the potential remedy to the Goodwin judgement, the Partnership's actuary has undertaken analysis to understand the potential impact of implementing a solution to correct the past underpayment of spouses' benefits. The approximate impact of this is very small for a typical Fund (c0.1-0.2% of obligations). The Partnership's actuary does not believe there are sufficient grounds to apply an additional adjustment to account for this.

The Walker and O'Brien court cases may impact on future LGPS benefits. The Partnership's actuary understands these are unlikely to be significant judgements in terms of impact on the pension obligations of a typical employer. As a result, and until further guidance is released from the relevant governing bodies in the LGPS, no allowance has been made for the potential remedies for these judgements.

The South East of Scotland Transport Partnership (SESTRAN)

NOTES TO THE ANNUAL ACCOUNTS

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

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

The items in the Partnership's Balance Sheet at 31 March 2021 for which there is a significant risk of material adjustment in the forthcoming financial year are:

5.1 Pension Liabilities

Uncertainties

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

Effect if Actual Result Differs from Assumptions

Formal actuarial valuations are carried out every three years, where each employer's assets and liabilities are calculated on a detailed basis, using individual member data, for cash contribution setting purposes. For all LGPS Funds, investment returns have been significantly greater than expected compared to last year's accounting date assumption. However, the discount rate net of inflation has fallen compared to last year's accounting date assumption which has served to significantly increase the value placed on the obligations and worsen the balance sheet position. This is due to the combination of a lower discount rate assumption and a significantly higher CPI assumption. For a typical employer, this could be of the order of 25% of obligations and are shown under 'Changes in financial assumptions'.

Under accounting guidance, employers are expected to disclose the sensitivity of the valuation to key assumptions. The following table shows the sensitivity of the results to the changes in the assumptions used to measure the scheme liabilities, including approximate percentage changes and monetary values:

	Approximate % increase to Defined Benefit Obligation	Approximate monetary amount (£000)
0.5% decrease in Real Discount Rate	12%	400
0.5% increase in the Salary Increase Rate	0%	12
0.5% increase in the Pension Increase Rate	11%	382

6. EVENTS AFTER THE BALANCE SHEET DATE

The Unaudited Annual Accounts were authorised for issue on 11 June 2021. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provide information about conditions existing at 31 March 2021, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

There were no events which took place after 31st March 2021 which would materially affect the 2020/21 Annual Accounts. Partnership employees worked remotely throughout 2020/21, in keeping with Government advice during the Covid-19 pandemic. Projects that depend on third party suppliers experienced some delays to the timescale for completion of committed work. It is likely however that the impact on the Partnership's Annual Accounts for 2020/21 will be non-adjusting. Short term impacts of the pandemic in 2020/21 included new, additional areas of work relating to temporary transport measures and planned recovery. Medium and longer-term consequences of Covid-19 may give rise to further changes in service provision which will be considered and reported to the Partnership during 2021/22. Further narrative to the pandemic and impact on the Partnership is referenced within the Management Commentary.

The South East of Scotland Transport Partnership (SESTRAN)

NOTES TO THE ANNUAL ACCOUNTS

7. ADJUSTMENTS BETWEEN ACCOUNTING BASIS AND FUNDING BASIS UNDER REGULATIONS

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

2020/21	Usable Reserves	Unusable Reserves			
	General Fund Balance	Capital Adjustment Account	Accumulated Absence Account	Pension Reserve	Movement in Unusable Reserve
	£'000	£'000	£'000	£'000	£'000
Adjustments primarily involving the <u>Capital Adjustment Account</u>					
Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement (CIES)					
Charges for depreciation and impairment of non-current assets	119	(119)			(119)
Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement (CIES)					
Contributions credited to the CIES that have been applied to capital financing	(113)	113			113
Adjustments primarily involving the <u>Pensions Reserve</u>					
Reversal of items relating to retirement benefits debited or credited to the CIES	136			(136)	(136)
Employer's pension contributions and direct payments to pensioners payable in the year	(130)			130	130
Adjustments primarily involving the <u>Accumulated Absence Account</u>					
Amount by which officer remuneration charged to the CIES on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	4		(4)		(4)
Total Adjustments	16	(6)	(4)	(6)	(16)

The South East of Scotland Transport Partnership (SESTRAN)

NOTES TO THE ANNUAL ACCOUNTS

7. ADJUSTMENTS BETWEEN ACCOUNTING BASIS AND FUNDING BASIS UNDER REGULATIONS

(continued)

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

2019/20	Usable Reserves	Unusable Reserves			
	General Fund Balance	Capital Adjustment Account	Accumulated Absence Account	Pension Reserve	Movement in Unusable Reserve
	£'000	£'000	£'000	£'000	£'000
Adjustments primarily involving the Capital Adjustment Account					
Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement (CIES)					
Charges for depreciation and impairment of non-current assets	141	(141)			(141)
Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement (CIES)					
Contributions credited to the CIES that have been applied to capital financing	(98)	98			98
Adjustments primarily involving the Pensions Reserve					
Reversal of items relating to retirement benefits debited or credited to the CIES	116			(116)	(116)
Employer's pension contributions and direct payments to pensioners payable in the year	(81)			81	81
Adjustments primarily involving the Accumulated Absence Account					
Amount by which officer remuneration charged to the CIES on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	4		(4)		(4)
Total Adjustments	82	(43)	(4)	(35)	(82)

The South East of Scotland Transport Partnership (SESTRAN)

NOTES TO THE ANNUAL ACCOUNTS

8. TRANSFERS TO/FROM EARMARKED RESERVES

In accordance with the provisions of the Transport Scotland (2019) Act, the Partnership has agreed a Reserves Policy. An earmarked balance of £105,000 has been established to meet slippage on project delivery from 2020/21 to 2021/22.

9. FINANCING AND INVESTMENT INCOME

	2020/21 £'000	2019/20 £'000
Interest income on plan assets	(50)	(53)
Interest Received	0	(1)
Pensions interest cost	65	75
	<hr/> 15	<hr/> 21

10. TAXATION AND NON SPECIFIC GRANT INCOME

	2020/21 £'000	2019/20 £'000
Government Grant	(782)	(782)
Constituent Council Requisitions	(190)	(190)
	<hr/> (972)	<hr/> (972)

The South East of Scotland Transport Partnership (SESTRAN)

NOTES TO THE ANNUAL ACCOUNTS

11. PROPERTY, PLANT AND EQUIPMENT

11.1 Movements on balances:

Movements in 2020/21	Vehicles Plant and Equipment £'000	Assets Under Construction £'000	Total Property Plant and Equipment £'000
Cost or Valuation			
At 1st April 2020	791	70	861
Additions	0	113	113
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	(4)	0	(4)
At 31st March 2021	<u>787</u>	<u>183</u>	<u>970</u>
Accumulated Depreciation			
At 1st April 2020	(552)	0	(552)
Depreciation charge	(119)	0	(119)
Depreciation written out to the Surplus/Deficit on the Provision of Services	4	0	4
At 31st March 2021	<u>(667)</u>	<u>0</u>	<u>(667)</u>
Net Book Value			
At 31st March 2021	<u>120</u>	<u>183</u>	<u>303</u>

The South East of Scotland Transport Partnership (SESTRAN)

NOTES TO THE ANNUAL ACCOUNTS

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

11.2 Movements on balances:

Comparative Movements in 2019/20

Cost or Valuation	Vehicles Plant and Equipment £'000	Assets Under Construction £'000	Total Property Plant and Equipment £'000
At 1st April 2019	827	0	827
Additions	28	70	98
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	(64)	0	(64)
At 31st March 2020	791	70	861
Accumulated Depreciation			
At 1st April 2019	(475)	0	(475)
Depreciation charge	(128)	0	(128)
Depreciation written out to the Surplus/Deficit on the Provision of Services	51	0	51
At 31st March 2020	(552)	0	(552)
Net Book Value			
At 31st March 2020	239	70	309

11.3 Depreciation

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

- Vehicles, plant and equipment: 4 - 5 years

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

11.4 Capital Commitments

As at 31st March 2021, the Partnership has committed to purchase 12 laptops at a cost of £11,642.

The South East of Scotland Transport Partnership (SESTRAN)

NOTES TO THE ANNUAL ACCOUNTS

12. FINANCIAL INSTRUMENTS

12.1 Financial Instruments - Classifications

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

Financial Liabilities

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

The Partnership's financial liabilities held during the year comprised:

- Trade payables for goods and services received.

Financial Assets

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

The Partnership's financial assets held during the year comprised:

- Cash in hand;
- Cash and cash equivalents (Loans and receivables). The Partnership maintains its funds as part of the City of Edinburgh Council's group of bank accounts. Any cash balance is effectively lent to the Council, but is offset by expenditure undertaken by the City of Edinburgh Council on behalf of the Partnership. Interest is given on month end net indebtedness balances between the Council;
- Trade receivables for goods and services provided.

12.2 Financial Instruments - Balances

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

	Current	
	31st March 2021 £'000	31st March 2020 £'000
Trade creditors	633	539

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

	Current	
	31st March 2021 £'000	31st March 2020 £'000
Loans and receivables	618	758
Trade debtors	193	9
	811	767

The South East of Scotland Transport Partnership (SESTRAN)

NOTES TO THE ANNUAL ACCOUNTS

12. FINANCIAL INSTRUMENTS *(continued)*

12.3 Financial Instruments - Fair Values

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

The fair values calculated are as follows:

Financial Liabilities	31 March 2021		31 March 2020	
	Carrying	Fair	Carrying	Fair
	Amount	Value	Amount	Value
	£'000	£'000	£'000	£'000
Trade creditors	633	633	539	539
Financial Assets	31 March 2021		31 March 2020	
	Carrying	Fair	Carrying	Fair
	Amount	Value	Amount	Value
	£'000	£'000	£'000	£'000
Loans and receivables	618	618	758	758
Trade debtors	193	193	9	9
	<u>811</u>	<u>811</u>	<u>767</u>	<u>767</u>

12.4 Income, Expenses, Gains and Losses

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

	31st March 2021 £'000	31st March 2020 £'000
Total expense and income in Surplus or Deficit on the Provision of Services:		
Interest Income	0	1

13. DEBTORS

	31st March 2021 £'000	31st March 2020 £'000
Debtors:		
Central government bodies	367	504
Other local authorities	61	7
HM Customs and Excise - VAT	43	29
Other entities and individuals	183	233
	<u>654</u>	<u>773</u>

The South East of Scotland Transport Partnership (SESTRAN)

NOTES TO THE ANNUAL ACCOUNTS

14. PROVISION FOR BAD DEBTS

	31st March 2021 £'000	31st March 2020 £'000
Cost or Valuation		
Opening Balance	0	0
Provision made during year	0	0
Unused amounts reversed during the year	0	0
Closing Balance	0	0

15. CASH AND CASH EQUIVALENTS

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

	31st March 2021 £'000	31st March 2020 £'000
Bank account	320	151
	320	151

16. CREDITORS

	31st March 2021 £'000	31st March 2020 £'000
Central government bodies	0	(25)
Other local authorities	(56)	(89)
Other entities and individuals	(634)	(608)
Employee costs	(14)	(23)
	(704)	(745)

17. USABLE RESERVES

	31st March 2021 £'000	31st March 2020 £'000
17.1 Unallocated General Fund Reserve	29	12
17.2 Earmarked Balance - Project Budget slippage	105	177
	134	189

The South East of Scotland Transport Partnership (SESTRAN)

NOTES TO THE ANNUAL ACCOUNTS

18. UNUSABLE RESERVES

	31st March 2021 £'000	31st March 2020 £'000
18.1 Capital Adjustment Account	303	309
18.2 Pension Reserve	(990)	(661)
18.3 Accumulated Absence Account	(14)	(10)
	<u>(701)</u>	<u>(362)</u>

18.1 Capital Adjustment Account

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

	2020/21 £'000	2019/20 £'000
Balance at 1st April	309	352
Reversal of items related to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:		
• Charges for depreciation and impairment of non-current assets	(119)	(141)
• Charges for revaluation of non-current assets	0	0
	<u>190</u>	<u>211</u>
Net written out amount of the cost of non-current assets consumed in year		
Capital financing applied in the year:		
• Contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	113	98
	<u>303</u>	<u>309</u>
Balance at 31st March		

18.2 Pension Reserve

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

The South East of Scotland Transport Partnership (SESTRAN)

NOTES TO THE ANNUAL ACCOUNTS

18. UNUSABLE RESERVES *(continued)*

18.2 Pension Reserve *(continued)*

	2020/21 £'000	2019/20 £'000
Balance at 1st April	(661)	(867)
Remeasurements of the net defined benefit liability	(323)	241
Reversals of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement.	(136)	(116)
Employer's pension contributions and direct payments to pensioners payable in the year.	130	81
Balance at 31st March	<u>(990)</u>	<u>(661)</u>

18.3 Accumulated Absence Account

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

	2020/21 £'000	2019/20 £'000
Balance at 1st April	(10)	(6)
Settlement or cancellation of accrual made at the end of the preceding year	10	6
Amounts accrued at the end of the current year	(14)	(10)
Balance at 31st March	<u>(14)</u>	<u>(10)</u>

19. MEMBERS EXPENSES

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

	2020/21 £'000	2019/20 £'000
Expenses	0	0
	<u>0</u>	<u>0</u>

The South East of Scotland Transport Partnership (SESTRAN)

NOTES TO THE ANNUAL ACCOUNTS

20. EXTERNAL AUDIT COSTS

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

	2020/21 £'000	2019/20 £'000
Fees payable in respect of:		
• external audit services carried out by the appointed auditor for the year	10	11
	<u>10</u>	<u>11</u>

21. GRANT INCOME

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

	2020/21 £'000	2019/20 £'000
Credited to Taxation and Non Specific Grant Income		
Scottish Government - Revenue Grant	(782)	(782)
Constituent Council Requisitions (Note 22.3)	(190)	(190)
	<u>(972)</u>	<u>(972)</u>
Credited to Services		
EU Grant - Bling	(22)	(16)
EU Grant - Connect	(10)	0
EU Grant - Primaas	(28)	(11)
EU Grant - Regio Mob	(6)	(3)
EU Grant - Sharenorth	(13)	(12)
EU Grant - Surflogh	(10)	(30)
Contribution - City of Edinburgh Council	(2)	(2)
Contribution - Clackmannanshire Council	(6)	0
Contribution - East Lothian Council	(2)	(2)
Contribution - Fife Council	(2)	(2)
Contribution - Inclusion Scotland	(5)	0
Contribution - Scotrail	(4)	0
Contribution - Scottish Borders Council	(2)	(8)
Contribution - Scottish Enterprise	0	(125)
Contribution - Transport Scotland	(317)	(843)
Contribution - West Lothian Council	(40)	0
Contribution - HITRANS	(4)	(4)
Contribution - NESTRANS	(6)	(3)
Contribution - SPT	(9)	0
Contribution - SUSTRANS	(15)	(163)
Contribution - SWESTRANS	(3)	0
Contribution - TACTRAN	(6)	(3)
Contribution - ZETRANS	(1)	0
	<u>(513)</u>	<u>(1,227)</u>

The South East of Scotland Transport Partnership (SESTRAN)

NOTES TO THE ANNUAL ACCOUNTS

22. RELATED PARTIES

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

22.1 Scottish Government

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

22.2 Members

Members of the Partnership have direct control over the Partnership's financial and operating policies. The total of members' expenses paid by the Partnership in 2020-21 is shown in Note 19.

22.3 Other Parties

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

	2020/21 £'000	2019/20 £'000
• Revenue Expenditure - Support Services		
City of Edinburgh Council - Financial Services/ Clerking	43	44
Falkirk Council - HR Services	0	0
	<hr/>	<hr/>
	43	44
	<hr/>	<hr/>
• Revenue Expenditure - Other		
City of Edinburgh Council	0	1
East Lothian Council	0	108
Edinburgh & Lothians Greenspace Trust	15	0
Midlothian Council	6	18
Newcastle City Council	0	14
NHS Lothian	0	22
Scottish Government	79	21
West Lothian Council	0	0
	<hr/>	<hr/>
	100	184
	<hr/>	<hr/>

The South East of Scotland Transport Partnership (SESTRAN)

NOTES TO THE ANNUAL ACCOUNTS

22. RELATED PARTIES *(continued)*

22.3 Other Parties *(continued)*

	2020/21 £'000	2019/20 £'000
• Revenue Income - Requisitions		
Clackmannanshire Council	(6)	(6)
East Lothian Council	(13)	(13)
City of Edinburgh Council	(61)	(61)
Falkirk Council	(19)	(19)
Fife Council	(44)	(44)
Midlothian Council	(11)	(11)
Scottish Borders Council	(14)	(14)
West Lothian Council	(22)	(22)
	<hr/> (190) <hr/>	<hr/> (190) <hr/>
• Revenue Income - Interest on Revenue Balances		
City of Edinburgh Council	0	(1)
	<hr/> 0 <hr/>	<hr/> (1) <hr/>
• Revenue Income - Other		
Constituent Councils	0	(40)
City of Edinburgh Council	(2)	(2)
Clackmannanshire Council	(6)	0
East Lothian Council	(2)	(2)
Fife Council	(2)	(2)
Scottish Borders Council	(2)	(8)
Scottish Enterprise	0	(125)
Transport Scotland	(317)	(843)
West Lothian Council	(40)	0
	<hr/> (371) <hr/>	<hr/> (1,022) <hr/>

The South East of Scotland Transport Partnership (SESTRAN)

NOTES TO THE ANNUAL ACCOUNTS

22. RELATED PARTIES *(continued)*

22.3 Other Parties *(continued)*

The following represents amounts due to/(from) the Partnership at 31 March 2021, with its related parties.

CREDITORS	2020/21 £'000	2019/20 £'000
• Creditors - Related Parties (Revenue Grants)		
Clackmannanshire Council	0	(80)
Edinburgh & Lothians Greenspace Trust	0	(35)
NHS Lothian	0	(58)
Scottish Enterprise	(150)	(25)
West Lothian Council	(56)	(8)
	<u>(206)</u>	<u>(206)</u>
• Creditors - Related Parties (Other)		
City of Edinburgh Council	0	(1)
Edinburgh & Lothians Greenspace Trust	(15)	0
Falkirk Council	0	0
	<u>(15)</u>	<u>(1)</u>
• Creditors - Other Parties	<u>(633)</u>	<u>(538)</u>
Total Creditors	<u>(854)</u>	<u>(745)</u>
DEBTORS		
• Debtors - Related Parties (Revenue Grants/ Other)		
Clackmannanshire Council	6	0
East Lothian Council	2	0
Fife Council	2	0
Scottish Borders Council	2	7
Scottish Enterprise	150	0
Transport Scotland	216	504
West Lothian Council	50	0
	<u>428</u>	<u>511</u>
• Debtors - Other Parties	<u>226</u>	<u>262</u>
Total Debtors	<u>654</u>	<u>773</u>

The South East of Scotland Transport Partnership (SESTRAN)

NOTES TO THE ANNUAL ACCOUNTS

23. LEASES

Operating Leases

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

The Partnership signed a new MOTO and is permitted to occupy the space from 8th February 2019 to 7th February 2022 (the Prescribed Term) and so on until ended by either party giving notice under the terms of the CEOA. Both parties will, upon provision of not less than 1 year's prior written notice, have the ability to break this agreement.

The Partnership currently has a contract with Propel Finance to lease eight Apple iPhones for staff use. The Partnership has the option to terminate the lease under no penalty if at least three months written notice is given.

The Partnership currently has a contract with Ricoh UK Ltd to lease an office printer. The minimum term for this contract is 36 months before the Partnership has the option to terminate the lease under no penalty. This contract expires in August 2022.

The Partnership's expenditure on lease payments during 2020/21 was £19,000 (2019/20 £18,000)

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

	2020/21 £'000	2019/20 £'000
• Not later than 1 year	18	18
• Over 1 year	0	1
	<hr/> 18	<hr/> 19

The Partnership has no other material operational leases.

24. DEFINED BENEFIT PENSION SCHEMES

24.1 Participation in Pension Schemes

As part of the terms and conditions of employment of its staff, the Partnership makes contributions towards the cost of post employment benefits. Although these benefits will not actually be payable until the employees retire, the Partnership has a commitment to make the payments that needs to be disclosed at the time that employees earn their future entitlement. As explained in Accounting Policy 1.8, the Partnership is an admitted body to the Local Government Pension Scheme (LGPS) which is administered by the Lothian Pension Fund.

The Partnership participates in:

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

The South East of Scotland Transport Partnership (SESTRAN)

NOTES TO THE ANNUAL ACCOUNTS

24. DEFINED BENEFIT PENSION SCHEMES *(continued)*

24.2 Transactions Relating to Post-employment Benefits

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

	2020/21 £000	2020/21 £000	2019/20 £000	2019/20 £000
Comprehensive Income and Expenditure Statement				
<i>Cost of services:</i>				
Service cost, comprising:				
Current service costs	121		109	
Past service costs	<u>0</u>		<u>(15)</u>	
		121		94
<i>Financing and investment income:</i>				
Net interest expense		<u>15</u>		<u>22</u>
Total post employee benefit charged to the surplus on the provision of services		136		116
<i>Other post-employment benefits charges to the Comprehensive Income / Expenditure Statement</i>				
Remeasurement of the net defined liability, comprising:				
Return on plan assets, excluding the amount included in the net interest expense above	(308)		146	
Actuarial gains and (losses) arising on changes in financial assumptions	775		(369)	
Actuarial gains and (losses) arising on changes in demographic assumptions	(99)		0	
Other experience	<u>(45)</u>		<u>(18)</u>	
		<u>323</u>		<u>(241)</u>
Total post-employment benefits charged to the Comprehensive Income / Expenditure Statement		<u>459</u>		<u>(125)</u>
Movement in Reserves Statement				
Reversal of net charges made to the surplus on the provision of services for post-employment benefits in accordance with the Code.		<u>6</u>		<u>35</u>
Actual amount charged against the General Fund Balance for pensions in the year:				
Employer's contributions payable to the scheme		130		81
		<u>130</u>		<u>81</u>

The South East of Scotland Transport Partnership (SESTRAN)

NOTES TO THE ANNUAL ACCOUNTS

24. DEFINED BENEFIT PENSION SCHEMES *(continued)*

24.3 Pension Assets and Liabilities Recognised in the Balance Sheet

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

	2020/21 £'000	2019/20 £'000
Fair value of employer assets	2,463	2,149
Present value of funded liabilities	(3,453)	(2,810)
Present value of unfunded liabilities	0	0
Net liability arising from defined benefit obligation	(990)	(661)

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

	2020/21 £'000	2019/20 £'000
Opening fair value of scheme assets	2,149	2,212
Interest income	50	53
Remeasurement gain / (loss):		
Other Experience	(129)	0
Return on plan assets, excluding the amount included in the net interest expense	308	(146)
Contributions from employer	130	81
Contributions from employees into the scheme	26	18
Benefits paid	(71)	(69)
Unfunded benefits paid	0	0
Closing fair value of scheme assets	2,463	2,149

Reconciliation of Present Value of the Scheme Liabilities

	2020/21 £'000	2019/20 £'000
Present value of funded liabilities	(2,810)	(3,079)
Present value of unfunded liabilities	0	0
Opening balance at 1st April	(2,810)	(3,079)
Current service cost	(121)	(109)
Interest cost	(65)	(75)
Contributions from employees into the scheme	(26)	(18)
Remeasurement gain / (loss):		
Change in demographic assumptions	99	0
Change in financial assumptions	(775)	369
Other experience	174	18
Past service cost	0	15
Benefits paid	71	69
Unfunded benefits paid	0	0
Closing balance at 31st March	(3,453)	(2,810)

The South East of Scotland Transport Partnership (SESTRAN)

NOTES TO THE ANNUAL ACCOUNTS

24. DEFINED BENEFIT PENSION SCHEMES *(continued)*

24.5 Fair Value of Employer Assets

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

	2020/21		2019/20	
	£'000	%	£'000	%
Equity Securities:				
Consumer *	320	13	205	10
Manufacturing *	355	14	310	14
Energy and Utilities *	125	5	137	6
Financial Institutions *	151	6	140	7
Health and Care *	154	6	149	7
Information technology *	117	5	93	4
Other *	196	8	157	7
Sub-total Equity Securities	1,418		1,190	
Debt Securities:				
Corporate Bonds (investment grade) *	0	0	36	2
Corporate Bonds (investment grade)	84	3	79	4
UK Government *	198	8	132	6
Sub-total Debt Securities	282		247	
Private Equity:				
All	15		19	
Sub-total Private Equity	15	1	19	1
Real Estate:				
UK Property *	0	0	25	1
UK Property	128	5	116	5
Overseas Property	0	0	2	0
Sub-total Real Estate	128		143	
Investment Funds and Unit Trusts:				
Equities *	35	1	26	1
Bonds *	51	2	9	0
Bonds	0	0	0	0
Infrastructure	282	11	302	14
Sub-total Investment Funds and Unit Trusts	368		338	
Derivatives:				
Foreign Exchange *	0	0	4	0
Sub-total Derivatives	0		4	
Cash and Cash Equivalents				
All *	252	10	208	10
Sub-total Cash and Cash Equivalents	252		208	
Total Fair Value of Employer Assets	2,463		2,149	

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

The South East of Scotland Transport Partnership (SESTRAN)

NOTES TO THE ANNUAL ACCOUNTS

24. DEFINED BENEFIT PENSION SCHEMES *(continued)*

24.6 Basis for Estimating Assets and Liabilities

Hymans Robertson, the independent actuaries to Lothian Pension Fund, have advised that the financial assumptions used to calculate the components of the pension expense for the year ended 31 March 2021 were those from the beginning of the year (i.e. 31 March 2020) and have not been changed during the year.

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

Investment returns

- Total returns for the period from 1 April 2020 to 31 March 2021 16.4%

	2020/21	2019/20
Mortality assumptions - longevity at 65 for current pensioners:		
• Males	20.5 years	21.7 years
• Females	23.3 years	24.3 years
Mortality assumptions - longevity at 65 for future pensioners:		
• Males	21.9 years	24.7 years
• Females	25.2 years	27.5 years
Pension increase rate	2.85%	1.90%
Salary increase rate (see below)	3.35%	3.50%
Discount rate	2.00%	2.30%

Estimation of defined benefit obligations is sensitive to the actuarial assumptions set out above. In order to quantify the impact of a change in the financial assumptions used, the Actuary has calculated and compared the value of the scheme liabilities as at 31 March 2021 on varying bases. The approach taken by the Actuary is consistent with that adopted to derive the IAS19 figures.

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

The South East of Scotland Transport Partnership (SESTRAN)

NOTES TO THE ANNUAL ACCOUNTS

24. DEFINED BENEFIT PENSION SCHEMES *(continued)*

24.7 Analysis of projected amount to be charged to profit or loss for the period to 31 March 2022

	Assets £000	Obligations £000	Net (liability) / asset £000	% of pay
Projected current service cost	0	(189)	(189)	(53.2%)
Past service cost including curtailments	0	0	0	0.0%
Effect of settlements	0	0	0	0.0%
Total Service Cost	0	(189)	(189)	(53.2%)
Interest income on plan assets	50	0	50	14.0%
Interest cost on defined benefit obligation	0	(70)	(70)	(19.7%)
Total Net Interest Cost	50	(70)	(20)	(5.6%)
Total included in Profit or Loss	50	(259)	(209)	(58.9%)

The Partnership's estimated contribution to Lothian Pension Fund for 2021/22 is £118,000.

25. NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

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

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

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

Credit risk

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

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

All Partnership invoices become due for payment on issue, and all trade debtors are overdue less than a month. Collateral - During the reporting period the Partnership held no collateral as security.

The South East of Scotland Transport Partnership (SESTRAN)

NOTES TO THE ANNUAL ACCOUNTS

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

Liquidity risk

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

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

Refinancing risk

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

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

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

Market risk

Interest rate risk

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

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

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

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

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

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

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

Price risk

The Partnership does not invest in equity shares.

Foreign Exchange risk

As at 31 March 2021, the Partnership had financial assets of £81,000 subject to foreign exchange risk.

The foreign exchange loss or gain on these financial assets cannot be determined until 2021/22, when the Partnership is in receipt of the related grant income from the European Regional Development Fund.

The Partnership has no financial liabilities denominated in foreign currencies.

The South East of Scotland Transport Partnership (SESTRAN)

INDEPENDENT AUDITOR'S REPORT

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

Report on the audit of the financial statements

Opinion on financial statements

We certify that we have audited the financial statements in the annual accounts of The South East of Scotland Transport Partnership for the year ended 31 March 2021 under Part VII of the Local Government (Scotland) Act 1973. The financial statements comprise the Movement in Reserves Statement, the Comprehensive Income and Expenditure Statement, Balance Sheet, Cash-Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2020/21 (the 2020/21 Code).

In our opinion the accompanying financial statements:

- give a true and fair view in accordance with applicable law and the 2020/21 Code of the state of affairs of the body as at 31 March 2021 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the 2020/21 Code; and
- have been prepared in accordance with the requirements of the Local Government (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003.

Basis of opinion

We conducted our audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the Code of Audit Practice approved by the Accounts Commission for Scotland. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We were appointed by the Accounts Commission on 31 May 2016. The period of total uninterrupted appointment is 5 years. We are independent of the body in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to the body. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern basis of accounting

We have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the body's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

Risks of material misstatement

We report in a separate Annual Audit Report, available from the Audit Scotland website, the most significant assessed risks of material misstatement that we identified and our judgements thereon.

Responsibilities of the Treasurer and Partnership for the financial statements

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

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

The Partnership is responsible for overseeing the financial reporting process.

The South East of Scotland Transport Partnership (SESTRAN)

INDEPENDENT AUDITOR'S REPORT (Contd.)

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities outlined above to detect material misstatements in respect of irregularities, including fraud. Procedures include:

- obtaining an understanding of the applicable legal and regulatory framework and how the body is complying with that framework;
- identifying which laws and regulations are significant in the context of the body;
- assessing the susceptibility of the financial statements to material misstatement, including how fraud might occur; and
- considering whether the audit team collectively has the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations.

The extent to which our procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the body's controls, and the nature, timing and extent of the audit procedures performed.

Irregularities that result from fraud are inherently more difficult to detect than irregularities that result from error as fraud may involve collusion, intentional omissions, misrepresentations, or the override of internal control. The capability of the audit to detect fraud and other irregularities depends on factors such as the skilfulness of the perpetrator, the frequency and extent of manipulation, the degree of collusion involved, the relative size of individual amounts manipulated, and the seniority of those individuals involved.

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

Reporting on other requirements

Opinion prescribed by the Accounts Commission on the audited part of the Remuneration Report

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

Statutory other information

The Treasurer is responsible for the statutory other information in the annual accounts. The statutory other information comprises the Management Commentary, Annual Governance Statement, Statement of Responsibilities and the unaudited part of the Remuneration Report.

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

Our opinion on the financial statements does not cover the statutory other information and we do not express any form of assurance conclusion thereon except on the Management Commentary and Annual Governance Statement to the extent explicitly stated in the following opinions prescribed by the Accounts Commission.

The South East of Scotland Transport Partnership (SESTRAN)

INDEPENDENT AUDITOR'S REPORT (Contd.)

Opinions prescribed by the Accounts Commission on Management Commentary and Annual Governance Statement

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

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

Matters on which we are required to report by exception

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

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

We have nothing to report in respect of these matters.

Conclusions on wider scope responsibilities

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

Use of our report

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

Karen Jones, for and on behalf of Azets Audit Services

Exchange Place 3
Semple Street
Edinburgh
EH3 8BL

Date: _____

DRAFT ANNUAL REPORT 2020/21

1. INTRODUCTION

- 1.1 The purpose of this report is to present to the Partnership Board the draft Annual Report for 2020/21, to invite comment from the Committee and, ultimately, to seek authority for the Partnership director to finalise and publish the Report.

2. ANNUAL REPORT

- 2.1 The annual report provides an overview of SEStran's project portfolio; it highlights the contributions that SEStran has made to the region over the last year, in line with the agreed objectives of the Regional Transport Strategy (RTS) and SEStran's annual Business Plan.
- 2.2 The Annual Report will be published online. It can be made available in alternative formats on request.

3. RECOMMENDATION

- 3.1 The Committee is asked to comment on the contents of the draft Annual Report 2020/21.

Jim Grieve
Partnership Director
10th September 2021

Appendix 1 – Draft Annual Report 2020/21

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

2020-21 Annual Report.

Contents

1. Foreword (Chair)
2. Who we are
3. What we do
4. Appendix: Annual Accounts and Reports
5. Contact Information

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

Foreword (DRAFT)

Cllr Gordon Edgar, Partnership Chair

September 2021 DRAFT

As Chair of SEStran, it gives me great pleasure to present SEStran's annual report for 2020/21.

I could not reflect on the past year without mentioning the impact of Covid-19. Changes to the wider landscape for transport have been extensive, as government at all levels responded to the unfolding impacts of Covid 19. SEStran has played a key role in the region during this period, increasing our work alongside local, regional, and national partners to support the development of appropriate responses to the changes facing the transport sector.

SEStran's staff team had already moved seamlessly to remote working before the year commenced and remained working from home throughout the year. The progress outlined in this year's annual report is therefore a testimony to the adaptability of the team, and I would like to thank each individual for their considerable efforts.

I would also like to express my thanks to the Partnership's Board members for their ongoing commitment to SEStran. Whilst there is no doubt that holding all our Partnership meetings online has meant that our members can attend formal meetings more often, their additional input and engagement has been significant in a year like no others before it.

In November 2020, work on the new statutory Regional Transport Strategy (RTS) commenced. As the framework for local and regional plans relating to transport, the RTS must be clear in its ambition to support people (and goods) to move sustainably. In the first months of 2021, consultation and engagement activities helped create a strong foundation for the Strategy. Alongside a clear ambition, the RTS policies need to reflect a region with very diverse transport needs.

During the year, the partnership progressed all core areas of work. In the area of active travel, the development of the Do the Ride Thing campaign, in depth behavioural surveying, cargo bike training and development of the strategic network for active travel routes supported our partners in efforts to increase availability of active travel choices.

Our work to promote transport equality and accessibility focussed on expanding uptake of the Thistle Assistance scheme card and app during the pandemic, was supported through our internship, offered in partnership with Inclusion Scotland. New workstreams exploring the possibilities for bringing Mobility as a Service and Demand Responsive Transport to the region got under way, as well as new areas of work with partners to develop proposals for permanent bus priority measures.

Work on SEStran projects that help contribute to the 2045 national Net Zero target continued during the year, with planning for the expansion of Surflogh and extending of work on the SEStran Strategic Network. At the same time, through international projects and a strategic study we explored future sustainable freight options for this region.

I hope you will enjoy reading about the organisation's work in more detail in the coming pages. I believe the report illustrates SEStran's distinct contribution within Scotland's transport 'ecosystem', coordinating action at a regional level through its Regional Transport Strategy and partnership work.

Councillor Gordon Edgar

Chair, SEStran

(Insert photo signature and twitter)

Who we are

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

SEStran's Vision

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

(Insert Transport Image)

Our Objectives

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

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

We have highlighted the relationship between our work and our strategic objectives with an icon, a number in a circle relating to each of our objectives and the key priorities represented by each of the following icons:

SEStran Team

SEStran has a staff of 10, and 1 Cycling Scotland embedded officer, as of April 2020:

- Partnership Director, Jim Grieve
- Senior Partnership Manager, Anna Herriman
- Programmes Manager, Keith Fisk
- Strategy and Projects Officer, Jim Stewart
- Project Officer, Julie Vinders
- Active Travel Officer, Peter Jackson
- Business Manager, Angela Chambers
- Business Support Assistant, Cheryl Fergie
- Business Support Officer, Hannah Markley
- Cycling Scotland Officer, Beth Harley-Jepson
- Marketing Intern, Rhianne Forrest

Local Authority Partners

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

(Insert Map of Scotland with SEStran Region.)

Headquarters

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

Governance

Decision Making Structure

SEStran's main policy and budgetary decisions are taken by the Partnership Board, which consists of 20 Councillor and nine Non-Councillor members. Operational decisions are taken by the Partnership Director and other officers in accordance with the List of Officer Powers which forms part of SEStran's [Governance Scheme](#). The Scheme is reviewed regularly and was last updated in March 2021.

The Partnership Board delegates some decisions to Committees in accordance with the Governance Scheme. The Performance and Audit Committee remit covers scrutiny of performance, staffing, standards and audit. It comprises a Councillor member from each constituent authority, and two Non-Councillor members. It is currently chaired by Councillor Russell Imrie.

The Succession Planning Committee remit covers matters related to succession planning and Board appointments. Its membership consists of the Partnership Chair, two Board members, the Partnership Director, the Partnership Secretary and a Human Resources adviser.

Partnership Board

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

Partnership Board – Insert Names and Images as of August 2020

Non-Councillor Members – Insert names

Equalities Duty

SEStran is a listed public body under the Equality Act 2010 and the Equality Act 2012 (Scotland) Specific Duties Regulations, and as such have a duty to publish a biennial Equalities Mainstreaming Report and a set of Equality Outcomes to enable the organisation to better perform the equality duty.

SEStran last published a set of Equality Outcomes 2017-2021¹ in April 2017 and published a biennial progress report in April 2019. The next report will cover the period 2021-2025, with a mid-term report due in April 2023.

The draft outcomes went out to consultation in February 2021. Analysis of the data indicated broad support and agreement for all the outcomes. Key comments included that SEStran statutory meetings should remain being hosted remotely, to remove barriers facing disabled people travelling to physical meetings.

The final report and new Equalities Outcomes were published in April 2021.

Cyber Security

In order to comply with the Scottish Government's Public Sector Cyber Security Action Plan, SEStran carried out a robust review of its IT provision. Under the scheme, an independent cyber security consultant was appointed in 2018 and audited the partnership's IT environment. The outcome of this audit was SEStran being awarded Cyber Essentials Plus accreditation. SEStran were re-audited in 2020 and retained the award.

What we do

SEStran Regional Transport Strategy

SEStran's core statutory function is to maintain a Regional Transport Strategy (RTS). In June 2019, the Partnership Board agreed an outline approach to develop a new RTS, in recognition of emerging changes to national policy, strategy and legislation affecting transport, climate and regional planning. The new RTS will provide a framework for transport solutions in the region that meet new challenges. The RTS will be closely aligned to the priorities of Scotland's Second National Transport Strategy (NTS2) which was published in February 2020. As part of NTS2, a Roles and Responsibilities Working Group, including two Regional Transport Partnership representatives, has been set up to review transport governance arrangements.

¹ https://www.sestran.gov.uk/wp-content/uploads/2017/04/2017_04_27_Equality_Outcomes.pdf

Developing a new Regional Transport Strategy - SEStran 2035

The work undertaken by Jacobs to produce a Main Issues Report concluded in May 2020. And forms the basis of the ongoing work to develop the new RTS. Following preparation of a brief and a competitive tendering process Stantec UK Ltd were appointed in January 2021 to start work on the development of the RTS.

The development of the new RTS follows Scottish Transport Appraisal Guidance (STAG) stages. By the end of March 2021, a consultation strategy was prepared and an engagement and consultation programme took place. Work to develop the RTS Case for Change also commenced and continued beyond March 2021. This involved engagement with local authorities and a wide range of partners through a series of meetings, interviews and briefing notes. A public consultation also took place with approximately 1000 responses received.

The Strategic Environmental Assessment scoping report is a statutory requirement to support development of the RTS and was published in March 2021 along with the Equalities Duties Assessment Framing note, part of the process of undertaking an Equalities Impact Assessment (EqIA) to fulfil the requirements of relevant 'equalities duties' prescribed through statutory provisions.

Work will be ongoing throughout the remainder of 2021 to develop the draft RTS and publish it for consultation later in 2021.

(Insert Partnership working Image)

The Regional Transport Strategy – regional monitoring

SEStran's current Regional Transport Strategy (RTS), which was refreshed in August 2015, currently runs until 2025. The RTS vision, objectives and policy framework were established when the RTS was first written, in 2007. In recent years, SEStran has identified a need to review the monitoring framework for the RTS.

The review of monitoring data during the development of the Main Issues Report revealed that there are some issues in the current RTS which have not improved, whilst highlighting a number of new and emerging challenges which need to be addressed at a regional level:

- Traffic growth has continued year on year since 2010, (11% increase to 2018)
- Carbon emissions from transport have been rising since 2013, reaching 98% of 2005 levels by 2019.
- Bus patronage is declining across the region (apart from a few areas),
- A lack of appropriate, affordable transport and road network congestion means that the accessibility of a full range of opportunities for education, employment, healthcare and other needs impacts on some of the region's people.

Transport and travel demand patterns have been severely impacted by the COVID-19 pandemic and therefore the ability to make meaningful regional monitoring comparisons has been compromised, Rail and bus use are considerably lower than before and car travel is already close to pre pandemic levels even with substantial home working.

(Insert Kelpies Image)

Formal Partnership Meetings and Forums *insert icons*

The **Partnership Board** meets quarterly and did so, with four meetings during the reporting period. At its meetings, in addition to dealing with standard business, the Board considers relevant topics, with an in-depth presentation and discussion. Topics in this period included the new Regional Transport Strategy, rail schedules and improvement updates from ScotRail and the national rollout of the Thistle Assistance programme. These topics generated considerable insight which was shared in SEStran forum groups.

SEStran's quarterly **Performance and Audit Committee** and **Chief Officers' Liaison Group** meetings are held prior to each Partnership Board meeting and help shape the business of the Board.

The **Succession Planning Committee** meets biennially. The last meeting took place in November 2019, where the Committee approved a revised version of the Board Diversity Succession Plan.

SEStran hosts three forums which are all held twice a year. The aim of these forums is to facilitate policy and technical discussions within a South East of Scotland context and provide a platform for greater stakeholder engagement across the region.

Integrated Mobility Forum: aims to develop a better understanding of the opportunities to improve implementation and understanding of integrated mobility in the region. The primary focus is to facilitate discussions between stakeholders to make progress in reducing the number of single occupancy car journeys, maximise the use of public transport and maximise active travel opportunities.

Logistics and Freight Forum: aims to support economic growth and resilience across the region by developing, promoting and implementing sustainable business and distribution solutions. The forum supports constructive partnership between local authorities, government agencies, business and representative groups. The forum aims to provide a unified, regional voice in working with organisations such as Transport Scotland, Network Rail and ports authorities.

Equalities and Access to Healthcare Forum: aims to deliver our Equality Outcomes and legislative requirement to consult Health Boards and those who represent those with or who share a protected characteristic. The forum covers how equality issues should be considered and "built in" to future transport strategy development.

More information on SEStran's decision-making structures is provided at Governance, below.
(Include link /page number)

(source and insert image)

Public Transport Support

SEStran operates a wide range of programmes and projects to support and bolster the provision of public transport in the region, set out here. In addition, SEStran maintains regular contact with rail and bus operators to discuss matters relevant to the provision of public transport in the region. This includes raising any relevant mobility issues for people and communities in the region with rail and bus companies.

Key during this year has been SEStran's involvement in regional bids to the **Bus Partnership Fund**, set up by Transport Scotland to enable infrastructure-based solutions to bus delays caused by congestion and related issues. This links to the provisions of the Transport (Scotland) Act 2019 allowing for the creation of Bus Service Improvement Partnerships (BSIPs).

As of March 2021, SEStran was actively engaged in the development of bids to the Fund from three fledgling BSIPs: an Edinburgh-based regional corridors bid; Forth Valley Bus Alliance; and Fife Bus Partnership.

Since June 2020, SEStran has been involved in the **South East Scotland Transport Transition Group** that was established to jointly plan for the management of transport related measures during and following Covid-19 related restrictions. The work of the Group, made up of local, regional and national partners, is now moving out of transition phase.

Temporary bus priority measures were implemented across the SEStran local authorities, with funding from Transport Scotland's Bus Priority Rapid Deployment Fund and monitoring and evaluation of those in place is ongoing.

SEStran additionally led on a range of region-wide interventions including trialling public transport capacity information, exploring the feasibility of improved public transport through an expanded Demand Responsive Transport approach with partners and operators (building on the strategic study published by SEStran in Spring 2020), and Thistle Assistance mask exemption.

Thistle Assistance Programme *insert icons*

Thistle Assistance Programme is at the forefront of providing 'good assistance' to people with disabilities, by recognising and supporting their needs and ensuring transport staff understand their needs. SEStran leads and manages Thistle Assistance on behalf of Scotland's seven RTPs and welcomes

the acknowledgement of Thistle Assistance in Transport Scotland's 'Going Further: Scotland's Accessible Travel Framework'².

In 2020/21 SEStran worked closely with transport providers, members of our communities with mobility challenges and disabilities and SEStran Equalities and Access to Healthcare Forum members, to better understand the problems and concerns faced by many when using public transport. This has helped shape the way Thistle Assistance Programme has developed and expanded further.

SEStran continues working with ScotRail, Lothian Buses/Trams, Stagecoach, First East Buses Transport Scotland, Traveline Scotland, Confederation of Passenger Transport, Bus Users Scotland and others to explore how the new Thistle Assistance approach can be integrated into their existing processes to improve awareness of the issues faced by customers, how to spot them and how to engage and help. SEStran continues work collaboratively to support the roll-out of Thistle Assistance throughout Scotland by increasing awareness of the programme and providing training tools for transport providers.

To help respond to the COVID-19 pandemic in March 2020 the SEStran Board agreed to fund development of a facemask exemption adaption for the card and app. The aim is to help those that are exempt from wearing a face covering, communicate in an easy and safe way letting the transport staff know

SEStran has also been working in partnership with Inclusion Scotland to provide an internship to work on the Thistle Assistance program with a particular focus on marketing and social media to help promote the programme and increase awareness.

Thistle Assistance Journey Planning and Wayfinding

Our research has highlighted that there is a need to improve the door to door journey for people with mobility challenges allowing them to access the public transport network more easily and with confidence – combining journey planning, wayfinding, and disability awareness into one easy to use and versatile platform. The platform would deliver in two key areas which respond to passengers needs as identified by the Campaign for Better Transport³.

SEStran was successful with a £150,000 bid to Scottish Enterprise in February 2021 which secured funding for the development and testing for a fully developed working prototype Thistle Assistance Journey Planner App, which will be tested in the public realm. For Phase 2 we propose further exploration of the journey customisation features, both at the lower level of local personal navigation and at the higher macro level of providing better navigation transit systems such as train/bus stations). Additionally, Phase 2 must explore how the demonstrated prototype can be integrated with existing services such as Traveline Scotland.

This current award and development work builds on previous Phase 1, which commenced, in 2018 when SEStran made a successful application to the Scottish Enterprise 'Can Do' Innovation fund for £150,000 to run Phase One of a project to develop a fully accessible journey planning and wayfinding mobile solution for people with a wide range of mobility challenges. A competition was run, and five software developers were commissioned to research and produce proof of concepts for a Thistle Assistance Journey Planner, this work was completed in December 2019.

² <https://www.transport.gov.scot/publication/going-further-scotland-s-accessible-travel-framework/>

³ Transport Research Laboratory (2011) – Door to Door Journeys www.bettertransport.org.uk/files/door-to-door-journeys-full-report.pdf

Further work will be done throughout 2021 with the project due to be completed in June 2022.

<https://www.thistleassistance.com/>

(Insert image and logo)

Real Time Passenger Information (RTPI) *insert icons*

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

The new CMS will provide an improved interface and back office management system provided by the successful contractor *21st Century*. The new RTPI system will include additional regional bus operator's data delivering greater regional coverage. SEStran also received funding from Transport Scotland to update the hardware for the system.

Despite the project timelines being impacted by the COVID-19 pandemic SEStran and local authority partners have continued to upgrade the regional system this year and this work will continue over the next 12 months.

(Insert RTPI Images)

Tripshare *insert icons*

During 2020-21, in accordance with public health guidelines issued by the Scottish Government, SEStran and partners ceased to actively promote car-sharing, instead embarking upon conversations with other RTPs on what a longer-term approach to promotion of car and lift sharing might look like, subject to public health guidelines.

(Insert Tripshare logo and car share image)

SEStran Strategic Network Review – Cross Boundary Active Travel Routes, connecting people and places.

April 2020 saw the completion of the SEStran Strategic Network Review, a framework for coordinated development of cross boundary active travel routes connecting cities, towns, neighbourhoods, settlements and public transport hubs in the SEStran region.

In support of other national active travel initiatives SEStran utilised funding from Transport Scotland to continue a high level of engagement with partners and explore the opportunities to develop routes identified in the Strategic Network. A pipeline of next projects was developed for progression into the following financial year with support from partners.

In recognition of the significance of the SEStran Strategic Network's potential to create a large positive impact on the region it was submitted as a potential option for the Strategic Transport Projects Review 2. The project was taken to the next phase of sifting in the South East Region.

Active Travel Projects 2020/21 *insert icons*

The Regional Cycle Network Grant Scheme continues the partnership between Sustrans Scotland and SEStran's commitment to delivering improvements to the cross-boundary utility routes. Additionally, Transport Scotland funding to the Regional Transport Partnerships Scotland has facilitated projects promoting sustainable cross boundary travel.

A number of feasibilities in West Lothian were impacted by COVID19 with much of the work delayed until early 2021. Engagement with communities has had a positive response with some additional work requested to advance to further stages and construction support from Sustrans.

Supporting Edinburgh Lothians Greenspace Trust, SEStran funded a feasibility study investigating the upgrade of a pathway alongside the Almond river. The route had a number of accessibility issues and the study aimed to review changes to the landscape since a prior report in 2011. The project highlighted some excellent options to connect settlements at Kirkliston to a direct cycle route into the City Centre. A final report is due for publication in July 2021.

A longitudinal research project was commenced in September 2020, looking to understand drivers behind changes in travel behaviour over a period of two years. Using both quantitative and qualitative research, insights are being gathered from across the region. While COVID19 has influenced the level of travel undertaken the initial results have revealed some interesting trends. The research will continue through 2021 with a final report produced in March 2022.

SEStran presented at the Scottish Transport Awards and Research conference in December 2020 on a project from 2019. TravelVU captured data and preferred behaviours from a sample of users in Edinburgh in March and April 2019. The project illustrated the need for holistic thinking for planning around transport, education, health, and leisure though further research is required throughout the region as a whole. The paper and presentation was awarded 'Best Paper by a Young Professional' by the conference board.

(Insert active travel image)

GO e-Bike *insert icons*

GO e-Bike is a regional e-bike share programme with a growing number of locations across the South East of Scotland. Launched in April 2017 with the aim of increasing usage and awareness of power-assisted cycling across the region and beyond, the programme now supports community outreach charities, sustainability organisations, tourism and hospitality outlets, healthcare practitioners, and academic institutions.

During 2020 development continued on the installation and setup of a public hire scheme with 4 stations across Midlothian and East Lothian, namely Eskbank, Jarnac Court, Musselburgh Train Station, and The Brunton Theatre. Final construction was completed in March 2021 with an anticipated system launch in April 2021.

Alongside these developments a behaviour change project was developed 'Do The Ride Thing'. The project initially was focussed on highlighting the use of e-bikes but during 2020 shifted to support messaging of sharing our outdoor spaces with all users. Creative content has been designed and will lead to a media campaign in 2021.

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

Working in Partnership with Cycling Scotland

SEStran's Regional Cycle Training and Development Officer (RCTDO) continued to support Bikeability Scotland Local Authority Co-ordinators. The results from the last academic year had shown an increase in schools delivering cycle training and more pupils than ever taking part. Unfortunately, closure of schools and continuing restrictions as a result of the Covid-19 pandemic meant that the ability to deliver to schools was restricted in most areas for all or part of the year. Despite these challenges, many areas have managed to achieve levels of delivery close to pre-pandemic levels.

Training opportunities for adults were supported over the year, adjustments were made to courses to meet new and changing guidelines as a result of the Covid-19 pandemic. This included a new offer, Essential Cycling Skills for families. Free sessions were made available to the public over school holidays, which proved very popular. Cargo Bike Training was also developed as a new offer and was successfully piloted in the region. Adult cycle training was also impacted by Covid-19 related restrictions, as it was not possible to run group sessions for some of this period.

(Insert Cycling Scotland logo)

Regional Rail Liaison Meeting *insert icons*

SEStran along with Transport Scotland, Network Rail, ScotRail and other rail operators continued to engage via the quarterly South East Scotland Regional Rail liaison meeting. The meetings centred on the key rail issues within the SEStran region and are an opportunity to share information with key stakeholders to better understand problems, identify challenges and opportunities, and improve the delivery of rail services across the South East of Scotland.

East Coast Mainline Authorities (ECMA) *insert icons*

The Consortium of East Coast Main Line Authorities (ECMA) works to secure investment, improve the passenger experience, improve capacity and reliability and shorten journey times on the East Coast Main Line.

ECMA is a cross-party group of Councils, Combined Authorities and Scottish Regional Transport Partnerships throughout the area served by the East Coast Main Line. Each has a responsibility for enabling economic growth in their own sections of the line – the backbone of the UK economy. The Consortium allows members to speak with a single voice.

The East Coast Main Line is one of the UK's most strategic rail routes. Stretching more than 500 miles, from Inverness and Aberdeen, through key stops at Edinburgh, Newcastle and York to London. A third of the UK population lives within 20 minutes of an East Coast Main Line station and together they deliver 41% of the UK's GDP.

Both SEStran's Chair and Partnership Director continue to represent the Regional Transport Partnerships (Tactran, Nestrans & Hitrans) with an interest in the east coast mainline as ECMA Vice Chair and Officer Group representative, respectively. Over the year, based on data from studies funded by the Consortium, the organisation has made a number of approaches to both governments to encourage increased investment in the line.

(Insert ECMA logo and rail image)

The GO SEStran Forth Freight Strategy

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

The GO SEStran Forth Freight Strategy has been funded by Transport Scotland through the Local Rail Development Fund. The SEStran region is of significant economic value to the Scottish economy and is a major generator of freight movements.

This study looks 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. It also acknowledges the key role that road freight plays and how it supports other modes such as rail freight. Therefore, interventions to support a more efficient road freight sector will also be explored.

This study has been delivered on behalf of SEStran and Forth Ports by consultants AECOM Ltd supported by Napier University and sets out the Initial Appraisal Case for Change.

Using Scottish Transport Appraisal Guidance (STAG) principles, the aim of the study is to explore the development of sustainable multimodal freight gateways and potential for freight consolidation centres at key locations to maximise the sustainable movement of freight over regional, national and local movements.

The Transport Planning Objectives (TPOs) developed for this study focussed on reflecting the identified problems and opportunities, link significantly with the key themes and express the outcomes sought for the study. They are as follows:

- TPO1: Increase the proportion of freight transported by sustainable modes, whilst stimulating economic growth
- TPO2: Reduce the adverse impacts of freight movements on public health and the natural and built environment
- TPO3: Maintain and enhance a safe, resilient, reliable and sustainable transport network to aid delivery of consistent conditions for freight operators on the transport network
- TPO4: Enhance the freight sector's ability to facilitate economic growth in the region

The completed Case for Change was submitted to Transport Scotland for review in December 2020.

Newburgh Transport Appraisal

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

SYSTRA Limited (SYSTRA) has been commissioned to undertake a transport appraisal of Newburgh with a particular focus on improving movements to Perth, Edinburgh and Fife by sustainable modes.

The work is being undertaken in accordance with the Scottish Transport Appraisal Guidance (STAG) and builds on the Newburgh and Area North Fife STAG Pre-appraisal Transport Study, carried out by the NTSG in 2018.

This report presents the findings of the Preliminary Options Appraisal stage of the Newburgh Transport Appraisal. It follows the Pre-Appraisal (Initial Appraisal: Case for Change) stage which was completed and approved in Spring 2020.

The Pre-Appraisal (Initial Appraisal: Case for Change) submitted in March 2020 collated relevant socio-demographic and transport information for the study area, identified the key transport related problems, opportunities, issues and constraints for Newburgh, set out three Transport Planning Objectives (TPOs) for the study, and recommended six potential options that could help address the identified problems and opportunities. The work was informed by an extensive stakeholder and public consultation. The Transport Planning Objectives (TPOs) identified were as follows:

- TPO1 – Improve transport access to key services and markets (including employment, training, education, health and leisure opportunities) for Newburgh residents;
- TPO2 – Improve public transport connectivity and journey times to and from Newburgh for residents, businesses and visitors;
- TPO3 – Increase sustainable travel to and from Newburgh.

The second stage, the Preliminary Options Appraisal, qualitatively assessed the identified six options against the TPOs, five STAG criteria, Established Policy Directives and factors concerning feasibility, affordability and public acceptability, to ensure they are likely to fulfil the study's requirements. The work was informed by another round of stakeholder consultation, which resulted in some 233 responses received from local residents, businesses, a campaign group, transport providers and operators: as well as Newburgh visitors.

The report was submitted to Transport Scotland in November 2020 and was approved in March 2021. Work will progress over the next 12 months on the Detailed Options Appraisal with a final report due in March 2022.

<https://newburghsustainabletransport.co.uk/>

Levenmouth Rail Link

SEStran has supported the Levenmouth Reconnected project, which guides the development of the new Levenmouth rail link and associated bus and active travel transport linkages. The Levenmouth rail extension, involving a new stop and station at Cameron Bridge as well as the new station at Leven, is due to be operational in 2023. SEStran's involvement in the project has been consistent since the initial Sustainable Transport Study was undertaken by Transport Scotland on the re-opening of the Levenmouth rail link.

During 2020-21, SEStran instigated work, in partnership with Fife Council, to identify funding for a feasibility study for Mobility Hubs within the Levenmouth Reconnected project, following on from the publication of SEStran's Mobility Hubs Strategic Study published in Spring 2020.

Parts of the Levenmouth area are currently ranked amongst the most deprived in Scotland (Scottish Index of Multiple Deprivation - SIMD 2020). Easier and more sustainable travel options will make it

easier for people to reach hospitals, schools and visit other areas of the country as well as giving better access to Levenmouth and SEStran's involvement over the past year has focussed on ensuring that connections between different transport modes are maximised

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

International Projects

SEStran has continued to be actively involved in innovative and progressive EU funded transport projects, working closely with European partners and in turn contributing knowledge and ideas, to help benefit our own regional transport network. SEStran will remain involved in its current EU partnership projects until their agreed conclusion dates, ending in 2023. The UK Treasury has written to UK bodies involved in EU projects to confirm that funding for ongoing projects will be underwritten, in the case of EU funding impact linked to Brexit arrangements.

PriMaaS – Prioritising Mobility-as-a-Service (an Interreg Europe project) *insert icons*

The PriMaaS project focuses on 'prioritising low carbon mobility services to improve accessibility of citizens'. SEStran is representing the region in a consortium of ten European transport partners to promote Mobility-as-a-Service (MaaS) through policy development.

SEStran's role is to facilitate Regional Stakeholder Meetings to assess current levels of transport integration and identify barriers to the widespread adoption of MaaS. SEStran worked closely with MaaS Scotland to bring together stakeholders to provide regional representation. This has helped establish a baseline of MaaS levels in the region, and exchange best practices with project partners. This work will inform the development of an Action Plan to promote MaaS in the SEStran region and support the development of the new Regional Transport Strategy.

More information can be found on: <https://www.interregeurope.eu/primaas/>

CONNECT – Connecting North Sea Region's TEN-T nodes and supporting intermodal freight movement in the North Sea Region through smart efficiency enhancements *insert icons*

The overall project objective is to support 'smart intermodality' growth in the North Sea Region, through efficiency enhancements in and around port areas. The project focuses on implementing new 'smart' technology processes and working tools and developing strategies for using smart efficiency enhancements in freight movement. SEStran is leading on a work package based around marketing and communications.

More information can be found on: <https://northsearegion.eu/north-sea-connect/about/>

SHARE North – Shared Mobility Solutions for a Liveable and Low-Carbon North Sea Region *insert icons*

The SHARE-North project promotes shared mobility as a form of sustainable transport and a viable alternative to private car ownership. SEStran has continued to support shared mobility through Tripshare SEStran and GO e-Bike.

SEStran has also actively promoted Mobility Hubs, a concept that originated in the City of Bremen, the lead partner in SHARE-North. Mobility Hubs are centrally located points where shared modes of transport such as car clubs or (e-)bike-sharing are integrated with public transport. Mobility Hubs provide information on transport and the local area, and often provide seating and additional placemaking elements, making them supportive of everyone and everyday journeys. Mobility Hubs can easily be identified by their branding.

As part of the SHARE-North project, Mobility Hubs have expanded to Norway, Belgium and the Netherlands, and SEStran has been working with Local Authorities to promote and develop the concept in the South East of Scotland, and to identify locations where Mobility Hubs could add value to everyday travel. The SEStran Strategic Mobility Hub study applies the learning from SHARE-North to the SEStran region.

During 2020-21, work focussed on supporting East Lothian Council through the preparatory stages and branding for Scotland's first Mobility Hub, in Musselburgh. This work builds upon the Transport Scotland funded Mobility Hubs Strategic Study published by SEStran in Spring 2020.

More information can be found on: <https://mobihubs.eu/> and <https://share-north.eu/>.

(Insert image and Share North Brand Logo and EU Interreg Logo)

SURFLOGH: Sustainable Urban Logistics Hubs *insert icons*

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

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

SEStran are leading on a work package⁴ along with Edinburgh Napier University Transport Research Institute (TRI), developing business models for urban freight hubs. These business models will focus on the scalability and applicability of models for different locations and circumstances.

Pilots include the ZEDIFY⁵ pilot case study from Edinburgh established in 2018, alongside pilots in Sweden, the Netherlands and Belgium. Using 'living lab' research methodology SEStran & Edinburgh Napier University will be working with Zedify logistics to understand the positive impacts and challenges that a commercial sustainable logistics operation face. SEStran has provided funding to help the Edinburgh pilot adapt e-cargo bikes to the challenges of the Edinburgh city geography to help improve operational efficiency.

More information can be found on: <https://northsearegion.eu/surflogh/about/>

⁴ <https://northsearegion.eu/surflogh/news/relevant-research-review/>

⁵ <https://www.zedify.co.uk/>

[INSERT SURFLOGH LOGO/IMAGE/INTERREG LOGO]

BLING: Blockchain in Government

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

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

The University of Edinburgh supported by SEStran has developed a pilot concept called **GeoPact**. The GeoPact system is comprised of a complex assembly of technological objects, that together enables the design, deployment of location-aware smart contracts that run on the Ethereum blockchain for study.

More information can be found on: <https://northsearegion.eu/bling/>

[INSERT BLING LOGO/IMAGE/INTERREG LOGO]

Appendix: Annual Accounts and Reports

Annual Accounts

SEStran's Annual Accounts can be accessed online here:

[\[INSERT LINK TO ACCOUNTS\]](#)

Climate Change Report

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

[\[INSERT LINK\]](#)

Public Services Reform Act

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

[\[INSERT LINK\]](#)

Community Empowerment Act

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

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

Public Records Act

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

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

[CONTACT INFORMATION (BACK PAGE WITH COVER GRAPHICS)]

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@SEStran

HR Policy Review

1. INTRODUCTION

- 1.1 The purpose of this report is to advise the Performance and Audit Committee that a review of SEStran's Human Resources policies and procedures has commenced and work will be ongoing with SEStran's HR adviser over the remainder of the financial year to complete the exercise.

2. BACKGROUND

- 2.1 The Internal Audit report presented to the June meeting of the Performance and Audit Committee made several recommendations regarding policy updates. This report focusses on those updates, working within the agreed management action parameters.
- 2.2 Internal Audit made recommendations to make COVID specific changes to the Sickness Absence Policy. Management have consulted with the HR Adviser at Falkirk Council who has advised against making these changes and that absence arising from COVID should be managed as any other illness, which is consistent with the approach taken by Falkirk Council.
- 2.3 Internal Audit raised concerns over the working from home arrangements and in so doing referred to the Flexible Working Policy. However, SEStran has two distinct policies, with one dedicated to working from home. The latter has now been updated to address internal audit's concerns and the existence of two separate policies has been highlighted.

3. CHANGES TO POLICY

- 3.1 The following is a summary of the changes made to Home Working Policy:

3.1.1 Home Working Policy (Appendix 1)

- Updated 1. Policy statement to include COVID home working arrangements
- Updates to section 2 criteria for home working approval.
- Update to 3.2 Insurance Cover in relation to premiums and removal of employees having to provide insurance cover for SEStran equipment
- New paragraph at 3.3 on Tax Relief
- Update to 3.4.2 on where and how to conduct meetings
- Updates to section 5 Responsibilities to include paragraph on employees being provided with suitable equipment to facilitate homeworking and to reference the home working risk assessment
- Update to section 6 to update the review period to biennially.
- Inclusion of new reference to Flexible Working Policy

4. FUTURE WORKING ARRANGEMENTS

- 4.1 The Committee should note that a new Hybrid Working Policy is in development that will set out arrangements for home based, office based or a combination of these arrangements. Staff will be consulted on the draft policy before it is presented to a future Performance & Audit Committee for comment and subsequent approval.

5. RECOMMENDATIONS

It is recommended that the Partnership's Performance and Audit Committee:

- 5.1 notes the revised Home Working Policy and comments as appropriate;
- 5.2 approves the Home Working Policy for implementation;
- 5.3 notes that further updates will be provided during the HR policy review period;
- 5.4 notes that a new Hybrid Working Policy is being developed.

Angela Chambers
Business Manager
September 2021

Appendix 1 Home Working Policy

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



HOME WORKING POLICY

DOCUMENT VERSION CONTROL

Date	Author	Version	Status	Reason for Change
	SEStran	1.0	FINAL	Policy Adopted
Oct 2017	SEStran	1.1	FINAL	Adoption of version control
Aug 2021	SEStran	1.2	FINAL	Reviewed for COVID arrangements

HOME WORKING POLICY

1. POLICY STATEMENT

SEStran recognises that there are circumstances when it would be beneficial, or mandatory for staff to work from home.

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The purpose of this Policy is to ensure that all home working is properly assessed, monitored and reviewed to ensure the safety of employees and efficiency of business. SEStran will take all practical steps to identify any additional risk associated with home working to mitigate the risks to an acceptable level.

(The Covid-19 outbreak necessitated a rapid switch to a full-time homeworking arrangement and during any pandemic situation, SEStran will, where applicable, follow Government issued guidelines in respect of homeworking, to ensure the health and safety of all staff.)

2. INTRODUCTION

Agreement to work from home is dependant on certain criteria being fulfilled, these being that the employee:

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- has been instructed by the Partnership Director to work from home or has received the consent of SEStran's management
- is equipped with the necessary IT facilities to enable full effective working
- has notified relevant managers/colleagues of hours of work and location
- has left a contact telephone number and is available to be contacted by telephone or Microsoft Teams during the nominated hours

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Is prepared to come in to the office if requested to do so by a manager¶

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3. WORK ARRANGEMENTS

3.1. SESTRAN EQUIPMENT

3.1.1. Any equipment provided by SEStran for the purposes of working from home will be maintained by SEStran.

3.1.2. The employee is required to take reasonable care of all equipment, to keep it secure and to use in accordance with operating instructions.

3.1.3. The employee must ensure that all equipment is returned to SEStran after use.

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3.2. INSURANCE COVER

3.2.1. Employees are advised that working from home may affect the provisions of any home contents insurance and are advised to inform their insurers prior to commencing working from home. SEStran equipment is insured by SEStran and the home should not be used for meetings, therefore there should be no impact on your premiums

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3.2.2. , 3.3. TAX RELIEF

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3.3.1 Any employee working from home can claim tax relief. This needs to be claimed by the individual and is not processed by SEStran. To find out more information and whether you are eligible please visit the Government website: <https://www.gov.uk/tax-relief-for-employees/working-at-home>

3.4. PERSONAL DETAILS AND SAFETY

3.4.1. Employees are advised not to release their home address and telephone number to non SEStran employees.

3.4.2. Employees are advised not to conduct meetings with non SEStran employees at home. Where a meeting is required MS Teams or other approved application should be used.

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4. MANAGING THE RISKS

The Partnership Director, along with the employee, will ensure Homeworking Risk Assessments (Appendix 1) are undertaken on all home working activities. These will include identification of the actions to be taken which will minimise any identified risks.

Where, as a result of the Risk Assessment, it is identified that an employee is a serious risk as a result of home working, the manager will identify remedial action and/or alternative ways of delivering the service, which reduces the risk to the employee to an acceptable level.

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5. RESPONSIBILITIES

5.1. PARTNERSHIP DIRECTOR

5.1.1 The Partnership Director, of SEStran, is responsible for the effective operation of the Policy across SEStran as a whole and for ensuring development of effective procedures to implement the policy. They are also responsible for ensuring that adequate resources are available to implement appropriate protective measures, where the risk assessments have indicated they are required.

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5.1.2 Ensure so far as is possible that employees are provided with appropriate safe and fit for purpose equipment and technology, to enable them to work productively from home e.g. a laptop with Microsoft Office365

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5.2. MANAGERS

5.2.1 Managers are responsible for ensuring that appropriate risk assessments (Appendix 1) are undertaken and for ensuring implementation of any remedial actions/measures identified by the Risk Assessment process. They, along with the employee, are also responsible for ensuring that appropriate procedures are in place to monitor the safety of home workers and for providing support to home workers as required.

5.2.2 In line with the Accident/Incident Reporting procedures, Managers are responsible for ensuring that any accident/incident relating to home working is reported and investigated and that appropriate action is taken to prevent similar situations arising in the future.

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5.3. EMPLOYEES

5.3.1 Employees should complete the Home Working Employee Risk Assessment (Appendix 1) and review with their line manager

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5.3.2 Employees are responsible for alerting their manager to any concern they may have regarding home working and for reporting any accident/incident relating to home working to their manager as soon as possible following the accident/incident. Employees will give a full and accurate account of details leading to the accident/incident including details of the accident/incident itself.

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6. MONITORING & REVIEW

The Partnership Director, in conjunction with the HR Adviser, will monitor and review this policy on a biennial basis. Any amendments will be presented to the Performance and Audit Committee

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7. FURTHER GUIDANCE

Further guidance can be found in the Flexible Working Policy

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Home Working Risk Assessment Template

Use the following simple risk assessment to find out how safe your home working space really is. Take a look at the risks in the first column, answer 'yes' or 'no' as applicable and then with your line manager make a note of what needs to be done to reduce or remove the risk if necessary.

Date		Name	
Location of Assessment			

Risk	Yes/No	Action Required
------	--------	-----------------

Desk Area		
Do you have adequate space to work comfortably?		
Is there enough space underneath your desk to stretch your legs?		
Are there trailing electrical cables around your working area that need to be tied up?		
Is your working area warm, well-lit and well-ventilated?		
Do you need a desk lamp to improve lighting?		
Is your working area clutter free so that you can focus easily on the task?		

Display Screens Set-Up		
Is your desk chair set up correctly? Is your lower back supported, are there armrests and are your feet flat on the floor?		
Do you have enough surface space on your desk to work comfortably?		
Are your keyboard and mouse clean and within easy reach, without having to stretch?		
Is your display screen clean and positioned so there is no glare from a window or light?		
Is your display screen level with your eyes so it doesn't cause discomfort to your neck or head?		
Can you easily reach everything that you need without twisting and straining your upper body?		

Fire and Electrical Safety		
Are smoke detectors working and checked regularly, e.g. every month?		
Do you regularly dispose of waste, including papers, to prevent a build-up of fire 'fuel'?		
Does any electrical equipment spark or show signs of burns and so needs removing from use?		
Do any wires look damaged or frayed and so need removing from use?		
Do you regularly inspect your electrical equipment to check for signs of wear and tear?		
Do you switch off equipment when not in use?		
Do you have emergency arrangements in place in case of fire?		

Stress and Welfare		
Do you take regular breaks away from your workstation?		
Do you carry out regularly stretches at your desk to avoid stiff or sore muscles?		
Do you sit with a good posture or are you hunched over the desk?		
Do you have easy access to first aid equipment if required?		
If you regularly use a computer, do you have your eyes tested every year?		
Can you easily reach everything that you need without twisting and straining your upper body?		

Manual Handling		
Are all items that you need for work within easy reach?		
Are heavy items stored on lower shelves to avoid the need for lowering them?		
Do you know how to correctly pick up, carry and lower heavy items?		

Slips, Trip and Falls		
Are floor coverings, such as carpets and rugs, secure?		
Do you frequently carry hot drinks and food upstairs/downstairs and risk tripping?		
Are stairways and corridors clear of trip hazards?		
Is the floor area around your desk clear of boxes, papers and wires?		

Lone Working		
Are you familiar with your employer's lone working health and safety policy?		
Do you know the name and number of a manager or supervisor who you can get in touch with easily?		
Do you have a system for regularly 'checking in' with your employer if you are not visibly online each day?		
Is your home kept secure whilst you're working there?		
Are important files and laptops kept locked away securely when not in use?		

Number of Actions Required	
----------------------------	--

Date Actions Completed	
------------------------	--

Line Manager's Signature	
--------------------------	--





Projects Performance Report

1 Introduction






- 1.1 This report and its Appendix track progress over the last quarter across SEStran's projects and key work streams. Impacts on progress or delivery are explained, including those deriving from Covid-19.

2 Performance Report

- 2.1 Progress against milestones and timescale is indicated in the report template through a high level 'RAG' (Red-Amber-Green) status. Once completed, projects are reported with a 'Blue' status, and then removed from future reports.

RAG Status	Meaning:
	Complete
	Progressing to plan
	Some issues or delays encountered
	Severe issues or delays

- 2.2 The alignment of project work to SEStran's Strategic Objectives is indicated using the following symbols.

	Economy
	Accessibility
	Environment
	Safety and health
	Corporate

- 2.3 The template indicates start dates, and also initial and expected completion where these apply, to help indicate progress within timescales. This discharges an action from the March 2021 Committee meeting. Where decisions have been taken by a funder or Lead Partner to extend a project's completion date (for instance, in response to Covid-19) this is explained.

3 European Project Extensions

- 3.1 The last report on 4th June updated Committee that a time-based only extension had been approved for Share North. Since June, PriMaaS and Connect have also time-

based extensions approved and BLING and Surflogh have had funding and time extensions agreed. Additionally, the Lead Partner for Regio-Mob, has confirmed that the Joint Secretariat has approved a funded, twelve-month long extension to consider the effects of Covid-19. The project's activities initially concluded in 2019, and the renewed Regio-Mob project work is likely to commence within the next quarter. SEStran's ongoing involvement in EU projects remains secure to the projects' completion dates, within the terms of the EU Withdrawal Agreement.

4 Recommendations.

- 4.1 Committee is asked to note the following, prior to onwards reporting to the Board:
- progress outlined in the Performance Report (Appendix 1) including impacts and delays recorded in relation to Covid-19;
 - the agreed time extension to the PriMaaS and Connect projects and time and funding extensions to the BLING, Surflogh and Regio-Mob projects.

Anna Herriman
Senior Partnership Manager
September 2021

Appendices

Appendix 1

Performance Report September 2021

Policy Implications	Outlined project work contributes to the objectives identified within SEStran Regional Transport Strategy
Financial Implications	All project work is delivered from within confirmed budgets.
Equalities Implications	There are no adverse equalities implications arising from SEStran projects. A number of projects actively work to reduce inequalities.
Climate Change Implications	There are no negative climate change implications arising from SEStran projects. A number of projects actively work to tackle climate change through creation of more sustainable transport options.

SEStran Projects Performance September 2021

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1. Strategy

1.1 Regional Transport Strategy



Start date: November 2020

Initial completion date: March 2022

Expected completion date: March 2022

Overall project progress:

In progress

Project description: A new Regional Transport Strategy (RTS) for the SEStran region is under development, to cover the period up to 2035. It will align to national level policies and strategies including the National Transport Strategy 2, the National Planning Framework 4, the Climate Change (Scotland) Act 2019, as well as regional spatial and economic strategies under development across the SEStran area.

SEStran's original RTS was approved in March 2007 to cover the period from 2008 until 2023. The strategy was refreshed in August 2015 to cover the period until 2025. The new RTS takes account of potential impacts for future travel demand, behaviour and the transport system resulting from Covid-19.

Current status:

● RTS Development

In progress

The development of the RTS is being delivered through consultancy support, provided by Stantec following an open procurement exercise. The process is developed in accordance with the Scottish Transport Appraisal Guidance and includes carrying out statutory assessments including a Strategic Environmental Assessment and Equalities Impact Assessment.

- The proposed final completion date of early 2022 has not changed.
- The original delivery timescales were revised in November 2020, to remain in line with the development of other, linked strategies such as the Second Strategic Transport Projects Review (STPR2).
- A further revision to the RTS delivery programme will now be reported to the Board at its meeting on 25 September 2021, to report that an additional 4 weeks is being built into the programme to extend the appraisal stage.
- The draft RTS is due to be presented to the Partnership Board on 29 October 2021.

2. Strategic Active Travel Projects

2.1 GO e-Bike



Start date: April 2018

Initial completion date: ongoing programme

Expected completion date: ongoing programme subject to funding

Overall project progress:

In progress

Project description: GO e-Bike is the regional bike-sharing scheme funded by SEStran. It was launched in 2018 with a contribution from the SHARE-North project to the first four GO e-Bike hubs in St Andrews, Buckhaven, West Lothian and Falkirk. These hubs remain active and operational. In August 2018 SEStran secured funding from the Low Carbon Travel and Transport (LCTT) Fund and Transport Scotland (TS) to expand the GO e-Bike scheme through six further hubs / locations, with the Bewegen GO e-Bike hire stations in East Lothian and Midlothian operational since April 2021. Expansion into e-cargo bikes is the latest phase of the project.

Current status:

- **GO e-Bike expansion with LCTT and TS funding**

In progress

- Cargo Bike Movement (CBM) is now operating from a facility in Tollcross, shared with another cargo bike courier Farr Out Deliveries. CBM has renovated the space to make it fit for purpose. CBM cargo bikes are being used for the collection and redistribution of surplus food from supermarkets in Edinburgh. CBM is recruiting volunteers to increase their capacity for food collections. Volunteers are currently being trained by Cycling Scotland but there are plans to support CBM to be able to deliver training themselves. CBM are also exploring the potential for hiring out the cargo bikes.
- Rider numbers across the Bewegen stations continue to show growing interest in the system.
- Measures have been introduced to protect the assets with a security deposit and system curfew. There has been a reduction in vandalism with these measures but there remains an element of malicious damage which is being reviewed with bike placement and opportunities for further surveillance coverage.
- The “[Do The Ride Thing](#)” campaign is entering phase two after a successful phase one with a large reach and initial engagement. Phase two launches a campaign of on street advertising across the region and some focussed social media campaigning with a series with a number of social media influencers.

2.2 Regional Cycle Network Grant Scheme



Start date: April 2014

Initial completion date: ongoing programme

Expected completion date: ongoing programme subject to funding

Overall project progress:

In progress

Project description: Provided through a partnership between Sustrans Scotland and SEStran, the Regional Cycle Network Grant Scheme delivers improvements to the cross-boundary utility routes.

Current status:

- **Kirkliston to Cramond Brig Pathway** Complete
 - SEStran are supporting Edinburgh Lothian Greenspace Trust with a feasibility for the upgrade of a pathway along the Almond River.
 - A final report has now been completed with ELGT now considering further funding streams to progress work along the route.
- **Edinburgh BioQuarter** Delayed
 - Work on this route remains on hold while a review is completed of national funding for active travel projects. Additional design work is required prior to a final bid for construction funding from Sustrans.
- **SEStran Strategic Network** In progress
 - In order to maximise the investment possible in the Strategic Network, the funding will be combined with the Regional Active Travel Fund as described below.

2.3 Regional Active Travel Development Fund – Transport Scotland



Start date: Financial year 2021/22

Initial completion date: March 2022

Expected completion date: March 2022

Overall project progress:

In Progress

Project description: The Regional Active Travel Development Fund was established between Transport Scotland and the Regional Transport Partnerships in 2018/19 and allows for an annual award for delivery of agreed project work. SEStran's proposal for projects in 2021/22 to Transport Scotland has been awarded up to £250,000 for this fourth year of funding. With agreement of Transport Scotland, a number of 2020/21 projects have been continued into 2021/22 as a result of COVID-19.

Current status:

- **Project 1: Attitudinal Survey** *In progress*
 - “The Lines Between” continue to carry out research into travel attitudes and behaviours and currently are preparing for the next phase of quantitative population surveying followed by the qualitative panel survey.
 - Panellists were engaged through the summer in a pulse survey on attitudes to travel associated to holidays.
 - Initial analysis of the quantitative results was shared with the City Region Transport Working Group in June with a request made for a national report on conclusion of the project.
 - ***Total award £62,000***

- **Project 2: ‘Do The Ride Thing’ Awareness Campaign** *In progress*
 - As reported with GO e-Bike.
 - SEStran has created an awareness campaign for the use of e-bikes across the region to complement the launch of a number of e-bike hubs. Do The Ride Thing seeks to create an environment where individuals look out for others and create good habits while riding a bike.
 - Procurement was completed in March 2021 with a successful contract awarded to the Media Shop Scotland.
 - ***Total award £90,000***

- **Project 3: SEStran Strategic Network** *In progress*
 - Following on from the publication of the SEStran Strategic Network in 2020, this project will take forward a series of feasibility studies with agreement from partners to develop proposals in preparation for community engagement.
 - ARUP Ltd have been procured to take forward a series of studies and co-design workshops through an interactive engagement platform.
 - Agreement has been reached to take forward studies in West Lothian and Falkirk with remaining routes to be agreed.
 - ***Total award £270,000 (£170,000 RATDF + £100,000 Sustrans)***

- **Project 4: East Fife Mobility Hub Integration and Last Mile Logistics Feasibility** *In progress*
 - The study will establish how Mobility Hubs could be delivered in conjunction with key rail and bus interchanges at Leven and Cameron Bridge (proposed), Leuchars and St Andrews and link into existing and proposed active travel routes.
 - Supporting active travel is a core element of a Mobility Hub. Key to this is the provision of secure cycle parking facilities and a safe, well designed public realm. Additional elements can include e-bike charging facilities, public transport information, secure

parcel pick up, and in appropriate locations, space reallocated from private car parking for car share operators to use.

- In addition to this will be the business case feasibility of last mile logistics operations on cargo bike in East Fife, tying into mobility hubs and interchanges.
- Steer in partnership with Jacobs and ComoUK were awarded this work in July and outputs are expected by the end of September 2021. Stakeholder engagement, site visits and modelling are being undertaken to develop a feasibility study and business case for the proposed sites.
- ***Total award £80,000***

2.4 Cycle Training and Development – Cycling Scotland



Start date: core workstream

Initial completion date: ongoing

Expected completion date: ongoing

Overall progress:

In Progress

Project description: This workstream is made possible through a partnership arrangement with Cycling Scotland, and supports the delivery of Bikeability Scotland National Standard cycle training delivered by local authority Bikeability coordinators. It promotes, encourages and develops cycle training opportunities across SEStran projects.

Current status:

- **Bikeability Scotland** *In progress*
 - Delivery across the region has picked up with schools back full-time, however there are areas where capacity to support delivery is limited. Some areas still have restrictions in place around external staff delivering training for schools. There has been a significant increase in demand for instructors due to compressed delivery period.
 - Staff and volunteer training is increasing to enable them to support Bikeability Scotland delivery.
 - Support Plus Funding expressions of interest have been received from all relevant LAs and applications have been approved for most in the region to enable delivery to continue in the year ahead.
- **GO e-Bike cycle training** *In progress*
 - Training is offered to all hubs as they are completed and as part of ongoing development plans. West Lothian Bike Library has accessed training to enable them to deliver Family cycling sessions.
 - There are plans to provide the Tweeddale BID with Cycle Ride Leader training to support them with utilising the e-bike fleet.

- **Adult and Family Cycle Training** In progress
 - Cargo Bike training is now being delivered in the region. Sessions have been run for volunteer groups as well as for NHS staff with access to cargo bikes for work trips. More tutors are being trained to support an increase in capacity across the region and nationally.

3. Strategic Public Transport Projects

3.1 Real Time Passenger Information (RTPI)



Start date: 2010

Initial completion date: ongoing workstream

Expected completion date: ongoing workstream

Overall progress:

In Progress

Project description: SEStran began implementing a region wide network of RTPI screens supplying bus timetable information feeds in 2010, to help tackle declining bus patronage and make bus travel more predictable and reliable. Since 2010, SEStran has built up a comprehensive network with information screens in key travel hubs such as railway stations, park and choose / ride sites, hospitals, colleges, universities, shopping centres and large employer hubs. More recently SEStran has worked with the City of Edinburgh Council to support a move towards a new, common Content Management System that will improve the information provided in the public facing regional screen network incorporating Lothian Buses information.

Current status:

- **New Content Management System and hardware upgrades** Delayed
 - The new system is currently undergoing silent running and Sight Acceptance Testing with issues being highlighted and addressed. The contractor (21st Century/Journeo) is expected to hand over the system in September.
 - There has been a delay to organising the training workshops with Local Authority officers on the Novus FX system as the key person from Trapeze contracted COVID-19, it is hoped that this can be organised over the next quarter.
 - SEStran & City of Edinburgh will be organising the next meeting in September with Operators and Local Authority officers to discuss data input and system management.

Public Transport Capacity Information

In progress

- In response to Covid-19, SEStran is working alongside Transport Scotland and Trapeze to test the feasibility of incorporating bus capacity information on public transport for use by Traveline Scotland.
- This new feed will be integrated into the new SEStran regional RTPI system with the layouts adapted to display the new information.
- This will 'go live' when the new RTPI feed is operational, estimate October to December 2021.

New RTPI Screens Network

- Web based layouts have been successfully developed for partners such as ScotRail, that have the capacity to use this format, which will further increase the flexibility and reach of the system.
- Installation of the new screens in Fife, Clackmannanshire and at the Livingston Centre is underway with several now operational.
- Fife Council & West Lothian Council are funding additional screens at sights and will be procuring these via the SEStran/CEC framework.

3.2 Thistle Assistance Programme



Start date: 2005

Initial completion date: ongoing workstream

Expected completion date: ongoing workstream

Overall project progress:

In Progress

Project description: 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 working to evolve the journey planning aspect of the scheme.

Current status:

Journey Planner App - Phase Two

In progress

- The successful developer Sentireal began work on the project in June and is making good progress.
- SEStran has invited officers from Hitrans, ZetTrans & Nestrans to work on the project steering group which will expand the reach and efficiency of the project as it progresses.

Thistle Assistance Programme Update

In progress

- The Covid-19 update SEStran to the Thistle card and App is still live and relevant. Mask exemption messaging is available for print, social media and on the website¹.

¹ <https://www.thistleassistance.com/travel-safety/>

- Thistle Assistance continues to be advertised in key publications such as Inspire Magazine and Enable ([Enable Sep/Oct 21](#)).
- To date over 70,000 cards and leaflets have been distributed and there have been over 10,000 downloads of the App.
- **SEStran Website** Delayed
 - In order to comply with legislation ([Public Sector Bodies \(Websites and Mobile Applications\)\(No. 2\) Accessibility Regulations 2018](#)) SEStran updated the Partnership website in 2020.
 - Work has begun on the new website with Hillside Agency being appointed to do the work. The new site should be live by the end of October.

3.3 Newburgh Train Station Study



Start date: December 2019

Initial completion date: March 2020

Expected completion date: March 2022

Overall project progress:

In Progress

Project description: SEStran is carrying out a transport options study for Newburgh, with work being delivered by consultants Systra appointed to work on behalf of SEStran. This study is funded by the [Local Rail Development Fund](#) that was introduced by the Scottish Government in February 2018, with the aim of providing funding to develop community led options to improve local rail connections.

Current status:

- **Initial Options Appraisal** In Progress
 - Phase 3 work 'Detailed Options Appraisal' is progressing with further stakeholder engagement and the development of modelling scenarios around the various options being developed.
 - This work will continue up to the end of the year with the final report due in March 2022.
 - SEStran continues to engage with Tactran so that the work is aligned with the appraisal at Bridge of Earn.
 - £37,834 of the £82,000 budget has been claimed for the work to date.

3.4 South East Scotland Transport Transition Group



Start date: June 2020

Initial completion date: subject to ongoing need for group to meet in response to Covid-19 crisis.

Expected completion date: as above.

Overall project progress:

In progress

Project description: The South East Scotland Transport Transition Group was established in June 2020 to jointly plan for the management of transport related measures during and following Covid-19 related restrictions. The work of the Group, made up of local, regional and national partners, is now moving out of transition phase.

Current status:

- **Close out of South East Scotland Transport Transition Plan** *In progress*
 - SEStran is coordinating the drafting of an evaluation and close out report to record the findings and reflections on the South East of Scotland Transport Transition Plan (the Plan).
- **Bus Priority Rapid Deployment Fund** *Complete*
 - Temporary bus priority measures were implemented across the SEStran local authorities, with funding from Transport Scotland's Bus Priority Rapid Deployment Fund and monitoring and evaluation of those in place is ongoing.

3.5 Bus Service Improvement Partnerships



Start date: May 2020

Initial completion date: ongoing area of work

Expected completion date: March 2026

Overall project progress:

In progress

Project description: The Bus Partnership Fund (BPF) is a £0.5Bn Transport Scotland capital fund for the development of permanent bus priority infrastructure. Bids can be made by partnerships working towards a Bus Service Improvement Partnership (BSIP) status. BSIPs must be collaborative, involving bus operators and other relevant partners. SEStran has been supporting the development of emerging BSIPs and BPF bids with the intention to maximise investment in bus priority infrastructure into the SEStran region, and ensure that bids are complementary.

Current status:

- **Fife Bus Partnership BPF bid development**

In Progress

- The West Fife bid to the BPF, led by Fife Council was successful with £750,000 awarded for further development. The outcome of the Central and East Fife bid is still awaited.
- **Edinburgh and south east of Scotland BPF bid development** In progress
 - The 'corridors' bid submitted by City of Edinburgh Council was successful, with £3M awarded implementing quick wins and for further development.
- **Forth Valley Bus Alliance BPF bid development** In progress
 - A Forth Valley bid submitted by Falkirk on behalf of Falkirk, Clackmannanshire and Stirling Councils was successful, with £500,000 awarded for further development work. SEStran procured initial consultancy support on behalf of partner Councils.
- **Midlothian Bus Alliance** In progress
 - A bid led by Midlothian Council is being developed for submission to the October 2021 BPF round. The Alliance is focussing on east-west bus priority across East Lothian and Midlothian council areas, and connections through bus transport to the west. SEStran procured initial consultancy support on behalf of Midlothian Council.
- **West Lothian Bus Alliance** In progress
 - A bid focussed on bus priority measures in the West Lothian area is being developed for submission to the October 2021 BPF round.

4. Freight and Logistics Projects

4.1 Forth Freight Study



Start date: May 2020

Initial completion date: December 2021

Expected completion date: June 2022 (end date revised by funder, Transport Scotland)

Overall project progress:

In progress

Project description: This study, delivered by SEStran in partnership with Forth Ports, explores the potential in the region, particularly around the Forth, for developing sustainable, multimodal freight gateways. It aims to identify key locations for potential freight consolidation centres that would maximise the sustainable movement of freight at national, regional, and local levels. The study is being carried out for SEStran by appointed consultants Aecom. The study is funded by the [Local Rail Development Fund](#) that was introduced by the Scottish Government in February 2018.

Current status:

- **Case for Change** In progress
 - Transport Scotland advised in April 2021 that the evidence and analysis made available through the Case for Change has been incorporated into Transport Scotland's STPR2 process and Case for Change.

- SEStran is in discussion with Transport Scotland Rail Directorate (LRDF funders) to understand how the study work to date can be moved forward as STPR2 progresses.

5. European-funded Projects

5.1 SHARE-North

Interreg North Sea Region, ERDF



Start date: January 2016

Initial completion date: December 2019

Expected completion date: June 2022 (following successful extension application and 6-month Covid-19 extension)

Overall project progress:

In progress

Project description: SHARE-North focuses on shared mobility and its potential to address sustainable transport challenges in the North Sea region. This includes developing, implementing, promoting and assessing car, bike and ride sharing and other forms of shared mobility in urban and rural areas and employment clusters. One example is the establishment of Mobility Hubs. A Mobility Hub seeks to raise the profile of shared mobility (car club, bike-sharing, carsharing), by integrating these modes of transport with existing public transport provision. Following the completion of the Mobility Hub Strategic Study in 2020 SEStran has been working with partners to identify potential opportunities to plan for Mobility Hubs.

Current status:

- **Mobility Hubs**

In progress

- SEStran has committed funding to the region's first mobility hub in Musselburgh, East Lothian, to be called a 'Journey Hub' and this hub is now complete.
- SEStran is supporting Fife Council to carry out feasibility and business case development for Mobility Hubs at east Fife railway stations at Leven, Cameron Bridge, St Andrews and Leuchars. An application to Transport Scotland for funding was successful and SEStran is working with Fife Council to procure consultants.

- **Project activities and partner meetings**

Delayed

- Due to Covid-19 various project activities and physical meetings have been cancelled. Whilst some activities have moved online, through teleconferences, other activities have been delayed. The project consortium successfully applied for a 6-month extension to the project, to allow extra time to complete project activities.

- **Tripshare SEStran**

Reduced service

- Due to the ongoing impacts of Covid-19 and Scottish Government guidance on carsharing only where necessary, SEStran continue to be unable to actively promote the Tripshare SEStran platform. The Partnership Board agreed on 18 June 2021 not to renew the contract or make further award to Liftshare and the SEStran Tripshare platform will cease this month. Individual members will still be able to access Liftshare's own system directly.
- **Future lift sharing** In progress
 - Options for procuring and providing future trip sharing opportunities are being explored with other RTPs and Transport Scotland, recognising that (subject to public health guidelines) trip-sharing is likely to have a role within a more sustainable transport system.

5.2 SURFLOGH

Interreg North Sea Region, ERDF



Start date: June 2017

Initial completion date: October 2020

Expected completion date: June 2023

Overall project progress:

In progress

Project description: SURFLOGH aims to enhance the role of sustainable logistics in urban logistics networks in the North Sea Region. SURFLOGH has created a trans-national network of 'city hubs' promoting innovation in city logistics. These hubs bring together different partners to exchange knowledge and work on innovative pilot projects and business models that can work in real world urban logistics systems. SEStran's Edinburgh pilot operating near Haymarket has now been running successfully since 2018, and the study is in an advanced stage.

Current status:

- **Development of business models with Edinburgh Napier University** In progress
 - An extension proposal for the project was approved by the Organising Committee of the EU Joint Secretariat in June.
 - SEStran will be exploring the planning and the development of a logistics consolidation centre as part of the West Perth Tay Cities project and will be working with Tactran on this.
 - SEStran will be also exploring with the Province of Drenthe options for the development of drones for use in urban logistics.
 - The next mini-conference will be held on September the 16th online hosted by the City of Mechelen. Registration is available vis the following link: <https://www.duurzame-mobiliteit.be/online-register>
- **Edinburgh Pilot – ZEDIFY** In progress
 - The new Leith hub started operations in March 2021.

- Funding from SEStran has supported the recruitment of additional couriers as the new hub expands its business.
- A new relationship with FEDEX UK will see 2 bikes completing routes in the city with the aim of increasing to 4 bikes by mid-autumn. This will equate to over 250 parcel deliveries per day.
- Increased demand for Freddie's Flowers will increase deliveries from 140 to approximately 200 split over two days.
- A working relationship with the Energy Saving Trust has developed to enable any e-bike loans to be delivered by cargo bike and also the promotion of cycle logistics for businesses seeking sustainability advice.
- **Expansion of Edinburgh Cargo-Bike delivery** In progress
 - SEStran has been working with Transport Scotland to support Cargo Bike Movement (CBM).
 - CBM are developing a community hub in south Edinburgh to promote the use of cargo bikes as a fairer, healthier and greener alternative to carbon-emitting vehicles in the delivery of goods and for individuals and families.
 - This new hub approach will share information that contributes to SURFLOGH research.
 - Work on the new hub has progressed and the space is now in use by CBM and a small courier company.

5.3 BLING

Interreg North Sea Region, ERDF



Start date: January 2019

Initial completion date: June 2022

Expected completion date: June 2023

Overall project progress:

In progress

Project description: 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's role is to develop a pilot with the University of Edinburgh, which will showcase innovative use of the technology in a transport environment.

Current status:

- **Development of Edinburgh Pilot**

In progress

- An extension proposal for the project was approved by the EU Joint Secretariat in June 2021.
- SEStran will be exploring with stakeholders how blockchain technologies can be applied in the logistics sector.
- SEStran officers will be helping manage a hackathon with students from Universities across the partnership in November. This work will help inform further project work.

5.4 PriMaaS

Interreg Europe, ERDF



Start date: August 2019

Initial completion date: January 2023

Expected completion date: July 2023 (following 6-month extension due to Covid-19 impacts)

Overall project progress:

Delayed

Project description: Mobility-as-a-Service (MaaS) is a 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.

Current status:

▪ 'GO SEStran' MaaS/DRT in the SEStran region

Delayed

- SEStran lodged a bid to the MaaS Investment Fund for an ambitious project exploring potential uses of MaaS and DRT throughout the region. SEStran is lead partner in a consortium of tech providers and East Lothian and Fife Councils. The bid aimed to attract funding of c. £600K to an overall project of £1.6m.
- Transport Scotland fed back in July that the SEStran bid was third placed in a competitive environment of fifteen bids overall. This meant that not all of the elements of the bid could be funded through the MaaS Investment Fund. However, Transport Scotland were keen to co-create a viable pilot with the available funding and details will be reported once the scale and nature of the activity is agreed with Transport Scotland.
- It has been provisionally agreed that the scaled-down project will focus on the Journey Hub being developed in Musselburgh, using existing partnerships to develop a MaaS app for the public to use, to enable planning, booking and payment across travel modes (bus, rail, bike hire, car club, taxi) in the Musselburgh area initially. It is intended that the East Lothian pilot will also include a tech-enabled DRT bus service.

- Meantime SEStran is actively pursuing other opportunities for DRT elsewhere in the region, using other funding sources where these are available.

▪ **Project activities and partner meetings**

Delayed

- Project activities have taken place in an online format. SEStran presented the 'GO SEStran' MaaS/DRT project during the Next Generation Mobility Conference Turin, which was an online conference organised by the Italian project partners. SEStran also presented during the 5th Capacity Building Workshop, hosted by the project partners from Erfurt University, Germany.
- In June, SEStran organised a Regional Stakeholder workshop focusing on DRT in the South East of Scotland, and lessons from further afield. Two guest speakers, from Transport for Wales and the Pembrokeshire Association of Community Transport Organisations (PACTO) presented on the Welsh 'Fflecsi' DRT platform, which is hosted by Via. Five other presenters, from within the SEStran region, presented their DRT experiences. The event, being held on Microsoft Teams, was well attended by a wide range of stakeholders.
- The funding programme secretariat has approved a 6-month extension to the PriMaaS project to allow additional time to complete project activities, where these have been delayed by the impacts of Covid-19. The official end-date of the project is now July 2023.

5.5 CONNECT

Interreg North Sea Region



Start date: October 2019

Initial completion date: March 2022

Expected completion date: December 2023

Overall project progress:

Delayed

Project description: [CONNECT's](#) overall objective is to support the growth of 'smart inter-modality' in the North Sea Region, through smart efficiency enhancements within freight movement. It looks at connecting the North Sea Region's TEN-T nodes, focusing on implementing new smart processes and working tools (smart inter-modality) and development of strategies for smart efficiency enhancements (smart involvement). <https://northsearegion.eu/north-sea-connect>

Current status:

• **Project Development**

Delayed

- The partnership meets online on a monthly basis, but Covid-19 travel restrictions are impacting on progress.
- Project pilots are being developed and a workshop will be run in May 2021 to develop concepts further.
- SEStran will be leading on a work package based (WP3) focussed on sharing of best practice.

6. SEStran forums and upcoming events

6.1 SEStran Forum Meetings



SEStran hosts three different forum groups, the Integrated Mobility Forum, the Equalities and Access to Healthcare Forum and the Logistics and Freight Forum. The aim of the forums is to provide a platform for interested parties to come together and to formulate a regional voice in various transport-related matters.

Latest Forum meetings:

- **Logistics and Freight Forum**
 - The forum last met on the 19 May 2021 and provided feedback to the draft Case for Change report produced for the Forth Freight Study and also on the Regional Transport Strategy.
 - The forum had presentations from the University of Edinburgh on the BLING GeoPact² logistics pilot, Fife Council on their use of drones and from Rail Operations Ltd on an innovative UK pilot for rail freight using converted electric passenger trains.
 - The next forum will take place in November 2021.
- **Equalities and Access to Healthcare Forum**
 - The forum last met on 31 March 2021 and covered agenda items including an RTS update and equalities impact assessment update, MaaS/DRT update, Thistle Assistance, the Hate Crime Charter, and the Equalities Outcomes 2021-2025 and Mainstreaming Report.
 - The next forum will take place on 30 September 2021.
- **Integrated Mobility Forum**
 - The forum last met on 27 April and was well attended. The agenda included a presentation from Minze Walvius at Advier, a Dutch consultancy also involved in the SHARE-North project; a presentation from Cycling Scotland on the Cycle Friendly Programme; a presentation from Stantec on the RTS; an update on DRT/MaaS project; an update on the Regional Transport Transition Group; and an update on the Bus Partnership Fund.
 - The next forum meeting will take place on 7 October 2021.

² <https://northsearegion.eu/bling/use-cases/use-case-2-university-of-edinburgh/>