

PERFORMANCE & AUDIT COMMITTEE

**Remote Meeting via MS Office Teams
Friday 5th March 2021 – 2:00pm**

AGENDA

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10. DATE OF NEXT MEETING	
The date of the next meeting is scheduled for 10:00am on Friday 4th June 2021.	

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

26th February 2021

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

PERFORMANCE & AUDIT COMMITTEE

**REMOTE MEETING VIA MS OFFICE TEAMS
ON FRIDAY 6 November 2020
10AM**

PRESENT:	<u>Name</u>	<u>Organisation Title</u>
	Councillor Imrie (Chair)	Midlothian Council
	Councillor Dempsey	Fife Council
	Councillor Fullarton	Scottish Borders Council
	Councillor Murtagh	Falkirk Council
	Councillor Rose	City of Edinburgh Council
	Callum Hay	Non-Councillor Member
	Simon Hindshaw	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
	Jim Grieve	SEStran
	Anna Herriman	SEStran
	Martin Scott	City of Edinburgh Council
	Iain Shaw	City of Edinburgh Council
	Karen Jones	Azets

Action by

A1. ORDER OF BUSINESS

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

A2. APOLOGIES

Apologies were received from Councillor Horne, Councillor Hoy and Gavin King

A3. DECLARATION OF INTERESTS

Councillor Cameron Rose declared a non-financial interest in item 5 - External Audit Annual Report 2019/20 and item 6 - Finance Reports, as a quasi-Trustee of the Lothian Pension Fund.

A4. MINUTES

To approve the minute of the Performance and Audit Committee of 11 September 2020 as a correct record subject to adding a non-financial declaration of interest for Cllr Cameron Rose for Item 5 - External

Audit Annual Report 2019/20 and Audited Annual Accounts 2019/20
– as a quasi-Trustee of the Lothian Pension Fund.

A5. EXTERNAL AUDIT ANNUAL REPORT 2019/20

The 2019/20 Annual Audit Report from the independent external auditors was presented.

The external auditors found that the Annual Governance Statement was consistent with the financial statements and had been prepared in accordance with the Delivering Good Governance in Local Government: Framework (2016). The Partnership had appropriate systems in place to record, process, summarise and report financial and other relevant data. The external auditors had not identified any significant weaknesses or governance issues in the Partnership's accounting and internal control systems throughout the period or as a result of remote working during the COVID-19 pandemic.

Its key observation in terms of financial sustainability was that the three-year financial plans (commencing 2020/21) had been developed in 2019/20 and approved by the Partnership.

Decision

- 1) To note the Annual Audit Report to members of South East of Scotland Transport Partnership and the Controller of Audit.
- 2) To note the Action Plan points and management responses at Appendix Two.
- 3) To refer the Annual Audit Report to the meeting of the Partnership Board on 20th November 2020.

(Reference – report by the External Auditor, submitted)

A6. Finance Reports

(a) Audited Annual Accounts 2019/20

The audited accounts for the year ended 31 March 2020 were presented.

Decision

- 1) To note the audited accounts and the Auditor's opinion in the audit certificate.
- 2) To refer the Audited Annual Accounts to the Partnership Board for approval.

(Reference – report by the Treasurer, submitted)

(b) Financial Planning 2021/22 to 2022/23

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

Decision

To note the update on the financial planning assumptions being progressed for the Partnership for the 2021/22 revenue budget and indicative financial plans for 2022/23.

(Reference – report by the Treasurer, submitted)

(c) Treasury Management – Mid-Term Review

Details were provided of the investment activity undertaken on behalf of the Partnership during the first half of the 2020/21 Financial Year.

Decision

- 1) To the investment activity undertaken on behalf of the Partnership
- 2) To refer the report to the Partnership Board for noting.

(Reference – report by the Treasurer, submitted)

A7. RISK MANAGEMENT

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

Decision

- 1) To note the Risk Register.
- 2) To note that the arrangement for the re-appointment of non-Councillor members remained in accordance with Regional Transport Partnerships guidance on membership.
- 3) To note that a final version of the Risk Register would be presented to Partnership Board for noting.

(Reference – report by the Business Manager, submitted)

A8. PROJECT PERFORMANCE REPORT

Information was provided on the current status and progress of the various projects SEStran was involved in. Where relevant any impacts on project progress arising from Covid-19, including those affecting progress or delivery by suppliers or partners were noted.

Decision

- 1) To note progress on current projects and that the report would be presented to the next Partnership Board following this Committee.
- 2) To note that a breakdown of the Attitudinal Survey & Data Collection project would be reported to a future meeting of the Performance and Delivery Committee.
- 3) To note that details would be included on how the GO E-Bike project was being promoted in Buckhaven and that consideration would be given on how to link up with local newspapers to increase publicity of the project.
- 4) To note that consideration would be given to hosting a meeting of the SEStran Performance & Audit Committee at a Mobility Hub when physical meetings were permitted to allow members to view a Mobility Hub as part of their performance and audit duties.

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

A9. DATE OF NEXT MEETING

Friday 5 March 2021 at 10.00am - subject to approval by the Partnership Board.



South East of Scotland Transport Partnership

External Audit Annual Plan 2020/21

February 2021



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Introduction



Introduction

1. This document summarises the work plan for our 2020/21 external audit of the South East of Scotland Transport Partnership (“the Partnership”).
2. The core elements of our work include audits of:
 - the 2020/21 annual accounts and related matters;
 - the Partnership’s arrangements for, where applicable, financial sustainability, financial management, governance and transparency and value for money; and
 - any other work requested by Audit Scotland.

Audit appointment

3. The Accounts Commission is an independent body appointed by Scottish Ministers responsible for securing the audit of local authorities and other local government bodies. The Commission’s work is governed mainly by the Local Government (Scotland) Act 1973.
4. Audit Scotland is an independent statutory body that provides the Accounts Commission with the services required to carry out their statutory functions, including monitoring the performance of auditors through a quality control process.
5. The Accounts Commission has appointed Azets as external auditor of the Partnership for the six year period

2016/17 to 2021/22¹. This document summarises the audit plan for 2020/21 and includes;

- the responsibilities of Azets as the external auditor;
- our audit strategy;
- our planned audit work and how we will approach it;
- our proposed audit outputs and timetable; and
- background to Azets and the audit management team.

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

Adding value through the audit

9. All of our clients 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

¹ In October 2020, the Accounts Commission extended our audit appointment for one year through to the audit of the 2021/22 financial year to provide

continuity and stability in the current challenging environment.

looking, by identifying areas of improvement and by recommending and encouraging good practice. In this way, we aim to help the Partnership promote improved standards of governance, better management and decision making and more effective use of resources.


Feedback

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

Openness and transparency

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

Respective responsibilities of the auditor and the Partnership

A solid green horizontal bar spanning the width of the page, positioned below the main title.

Respective responsibilities of the auditor and the Partnership

Auditor responsibilities

Code of Audit Practice

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

Our responsibilities

13. Auditor responsibilities are derived from statute, the Code of Audit Practice, International Standards on Auditing (UK) (ISAs (UK)), professional requirements and best practice. These are to:
 - undertake statutory duties, and comply with professional engagement and ethical standards;
 - provide an opinion on 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.

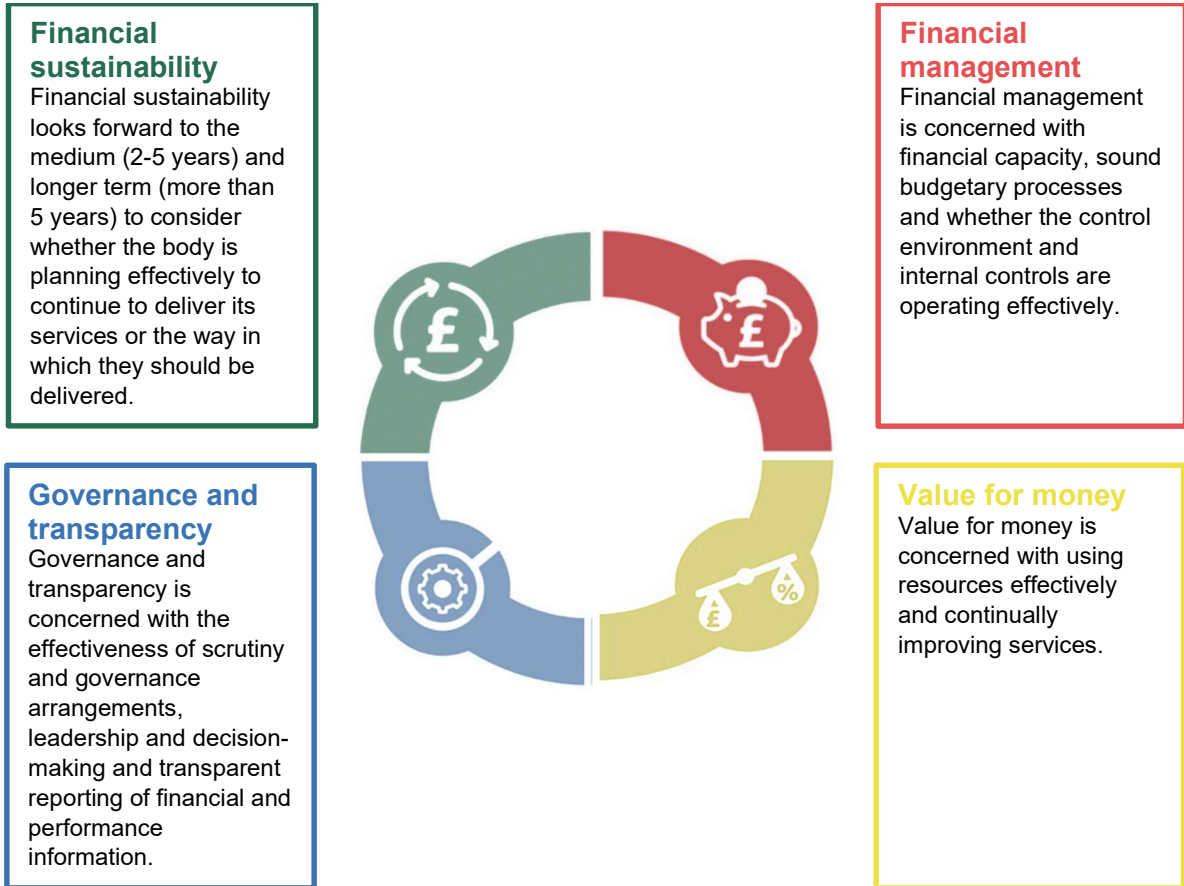
Wider scope audit work

14. The special accountabilities that attach to the conduct of public business, and the use of public

money, mean that public sector audits must be planned and undertaken from a wider perspective than in the private sector. This means providing assurance, not only on the financial statements, but on the appropriateness, effectiveness and impact of corporate governance and performance management arrangements and financial sustainability.

15. The Code sets out four audit dimensions that frame the wider scope audit work into identifiable audit areas. These are summarised in Exhibit 1.

Exhibit 1: Audit dimensions within the Code of Audit Practice



16. Where the application of the full wider scope is judged by us not to be appropriate then our annual audit work on the wider scope is restricted to:
- Audit work to allow conclusions to be made on the appropriateness of the disclosures in the governance statement; and
 - Consideration of the financial sustainability of the organisation and the services that it delivers over the medium and longer term.
17. Our assessment takes into account the size, nature and risks of the organisation. Taking these factors into consideration, we have concluded that application of the restricted wider scope is appropriate at the Partnership.
18. Weaknesses or risks identified by auditors are only those which have come to their attention during their normal audit work in accordance with the Code and may not be all that exist. Communication by auditors of matters arising from the audit of the financial statements or of risks or weaknesses does not absolve management from its responsibility to address the issues raised and to maintain an adequate system of control.

Best Value

19. Appointed auditors have a duty to be satisfied that local government bodies have made proper arrangements to secure best value.
20. Our work in respect of the Partnership’s best value arrangements will be integrated into our audit approach, including our work on the wider scope audit dimensions as set out in this plan.

Partnership responsibilities

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

Exhibit 2: Partnership responsibilities

Area	Partnership responsibilities
<p>Financial statements: Annual accounts containing financial statements and other related reports should be prepared.</p>	<p>The Partnership has responsibility for:</p> <ul style="list-style-type: none"> • preparing financial statements which give a true and fair view of its financial position and its 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; • maintaining proper accounting records; and • preparing and publishing, along with their financial statements, an annual governance statement, management commentary (or equivalent) and a remuneration report that are consistent with the disclosures made in the financial statements

Area	Partnership responsibilities
<p>Financial sustainability: Financial sustainability looks forward to the medium and longer term to consider whether the organisation is planning effectively to continue to fulfil its functions in an affordable and sustainable manner.</p>	<p>The Partnership is responsible for putting in place proper arrangements to ensure the financial position is soundly based having regard to:</p> <ul style="list-style-type: none">• Such financial monitoring and reporting arrangements as may be specified;• Compliance with any statutory financial requirements and achievement of financial targets;• Balances and reserves, including strategies about levels and their future use;• Plans to deal with uncertainty in the medium and long term; and• The impact of planned future policies and foreseeable developments on the financial position.
<p>Financial management: Financial management is concerned with financial capacity, sound budgetary processes and whether the control environment and internal controls are operating effectively.</p>	<p>The Partnership is responsible for ensuring that financial affairs are conducted in a proper manner. Management is responsible, with the oversight of those charged with governance, for communicating relevant information to users about the entity and its financial performance.</p> <p>The Partnership is responsible for developing and implementing effective systems of internal control as well as financial, operational and compliance controls. These systems should support the achievement of its objectives and safeguard and secure value for money from the public funds at its disposal.</p> <p>The Partnership is responsible for establishing arrangements to prevent and detect fraud, error and irregularities, bribery and corruption and also to ensure that its affairs are managed in accordance with proper standards of conduct.</p>

Area	Partnership responsibilities
<p>Governance and transparency: Governance and transparency is concerned with the effectiveness of scrutiny and governance arrangements, leadership and decision making, and transparent reporting of financial and performance information.</p>	<p>The Partnership is responsible for establishing arrangements to ensure the proper conduct of its affairs including the legality of activities and transactions, and for monitoring the adequacy and effectiveness of these arrangements.</p> <p>The Partnership is also responsible for establishing effective and appropriate internal audit and risk management functions.</p>
<p>Value for money: Value for money is concerned with the appropriate use of resources and ensuring continual improvement of services delivered.</p>	<p>The Partnership has a specific responsibility to ensure that arrangements have been made to secure best value. They are responsible for ensuring that these matters are given due priority and resources, and that proper procedures are established and operate satisfactorily.</p>

Audit strategy

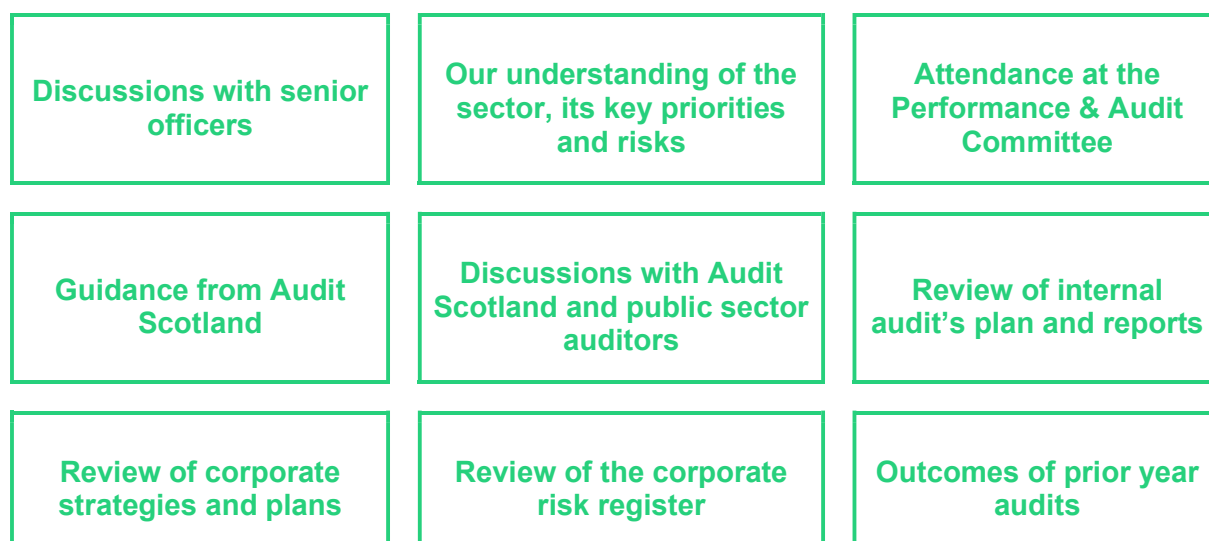


Audit strategy

Risk-based audit approach

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

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



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

Communication with those charged with governance

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

Professional standards and guidance

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

Partnership working

26. We coordinate our work with Audit Scotland, internal audit, other external auditors and relevant scrutiny bodies, recognising the increasing integration

of service delivery and partnership working with the public sector.

Audit Scotland

27. Although we are independent of Audit Scotland and are responsible for forming our own views and opinion, we do work closely with Audit Scotland throughout the audit. This helps, for example, to identify common priorities and risks, treat consistently any issues arising that impact on a number of audited bodies, and further develop an efficient and effective approach to public audit. We share information about identified risks, good practices and barriers to improvement so that lessons to be learnt and knowledge of what works can be disseminated to all relevant bodies.
28. Audit Scotland undertakes national performance audits on issues affecting the public sector. We review the Partnership's arrangements for taking action on any issues reported in the national performance reports which may have a local impact. We also consider the extent to which the Partnership uses the national performance reports as a means to help improve performance at the local level.

Internal Audit

29. We will consider the findings of the work of internal audit within our audit process and look to minimise duplication of effort, to ensure the total audit resource to the Partnership is used efficiently and effectively.

Service organisations

30. A number of the constituent local authorities provide services to the

Partnership including financial ledger, payroll and human resources services. Where those services (and associated systems) have a material impact on the annual accounts we will work with those authorities to understand the controls in place over the systems used in delivering these services.

COVID-19 – impact on our 2020/21 audit strategy

31. The COVID-19 pandemic has had, and continues to have, a significant and profound effect on every aspect of Scottish society.
32. We appreciate that different organisations have been impacted differently by COVID-19, as have finance teams, and some organisations are better set up for remote working. We also know that plans can change quickly and it only takes the absence of one key member of staff from a finance team to have a big impact. Equally our own teams may also be impacted by the pandemic. The wellbeing of our clients and our staff is paramount. Maintaining a pragmatic and flexible approach will enable change at short notice as new issues emerge, or current risks change in significance.

Remote working

33. As we do not know when the current restrictions will end, we are planning to carry out our 2020/21 audit remotely. As for 2019/20 we have the following arrangements in place:
 - All of our people have the equipment, technology and systems to allow them to work remotely, including secure access to all necessary data and information.

- All of our staff are fully contactable by email, phone call and video-conferencing.
- All meetings are now held over Skype, Microsoft Teams or by telephone.
- We are keeping all of our staff fully up to date with the latest government guidance in order to keep everyone as safe as possible.

34. If resourcing levels in any part of our business are compromised due to illness or inability to work, we will refocus our teams as necessary to deliver to deadlines. Our teams are holding regular catch ups to allow us to re-prioritise workloads as necessary.

Secure sharing of information

35. We use a cloud-based file sharing service that enables users to easily and securely exchange documents.

Audit evidence

36. Working remotely, does unfortunately result in the audit team requesting audit evidence which we would have previously obtained through other means, for example, face to face meetings or access to systems and client premises.
37. Where required we will consider other ways in which we can obtain audit evidence or carry out alternative audit procedures.
38. We will employ greater use of technology to examine evidence, but only where we have assessed both the sufficiency and appropriateness of the audit evidence produced.

Regular contact

39. During the 'fieldwork' phase of our audit, we will look to agree regular catch-ups with key personnel to discuss the progress of the audit. The frequency of these meetings will be discussed and agreed with management.

Audit reporting

40. It may be likely that the current circumstances lead to more modified opinions in auditor's reports, than would typically have been the case in previous years.
41. Where necessary, we will engage with the Performance & Audit Committee to explain the implications of our proposed report and consider whether there are other procedures that could be undertaken, at a future point yet to be determined which could mitigate any modification either fully or in part.
42. Sufficient time should be set aside by the Performance & Audit Committee to allow for comprehensive, complete and informed communication with the auditor. This will need to take account of the potential for extended communication to explain any modified audit reports, or to report any higher than expected deficiencies or misstatements, that may result from the current circumstances.
43. Audit Scotland uses a system for electronic signatures (DocuSign) that it recommends all bodies use for signing annual accounts.
44. Electronic signatures simplify the process of signing the accounts. Accounts can be signed using any device from any location. There is no longer a need for duplicate copies to be signed, thus reducing the risk of missing a signature and all signatories

have immediate access to a high
quality PDF version of the accounts.

45. We propose using DocuSign in
2020/21 (as was used in 2019/20).

Annual accounts



Annual accounts

Introduction

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

Approach to audit of the annual accounts

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

Risk-based audit planning

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

Accounting systems and internal controls

49. We evaluate the key accounting systems and internal controls and determine whether they are adequate to prevent material misstatements in the annual accounts.

50. The systems we review and the nature of the work we perform will be based on the initial risk assessment. We will examine and test compliance with best practice and the Partnership's own policies and procedures.

51. We will take cognisance of any relevant internal audit reviews of systems and controls.

52. Since the start of the pandemic, the risk of fraud and error has increased as the control environment and internal controls change. Potential areas of risk include:

- Public sector staff working under extreme pressure leading to some internal controls suspended or relaxed;
- Procurement fraud or, normal controls being relaxed to allow bodies to buy goods or services which are required urgently, possibly from new suppliers;
- Weakened governance arrangements;
- Admin and finance staff being redeployed to operational areas; and
- Staff working remotely may pose potential security risks e.g. when using personal devices and/or using removable devices to download data.

53. We will update the risk assessment following our evaluation of systems and controls, considering the impact pandemic has had on the Partnership's accounting systems and controls. This will ensure that we continue to focus attention on the areas of highest risk.

54. This work is not for the purpose of expressing an opinion on the effectiveness of internal controls. We will report to the Partnership significant deficiencies in internal controls that we identify during the audit. These matters will be limited to those which we conclude are of

sufficient importance to merit being reported to the Partnership. The scope of our work is not designed to be an extensive review of all internal controls.

Prevention and detection of fraud or error

55. We plan our audit in such a way to obtain reasonable assurance of detecting material misstatements in the annual accounts resulting from fraud or error.
56. 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 the annual accounts.
57. We will assess the susceptibility of the Partnership's annual accounts to material misstatement, including obtaining an understanding of how fraud might occur, by:
- making enquiries of management as to where they considered there is susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
 - considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.
58. 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. Material misstatements that arise due to fraud

can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

Laws and regulations

59. We plan and perform our audit recognising that non-compliance with statute or regulations may materially impact the annual accounts. Our audit procedures include the following:
- Identification of the laws and regulations applicable to the Partnership through enquiries with management, and from our knowledge and experience of the Partnership and the sector;
 - A focus on specific laws and regulations which we consider may have a direct material effect on the annual accounts or the operations of the Partnership;
 - Reviewing minutes of relevant meetings;
 - Enquiring of management and the Partnership's legal representatives the position in relation to litigation, claims and assessments; and
 - Performing detailed testing of transactions and balances.
60. There are however inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance.

A final audit of the annual accounts

61. During our final audit we will test and review the material amounts and disclosures in the annual accounts.

- The extent of testing will be based on our risk assessment.
62. Our final audit will seek to provide reasonable assurance that the annual accounts are free from material misstatement and comply with the Code of Practice on Local Authority Accounting in the United Kingdom 2020/21 (the Code).

Independent auditor’s report

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

Materiality

65. Materiality is an expression of the relative significance of a matter in the context of the financial statements as a whole. A matter is material if its omission or misstatement would reasonably influence the decisions of an addressee of the auditor’s report. The assessment of what is material is a matter of professional judgement over both the amount and the nature of the misstatement. We review our assessment of materiality throughout our audit.
66. 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 group 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.

67. Performance materiality 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.
68. Our initial assessment of materiality and performance materiality is set out in the table below:

	Materiality £
Overall materiality: Our initial assessment is based on approximately 1.5% of the Partnership’s 2019/20 gross expenditure. We consider this to the principal consideration for the users of the annual accounts when assessing the performance of the Partnership.	31,500
Performance materiality: using our professional judgement we have calculated performance materiality at approximately 75% of overall materiality.	23,625

69. We will report any misstatements identified through our audit that fall into one of the following categories:
- All material corrected misstatements;
 - Uncorrected misstatement with a value in excess of 5% of the overall materiality figure; and

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

Key audit risks in the annual accounts

70. Auditing standards require that we inform the Performance & Audit Committee of our assessment of the

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

Exhibit 3 – Key audit risks in the annual accounts

Management override

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

71. In response to this risk we will review the Partnership's accounting records and obtain evidence to ensure that any significant transactions outside the normal course of business are valid and accounted for correctly. We will adopt data analytics techniques to review and test aspects of this significant risk. We will assess whether judgements and assumptions made in determining accounting estimates as set out in the annual accounts are indicative of potential bias.

Revenue recognition

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

72. In respect of the Partnership's funding received as requisition from the constituent local authorities and Scottish Government grant funding, we do not consider the risk of revenue recognition to be significant due to a lack of incentive and opportunity to manipulate transactions of this nature. However, the risk of fraud in relation to revenue recognition is present in all non-government or requisition revenue streams. We will evaluate each material revenue stream, including the controls over revenue accounting. We will conduct substantive testing on all material revenue streams to confirm revenue has been recognised appropriately and in line with accounting policies.

Risk of fraud in the recognition of expenditure

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.

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

Pension assumptions (significant accounting estimate)

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 date 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.

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

Other risk factors

Impact of COVID-19 on the annual accounts

75. Further to the identification of significant audit risks, we also continue to monitor the impact COVID-19 could have on the annual accounts. COVID-19 continues to present unprecedented challenges to the operation, financial management and governance of organisations, including public sector bodies. It is uncertain how long these challenges will persist.
76. We continue to monitor government and relevant announcements as they pertain to the audit and will adapt our audit approach as required.

accounting periods beginning on or after 15 December 2019 places increased regulatory requirements on the auditor in respect of the auditing of significant estimates at the planning and completion stages of the audit.

78. As part of the planning stages of the audit we identify all accounting estimates made by management and determine which of those are significant to the overall annual accounts. Consideration was given to asset valuations, pension assumptions, provisions, depreciation and accruals. Other than pension assumptions we have not determined the accounting estimates to be significant. We will however revisit our assessment during the fieldwork and completion stages of our audit.

Accounting estimates

77. Changes to ISA (UK) 540 - *Auditing Accounting Estimates and Related Disclosures* which is applicable for

Wider scope audit



Wider scope audit

Introduction

79. As described in section 2, the Code of Audit Practice frames a significant part of our wider scope responsibilities. 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 will therefore be restricted to:
- Audit work to allow conclusions to be made on the appropriateness of the disclosures in the governance statement; and
 - Consideration of the financial sustainability of the organisation and the services that it delivers over the medium and longer term.
80. Our planned audit work against these two areas is risk based and proportionate. Our initial assessment builds upon the understanding of the Partnership's key priorities and risks which we developed from previous years, along with discussions with management and review of committee minutes and key strategy documents.
81. The risk profile of public bodies for the 2020/21 audits is significantly affected by the COVID-19 pandemic. The pandemic has highlighted the importance of many long-standing issues facing public sector bodies such as the need for good governance, openness and transparency, and effective longer-term planning to deliver better outcomes. The risks and challenges associated with these issues have become greater due to the pandemic.
82. In 2020/21, Audit Scotland has requested that external auditors focus on risks relating to governance and transparency, financial sustainability and counter-fraud arrangements in light of the impact of COVID-19. We will consider these risk areas in the context of our wider scope audit work and include commentary in our annual audit report as appropriate.
83. At this stage of our audit planning process, we have identified one significant risk to the wider scope of our audit (Exhibit 4). Audit planning however is a continuous process and we will report all identified significant risks in our annual audit report.

Exhibit 4 – Wider scope significant risk

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 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 presents 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.

84. During our audit we will continue to review whether the Partnership has appropriate arrangements in place to manage its financial position. Our work will include an assessment of progress made in developing financially sustainable plans which reflect the medium and longer term impact of COVID-19 and that continue to support the delivery of the Partnership's statutory functions and strategic objectives.

Audit outputs, timetables and fees



Audit outputs, timetable and fee

Audit outputs

The Local Authority (Capital Finance and Accounting) (Scotland) (Coronavirus) Amendment Regulations 2021 (currently in draft) amend dates set in the Local Authority Accounts (Scotland) Regulations 2014. The amended dates apply to the accounts for the financial year 2020/21 and state that the annual accounts should aim to be approved by 31 October 2021. Audit Scotland has also proposed 31 October for 2020/21 as the provisional submission deadline.

We have set out below target months which align to the Partnership’s schedule of Performance & Audit Committee and Partnership meetings. We will aim to meet these scheduled meetings however this will be monitored during the audit process and may require to be revised to reflect emerging issues as a result of the pandemic.

Audit output	Description	Target month	Deadline for submission to Audit Scotland
External audit plan	This report sets out the scope of our audit for 2020/21.	March 2021	30 April 2021
Independent Auditor’s Report	This report will contain our opinion on the financial statements, the audited part of the remuneration report, annual governance statement and management commentary.	September 2021	31 October 2021
Annual Report to the Partnership and the Controller of Audit	At the conclusion of each year’s audit we issue an annual report setting out the nature and extent of our audit work for the year and summarise our opinions, conclusions and the significant issues arising from our work. This report pulls together all of our work under the Code of Audit Practice.	September 2021	31 October 2021

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

86. The action plans within the reports will include prioritised recommendations, responsible officers and implementation dates. We will review

progress against the action plans on a regular basis.

Audit fee

87. Audit Scotland sets an expected fee that assumes the body has sound governance arrangements in place, has been operating effectively throughout the year, prepares comprehensive and accurate draft accounts and meets the agreed timetable for audit. The expected fee is reviewed by Audit Scotland each year and adjusted if necessary based on auditors' experience, new requirements, or significant changes to the audited body.
88. As auditors we negotiate a fee with the Partnership during the planning process. The fee may be varied above the expected fee level to reflect the circumstances and local risks within the body.
89. For 2020/21 we proposed setting the audit fee at the expected fee level.

	2020/21	2019/20
Auditor remuneration	£8,900	£8,640
Pooled costs	£850	£850
Audit support costs	£490	£520
Total fee	£10,240	£10,010

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

Audit timetable

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

FEB 21	●	Planning meeting to inform the 2020/21 audit
MAR 21	●	Presentation of External Audit Plan to the Performance and Audit Committee
JUN 21	●	Unaudited annual accounts presented to those charged with governance
JUL 21	●	Final audit commences
SEP 21	●	Presentation of our Annual Audit Report to the Performance and Audit Committee

Appendices



Appendix 1: Azets

On 7 September 2020, the CogitalGroup of companies (Scott-Moncrieff, Campbell Dallas, Baldwins and Wilkins Kennedy) came together as Azets. Whilst it is a new name, we still deliver the same personal approach to accounting, tax, audit, advisory and business services, digitally and locally.

With over 6,500 advisers and specialists across our office network, we help people and organisations of all shapes and sizes save time, work smarter and achieve their goals. Our job is to give you the support you need so you can focus on what you do best.

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

Your audit management team



Karen Jones

Director

karen.jones@azets.co.uk

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



Nicola MacKenzie

Manager

nicola.mackenzie@azets.co.uk

Nicola has over 6 years' public sector external audit experience, working with a range of bodies across local government, central government, health and further education sector.

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

Appendix 2: Confirmation of independence

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

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

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

Appendix 3: Statement of understanding

Introduction

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

Annual accounts

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

Fees

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

Representations

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

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

Internal audit

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

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

Fraud and irregularity

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

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

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

Anti-money laundering

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

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

Ethics

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

Service

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

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

Reports

During the course of the audit we will produce reports detailing the results and conclusions from our work.

Any recommendations arising from our audit work will be included in an action plan. Management are responsible for providing responses, including target dates for implementation and details of the responsible officer.

Agreement of terms

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

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Revenue Budget 2021/22 and Indicative Financial Plan 2022/23 to 2023/24

1. Introduction

- 1.1 This report presents a revenue budget for 2021/22 and an indicative financial plan for 2022/23 to 2023/24, for review by the Partnership's Performance and Audit Committee.
- 1.2 The proposed revenue budget for 2021/22 will be presented to the Partnership Board for approval at its meeting on 19th March 2021.

2. Main Report

Scottish Government Budget 2021-22

- 2.1 The Scottish Government issued a provisional Local Government Finance Settlement for 2021/22 on 1st February 2021. The Settlement is for one year.
- 2.2 Transport Scotland has advised revenue grant funding of £782,000 for 2021/22. This is subject to final confirmation following approval by Parliament of the Scottish Budget. This level of funding represents no change to the current year's grant.

Proposed Revenue Budget 2021/22

- 2.3 Section 3 of the Transport (Scotland) Act 2005, as amended by the Section 122 of the Transport (Scotland) Act 2019 requires the constituent councils of a Regional Transport Partnership to meet the estimated net expenses of the Partnership.
- 2.4 A financial planning report was considered by the Partnership on 20th November 2020. The Partnership noted the financial planning assumptions being progressed for 2021/22 to 2022/23. These assumptions included no change from 2020/21 funding levels for constituent council requisitions and Scottish Government grant.
- 2.5 At the Partnership Board meeting, it was noted the COVID-19 pandemic was presenting unprecedented challenges to the operation, financial management and governance of organisations, including public sector bodies. Core areas of service delivery have been suspended or substantially reduced, systems and processes have been amended to support remote working, arrangements for governance, decision making and performance management have been adapted, and many organisations are forecasting large operating deficits due to loss of income and/or additional cost pressures. Uncertainty remains as to how long these challenges will remain.

- 2.6** Revenue budget development has been progressed, recognising these challenges. The planning assumptions presented to the Partnership on 20th November 2020 have been updated, where required.
- 2.7** A revenue budget with a standstill council requisition of £190,000 has been prepared in consultation with officers of the Partnership and with the Partnership's Chief Officers Group. Revenue budget lines have been updated to take account of known cost commitments and savings. Planning assumptions have been updated for:
- 2.7.1** estimated staff recharges to projects – these are forecast to be £119,000, a decrease of £32,000 from 2020/21;
- 2.7.2** pay award uplift revised from 3% to 2% (£11,363) and pay increment provision (£5,503);
- 2.7.3** an employer Pension Fund contribution rate of 33.1%, with the fixed contribution sum removed, following confirmation of the outcome of the 2020 Actuarial Valuation;
- 2.7.4** other budget planning assumptions required to reflect current activity.
- 2.8** An analysis of the proposed core budget for 2021/22 and indicative financial plans for 2022/23 to 2023/24 is shown in Appendix 1.
- 2.9** Proposed Projects activity for 2021/22 is shown in Appendix 2(a). Indicative Projects activity for 2022/23 to 2023/24 is shown in Appendices 2(b) and 2(c). The indicative plan presents expenditure and income balanced for each financial year.
- 2.10** Appendix 3 shows all budgeted expenditure and income since 2016/17. Scottish Government grant funding has remained fixed at £782,000 since 2011/12. Council requisitions reduced by 5% in 2017/18 from £200,000 to £190,000.
- 2.11** For 2021/22, external income of £500,000 is anticipated to fund 33% of expenditure.
- 2.12** The 2021/22 Council requisitions, based on the proposed budget are shown in the table below:

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

- 2.13** In accordance with the provisions of the Transport Scotland (2019) Act, the Partnership has agreed a Reserves Policy. The Partnership is progressing towards establishing an unallocated General Fund reserve of £29,000, based on 5% of the core revenue budget for 2020/21. Following closure of the Annual Accounts 2019/20, an unallocated reserves balance of £12,000 was established. An underspend in the core budget is forecast for 2020/21 and it is anticipated that this will contribute to meeting the remainder of the unallocated reserves balance. An update will be provided to the Partnership in the Finance Officer report to be presented on 19th March 2021.
- 2.14** An earmarked balance of £177,000 has been established to meet slippage on project delivery from 2019/20 to 2020/21.
- 2.15** A risk assessment for 2021/22 is included at Appendix 4.

3 Next Steps

- 3.1** Following review by Performance and Audit Committee, the proposed revenue budget for 2021/22 will be presented to the Partnership Board meeting on 19th March 2021, for approval.

4 Recommendation

- 4.1** It is recommended that the Performance and Audit Committee.
- 4.1.1** note the financial planning assumptions for the Partnership's proposed revenue budget for 2021/22;
- 4.1.2** note that financial planning for 2022/23 to 2023/24 will be developed throughout 2021 for consideration by the Partnership in December 2021;
- 4.1.3** note that the proposed budget is subject to a number of risks. All income and expenditure of the Partnership will continue to be monitored closely with updates reported to each Partnership meeting.

5 Background Reading/External References

- 5.1** [Financial Planning 2021/22 to 2022/23 - report to Partnership Board 20th November 2020](#)

Hugh Dunn
Treasurer
5th March 2021

- Appendix** Appendix 1 – Core Budget 2021/22 and Indicative Budget 2022/23 to 2023/24
 Appendix 2(a) – Projects – 2021/22
 Appendix 2(b) - Projects - Indicative Activity 2022/23
 Appendix 2(c) – Projects – Indicative Activity 2023/24
 Appendix 3 - SEStran Budget 2016/17 – 2023/24
 Appendix 4 - Risk Assessment 2021/22

Contact iain.shaw@edinburgh.gov.uk

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

**Proposed Core Budget 2021/22 and Indicative Budget
2022/23 to 2023/24**

Appendix 1

	Approved Budget 2020/21	Proposed Budget 2021/22	Indicative Budget 2022/23	Indicative Budget 2023/24
	£000	£000	£000	£000
Employee Costs				
Salaries	386	400	414	428
National Insurance	42	44	46	48
Pension Fund	101	131	135	140
Recharges	(151)	(119)	(55)	(55)
Training & Conferences	10	10	10	10
Interviews & Advertising	2	2	2	2
	390	468	552	573
Premises Costs	16	17	17	17
Transport	9	8	8	8
Supplies and Services				
Communications & Computing	48	48	48	48
Hosted ICT – Novus FX	42	44	44	44
Printing, Stationery & General Office Supplies	6	7	7	7
Insurance	4	6	6	6
Equipment, Furniture & Materials	1	1	1	1
Miscellaneous Expenses	4	3	3	3
	105	109	109	109
Support Services				
Finance	30	30	30	30
Legal Services / HR	7	7	7	7
	37	37	37	37
Corporate & Democratic				
Clerks Fees	12	12	12	12
External Audit Fees	11	11	11	11
Members Allowances and Expenses	1	1	1	1
	24	24	24	24
Interest	0	0	0	0
Total Gross Expenditure	581	663	747	768
Funding				
Scottish Government Grant	(391)	(473)	(557)	(578)
Council Requisitions	(190)	(190)	(190)	(190)
Total Funding	(581)	(663)	(747)	(768)

Projects - Proposed Activity 2021-22
Appendix 2(a)

	2020/21	2021-22			
Service	Approved Budget £'000	Gross Expenditure £'000	Income £'000	Net Expenditure £'000	Activity
Sustainable Travel	40	69	0	69	
Urban Cycle Network	0	100	(100)	0	100% funded by Sustrans.
Urban Cycling Officer	32	34	0	34	Cycling Scotland representation
Active Travel Fund	0	200	(200)	0	
RTS Development	141	80	0	80	Re-draft of Regional Transport Strategy – external expertise
GO e-BIKE	38	20	0	20	
Thistle Assistance	0	30	(24)	6	
Consultancy support -COVID-19	0	25	0	25	
Equalities Action Forum	0	3	0	3	
EU – Funded Projects					
Share North	23	0	0	0	Ends December 2021
Surflogh	25	50	(25)	25	Ends April 2022
Bling	19	26	(13)	13	Ends December 2022
Primaas	9	60	(51)	9	Phase 1 ends January 2022 (main activities)
Connect	24	34	(17)	17	Ends February 2023
Local Rail Development Fund					
Leith Docks	0	55	(55)	0	
Real-Time Passenger Information System (RTPI)					
Maintenance	50	23	0	23	Reduction in cost, following contract re-procurement
Income	(10)	0	(15)	(15)	Bus Operators income
Total	391	809	(500)	309	

Projects - Indicative Activity 2022-23

Appendix 2(b)

	2021/22	2022-23			
Service	Indicative Budget £'000	Gross Expenditure £'000	Income £'000	Net Expenditure £'000	Activity
Sustainable Travel	69	109	0	109	
Urban Cycle Network	0	100	(100)	0	100% funded by Sustrans.
Urban Cycling Officer	34	35	0	35	Cycling Scotland representation
Active Travel Fund	0	200	(200)	0	
RTS Development	80	18	0	18	Re-draft of Regional Transport Strategy – external expertise
GO e-BIKE	20	10	0	10	
Thistle Assistance	6	30	(24)	6	
Consultancy support -COVID-19	25	0	0	0	
Equalities Action Forum	3	10	0	10	
EU – Funded Projects					
Surflogh	25	2	(1)	1	Ends April 2022
Bling	13	26	(13)	13	Ends December 2022
Primaas	9	10	(8)	2	Phase 1 ends January 2022 (main activities)
Connect	17	32	(16)	16	Ends February 2023
Local Rail Development Fund					
Leith Docks	0	0	0	0	
Real-Time Passenger Information System (RTPI)					
Maintenance	23	25	0	25	
Income – screens	(15)	0	(20)	(20)	Bus Operators income
Total	309	607	(382)	225	

Projects - Indicative Activity 2023-24

Appendix 2(c)

	2022/23	2023-24			
Service	Indicative Budget £'000	Gross Expenditure £'000	Income £'000	Net Expenditure £'000	Activity
Sustainable Travel	109	100	0	100	
Urban Cycle Network	0	100	(100)	0	100% funded by Sustrans.
Urban Cycling Officer	35	35	0	35	Cycling Scotland representation
Active Travel Fund	0	200	(200)	0	
RTS Development	18	18	0	18	Re-draft of Regional Transport Strategy – external expertise
GO e-BIKE	10	10	0	10	
Thistle Assistance	6	30	(24)	6	
Consultancy support -COVID-19	0	0	0	0	
Equalities Action Forum	10	10	0	10	
EU – Funded Projects					
Surflogh	1	0	0	0	Ends April 2022
Bling	13	0	0	0	Ends December 2022
Primaas	2	0	0	0	Phase 1 ends January 2022 (main activities)
Connect	16	0	0	0	Ends February 2023
Local Rail Development Fund					
Leith Docks	0	0	0	0	
Real-Time Passenger Information System (RTPI)					
Maintenance	25	25	0	25	
Income – screens	(20)	0	0	0	
Total	225	528	(324)	204	

SEStran Budget 2016/17 – 2023/24

	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Core	551	478	531	584	581	663	747	768
Projects	725	510	614	590	1,030	786	582	503
RTPI	344	339	108	100	50	23	25	25
Total Budget	1,620	1,327	1,253	1,274	1,661	1,472	1,354	1,296
External Funding								
EU Grants	152	95	139	82	142	106	38	0
Other income	486	260	142	220	547	394	344	324
Total External Funding	638	355	281	302	689	500	382	324
Scottish Government	782	782	782	782	782	782	782	782
Council Requisition	200	190	190	190	190	190	190	190
Total Funding	1,620	1,327	1,253	1,274	1,661	1,472	1,354	1,296

Risk Description	Existing Controls
<p>Pay awards The indicative budget makes provision for a pay award of up to 2% in 2021/22. An uplift of 1% in pay award equates to an increase of £5,681.</p>	<p>Alignment with Scottish Local Government pay award.</p>
<p>Staff recharges – Projects The indicative budget assumes that £119,000 of staff time can be recharged to Projects. There is a risk this may not be achievable.</p>	<p>Any shortfall in employee cost recharges will be offset by a corresponding reduction in Projects Budget expenditure.</p>
<p>Inflation There is a risk that the indicative budget does not adequately cover price inflation and increasing demand for services.</p>	<p>Allowance made for specific price inflation. Budgets adjusted in line with current cost forecasts.</p>
<p>Delays in payment of grant by the EU - results in additional short-term borrowing costs.</p>	<p>SEStran grant claims for EU funded projects are submitted in compliance with requirements of EU processes to ensure minimal delay in payment. Ongoing monitoring of cash flow will be undertaken to manage exposure to additional short-term borrowing costs.</p>
<p>Pension Fund Contributions The deficit on the staff pension fund could lead to increases in the employer's pension contribution.</p>	<p>Following Lothian Pension Fund's Triennial Actuarial Review in 2020, Partnership employer pension fund contribution rates are now confirmed at 33.1% until 31 March 2024. This rate is included in the proposed budget for 2021/22.</p>
<p>Funding Reductions Reduction in funding from Scottish Government and/or council requisitions.</p> <p>There is a risk that current levels of staffing cannot be maintained due to funding constraints and that the Partnership will incur staff release costs.</p>	<p>Continue to seek to source external funding.</p> <p>Recruitment control and additional sources of external funding for activities aligned to the Partnership's objectives to supplement resources.</p>

ANNUAL TREASURY MANAGEMENT STRATEGY

1 Purpose of report

- 1.1 The purpose of this report is to propose a Treasury Management Strategy for 2021/22.

2 Annual Treasury Management Strategy

- 2.1 The Partnership currently maintains its bank account as part of the City of Edinburgh Council's group of bank accounts. Any cash balance is effectively lent to the Council, but is offset by expenditure undertaken by the City of Edinburgh Council on behalf of the Partnership. Interest is given on month end net indebtedness balances between the Council and the Partnership in accordance with the former Local Authority (Scotland) Accounts Advisory Committee's (LASAAC) Guidance Note 2 on Interest on Revenue Balances (IoRB). These arrangements were put in place given the existing administration arrangements with the City of Edinburgh Council and the relatively small investment balances which the Partnership has. Although the investment return will be small, the Partnership will gain security from its counterparty exposure being to the City of Edinburgh Council. If interest rates are negative the Board won't be charged for positive or negative balances, interest will be floored at zero.

3 Recommendations

It is recommended that the Performance and Audit Committee:

- 3.1 review the Annual Treasury Management Strategy and
3.2 refers the Strategy to the Partnership Board to approve the continuation of the current arrangement, as outlined in Appendix 1.

Hugh Dunn
Treasurer

Appendix Appendix 1 - Annual Treasury Management Strategy

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

APPENDIX 1

Annual Treasury Management Strategy

(a) Treasury Management Policy Statement

1. The Partnership defines its Treasury Management activities as:

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

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

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

(b) Permitted Investments

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

(c) Prudential Indicators

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

SEStran Business Plan 2021-22 to 2022-23

1. INTRODUCTION

- 1.1 The purpose of this report is to seek the Committee's views on a proposed three year Business Plan, prior to submitting it to the Board for approval.

2.0 BACKGROUND AND CONTEXT

- 2.1 The global pandemic has left the transport sector, in common with most other sectors, in a state of flux. Whilst much good work has been done by the Regional Transport Transition Group of which SEStran is a member, as the country emerges out of lockdown, many issues remain about the future of transport in the region and the so-called 'new normal.'

- 2.2 It is unlikely that these issues will all have worked their way through by April next year. Indeed, even if the pandemic is brought under control by this summer, considerations such as the future of air travel, and how public transport can return to pre-pandemic levels and beyond, will take a long time to resolve.

- 2.3 Another issue which is likely to impact most on the movement of freight is the impact of Brexit. Again, the full implications of the European Withdrawal Agreement remain unknown, and will only become clearer in the next few years. What is clear from the point of view of SEStran's own projects is that EU collaborations will not take the same shape as previously – although, as has been set out in the Projects Report, existing projects will still take place, and in some cases may be extended.

- 2.4 Even prior to the Covid-19 outbreak, the governance landscape posed challenges which would require a considered response from SEStran's point of view. The future of regional transport partnerships (RTPs) is the subject of a review, stalled by the pandemic, but now ongoing again. The Transport (Scotland) Act 2019 gave new powers, principally to local authorities, but with some potential for involvement from RTPs, particularly around Bus Service Improvement Partnerships (BSIPs).

- 2.5 In related sectors, regional land use planning is still awaiting the full implementation of the legislation that brought in Regional Spatial Strategies (RSS), and there is clearly an opportunity to better align land use and transport planning. The creation of the City Deal governance structure should help to strengthen collaboration amongst those SEStran authorities involved, and there is evidence of good joint working between SEStran and the City Deal authority as part of the Regional Transport Transition Group.

- 2.6 In many ways therefore the emerging policy framework is well timed to address all of these challenges. The latest iteration of the National Transport

Strategy (NTS2) is now in place. The Government's Strategic Transport Projects Review (STPR) has reached the first sift stage, and will help to direct Transport Scotland's investment decisions on transport infrastructure. As Members will be aware, SEStran's Regional Transport Strategy (RTS) is entering the consultation stage, and will inform SEStran's activities for the coming years.

- 2.7** The availability or otherwise of funding for SEStran's activities remains a matter for consideration beyond a one year horizon. There will be a need to attract more funding to allow the organisation to achieve its goals going forward, particularly as EU sources reduce. However, replacement funding for similar projects is anticipated. Further, in the post-pandemic landscape, it is likely that opportunities for investment in the active travel, and bus, networks may start to emerge.

3.0 TOWARDS A THREE YEAR BUSINESS PLAN

- 3.1** In that context, it makes sense to put forward a Business Plan that has a longer event horizon than a single financial year. It is proposed to present the draft three year Plan to the Board for approval on 19th March.
- 3.2** Of necessity, some of the parts of the Plan will be in incomplete form. Although the annual budget will be presented to the Board in March, the final outturn for year 2020/21 will not be known until the Board meeting in June. Other 'known unknowns,' such as the outcome of funding bids and the future of EU projects and their successors, may be clearer by then.
- 3.3** Accordingly, it is proposed that, after the Board has considered the draft Plan in March, a finalised version will be brought back to this Committee at its June meeting, for onward transmission to the Board that month.

4.0 RECOMMENDATIONS

- 4.1** It is accordingly recommended that the Committee:
- (a) Note the terms of the report;
 - (b) Offer comment, as appropriate;
 - (c) Recommend to the Board that it consider the initial draft Business Plan at the March Board, with a final version taking into account the budget outturn and other developments being brought back to this Committee for further scrutiny and onward transmission to the Board in June.

Andrew Ferguson
SEStran Consultant
26th February 2021

Policy Implications	The Business Plan will align with SEStran's established and emerging policies
Financial Implications	The Business Plan will be subject to formal Board approval of proposed budgets in year 2021 – 22 and subsequent years.
Equalities Implications	No separate EqIA will be carried out as the Business Plan does not propose a change to SEStran's policies and procedures.
Climate Change Implications	The implications for Climate Change issues will be assessed at project level.





Projects Performance

1 Introduction





- 1.1 SEStran leads on and delivers a wide range of strategic projects within the region. The Projects Performance Report at Appendix 1 provides a quarterly update to Committee on the progress of SEStran's projects, for noting. The report sets out where effects of Covid-19 restrictions have had an impact on delivery timescales.

2 Projects performance

- 2.1 A high level 'RAG' (Red-Amber-Green) status is used to highlight the current state of progress of each project against agreed milestones. 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 Each project's alignment to one or more of SEStran's Strategic Objectives is indicated using the following symbols.

	Economy
	Accessibility
	Environment
	Safety and health
	Corporate

3. European Projects and EU Withdrawal

- 3.1 The Withdrawal Agreement between the UK and the EU confirms that existing 2014-20 Interreg, or European Territorial Cooperation, programmes will be able to continue with UK project partners, and that UK project partners can continue delivering their projects in line with existing programme rules and timescales.

3.2 Due to Covid-19, a number of partners in EU projects have reported delays in the delivery of project work packages. Lead Partners are exploring the possibilities of applying for extended timescales of the projects (in keeping with existing programme rules). The outcome of the extension applications should all be known by May, and it is possible that any or all of the five Interreg projects which SEStran is a partner in will be extended.

4. Recommendations

4.1 Committee is asked to note:

- progress on current projects outlined in the Projects Performance Report (appendix 1) including where impacts or delays have been recorded in relation to Covid-19;
- arrangements in place for SEStran’s membership within European Projects.

Anna Herriman
anna.herriman@sestran.gov.uk
 Senior Partnership Manager
 5 March 2021

Appendices	
Appendix 1	Projects Performance Report March 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 March 2021

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1. Strategy

1.1 Regional Transport Strategy



A new Regional Transport Strategy (RTS) for the SEStran region is under development. This is proposed to cover the period up to 2035, and it will respond to and allow for alignment to new 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.

To prepare for the development of the new RTS, a Main Issues Report published in May 2020 explored current issues, evidence and policy environment that together create the context for the new RTS.

The timing of the Main Issues Report meant that Covid-19 impacts were taken into consideration – highlighting the need for the RTS be able to respond flexibly to future uncertainty and impacts of travel restrictions and variable future travel demand scenarios. The lasting impacts of Covid-19 are not fully known at this stage, but it is widely acknowledged that impacts will be far reaching and include impacts on the economy, plans for land-use, transport systems and travel behaviour.

Latest developments:

- **RTS Development**

Programme revised

The development of the RTS is being delivered through consultancy support. The development will involve consulting key stakeholders, establishing of a case for change, appraising preliminary options and carrying out statutory assessments including a Strategic Environmental Assessment and Equalities Impact Assessment.

- Stantec were appointed to develop the new RTS in December 2020, following a procurement process through Public Contracts Scotland.
- Original delivery timescales were revised to remain in line with the development of other, linked strategies such as the Second Strategic Transport Projects Review (STPR2).
- The proposed final completion date of early 2022 has not changed, however the revised RTS delivery programme was agreed by the Board at its meeting on 20 November 2020.
- Desktop research has been completed, an approved Consultation and Engagement plan has commenced, and the Strategic Environmental and Equalities Impact Assessment processes are underway with scoping reports completed.

2. Strategic Active Travel Projects

2.1 GO e-Bike



In April 2018, SEStran launched GO e-Bike, a regional bike-sharing scheme funded by SEStran, with a contribution from the SHARE-North project. The first four GO e-Bike hubs were launched in St Andrews, Buckhaven, West Lothian and Falkirk. 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.

Latest developments:

- **GO e-Bike expansion with LCTT & TS funding** In progress
 - Cargo bikes have been transferred to Cargo Bike Movement, utilising the bikes in a series of projects in Edinburgh that reduce the vehicle movement and promote community sustainability.
 - The “[Do The Ride Thing](https://www.dotheridething.co.uk/)” campaign and website¹ were launched at the end of January 2021.
 - Hub installation has continued with docks completed at Jarnac Court and Eskbank, Midlothian and Brunton Hall and Musselburgh Station in East Lothian.
 - Bikes are being transferred to the sites in the first half of March and a launch date for the hubs will be agreed with local partners.

2.2 Regional Cycle Network Grant Scheme



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

Latest developments:

- **Kirkliston to Cramond Brig Pathway** In progress
 - SEStran are supporting Edinburgh Lothian Greenspace Trust with a feasibility for the upgrade of a pathway along the Almond River.
 - The current route has a number of accessibility barriers which are to be overcome and the potential for flood mitigation.
 - The finished study will present options for further work including links to new developments around Cammo and Edinburgh Airport.
- **Edinburgh BioQuarter** Delayed
 - Additional Work on the route to prepare final design for construction was due to commence this year. This work will facilitate the transition to construction through Sustrans Infrastructure Funding.

¹ <https://www.dotheridething.co.uk/>

2.3 Regional Active Travel Development Fund – Transport Scotland



The Regional Active Travel Development Fund was established between Transport Scotland and the Regional Transport Partnerships in 2018/19. SEStran made a proposal for projects in 2020/21 to Transport Scotland in March 2020 and was awarded up to £314,000 for this third year of funding.

Latest developments:

- **Project 1: Attitudinal Survey & Data Collection** In progress
 - “The Lines Between” were appointed to carry out a longitudinal behavioural survey work, commencing in July 2020. Initial research work has been completed and the baseline survey report is in the last stages of drafting.
 - The survey work takes up half of the allocated budget (at £48,100, including Baseline survey, Longitudinal surveys and Project Management). Data Collection costs are estimated at £50,000.
 - **Total award £100,000**

- **Project 2: ‘Do The Ride Thing’ Awareness Campaign** In progress
 - 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 has commenced for creative services and the development of media package and promotions.
 - **Total award £100,000**

- **Project 3: West Lothian Active Travel Projects** In progress
 - Completion of projects from 2019/20:
 - To provide active travel provision between Ecclesmachan and Threemiletown, providing a safe link to local bus services.
 - To provide a link from Bathgate Hills quiet roads through Bangour and connect to the Livingston green network.
 - Investigate a number of potential active travel links:
 - A89 Parallel Route – Easton Road Bathgate to Armadale
 - A904 Newton – South Queensferry
 - Linlithgow – Bo’ness (Links to Blackness & Falkirk)
 - West Calder – Harburn
 - Bathgate Hills Quiet Roads Initiative
 - West Lothian Council has reported a delay to the appointment of consultants and completion of the project is now expected by March 2021, within the current financial year.
 - **Total award £64,000**
 - SEStran successfully bid for resource funding to support the breadth of active travel projects that happen across the partnership.

- Officers conducted a procurement exercise for additional resource concluding on the 4th September 2020.
- *Total Award £50,000*

2.4 Cycle Training & Development – Cycling Scotland



This workstream supports and develops 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.

Latest developments:

- **Bikeability Scotland** *Delayed*
 - The current Covid-19 guidance on delivery of Bikeability and staff training means that there is currently little or no delivery across the region.
 - An access to bikes fund was made available for Local Authorities to apply for bike fleets to support Bikeability Scotland delivery. This was open to applications until mid-February.
- **GO e-Bike cycle training** *In progress*
 - Training is offered to all hubs as they are completed and as part of ongoing development plans.
- **Adult and Family Cycle Training** *In progress*
 - The Essential Cycling Skills course has been adapted in order to make the purpose of the sessions clearer. This has also involved development of new promotional materials. A trial and evaluation will be carried out with employers and individuals to determine the effectiveness of this approach once restrictions allow in the SEStran region.
 - A Cargo Bike training course has been developed and three sessions were delivered for volunteers collecting and delivering food for Edinburgh based charities before Christmas.

3. Strategic Public Transport Projects

3.1 Real Time Passenger Information (RTPI)



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, as well as 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.

Latest developments:

- **New Content Management System and hardware upgrades** Delayed
 - The new system passed the factory acceptance testing (FAT) in October which means that the project can now move to silent running testing.
 - The supplier delays with the FAT were due to Covid-19, integration of operator SIRI feeds will take place in March 2021.
 - Silent running testing will take place end March 2021 and if successful the new system will be handed over to CEC & SEStran in April 2021.
 - The test of the new system & new PCs undertaken at the Galashiels Interchange was successful with scheduled information displaying correctly.

- **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 April 2021.
- **RTPI Screens Network**
 - SEStran, in partnership with West Lothian Council, made a bid for Smarter Choices Smarter places funding to refit the Centre in Livingston with new RTPI hardware using the CEC/SEStran equipment framework. £10,000 from SEStran has been contributed to this refit.
 - SEStran is also providing £57,000 for the purchase screens for key locations in Clackmannanshire, Scottish Borders and Fife. This will use the above framework to procure the screens and their installation, by the contractor 21st Century/Journeo.

3.2 Thistle Assistance Programme



SEStran has developed the Thistle Assistance Card and App to make using public transport easier for older people and those with disabilities, illness or mobility issues. SEStran is currently working to identify funding to help evolve the programme and journey planning aspect of the scheme.

Latest developments:

- **Journey Planner App - Phase Two** In progress
 - SEStran has been successful in an approach to Scottish Enterprise for funding to run Phase 2 of the project in 2021/22.
 - SEStran will receive £150,000 to deliver a working prototype.

- A mini procurement competition will be run amongst the 5 phase 1 developers, bids will be invited for this in March 2021. Bids can be from individual developers or consortiums.
- The winner will be announced in April with work commencing in May 2021 running for 12 months.
- **Thistle Assistance Programme Update** In progress
 - Covid-19 update – SEStran has adapted the Thistle card and App to provide an exemption message for those that cannot use a face covering when using public transport. Messaging has been developed for print, social media and on the website².
 - To date over 60,000 cards and leaflets have been distributed and there have been over 8,000 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 to comply with Accessibility Standards Level A and AA Success Criteria of the Web Content Accessibility Guidelines (WCAG) version 2.1 and it complies with Cyber Essentials requirements.
 - A design for a new SEStran site is under development, but due to Covid-19, the timescale for identifying and addressing site management issues has not been met. A go live date for a new look site with desired new functionality, that fits with current branding is yet to be confirmed.

3.3 Newburgh Train Station Study



SEStran is carrying out an 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.

Latest developments:

- **Initial Options Appraisal** In Progress
 - The Phase 2 stage of the study, the ‘Initial Options Appraisal’³ was submitted to Transport Scotland for review on 18th of September.
 - The phase 2 stage was approved by Transport Scotland in December 2020 and published on the SEStran website.
 - Phase 3 work ‘Detailed Options Appraisal’ began in February 2021 and is expected to take 6 months.
 - £37,834 of the £82,000 budget has been claimed for the work to date.

3.4 South East Scotland Transport Transition Group



² <https://www.thistleassistance.com/travel-safety/>

³ https://sestran.gov.uk/wp-content/uploads/2020/02/Newburgh-Preliminary-Options-Appraisal-Report_Nov2020_revA-inclAppendices.pdf

The South East Scotland Transport Transition Group was established in June as a temporary grouping, to develop and oversee a Regional Transport Transition Plan for the transition period following Covid-19 lockdown restrictions. The Group brings together local, regional and national partners to jointly plan for the management of transport related measures needed during this period.

Latest developments:

- In progress
 - Development of South East Scotland Transport Transition Plan**
 - SEStran has a key role coordinating the development of the South East of Scotland Transport Transition Plan, and ensuring it is kept up to date as guidelines change and issues and opportunities arise.

- In progress
 - Bus Priority Rapid Deployment Fund bid**
 - Two bids by the grouping to Transport Scotland’s Transport Scotland Bus Priority Rapid Deployment Fund attracted £1.8M in total, with the City of Edinburgh Council acting as lead applicant. The second tranche of funding included a wider range of temporary bus-supportive measures across the region, with this work led by SEStran.

- In progress
 - Region-wide sub-group**
 - SEStran leads on a range of region-wide interventions including trialling public transport capacity information (as mentioned in section 3.1), exploring the feasibility of improved public transport through an expanded DRT approach, and Thistle Assistance mask exemption.

3.5 Bus Service Improvement Partnerships



The Bus Partnership Fund (BPF) is a £0.5Bn fund announced by Transport Scotland in November 2020, to fund the development of permanent bus priority infrastructure. Bids are invited from partnerships, led by a local authority, which are working towards a Bus Service Improvement Partnership (BSIP) status. BSIPs must be collaborative partnerships involving bus operators and other relevant partners. SEStran is actively supporting the development of three currently emerging BSIPs and their bids, to help maximise investment in bus priority infrastructure into the SEStran region, and ensure that bids within the region are complementary.

Latest developments:

- In progress
 - Fife Bus Partnership and BPF bid development**
 - A bid to the BPF addressing serious, localised congestion issues that affect the performance of bus services within and across Fife is finalised for submission in April, led by Fife Council.
 - A partnership grouping with Fife Council, SEStran and bus operators was established in 2020, with Terms of Reference agreed, in advance of a formalised Bus Improvement Partnership.
 - SEStran is providing initial secretariat support for this partnership, and has made a contribution of £5,000 towards the development of Bus Partnership Fund bid.

- In progress
 - Edinburgh and south east of Scotland BPF bid development**
 - A bid growing out of the Bus Priority Rapid Deployment Fund award for temporary bus priority interventions focusses on Edinburgh-bound corridors. The bid, led by City of Edinburgh Council, will

be submitted in April and involves six local authorities and operators with services on key city bound corridors.

- SEStran is involved in discussions at all levels of this grouping to help identify and prioritise a range of permanent bus-supportive measures.
- **Forth Valley Bus Alliance and BPF development** In progress
 - A bid to the BPF is planned, to address some of the more challenging congestion issues affecting the performance of bus services and affecting commuters travelling within the Forth Valley and central area of Scotland.
 - An alliance comprising key bus operators and three Councils agreed both membership and terms of reference in autumn 2020.
 - SEStran is providing secretariat support for the Alliance and has made a contribution of £5,000 towards the development of Bus Partnership Fund bid.

4. Freight and Logistics Projects

4.1 Forth Freight Study



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.

Latest developments:

- **Case for Change** In progress
 - The Case for Change STAG Phase One work is complete, including data collection, desktop review and wide stakeholder engagement.
 - A further round of stakeholder engagement took place in November, prior to finalising the draft Case for Change.
 - The Case for Change was submitted to Transport Scotland in December.
 - In recognising the impacts of Covid-19, Transport Scotland has extended the delivery timescale for LRDF projects. The revised completion date for the Forth Freight Study is now June 2022. £68,000.00 from the £150,000.00 budget has been invoiced to date.

5. European-funded Projects

5.1 SHARE-North



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.

Latest developments:

- **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 nearing completion.
 - SEStran is supported Fife Council in identifying funding 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 Sustrans Scotland is on hold along with other applications to the Places for Everyone fund.
- **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 is now seeking a 6-month extension to the project, subject to formal agreement of the Programme Secretariat.
- **Tripshare SEStran** Reduced service
 - Due to the ongoing impacts of Covid-19 and Scottish Government guidance on carsharing, SEStran is not actively promoting the Tripshare SEStran platform. A reduced level award to Liftshare provides for a one-year contract to maintain the platform and retain existing members during this period.
 - Further decisions on how trip sharing opportunities are to be procured and provided will be taken in 2021, subject to a review of national policies on public health and car sharing and other trip-sharing approaches within Scotland.

5.2 SURFLOGH

Interreg North Sea Region – Jun 2017 to Oct 2020



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, delivering a pallet worth of small package deliveries by cargo bike weekly, and the study is in an advanced stage.

Latest developments:

- **Development of business case with Edinburgh Napier University** In progress

- SEStran is leading on the Interreg project’s work package, along with Edinburgh Napier University Transport Research Institute (TRI), developing business models for urban freight hubs.
- To date the Literature review, Business Model Framework and Edinburgh Case study have been completed.
- SEStran & Edinburgh Napier University are working on a proposal for an extension to the project with the project partners. This is due to be submitted to the EU Joint Secretariat in March 2021 and if successful will provide a further 18 months’ work.
- **Edinburgh Pilot – ZEDIFY** In progress
 - Following the success of the early stages of the project, a procurement process for services to expand the initial pilot project was carried out in October 2020, and ZEDIFY were successful.
 - ZEDIFY have a new site in Leith in Edinburgh to run an expanded Edinburgh logistics hub following a successful pilot test.
 - SEStran via SURFLOGH & Paths for All Funding will be supporting the development of the hub with £50,000.
- **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 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.
 - The plans for the new hub are being finalised with a launch date of April/May 2021 in the pipeline.

5.3 BLING

Interreg North Sea Region – Jan 2019 to June 2022



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.

Latest developments:

- **Development of Edinburgh Pilot** In progress
 - The Design Informatics team at the University of Edinburgh, supported by SEStran, is prototyping ways to create Location Based Smart Contracts – agreements about the location and relations of smart objects in space that allow conditions such as proximity or co-location to trigger actions like financial transfers or opening physical locks. These systems are backed with blockchains, to explore new techniques to make location data secure without being invasive.
 - The pilot is called ‘GeoPact’⁴

⁴ <https://northsearegion.eu/media/14062/geopact-pictorial-tallyn-2020.pdf>

- The next stage of the research successfully tested a Smart Contracts interface that can be easily used and adapted in the ‘real world’.
- The latest work was presented to the BLING Partnership in November 2020 with partners participating in further testing.
- The University of Edinburgh and SEStran were successful with a submission of a full paper on the project to the Conference on Human Factors in Computing Systems (CHI)⁵ in May 2021.
- The project Mid-Term conference⁶ will be held online on the 3rd March 2021.

5.4 PriMaaS

Interreg Europe – Aug 2019 to Jan 2023



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.

Latest developments:

- **Baseline Assessment and MaaS Action Plan** In progress
 - SEStran has worked with partners to feed into the Baseline Assessment Report, establishing a baseline of MaaS levels in each of the partners’ regions. This will help identify best practices and develop an Action Plan for the SEStran region.
 - SEStran has started exploring options for MaaS and Demand Responsive Transport (DRT) in the region and is considering different funding avenues for such a project, such as the Transport Scotland MaaS Investment Fund.
 - The idea for a DRT/MaaS platform was presented at the Equalities & Access to Healthcare Forum on 2 October and the Integrated Mobility Forum on 8 October, inviting forum members to share their views and comments.
- **Project activities and partner meetings** Delayed
 - The project partners met online in October to discuss progress of project activities and budget. Due to Covid-19 and government restrictions, many project activities have been delayed and has resulted in underspent budget.
 - The consortium as a whole is now seeking a possible 6-month extension to the project, subject to formal agreement by the Joint Secretariat of the funding programme.

5.5 CONNECT

Interreg North Sea Region – Oct 2019 to Mar 2022



[CONNECT’s](https://northsearegion.eu/north-sea-connect) 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>

⁵ <https://dl.acm.org/conference/chi>

⁶ <https://northsearegion.eu/bling/news/bling-conference-blockchain-public-services-across-europe-3-march/>

Latest developments:

In Progress

- **Project Kick-Off**
 - The project 'kick-off' meeting took place online on the 1st & 2nd of September 2020 hosted by the lead partner in Hamburg. SEStran attended online.
 - The next partnership meeting will be held online in March 2021.
 - SEStran will be leading on a work package based (WP3) focussed on sharing of best practice.

6. SEStran forums & 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 in the last quarter:

- **Logistics and Freight Forum**
 - The forum last met on the 9th December 2020 and provided feedback to the draft Case for Change report produced for the Forth Freight Study.
 - The forum had presentations from SURFLOGH partners the Cities of Groningen & Mechelen on their successful approach to sustainable logistics.
 - The forum also had a presentation on the latest work on Levenmouth Reconnected.
 - The next forum will take place in May 2021.

GO e-Bike Project Impact Report

1 INTRODUCTION

- 1.1 This report provides an assessment of the overall impact and value of the ongoing **GO e-Bike** project that commenced in April 2018. GO e-Bike represents a total investment of £614,000 into transport, and into communities within the region. GO e-Bike is reaching the end of its second phase, with the implementation of community e-bike hubs and stand-alone stations completed. This report reflects on evidence of the positive impact of GO e-Bike project so far, referring to the latest annual summary report for 2019/20, which is based on surveys, case studies and monitoring of demand / use levels. The GO e-Bike annual summary report is appended for information on activities in that year.
- 1.2 This report has been produced in response to an action agreed at Performance and Audit Committee in June 2020.

2 THE GO E-BIKE PROJECT

GO e-Bike Core Aims

- 2.1 GO e-Bikes core aims are:

To improve access to and promote the use of e-bikes across the SEStran region. SEStran studies show that within our region there are gaps in public transport provision that act as barriers to accessing, work, hospitals, leisure, social interaction. Areas in the region with lower levels of public transport often also score high on the Scottish Index of Multiple Deprivation.

To use e-bikes to help address gaps in public transport provision in the region. These gaps act as barriers to accessing work, hospitals, leisure, social interaction.

To promote a healthier more active population, reduce inequalities in our communities and improve our environment.

E-bikes can make longer journeys easier or make any active travel journey more appealing for those who don't usually ride bikes. They can open up opportunities for cycling for people with a range of health, strength or mobility challenges. E-cargo bikes can also facilitate sustainable, cost efficient local deliveries and logistics for local groups and small businesses.

To develop sustainable hubs through a supportive network and partnerships. SEStran considers that developing a network will help achieve higher levels of bike use and secure long-term viability for community run hubs.

GO e-Bike Project Approach

- 2.2 GO e-Bike involves the set-up of e-bike hubs, developed with a range of partners - Local Authorities, community organisations, charities and academic institutions. E-Bikes and support infrastructure are provided based on an assessment of the requirements for each hub, agreed with local stakeholders. Hubs can be community e-bike hubs managed by a local group, or fully stand-alone hire stations with e-bikes, or in the case of the Forth Bike scheme, be additional hubs within an existing e-bike network. SEStran takes a partnership approach, with local community groups or voluntary organisations, to facilitate the establishment of community led e-bike hubs. A unique approach to partnership arrangements is required for each hub location; the development of the overall project and the hub delivery is therefore responsive and flexible. The approach taken to setting up and supporting the hubs promotes the development of a regional network of sustainable e-bike projects moving beyond a standalone funding award.

Project background and wider context for e-bikes

- 2.3 SEStran has promoted and supported the use of e-bikes for some years through its Sustainable and Active Travel Grants, in recognition of their potential to support longer distance active travel journeys. In 2017, a number of Grant applications for e-bikes prompted the creation of GO e-bike, taking a consistent approach, through linked hubs, to deliver e-bikes on a wider scale in the region. This included SEStran funding the UK's first electric-only bike share system, Forth Bikes, which operates throughout the Forth Valley.
- 2.4 SEStran secured funding from the Low Carbon Travel and Transport (LCTT) Fund in June 2019. The award was announced in August 2019 shortly after Transport Scotland's announcement of e-bike purchase loans for individuals, and funding for organisations to create e-bike fleets. The additional LCTT funding has helped GO e-Bike to successfully deliver hubs in further locations within the region.
- 2.5 E-bikes are now firmly in the mainstream of bike riding in the region which will sustain demand. The UK's largest entirely e-bike retailer showroom has just opened in Edinburgh; the Electric Cycle Company has expanded to a facility on Telford Road Edinburgh displaying ranges of e-bikes for daily riding, mountain biking, and cargo bikes.

GO e-Bike Hubs

- 2.6 Through GO e-Bike, SEStran has funded eleven hubs in the region, from providing e-bikes only, to also providing e-cargo bikes, lockers, maintenance, training and volunteer development, and right up to providing full stand-alone 'stations' with infrastructure, or across the region.

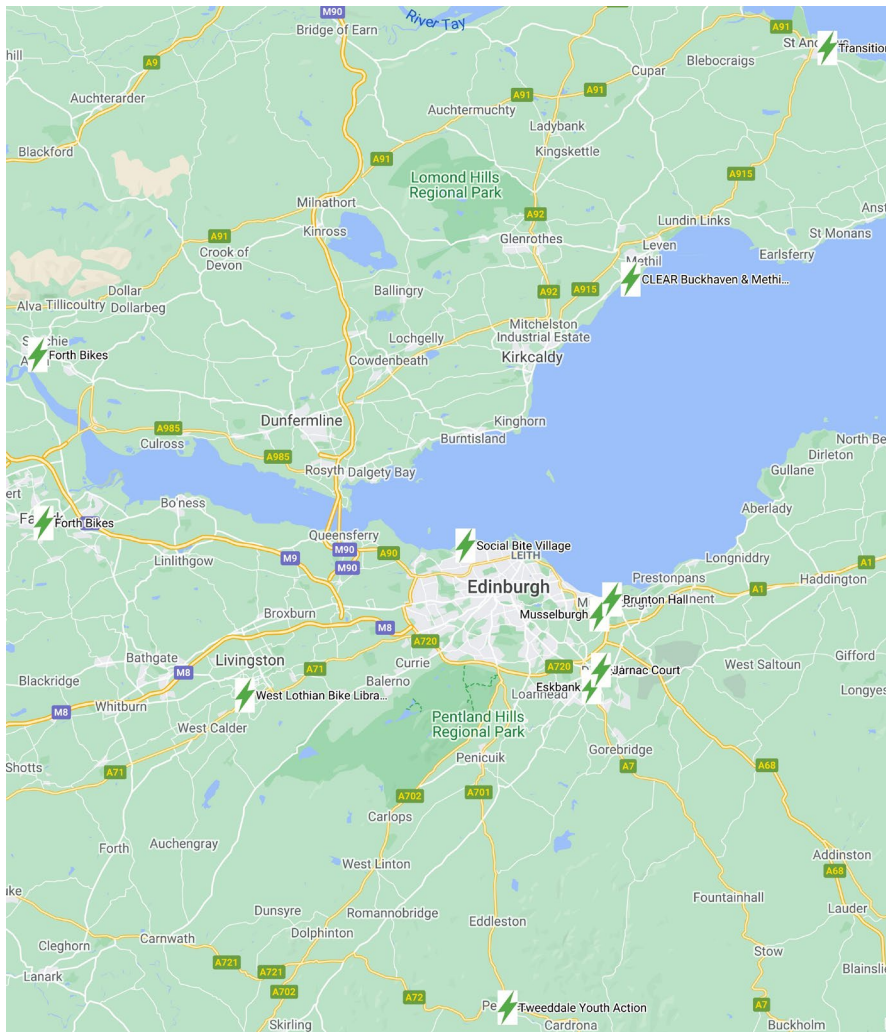


Figure 1 - Go e-Bike project locations

Investment overview

2.7 The delivery of hubs is a clear measurable output, and their installation appears effortless but is in reality the result of significant partnership work to prepare and coordinate installation. As described, each hub's requirements are unique, and investment package reflects the location and type of hub. A summary breakdown of the funding investment into GO e-Bike hubs is as follows:

Location	Number of e-Bikes provided	Other equipment	Total GO e-Bike funding from SEStran to date
Social Bite Village Edinburgh	8 e-bikes	Hangar sheds and lockers	£40,000
Forth Bike Clackmannanshire	6 e-bikes	1 station (stand-alone secure parking with ducted charging)	£73,000

Brunton Hall East Lothian	10 e-bikes	1 station, groundworks and supporting infrastructure	£104,000
Musselburgh Station East Lothian	10 e-bikes	1 station, groundworks and supporting infrastructure	
Forth Bike , Falkirk	10 e-bikes	1 station	£73,000
CLEAR Buckhaven , Fife	6 e-Bikes 1 e-cargo bike		£25,000
Transition St Andrews , Fife	19 e-Bikes	Smart locks, app access and licensing.	£61,000
Jarnac Court, Midlothian	10 e-bikes	1 station, groundworks and supporting infrastructure	£104,000
Eskbank, Midlothian	10 e-bikes	1 station, groundworks and supporting infrastructure	
Tweeddale Youth Association Bike Punks Borders	10 e-bikes 2 e-cargo bikes	Bike Storage, panniers, locks and helmets.	£55,000
West Lothian Bike Library West Lothian	9 e-bikes 1 e-trike		£37,000
Employer Bike Pool	12 e-bikes	Smart locks, app access and licensing	£42,000
TOTAL	112 e-bikes		£614,000

GO e-Bike Scope of SEStran role

- 2.8 In addition to the funding investment, the scope of supportive partnership work that SEStran undertakes in relation to the GO e-Bike project includes:
- Monitoring and reporting on funding, including preparation of funding claims and financial management;
 - Liaison and communication with partners including the relevant local authority, community organisations, charities and/or academic institutions;
 - Procurement and contract management of an e-bike provider in relation to the provider's role (Bewegen Technologies Limited);
 - Coordination of the delivery of infrastructure at proposed hub sites identified in partnership with local authority, energy providers, construction teams;

- Overseeing establishment of local maintenance arrangements with partners for ongoing support for each GO e-Bike hub;
- Arrangement or provision of cycle training, in association with Cycling Scotland, including for using cargo bikes;
- Employer liaison, training and bike provision;
- Employer Roadshow scheme also provided short term trials of e-bike fleets to employers to promote active travel, to remove perceptual barriers they and employees may have to the potential benefits of e-bike use;
- Development and delivery of the Do the Ride Thing and GO e-Bike marketing campaign.

3. EVIDENCING IMPACT AGAINST PROJECT AIMS AND WIDER OUTCOMES

Impact against GO e-Bike Project aims

- 3.1 SEStran's hub partners and station partners provide updates on progress, which can be used as evidence of impact and progress against project aims. The benefits reported by the hubs can reflect the context of each community organisation – and with voluntary boards and often staffed by volunteers, reporting styles do vary. Nonetheless, evidence can be extracted from updates provided by the hubs, and this is apparent in the attached annual report. Examples that show progress or impact against SEStran's GO e-Bike project aims are outlined below.
- 3.2 To improve access to e-bikes and promote the use of e-bikes across the SEStran region
- Forth Bikes scheme was, with GO-e-Bike funding, able to provide two further e-bike stations. This created vital links for populations settlements in the Forth Valley, and improved access to the bikes for a expanded population, with a diverse demographic. The combined population of Falkirk and Clackmannanshire is just over 200,000. 10 of Clackmannanshire's data zones fall in the 15% most deprived areas in Scotland, and 35 data zones in Falkirk fall in the 20% most deprived areas in Scotland.
 - In the Transition St Andrews hub, e-bikes are used by St Andrew's University staff for both work trips and over the weekend. The bikes recorded an average mileage of 660 miles per year, per bike. With a fleet of 19 e-bikes, their presence around the campus and city has helped increase general awareness of e-bikes in the area.
 - In Peebles and Innerleithen, Tweeddale Youth Association promoted its e-bikes in high street locations for local festivities, and at local events taking place in the Tweed Valley area, to raise awareness of the availability of the bikes to wider audiences. They were also made available at local hotels for visitors to the area and for use on led-rides at events, led by trained volunteers, thus increasing the visibility of e-bikes in the area.

- West Lothian Bike Library offers e-bikes for hire for a small fee, but in certain circumstances, they are loaned to community groups or individuals. A partnership between West Lothian Bike Library and a local holiday park has provided access to e-bikes for visitors during their stay, further increasing the visibility of e-bikes in the area and providing additional income to West Lothian Bike Library.

3.3 To use e-bikes to help address gaps in public transport provision in the region.

- In Dalkeith and Musselburgh, the train stations are located outside the town centre. E-bike stations have recently been installed at these points to improve access between the stations, town centres and wider area for local people and visitors. These sites are new, so data on usage is not yet available, however the bikes at these new standalone stations will allow for route tracking, which will facilitate data gathering on levels and patterns of use.
- At Social Bite Village in Granton, access to public transport is limited but there are good links to the off-road cycle network. For village residents, the availability of free e-bikes provides flexible and convenient mode of transport to access training, employment, services or leisure activities. (It has been reported that due to the availability of the e-bikes one older resident has also been enabled to continue their artistic practice by transporting essential materials and being able to travel around the city).

3.4 To promote a healthier more active population, reduce inequalities in our communities and improve our environment.

- At CLEAR in Buckhaven volunteers regularly use the hub's e-cargo bike to help carry tools, materials or cleared matter. Volunteers, including those that do not drive, are able to carry out tasks and activities across a larger area without reliance on a car or van. This has expanded the local area of impact of the organisation and increased volunteers' ability to take part in these activities independently and in small groups.
- At Tweeddale Youth Action hub, the two e-cargo bikes were used by trained young people who were volunteering within the charity's catering project (Food Punks). The bikes were used to help access local events, making it easier to move equipment and supplies on site.

3.5 To develop sustainable hubs through a supportive network and partnerships.

- SEStran has utilised organisational knowledge of local areas and existing cycle groups and community networks to provide support to the hubs as they are set up and help develop a wider regional support network. Knowledge sharing days and trips between hubs have helped to build the capacity of hub partners.

- West Lothian Bike Library has shared e-bike and e-cargo bikes with other local community groups, such as local food distribution charities, thus developing stronger links and expanded customer base within their communities.
- West Lothian Bike Library arranged for access to e-bikes for NHS key workers since the beginning of Covi-19 restrictions, thus developing an important partnership link into mainstream health services and for individuals employed in health care.
- Through SEStran's ongoing partnership with Cycling Scotland, the jointly funded Regional Cycle Training and Development Officer has arranged tailored training and support for the Go e-Bike hubs. This has increased the capacity of hub organisations and helped expand the number of trained cycle leaders and trainers.
- SEStran has developed a website for [GO e-Bike](#) and a marketing campaign to support the project, called '[Do The Ride Thing](#)'¹. The campaign aims to promote and support using a bike (including e-bikes) or other wheels to get around. The campaign aims to provide advice and information about cycling and active travel – to encourage everyone to travel this way as much as possible with the core message – “it’s good for you, good for others and good for the planet.”

3.6 Evidence of impact and value against SEStran's core objectives

The GO e-Bike Annual Report demonstrates there are additional socio-economic and environmental outcomes which arise from the availability of e-bikes and GO e-Bike hubs. These directly relate to and contribute to SEStran's four core Strategic Objectives expressed in the 2015-25 Regional Transport Strategy (which in turn align with the four priorities of the Second National Transport Strategy):

- Economy – to ensure transport facilitates economic growth, regional prosperity and vitality in a sustainable manner;
- Accessibility – to improve accessibility for those with limited transport choice (including those with mobility difficulties) or no access to a car, particularly those living in rural areas;
- Environment – to ensure that development is achieved in an environmentally sustainable manner;
- Safety and Health – to promote a healthier and more active SEStran area population.

Environment

- **Reducing emissions.** The Transition St Andrews GO e-Bike fleet of 19 bikes had, by the end of year two, undertaken 11,556 miles with an average of 660 miles per year per bike, with many hires for short duration trips across town or for meetings within University campus sites. An additional survey found that e-bike journeys displaced 23%

¹ <https://www.dotheidething.co.uk/>

of staff private car journeys, equating to 2657miles at 280gCO2/miles, and saving 0.7tCO2e.

Economy

- **Promoting skills and employability.** Eight young people from the Tweeddale Youth Action group in the Scottish Borders went through the Cycling Scotland's certificated [Cycle Ride Leader and Led Ride Assistant Course](#). Completion of this course has enabled some of the young people to go on to support led rides being run by other local cycling organisations. Full details of training and support provided as part of the project can be found in the 2019/20 Go e-Bike Annual Report.
- Tweeddale Youth Action also involved young people in using the e-cargo bikes to trial micro enterprise approaches, including a sustainable delivery service with local takeaway restaurants and a sustainable waste collection service for local businesses and for individuals.
- In St Andrews, staff are required to undertake [Cycling Scotland's Essential Cycling Skills](#) training before using the e-bikes, this has resulted in over 100 individuals receiving the training, improving their skills, confidence and awareness when riding a bike.

4. COVID-19, HUBS OPERATION AND RESILIENCE

- 4.1 A flexible and strong partnership relationships appear to be factors in the resilience of the overall GO e-Bike project in dealing with rapid changes during the Covid-19 pandemic. During spring and summer 2020, a significant increase in bike hire and usage was reported. Forth Bikes recorded 9,000 trips totalling 22,000 miles in the March to June period, which was half the annual total of the previous year. This was entirely in keeping with trends everywhere for greater levels of cycling (the same period saw demand for bike purchases exceed supply in south east of Scotland, as worldwide).
- 4.2 In summer 2020, Tweeddale Youth Action notified SEStran that, in line with national guidelines, it had ceased its activities around its e-bike project. SEStran arranged for all e-bike assets to be temporarily loaned to West Lothian Bike Library and to another project, Forth Environment Link, to help meet increased demand for bikes. In autumn 2020, TYA concluded they were no longer able to run the hub/project, and SEStran worked hard to secure a nearby organisation, Tweed Valley Tourism BID, to prepare to take on the running of a hub. This will have a distinct focus, but also be more visible and accessible for local uses.
- 4.3 There were delays to planned installation of electrical ducting, station base slabs and bike racks in East Lothian and Midlothian due to restrictions around contractor working arrangements, and this led to a later backlog. The installation of the hubs was finalised in February 2021, following several meetings to re-arrange dates and permissions with services and the Local Authorities.

4.4 The 'Do The Ride Thing' online campaign was adapted to support COVID-19 Scottish Government messaging² in summer 2020, and to help promote positive active travel behaviours, in response to the rapid increase in levels of cycling and active travel during the first lockdown, particularly with people new to cycling.

5. CONCLUSION

5.1 The GO e-Bike project gathers project updates from the hubs and partners each year, to help inform the project's annual reports. It is apparent that for a project involving significant investment, the network that has been developed is providing a high quality and affordable, sustainable travel and journey option in areas of the region that may have less local mobility options than large urban areas. The network is delivering positive impact around travel choices and behaviour.

5.2 The process of assessing the impacts of the project for this report has been beneficial. It has illustrated how a network of funded hubs and their activities deliver against the projects core aims, and it has shown that the project contributes to SEStran's Regional Transport Strategy objectives, which align to the Second National Transport Strategy priorities.

6. Recommendations

6.1 Committee is asked to note the positive value and impact in the region outlined in the GO e-Bike Impact Report and Go e-Bike Annual Report 2019/20.

Name Anna Herriman
Job title **Senior Partnership Manager**
Date 5 March 2021

Policy Implications	There are no new policy implications arising from this Project Impact Report
Financial Implications	There are no new financial implications arising from this Project Impact Report
Equalities Implications	There are no new equalities implications arising from this Project Impact Report
Climate Change Implications	There are no new climate change implications arising from this Project Impact Report

Appendices

Appendix 1 GO e-Bike Annual Summary 2019/20

² <https://www.dotheidething.co.uk/covid-19/>

Go e-Bike 2019-20 Summary Report



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Introduction

Go e-Bike aims to improve access to and promote the use of e-bikes across the SEStran region. The project involves the set-up of e-bike hubs, developed with a mix of Local Authorities, community organisations, charities and academic institutions. E-Bikes and support infrastructure are provided based on an assessment of the requirements of the proposed hub in partnership with local stakeholders. Each hub is unique and tailored to its community to support long term sustainability.

Ongoing support is provided for each GO e-Bike hub. SEStran also offers cycle training in association with Cycling Scotland. Each hub supports the sustainability of the program by helping to promote GO e-Bike and contributing to ongoing research.

By providing access to e-bikes locally, GO e-Bike aims to promote a healthier more active population, reduce inequalities in our communities and improve our environment. GO e-Bike currently has five hubs in operation with a further two in development. Alongside the hubs, an Employer Roadshow scheme ran from May to October 2019, offering short term trials of e-bike fleets to employers to promote active travel.

This report provides a summary of year two of the Go e-Bike project during 2019/20.



2018/19 GO e-Bike Hubs – Year 2 Summary

West Lothian Bike Library - Local e-bike loans West Lothian

West Lothian Bike Library (WLBL) is a not for profit, community interest company (CIC). They help people to get active and connected through cycling and associated activity. They aim to tackle inequalities in health by making cycling an activity for all, regardless of background, income or ability.

They run a range of projects and activities aimed to improve health and increase independence, confidence, employability and skills. Where cost is a barrier to cycling, recycled bikes are donated and/or loaned free of charge to those in need. They also offer low cost repairs and sales of recycled bikes meaning more people can own a bike and keep it on the road cheaply, whilst raising funds to enable us to donate services to those who need them.

As part of the first year of Go e-bike, nine standard e-bikes were offered on short hire periods with a try before you buy offer of £25. E-bikes are available for the week (Monday – Friday) or weekend (Saturday-Sunday). E-bikes were also offered out for free or for longer time periods in certain circumstances, for instance individuals recovering from injury or to those on lower incomes.

One e-trike was also included to open up the offer to a wider all-ability audience and is available on longer term loan. A referral scheme was established with PedalPower Bike Shop, the Giant e-bikes which were stocked there were chosen to offer a try before you buy offer with a negotiated 10% discount in lieu for the promotional work.

Year two summary

WLBL continued their referral scheme with Pedal Power Bike Shop and continued to loan out their fleet of e-bikes. Additional opportunities were developed to work with local holiday accommodation providers to offer out e-bikes for hire. WLBL also supported the Employer scheme in the second year. Following the end of the Employer roadshow in October 2019, the fleet of e-bikes were provided to WLBL to increase their available fleet for loan to the local community. Two fleet bikes that were no longer serviceable were provided to West Lothian College to support technical training for students.

Transition St Andrews - St Andrews University staff pool bikes

In Fife, University of St. Andrews's 300 staff were provided access to a fleet of twelve Gazelle e-bikes providing an alternative travel mode for staff at the different campus sites including those moving to the new Eden Campus which is four miles from the centre of town. The e-bikes are available on either a short or long-term basis, accessed via smart lock and app technology.

Staff were required to undertake a short induction into the Go E-Bike's as part of the Universities Health and Safety procedures to check on competence and provide some guidance. Initially, this was seen as a barrier to take up, but this concern has not been borne out by the consequent bookings. The first cyclists were trained on the 18th June 2018 and over 100 members of staff have undertaken training up to March 2019.

The main aims of the GO e-Bike project for the University of St Andrews were to reduce private car use by:

- Providing an alternative travel mode for staff moving to the new the Eden Campus which is 4 miles from the centre of town.
- Creating a new transport link between the Town and Leuchars train station for staff
- Providing staff with a fast and efficient method of moving around town without vehicles
- Promote Cycling and E-Bikes as a way of commuting to work

Year two summary

An additional seven e-bikes were added to the St Andrews hub in 2019, increasing the fleet to 19 e-bikes. It has continued to prove popular, with a total of 2078 hires from March 2019-March 2020. There were also 99 staff who went through Essential Cycling Skills training to enable them to use the bikes and there were 98 total users. Most users are regular with 75 people undertaking three or more hires and 18 people more than 30 hires. The fleet has now undertaken 11,556 miles with an average of 660 miles per year per bike. Many hires are for short duration trips across town or for meetings within work. An additional survey found that E-Bike journeys displaced 23% private car journeys (2657miles at 280gCO₂/miles) saving 0.7tCO₂e.



CLEAR Buckhaven – Fife

Six e-bikes were available on loan mainly for work (occasionally leisure) activities to the staff and up to 40 volunteers of CLEAR (Community-Led Environmental Action for Regeneration). Active community organisation CLEAR is based in Buckhaven a former mining community on the central Fife coast, part of the Levenmouth conurbation – the largest settlement in Scotland with no rail links.

An electric cargo bike is shared by trained staff to move tools and produce between community growing spaces, orchard and woodland sites comprising over 10,000 trees. The e-cargo bike has freed up staff resources and provide a low-carbon alternative to transport tools and various produce from the orchards.

Year two summary

The e-bikes are in regular use by CLEAR volunteers to carry out tasks around Buckhaven, one has been provided on long-term loan to the staff of another local charity. The e-bikes are also being offered for one-time bike runs (usually older people) or for test runs. The cargo bike is in periodic use to support the bike workshop (ferry donated bikes from lockup to workshop) as well as to support community gardening activities (carry planting/gardening items between sites).



2019/20 GO e-Bike Hubs – Year 1 Summary

Bike Punks Tweeddale Youth Action – Scottish Borders

Background

Tweeddale Youth Action is a youth led organisation. Through providing free opportunities for all they support young people to access advice, develop skills, confidence, a sense of belonging and responsibility within the community.

Bike Punks started in 2015 as part of Tweeddale Youth Action's Climate Challenge Funded project to raise awareness and encourage behaviour change in young people in Tweeddale.

Through Bike Punks, young people are taught how to repair and maintain bicycles as well as fixing up donated bikes. In addition to this, Bike Punk lead, artist, sculptor and metal worker, Aegir Maciver supports young people to design and build items using scrap bicycle parts.

The Go e-Bike project supported Bike Punks to expand the offer available from their hub in Innerleithen through the provision of ten e-bikes for affordable public hire. Bike Punks were also provided with two e-cargo bikes to develop and explore micro-enterprise opportunities.



Year 1 Summary

Bike Punks had a busy first year exploring different opportunities for using the e-bikes and e-cargo bikes in their local community. Ten e-bikes were offered out to the public for hire. This offer was supplemented by advertising the e-bikes at a variety of events and on local high streets during weekends. To increase awareness and availability of the e-bikes, they were also hosted at local hotels and other local businesses.

The two e-cargo bikes were used in a variety of ways. The e-cargo bikes were utilised to support the catering arm Food Punks at local events, making it easier to move equipment and supplies on site. A number of trials were also implemented, including a sustainable delivery service with local takeaway restaurants and a sustainable waste collection service for local businesses and for individuals.



Local young people have taken part in Cycle Ride Leader training through SEStran’s partnership with Cycling Scotland. This training provided them with the skills to take groups on led rides around the local area utilizing the fleet of e-bikes. Following on from this training, a four-day Cycle Trainer course was delivered at the hub to enable the staff and a small group of young people to go on to train children and adults themselves in the local area.

Social Bite Village – Granton

Background

The Social Bite Village is located in Granton, Edinburgh, approximately 5 miles by bicycle to most central Edinburgh attractions. The Social Bite Village is a project that combines an innovative housing model, using vacant council owned land, along with a supported community environment. The project is entirely geared at breaking the cycle of homelessness and giving residents pathways into employment and permanent housing.

The GO e-Bike scheme aimed to help community members including staff and volunteers be better connected to the surrounding area, the cycle path network and the centre of town. The easy access to the network of cycle paths also makes it easier for those without the road skills or confidence to get around.

The E-Bikes can also be used by community members for visiting their friends and family. The provision of e-bikes enables travel that is free, not limited to timetables, and is inclusive for broad levels of fitness.

Year 1 Summary

The Social Bite Village hub has eight e-bikes available for use by residents and staff. The e-bikes are in place to enable improved accessibility for residents and provide a flexible, free and active mode of transport. The project was also supported by provision of secure cycle storage on the site. The e-bikes enable improved access to employment opportunities and support services and increased opportunity for active travel with the added benefits to physical and mental health.

Developing a network

An important element of the Go e-bike project is promoting shared learning between the hubs as well as with other SEStran partners to create a network and to support sustainability of the individual projects. Some examples of this include:

- Prior to launching their Bike Punks hub, Tweeddale Youth Action (TYA) staff met with West Lothian Bike Library to learn from their experiences in year 1 of the Go e-bike project.
- Staff from West Lothian Bike Library and TYA were introduced and held a meeting with SEStran partner Zedify, to explore the potential of cargo bikes in supporting their organisations activities.
- TYA travelled to Recyke-a-Bike in Falkirk to understand their operations and receive advice in using cargo bikes.
- A TYA staff member also spent the day shadowing at West Lothian Bike Library.
- West Lothian Bike Library also provided support to the hub at Social Bite Village in Granton with an informal training session for residents on basic maintenance and care of the e-bikes.
- The Social Bite Village hub was connected up with the Sustran's Cargo Bike Library and provided the opportunity to trial a selection of the bikes to support food collections.

Employer Roadshow

The employer roadshow offered employers a free trial of smart lock enabled e-bike fleets for 2-6 weeks. The roadshow offers employers the opportunity to gauge interest in a pool bike scheme as a long-term solution of employers paying for e-bikes as part of their business travel and provides employees with the opportunity to try out e-bikes before making a purchase.

In 2019, the project was managed by SEStran and operated by West Lothian Bike Library CIC (WLBL). Employers were identified to sign up to the scheme via promotion at relevant events and meetings, through Cycling Scotland's Cycle Friendly Employer scheme, and on the Go e-Bike website.

Meetings were held with interested employers to explain the scheme, arrange start/end dates and identify employee champions to support and promote. Free Essential Cycle Skills training and led rides were offered to all employers as part of the trial. Promotional materials and information leaflets and training resources were also made available.

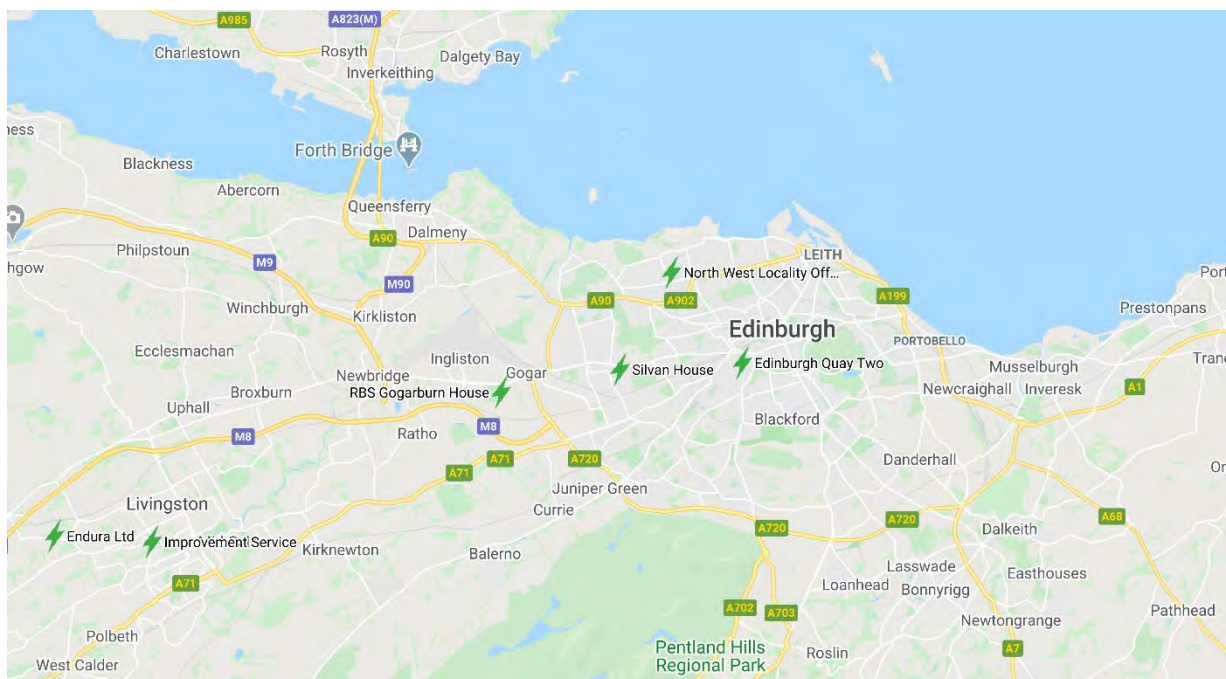


Figure 1 -Go e-Bike Employer Roadshow Locations

Between May and October 2019, the Go e-Bike employer pool of ten e-bikes was provided to ten employers at six different sites as highlighted in figure 1. WLBL visited sites weekly to carry out maintenance on the e-bikes and charge batteries. Sites were within the central belt so that WLBL could efficiently manage the trial and be on call to address any problems.

There were a range of learning points from this second year of the trial. From the responses on mode of travel to work, 45% already cycled for some or all their regular commute and 84% already owned a bike. It was clear that a cycling champion within the organisation was key to sharing information on the trial, however this is perhaps more likely to attract people who already travel by bike. Supporting organisations to identify different routes to promote and encourage engagement in the scheme might lead to a broader audience. There were a few issues identified relating to the size and weight of the e-bikes available. A greater number of smaller models would be advantageous to improve access to the e-bikes. It should be noted that the improvement of e-bikes in terms of weight, ease of use and affordability is happening at pace and even since the start of the go e-bike employer scheme in 2018 has advanced significantly. The app booking and locking system worked well, particularly with larger employers with higher demand. It was however a barrier for some with the need to download an app on to a smartphone and book the bikes through this. For smaller employers who can manage the scheme more easily it may be more appropriate for staff to be able to access bikes without the use of the app.

There were 130 sign-ups across the sites and around 400 trips were taken. A post-trial survey was sent to all employers to share with their staff and 67 responses were received.

The survey asked respondents about their experience of using the e-bikes as part of the trial and their views of e-bikes more generally. Overall, the responses were positive about the use of an e-bike after taking part in the trial. 93% of respondents were likely or very likely to recommend the use of an e-bike. 95% of responses to the question 'Do you feel that e-bikes make cycling more accessible in general?' were positive. The trial also made e-bikes available to a new audience, when asked whether this was the first time they had used an e-bike, 65% of those responding answered yes.

Respondents were asked to provide their views on the scheme as a whole, with some responses provided below:

"Providing a pool of e-bikes at work would greatly increase the number of people using them for their daily commute. This is based on my own experience where I was able to use an e-bike for my daily commute every day of the week - previously it was 1 or 2 days on my normal bike, and very weather dependent."

"Really enjoyed using the bikes on a daily basis, have covered a lot of ground. Would love to have these available permanently! Still too expensive to purchase my own e-bike. I have received a lot of comments from people about how good an idea a free work e-bike hire scheme is."

"I loved using the e-bikes, which allowed me to cycle to work up the hills in Edinburgh."

"Great opportunity to try out E-bikes and made nipping to the shops quicker and less impactful on the environment."

"Great scheme, keep it up! Several of our employees took the bikes home for a weekend and came back raving about them and there were lots more lunchtime rides to the shops going on!"

"Bikes were not as fast as I expected. I was hoping to cut my 1 hour cycle to work by 10-15 mins."

"I think this is a great initiative to encourage more people to get out of their cars and onto a bike and I hope it continues. Anything that removes barriers to people doing so is a good thing."

"I ride to work regularly but for my colleagues who tried out the e-bikes it definitely made them think of cycling as an option. Would be great if they were more widely available to hire - like the "normal" ones we see on the streets in Edinburgh."

"I did use one of the trial ones to go to a local shopping centre during my lunch break and I really appreciated the practicality of it as it was pretty much effortless (and no need for a shower!). So I would highlight the convenience aspect of e-bikes."

