

PERFORMANCE & AUDIT COMMITTEE

**Remote Meeting via MS Office Teams
Friday 4th June 2021 – 12:00pm**

AGENDA

Page Nos.

- | | |
|--|-----------|
| 1. ORDER OF BUSINESS | |
| 2. APOLOGIES | |
| 3. DECLARATIONS OF INTEREST | |
| 4. MINUTES OF THE P&A COMMITTEE- Friday 5th March 2021 | 2 |
| 5. INTERNAL AUDIT REPORT – Report by Lesley Newdall, Chief Internal Auditor | 6 |
| 6. FINANCE REPORTS- Reports by Hugh Dunn | |
| (a) Unaudited Annual Accounts 2020/21 | 21 |
| (b) Annual Treasury Report 2020/21 | 69 |
| 7. RISK MANAGEMENT – Report by Angela Chambers | 71 |
| 8. PROJECTS PERFORMANCE – Report by Anna Herriman | 78 |
| 9. DRAFT BUSINESS PLAN 2021-2024 – Report by Andrew Ferguson | 99 |
| 10. DATE OF NEXT MEETING | |
| The date of the next meeting has been scheduled for 10:00am on Friday 10th September 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

28th May 2020

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

PERFORMANCE & AUDIT COMMITTEE

REMOTE MEETING VIA MS OFFICE TEAMS

ON FRIDAY 5 March 2021

2pm

PRESENT:	<u>Name</u>	<u>Organisation Title</u>
	Councillor Imrie (Chair)	Midlothian Council
	Councillor Dempsey	Fife Council
	Councillor Fullarton	Scottish Borders Council
	Councillor Horne	West Lothian Council
	Councillor Hoy	East Lothian Council
	Councillor Rose	City of Edinburgh Council
	Callum Hay	Non-Councillor Member
	Simon Hindshaw	Non-Councillor Member
IN ATTENDANCE:	Barry Turner	Non-Councillor Member
	<u>Name</u>	<u>Organisation Title</u>
	Angela Chambers	SEStran
	Andrew Ferguson	SEStran
	Jim Grieve	SEStran
	Beth Harley-Jepson	SEStran
	Anna Herriman	SEStran
	Peter Jackson	SEStran
	Gavin King	City of Edinburgh Council
	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 Murtagh and Dr Doreen Steele

A3. DECLARATION OF INTERESTS

None.

A4. MINUTES

To approve the minute of the Performance and Audit Committee of 6

November 2021 as a correct record.

A5. EXTERNAL AUDIT PLAN 2020/21

A summary of the work plan for the 2020/21 external audit of the South East of Scotland Transport Partnership (“the Partnership”) was provided.

Decision

To note the External Audit Plan for 2020/21.

(Reference – report by the External Auditor, submitted)

A6. Finance Reports

(a) Revenue Budget 2021-22 to 2022-23

Details were provided of the revenue budget for 2021/21 and an indicative financial plan for 2022/23 to 2023/24 for review by the Committee.

Decision

- 1) To note the financial planning assumptions for the Partnership’s proposed revenue budget for 2021/22.
- 2) To note that financial planning for 2022/23 to 2023/24 will be developed throughout 2021 for consideration by the Partnership in December 2021.
- 3) To note that the proposed budget was subject to a number of risks. All income and expenditure of the Partnership would continue to be monitored closely with updates reported to each Partnership meeting.
- 4) To agree that there needed to be further detailed consideration of future resource requirements, particularly in relation to the issue of finance but more broadly as well and to request that the Partnership Board endorse this position.

(Reference – report by the Treasurer, submitted)

(b) Annual Treasury Management Strategy

Details were provided on the proposed Treasury Management Strategy for 2021/21.

Decision

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

(Reference – report by the Treasurer, submitted)

A7. DRAFT BUSINESS PLAN 2021-22 to 2022-23

Committee's views were sought on a proposed three-year Business Plan for SEStran for 2021/22 to 2022-23.

Decision

- 1) To note the terms of the report.
- 2) To 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.

(Reference – report by the SEStran Consultant, submitted)

A8. PROJECTS PERFORMANCE REPORT

Information was provided on the current status and progress of the various projects SEStran was involved in. The report set out where effects of Covid-19 restrictions had an impact on delivery timescales.

Decision

- 1) 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.
- 2) To the arrangements in place for SEStran's membership within European Projects.
- 3) To agree to provide a details of initial expected completion dates and predicted completion dates of projects and to agree that details would be provided in terms of how far projects had been progressed.
- 4) To agree that the Senior Partnership Manager would ask the BLING project to ensure the issue of carbon emissions relating to blockchain technology is being considered before the project is concluded.

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

A9. GO e-Bike PROJECT IMPACT REPORT

In response to an action agreed at the Performance and Audit Committee in June 2020, an assessment of the overall impact and value of the ongoing GO e-Bike project that commenced in April 2018 was provided.

Decision

- 1) 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.
- 2) To agree to provide details on the project's reach, information on the numbers that had their first e-bike experience through the project and any impact the project has had on changing behaviours.

(References – SEStran Performance and Audit Committee, 5 June 2020 (item A8); report by the Senior Partnership Manager, submitted)

A10. DATE OF NEXT MEETING

Friday 4 June 2021 at 10.00am

Internal Audit Assurance

1. INTRODUCTION

- 1.1 The City of Edinburgh Council Internal Audit (IA) team performs one annual review to provide assurance over the controls established to mitigate certain key SEStran partnership risks.
- 1.2 The purpose of this paper is to provide an update on the outcomes of the 2020/21 SEStran IA review, and to request the Committee's insights on areas for potential inclusion in the scope of the planned 2021/22 audit.

2. BACKGROUND, SCOPE AND OUTCOMES OF 2020/21 IA REVIEW

Audit Background

- 2.1 Covid-19 has resulted in exposure to new risks for all organisations. These include adapting to remote working using new digital technology solutions; ensuring continuity of projects and service delivery; long term financial sustainability; and employee wellbeing.
- 2.2 Consequently, it is important that SEStran responded to new and emerging pandemic risks and the Scottish Government's Covid-19 Strategic Framework (including lockdown) by implementing operational resilience arrangements; developing and implementing appropriate employee health, safety, and well-being measures; reassessing their business and operational delivery plans; and assessing their ongoing financial sustainability.

Audit Scope

- 2.3 The scope of the 2020/21 IA review assessed the design adequacy and effectiveness of SEStran's COVID-19 resilience arrangements, and the impacts of COVID-19 on the content of, and delivery timeframes for, finalisation of the new Regional Transport Strategy (RTS).

Audit Outcomes

- 2.4 Whilst some moderate control weaknesses were identified in the design and effectiveness of the control environment and governance, and risk management frameworks applied by SEStran to support their Covid-19 resilience response, both the arrangements established and the scale of the organisation (circa ten employees) provide reasonable assurance that SEStran has appropriately considered and responded to their COVID-19 risks and resilience challenges.
- 2.5 We also confirmed that SEStran's new working arrangements do not pose a significant risk to the new RTS completion timeframes.
- 2.6 Consequently, two medium rated findings were raised and are included at section 3 of the report.

2.7 A number of areas of good practice were also identified and are included in the opinion section of the report (section 2).

2.8 The full report is included at Appendix 1.

3. 2021/22 INTERNAL AUDIT REVIEW

3.1 The Internal Audit 2021/22 annual plan was approved by the Council's Governance, Risk, and Best Value Committee on 23 March 2021.

3.2 The annual plan includes one Internal Audit review for SEStran, which is consistent with the level of assurance provided in prior years.

3.3 Initial discussions with SEStran management have highlighted the potential for IA to provide further assurance in relation to the risks associated with the next stages of RTS completion, or the risks associated with the Thistle Assistance Journey Planner project.

4. RECOMMENDATIONS

The Committee is requested to:

- note the outcomes of the 2020/21 IA review, and the associated costs;
- confirm whether 2021/22 IA assurance should focus on the risks associated with completion of the next stages of the Regional Transport Strategy, or the Thistle Assistance Journey Planner project; and
- provide insights in relation to any other key SEStran risks and areas of concern that should be considered for inclusion in the 2021/22 IA review.

Appendix 1: Internal Audit 2020/21 Report

Lesley Newdall

Chief Internal Auditor, City of Edinburgh Council

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

May 2021

Policy Implications	None
Financial Implications	SEStran is charged an annual fee for provision of the annual IA assurance review. The fee for 2019/20 was £5,000. The fee for 2020/21 remains aligned with the 2019/20 fee at £5,000.
Equalities Implications	None
Climate Change Implications	None

The City of Edinburgh Council

Internal Audit

South East of Scotland Transport Partnership (SEStran) COVID-19 Resilience Arrangements

Final Annual Internal Audit Report

26 May 2021

OO2001

Overall report rating:

**Some
improvement
required**

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

Contents

1. Background and Scope	1
2. Executive summary	3
3. Detailed findings	5
Appendix 1: Basis of our classifications	10
Appendix 2: Areas of audit focus	11

This internal audit review is conducted for the South East Scotland Transport (SEStran) Partnership and is designed to help SEStran assess and refine its internal control environment. It is not designed or intended to be suitable for any other purpose and should not be relied upon for any other purpose. The City of Edinburgh Council accepts no responsibility for any such reliance and disclaims all liability in relation thereto.

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

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

1. Background and Scope

Background

In accordance with [Transport \(Scotland\) Act 2005](#), The South East of Scotland Transport partnership (SEStran) is the established statutory regional transport partnership for the South East of Scotland. SEStran is a body corporate that includes eight local authorities across south east Scotland (City of Edinburgh, Clackmannanshire, East Lothian, Falkirk, Fife, Midlothian, Scottish Borders, and West Lothian Councils) within its remit.

SEStran's vision is for a regional transport system that provides all citizens of south east Scotland with a genuine choice of transport that fulfils their needs and provides travel opportunities for work and leisure on a sustainable basis.

SEStran is a small organisation, operating with a revenue budget of circa £900K (mainly sourced from government grants and local authority contributions) that is used to cover operational costs and deliver regional transport projects that are aligned with both the SEStran vision and the Regional Transport Strategy (RTS). These projects are delivered by a team of ten employees.

Risk Management

In 2008 SEStran obtained a risk management software package named Magique to allow for an efficient risk management process, ensuring full participation of all stakeholders in the process. An internal review of the Risk Management Framework was carried out in 2017 where it was identified that the risk register's 'hybrid' format, derived from the old software package, was no longer fit for purpose. It was agreed that the system was overly complex following a change in capital budget allocation in the region. A new risk register format was adopted by the Performance & Audit Committee, following Local Government elections and a newly constituted Committee in November 2017.

COVID-19

The COVID-19 global pandemic has resulted in organisations implementing operational resilience arrangements; developing and implementing appropriate measures to ensure the health, safety, and well-being of employees; reassessing their business and operational delivery plans; and reassessing their ongoing financial sustainability.

National public transport network revenues have been adversely affected by the Scottish Government initial 'lockdown' response, and implementation of the current strategic framework that allocates local authority areas into tiers based on a number of key measures. It is expected that public transport networks will continue to be affected by ongoing general public confidence in relation to virus transmission and safety, until the vaccination programme has been completed, although some government funding has been provided to support their ongoing operation during the pandemic.

Governance arrangements

SEStran management has advised that they continued to meet monthly during the resilience situation, with twice weekly team meetings, fortnightly meetings with the Chair and regular meetings with the Chair of P&A. They also confirmed that:

- no management meeting minutes were recorded, although an action log was maintained; and
- team meeting minutes were recorded with no action log maintained.

The Regional Transport Strategy (RTS)

SEStran is responsible for producing a Regional Transport Strategy (RTS) for the South East of Scotland that is aligned with a range of applicable legislative and regulatory requirements. The current [RTS](#) covers the period 2015 to 2025, was approved by Scottish Ministers in July 2015, and includes the following four key objectives:

1. to ensure transport facilities accelerate economic growth and regional prosperity;
2. to improve accessibility for those with limited transport choices;
3. to ensure developments are achieved in environmentally sustainable manner; and
4. to promote a healthier and more active SEStran area population.

The New Regional Transport Strategy

SEStran commenced a refresh of the RTS in 2019/20 in recognition of the pace of legislative change, the ongoing review and development of national and local policies (as highlighted above), and rapid economic growth. A project was established (the RTS rewrite project) to support this process.

The 2019/20 audit (completed in February 2020) assessed the adequacy of governance arrangements and stakeholder engagement plans supporting development of the new RTS and considered whether the project was being delivered in line with applicable guidance and legislative requirements.

Following a successful tender process, a consultant has been identified to support the next stage of the drafting of the RTS, and that engagement currently being agreed will involve consideration of relevant COVID-19 RTS impacts.

Scope

The scope of this audit assessed the design adequacy and effectiveness of SEStran's COVID-19 resilience arrangements and considered how the impacts of COVID-19 have been considered and reflected in both the content of, and delivery timeframes for, finalisation of the new RTS.

Follow-up was also performed to confirm that the agreed management actions supporting the medium rated finding on RTS project governance and management raised in the 2019/20 Audit have been effectively implemented and sustained.

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

Testing was performed across the period March 2020 to December 2020.

Limitations of Scope

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

Reporting Date

Our audit work concluded on 15 February 2021, and our findings and opinion are based on the conclusion of our work as at that date.

2. Executive Summary

Total number of findings: 2

Summary of findings raised	
Medium	1. Identification of COVID-19 Risks
Medium	2. Resilience Arrangements (including employee health, safety, and wellbeing)

Opinion

Some improvement required

Our review identified some moderate control weaknesses in the design and effectiveness of the control environment, governance, and risk management frameworks applied to support SEStran's resilience response to the COVID-19 pandemic. These are reflected in the two medium rated findings raised at section 3 below.

It is important to note that the control weaknesses identified mainly relate to the need for an established risk management framework, and refreshed policies and governance documentation, and should be considered in the context of the size and scale of the SEStran organisation (circa ten employees), and the areas of good practice also noted below.

Consequently, reasonable assurance is provided that SEStran has considered and responded to COVID-19 risks and resilience challenges, and that these are being effectively managed. We have also confirmed that SEStran's new working arrangements do not pose a significant risk to timeframes for finalisation of the new Regional Transport Strategy.

The first medium rated finding raised highlights the need to implement a risk management framework to support established risk management processes, that clearly defines how risks should be identified; assessed and recorded; and the need to consider any specific COVID-19 risks that could have a potential impact on SEStran's strategic and operational objectives. Implementation of a risk appetite statement is also recommended that clearly defines the nature and amount of risk that SEStran is prepared to accept. This will add benefit by helping with the identification and consideration of the risks associated with strategic and operational decisions, and deciding which operational risks should be accepted, tolerated, or treated.

Our second finding highlights the need to review and refresh several organisational resilience; health and safety; and employee wellbeing policies to reflect the impact of COVID-19, and the need to ensure that both management and team meeting minutes and actions are recorded and tracked in a resilience environment.

Further detail is provided in Section 3.

Implementation of findings raised in prior year Internal Audits

Our review also confirmed that the one medium rated finding raised in the 2019/20 audit of the RTS rewrite project has been addressed.

Areas of good practice

- SEStran's infrastructure and working arrangements were well established prior to the COVID-19 lockdown to support working from home, enabling an immediate and effective response to the Scottish Government's 'Stay at Home' guidance.

- Following the initial cancellation of the 6th March Partnership Board meeting in response to 'Stay at Home' guidance, meetings were quickly reinstated remotely, ensuring that governance resumed in a timely manner.
- Emergency decisions made when the Partnership Board meeting was cancelled were taken in line with emergency powers and delegated authorities per SEStran's Governance Scheme documentation, and retrospectively reported to the Board.
- Management has assessed the potential risks faced by SEStran in relation to the future return to the office environment, and a comprehensive list of actions required have been documented that will be implemented to allow this transition to occur safely.

Management Comment:

It is also important to note that throughout the pandemic, the team maintained high levels of employee and partner engagement. This helped build a comprehensive picture of employee needs and wider issues and allowed the team to quickly implement appropriate changes or adjustments. Regular liaison with the Partnership Chair and key board members also ensured ongoing awareness of the team's working arrangements and activities.

3. Detailed findings

1. Identification of COVID-19 Risks

Medium

The SEStran Business Continuity Plan requires management to conduct adequate risk assessments for its projects and infrastructure operations to support effective business continuity planning.

Whilst SEStran maintains an organisational risk register that is presented to the Board on a six-monthly basis, there is no established and approved risk management policy or framework that clearly defines SEStran's approach to identifying; assessing; recording; and managing risk.

Review of the risk registers further highlighted that:

1. **Risk identification** – in response to COVID-19, a generic pandemic risk was initially added to the risk register that was presented to the Partnership Board in June and November 2020. However, there was no subsequent identification or recording of any other more specific COVID-19 risks that could potentially impact SEStran's ability to deliver its five core strategic themes, such as:

- employee health and wellbeing risks;
- changing national guidance and COVID-19 legislation including updates to the Scottish Government's five level strategic framework; and
- COVID-19 risks that could impact the timely delivery of its strategic projects.

2. **Risk assessment** – the generic pandemic risk was assessed as medium, with a score of 10 based on a potentially catastrophic impact (5), and unlikely probability (2).

Neither the generic pandemic risk or other risks included in the SEStran risk register have been reassessed to reflect changing national and economic COVID-19 impacts, and the ongoing impact of COVID-19 on SEStran's existing operations and associated risk profile.

3. **Risk appetite** – SEStran currently has no clearly defined risk appetite statement that details the amount of a particular type of risk that management is prepared to accept.

Consequently, it is not possible to determine whether the decision to tolerate 22 of the 23 SEStran risks (including the Pandemic risk) noted in risk register dated January 2021 is appropriate for the organisation.

4. **Mitigating actions** – while the risk register includes a broad range of mitigating actions, it doesn't include specific actions; action owners; and implementation timeframes to address the risks identified. Additionally, no action log is maintained to monitor implementation progress.

Risks

The potential risks associated with our findings are:

- New and emerging COVID-19 may not be completely identified, assessed, recorded, and mitigated;
- The full impact of COVID-19 risks on SEStran's strategy and operations may not be not fully understood; and
- Agreed actions to address /or mitigate the risk may not be fully and effectively implemented.

1.1 Recommendation: Risk Management Framework and Appetite

1. A risk management framework should be developed and implemented that details how risks will be identified; recorded; assessed; and managed to support SEStran's strategic and operational objectives.

2. The framework should include a risk appetite statement that clearly defines the amount of each type of risk that management is prepared to accept.
3. Once established, the risk appetite statement should be used to set target levels for each risk identified, and support decisions on whether to accept the risk (do nothing); tolerate it until a future solution is identified; or treat the risk now.
The risk appetite statement should also be used to consider the risks associated with significant strategic and operational decisions.
4. The risk management framework should also include a process to monitor implementation of agreed actions to address and/or mitigate risks.

1.1 Agreed Management Action: Risk Management Framework and Appetite

1. A Risk Assessment Framework will be developed as an introduction to SEStran's approach to dealing with risk, covering identification, recording; assessment; and management of risks.
- 2&3. The Framework will also include, as far as possible, a statement on our approach to risk tolerance appetite.
4. The Framework will also set out a process as to how agreed mitigation measures are monitored.

Owner: Jim Grieve, Partnership Director, SEStran

Implementation Date:
November 2021

1.2 Recommendation: COVID-19 risk identification; assessment; recording; and monitoring

1. Management should consider if there are any further COVID-19 specific risks that have not yet been identified and recorded that could potentially impact on deliver of SEStran's strategic and operational objectives.
2. Any new and emerging COVID-19 risks identified should be recorded in the SEStran risk register.
3. Risks currently included in the risk register should be reviewed and their ratings reassessed where required, considering the current economic and working environment. Where these risks are not accepted or tolerated, appropriate actions; owners and implementation dates should be recorded.

1.2 Agreed Management Action: COVID-19 risk identification; assessment; recording; and monitoring

SEStran currently has a full suite of policies related, inter alia, to staff welfare and health and safety. What needs to be considered now is the extent to which policies need to be updated to take account of the circumstances experienced during the Covid-19 pandemic. In response to the above, therefore:

1. Management will consider if there are any further pandemic related risks that should be addressed, applying experience and lessons learned over the past year;
2. The Risk Register will be updated accordingly;
3. Risks in the register will be reviewed and ratings reassessed where required. This will follow the established 6 monthly review routine, which as always will be in the context of the current economic and working environment. Where appropriate, we will include implementation dates and identify risk owners; and
4. Any proposed changes to the risk register template will be presented to the November Performance and Audit Committee for approval, with a refreshed register implemented thereafter.

Owner: Jim Grieve, Partnership Director, SEStran

Implementation Date:
November 2021

2.1 Business Continuity Plan

SEStran's Business Continuity Plan (BCP) sets out a range of action plans to be followed in resilience situations. The BCP was due to be refreshed in May 2020 however this has not yet been completed.

Management has advised that their response to the COVID-19 'lockdown' situation was in line with their established BCP procedures, however no evidence is available to confirm that they were consistently and effectively applied.

2.2 Employee Wellbeing and Health and Safety Guidance

Currently, SEStran has no specific employee guidance in relation to long term working from home arrangements and associated mental and physical health and staying active. It is acknowledged that SEStran sought and shared guidance developed by its HR provider Falkirk Council with its employees, however the 'signposts' included within the documents, detailing where further support, information, or guidance is available was specific to Falkirk Council. Management has confirmed that SEStran employees have ongoing access to Occupational Health support.

2.3 Health and Safety/Wellbeing Policies and Risk Assessments

SEStran's health and safety policies require completion of several risk assessments to identify and manage employee health, safety, and wellbeing risks. However, no formal risk assessments related to the COVID-19 home working arrangements have been developed and used to assess employee wellbeing, including assessing whether employees have the necessary equipment to support safe home working arrangements.

Management has advised that their close working relationship with the small team allows them to maintain regular contact with staff on an individual basis and to informally assess employee health and wellbeing, and that they are aware of staff needs and requirements.

SEStran's health, safety, and wellbeing policies should be reviewed annually, however there was no evidence of review since their last update in September 2019.

Review of these policies highlighted that some sections are no longer relevant in the new COVID-19 operating environment and should be updated. These include:

- **Sickness Absence Policy** – the policy includes no guidance on absence relating to shielding; isolation; testing; vaccination; travel; bereavement; or grief resulting from the COVID-19 pandemic.
- **Home Working Policy** – the policy requires employees to take the actions noted below, and these are no longer appropriate or relevant in the current COVID-19 operating environment:
 - seek manager approval for working from home;
 - ensure that their home contents insurance covers SEStran equipment; and
 - not conduct meetings (virtual) with non-SEStran employees while working from home.
- **Flexible Working Policy** – the policy requires employees to complete an application for flexible working including work from home, which is no longer applicable given the ongoing Scottish Government's guidance to work from home, where possible.

2.4 Team and Management Meetings - Record keeping

We noted issues with completeness of management and team meeting records, and the process applied to monitor implementation of actions during 2020.

Management has advised that this was attributable to employee absence and has confirmed that this has now been addressed for meetings held from January 2021 onwards.

Risk

The potential risks associated with our findings are:

- Insufficient guidance available to SEStran employees in relation to specific arrangements and assessments to confirm their ongoing health, safety, and wellbeing during the pandemic.
- Out of date SEStran policies and guidance could potentially result in employee confusion;
- Unique health and safety risks associated with Covid-19 leading to potential long-term staff absence;
- Non-compliance with specific Covid-19 health and safety regulatory requirements and guidance; and
- Decisions taken and actions agreed in meetings are not recorded, monitored, and implemented.

2.1 Recommendation: Business Continuity plan

A review of SEStran's Business Continuity Plan should be performed together with a COVID-19 'lessons learned' exercise to ensure the experience and knowledge gained from the ongoing emergency resilience situation are captured and incorporated in the Business Continuity Plan for use in response to future situations.

2.1 Agreed Management Action: Business continuity plan

The recommended review will be carried out.

Owner: Jim Grieve, Partnership Director, SEStran

Implementation Date:
September 2021

2.2 Recommendation: Employee health, safety, and wellbeing

1. **Policy/guidance:** Management should review SEStran's policy documents to ensure that they remain relevant in the current homeworking environment, and should include specific guidance on shielding, isolation, testing, vaccination, travel, bereavement, and grief.
2. Ongoing policy reviews should also be performed to consider and reflect any future changes to COVID-19 legislation or guidance, and should also be informed by recently performed workplace risk assessment for the future return of employees to the office.
3. **Risk assessments:** Management should ensure that health, safety, and wellbeing risk assessments designed and applied to confirm the ongoing health and wellbeing of employees whilst working from home. This should include (but should not be limited to) ensuring that all employees have appropriate equipment to support effective working from home.

2.2 Agreed Management Action: Employee health, safety, and wellbeing

- 1&2. SEStran will follow the guidance issued by the Scottish/UK Government and Public Health Scotland and its policy and guidance will be reviewed and updated as required. Additional guidance will be added where considered necessary. It is not our intention to make specific reference to Covid-19 although lessons learned from that experience will be considered. Specific guidance on shielding, isolation, testing, vaccination, travel, bereavement and grief will only be added where it is felt that existing guidance does not cover the resulting staff absence effects on SEStran's operations and strategies.
3. SEStran staff have been provided with additional guidance in respect of working from home, during the course of the pandemic and have been provided with additional furniture and equipment when

requested and as it became evident that the lockdown had extended into a relatively long-term event.

That said, it is acknowledged that our working from home guidance does need to be updated to reflect the long term and unavoidable nature of what's been experienced through the Covid-19 lockdown. We will liaise with our HR advisors (Falkirk Council) in reviewing our Health & Safety policy and update where required.

Owner: Jim Grieve, Partnership Director, SEStran

Implementation Date:
September 2021

2.3 Recommendation: Management and Team Meetings – Minutes/Action Logs

Management should ensure that minutes are recorded for both management and staff team meetings, and that all decisions taken, and actions agreed are recorded and monitored. These minutes and actions logs should also be made available to all SEStran employees.

2.3 Agreed Management Action: Management and Team Meetings – Minutes/Action Logs

Action logs will be agreed and recorded for each formal management and staff meeting and these will be made available to all staff.

Owner: Jim Grieve, Partnership Director, SEStran

Implementation Date:
June 2021

Appendix 1: Basis of our classifications

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

*	Long term	a period of one year or more
**	Medium term	a period of 3 to 12 months
***	Short term	a period of 1 to 3 months

Appendix 2: Areas of audit focus

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

Audit Area	Control Objectives
Identification of COVID-19 risks	<ul style="list-style-type: none"> 1.1 Initial risks associated with the Scottish Government's 'lockdown' response to COVID-19 were identified; assessed and recorded. 1.2 Appropriate actions were implemented to ensure that these risks were and continue to be effectively managed. 1.3 Existing risk management processes were augmented to identify any new and emerging risks for SEStran associated with national COVID-19 legislation and relevant guidance published by Health Protection Scotland, Scottish Government, and other relevant organisations. 1.4 All new risks are assessed and recorded, and appropriate actions implemented to ensure that they are effectively managed.
Implementation of COVID-19 resilience arrangements	<ul style="list-style-type: none"> 2.1 SEStran operational resilience arrangements were initiated immediately in response to national lockdown measures. 2.2 The established management team met regularly to support implementation of resilience arrangements. 2.3 Any new and significant emergency resilience decisions taken were aligned with applicable delegated authorities or emergency powers. 2.4 All resilience decisions taken and agreed actions were recorded. 2.5 Resilience actions were appropriately allocated and monitored to confirm that they were completed. 2.6 Appropriate assessments were performed to confirm that employees have the necessary equipment to work safely from home. 2.7 Appropriate measures have been implemented to assess and support ongoing employee wellbeing. 2.8 Appropriate arrangements have been implemented to support remote governance meetings. 2.9 All resilience decisions and actions have been retrospectively reported to the Partnership Board.
RTS Development	<ul style="list-style-type: none"> 3.1 COVID-19 impacts on the RTS have been considered, including the potential requirement for any further public consultation given COVID-19 impacts on transport networks. 3.2 The procurement tender for the consultant to support drafting the RTS includes the requirement to assess any further COVID-19 impacts and reflect these in the draft RTS. 3.3 RTS delivery and approval timeframes have been reviewed and amended where required. 3.4 All planned significant changes to RTS content and delivery have been advised to the Partnership Board.

Unaudited Annual Accounts 2020/21

1. Introduction

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

2. Main Report

- 2.1** The unaudited Annual Accounts are submitted to the Partnership in accordance with the Local Authority Accounts (Scotland) Regulations 2014. The accounts are subject to audit and the audited Annual Accounts, incorporating the Auditor's report, will be presented to the Performance and Audit Committee and Partnership Board in due course.
- 2.2** The Treasurer's opinion on the effectiveness of the Partnership's system of internal financial control is provided within the Annual Governance Statement on pages 7 to 9. The Treasurer's opinion is informed by the work of Internal Audit and managers in the Partnership.
- 2.3** The Management Commentary is on pages 2 to 5 of the Annual Accounts. This highlights key aspect of financial performance during the year. The unaudited underspend is £122,000. This comprises an underspend of £18,000 on the Core revenue budget and slippage of £104,000 on the Projects budget. Under the Partnership's Reserves Policy, it is planned to carry these balances forward to 2021/22.
- 2.4** The Core revenue budget underspend enables the Partnership to fully establish the planned unallocated Reserve of £29,000, which is 5% of annual Core revenue budget.

3 Recommendations

It is recommended that the Performance and Audit Committee:

- 3.1** note the unaudited Annual Accounts for 2020/21 and refer the Unaudited Accounts to the Partnership Board for review;
- 3.2** notes that the audited Annual Accounts, incorporating the Auditor's report, will be presented to the Performance and Audit Committee and Partnership Board in due course.

Hugh Dunn
Treasurer
4th June 2021

**Appendix
Contact**

Unaudited Annual Accounts 2020/21
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.

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

**Unaudited
Annual Accounts**

2020/2021

The South East of Scotland Transport Partnership (SESTRAN)

CONTENTS

	<u>Page</u>
Management Commentary	2-5
Statement of Responsibilities for the Annual Accounts	6
Annual Governance Statement	7-9
Remuneration Report	10-11
<u>Accounting Statements and Notes to the Annual Accounts:</u>	
Annual Accounts;	
<i>1. Movement in Reserves Statement for the year ended 31st March 2021</i>	12
<i>2. Comprehensive Income & Expenditure Statement for the year ended 31st March 2021</i>	13
<i>3. Balance Sheet as at 31st March 2021</i>	14
<i>4. Cash Flow Statement for the year ended 31st March 2021</i>	15
Statement of Accounting Policies	16-19
Notes to the Annual Accounts	20-45

The South East of Scotland Transport Partnership (SESTRAN)

Management Commentary

1. Basis of Accounts

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

2. Statutory Background

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

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

3. Corporate Strategy

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

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

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

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

SEStran's Vision Statement is as follows:

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

4. Risks and Uncertainties

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

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

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

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

5. Results for the Year

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

The South East of Scotland Transport Partnership (SESTRAN)

Management Commentary (*continued*)

5. Results for the Year (*continued*)

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

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

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

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

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

Non Financial Results

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

The South East of Scotland Transport Partnership (SESTRAN)

Management Commentary (*continued*)

5. Results for the Year (*continued*)

Non Financial Results (*continued*)

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

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

6. Future Developments

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

The South East of Scotland Transport Partnership (SESTRAN)

Management Commentary (*continued*)

6. Future Developments (*continued*)

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

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

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

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

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

The South East of Scotland Transport Partnership (SESTRAN)

STATEMENT OF RESPONSIBILITIES FOR THE ANNUAL ACCOUNTS

The Partnership's Responsibilities

The Partnership is required:

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

The Treasurer's Responsibilities

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

In preparing the Annual Accounts, the Treasurer has:

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

The Treasurer has also:

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

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

Treasurer: HUGH DUNN, CPFA _____ Date signed:

The South East of Scotland Transport Partnership (SESTRAN)

ANNUAL GOVERNANCE STATEMENT 2020/21

1. Scope of Responsibility

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

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

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

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

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

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

2. The Partnership's Governance Framework

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

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

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

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

The South East of Scotland Transport Partnership (SESTRAN)

ANNUAL GOVERNANCE STATEMENT 2020/21 (*continued*)

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

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

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

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

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

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

4. Review of Effectiveness

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

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

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

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

- **The Partnership Board**, which provides strategic leadership, determines policy aims and objectives and takes executive decisions not delegated to officers. It provides political accountability for the Partnership's performance;
- **The Performance and Audit Committee**, which demonstrates the Partnership's commitment to the principles of good governance. It scrutinises the running of the Partnership and suggests improvements;
- **Internal Audit** provides an independent and objective assurance service to the Partnership, by completing one review in each financial year that is focused on the adequacy and effectiveness of controls established to manage a key risk of the Partnership;

The South East of Scotland Transport Partnership (SESTRAN)

ANNUAL GOVERNANCE STATEMENT 2020/21 (*continued*)

4. Review of Effectiveness (*continued*)

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

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

5. Internal Audit Opinion

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

6. Coronavirus Pandemic

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

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

7. Certification

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

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

The South East of Scotland Transport Partnership (SESTRAN)

REMUNERATION REPORT

1. Remuneration Policy for Senior Employees

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

2. Remuneration for Senior Councillors

The Partnership does not provide any remuneration to senior councillors.

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

3. Management of Remuneration Arrangements

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

4. Officers Remuneration

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

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

5. Senior Employees Remuneration

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

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

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

6. Senior Employees Pension Entitlement

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

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

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

The South East of Scotland Transport Partnership (SESTRAN)

REMUNERATION REPORT *(continued)*

7. Pension Entitlement

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

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

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

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

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

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

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

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

8. Exit Packages

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

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

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

The South East of Scotland Transport Partnership (SESTRAN)

MOVEMENT IN RESERVES STATEMENT

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

2019/20 - Previous Year Year Comparative

Opening Balances at 1 April 2019

Movement in reserves during 2019/20

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

Total Comprehensive Expenditure and Income

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

Increase/Decrease in 2019/20

Balance at 31 March 2020 carried forward

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

2020/21 - Current Financial Year

Opening Balances at 1 April 2020

Movement in reserves during 2020/21

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

Total Comprehensive Expenditure and Income

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

Increase/Decrease in 2020/21

Balance at 31 March 2021 carried forward

Usable Reserves		Unusable Reserves	Total Partnership Reserves
General Fund Balance	Total Usable Reserves		
£'000	£'000	£'000	£'000
189	189	(362)	(173)
(65)	(65)	0	(65)
0	0	(320)	(320)
(65)	(65)	(320)	(385)
10	10	(10)	0
(55)	(55)	(330)	(385)
134	134	(692)	(558)

The South East of Scotland Transport Partnership (SESTRAN)

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT 2020/21

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

2019/20				2020/21		
Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000	Services	Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000
678	(4)	674	Core	677	(6)	671
1,436	(1,266)	170	Projects	858	(507)	351
2,114	(1,270)	844	Cost Of Services	1,535	(513)	1,022
75	(54)	21	Financing & Investment Income (Note 9)	65	(50)	15
0	(972)	(972)	Taxation and Non-Specific Grant Income (Note 10)	0	(972)	(972)
2,189	(2,296)	(107)	(Surplus) or Deficit on Provision of Services	1,600	(1,535)	65
			Other Comprehensive Income and Expenditure			
0	0	0	Change in Demographic Assumptions	0	(98)	(98)
0	(369)	(369)	Change in Financial Assumptions	767	0	767
0	(18)	(18)	Other Experience	0	(45)	(45)
146	0	146	Return on Assets excluding amounts included in net interest	0	(304)	(304)
146	(387)	(241)	Total Other Comprehensive Income and Expenditure	767	(447)	320
2,335	(2,683)	(348)	Total Comprehensive Income and Expenditure	2,367	(1,982)	385

The South East of Scotland Transport Partnership (SESTRAN)

BALANCE SHEET

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

31 March 2020 £'000		Note	31 March 2021 £'000
309	Property, plant and equipment	11	303
309	Long term assets		303
773	Short-term debtors	13	654
0	Provision for Bad Debts	14	0
151	Cash and cash equivalents	15	320
924	Current assets		974
0	Contributions and Grants Received in Advance		(150)
(745)	Short-term creditors	16	(704)
(745)	Current liabilities		(854)
(661)	Other long-term liabilities (Pensions)	24	(981)
(661)	Long-term liabilities		(981)
(173)	Net assets/ (liabilities)		(558)
	Financed by:		
189	Usable reserves	17	134
(362)	Unusable reserves	18	(692)
(173)	Total reserves		(558)

The unaudited Annual Accounts were issued on the XX June 2021.

Treasurer: HUGH DUNN, CPFA

Date signed: _____

The South East of Scotland Transport Partnership (SESTRAN)

CASH FLOW STATEMENT

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

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

The South East of Scotland Transport Partnership (SESTRAN)

1. STATEMENT OF ACCOUNTING POLICIES

1.1 Accounting Policies

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

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

1.2 Revenue Expenditure

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

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

1.3 Revenue Income

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

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

1.4 Accruals of Expenditure and Income

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

1.5 Operating Leases

a) Leased-in assets

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

b) Leased-out assets

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

1.6 Overheads

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

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

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

The South East of Scotland Transport Partnership (SESTRAN)

1. STATEMENT OF ACCOUNTING POLICIES (*continued*)

1.8 Employee Benefits

Pensions

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

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

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

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

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

Accruals of Holiday Leave

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

1.9 Non Current Assets

Property, Plant and Equipment

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

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

Recognition:

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

Depreciation:

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

Measurement:

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

1.10 Government Grants and Other Contributions

• Revenue

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

The South East of Scotland Transport Partnership (SESTRAN)

1. STATEMENT OF ACCOUNTING POLICIES (*continued*)

1.10 Government Grants and Other Contributions (*continued*)

• Capital

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

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

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

1.11 Provisions

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

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

1.12 Reserves

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

The Partnership operates the following unusable reserves:

a) *Pension Reserve*

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

b) *Capital Adjustment Account*

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

c) *Accumulated Absences Account*

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

1.13 Financial Instruments

Financial Assets

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

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

The South East of Scotland Transport Partnership (SESTRAN)

1. STATEMENT OF ACCOUNTING POLICIES (*continued*)

1.14 Cash and Cash Equivalents

Cash and cash equivalents include:

- Credit and debit funds held in banks

1.15 Contingent Liabilities

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

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

1.16 Value Added Tax

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

1.17 Events After the Reporting Period

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

Two types of events can be identified:

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

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

1.18 Short Term Debtors and Short Term Creditors

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

1.19 Changes in Accounting Policies and Estimates and Errors

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

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

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

1.20 Going Concern

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

The South East of Scotland Transport Partnership (SESTRAN)

2. EXPENDITURE AND FUNDING ANALYSIS

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

Expenditure and Funding Analysis

	Net Expenditure Chargeable to the General Fund	Adjustments	Net Expenditure in the CIES
2020/21	£'000	£'000	£'000
Core	563	109	672
Projects	463	(113)	350
Net Cost of Services	1,026	(4)	1,022
Other Income and Expenditure			
Government grant	(782)	0	(782)
Constituent council requisitions	(190)	0	(190)
Interest Received	0	0	0
Net pension interest cost	0	15	15
(Surplus) or deficit on the provision of services	54	11	65
	Net Expenditure Chargeable to the General Fund	Adjustments	Net Expenditure in the CIES
2019/20	£'000	£'000	£'000
Core	517	157	674
Projects	267	(97)	170
Net Cost of Services	784	60	844
Other Income and Expenditure			
Government grant	(782)	0	(782)
Constituent council requisitions	(190)	0	(190)
Interest Received	(1)	0	(1)
Net pension interest cost	0	22	22
(Surplus) or deficit on the provision of services	(189)	82	(107)

The South East of Scotland Transport Partnership (SESTRAN)

2. EXPENDITURE AND FUNDING ANALYSIS *(continued)*

Expenditure and Funding Analysis *(continued)*

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

	Adjusts. For Capital Purposes £'000	Net Change for Pensions Adjusts. £'000	Other Differences £'000	Total Statutory Adjusts. £'000
2020/21				
Core	119	(15)	5	109
Projects	(113)	0	0	(113)
Net Cost of Services	6	(15)	5	(4)
Other Income and Expenditure				
Net pension interest cost	0	15	0	15
(Surplus) or deficit on the provision of services	6	0	5	11
	Adjusts. For Capital Purposes £'000	Net Change for Pensions Adjusts. £'000	Other Differences £'000	Total Statutory Adjusts. £'000
2019/20				
Core	140	13	4	157
Projects	(97)	0	0	(97)
Net Cost of Services	43	13	4	60
Other Income and Expenditure				
Net pension interest cost	0	22	0	22
(Surplus) or deficit on the provision of services	43	35	4	82

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

The South East of Scotland Transport Partnership (SESTRAN)

2. EXPENDITURE AND FUNDING ANALYSIS *(continued)*

2.2 Segmental Analysis of Income included in Expenditure and Funding Analysis

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

2.3 Expenditure and Income Analysed by Nature

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

	31st March 2021 £'000	31st March 2020 £'000
Expenditure		
Employee expenses	378	350
Other service expenses	1,037	1,623
Depreciation, amortisation and impairment	119	141
Interest payments	65	75
Total Expenditure	1,599	2,189
Income		
Fees, charges and other service income	(5)	(4)
Interest and investment income	(50)	(54)
Income from constituent councils	(190)	(190)
Government grants and other contributions	(1,289)	(2,048)
Total Income	(1,534)	(2,296)
(Surplus) or Deficit on the Provision of Services	65	(107)

The South East of Scotland Transport Partnership (SESTRAN)

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

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

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

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

4. CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

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

The critical judgements made in the Annual Accounts are:

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

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

The South East of Scotland Transport Partnership (SESTRAN)

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

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

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

5.1 Pension Liabilities

Uncertainties

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

Effect if Actual Result Differs from Assumptions

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

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

	Approximate % increase to Defined Benefit Obligation	Approximate monetary amount (£000)
0.5% decrease in Real Discount Rate	12%	395
0.5% increase in the Salary Increase Rate	0%	12
0.5% increase in the Pension Increase Rate	11%	378

6. EVENTS AFTER THE BALANCE SHEET DATE

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

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

The South East of Scotland Transport Partnership (SESTRAN)

7. ADJUSTMENTS BETWEEN ACCOUNTING BASIS AND FUNDING BASIS UNDER REGULATIONS

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

2020/21	Usable Reserves	Unusable Reserves			
	General Fund Balance	Capital Adjustment Account	Accumulated Absence Account	Pension Reserve	Movement in Unusable Reserve
	£'000	£'000	£'000	£'000	£'000
Adjustments primarily involving the Capital Adjustment Account					
Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement (CIES)					
Charges for depreciation and impairment of non-current assets	119	(119)			(119)
Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement (CIES)					
Contributions credited to the CIES that have been applied to capital financing	(113)	113			113
Adjustments primarily involving the Pensions Reserve					
Reversal of items relating to retirement benefits debited or credited to the CIES	117			(117)	(117)
Employer's pension contributions and direct payments to pensioners payable in the year	(117)			117	117
Adjustments primarily involving the Accumulated Absence Account					
Amount by which officer remuneration charged to the CIES on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	4		(4)		(4)
Total Adjustments	10	(6)	(4)	0	(10)

The South East of Scotland Transport Partnership (SESTRAN)

7. ADJUSTMENTS BETWEEN ACCOUNTING BASIS AND FUNDING BASIS UNDER REGULATIONS

(continued)

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

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

The South East of Scotland Transport Partnership (SESTRAN)

8. TRANSFERS TO/FROM EARMARKED RESERVES

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

9. FINANCING AND INVESTMENT INCOME

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

10. TAXATION AND NON SPECIFIC GRANT INCOME

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

The South East of Scotland Transport Partnership (SESTRAN)

11. PROPERTY, PLANT AND EQUIPMENT

11.1 Movements on balances:

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

The South East of Scotland Transport Partnership (SESTRAN)

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

11.2 Movements on balances:

Comparative Movements in 2019/20

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

11.3 Depreciation

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

- Vehicles, plant and equipment: 4 - 5 years

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

11.4 Capital Commitments

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

The South East of Scotland Transport Partnership (SESTRAN)

12. FINANCIAL INSTRUMENTS

12.1 Financial Instruments - Classifications

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

Financial Liabilities

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

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

- Trade payables for goods and services received.

Financial Assets

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

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

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

12.2 Financial Instruments - Balances

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

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

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

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

The South East of Scotland Transport Partnership (SESTRAN)

12. FINANCIAL INSTRUMENTS (continued)

12.3 Financial Instruments - Fair Values

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

The fair values calculated are as follows:

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

12.4 Income, Expenses, Gains and Losses

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

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

13. DEBTORS

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

The South East of Scotland Transport Partnership (SESTRAN)

14. PROVISION FOR BAD DEBTS

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

15. CASH AND CASH EQUIVALENTS

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

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

16. CREDITORS

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

17. USABLE RESERVES

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

The South East of Scotland Transport Partnership (SESTRAN)

18. UNUSABLE RESERVES

		31st March 2021 £'000	31st March 2020 £'000
18.1	Capital Adjustment Account	303	309
18.2	Pension Reserve	(981)	(661)
18.3	Accumulated Absence Account	(14)	(10)
		<u>(692)</u>	<u>(362)</u>

18.1 Capital Adjustment Account

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

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

18.2 Pension Reserve

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

The South East of Scotland Transport Partnership (SESTRAN)

18. UNUSABLE RESERVES *(continued)*

18.2 Pension Reserve *(continued)*

	2020/21 £'000	2019/20 £'000
Balance at 1st April	(661)	(867)
Remeasurements of the net defined benefit liability	(320)	241
Reversals of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement.	(117)	(116)
Employer's pension contributions and direct payments to pensioners payable in the year.	117	81
Balance at 31st March	<u>(981)</u>	<u>(661)</u>

18.3 Accumulated Absence Account

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

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

19. MEMBERS EXPENSES

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

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

The South East of Scotland Transport Partnership (SESTRAN)

20. EXTERNAL AUDIT COSTS

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

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

21. GRANT INCOME

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

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

The South East of Scotland Transport Partnership (SESTRAN)

22. RELATED PARTIES

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

22.1 Scottish Government

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

22.2 Members

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

22.3 Other Parties

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

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

The South East of Scotland Transport Partnership (SESTRAN)

22. RELATED PARTIES *(continued)*

22.3 Other Parties *(continued)*

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

The South East of Scotland Transport Partnership (SESTRAN)

22. RELATED PARTIES *(continued)*

22.3 Other Parties *(continued)*

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

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

The South East of Scotland Transport Partnership (SESTRAN)

23. LEASES

Operating Leases

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

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

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

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

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

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

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

The Partnership has no other material operational leases.

24. DEFINED BENEFIT PENSION SCHEMES

24.1 Participation in Pension Schemes

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

The Partnership participates in:

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

The South East of Scotland Transport Partnership (SESTRAN)

24. DEFINED BENEFIT PENSION SCHEMES *(continued)*

24.2 Transactions Relating to Post-employment Benefits

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

	2020/21 £000	2020/21 £000	2019/20 £000	2019/20 £000
Comprehensive Income and Expenditure Statement				
<i>Cost of services:</i>				
Service cost, comprising:				
Current service costs	102		109	
Past service costs	<u>0</u>		<u>(15)</u>	
		102		94
<i>Financing and investment income:</i>				
Net interest expense		<u>15</u>		<u>22</u>
Total post employee benefit charged to the surplus on the provision of services		117		116
<i>Other post-employment benefits charges to the Comprehensive Income / Expenditure Statement</i>				
Remeasurement of the net defined liability, comprising:				
Return on plan assets, excluding the amount included in the net interest expense above	(304)		146	
Actuarial gains and (losses) arising on changes in financial assumptions	767		(369)	
Actuarial gains and (losses) arising on changes in demographic assumptions	(98)		0	
Other experience	<u>(45)</u>		<u>(18)</u>	
		<u>320</u>		<u>(241)</u>
Total post-employment benefits charged to the Comprehensive Income / Expenditure Statement		<u>437</u>		<u>(125)</u>
Movement in Reserves Statement				
Reversal of net charges made to the surplus on the provision of services for post-employment benefits in accordance with the Code.		<u>0</u>		<u>35</u>
Actual amount charged against the General Fund Balance for pensions in the year:				
Employer's contributions payable to the scheme		117		81
		<u>117</u>		<u>81</u>

The South East of Scotland Transport Partnership (SESTRAN)

24. DEFINED BENEFIT PENSION SCHEMES *(continued)*

24.3 Pension Assets and Liabilities Recognised in the Balance Sheet

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

	2020/21 £'000	2019/20 £'000
Fair value of employer assets	2,445	2,149
Present value of funded liabilities	(3,426)	(2,810)
Present value of unfunded liabilities	0	0
Net liability arising from defined benefit obligation	(981)	(661)

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

	2020/21 £'000	2019/20 £'000
Opening fair value of scheme assets	2,149	2,212
Interest income	50	53
Remeasurement gain / (loss):		
Other Experience	(130)	0
Return on plan assets, excluding the amount included in the net interest expense	304	(146)
Contributions from employer	117	81
Contributions from employees into the scheme	26	18
Benefits paid	(71)	(69)
Unfunded benefits paid	0	0
Closing fair value of scheme assets	2,445	2,149

Reconciliation of Present Value of the Scheme Liabilities

	2020/21 £'000	2019/20 £'000
Present value of funded liabilities	(2,810)	(3,079)
Present value of unfunded liabilities	0	0
Opening balance at 1st April	(2,810)	(3,079)
Current service cost	(102)	(109)
Interest cost	(65)	(75)
Contributions from employees into the scheme	(26)	(18)
Remeasurement gain / (loss):		
Change in demographic assumptions	98	0
Change in financial assumptions	(767)	369
Other experience	175	18
Past service cost	0	15
Benefits paid	71	69
Unfunded benefits paid	0	0
Closing balance at 31st March	(3,426)	(2,810)

The South East of Scotland Transport Partnership (SESTRAN)

24. DEFINED BENEFIT PENSION SCHEMES *(continued)*

24.5 Fair Value of Employer Assets

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

	2020/21		2019/20	
	£'000	%	£'000	%
Equity Securities:				
Consumer *	306	12	205	10
Manufacturing *	357	15	310	14
Energy and Utilities *	132	5	137	6
Financial Institutions *	167	7	140	7
Health and Care *	167	7	149	7
Information technology *	117	5	93	4
Other *	196	8	157	7
Sub-total Equity Securities	1,440		1,190	
Debt Securities:				
Corporate Bonds (investment grade) *	0	0	36	2
Corporate Bonds (investment grade)	1	0	79	4
UK Government *	148	6	132	6
Sub-total Debt Securities	149		247	
Private Equity:				
All	383		19	
Sub-total Private Equity	383	16	19	1
Real Estate:				
UK Property *	0	0	25	1
UK Property	128	5	116	5
Overseas Property	1	0	2	0
Sub-total Real Estate	129		143	
Investment Funds and Unit Trusts:				
Equities *	35	1	26	1
Bonds *	54	2	9	0
Bonds	0	0	0	0
Infrastructure	2	0	302	14
Sub-total Investment Funds and Unit Trusts	92		338	
Derivatives:				
Foreign Exchange *	(0)	(0)	4	0
Sub-total Derivatives	(0)		4	
Cash and Cash Equivalents				
All *	253	10	208	10
Sub-total Cash and Cash Equivalents	253		208	
Total Fair Value of Employer Assets	2,445		2,149	

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

The South East of Scotland Transport Partnership (SESTRAN)

24. DEFINED BENEFIT PENSION SCHEMES *(continued)*

24.6 Basis for Estimating Assets and Liabilities

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

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

Investment returns

- Total returns for the period from 1 April 2020 to 31 March 2021 16.2%

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

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

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

The South East of Scotland Transport Partnership (SESTRAN)

24. DEFINED BENEFIT PENSION SCHEMES *(continued)*

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

	Assets £000	Obligations £000	Net (liability) / asset £000	% of pay
Projected current service cost	0	(160)	(160)	(53.2%)
Past service cost including curtailments	0	0	0	0.0%
Effect of settlements	0	0	0	0.0%
Total Service Cost	0	(160)	(160)	(53.2%)
Interest income on plan assets	49	0	49	16.3%
Interest cost on defined benefit obligation	0	(70)	(70)	(23.3%)
Total Net Interest Cost	49	(70)	(21)	(7.0%)
Total included in Profit or Loss	49	(230)	(181)	(60.2%)

The Partnership's estimated contribution to Lothian Pension Fund for 2021/22 is £100,000.

25. NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

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

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

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

Credit risk

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

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

All Partnership invoices become due for payment on issue, and all trade debtors are overdue less than a month.

Collateral - During the reporting period the Partnership held no collateral as security.

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

Liquidity risk

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

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

Refinancing risk

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

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

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

Market risk

Interest rate risk

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

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

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

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

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

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

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

Price risk

The Partnership does not invest in equity shares.

Foreign Exchange risk

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

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

The Partnership has no financial liabilities denominated in foreign currencies.

ANNUAL TREASURY REPORT 2020/21

1 Purpose of report

The purpose of this report is to provide an Annual Treasury Report for the financial year 2020/21.

2 Summary

The Partnership has adopted the CIPFA Code of Practice on Treasury Management in the Public Sector, and under the code, an Annual Report on Treasury Management must be submitted to the Partnership after the end of each financial year.

3 Investment Out-turn 2020/21

- 3.1 The Partnership's Investment Strategy has been to maintain 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 and for financial year 2020/21 is calculated in accordance with the withdrawn Local Authority (Scotland) Accounts Advisory Committee's (LASAAC) Guidance Note 2 on Interest on Revenue Balances (IoRB). In line with recent short term interest rates, the investment return continues to be small, but the Partnership gains security from its counterparty exposure being to the City of Edinburgh Council. Net end of month balances for the financial year were:

	£
Opening Balance	-11,926.69
30 April 2020	-250,906.58
31 May 2020	365,847.62
30 June 2020	-490,382.45
31 July 2020	307,968.03
31 August 2020	356,087.21
30 September 2020	339,361.85
31 October 2020	329,078.90
30 November 2020	240,805.34
31 December 2020	184,884.49
31 January 2021	131,604.32
28 February 2021	125,703.79
31 March 2021	-163,441.99

- 3.2 Interest is calculated on the average monthly balance. The interest rate payable has remained negative therefore the Partnership won't be charged for positive or negative balances, interest will be floored at zero.

4 Recommendations

- 4.1 It is recommended that the Performance and Audit Committee reviews the Annual Report for 2020/21 and refers it to the Partnership Board for noting.

HUGH DUNN
Treasurer

Appendix None

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

Risk Management

1. INTRODUCTION

- 1.1 The purpose of this report is to provide the Committee with its six-monthly update on the risk register and to advise of the proposed development of a risk framework policy, as recommended by Internal Audit as part of its recent audit of resilience arrangements within SEStran.

2. MAIN REPORT

- 2.1 SEStran has been using a Risk Register to record, report and evaluate risks within the organisation since May 2008. All risks are reviewed regularly by the relevant staff and Appendix 1 to this report is the latest version SEStran Risk Register, highlighting the key risks.
- 2.2 The Committee should note that all changes made to the register are highlighted in red. Key changes made to the register since the last update are as follows:
- **R006 (6.7) Finance**
This risk has been closed following the adoption of the EU Withdrawal Agreement.
 - **R012 (12.1) Pandemic/Epidemic**
This is a new risk to deal with issues that could arise from inadequate measures to facilitate staff health, safety and well-being working in the office environment.
 - **R012 (12.2) Pandemic/Epidemic**
This is a new risk to deal with issues that could arise from inadequate measures to facilitate staff health, safety and well-being in home working arrangements.

3. RISK FRAMEWORK POLICY

- 3.1 The Internal Audit report for 2019/20, which has been presented to the Committee at this meeting, has recommended that the organisation should develop a risk management framework to support the risk register. The framework should detail how risks will identified; recorded; assessed and managed. In addition, it should include a risk appetite statement that defines the amount of each type of risk that SEStran is prepared to accept.
- 3.2 Management have agreed to develop this framework over the next 6 months and will present a draft policy and risk template to the Committee at its meeting in November for approval and implementation.

4. RECOMMENDATIONS

- 3.1 The Committee are asked to comment on the contents of the report, and;
- 3.2 note that a final version of the Risk Register will be presented to Partnership Board for noting;
- 3.3 note that a draft Risk Management Framework will be developed by management and presented to the Committee in November 2021.

Angela Chambers
Business Manager
June 2021

Appendix 1: SEStran Risk Register

Policy Implications	None
Financial Implications	As highlighted in the register.
Equalities Implications	None
Climate Change Implications	None

Risk Number	Risk Detail	Risk Category	Gross Risk Assessment			Planned Response/Mitigation	Net Risk Assessment			Risk After Mitigation	Date and Owner
			Probability	Impact	Risk Score		Probability	Impact	Risk Score		
R001	Policy Appraisal: Poor Quality Lack of consultation	Strategic	1 Remote	3 Moderate	3 Low	Advised by Government of relevant policy changes and Partnership Director and Officers regularly looking out for further policies and responding accordingly. Consultative forums also enable greater visibility and integration of local policies into regional strategy. Make full use of online consultancy options.	1 Remote	2 Minor	2 Low	Low. Partnership staff also continue to monitor their networks for relevant policy discussions. RTS re-write process underway. Tolerate	Ongoing Partnership Director
R002	Project Appraisal and Delivery: Incomplete or of poor quality Late Delivery	Reputational	2 Unlikely	4 Major	8 Medium	Monthly monitoring and management intervention by the project officer and oversight by the Programmes Manager. Regular monitoring and management/project team meetings provides all across the organisation with a clear view of progress and expenditure against budget.	2 Unlikely	3 Moderate	6 Low	Low. Regular monitoring and management/project team meetings provides all across the organisation with a clear view of progress and expenditure against budget. Regular reports presented to P&A Committee and Partnership Board, which have been revised to provide focused monitoring template. Tolerate	Ongoing Programmes Manager
R003	Digital/IT: Server failure Comms failure: phones Website	System and Technology	3 Possible	4 Major	12 Medium	SEStran will review the has-an-up-to-date Management Plan for Business Continuity. IT/Website maintained under contract. Both proactively managed by third parties.	3 Possible	2 Minor	6 Low	Low. Contracted IT consultants deliver IT services. Website contract includes security updates. Robust Information Security Policy in place with regular monitoring reports. GDPR compliant and Cyber Essentials Plus Accreditation achieved-maintained. Tolerate	Ongoing Business Manager
R004	Reputation: Regard by the public and stakeholders. Negative or inaccurate media coverage leading to misrepresentation of SEStran position	Reputational	3 Possible	3 Moderate	9 Medium	Good relationships with media. Quick response to negative or inaccurate coverage. Board members regularly updated on SEStran work successes and issues. Proactive placement of copy. Agreed broad media positions. Availability of Spokesperson - Senior staff only. No unauthorised media statements.	3 Possible	2 Minor	6 Low	Low. Partnership staff and Board Members continue to promote and advocate activities via speaking, writing or wider networking. Continue to work closely with regional partners. Tolerate	Ongoing Partnership Director
R005	Statutory Duties: Failure to adhere to duties described in legislation and related documentation	Legal and Regulatory	1 Remote	4 Major	4 Low	Quick response to negative or inaccurate coverage. Board members regularly updated on SEStran work successes and issues. Ongoing monthly liaison with Transport Scotland. Regular liaison with Auditors.	1 Remote	2 Minor	2 Low	Low. Regular monitoring and programming of statutory duties is undertaken by the Partnership Director, Senior Partnership Manager and Business Manager. Audited by third parties. Tolerate	Ongoing Partnership Director
R006 6.0	Financial: Significant deviation from budgeted spend	Financial	2 Unlikely	3 Moderate	6 Low	The Partnership's Financial Rules do not permit the Partnership's spending (whether revenue or capital) to exceed its available budget. Budget and spend is monitored on a monthly basis by SEStran officers, using financial information provided by City of Edinburgh Council (CEC) through the Partnership's Financial Services Service Level Agreement with CEC and supported by qualified accounting staff of CEC. Action is taken by Partnership officers to develop alternative savings measures, including options for development of contingency arrangements, if required and subject to approval by the Partnership. The Partnership's Financial Rules require reporting of financial performances to the Partnership Board on a quarterly basis.	1 Remote	2 Minor	2 Low	Low. Transport (Scotland) Act 2019 includes section on RTPs carrying reserves. Tolerate	November 2021 Partnership Director
6.1	The approved budget for 2020/21 2021/22 assumes provision for a pay award of 32% , based on alignment with the Scottish Government's public sector pay offer. A 1% increase in pay award uplift equates to an increase in cost of approximately £5,681 £4,911 .	Financial	4 Probable	1 Insignificant	4 Low	Alignment with Scottish Local Government pay policy	4 Probable	1 Insignificant	4 Low	Low Tolerate	November 2020 2021 Partnership Director

6.2	Staff recharges - externally funded projects: The approved proposed budget assumes that £119,000 £51,000 of staff time can be recharged to externally-funded projects. There is a risk this may not be achievable	Financial	5	Highly Probable	3	Moderate	15	High	Any shortfall in employee recharges will be managed through corresponding reductions in Projects Budget expenditure. In 2021/22 2024/24 , externally-funded projects represent 33% 38% of the approved budget.	4	Probable	2	Minor	8	Medium	Medium: Other funding sources will continue to be pursued. Tolerate	November 2020- 2021 Partnership Director
6.3	Inflation: There is a risk that the approved budget does not adequately cover price inflation and increasing demand for services.	Financial	3	Possible	4	Major	12	Medium	When setting the revenue budget, allowance made for specific price inflation and budgets adjusted in line with current cost forecasts.	3	Possible	4	Major	12	Medium	Medium Tolerate	November 2020- 2021 Partnership Director
6.4	Delays in payment of external grants results in additional short-term borrowing costs.	Financial	3	Possible	2	Minor	6	Low	SEStran grant claims for projects are submitted in compliance with grant funding requirements to ensure minimal delay in payment. Ongoing monitoring of cash flow is undertaken to manage exposure to additional short-term borrowing costs.	3	Possible	1	Insignificant	3	Low	Low: Grant submission procedures in place, along with financial planning. Tolerate	November 2020- 2021 Partnership Director
6.5	Sources of additional income to the Partnership may become constrained in the current economic climate and/or due to changes in operating arrangements.	Financial	4	Probable	3	Moderate	12	Medium	Active Travel funding a high priority for Government with funds consistently available to bid for. Revenue budget for 2021/22 2020/24 developed to take account of most likely level of external income in 2021/22 2020/24 .	4	Probable	3	Moderate	12	Medium	Medium Tolerate: Adapt expenditure accordingly	November 2020- 2021 Partnership Director
6.6	Funding reductions: Future reductions in core funding from Scottish Government and/or council requisitions. This could result in difficulty in delivering statutory obligations/duties.	Financial	3	Possible	4	Major	12	Medium	The Partnership will continue to source and develop external funding. Working with the Scottish Government on a regional response to the pandemic should increase likelihood of funding remaining constant if not increasing.	3	Possible	4	Major	12	Medium	Medium Tolerate: Manage organisation in accordance with available funding but ability of organisation to deliver RTS objectives will inevitably be dictated by available funding. Scottish Government now promoting 3 year budget process, providing more certainty for future planning.	November 2020- 2021 Partnership Director
6.7	The deficit on the staff pension fund could lead to increases in the employers pension contribution	Financial	4	Probable	3	Moderate	12	Medium	Following the Lothian Pension Fund Triennial Actuarial Review of 2020 2017 , Partnership contribution rates have been advised until 2023/24 2020/24 . Planning assumptions have been will-be updated and included in the indicative revenue budget 2022/23 to 2023/24 reported to the Partnership Board on 19th March 2021 when the outcome of the 2020 Actuarial Review is available .	4	Probable	3	Moderate	12	Medium	Medium Tolerate	November 2020- 2021 Partnership Director
6.8	Current staffing levels cannot be maintained due to funding constraints and the Partnership incurs staff release costs	Financial	3	Possible	4	Major	12	Medium	The Partnership continues to seek additional sources of funding for activities aligned to the Partnership's objectives to supplement resources Recruitment control measures in place. Additional resources can be managed through consultancy as required.	3	Possible	4	Major	12	Medium	Medium: Other funding sources will continue to be pursued. Tolerate	Ongoing Partnership Director
6.9	Following the outcome of the EU Referendum, the Partnership is unable to access EU funding.	Financial	5	Highly Probable	3	Moderate	15	High	The Partnership continues to seek alternative funding sources to progress knowledge exchange/transfer.	4	Probable	3	Moderate	12	Medium	Medium Tolerate: Adapt expenditure accordingly Currently involved in 5 6 EU projects, the completion of which are underwritten by the UK Treasury.	Ongoing Partnership-Director CLOSED
R007	HR: Pension Liabilities Redundancy Contingency Inappropriate Behaviour Staffing/Incapacity	People	3	Possible	3	Moderate	9	Medium	SLA in place until May 2022 with Falkirk Council to provide specialist HR advice as required and is under regular review. Legal advice is provided, when required, through a framework contract, which is in place until August 2023	1	Remote	2	Minor	2	Low	Low Tolerate	May 2022 Partnership Director
R008	Corporate: Regional Governance Review.	Strategic	4	Probable	4	Major	16	High	NTS2 Roles and Responsibilities Working Group have made recommendations which are currently being considered by Transport Scotland. Discussions ongoing with Transport Scotland who have indicated they are receptive to enhanced role for RTPs during current phase of lockdown release. Joint RTPs paper submitted to Transport Scotland May 2020 . NTS2 Roles and Responsibilities WG resumed meetings in September 2020 to consider regional governance arrangements. Monthly meetings between TS and RTPs established May 2020	4	Probable	4	Major	16	High	High: Seek to resolve	Ongoing Partnership Director

R009	Other Funding Sources: Impact on learning and funding	Financial	5	Highly Probable	3	Moderate	15	High	The Partnership has sought to engage in as many relevant EU projects and funds as it can whilst UK authorities are allowed to access these funds. This should mitigate the short-term impact of any EU Exit negotiated and implemented. Timescales for effective exit remain unclear The Partnership has a proven track record in securing funding for relevant projects from the UK and other partners. It is anticipated that this will continue.	5	Highly Probable	2	Minor	10	Medium	Medium: The risk remains as there is significant uncertainty around the medium (3-5 year) horizon for access to funds. Opportunity for renewed collaborative working with EU following Brexit to be explored. SEStran continuing to be accepted as partners in EU funded projects. EU projects secured for further 3 years, with possible extension to two projects. Other funding applications will be made when available. Tolerate	Ongoing Partnership Director
R010 10.1	Governance: Succession Planning Business Continuity	People	3	Possible	3	Moderate	9	Medium	Governance Scheme contains adequate provision to deal with senior officer absence. Staff structure and Business Continuity Plan in place. Senior Partnership Manager appointed.	2	Unlikely	2	Minor	4	Low	Low Tolerate	November 2021 Partnership Director
10.2	Local Government Elections in May 2022 coincides with end of term of NCM's Risk of lack of continuity and loss of expertise.	People	3	Possible	3	Moderate	9	Medium	Early arrangements for reappointment/recruitment of NCMs	2	Unlikely	2	Minor	4	Low	Low Tolerate	November 2021 Partnership Director
R011	Third party Service Level Agreements: Failure or inadequacy of service	People	2	Unlikely	2	Minor	4	Low	Service Level Agreements in place for Financial Services, HR, Legal and Insurance services. Reviewed annually by senior officers. Subject to independent audit scrutiny.	2	Unlikely	2	Minor	4	Low	Low Tolerate	November 2021 Partnership Director
R012 12.0	Pandemic / Epidemic: Interruption of normal service/inability to deliver functions. Financial impact of crisis on sources of funding. New functions can't be met from existing resource	Strategic	3	Possible	4	Major	12	Medium	Adhere to Government restrictions, rules or guidance. Regular communication with Transport Scotland and constituent councils officials to guide any operational changes. Business Continuity Plan way forward. Maintain current functions that can be delivered from home working within working guidance. New functions can be met through consultancy support.	3	Possible	3	Moderate	9	Medium	Low Medium: An ongoing risk (realised in March 2020) remains for future spikes of Covid-19 or other kinds of disease outbreaks Tolerate	Ongoing Partnership Director
12.1	Inadequate measures in place to facilitate staff health, safety and well-being during contingency arrangements or future office arrangements.	People	3	Possible	4	Major	12	Medium	Review and update appropriate policies. Carry out appropriate risk assessments of office equipment and working arrangements. Follow mitigating actions identified in the COVID Return to Office Working protocol to protect staff. Further develop Risk Management Framework with P&A Committee. Refresh Business Continuity Plan. Liaise with HR Adviser, SG facilities team. Review transition arrangements to normal working arrangements	3	Possible	3	Moderate	9	Medium	Medium An ongoing risk remains for future pandemics and future widespread disease or other outbreaks. Measures will be adjusted in accordance with government advice. Tolerate	September 21 Partnership Director (Subject to SG advice)
12.2	Inadequate measures in place to facilitate staff health, safety and well-being during working from home arrangements.	People	3	Possible	4	Major	12	Medium	Review and update appropriate policies. Carry out appropriate risk assessments of staff personal home working arrangements. Follow mitigating actions identified in the assessment to protect staff. Further develop Risk Management Framework with P&A Committee. Refresh Business Continuity Plan. Liaise with HR Adviser. Review transition arrangements to normal working arrangements	3	Possible	3	Moderate	9	Medium	Medium An ongoing risk remains for future pandemics and future widespread disease or other outbreaks. Measures will be adjusted in accordance with government advice and legislation. Tolerate	September 21 Partnership Director (Subject to SG advice)

Risk Number	Risk Detail	Risk Category	Gross Risk Assessment					Planned Response/Mitigation	Net Risk Assessment					Risk After Mitigation/Appetite for Risk	Date and Owner		
			Probability	Impact	Risk Score				Probability	Impact	Risk Score						
R005	5.1 Restricted ability to undertake RTS re-write: Inadequate senior staff resourcing available due to continued absence of Partnership Director	Strategic	4	Probable	3	Moderate	12	Medium	Resolve absence as soon as possible and appoint external resources as required.	2	Unlikely	2	Minor	4	Low	Partnership Director appointed May 2019. Funds identified for RTS re-write	June 2019 CLOSED
6.9	Accommodation: Occupancy Agreement with SG due for renewal February 2019. SG may not renew and alternative premises required at market rates.	Financial	3	Possible	3	Moderate	9	Medium	A notice period of 12 months must be served by each party under the current occupancy agreement. Occupancy Agreement renewed until February 2022.	3	Possible	3	Moderate	9	Medium		June 2019 CLOSED
6.10	ECOMM: Agreement to commit to ECOMM on the basis of being cost neutral. Income depends on number of delegates attending conference.	Financial	3	Possible	3	Moderate	9	Medium	SEStran withdrew offer to host ECOMM due to uncertainty over Brexit and subsequent impact on attendance at the conference.	3	Possible	2	Minor	6	Low		June 2019 CLOSED

Likelihood	Severity	Risk Score	At Risk
1 Remote	1 Insignificant	1	System and Technology
2 Unlikely	2 Minor	2	Reputational
3 Possible	3 Moderate	3	Strategic
4 Probable	4 Major	4	Financial
5 Highly Probable	5 Catastrophic	5	Governance
		6	Specific Operational
		8	External
		9	Legal and Regulatory
		10	People
		12	Physical
		15	
		16	
		20	
		25	High Risk

Impact			
Descriptor	Score	Health and Safety Impact	Financial Impact
Insignificant	1	No injury or no apparent injury.	No impact on service or reputation. Complaint unlikely, litigation risk remote.
Minor	2	Minor injury (First Aid on Site)	Slight impact on service and/or reputation. Complaint possible. Litigation possible.
Moderate	3	Reportable injury	Some service disruption. Potential for adverse publicity, avoidable with careful handling. Complaint expected. Litigation probable.
Major	4	Major injury (reportable) or permanent incapacity	Service disrupted. Adverse publicity not avoidable (local media). Complaint expected. Litigation expected.
Catastrophic	5	Death	Service interrupted for significant time. Adverse publicity not avoidable (national media interest.) Major litigation expected. Resignation of senior management/directors.

Likelihood		
Descriptor	Score	Example
Remote	1	May only occur in exceptional circumstances.
Unlikely	2	Expected to occur in a few circumstances.
Possible	3	Expected to occur in some circumstances.
Probable	4	Expected to occur in many circumstances.
Highly Probable	5	Expected to occur frequently and in most circumstances.

Impact					
Catastrophic	5	10	15	20	25
Major	4	8	12	16	20
Moderate	3	6	9	12	15
Minor	2	4	6	8	10
Insignificant	1	2	3	4	5
Likelihood	Remote	Unlikely	Possible	Probable	Highly Probable

Maintain existing measures in place.
Review control measures. Even if the risk is low, there may be things that can be done to bring the risk rating down to minimal.
Improve control measures. If the Rating Action Band is greater than 3 or 4 then a review of the existing safety/control measures needs to be done, where
Improve control measures immediately and consider stopping work activity until risk is reduced.





Performance Report

1 Introduction






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

2 Performance Report

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

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

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

	Economy
	Accessibility
	Environment
	Safety and health
	Corporate

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

3 European Project Extensions

- 3.1 The last report advised Committee that EU project Lead Partners were applying for timescale extensions as a response to the impacts of Covid-19 on project delivery.

Share-North has since had a six-month extension agreed, on that basis. SEStran's ongoing involvement in EU projects is secure, within the terms of the EU Withdrawal Agreement.

4 Recommendations.

- 4.1 Committee is asked to note the following, prior to onwards reporting to the Board:
- progress outlined in the Performance Report (Appendix 1) including impacts and delays recorded in relation to Covid-19;
 - amendments to the performance report template to include information on end dates where appropriate;
 - the agreed extension to the Share-North project.

Anna Herriman
Senior Partnership Manager
4 June 2021

Appendices

Appendix 1

Performance Report June 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 June 2021

Table of Contents

1. STRATEGY	4
1.1 Regional Transport Strategy	4
2. STRATEGIC ACTIVE TRAVEL PROJECTS.....	5
2.1 GO e-Bike	6
2.2 Regional Cycle Network Grant Scheme	6
2.3 Regional Active Travel Development Fund – Transport Scotland	7
2.4 Cycle Training and Development – Cycling Scotland.....	9
3. STRATEGIC PUBLIC TRANSPORT PROJECTS.....	10
3.1 Real Time Passenger Information (RTPI)	10
3.2 Thistle Assistance Programme	11
3.3 Newburgh Train Station Study	12
3.4 South East Scotland Transport Transition Group	13
3.5 Bus Service Improvement Partnerships	14
4. FREIGHT AND LOGISTICS PROJECTS	15
4.1 Forth Freight Study	15
5. EUROPEAN-FUNDED PROJECTS	15
5.1 SHARE-North	15
5.2 SURFLOGH.....	16
5.3 BLING	18
5.4 PriMaaS.....	19
5.5 CONNECT	20
6. SESTRAN FORUMS AND UPCOMING EVENTS.....	21
6.1 SEStran Forum Meetings.....	21

1. Strategy

1.1 Regional Transport Strategy



Start date: November 2020

Initial completion date: March 2022

Expected completion date: March 2022

Overall project progress:



Project description: 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 Main Issues Report was able to highlight that Covid-19 impacts will require the RTS be able to respond flexibly to future uncertainty, impacts of travel restrictions and variable future travel demand scenarios. The longer-term impacts of Covid-19 are not fully known, but it is widely accepted that impacts will be far reaching and include impacts on the economy, plans for land-use, transport systems and travel behaviour.

Current status:

● RTS Development

In progress

The development of the RTS is being delivered through consultancy support. The development involves consulting key stakeholders, establishing 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.
- The Scoping Report for the Strategic Environmental Assessment (SEA) was lodged with the Statutory consultation bodies and comments have been received. Work continues to

ensure that the SEA informs the ongoing development of the RTS. Work is also ongoing on the Equalities Assessments needed to support the draft RTS.

- A substantial public consultation and stakeholder engagement is now complete.
- The draft Case for Case a key supporting document needed has been completed and is being reviewed prior to some further engagement with Equalities Groups.
- Work to develop the draft RTS is ongoing and is due to be presented to the Partnership Board in September.

2. Strategic Active Travel Projects

2.1 GO e-Bike



Start date: April 2018

Initial completion date: ongoing programme

Expected completion date: ongoing programme subject to funding

Overall project progress:

Project description: 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 and these hubs remain active and operational. In August 2018 SEStran secured further 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.

Current status:

- **GO e-Bike expansion with LCTT and TS funding**
 - Cargo Bike Movement (CBM) is now operating from a facility in Tollcross, sharing space with other cargo bike couriers Farr Out Deliveries. CBM have carried out a renovation of the space to make it fit for purpose. The cargo bikes are being utilised for the collection and redistribution of surplus food from supermarkets in Edinburgh. They are recruiting volunteers to increase their capacity for food collections. Volunteers are currently being trained by Cycling Scotland but there are plans to support CBM to be able to deliver training themselves. CBM are also exploring the potential for hiring out the cargo bikes.
 - The Bewegen system launched in April with a small number of bikes to test the system. The first month has seen positive usage with more bikes added to each station in May.
 - With restrictions now easing a formal launch is being planned to promote the scheme prior to the summer holidays.
 - The [“Do The Ride Thing”](#) campaign has now progressed with a media buying contract with The Media Shop Scotland. Initial Radio adverts will be aired at the start of June with further social media work to follow. The campaign will run through the year at specific times with all material available to local partners on request.

2.2 Regional Cycle Network Grant Scheme



Start date: April 2014

Initial completion date: ongoing programme

Expected completion date: ongoing programme subject to funding

Overall project progress:

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

Current status:

- **Kirkliston to Cramond Brig Pathway** 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.
 - ELGT appointed consultants, Open, have conducted a feasibility of the route and engaged with various stakeholders on the route. A final report is expected in June.
- **Edinburgh BioQuarter** Delayed
 - Additional Work on the route to prepare final design for construction was due to commence 2020. This work will facilitate the transition to construction through Sustrans Infrastructure Funding. City of Edinburgh have commissioned SWECO to complete this phase of work.
- **SEStran Strategic Network** In progress
 - In order to maximise the investment possible in the Strategic Network, the funding will be combined with the Regional Active Travel Fund as described below.

2.3 Regional Active Travel Development Fund – Transport Scotland



Start date: Financial year 2021/22

Initial completion date: March 2022

Expected completion date: March 2022

Overall project progress:

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

Current status:

- **Project 1: Attitudinal Survey** In progress

<ul style="list-style-type: none"> • “The Lines Between” were appointed to carry out a longitudinal behavioural survey, commencing in July 2020. Initial research work has been completed and the baseline survey report is in the last stages of drafting. • A baseline population survey of around 750 people was conducted in September 2020 with a follow up in February 2021. Initial insights have been collated and will be shared in due course. • A first qualitative panel survey of around 30 people has been conducted with draft results being reviewed. • Further waves of surveys will follow the trends across the year and produce further insights into travel attitudes and motivators. • <i>Total award £62,000</i> 	
<ul style="list-style-type: none"> • Project 2: ‘Do The Ride Thing’ Awareness Campaign <ul style="list-style-type: none"> • SEStran has created an awareness campaign for the use of e-bikes across the region to complement the launch of a number of e-bike hubs. Do The Ride Thing seeks to create an environment where individuals look out for others and create good habits while riding a bike. • Procurement was completed in March 2021 with a successful contract awarded to the Media Shop Scotland. • A series of different media sources will be used to promote ‘Do The Ride Thing’ and share the messaging with a broader audience. • <i>Total award £90,000</i> 	<i>In progress</i>
<ul style="list-style-type: none"> • Project 3: SEStran Strategic Network <ul style="list-style-type: none"> • Following on from the publication of the SEStran Strategic Network in 2020, work has been identified to take initial phases of routes to feasibility and concept design. • Partnership working with local authorities through 2020-21 has continued the discussion with updates to planning of routes in response to various Spaces for People projects across the region. SEStran has long encouraged the use of trial measures in promoting new infrastructure. • This project will take forward a series of feasibility studies with agreement from partners to develop proposals in preparation for community engagement. • Additional resource will be used to continue engagement with partners and develop plans within communities. • The Procurement exercise for this is due to complete in June 2021. • <i>Total award £270,000</i> 	<i>In progress</i>
<ul style="list-style-type: none"> • Project 4: East Fife Mobility Hub Integration and Last Mile Logistics Feasibility 	<i>In progress</i>

- The study will establish how Mobility Hubs could be delivered in conjunction with key rail and bus interchanges at Leven and Cameron Bridge (proposed), Leuchars and St Andrews and link into existing and proposed active travel routes.
- Supporting active travel is a core element of a Mobility Hub. Key to this is the provision of secure cycle parking facilities and a safe, well designed public realm. Additional elements can include e-bike charging facilities, public transport information, secure parcel pick up, and in appropriate locations, space reallocated from private car parking for car share operators to use.
- In addition to this will be the business case feasibility of last mile logistics operations on cargo bike in East Fife, tying into mobility hubs and interchanges.
- ***Total award £80,000***

2.4 Cycle Training and Development – Cycling Scotland



Start date: core workstream

Initial completion date: ongoing

Expected completion date: ongoing

Overall progress:

In Progress

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

Current status:

- **Bikeability Scotland**

In progress

- Delivery across the region has picked up with schools back full-time, however there are areas where capacity to support delivery is limited. Some areas still have restrictions in place around external staff delivering training for schools. There has been a significant increase in demand for instructors due to compressed delivery period.
- Staff and volunteer training is increasing to enable them to support Bikeability Scotland delivery. This is currently scheduled to take place in Fife, Edinburgh, East Lothian, West Lothian and Clackmannanshire.

- **GO e-Bike cycle training**

In progress

- Training is offered to all hubs as they are completed and as part of ongoing development plans. West Lothian Bike Library has accessed training to enable them to deliver Family cycling sessions.
- There are plans to provide the Tweeddale BID with Cycle Ride Leader training to support them with utilising the e-bike fleet.

- **Adult and Family Cycle Training**

In progress

- 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 is being carried out with employers and individuals to determine the effectiveness of this approach in the SEStran region. Demand for cycle training in general has been high since restrictions have lifted to Level 2.
- A Cargo Bike training course has been developed and is now being delivered in the region. Sessions have been run for volunteer groups as well as for NHS staff with access to cargo bikes for work trips.

3. Strategic Public Transport Projects

3.1 Real Time Passenger Information (RTPI)



Start date: 2010

Initial completion date: ongoing workstream

Expected completion date: ongoing workstream

Overall progress:

In Progress

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

Current status:

- **New Content Management System and hardware upgrades**

Delayed

- SEStran and City of Edinburgh met (virtually) with bus operators and Local Authorities in May 2021 to discuss data feed requirements and processes with the aim of sharing information and developing a consistent approach for providing data for the new Journeo operated system. Further meetings will take place on a regular basis.
- SEStran, in partnership with Trapeze, will run a series of training workshops with Local Authority officers on the Novus FX system to help improve data input capacity into the new system.

- Silent running testing will take place in June 2021 and if successful the new Journeo system will be handed over to CEC and SEStran in July 2021.

▪ **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 July 2021.

▪ **New RTPI Screens Network**

- The test of the new system and new PCs undertaken at the Galashiels Interchange was successful with scheduled information displaying correctly.
- Web based layouts are being developed for partners such as ScotRail, that have the capacity to use this format, this will further increase the flexibility and reach of the system.
- Site surveys are being undertaken for the new screens for Livingston, Fife, Clackmannanshire and Scottish Borders.
- The hardware has passed Factory Acceptance Testing.
- Installs to be arranged, following system silent running and data update process in place, in July 2021.

▪ **Existing System Ongoing support**

- The Covid-19 pandemic impacted on the timeline for the introduction of the new Journeo system. To continue to maintain the functionality of the existing RTPI system, until the new system is operation, SEStran has contracted ongoing specialist technical and integration support through Tetra Tech. In accordance with Contract Standing Orders, the details of the arrangement will be reported to the next meeting of the Partnership Board.

3.2 Thistle Assistance Programme



Start date: 2005

Initial completion date: ongoing workstream

Expected completion date: ongoing workstream


Overall project progress:

In Progress

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

Current status:

<ul style="list-style-type: none"> Journey Planner App - Phase Two <ul style="list-style-type: none"> With the £150,000 funding provided by Scottish Enterprise, a mini procurement competition is being progressed currently for the development of a Journey Planning App; two bids have been received from five invited bidders. The bids are currently being assessed with the contract award due to be offered in June 2021. Phase two work will run over 12 months. 	In progress
<ul style="list-style-type: none"> Thistle Assistance Programme Update <ul style="list-style-type: none"> The Covid-19 update SEStran to the Thistle card and App provides an exemption message for those that cannot use a face covering when using public transport. Mask exemption messaging is available for print, social media and on the website¹. To date over 65,000 cards and leaflets have been distributed and there have been over 9,000 downloads of the App. 	In progress
<ul style="list-style-type: none"> SEStran Website <ul style="list-style-type: none"> In order to comply with legislation (Public Sector Bodies (Websites and Mobile Applications)(No. 2) Accessibility Regulations 2018) SEStran updated the Partnership website in 2020. A design for a new SEStran site remains under development, but due to Covid-19, the timescale for identifying and addressing site management issues was 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. 	Delayed

<h3>3.3 Newburgh Train Station Study</h3> <p>Start date: December 2019 Initial completion date: March 2020 Expected completion date: March 2022</p> <p>Overall project progress:</p> <p>Project description: SEStran is carrying out a transport options study for Newburgh, with work being delivered by consultants Systra appointed to work on behalf of SEStran. This study is funded by the Local Rail Development Fund that was introduced by the Scottish Government in February 2018, with the aim of providing funding to develop community led options to improve local rail connections.</p> <p><u>Current status:</u></p> <ul style="list-style-type: none"> Initial Options Appraisal 	 In Progress
---	--

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

- 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



Start date: June 2020

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

Expected completion date: as above.

Overall project progress:

In progress

Project description: The South East Scotland Transport Transition Group was established in June 2020 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.

Current status:

- **Development of South East Scotland Transport Transition Plan** *Complete*
 - SEStran has had 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.
- **Bus Priority Rapid Deployment Fund** *In progress*
 - Temporary bus priority measures are being implemented across the SEStran local authorities following a successful bid for up to £1.8m, led by the City of Edinburgh Council in partnership with SEStran, operators and other local authority partners through corridor groupings. The monitoring and evaluation programme is ongoing.
- **Region-wide sub-group** *Complete*
 - SEStran led 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



Start date: May 2020

Initial completion date: ongoing area of work

Expected completion date: March 2026

Overall project progress:

In progress

Project description: The Bus Partnership Fund (BPF) is a £0.5Bn fund over five years, announced by Transport Scotland in November 2020, for the development of permanent bus priority infrastructure. Bids are invited from partnerships, which are working towards a Bus Service Improvement Partnership (BSIP) status. BSIPs must be collaborative partnerships involving bus operators and other relevant partners. SEStran has been supporting the development of emerging BSIPs and BPF bids prior to and since the BPF announcement, to help maximise investment in bus priority infrastructure into the SEStran region, and ensure that bids are complementary.

Current status:

- **Fife Bus Partnership and BPF bid development**

In progress

- 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.

- **Edinburgh and south east of Scotland BPF bid development**

In progress

- 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



Start date: May 2020

Initial completion date: December 2021

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

Overall project progress:

In progress

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

Current status:

- **Case for Change**

In progress

- The Case for Change STAG Phase One work is complete, including data collection, desktop review and wide stakeholder engagement. The Case for Change was submitted to Transport Scotland in December.
- Transport Scotland advised in April 2021 that the evidence and analysis made available through the Case for Change has been wholly incorporated and adopted into Transport Scotland's STPR2 process and Case for Change. SEStran is awaiting further feedback.
- 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

Interreg North Sea Region, ERDF



Start date: January 2016

Initial completion date: December 2019

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

Overall project progress:

In progress

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

Current status:

- **Mobility Hubs** *In progress*
 - SEStran has committed funding to the region's first mobility hub in Musselburgh, East Lothian, to be called a 'Journey Hub' and this hub is nearing completion.
 - SEStran is supporting Fife Council to carry out feasibility and business case development for Mobility Hubs at east Fife railway stations at Leven, Cameron Bridge, St Andrews and Leuchars. An application to Transport Scotland for funding was successful and SEStran is working with Fife Council to procure consultants.
- **Project activities and partner meetings** *Delayed*
 - Due to Covid-19 various project activities and physical meetings have been cancelled. Whilst some activities have moved online, through teleconferences, other activities have been delayed. The project consortium successfully applied for a 6-month extension to the project, to allow extra time to complete project activities.
- **Tripshare SEStran** *Reduced service*
 - Due to the ongoing impacts of Covid-19 and Scottish Government guidance on carsharing only where necessary, SEStran is not actively promoting the Tripshare SEStran platform. The current one-year award to Liftshare (a reduced level award) will expire in September 2021.
 - Options for procuring and providing future trip sharing opportunities are being explored with other RTPs, within the context of national policies on public health, car sharing and other trip-sharing approaches within Scotland.

5.2 SURFLOGH

Interreg North Sea Region, ERDF



Start date: June 2017

Initial completion date: October 2020

Expected completion date: October 2022 (lead partner seeking 18-month extension)

Overall project progress:

In progress

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

Current status:

- **Development of business 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 four case studies have been completed and are being reviewed.
- An extension proposal for the project was submitted to the Organising Committee of the EU Joint Secretariat, the partnership is due to be notified in June 2021 of the result.

- **Edinburgh Pilot – ZEDIFY**

In progress

- ZEDIFY were successful in the procurement process in October 2020, for services to expand the initial pilot project. A new site in Leith was identified to run an expanded Edinburgh logistics hub.
- The new hub started operations in March 2021.
- SEStran, with SURFLOGH and Paths for All funding, will be supporting the development of the hub in 2021/22 with a grant of £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 south Edinburgh to promote the use of cargo bikes as a fairer, healthier and greener alternative to carbon-emitting vehicles in the delivery of goods and for individuals and families.
- This new hub approach will share information that contributes to SURFLOGH research.
- Work on the new hub has progressed and the space is now in use by CBM and a small courier company.

5.3 BLING

Interreg North Sea Region, ERDF



Start date: January 2019

Initial completion date: June 2022

Expected completion date: June 2022

Overall project progress:

In progress

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

Current status:

- **Development of Edinburgh Pilot**

In progress

- 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'²
- The latest work was presented to the SEStran Logistics and Freight Forum in May 2021.
- 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)³ in May 2021.
- The project Mid-Term conference⁴ was held successfully online on the 3 March 2021 with over 50 attendees from across Europe participating.
- An extension proposal for the project was submitted to the EU Joint Secretariat in March 2021 and if successful will provide a further 18 months' work. The partnership is due to be notified in June 2021 on the result.

² <https://northsearegion.eu/media/14062/geopact-pictorial-tallyn-2020.pdf>

³ <https://dl.acm.org/conference/chi>

⁴ <https://northsearegion.eu/bling/news/bling-conference-blockchain-public-services-across-europe-3-march/>

5.4 PriMaaS

Interreg Europe, ERDF



Start date: August 2019

Initial completion date: January 2023

Expected completion date: January 2023 (lead partner seeking 6 month extension due to Covid-19 impacts)

Overall project progress:

Delayed

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

Current status:

Baseline Assessment and MaaS Action Plan

- 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.
- The idea for a DRT/MaaS platform was presented at the Equalities and Access to Healthcare Forum on 2 October and the Integrated Mobility Forum on 8 October, inviting forum members to share their views and comments.

'GO SEStran' MaaS/DRT in the SEStran region

- SEStran lodged a bid to the MaaS Investment Fund for an ambitious project exploring potential uses of MaaS and DRT throughout the region. SEStran is lead partner in a consortium of tech providers and East Lothian and Fife Councils, and if successful the bid could attract funding of c. £600K to an overall project of £1.6m.
- The timescale for an outcome of funding has been revised to June 2021 by Transport Scotland.
- Focusing initially on the Journey Hub being developed in Musselburgh, it will seek to develop a SEStran-wide MaaS app for the public to use, to enable planning, booking and payment across travel modes (bus, rail, bike hire, car club, taxi).

Project activities and partner meetings

- 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 that has resulted in underspent budget.
- The lead partner is seeking a 6-month extension to allow more time to complete project activities. In addition, SEStran is involved in a pilot action proposal, to repurpose some of the underspend towards investigating different MaaS bundles and subscription models on the basis of stated choice surveys and focus groups.

5.5 CONNECT

Interreg North Sea Region



Start date: October 2019

Initial completion date: March 2022

Expected completion date: March 2022

Overall project progress:

Delayed

Project description: [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>

Current status:

- **Project Kick-Off**

Delayed

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

6. SEStran forums and upcoming events

6.1 SEStran Forum Meetings



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

Latest Forum meetings:

- **Logistics and Freight Forum**
 - The forum last met on the 19 May 2021 and provided feedback to the draft Case for Change report produced for the Forth Freight Study and also on the Regional Transport Strategy.
 - The forum had presentations from the University of Edinburgh on the BLING GeoPact⁵ logistics pilot, Fife Council on their use of drones and from Rail Operations Ltd on an innovative UK pilot for rail freight using converted electric passenger trains.
 - The next forum will take place in November 2021.
- **Equalities and Access to Healthcare Forum**
 - The forum last met on 31 March 2021 and covered agenda items including an RTS update and equalities impact assessment update, MaaS/DRT update, Thistle Assistance, the Hate Crime Charter, and the Equalities Outcomes 2021-2025 and Mainstreaming Report.
 - The next forum will take place on 30 September 2021.
- **Integrated Mobility Forum**
 - The forum last met on 27 April and was well attended. The agenda included a presentation from Minze Walvius at Advier, a Dutch consultancy also involved in the SHARE-North project; a presentation from Cycling Scotland on the Cycle Friendly Programme; a presentation from Stantec on the RTS; an update on DRT/MaaS project; an update on the Regional Transport Transition Group; and an update on the Bus Partnership Fund.
 - The next forum meeting will take place on 7 October 2021.

⁵ <https://northsearegion.eu/bling/use-cases/use-case-2-university-of-edinburgh/>

SEStran Business Plan 2021-22 to 2023-24

1. INTRODUCTION

- 1.1** Following the Committee's comments on the proposed three year Business Plan at its meeting on 5th March, the purpose of this report is to seek the Committee's views on the revised Plan, prior to submitting it to the Board for approval.

2.0 BACKGROUND AND CONTEXT

- 2.1** At its meeting on 5th March 2021, the Committee approved for forward transmission to the March Board a draft Business Plan.
- 2.2** Following the Board's approval of the draft on 19th March, the Plan has now been updated and put in finalised draft form. This is now appended.

3.0 THE THREE YEAR BUSINESS PLAN

- 3.1** Since March, the following are of note:
- Account has been taken of the Committee's and the Board's comments on the need to increase funding levels. In particular there is a new section 4.4 indicating that seeking to increase funding will be a key activity going forward.
 - The projects section has been both updated, and its focus altered slightly to concentrate more on a three year window than specific actions in the current year.
 - It should be noted that further changes will be made as appropriate once the unaudited accounts for this year are available
- 3.2** It is proposed that, subject to any comments the Committee has on the finalised draft Plan at this meeting, it will be brought back to the Board at its June meeting, for final approval. Thereafter it will be brought back on at least an annual basis for review and updating.

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 finalised draft Business Plan at the June Board, with updates to the Plan being brought back for further scrutiny in due course.

Andrew Ferguson
SEStran Consultant
27th May 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 the relevant 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.



South East of Scotland
Transport Partnership

SEStran

Draft Business Plan

2021/24

June 2021

Foreword

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

The SEStran area's transport challenges range from urban congestion to rural public transport and declining bus patronage, and from the need to deliver more integrated mobility, to sustainable logistics and freight hubs. The region is highly diverse from both a geographic and socio-economic perspective. While Edinburgh is expected to lead the economic recovery post-Covid, even before the pandemic other communities in the region were severely affected by social and economic deprivation, further impacted by limited access to sustainable and affordable travel choices.

Inevitably the short-term challenges are centred round the region's recovery from the societal, behavioural and economic impact of Covid-19 on its transport system, and in particular its public transport. Going forward, projected increases in population and households will put additional pressures on transport in the area, and integrated land use and transport planning will be essential if increased car dependency is to be avoided.

Last but not least, the full implications of Brexit on the region, its economy, and what impact there will be on, for example, the transport of freight in and out of the area, are still to be fully understood.

All of these factors have contributed to the need for a three year, rather than a one year, Business Plan.

NTS2 (the review of Scotland's National Transport Strategy) was presented to Scottish Parliament on 5 February 2020. The Scottish Government's vision is to have a sustainable, inclusive, safe and accessible transport system helping deliver a healthier, fairer and more prosperous Scotland for communities, businesses and visitors which will reduce inequalities, take climate action, help deliver inclusive economic growth and improve health and wellbeing.

Linked to NTS2 is STPR2 (Second Strategic Transport Projects Review) being taken forward by Transport Scotland. Three STPR regional areas exist across the SEStran geography, with SEStran represented on the Regional Transport Working Groups established for each STPR2 area, and chairing the Regional Transport Working Group for the Edinburgh and South East Scotland city deal geography.

Ultimately, the STPR process will identify a series of interventions consistent with the aims of NTS2 to be delivered at national, regional and local levels over the next 20 years. The first sift of proposed projects was published in February this year, and we look forward to engaging with Transport Scotland on the proposals for the SEStran region in the coming months.

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

SEStran’s new Regional Transport Strategy (RTS) will reflect the vision and aims of NTS 2 and will also take into account the rapid economic growth taking place in the south east region, and respond to initiatives being pursued by our partner councils, such as Edinburgh’s proposed Low Emission Zone. The statutory consultation phase on the draft RTS will start in the coming months.

The longer-term future of regional governance remains under consideration by Transport Scotland and the Scottish Government. Scotland’s seven RTPs will continue to support the case for statutory Regional Partnerships with the potential to augment current transport functions with planning and economic development expertise, as an effective and efficient way to develop holistic regional strategies and visions – such as new Regional Spatial Strategies which have been introduced under the new Planning (Scotland) Act 2019. There are lessons to be learned from successful collaborations with central and local government as part of the South East Scotland Transport Transition Group.

It is my firm belief that it is only by taking this more coordinated, statutory regional approach that the aims of NTS2 and the new RTS will be delivered. It is also my view that SEStran may need to again review and reassess its model 1 RTP status, to enable it to take a more effective role in working with bus companies to make a real contribution to our most disadvantaged communities, and towards reversing declining patronage and in so doing helping to deliver NTS2. SEStran is taking an active role, for example, in the Bus Service Improvement Partnerships (BSIPs) emerging in the region in terms of the Transport (Scotland) Act 2019.

SEStran also continues to be very much involved in EU projects, with five currently under way. All of SEStran’s current EU projects are very relevant to the NTS2 and to the Regional Transport Strategy and will provide valuable knowledge to assist all SEStran partners in the future. SEStran will look to future arrangements to succeed those currently in place, to enable continued partnership working with the EU. It is hoped that replacement funding for projects of this nature will be made available, but at time of writing this remains unclear.

A range of active travel projects will be completed in the coming year, having been delayed by the pandemic. These will include work with Sustrans Scotland and for Transport Scotland’s Active Travel Team, in addition to funding the delivery of new e-bike hubs in the region.

There is a great deal to take up SEStran’s attention in the years ahead, as it consults on its own RTS, and contributes to such matters as STPR2 development, and the development of bids to the Bus Partnership Fund as part of the region’s emerging BSIPs. This is in addition to significant

project work and strategy development to be progressed. However, the impacts of the pandemic, Brexit, and continuing economic uncertainty arising from both, indicate that planning for a longer horizon than just 12 months is prudent. Despite all the challenges, SEStran's staff have delivered and will continue to deliver a long term vision for the future of transport in the region.

With that in mind, I am delighted to present our Business Plan for 2021/24.

Councillor Gordon Edgar

Chair of the South East of Scotland Transport Partnership

DRAFT

Table of Contents






1. Introduction	5
2. Strategic Objectives.....	6
3. Strategy.....	7
Regional Transport Strategy	7
4. Planned Activities 2021-24	8
4.1 <i>Current Programmes and Projects.....</i>	<i>8</i>
GO e-Bike.....	8
Regional Cycle Network Grant Scheme	8
Regional Active Travel Development Fund – Transport Scotland.....	9
Cycle Training & Development – Cycling Scotland	9
Thistle Assistance Programme.....	10
Real Time Passenger Information (RTPI)	11
Newburgh Train Station Study.....	11
Forth Freight Study.....	12
4.2 <i>European-funded Projects</i>	<i>13</i>
SHARE-North	13
SURFLOGH.....	14
BLING.....	15
PriMaaS	15
CONNECT.....	16
4.3 <i>Regional Partnership Working.....</i>	<i>17</i>
COVID-19 transitional transport arrangements.....	17
Bus Service Improvement Partnerships.....	18
SEStran Forum Meetings	18
4.4 <i>Partnership finance.....</i>	<i>19</i>
Funding.....	19
5. Annexes	20
Annex 5.1 – Actions	20
Annex 5.2 – Budget Summary	26
Annex 5.3 – Staff and Organisational Chart	27
Annex 5.4 - Operational plans related to Covid-19 pandemic recovery.....	28
Annex 5.5 – Glossary	30

1. Introduction

SEStran presents its 2021 -2024 Business Plan, which outlines the plans for the next three years to deliver its vision:

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

In 2021-24, SEStran will work across its five established core strategic themes to deliver on its vision. The first four of these fully align with the four priorities in Scotland's new National Transport Strategy (NTS2), published in February 2020. The following table shows this alignment:

NTS2 priorities	SEStran core strategic themes	Theme graphic
Reduce inequalities	Accessibility – To improve accessibility for those with limited transport choice, mobility difficulties, or no access to a car	
Take climate action	Environment – To ensure that development is achieved in an environmentally sustainable manner	
Help deliver inclusive economic growth	Economy – To ensure transport facilitates economic growth, regional prosperity and vitality in a sustainable manner	
Improve our health and wellbeing	Safety and health – To promote a healthier and more active SEStran area population	
	Governance and partnership working - To continually improve performance to achieve greater efficiency and effectiveness in SEStran service delivery	

2. Strategic Objectives

Economy

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

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



Accessibility

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

- To improve access to employment and health facilities for all, through safe, affordable and sustainable travel options including active and public and shared modes of travel;
- To improve access to other services, such as retailing, leisure/social and education;
- To influence decisions on the provision of public transport to make it more affordable and socially inclusive



Environment

To ensure that development is achieved in an environmentally sustainable manner

- To ensure SEStran contributes to achieving Scotland's target of 'net zero' carbon emissions by 2045, and meet intervening targets, and UK obligations regarding greenhouse gas emissions;
- To minimise the negative impacts of transport on natural and cultural resources;
- To promote more sustainable travel;
- To reduce the need for travel;
- To increase transport choices, reducing dependency on private cars;
- To reduce car dependency for commuting purposes, particularly single occupancy cars



Safety and Health

To promote a healthier and more active SEStran area population

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



Governance

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

- To deliver best value and promote partnership working;
- To seek to reduce our carbon emissions & positively influence other regional stakeholders;
- To deliver robust data governance and practice;
- To promote the delivery, monitoring and mainstreaming of our Equality Outcomes;
- To explore and assess the potential benefits of enhanced RTP operating models to deliver better bus / public transport services in the region.



3. Strategy

Regional Transport Strategy



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 current RTS is in effect until 2025.

Objectives

- *Develop a new Regional Transport Strategy for the South East of Scotland that aligns to national transport policy and objectives*

Forward Plan:

RTS Development

- SEStran's new Regional Transport Strategy (RTS) is due to be completed in 2022.
- The development timescales for the RTS are aligned to the development of other, linked strategies such as the Second Strategic Transport Projects Review (STPR)
- The development of the RTS is being delivered through consultancy support, and Stantec were appointed in December 2020. The development will involve consulting key stakeholders, establishing of a case for change, appraising preliminary options and developing a draft strategy for a 12-week statutory consultation.
- Alongside the RTS statutory assessments will be completed including a Strategic Environmental Assessment and Equalities Impact Assessment including Fairer Scotland Duty and Child Rights and Wellbeing Impact Assessment.

4. Planned Activities 2021-24

4.1 Current Programmes and Projects

GO e-Bike



GO e-Bike is a regional bike-sharing scheme funded by SEStran, with a contribution from the SHARE-North project. It comprises eleven hubs operating throughout the SEStran area.

Objectives

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

Forward Plan:

GO e-Bike expansion with LCTT & TS funding

- Work with Cargo Bike Movement to develop a series of projects in Edinburgh, that increase cargo bike use, thereby reducing the vehicle movement and promoting community sustainability.
 - Promote the safe use of e-bikes through the region with the “[Do The Ride Thing](https://www.dotheridething.co.uk/)” campaign and website¹.
 - Subject to available funding this is likely to be an area of further development over the next three years.
- Opportunities for further funding will be explored, to try and match the sustained demand for services.

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.

Objectives

Forward Plan:

¹ <https://www.dotheridething.co.uk/>

- *To promote a more active and healthier lifestyle through active travel with a focus on delivering cross-boundary routes between communities*

Strategic Cycle Network

- SEStran will support partners with funding for feasibility and design work for priority routes within the Strategic Network, over the three-year period of the Business Plan.
- Subject to confirmed funding this is likely to be an area of further development over the next three years.

Regional Active Travel Development Fund – Transport Scotland



Objectives

- *To promote a more active and healthier lifestyle by encouraging cycling and supporting cycling infrastructure*

The Regional Active Travel Development Fund was established between Transport Scotland and the Regional Transport Partnerships to advance cross-boundary Active Travel projects.

Forward Plan:

- Conclude a longitudinal survey that commenced in 2020, being undertaken by “The Lines Between” on SEStran’s behalf. The attitudinal survey and data collection exercise is being carried out in four waves and will conclude in mid-2022.
- Procure and deliver a feasibility study and develop a business case for the addition of Mobility Hubs alongside new rail station locations in Fife, including Cameron Bridge, Leven, as well as at St Andrews and Leuchars.
- SEStran will work closely with partners to investigate potential active travel links within the region, using additional resource which has been agreed with Transport Scotland.

Cycle Training & Development – Cycling Scotland



Objectives

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.

Forward Plan:

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

Bikeability Scotland

- As Covid-19 restrictions permit, increase delivery levels of Bikeability and employee training.

GO e-Bike cycle training

- Training is offered to all hubs as they are completed and as part of ongoing development plans.

Adult and Family Cycle Training

- A trial and evaluation is planned with employers and individuals to determine the effectiveness of The Essential Cycling Skills course once restrictions allow in the SEStran region.
- A Cargo Bike training course has been developed and trialled, and more sessions will be delivered as demand increases for this kind of training.
- Subject to available funding this is likely to be an area of further development over the next three years.

Thistle Assistance Programme



SEStran has developed the Thistle Assistance Card and App to make public transport easier to use for older people and those with disabilities, illness or mobility issues.

Objectives

- *To encourage the use of public transport by making it easier and more accessible for disabled and older people.*

Forward Plan:

Journey Planner App - Phase Two

- SEStran will deliver a working prototype App in 2021/22.
- Thereafter it will seek to implement a full version of the App, subject to funding.
- The integration of the proposed GO SEStran MaaS/DRT project with the Thistle Assistance Journey Planner App is planned to take place over the next year and beyond.

Thistle Assistance Programme Update

- SEStran will continue to promote the Thistle card and App with an exemption message for those that cannot use a face covering when using public transport.²

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

- We will continue to distribute the Thistle Assistance cards (with mask exemption stickers) across Scotland, following their success and high demand in 2020/21.
- Subject to available funding this is likely to be an area of further development over the next three years.

Real Time Passenger Information (RTPI)



SEStran has, since 2010, coordinated a region wide, comprehensive network of information screens at key travel hubs, shopping centres, hospitals etc, and supported the coordination of travel and real time public transport information. Successful support of a common Content Management System was achieved in 2019/20 which will improve the information provided in the public facing regional screen network incorporating real time bus information. The RTPI project gives bus passengers greater certainty on arrival and departure times.

Objectives

- *To tackle declining bus patronage by providing real-time information about bus arrivals*
- *Encourage sustainable transport by making public transport journeys safer and more accessible*
- *Encourage multi-modal transport choices*

Forward Plan:

New Content Management System and hardware upgrades

- The new Journeo system is anticipated to be operational from mid-2021.
- SEStran will explore the potential to integrate RTPI with emerging tech solutions like MaaS and DRT over the next three years.

Public Transport Capacity Information

- Bus capacity information on public transport will be included in the new RTPI system.

RTPI Screens Network

- Plans for expansion and enhancement of the screens network will be coordinated by SEStran throughout 2021.
- Subject to available funding this is likely to be an area of further development over the next three years.

Newburgh Train Station Study

SEStran is carrying out an options study for Newburgh, with work being delivered by consultants Systra on behalf of



SEStran. This study is funded by the [Local Rail Development Fund](#) with the aim of providing funding to develop community led options to improve local rail connections.

Objectives

- To work in partnership with the Newburgh Train Station Group and Fife Council to develop community led options to improve local rail connections

Forward Plan:

Options Appraisal

- The 'Detailed Options Appraisal', Phase 3 of the project, will be carried out during 2021 and is expected to take approximately six months, before its submission to Transport Scotland.
- Subject to available funding and the outcome of the Detailed Options Appraisal this is likely to be an area of further development over the next three years.

Forth Freight Study



SEStran, in partnership with Forth Ports, has commissioned a study to explore the potential to develop sustainable, multimodal freight gateways in the region and around the Forth. It aims to identify key locations for potential freight consolidation centres. The study being carried out by Aecom, is funded by the [Local Rail Development Fund](#).

Objectives

- To investigate the barriers to multimodal freight terminals for customers when trying to make the switch to more sustainable modes (sea and rail)
- To evaluate the potential environmental benefits and commercial viability of sustainable freight movements.

Forward Plan:

- Continue to work with Transport Scotland and STPR2 colleagues to take forward the work completed in Phase 1 of the study.
- Investigate options to trial rail freight projects in partnership with Forth Ports.

4.2 European-funded Projects

SHARE-North

Interreg North Sea Region
– Jan 2016 to June 2022

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



Objectives

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

SHARE-North focuses on shared mobility and its potential to address sustainable transport challenges in the North Sea region. Mobility Hubs 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.

SHARE-North has been extended to the end of June 2022 to allow its completion.

Forward Plan:

Mobility Hubs

- 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 supporting Fife Council with a feasibility study and business case development for Mobility Hubs at east Fife railway stations at Leven, Cameron Bridge, St Andrews and Leuchars.
- The potential for rolling out the Mobility/Journey Hub concept across the region will be explored during this three-year period, as will the role of carsharing in achieving modal shift.

Tripshare SEStran

- The best approach to procuring future carsharing opportunities will be explored with other RTPs.

SURFLOGH

Interreg North Sea Region –
Jun 2017 to Oct 2020

Case studies for sustainable Urban Logistics Hubs



Objectives

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

SURFLOGH is a trans-national network of ‘city hubs’ promoting innovation in city logistics. It brings partners together 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 near Haymarket has been operating successfully since 2018.

Forward Plan:

Development of business case with Edinburgh Napier University

- SEStran will continue to lead on the project’s work package to develop business models for urban freight hubs along with Edinburgh Napier University Transport Research Institute (TRI)

Edinburgh Pilot ZEDIFY – hub expansion

- A new ZEDIFY site operating from Leith will test the expanded Edinburgh logistics hub from 2021.

Expansion of Edinburgh Cargo-Bike delivery

- The delivery of cargo bikes with Cargo Bike Movement, as described in the GO e-Bike section above, will contribute to SURFLOGH research.
- Subject to available funding, the extension of the Interreg project, the ZEDIFY logistics hub and the cargo bike initiatives are all likely to be areas of further development over the next three years.

BLING

Interreg North Sea
Region – Jan 2019 to
June 2022

*Blockchain in
Government*



Objectives

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

The BLockchain IN Government (BLING) project focuses on providing one of the first dedicated platforms to test and bring the application of Distributed Ledger Technology into local and regional services. SEStran's role in the project is to develop a pilot, called 'GeoPact'³ with the University of Edinburgh, to showcase innovative use of the technology in a transport environment.

Forward Plan:

Development of Edinburgh Pilot

- SEStran and the University of Edinburgh will continue to work on the creation of 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. This work will explore the real-world application of these systems, particularly around freight deliveries.
- Likely to continue to June 2022 at least.

PriMaaS

Interreg Europe – Aug
2019 to Jan 2023

*Advancing MaaS through
policy development*



Objectives

- *Create a knowledge hub to support regions in promoting the MaaS concept and meeting citizens' transport needs*

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.

Forward Plan:

Baseline Assessment and MaaS Action Plan

- SEStran will continue to work with project partners to identify best practices and develop an Action Plan to progress MaaS in the SEStran region.

Project activities and partner meetings

³ <https://northsearegion.eu/media/14062/geopact-pictorial-tallyn-2020.pdf>

- *Incorporate MaaS as key mobiliser of sustainable transport solutions in the development of the new Regional Transport Strategy*

- SEStran is due to host a physical or online event during phase 1 of the project, which runs until 2022. This is subject to any extensions agreed by the Joint Secretariat to mitigate the impacts of Covid-19.

Maas/DRT in the SEStran region

- Subject to confirmed funding, in 2021/22, SEStran will act as lead partner in a consortium of tech providers and East Lothian and Fife Councils, to begin an ambitious project to develop MaaS and DRT throughout the region.
- The aim is to develop a region wide MaaS app for public use, to enable planning, booking and payment for many modes of travel (bus, rail, bike hire, car club, taxi). The initial focus for the work is the Journey Hub being developed in Musselburgh.
- The project will also seek to test integrating commercial and community transport DRT in the region.
- As technology solutions to making public and community transport options become more attractive to develop, it is likely that MaaS and DRT concepts will be areas of expansion over the period of this Business Plan and beyond.

CONNECT

Interreg North Sea

Region – Oct 2019 to Mar 2023

Smart intermodal freight



[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>

Objectives

- *Implement new smart processes and working tools (for smart intermodal transport)*
- *Developing strategies for smart efficiency*

Forward Plan:

- SEStran will lead on a work package focused on sharing best practices and key learning from four pilot projects:
 1. Brussels – centre for smart city port distribution
 2. Oostende – Autonomous loading/unloading of vessels in the port
 3. Gothenburg – smart seaport terminal accessibility

enhancements (smart partnership working)

4. Port of Vordingborg – New smart system for logistics connecting remote nodes in a peripheral region to the TEN-T network

4.3 Regional Partnership Working

COVID-19 transitional transport arrangements



Objectives

- To identify and support any transport interventions in response to COVID-19

A South East Scotland Transport Transition Group was established in June 2020 as a temporary grouping, to develop and oversee a Regional Transport Transition Plan for the transition period following Covid-19 lockdown restrictions.

Forward Plan:

- SEStran will continue to work with local, regional and national partners on a COVID-19 recovery response.

Bus Priority Rapid Deployment Fund bid

- SEStran will remain involved in the evaluation of temporary bus infrastructure measures that were funded by the Bus Priority Rapid Deployment Fund, to help inform plans for future, permanent bus priority measures.

Regional working

- SEStran will continue to share expertise with partners on related region-wide interventions including trialling public transport capacity information as part of RTPI, exploring the feasibility of improved public transport through an expanded DRT approach, and Thistle Assistance mask exemption.

Bus Service Improvement Partnerships



The Bus Partnership Fund (BPF) is a £0.5Bn fund first announced by Transport Scotland in November 2020, for the development of permanent bus priority infrastructure delivered through Bus Service Improvement Partnerships (BSIPs). BSIPs must be collaborative partnerships involving bus operators and other relevant partners.

Objectives

- *To develop permanent bus priority infrastructure to help encourage more sustainable transport and tackle a declining bus patronage*

Forward Plan:

- SEStran will assist the emerging BSIPs in order to maximise investment in bus priority infrastructure into the SEStran region, and ensure that bids within the region are complementary.
- The Bus Partnership Fund is likely to have a 5-year timescale.

SEStran Forum Meetings



SEStran hosts three bi-annual 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.

Objectives

- *Bring together key stakeholders and interested parties to raise regional transport-related matters*

Forward Plan:

- The forums will meet in Spring and Autumn, and forum members will have input into the development of the RTS and other key areas of SEStran work.
- In partnership with Forum membership, forward work programmes will be developed.

4.4 Partnership finance

Funding



The Partnership's finances are made up of both core and project income streams. Annex 5.2 sets out the current budget projections for the period of the Plan. It assumes a standstill settlement for the organisation's core budget from the Scottish Government, with the contributions from the constituent local authorities as residuary funders under the legislation also remaining the same. This represents a reduction in real terms over time.

Objectives







- *It is proposed to identify increased funding levels to reflect the organisation's aspirations*






Forward Plan:



- In order to maintain the current level of its activities, SEStran will require to increase its funding levels over the period 2021/2022 to 2023/2024.
- Annual updates and funding projections will be reported to the Partnership Board.





5. Annexes











Annex 5.1 – Actions


GO e-Bike				
Impact	Strategic objective	Key focus areas	Actions	Critical Success Factor
GO e-Bike will add to the region’s active travel facilities, delivering more sustainable and healthier transport solutions for people.	   	Support GO e-Bike Hubs	User numbers and monitoring impact from hubs	Cooperation from hub partners
		Increase programme reach and awareness in region	Website promotion and user campaign “Do the Ride Thing”	Availability of funding
		Promotion of all forms of e-bikes across region	Seek additional funding opportunities for further e-bike hubs	Availability of funding
Thistle Assistance Card & App				
Impact	Strategic objective	Key focus areas	Actions	Critical Success Factor
The Thistle Card App will provide a door-to-door journey planner making public transport more accessible for disabled and older people. Develop awareness of Thistle Assistance Programme	 	Create an app-based door-to-door journey planner with the aim of making public transport more accessible to all.	Work with 5 Can Do competition winners to develop phase 2 concepts.	Development of a working journey planning tool.
		Develop new training tool for operators	Work with transport operators	Increased usage of website/social media
		Utilise new branding, website and social media		Increased awareness amongst public
				Increased awareness/use amongst transport operators.

Real Time Passenger Information (RTPI)				
Impact	Strategic objective	Key focus areas	Actions	Critical Success Factor
RTPI makes public transport more accessible and reliable. The provision of real-time information contributes to tackling a declining bus patronage in the SEStran region.	 	SEStran will be working with City of Edinburgh Council to develop a new content management system that will improve the public facing regional screen network.	Work with CEC and developers to design a new CMS interface. Integrate key regional operators into the new system. Test new system and role across the region via the digital screen network and other interfaces.	Cooperation from CEC, CMS procurement process and integration of regional operators. More screens operational in SEStran region.
Active Travel Programmes				
Impact	Strategic objective	Key focus areas	Actions	Critical Success Factor
The active travel projects contribute to the development of a regional cycle network, with a particular focus on cross-boundary routes	  	Coordinate new strategic cross-boundary study	Identify plan for prioritised routes throughout region	Partnerships with Local Authorities
		Design Projects 100% funded	Deliver project within budget	Collaboration with consultants
		Support sustainable cross boundary projects	Deliver project within budget	Collaboration with consultants
		Increase Active Travel reach	Utilise funding opportunities from SG for further project opportunities	Availability of funding
Cycle Training and Development				
Impact	Strategic objective	Key focus areas	Actions	Critical Success Factor

The cycle training supports the Local Authority Bikeability Co-ordinators and expands cycle training opportunities across the region.		Support the coordination of Bikeability Scotland Level 2 delivery. Develop and support pilots for new delivery models.	Cooperation and engagement from Bikeability Scotland Co-ordinators. Capacity of co-ordinators.	Bikeability Scotland Coordinators are well supported and engaged and have access to the required knowledge and resources.
		Identify opportunities for delivering adult cycle training in conjunction with SEStran projects and partners. Developing and supporting opportunities for cycle training at any age across the region.	Training sessions made available through SEStran projects and partners. Training sessions delivered in the region.	Publication of training sessions and ensuring engagement.
SHARE-North				
Impact	Strategic objective	Key focus areas	Actions	Critical Success Factor
SHARE-North raises the potential for shared mobility to address transport challenges. Mobility hubs will integrate different modes of shared mobility and SHARE-North will contribute to reviewing Tripshare SEStran.		Collaborate with CoMoUK and WYCA to introduce Mobility hubs to the SEStran region, building on experiences from Bremen, Germany and Bergen, Norway.	Work collaboratively to introduce 1 Mobility hub to the SEStran region Identification of a suitable location for a Mobility hub.	Successful implementation of Mobility Hub ('Journey Hub') pilot in Musselburgh, in partnership with East Lothian Council
		Use SHARE-North funding to update and redesign the Tripshare SEStran car-sharing platform	Take learnings from Taxisstop, Belgium to promote car-sharing through Tripshare SEStran.	Cooperation from SHARE-North partners
SURFLOGH				

Impact	Strategic objective	Key focus areas	Actions	Critical Success Factor
SURFLOGH promotes sustainable solutions for urban freight logistics. The pilot with Zedify informs the development of a business case for e-cargo bike deliveries in Edinburgh.	 	Work with Zedify to expand Edinburgh hub	Increase customer base and number of deliveries for first and last mile deliveries. Cooperation from Zedify	Development of the new Edinburgh hub in Leith
		Measure impact of Edinburgh hub	Measure the equivalent CO ₂ emission volumes reduced or saved as a result of the trial	Sufficient journey and emissions data from partners
		Explore how sustainable logistics can be integrated further	Conduct a hackathon in Edinburgh	Cooperation from participants
		Interview key stakeholders in pilot countries, Netherlands, Sweden and Belgium	Conduct 4 interview visits with Edinburgh Napier University	Cooperation from stakeholders
		Share and disseminate information about sustainable logistics to a wider audience.	Present new research paper at 2020 STAR Conference in Glasgow and at SURFLOGH final conference in Belgium.	Cooperation from audience
BLING				
Impact	Strategic objective	Key focus areas	Actions	Critical Success Factor
The BLING project will deliver a trial that explores opportunities for the integration of Blockchain in transport.	 	Work with project partners, including the University of Edinburgh, to develop and implement a transport focused trial pilot that aims to deliver Blockchain in government.	Build on successful pilot with University of Edinburgh. Present key research papers	Cooperation from stakeholders to deliver pilot trial

		Share and disseminate information about Blockchain technology in Transport.		
Forum & Liaison Groups				
Impact	Strategic objective	Key focus areas	Actions	Critical Success Factor
The Forums facilitate discussion and provide a platform for interested parties to formulate a regional voice in transport-related matters	    	Bring together interested parties and provide a regional voice in transport related matters	Organise three different forums that bring together various stakeholders to address transport related issues.	Involvement of key stakeholders
Regional Partnership working				
Impact	Strategic objective	Key focus areas	Actions	Critical Success Factor
Partnership working ensures that SEStran is able to represent the region as a whole in addressing transport related issues.	    	Continue to be involved in pressing transport issues and represent a regional voice in transport related matters in the South East of Scotland	Continue to be involved in transport related policy developments and respond to relevant consultations	Resource availability
			Organise stakeholder meetings to address various transport related issues	Cooperation from stakeholders
		Continue to lead by example and deliver sustainability and climate change objectives as an organisation	Provide the Sustainable and Active Travel Fund to help organisations adopt sustainable transport solutions	Involvement of organisations
Regional Transport Strategy (RTS)				

Impact	Strategic objective	Key focus areas	Actions	Critical Success Factor
It is SEStran's statutory duty to create and maintain a Regional Transport Strategy. The strategy must be kept up to date to reflect the pace of the changes affecting the transport of people and goods. The RTS provides a regional framework for future developments and interventions.		Following the successful procurement of consultancy services to develop a new RTS, carry out consultation including statutory elements and appraisal, and the drafting of a new RTS report.	Development of engagement strategy	Stakeholder engagement
			Completion of consultation stages	Stakeholder engagement
			Delivery of appraisal work	Cooperation from stakeholders

SEStran Annual Report 2018/19:

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

Annex 5.2 – Budget Summary

	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000
Budget				
Core	581	663	747	768
Projects	1,030	786	582	503
RTPI	50	23	25	25
[Reserve total]	[12]	[29]		
Total budget	1,661	1,472	1,354	1,296

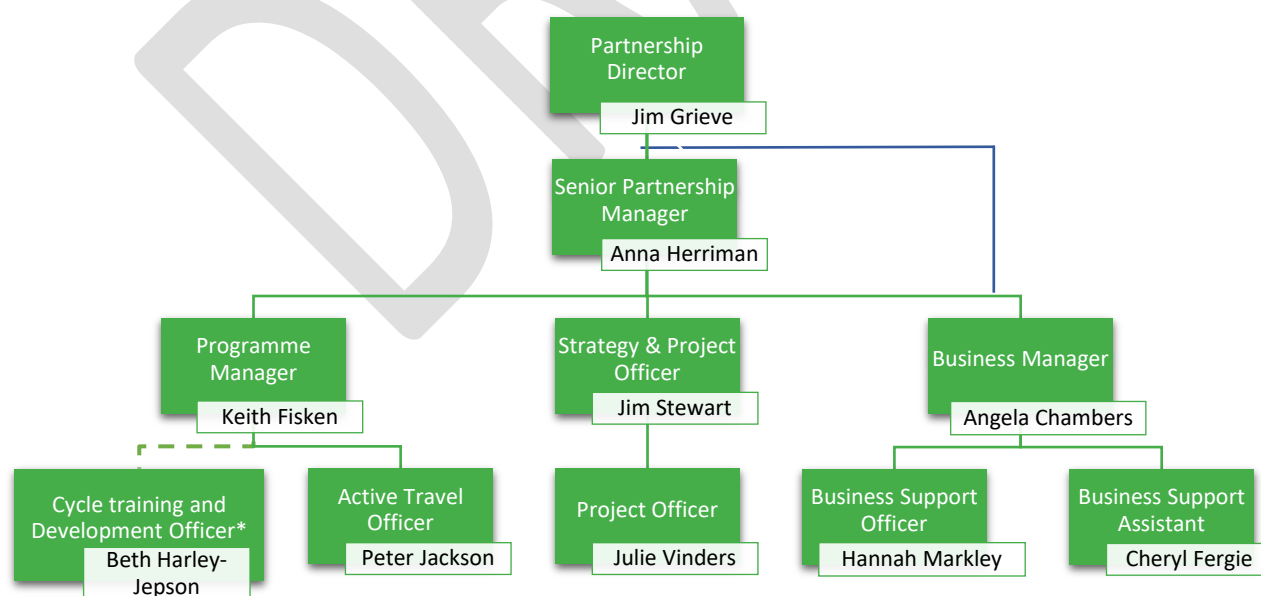
External funding				
EU grants	142	106	38	0
Other income	547	394	344	324
Bus Investment Fund				
Total external funding	689	500	382	324
Core funding				
Scottish Government	782	782	782	782
Council Requisition	190	190	190	190
Total funding	1,661	1,472	1,354	1,296

Annex 5.3 – Staff and Organisational Chart

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

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

Figure 1: Organisational Chart



Annex 5.4 - Operational plans related to Covid-19 pandemic recovery

As with many other workplaces, home working measures were introduced during March 2020, to limit the spread of Covid-19, with immediate and wide-ranging impacts for transport.

At the time of writing, all staff are working from home using laptop computers and remote access. Regular formal and informal staff interaction through Microsoft Teams has enabled staff to be supported and engaged and allowed work to go on. The health, safety and wellbeing of staff is the greatest priority, and a return to office-based working will only be effected when it is permissible and safe to do so.

SEStran has continued to deliver its programme outlined in the 2020-21 Business Plan, and will continue to do so in the new Business Plan period. Through some modifications to project methodologies and by making the most of available technologies to support consultation, engagement and project meetings, it has so far been possible to progress all areas of project work and strategy development. SEStran's management will remain flexible and be prepared to adapt the work programme to account for changing circumstances as the country emerges from the latest lock-down.

Regular communications with SEStran Board members will continue to ensure that they are kept informed of any potential Covid-19 impacts on the delivery of planned projects. Attendance at SEStran Board and other meetings has been high, indeed higher than the average attendance during pre-pandemic times. This will be factored into consideration of how we manage meetings going forward: a perennial problem with meetings has been the long distances some members have had to travel to attend, with consequent impacts on productive time during the rest of the working day.

Impacts across the transport sector are very significant in the immediate-term and likely to be so in the long-term. It is still too early to know how transport plans and operations will rebound, but some changes may prove to be indefinite. Covid-19 is therefore recognised within the new SEStran Regional Transport Strategy (RTS). The RTS will remain focused on a long-term horizon but it will also seek to account for the potential changes resulting from the potential impacts of Covid-19.

Scotland's seven RTPs have a clear role to play in supporting economic recovery and mitigating the impacts on people's ability to move and travel safely. The immediate priority across all regions is to ensure the safety of transport users and operators, primarily through physical distancing measures within every transport setting. SEStran has worked closely with regional partners and stakeholders to help coordinate temporary measures that make physical distancing possible during outdoor exercise and active travel, and will continue to do so through groupings such as the Regional Transport Transition Group for south east Scotland.

The social and economic impacts from reduced public transport capacity have been very significant, and these are issues that must be resolved at a regional level. It is likely that this area of partnership work will be a feature for the length of the Business Plan.

Ultimately, the challenges to the transport sector in Scotland remain unchanged; in short, the need to move many more people and goods, much more sustainably and efficiently. The scale of change we are currently experiencing brings opportunity for positive initiatives around travel demand and habits. SEStran's new RTS and current projects will undoubtedly promote positive long-term benefit for the region.

DRAFT

Annex 5.5 – Glossary

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

Term or

abbreviation Full title and meaning

BLING	‘Blockchain in Local Government’ is a project in which SEStran is a partner testing how blockchain can support the delivery and distribution of goods
Blockchain	A system of using coordinated data checks to verify online information exchange – it allows for very secure online transactions
CoMoUK	CoMoUK is the name of a Trust that promotes shared and integrated mobility
COP26	The 26th United Nations Climate Change Conference which is due to take place in Glasgow in November 2021
DRT	Demand Responsive Transport is generally used in the context of bus travel and indicates that the bus is responsive to where its passengers want to join and alight from the service. This has traditionally been the preserve of community transport providers, but is increasingly being used elsewhere by commercial bus operators to replace ‘fixed-line’ bus routes.
ECMA	The Consortium of East Coast Main Line Authorities (Councils, Combined Authorities and Regional Transport Partnerships) along the area served by the East Coast Main Rail Line
Interreg	Interreg North Sea Region is a European Funding programme that helps regional and local governments deliver better policy.
LEZ	Low Emission Zones - being introduced in four of Scotland’s cities following provisions for local authorities contained in the Transport (Scotland) Act 2019
LRDF	Local Rail Development Fund – funding provided by Transport Scotland
MaaS	Mobility as a Service is a concept of integrating journey options, planning, ticketing and payment, allowing people to more freely choose between different modes of transport or operators
NTS2	The second National Transport Strategy for Scotland , launched in February 2020
PriMaaS	PriMaas is a project in which SEStran is a partner, testing how Mobility as a Service can assist in delivering more accessible and sustainable regional transport
RTPI	Real Time Passenger Information
RTS	Regional Transport Strategy. SEStran’s current RTS is on our website
RTP	Regional Transport Partnerships - there are seven established across Scotland

SEStran	<u>SEStran</u> is the South East of Scotland Transport Partnership
SHARE-North	<u>SHARE-North</u> is a project in which SEStran is a partner – the name reflects the ambition to achieve more use of shared mobility solutions
STAR	<u>Scottish Transport Applications and Research Conference</u>
STPR2	<u>Second Strategic Transport Projects Review for Scotland</u> , led by Transport Scotland
SURFLOGH	<u>SURFLOGH</u> is a project in which SEStran is a partner. The project aims to stimulate sustainable and efficient ‘last mile’ deliveries in urban areas. The name comes from ‘Sustainable Urban Freight Logistics Hubs’

DRAFT