

## PERFORMANCE & AUDIT COMMITTEE

Remote Meeting via MS Office Teams  
Friday 4<sup>th</sup> March 2022 – 1:00pm

### AGENDA

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| 1. ORDER OF BUSINESS   |               |
| 2. APOLOGIES   |               |
| 3. DECLARATIONS OF INTEREST  |               |
| 4. MINUTES OF THE P&A COMMITTEE- Friday 19 <sup>th</sup> Nov 2021  | 3             |
| 5. AUDIT PLANS 2021/22   |               |
| (a) External Audit – Report by Karen Jones, External Auditor, Azets  | 7             |
| (b) Internal Audit – Report by Lesley Newdall, Chief Internal Auditor  | 42            |
| 6. FINANCE REPORTS- Reports by Hugh Dunn, Treasurer  |               |
| (a) Revenue Budget 2022/23 and Indicative Financial Plan 2023/24 to 2024/25  | 55            |
| (b) Annual Treasury Management Strategy  | 64            |
| 7. STAFFING UPDATE - Report by Angela Chambers and Jenny Simpson, HR Adviser   | Separate item |
| <i>Item 7 likely to be considered in private in terms of section 50(A)(4) of the Local Government (Scotland) Act 1973, under paragraphs 1 and 6 of Part 1 of Schedule 7A of the Act.</i> |               |
| 8. RECRUITMENT PROCESS FOR PARTNERSHIP DIRECTOR – Report by Angela Chambers and Jenny Simpson, HR Adviser  | 66            |
| 9. PROJECTS REPORT - Report by Anna Herriman   | 69            |
| (a) Presentation on Connect project by Keith Fiskien   |               |
| 10. HEALTH AND SAFETY POLICY – Angela Chambers   | 89            |
| 11. DATE OF NEXT MEETING   |               |
| The date of the next meeting is scheduled for 1:00pm on <b>Friday 9<sup>th</sup> September 2022.</b>   |               |
| <i>Please note there will be no June committee due to the Local Government Elections in May.</i>   |               |

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25<sup>th</sup> March 2022

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SEStran meetings can be accessed on [www.sestran.gov.uk](http://www.sestran.gov.uk)

**PERFORMANCE & AUDIT COMMITTEE**

**REMOTE MEETING VIA MS OFFICE TEAMS  
ON FRIDAY 19 NOVEMBER 2021**

1pm

|                 |   |                           |
|-----------------|---|---------------------------|
| <b>PRESENT:</b> | <u>Name</u>                                 | <u>Organisation Title</u> |
|                 | Councillor Rose (Chair)                     | Midlothian Council        |
|                 | Councillor Balsillie (A5a – A6a, 7 onwards) | Clackmannanshire Council  |
|                 | Councillor Dempsey                          | Fife Council              |
|                 | Councillor Fullarton (A6a onwards)          | Scottish Borders Council  |
|                 | Councillor Horne (A6b – 7)                  | West Lothian Council      |
|                 | Councillor Murtagh (A1 – A5b)               | Falkirk Council           |
|                 | Simon Hindshaw                              | Non-Councillor Member     |
|                 | Doreen Steele                               | Non-Councillor Member     |
|                 | Barry Turner                                | Non-Councillor Member     |

|                       |                 |                           |
|-----------------------|-----------------|---------------------------|
| <b>IN ATTENDANCE:</b> | <u>Name</u>     | <u>Organisation Title</u> |
|                       | Angela Chambers | SEStran                   |
|                       | Cheryl Fergie   | SEStran                   |
|                       | Jim Grieve      | SEStran                   |
|                       | Anna Herriman   | SEStran                   |
|                       | Iain Shaw       | City of Edinburgh Council |
|                       | Sarah Stirling  | City of Edinburgh Council |

**Action by**

**A1. ORDER OF BUSINESS**

In accordance with Standing Order 6.4(4), Councillor Rose was appointed as Chair for this meeting.

**A2. APOLOGIES**

Councillor Hoy, Councillor Imrie and Callum Hay.

**A3. DECLARATION OF INTERESTS**

None.

**A4. MINUTES**

To approve the minute of the Performance and Audit Committee of 10 September 2021 as a correct record.

## **A5. FINANCE REPORTS**

### **(a) Indicative Financial Plan 2022-23 to 2024-25**

An update was provided on financial planning being progressed for the 2022/23 revenue budget and on the indicative financial plans for 2023/24 – 2024/25.

#### **Decision**

- 1) To note the financial planning assumptions for the period 2022/23 to 2024/25.
- 2) To note that financial planning for 2022/23 to 2024/25 would continue to be developed for approval of a revenue budget by the Partnership at its meeting in March 2022.
- 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.

(Reference – report by the Treasurer, submitted)

### **(b) Mid Term Review Treasury Management Activity**

The investment activity undertaken on behalf of the Partnership during the first half of the 2021/22 Financial Year was reviewed.

#### **Decision**

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

(Reference – report by the Treasurer, submitted)

## **A6. RISK MANAGEMENT**

### **(a) Risk Register**

A six-month update on the risk register was provided, which was an integral part of SEStran's Risk Management process.

An update was provided at the meeting on 10.2 of Appendix 1 of the report to inform the committee that a meeting of the Succession Planning Committee had been held and a process

approved for the recruitment and reappointment of Non-Councillor Members.

### **Decision**

- 1) To note the report.
- 2) To note that a final version of the Risk Register would be referred to the Partnership Board for noting.
- 3) To request that the committee conduct an annual self-assessment exercise. The Partnership Director would consider and report back on an approach to a potential exercise.
- 4) To agree to add a risk to the Risk Register on competence and experience of new members of the committee, considering the potential training implications.

(Reference – report by the Business Manager, submitted)

### **(b) Risk Management Framework Policy**

The proposed Risk Management Framework policy, attached as Appendix 1 of the report by the Business Manager, was presented.

Discussion took place on risk appetite for new projects. Doreen Steele agreed that she would share the papers from the KPMG exercise with the NHS Board on risk maturity for reference.

### **Decision**

- 1) To approve the Risk Management Framework Policy.
- 2) To delegate authority to the Partnership Director to make any agreed amendments to finalise and implement the policy.
- 3) To request that risk appetite be taken into consideration at Appendix 4 of the report.

(Reference – report by the Business Manager, submitted)

## **A7. HR POLICY REVIEW**

The proposed Hybrid Working policy, attached as Appendix 1 of the report by the Business Manager, was presented. An update on the

wider annual HR policy review was also provided.

#### **Decision**

- 1) To approve the Hybrid Working Policy for implementation.
- 2) To approve the amendments made to the Recruitment Policy for implementation.
- 3) To approve the amendments made to the Family Leave Policy for implementation.
- 4) To note that a further update would be provided to the committee subject to review of the Health and Safety Policy.
- 5) To agree that the wording of the Person Specification would be considered before being finalised.

(Reference – report by the Business Manager, submitted)

### **A8. PROJECTS PERFORMANCE REPORT**

Details were provided on progress over the last quarter across SEStran's projects and key work streams. Impacts on progress or delivery were explained, including those deriving from Covid-19.

#### **Decision**

- 1) To note the progress outlined in the Performance Report (Appendix 1 of the report by the Senior Partnership Manager).
- 2) To agree to share the online map resource which charted investment and RTP1 screens.
- 3) To agree that further detail on Project 5.5 – Connect – Interreg North Sea Region would be provided to the next meeting of the Performance and Audit Committee.
- 4) To agree to consider how the urban aspect of the DRT could be recorded.

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

### **A9. DATE OF NEXT MEETING**

1.00pm on Friday 4 March 2022 – provisional date subject to approval by the Partnership Board of 3 December 2021.



# South East of Scotland Transport Partnership

External Audit Annual Plan 2021/22

March 2022



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# Introduction

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## Introduction

1. This document summarises the work plan for our 2021/22 external audit of the South East of Scotland Transport Partnership (“the Partnership”).
2. The core elements of our work include audits of:
  - the 2021/22 annual accounts and related matters;
  - the Partnership’s arrangements for, where applicable, financial sustainability, financial management, governance and transparency and value for money; and
  - any other work requested by Audit Scotland.

## Audit appointment

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

2016/17 to 2021/22<sup>1</sup>. This document summarises the audit plan for 2021/22 and includes;

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

## Auditor independence

6. International Standards on Auditing in the UK (ISAs (UK)) require us to communicate on a timely basis all facts and matters that may have a bearing on our independence.
7. We comply with the Financial Reporting Council’s (FRC) Ethical Standard. In our professional judgement, the audit process is independent and our objectivity is not compromised in any way.
8. We set out in Appendix 2 our assessment and confirmation of independence.

## Adding value through the audit

9. All of our clients demand of us a positive contribution to meeting their ever-changing business needs. Our aim is to add value to the Partnership through our external audit work by being constructive and forward

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

continuity and stability in the current challenging environment.

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


## Feedback

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

## Openness and transparency

11. This report will be published on Audit Scotland's website [www.audit-scotland.gov.uk](http://www.audit-scotland.gov.uk).

# Respective responsibilities of the auditor and the Partnership

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## Respective responsibilities of the auditor and the Partnership

### Auditor responsibilities

#### Code of Audit Practice

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

#### Our responsibilities

13. Auditor responsibilities are derived from statute, the Code of Audit Practice, International Standards on Auditing (UK) (ISAs (UK)), professional requirements and best practice. These are to:
  - undertake statutory duties, and comply with professional engagement and ethical standards;
  - provide an opinion on financial statements;
  - review and report on, as appropriate, other information such as annual governance statements, management commentaries and remuneration reports;
  - notify the Controller of Audit when circumstances indicate that a statutory report may be required; and
  - demonstrate compliance with the wider scope of public audit.

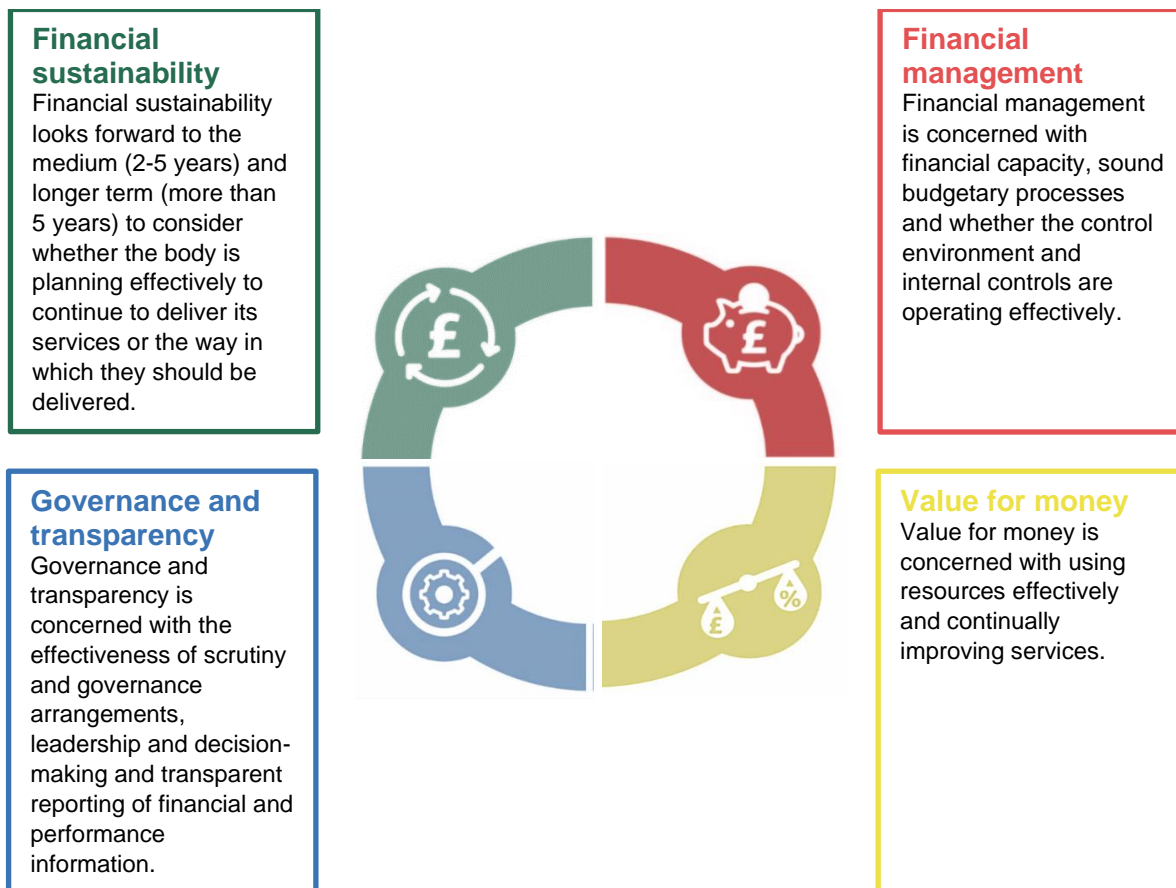
sector. This means providing assurance, not only on the financial statements, but providing audit judgements and conclusions on the appropriateness, effectiveness and impact of corporate governance and performance management arrangements and financial sustainability.

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

#### Wider scope audit work

14. The special accountabilities that attach to the conduct of public business, and the use of public money, mean that public sector audits must be planned and undertaken from a wider perspective than in the private

## Exhibit 1: Audit dimensions within the Code of Audit Practice



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

## Best Value

19. Appointed auditors have a duty to be satisfied that local government bodies have made proper arrangements to secure best value.
20. Our work in respect of the Partnership's best value arrangements will be integrated into our audit approach, including our work on the wider scope audit dimensions as set out in this plan.
21. Audit Scotland has requested that external auditors focus on the audited body's arrangements relating to the best value theme of fairness and quality. We will consider this in the context of our wider scope audit work

and include commentary in our annual audit report as appropriate.

## Partnership responsibilities

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

## Exhibit 2: Partnership responsibilities

| Area   | Partnership responsibilities   |
|--|--|
| <b>Financial statements:</b> Annual accounts containing financial statements and other related reports should be prepared. | <p>The Partnership has responsibility for:</p> <ul style="list-style-type: none"> <li>• preparing financial statements which give a true and fair view of its financial position and its expenditure and income, in accordance with the applicable financial reporting framework and relevant legislation;</li> <li>• maintaining accounting records and working papers that have been prepared to an acceptable professional standard and that support its financial statements and related reports disclosures;</li> <li>• maintaining proper accounting records; and</li> <li>• preparing and publishing, along with their financial statements, an annual governance statement, management commentary (or equivalent) and a remuneration report that are consistent with the disclosures made in the financial statements</li> </ul> |

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



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

# Audit strategy

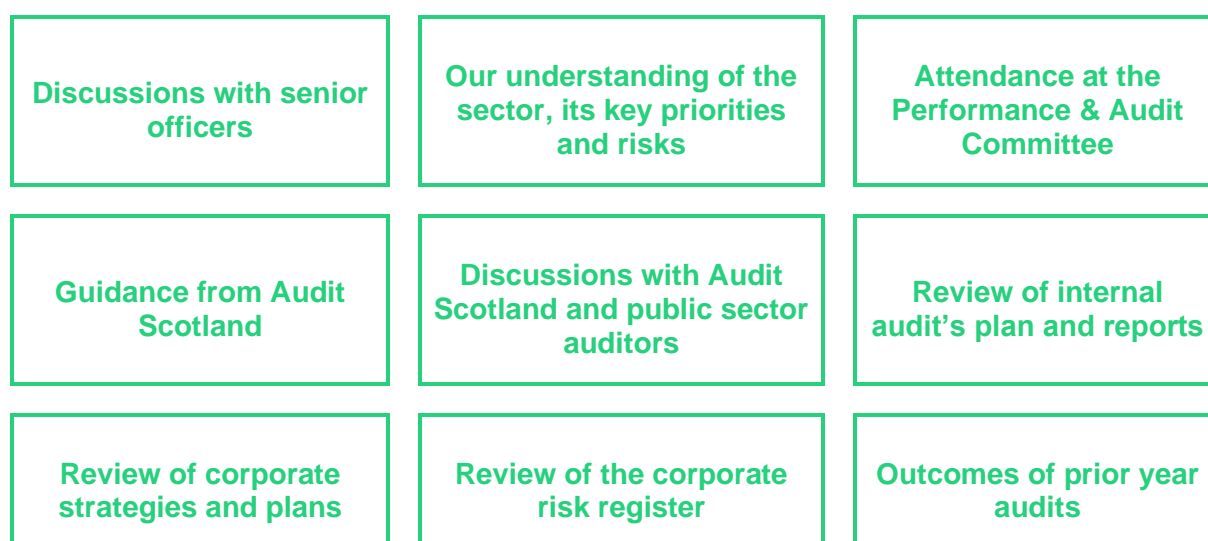
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## Audit strategy

### Risk-based audit approach

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

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



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

### Communication with those charged with governance

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

### Professional standards and guidance

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

### Partnership working

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

of service delivery and partnership working with the public sector.

## Audit Scotland

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

## Internal Audit

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

## Service organisations

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

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

## COVID-19 – impact on our 2021/22 audit strategy

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

## Remote working

34. As we continue to follow Scottish Government guidelines, and acknowledge the Partnership's working arrangements, we are currently planning to carry out our audit remotely. We have the following arrangements in place:
  - All of our people have the equipment, technology and systems to allow them to work remotely, including secure access

to all necessary data and information.

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

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

### Secure sharing of information

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

### Audit evidence

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

### Regular contact

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

### Audit reporting

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

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

# Annual accounts



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## Annual accounts

### Introduction

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

### Approach to audit of the annual accounts

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

#### Risk-based audit planning

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

#### Accounting systems and internal controls

49. We evaluate the key accounting systems and internal controls and determine whether they are adequate to prevent material misstatements in the annual accounts.
50. The systems we review and the nature of the work we perform will be based on the initial risk assessment. We will examine and test compliance with best practice and the Partnership's own policies and procedures.
51. We will take cognisance of any relevant internal audit reviews of systems and controls.

52. Since the start of the pandemic, the risk of fraud and error has increased as the control environment and internal controls change. Potential areas of risk include:
- Public sector staff working under extreme pressure leading to some internal controls suspended or relaxed;
  - Procurement fraud or, normal controls being relaxed to allow bodies to buy goods or services which are required urgently, possibly from new suppliers;
  - Weakened governance arrangements;
  - Admin and finance staff being redeployed to operational areas; and
  - Staff working remotely may pose potential security risks e.g. when using personal devices and/or using removable devices to download data.
53. We will update the risk assessment following our evaluation of systems and controls, considering the impact pandemic has had on the Partnership's accounting systems and controls. This will ensure that we continue to focus attention on the areas of highest risk.
54. This work is not for the purpose of expressing an opinion on the effectiveness of internal controls. We will report to the Partnership significant deficiencies in internal controls that we identify during the audit. These matters will be limited to those which we conclude are of



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

#### **Prevention and detection of fraud or error**

55. We plan our audit in such a way to obtain reasonable assurance of detecting material misstatements in the annual accounts resulting from fraud or error.
56. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the annual accounts.
57. We will assess the susceptibility of the Partnership's annual accounts to material misstatement, including obtaining an understanding of how fraud might occur, by:
- making enquiries of management as to where they considered there is susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
  - considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.
58. Our work as auditor is not intended to identify any instances of fraud of a non-material nature and should not be relied upon for this purpose. Material misstatements that arise due to fraud

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

#### **Laws and regulations**

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

#### **A final audit of the annual accounts**

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

The extent of testing will be based on our risk assessment.

62. Our final audit will seek to provide reasonable assurance that the annual accounts are free from material misstatement and comply with the Code of Practice on Local Authority Accounting in the United Kingdom 2021/22 (the Code).

### Independent auditor's report

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

### Materiality

65. Materiality is an expression of the relative significance of a matter in the context of the financial statements as a whole. A matter is material if its omission or misstatement would reasonably influence the decisions of an addressee of the auditor's report. The assessment of what is material is a matter of professional judgement over both the amount and the nature of the misstatement. We review our assessment of materiality throughout our audit.
66. Performance materiality is the working level of materiality used throughout the audit. We use performance materiality to determine the nature, timing and extent of audit procedures carried out. We perform audit procedures on all transactions, or group of transactions, and balances

that exceed our performance materiality. This means that we perform a greater level of testing on the areas deemed to be at significant risk of material misstatement.

67. Performance materiality set at a value less than overall materiality for the financial statements as a whole to reduce to an appropriately low level the probability that the aggregate of the uncorrected and undetected misstatements exceed overall materiality.
68. Our initial assessment of materiality and performance materiality is set out in the table below:

|   | Materiality<br>£ |
|---|------------------|
| <b>Overall materiality:</b> Our initial assessment is based on approximately 1.5% of the Partnership's 2020/21 gross expenditure as disclosed in the 2020/21 audited annual accounts. We consider this to the principal consideration for the users of the annual accounts when assessing the financial performance of the Partnership. | 23,000           |
| In performing our audit we apply a lower level of materiality to the audit of the Remuneration Report. Our materiality is set at £5,000.  |                  |
| <b>Performance materiality:</b> using our professional judgement we have calculated performance materiality at approximately 75% of overall materiality.  | 17,250           |

69. We will report any misstatements identified through our audit that fall into one of the following categories:
- All material corrected misstatements;
  - Uncorrected misstatement with a value in excess of 5% of the overall materiality figure; and
  - Other misstatements below 5% threshold that we believe warrant reporting on qualitative grounds.

#### Key audit risks in the annual accounts

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

### Exhibit 3 – Key audit risks in the annual accounts


#### Management override

In any organisation, there exists a risk that management have the ability to process transactions or make adjustments to the financial records outside the normal financial control processes. Such issues could lead to a material misstatement in the financial statements. This is treated as a presumed risk area in accordance with ISA (UK) 240 - *The auditor's responsibilities relating to fraud in an audit of financial statements*.

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


## Revenue recognition

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

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

## Risk of fraud in the recognition of expenditure

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

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

### Pension liability(significant accounting estimate)

An actuarial estimate of the pension fund asset/liability is calculated on an annual basis under IAS 19 and on a triennial funding basis by an independent firm of actuaries with specialist knowledge and experience. The estimates are based on the most up to date membership date held by the pension fund and have regard to local factors such as mortality rates and expected pay rises with other assumptions around inflation when calculating the liabilities. There is a risk that the assumptions used are not appropriate.

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

## Other risk factors

### Impact of COVID-19 on the annual accounts

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

### Accounting estimates

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

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

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

# Wider scope audit



## Wider scope audit

### Introduction

80. As described previously, the Code of Audit Practice frames a significant part of our wider scope responsibilities. Following consideration of the size, nature and risks of the Partnership, the application of the full wider scope audit is judged by us not to be appropriate. Our annual audit work will therefore be restricted to:
- Audit work to allow conclusions to be made on the appropriateness of the disclosures in the governance statement; and
  - Consideration of the financial sustainability of the organisation and the services that it delivers over the medium and longer term.
81. Our planned audit work against these two areas is risk based and proportionate. Our initial assessment builds upon the understanding of the Partnership's key priorities and risks which we developed from previous years, along with discussions with management and review of committee minutes and key strategy documents.
82. At this stage of our audit planning process, we have identified one significant risk to the wider scope of our audit (Exhibit 4).
83. Audit planning however is a continuous process, and we will report all identified significant risks in our annual audit report.


## Exhibit 4 – Wider scope significant risk

### Financial sustainability

The Partnership approved the Indicative Financial Plan 2022-2025 in December 2021. This presents a balanced budget across all three years, assuming Scottish Government funding and council requisitions will remain at the same level as 2021/22 and will remain at this level over the three year period. The achievement of a balanced financial outturn depends upon continued tight control and monitoring of income and expenditure. The 2022/23 revenue budget will be presented to the Partnership in March 2022, including an update on the General Fund reserve position as per the Reserves Policy.

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

The development of the new Regional Transport Strategy (RTS) has been a key area of focus in 2021/22, with the draft RTS due to be considered by the Partnership in March 2022 and subsequently shared with Scottish Government for approval. The RTS will set out a clear framework for how transport and mobility will be provided, developed and improved in the South East of Scotland region, whilst meeting aspirations for a sustainable and economically active growth area over and beyond the next 10 years. As a key driver for service delivery in the medium to long term, it is essential that SEStran has appropriate financial plans in place to support the delivery of this strategy in a sustainable manner.

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



# Audit outputs, timetables and fees



## Audit outputs, timetable and fee

### Audit outputs

Audit Scotland has set target dates for 2021/22 which transition to more regular timescales. This is subject to agreement with the Scottish Government, and Audit Scotland will confirm the dates in due course. Audit Scotland has provisionally set a target date of 31 October (which requires a further amendment to the accounts regulations for 2021/22).

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

| Audit output   | Description  | Target month   | Deadline for submission to Audit Scotland |
|--|--|----------------|---|
| External audit plan  | This report sets out the scope of our audit for 2021/22.   | March 2022     | 31 March 2022                             |
| Independent Auditor's Report                                 | This report will contain our opinion on the financial statements, the audited part of the remuneration report, annual governance statement and management commentary.  | September 2022 | 31 October 2022                           |
| Annual Report to the Partnership and the Controller of Audit | At the conclusion of each year's audit we issue an annual report setting out the nature and extent of our audit work for the year and summarise our opinions, conclusions and the significant issues arising from our work. This report pulls together all of our work under the Code of Audit Practice. | September 2022 | 31 October 2022                           |

85. Prior to submitting our outputs, we will discuss all issues with management to confirm factual accuracy and agree a draft action plan where appropriate.
86. The action plans within the reports will include prioritised recommendations, responsible officers and implementation dates. We will review progress against the action plans on a regular basis.

## Audit fee

87. Audit Scotland sets an expected fee that assumes the body has sound governance arrangements in place, has been operating effectively throughout the year, prepares comprehensive and accurate draft accounts and meets the agreed timetable for audit. The expected fee is reviewed by Audit Scotland each year and adjusted if necessary based on auditors' experience, new requirements, or significant changes to the audited body.
88. As auditors we negotiate a fee with the Partnership during the planning process. The fee may be varied above the expected fee level to reflect the circumstances and local risks within the body.
89. For 2021/22 we proposed setting the audit fee at the expected fee level

|                      | 2021/22        | 2020/21        |
|----------------------|----------------|----------------|
| Auditor remuneration | £9,090         | £8,900         |
| Pooled costs         | £950           | £850           |
| Audit support costs  | £490           | £490           |
| <b>Total fee</b>     | <b>£10,530</b> | <b>£10,240</b> |

90. We will take account of the risk exposure of the Partnership and the management assurances in place. We assume receipt of the draft working papers at the outset of our on-site final audit visit. If the draft accounts and papers are late, or

agreed management assurances are unavailable, we reserve the right to charge an additional fee for additional audit work. An additional fee will be required in relation to any other significant exercises not within our planned audit activity.

## Audit timetable

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

|               |   |  |
|---------------|---|--|
| <b>FEB 22</b> | ● | Planning meeting to inform the 2021/22 audit                                   |
| <b>MAR 22</b> | ● | Presentation of External Audit Plan to the Performance and Audit Committee     |
| <b>JUN 22</b> | ● | Unaudited annual accounts presented to those charged with governance           |
| <b>JUL 22</b> | ● | Final audit commences  |
| <b>SEP 22</b> | ● | Presentation of our Annual Audit Report to the Performance and Audit Committee |

# Appendices



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## Appendix 1: Azets

Azets deliver accounting, tax, audit, advisory and business services, digitally and locally.

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### Your audit management team

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#### Karen Jones

##### Director

karen.jones@azets.co.uk

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

Karen will be the Engagement Lead in charge of our audit of the Partnership.

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#### Nicola MacKenzie

##### Manager

nicola.mackenzie@azets.co.uk

Nicola has over 7 years' public sector external audit experience, joining the firm in 2014 as an audit trainee. She has extensive experience of public sector audit across local government, central government, health and further education sectors.

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

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## Appendix 2: Confirmation of independence

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

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

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

## Appendix 3: Statement of understanding

### Introduction

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

### Annual accounts

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

### Fees

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

### Representations

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

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

### Internal audit

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

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

### Fraud and irregularity

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

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

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

## Anti-money laundering

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

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

## Ethics

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

## Service

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

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

## Reports

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

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

## Agreement of terms

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



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## **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 2021/22 SEStran IA review, and to request the Committee's insights on areas for potential inclusion in the scope of the planned 2022/23 audit.

### **2. BACKGROUND, SCOPE AND OUTCOMES OF 2021/22 IA REVIEW**

#### **Audit Background**

- 2.1 Topic 16 of the current SEStran Regional Transport Strategy focuses on the high priority development and promotion of urban cycle networks to support Active Travel, which is also a key strategic priority for the Scottish Government, with Transport Scotland (TS) committed to increasing cycling and walking for transport and leisure.
- 2.2 To support these Active Travel objectives various strategies have been published outlining cycle network principles, recommendations, and investment strategies. The most recent iteration, The SEStran Strategic Network - Cross Boundary Active Travel Routes Connecting People and Places report was published in May 2020 and set out a network of active travel routes to take forward to feasibility and design phases.
- 2.3 SEStran will be responsible for working in partnership with the local authorities to support the design of the projects, which will then be passed to the relevant local authorities for implementation.

#### **Audit Scope**

- 2.4 The scope of the 2021/22 IA review was to assess the adequacy of design and operating effectiveness of the key controls established by SEStran to support design of their Active Travel network development responsibilities, and effective management and allocation of external funding.

#### **Audit Outcomes**

- 2.5 The overall review outcome was effective (green) and confirmed that the control environment and governance and risk management frameworks established to support the design of projects, included in the Active Travel Strategic Network and management and allocation of external funding, were adequately designed and operating effectively.
- 2.6 This provides assurance that risks are being effectively managed, and that SEStran's objectives of designing projects for subsequent implementation by relevant local authorities should be achieved.

- 2.7 Whilst SEStran adopted a robust tendering process to secure contractors to complete the design of the projects in line with SEStran's Standing Orders, there is currently no established process to identify and record potential procurement conflicts of interest.
- 2.8 Additionally, whilst the Strategic Network sets out completion routes across five implementation phases, there is a key dependency on both the appetite of Partners and availability of funding, that will determine whether the full strategy can be achieved and drive its implementation timeframes.
- 2.9 Consequently, one low rated and one advisory finding were raised reflecting these points and are included at section 3 of the report.
- 2.10 A number of areas of good practice were also identified and are included in the opinion section of the report (section 2).
- 2.11 Management actions to address the two medium rated Internal Audit recommendations raised in the Covid-19 Resilience Arrangements review completed in May 2021 have also been effectively implemented and embedded.
- 2.12 The full report is included at Appendix 1.

### **3. 2022/23 INTERNAL AUDIT REVIEW**

- 3.1 The Council's proposed 2022/23 Internal Audit annual plan will be presented to the Governance, Risk, and Best Value Committee on 8 March 2022, and includes one Internal Audit review for SEStran, which is consistent with the level of assurance provided in prior years.
- 3.2 The 2022/23 review is likely to be completed between January and March 2023, and potential areas for inclusion in scope have not yet been discussed with the SEStran management team.
- 3.3 Any insights or recommendations from the Committee on key risks or areas of concern to consider for inclusion in scope of the planned 2022/23 IA review would be welcome.

### **4. RECOMMENDATIONS**

The Committee is requested to:

- note the outcomes of the 2021/22 IA review, and the associated costs; and
- provide any insights or recommendations on key risks or areas of concern that the Committee would like IA to consider including in the 2022/23 IA review.

### **Appendix 1: Internal Audit 2021/22 Report**

**Lesley Newdall**

Chief Internal Auditor, City of Edinburgh Council

E-mail: [lesley.newdall@edinburgh.gov.uk](mailto:lesley.newdall@edinburgh.gov.uk) | Tel: 0131 469 3216

23 February 2022

|                             |   |
|-----------------------------|---|
| Policy Implications         | None  |
| Financial Implications      | SEStran is charged an annual fee for provision of the annual IA assurance review. The fee for 2021/22 is £5,000, which remains consistent with the 2020/21 fee applied. |
| Equalities Implications     | None  |
| Climate Change Implications | None  |

# ***The City of Edinburgh Council***

## **Internal Audit**

### **South East of Scotland Transport Partnership (SEStran)** **Active Travel Network Development**

Final Internal Audit Report

24 February 2022

OO2101

#### **Overall report rating:**

**Effective**

The control environment and governance and risk management frameworks have been adequately designed and are operating effectively, providing assurance that risks are being effectively managed, and that SEStran's objectives should be achieved.

# Contents

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

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

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

# 1. Background and Scope

## Background

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 combined core and projects budget of circa £1,472K (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.

## Active Travel Networks

Active travel means getting about in a physically active way, like walking or cycling. It usually means short journeys and can include walking to the shops or local school, cycling to work or to see friends and family, or cycling to the train station.

[Topic 16 of the current SEStran RTS](#) focuses on the high priority development and promotion of urban cycle networks to support Active Travel, which is also a key strategic priority for the Scottish Government, with [Transport Scotland](#) (TS) committed to increasing cycling and walking for transport and leisure.

To support these Active Travel objectives, SEStran produced the following strategic documents that were based on desktop studies; consultation; and 'audits' of existing Active Travel infrastructure and routes.

1. [Strategy for Investment in Development of a Strategic Urban Cycle Network](#) in February 2010 that outlined SEStran's vision for a new cycling infrastructure across the region that would be given a status equal to that of the provision of new infrastructure for other road users, and should support completion of 6.3% of journeys to work by bicycle by 2023.

The strategy included 13 urban cycling network principles and costed recommendations for development of a strategic regional cycle network to support cyclists across the short; medium; and longer term.

2. The SEStran [Strategic Cross Boundary Cycle Development](#) report published in June 2015 aimed to guide investment in cross-local authority boundary sections of the cycling network, with particular focus on routes suitable for commuters.

The report included a list of barriers; missing links; and solutions to support the cross-boundary commuter cycling network. These solutions were not costed, but assessed investment criteria as either low; medium or high.

3. [The SEStran Strategic Network – Cross Boundary Active Travel Routes Connecting People and Places](#) report published in May 2020 built on the previous studies with ongoing focus on developing and improving cross boundary commuter routes. This work was completed in partnership with eight local authorities and partners.

A range of improvement proposals were identified and assessed using a multi criteria assessment methodology to determine their impact and prioritise potential implementation. This was supported by completion of a further cost benefits analysis, and identification of a number of 'quick wins' that could deliver immediate benefit.

Delivery of the network routes was then allocated into five phases with those that should deliver the greatest benefit to be introduced first. Each route was also allocated an approximate or 'banded' cost.

### **SEStran Active Travel Network Development Responsibilities**

SEStran will be responsible for working in partnership with the local authorities to support the design of the projects, which will then be passed to the relevant local authorities for implementation.

To support this, £200K funding from both Transport Scotland and SUStrans (Sustainable Transport) has been secured and used to procure local consultants to review and prepare the design of the projects for presentation to and agreement by the relevant local authorities, with four projects currently in progress. This process involves significant external consultation, and the consultants provide regular progress updates to both the local authority and SEStran.

Transport Scotland also has the following specific grant funding requirements that SEStran must comply with:

1. Proposals submitted annually with approval and confirmation of funding received in April.
2. Quarterly reports provided to support financial claims for projects in progress.
3. Final summary report provided at the end of each financial year.
4. Six monthly evaluation report provided in relation to funding provided in previous year – this includes a self-assessment against funding requirements.

### **Scope**

The objective of this review was to assess the adequacy of design and operating effectiveness of the key controls established by SEStran to support design of their Active Travel network development responsibilities, and effective management and allocation of external funding.

Progress with implementation of the two medium rated Internal Audit recommendations raised in the Covid-19 Resilience Arrangements review completed in May 2021 was also considered.

### **Limitations of Scope**

The review was not intended to provide assurance on the content of the May 2020 [Strategic Network – Cross Boundary Active Travel Routes Connecting People and Places](#) report, but to consider how effectively this has been used as a baseline to support prioritisation of project design and allocation of funding.

Recognising that current active travel projects are at the feasibility assessment stage, our review was limited to providing assurance on the design of the engagement and consultation process to be applied once the design of relevant active travel initiatives has been completed.

### **Reporting Date**

Our audit work concluded on 21 February 2022, 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 |   |
|----------------------------|---|
| Low                        | 1. Identifying and recording conflicts of interest                  |
| Advisory                   | 2. Strategic risk associated with delivery of the Strategic Network |

### Opinion

#### Effective (green)

Our review confirmed that the control environment and governance and risk management frameworks established to support the design of projects included in the Strategic Network and management and allocation of external funding, were adequately designed and operating effectively. This provides assurance that risks are being effectively managed, and that SEStran's objectives of designing projects for subsequent implementation by relevant local authorities should be achieved.

Additionally, management actions to address the two medium rated Internal Audit recommendations raised in the Covid-19 Resilience Arrangements review completed in May 2021 have been effectively implemented and embedded.

The May 2020 Strategic Network document sets out SEStran's vision to work collaboratively with Partners to deliver a network of cross boundary active travel routes across the South East of Scotland area.

Whilst the Strategic Network sets out completion of these routes across five implementation phases there is a key dependency on both the appetite of Partners and availability of funding, that will determine whether the full strategy can be achieved and drive its implementation timeframes. Recognising this, an advisory finding has been raised recommending that this strategic risk is included in the SEStran risk register and shared with the Board.

Currently, SEStran is designing the travel routes detailed in the Strategic Network using contractors as funding becomes available.

Our review confirmed that a robust tendering process has been adopted to secure contractors to complete the design of the projects included in the Strategic Network. This process included clear specifications for tendered works, with assessment of submissions consistently and fairly undertaken in line with best practice.

We confirmed that SEStran currently has no established process to identify and record potential procurement conflicts of interest. Whilst it is acknowledged that professional staff should be expected to declare conflicts of interest, in the absence of a formal process, such instances may not be identified.

Consequently, 1 low rated and 1 advisory finding has been raised.

Further information is included at Section 3.

#### Areas of good practice

- Tailored tender specifications were proportionate to the work being procured and include (where applicable) the requirement for suppliers to detail their project management methodology and approach to consultation and engagement.
- Assessment of tender submissions is undertaken in a fair and consistent manner, aligned with best practice and tailored to the requirements of each piece of work undertaken.

- Project management (minute taking, project risk, change management) is outsourced to suppliers where applicable with oversight from SEStran Officers. This reduces the administrative burden on SEStran Officers.
- In recognition of delays to implementation of the Strategic Network resulting from COVID-19, the first tender specification prepared in relation to the Strategic Network included additional resource to continue engagement with Partners, which is considered a fundamental requirement to support delivery of the Strategic Network.

### 3. Detailed findings

| 1. Conflicts of interest   | Low  |
|--|--|
| <p>SEStran's Standing Orders Part 5: Contract Standing Orders paragraph 3 outlines that no employee of SEStran who has an actual, or potential conflict of interest or a direct or indirect pecuniary interest in a tender should be involved in the tendering process.</p> <p>Our review identified that there is no formal process for identifying and recording actual, potential, or perceived conflicts of interest of Officers on a routine basis, or during the tender process.</p>   |  |
| Risks  |  |
| <p>The potential risks associated with our findings are:</p> <ul style="list-style-type: none"> <li>• When COIs are not properly managed the outcomes could lead to antitrust violations; bribery, corruption or fraud; competition disadvantage; data breaches; or insider trading.</li> </ul>  |  |
| 1.1 Recommendation: Conflicts of interest declarations   |  |
| <ol style="list-style-type: none"> <li>1. We recommend that an appropriate process is designed and implemented that requires staff to declare any actual, potential, or perceived conflicts of interest, including nil return, on a routine basis (e.g. annually), after a significant change in personal circumstance, and at the preparation and planning stage of any new procurement.</li> <li>2. Guidance should be provided to ensure that conflicts of interest are clearly defined and understood by all staff involved in the procurement of goods and services, and that they are aware of their responsibilities in relation to conflicts of interest.</li> </ol> |  |
| 1.1 Agreed Management Action: Conflicts of interest declarations   |  |
| <p>Guidance will be added to our Anti-bribery Policy and Procedures to the effect that staff will be required to declare any potential conflicts of interest</p>   |  |
| <p><b>Owner:</b> Jim Grieve, Partnership Director</p> <p><b>Contributors:</b> Angela Chambers, Business Manager</p>  | <p><b>Implementation Date:</b><br/>June 2022</p> |

| 2. Strategic risk associated with delivery of the Strategic Network  | Advisory |
|--|----------|
| <p>The Strategic Network sets out completion of its routes across five implementation phases, however there is a key dependency on both the appetite of Partners, and availability of funding, that will determine whether the full strategy can be achieved and drive its implementation timeframes.</p> <p>SEStran's risk register includes general risks relating to project appraisal and delivery which has a net risk score assessed as low, and reputation which is also has a net risk score assessed to be low. There is no specific risk recorded detailing the inherent risks associated with this project, or the mitigating controls put in place to manage the risk.</p> |          |

## **2.1 Recommendation: Strategic risk associated with delivery of the Strategic Network**

Given the findings detailed in this report, it is recommended that SEStran documents the inherent reputational risk associated with the Strategic Network, and its reliance on external Partners and sources of funding becoming available to drive its delivery.

# Appendix 1: Basis of our classifications

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

\* **Long term** - a period of one year or more

\*\* **Medium term** - a period of 3 to 12 months

\*\*\* **Short term** - a period of 1 to 3 months

# Appendix 2: Areas of audit focus

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

| Audit Area                         | Control Objectives   |
|------------------------------------|--|
| Strategy                           | <p>SEStran has developed an appropriate strategy to support their Active Travel network development responsibilities including:</p> <ul style="list-style-type: none"> <li>• prioritisation of planning for the design projects in alignment with the May 2020 <a href="#">Strategic Network – Cross Boundary Active Travel Routes Connecting People and Places</a> report</li> <li>• identification of all relevant partners</li> <li>• agreement of roles and responsibilities with relevant local authorities and partners (including governance and oversight responsibilities) and establishing partnership agreements (where required)</li> <li>• identification and procurement of consultants and temporary resources required</li> <li>• evaluating and sourcing funding to support project delivery.</li> </ul>  |
| Procurement and Project Management | <ol style="list-style-type: none"> <li>1. All external consultants have been appropriately and consistently procured using a standard framework, with all tenders consistently assessed and outcomes recorded.</li> <li>2. A clear requirement specification has been produced and agreed with all temporary employees and consultants engaged.</li> <li>3. A clear project management methodology has been defined and consistently applied to support all projects. This should include: <ul style="list-style-type: none"> <li>• a business requirements specification that outlines the detailed scope of each project</li> <li>• a change management process that records the rationale for and obtains approval of all changes to the original scope</li> <li>• a multi criteria analysis for each project</li> <li>• a project plan that includes key delivery dates and project dependencies</li> <li>• ongoing updates to project plans (as required)</li> <li>• identification, assessment, recording, and management of any risks that could potentially impact the project</li> <li>• clear guidance on how to assess the current status of individual projects (for example red; amber; green with supporting definitions)</li> <li>• standard project reporting that provides regular progress updates to relevant SEStran Committees and the Board, and enables consistent comparison of progress across projects</li> <li>• an escalation process that can be applied to highlight any significant issues out with the routine governance reporting cycle</li> <li>• appropriate project management teams are in place that include representation from relevant partner organisations where applicable</li> <li>• project management team meetings are minuted with details of agreed actions recorded, together with completion responsibilities and timeframes</li> </ul> </li> </ol> |

|                                    |   |
|------------------------------------|---|
|                                    | <ul style="list-style-type: none"> <li>actions are tracked, reviewed and updated at subsequent meetings.</li> </ul>   |
| Management and Allocation of Funds | <ol style="list-style-type: none"> <li>All external funding received has been accurately recorded in relevant SEStran accounts and allocated against relevant projects.</li> <li>The terms of external grant funding received are clearly understood and have been communicated to all relevant project team members.</li> <li>Processes have been established to record how grant funding has been utilised, with supporting documentation (e.g. invoices) retained.</li> <li>Processes have been established to support generation and provision of financial reports to relevant bodies (for example Transport Scotland).</li> <li>All reports produced are reviewed by management to confirm that they are complete and accurate prior to submission.</li> <li>Regular checks are performed to ensure ongoing compliance with external funding requirements.</li> <li>Where breaches are identified, these are immediately escalated to management and reported to the relevant funding provider.</li> </ol>        |
| Engagement and Consultation        | <p>A standard engagement requirement has been designed for consultants, which is included in project tender documentation and contracts and consistently applied across all relevant projects, including:</p> <ul style="list-style-type: none"> <li>guidance on how to establish the population to be consulted</li> <li>standard questions to be included as part of each consultation process</li> <li>guidance on how to define consultation questions that are specific to individual projects</li> <li>consultation timeframes</li> <li>guidance on how to publish / communicate the consultation exercise and engage all relevant parties identified</li> <li>guidance on how to collate and assess consultation outcomes, including identification of themes within individual projects and themes across all ongoing projects</li> <li>guidance on how to incorporate consultation outcomes into the scope of relevant projects and provide feedback to those involved in the consultation process.</li> </ul> |

## **Revenue Budget 2022/23 and Indicative Financial Plan 2023/24 to 2024/25**

### **1. Introduction**

- 1.1** This report presents a revenue budget for 2022/23 and an indicative financial plan for 2023/24 to 2024/25, for review by the Performance and Audit Committee.
- 1.2** The proposed revenue budget for 2022/23 will be presented to the Partnership Board for approval at its meeting on 18th March 2022.

### **2. Main Report**

#### **Scottish Government Budget 2022-23**

- 2.1** The 2022-2023 Scottish Budget was passed by the Scottish Parliament on 10th February 2022.
- 2.2** The Scottish Government has indicated the Partnership's revenue grant for 2022/23 will not increase from the £782,000 awarded in 2021/22.

#### **Proposed Revenue Budget 2022/23**

- 2.3** Section 3 of the Transport (Scotland) Act 2005, as amended by the Section 122 of the Transport (Scotland) Act 2019 requires the constituent councils of a Regional Transport Partnership to meet the estimated net expenses of the Partnership.
- 2.4** A financial planning report was considered by the Partnership on 3<sup>rd</sup> December 2021. The Partnership noted the financial planning assumptions being progressed for 2022/23 to 2024/25. These assumptions included no change from 2021/22 funding levels for constituent council requisitions and Scottish Government grant.
- 2.5** A revenue budget with a standstill council requisition of £190,000 has been prepared in consultation with officers of the Partnership and the Partnership's Chief Officers Group.
- 2.6** The three-year planning assumptions presented to the Partnership on 3<sup>rd</sup> December 2021 have been updated for:
  - 2.6.1** Changes to EU project expenditure and income to reflect the inclusion of net additional project expenditure for Bling (£20,000), Connect (£18,000), Surflogh (£48,000) and ShareNorth (£18,000). Changes to project spend and income reflect project extensions and slippage from 2021/22;
  - 2.6.2** Staff recharges to EU projects – these are forecast to be £172,000, following review of EU projects;

- 2.6.3** estimated Pension Fund strain costs of £10,000 based on an actuarial assessment of the difference between anticipated annual salary cost increases assumed in the 2020 Actuarial Valuation and actual salary cost increases.
- 2.7** An analysis of the proposed core budget for 2022/23 and indicative financial plans for 2023/24 to 2024/25 is shown in Appendix 1.
- 2.8** Proposed Project activity for 2022/23 is shown in Appendix 2(a). Indicative Project activity for 2023/24 is shown in Appendix 2(b) with Project activity for 2024/25 shown in Appendix 2(c). The indicative plan presents expenditure and income balanced for each financial year.
- 2.9** In addition to the proposed Project activity included in Appendix 2, the GO SEStran project was awarded £212,440 for the development of Mobility as a Service (MaaS) and Demand Responsive Transport (DRT) pilots in the SEStran region over the course of a one-year period ending 31 December 2022. The financial profile of the project is currently being developed by the Partnership and will be included in the Board report of 18<sup>th</sup> March 2022.
- 2.10** Appendix 3 shows all budgeted expenditure and income since 2017/18. Scottish Government grant funding has remained fixed at £782,000 since 2011/12. Council requisitions reduced by 5% in 2017/18 from £200,000 to £190,000.
- 2.11** For 2022/23, external income of £554,000 is anticipated to fund 36% of the Partnership's proposed expenditure. Subject to confirmation of funding for the GO SEStran referred to at paragraph 2.9, it is anticipated the external funding percentage will increase.
- 2.12** The 2022/23 Council requisitions, based on the proposed budget are shown in the table below:

| <b>Council</b>   | <b>Requisition</b> |
|------------------|--------------------|
| Clackmannanshire | £6,039             |
| East Lothian     | £12,704            |
| Edinburgh        | £62,123            |
| Falkirk          | £18,905            |
| Fife             | £44,050            |
| Midlothian       | £10,968            |
| Scottish Borders | £13,568            |
| West Lothian     | £21,643            |
| <b>Total</b>     | <b>£190,000</b>    |

- 2.13** In accordance with the provisions of the Transport Scotland (2019) Act, the Partnership has agreed a Reserves Policy. The Partnership has established an unallocated General Fund reserve of £29,000, based on 5% of the core revenue budget for 2020/21. 5% of the proposed core budget for 2022/23 is £31,000. It is anticipated it will be possible to increase the unallocated General Fund reserve to £31,000, following confirmation of the 2021/22 outturn.



**2.14** Following confirmation of the 2021/22 outturn, an earmarked balance will be established to meet any slippage on project delivery from 2021/22 to 2022/23.

**2.15** A risk assessment for 2022/23 is included at Appendix 4.

### **3 Next Steps**

**3.1** Following review by Performance and Audit Committee, the proposed budget for 2022/23 will be presented to the Partnership Board meeting on 18<sup>th</sup> March 2022, for approval.

### **4 Recommendation**

**4.1** It is recommended that the Performance and Audit Committee:

**4.1.1** note the financial planning assumptions for the Partnership's proposed revenue budget for 2022/23;

**4.1.2** note that financial planning for 2023/24 to 2024/25 will continue to be developed throughout 2022 for consideration by the Partnership in December 2022;

**4.1.3** note that the proposed budget is subject to a number of risks. All income and expenditure of the Partnership will continue to be monitored closely with updates reported to each Partnership meeting.

### **5 Background Reading/External References**

**5.1** [Indicative Financial Plan 2022/23 to 2024/25 - report to Partnership Board 3rd December 2021](#)

**Hugh Dunn**

Treasurer

4th March 2022

**Appendix** Appendix 1 – Core Budget 2022/23 and Indicative Budget 2023/24 to 2024/25

Appendix 2(a) – Projects – 2022/23

Appendix 2(b) - Projects - Indicative Activity 2023/24

Appendix 2(c) – Projects – Indicative Activity 2024/25

Appendix 3 - SEStran Budget 2017/18 – 2022/23

Appendix 4 - Risk Assessment 2022/23

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

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

## Proposed Core Budget 2022/23 and Indicative Budget 2023/24 to 2024/25

|   | Approved<br>Budget<br>2021/22 | Indicative<br>Budget<br>2022/23 | Indicative<br>Budget<br>2023/24 | Indicative<br>Budget<br>2024/25 |
|---|-------------------------------|---------------------------------|---------------------------------|---------------------------------|
|   | £000                          | £000                            | £000                            | £000                            |
| <b>Employee Costs</b>                           |                               |                                 |                                 |                                 |
| Salaries  | 400                           | 408                             | 424                             | 439                             |
| National Insurance                              | 44                            | 50                              | 52                              | 55                              |
| Pension Fund                                    | 131                           | 144                             | 139                             | 144                             |
| Recharges                                       | (99)                          | (172)                           | (39)                            | 0                               |
| Recharges – Active Travel                       | (20)                          | (20)                            | (20)                            | (20)                            |
| Training & Conferences                          | 10                            | 10                              | 10                              | 10                              |
| Interviews & Advertising                        | 2                             | 2                               | 2                               | 2                               |
|   | <b>468</b>                    | <b>422</b>                      | <b>568</b>                      | <b>630</b>                      |
|   |                               |                                 |                                 |                                 |
| <b>Premises Costs</b>                           | <b>17</b>                     | <b>17</b>                       | <b>17</b>                       | <b>17</b>                       |
|   |                               |                                 |                                 |                                 |
| <b>Transport</b>                                | <b>8</b>                      | <b>8</b>                        | <b>8</b>                        | <b>8</b>                        |
|   |                               |                                 |                                 |                                 |
| <b>Supplies and Services</b>                    |                               |                                 |                                 |                                 |
| Communications & Computing                      | 48                            | 48                              | 48                              | 48                              |
| Hosted ICT – Novus FX                           | 44                            | 46                              | 46                              | 46                              |
| Printing, Stationery & General Office Supplies  | 7                             | 7                               | 7                               | 7                               |
| Insurance                                       | 6                             | 6                               | 6                               | 6                               |
| Equipment, Furniture & Materials, Miscellaneous | 4                             | 4                               | 4                               | 4                               |
|   | <b>109</b>                    | <b>111</b>                      | <b>111</b>                      | <b>111</b>                      |
| <b>Support Services</b>                         |                               |                                 |                                 |                                 |
| Finance   | 30                            | 30                              | 30                              | 30                              |
| Legal Services / HR                             | 7                             | 7                               | 7                               | 7                               |
|   | <b>37</b>                     | <b>37</b>                       | <b>37</b>                       | <b>37</b>                       |
| <b>Corporate &amp; Democratic</b>               |                               |                                 |                                 |                                 |
| Clerks Fees                                     | 12                            | 12                              | 12                              | 12                              |
| External Audit Fees                             | 11                            | 11                              | 11                              | 11                              |
| Members Allowances and Expenses                 | 1                             | 1                               | 1                               | 1                               |
|   | <b>24</b>                     | <b>24</b>                       | <b>24</b>                       | <b>24</b>                       |
|   |                               |                                 |                                 |                                 |
| <b>Interest</b>                                 | <b>0</b>                      | <b>0</b>                        | <b>0</b>                        | <b>0</b>                        |
|   |                               |                                 |                                 |                                 |
| <b>Total Gross Expenditure</b>                  | <b>663</b>                    | <b>619</b>                      | <b>765</b>                      | <b>827</b>                      |
|   |                               |                                 |                                 |                                 |
| <b>Funding</b>                                  |                               |                                 |                                 |                                 |
| Scottish Government Grant                       | (473)                         | (429)                           | (575)                           | (637)                           |
| Council Requisitions                            | (190)                         | (190)                           | (190)                           | (190)                           |
|   |                               |                                 |                                 |                                 |
| <b>Total Funding</b>                            | <b>(663)</b>                  | <b>(619)</b>                    | <b>(765)</b>                    | <b>(827)</b>                    |

**Projects – Indicative Activity 2022-23**
**Appendix 2(a)**

|  | 2021/22                  | 2022-23                    |                 |                          |                                 |
|--|--------------------------|----------------------------|-----------------|--------------------------|---------------------------------|
| Service  | Approved Budget<br>£'000 | Gross Expenditure<br>£'000 | Income<br>£'000 | Net Expenditure<br>£'000 | Activity                        |
| Sustainable Travel                                   | 69                       | 63                         | 0               | 63                       |                                 |
| Urban Cycle Network                                  | 0                        | 100                        | (100)           | 0                        | 100% funded by Sustrans.        |
| Urban Cycling Officer                                | 34                       | 21                         | 0               | 21                       | Cycling Scotland representation |
| Active Travel  | 0                        | 200                        | (200)           | 0                        |                                 |
| RTS Development                                      | 80                       | 60                         | 0               | 60                       |                                 |
| GO e-BIKE  | 20                       | 10                         | 0               | 10                       |                                 |
| Thistle Assistance                                   | 6                        | 30                         | (24)            | 6                        |                                 |
| Consultancy support                                  | 25                       | 30                         | 0               | 30                       |                                 |
| Equalities Action Forum                              | 3                        | 10                         | 0               | 10                       |                                 |
| <b>EU – Funded Projects</b>                          |                          |                            |                 |                          |                                 |
| ShareNorth   | 0                        | 36                         | (18)            | 18                       | Ends June 2022                  |
| Surflogh   | 25                       | 99                         | (50)            | 49                       | Ends June 2023                  |
| Bling  | 13                       | 66                         | (33)            | 33                       | Ends June 2023                  |
| Primaas  | 9                        | 59                         | (50)            | 9                        | Ends July 2023                  |
| Regio-Mob  | 0                        | 30                         | (25)            | 5                        | Ends November 2022              |
| Connect  | 17                       | 68                         | (34)            | 34                       | Ends December 2023              |
| <b>Real-Time Passenger Information System (RTPI)</b> |                          |                            |                 |                          |                                 |
| Maintenance  | 23                       | 25                         | 0               | 25                       |                                 |
| Income – screens                                     | (15)                     | 0                          | (20)            | (20)                     |                                 |
| <b>Total</b>   | <b>309</b>               | <b>907</b>                 | <b>(554)</b>    | <b>353</b>               |                                 |

**Projects - Indicative Activity 2023-24**
**Appendix 2(b)**

|  | 2022/23                 | 2023-24                 |              |                       |                          |
|--|-------------------------|-------------------------|--------------|-----------------------|--------------------------|
| Service  | Indicative Budget £'000 | Gross Expenditure £'000 | Income £'000 | Net Expenditure £'000 | Activity                 |
| Sustainable Travel                                   | 63                      | 115                     | 0            | 115                   |                          |
| Urban Cycle Network                                  | 0                       | 100                     | (100)        | 0                     | 100% funded by Sustrans. |
| Urban Cycling Officer                                | 21                      | 21                      | 0            | 21                    | Partnership Activity     |
| Active Travel  | 0                       | 200                     | (200)        | 0                     |                          |
| RTS Development                                      | 60                      | 18                      | 0            | 18                    |                          |
| GO e-BIKE  | 10                      | 10                      | 0            | 10                    |                          |
| Thistle Assistance                                   | 6                       | 30                      | (24)         | 6                     |                          |
| Consultancy Support                                  | 30                      | 0                       | 0            | 0                     |                          |
| Equalities Action Forum                              | 10                      | 10                      | 0            | 10                    |                          |
| <b>EU – Funded Projects</b>                          |                         |                         |              |                       |                          |
| ShareNorth   | 18                      | 0                       | 0            | 0                     | Ends June 2022           |
| Surflogh   | 49                      | 5                       | (2)          | 3                     | Ends June 2023           |
| Bling  | 33                      | 5                       | (2)          | 3                     | Ends June 2023           |
| Primaas  | 9                       | 15                      | (13)         | 2                     | Ends July 2023           |
| Regio-Mob  | 5                       | 0                       | 0            | 0                     | Ends November 2022       |
| Connect  | 34                      | 18                      | (9)          | 9                     | Ends December 2023       |
| <b>Real-Time Passenger Information System (RTPI)</b> |                         |                         |              |                       |                          |
| Maintenance  | 25                      | 25                      | 0            | 25                    |                          |
| Income – screens                                     | (20)                    | 0                       | (15)         | (15)                  |                          |
| <b>Total</b>   | <b>353</b>              | <b>572</b>              | <b>(365)</b> | <b>207</b>            |                          |

**Projects - Indicative Activity 2024-25**
**Appendix 2(c)**

|  | 2023/24                    | 2024-25                    |                 |                          |                          |
|--|----------------------------|----------------------------|-----------------|--------------------------|--------------------------|
| Service  | Indicative Budget<br>£'000 | Gross Expenditure<br>£'000 | Income<br>£'000 | Net Expenditure<br>£'000 | Activity                 |
| Sustainable Travel                                   | 115                        | 70                         | 0               | 70                       |                          |
| Urban Cycle Network                                  | 0                          | 100                        | (100)           | 0                        | 100% funded by Sustrans. |
| Urban Cycling Officer                                | 21                         | 21                         | 0               | 21                       | Partnership Activity     |
| Active Travel  | 0                          | 200                        | (200)           | 0                        |                          |
| 6RTS Development                                     | 18                         | 18                         | 0               | 18                       |                          |
| GO e-BIKE  | 10                         | 10                         | 0               | 10                       |                          |
| Thistle Assistance                                   | 6                          | 30                         | (24)            | 6                        |                          |
| Equalities Action Forum                              | 10                         | 10                         | 0               | 10                       |                          |
| <b>EU – Funded Projects</b>                          |                            |                            |                 |                          |                          |
| ShareNorth   | 0                          | 0                          | 0               | 0                        | Ends June 2022           |
| Surflogh   | 3                          | 0                          | 0               | 0                        | Ends June 2023           |
| Bling  | 3                          | 0                          | 0               | 0                        | Ends June 2023           |
| Primaas  | 2                          | 0                          | 0               | 0                        | Ends July 2023           |
| Regio-Mob  | 0                          | 0                          | 0               | 0                        | Ends November 2022       |
| Connect  | 9                          | 0                          | 0               | 0                        | Ends December 2023       |
| <b>Real-Time Passenger Information System (RTPI)</b> |                            |                            |                 |                          |                          |
| Maintenance  | 25                         | 25                         | 0               | 25                       |                          |
| Income – screens                                     | (15)                       | 0                          | (15)            | (15)                     |                          |
| <b>Total</b>   | <b>207</b>                 | <b>484</b>                 | <b>(339)</b>    | <b>145</b>               |                          |

**Summary of Revenue Budget 2017/18 – 2024/25**

|                               | <b>17/18</b> | <b>18/19</b> | <b>19/20</b> | <b>20/21</b> | <b>21/22</b> | <b>22/23</b> | <b>23/24</b> | <b>24/25</b> |
|-------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|                               | <b>£'000</b> | <b>£'000</b> | <b>£'000</b> | <b>£'000</b> | <b>£'000</b> | <b>£'000</b> | <b>£'000</b> | <b>£'000</b> |
| Core                          | 478          | 531          | 584          | 581          | 663          | 619          | 765          | 827          |
| Projects                      | 510          | 614          | 590          | 1,030        | 786          | 882          | 547          | 459          |
| RTPI                          | 339          | 108          | 100          | 50           | 23           | 25           | 25           | 25           |
| <b>Total Budget</b>           | <b>1,327</b> | <b>1,253</b> | <b>1,274</b> | <b>1,661</b> | <b>1,472</b> | <b>1,526</b> | <b>1,337</b> | <b>1,311</b> |
| <b>External Funding</b>       |              |              |              |              |              |              |              |              |
| EU Grants                     | 95           | 139          | 82           | 142          | 106          | 210          | 26           | 0            |
| Other income                  | 260          | 142          | 220          | 547          | 394          | 344          | 339          | 339          |
| <b>Total External Funding</b> | <b>355</b>   | <b>281</b>   | <b>302</b>   | <b>689</b>   | <b>500</b>   | <b>554</b>   | <b>365</b>   | <b>339</b>   |
| Scottish Government           | 782          | 782          | 782          | 782          | 782          | 782          | 782          | 782          |
| Council Requisition           | 190          | 190          | 190          | 190          | 190          | 190          | 190          | 190          |
| <b>Total Funding</b>          | <b>1,327</b> | <b>1,253</b> | <b>1,274</b> | <b>1,661</b> | <b>1,472</b> | <b>1,526</b> | <b>1,337</b> | <b>1,311</b> |

| Risk Description  | Existing Controls   |
|---|---|
| <b>Pay awards</b><br>The indicative budget makes provision for a pay award of up to 3% in 2022/23. An uplift of 1% in pay award equates to an increase of £5,833.   | Prudent planning assumption with ongoing monitoring of public sector pay negotiations.  |
| <b>Staff recharges – Projects</b><br>The indicative budget assumes that £192,000 of staff time can be recharged to Projects. There is a risk this may not be achievable.  | Any shortfall in employee cost recharges will be offset by a corresponding reduction in Projects Budget expenditure.  |
| <b>Inflation</b><br>There is a risk that the indicative budget does not adequately cover price inflation and increasing demand for services.  | Allowance made for specific price inflation. Budgets adjusted in line with current cost forecasts.  |
| <b>Delays in payment of grant by the EU -</b><br>results in additional short-term borrowing costs.  | SEStran grant claims for EU funded projects are submitted in compliance with requirements of EU processes to ensure minimal delay in payment. Ongoing monitoring of cash flow will be undertaken to manage exposure to additional short-term borrowing costs. |
| <b>Pension Fund Contributions</b><br>The deficit on the staff pension fund could lead to increases in the employer's pension contribution.  | Following Lothian Pension Fund's Triennial Actuarial Review in 2020, Partnership employer pension fund contribution rates are now confirmed at 33.1% until 31 March 2024. This rate is included in the indicative financial plan for 2022/23.                 |
| <b>Funding Reductions</b><br>Reduction in funding from Scottish Government and/or council requisitions.<br><br>There is a risk that current levels of staffing cannot be maintained due to funding constraints and that the Partnership will incur staff release costs. | Continue to seek to source external funding.<br><br>Recruitment control and additional sources of external funding for activities aligned to the Partnership's objectives to supplement resources.  |

## ANNUAL TREASURY MANAGEMENT STRATEGY

### 1 Purpose of report

- 1.1 The purpose of this report is to propose a Treasury Management Strategy for 2022/23.

### 2 Annual Treasury Management Strategy

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

### 3 Recommendations

It is recommended that the Performance and Audit Committee:

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

**Hugh Dunn**  
Treasurer

---

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

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



## Annual Treasury Management Strategy

### (a) Treasury Management Policy Statement

1. The Partnership defines its Treasury Management activities as:

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

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

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

### (b) Permitted Investments

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

### (c) Prudential Indicators

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

## **Recruitment Process for Partnership Director**

### **1. Introduction**

- 1.1** The current Partnership Director has indicated his intention to retire this year.
- 1.2** In terms of the Governance Scheme, it falls to this Committee to take decisions on all staffing matters which are not otherwise delegated to the Partnership Director. This includes performance appraisal and remuneration matters related to the Partnership Director, and changes to terms and conditions.
- 1.3** The purpose of this report is therefore to set in motion a recruitment process, given the current Partnership Director's intention to retire

### **2. Suggested Process**

- 2.1** The suggested process for recruitment is set out in the Appendix. This will be put to the Board, as the creation of an Appointments Committee will require its approval.
- 2.2** It is recommended that the post be advertised at the established Chief Officer Grade with a salary range of £80,336 - £88,322. All other terms and conditions would be as currently in place, in line with existing HR policies, subject to any further advice from SEStran's HR adviser prior to advertisement if market conditions dictate further adjustments.
- 2.3** The HR Adviser has stated that Falkirk Council engage the services of a specialist consultant when recruiting at this grading level and the Committee is recommended to agree to this approach.
- 2.4** The Secretary has been consulted in the preparation of this report.

### **3. Recommendations**

- 3.1** It is accordingly recommended that Members:
  - (a) Agree the recruitment process as set out in the Appendix, and recommend to the Board that they establish an Appointments Committee to enable the recruitment process to be finalised;
  - (b) Agree the terms and conditions set out at paragraph 2.2, delegating to the Business Manager and HR Adviser, in consultation with the Chair, any further changes to such terms as may be deemed necessary
  - (c) Agree to the appointment of specialist HR consultants to assist and advise on the recruitment process for this level of post.

Angela Chambers  
**Business Manager**  
February 2022

Jenny Simpson  
**SEStran HR Adviser**

|                             |  |
|-----------------------------|--|
| Policy Implications         | The proposal is in line with existing HR policies.   |
| Financial Implications      | The proposed salary is provided for in the current Budgetary proposals relating to year 2022/3. Consultancy fees can be contained within the core budget.  |
| Equalities Implications     | Recruitment will be carried out in line with existing policies which are designed to attract suitable candidates regardless of age, sex, sexual orientation/identification, ethnicity or disability. |
| Climate Change Implications | None.  |

## **Appendix**

### **Recruitment Process for Partnership Director**

4<sup>th</sup> March Performance and Audit Committee: Committee approves recruitment process.

18<sup>th</sup> March Board: Board approves recruitment process and creates Appointments Committee of Chairs of Partnership and Performance and Audit Committee and one Non-Councillor member.

17<sup>th</sup> June Board: New Board Chair of Partnership and Performance and Audit Committee, as well as nominating additional, Non-Councillor member of Appointments Committee.

May-June: Recruitment advertising commenced. Closing date set for August.

August: Following closing date, first meeting of Appointments Committee to sift applications for interview.

August: Appointments Committee meets to interview candidates. Appointment offered to successful candidate, with a view to three month notice period.





## Projects Performance Report

### 1 Introduction






- 1.1 This report and its appendix track progress over the last quarter across SEStran's projects and key work streams, with impacts on progress or delivery explained where required.

### 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 with 'Blue' for completed action.

| 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 A new area of project activity outlined within the report is included at section 3.4. The Go SEStran project received funding from Transport Scotland, confirmed in December, and will trial MaaS and DRT pilots in the SEStran region over an initial one-year funding period.
- 2.4 The presentation on the Interreg Connect Project's background, key work areas and SEStran's role to be provided as part of this agenda item discharges an action from the Performance and Audit Committee of 19 November 2021, where it was

agreed that “further detail on Project 5.5 – Connect ... would be provided to the next meeting of the Performance and Audit Committee”.

### **3 Recommendations**

3.1 The Committee is asked to note the following, prior to onwards reporting to the Board:

- progress on existing projects outlined in the Performance Report at Appendix 1;
- the inception of the Go SEStran project summarised in paragraph 2.3 of the report and outlined in the Performance Report at Appendix 1.

Anna Herriman  
Senior Partnership Manager  
February 2022

### **Appendices**

Appendix 1

Projects Performance Report March 2022

|                             |  |
|-----------------------------|--|
| 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, or support for more sustainable transport options. |

# SEStran Projects Performance March 2022

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# 1. Strategy

## 1.1 Regional Transport Strategy



**Start date:** November 2020

**Initial completion date:** March 2022

**Expected completion date:** March 2022

**Overall project progress:**

*On track*

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

SEStran's first 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. In addition to a new policy context the new RTS takes account of potential impacts for future travel demand, behaviour and the transport system resulting from Covid-19.

### Project Development:

#### • Last quarter

*On track*

- The last quarter has focussed on Statutory consultation on the draft RTS and commenced on 05 November and concluded on 11 February 2022.
- Social media and communications support from LA partners was used to promote the draft RTS and to seek comments from stakeholders.
- Individual meeting with multidisciplinary teams from the 8 partner local authorities took place during this period.
- A final push via on line press articles and social media advertising took place in the last two weeks to boost engagement.

#### • Stages Achieved

*On track*

- Completion of the statutory consultation stage.
- Commencement of the review of the consultation comments is underway.

#### • Next Steps

*On track*

- Amend the draft RTS and report to the Partnership Board with Final RTS
- Submit Final RTS to Scottish Ministers for approval



## 2. Strategic Active Travel Projects

### 2.1 GO e-Bike



**Start date:** April 2018

**Initial completion date:** ongoing programme

**Expected completion date:** ongoing programme subject to funding

**Overall project progress:**

*In progress*

**Project description:** GO e-Bike, the regional bike-sharing scheme launched in 2018, aims to increase the visibility of e-bikes and increase access to e-bike use within community hubs or community groups in the region. The project began with a contribution from SHARE-North to the four GO e-Bike hubs in St Andrews, Buckhaven, West Lothian and Falkirk which remain active. In 2018 SEStran secured funding from the Low Carbon Travel and Transport (LCTT) Fund and Transport Scotland (TS) to expand GO e-Bike to six further hubs / locations. The latest are Bewegen GO e-Bike hire stations in East Lothian and Midlothian. Expanding to e-cargo bikes for shared use or hire is the latest phase of Go e-Bike. SEStran has worked with Transport Scotland to support Cargo Bike Movement (CBM) developing a community hub in south Edinburgh. This promotes cargo bikes as a fairer, healthier and greener alternative to carbon-emitting vehicles for delivery of goods and for individuals and families. Go e-Bike has added two e-cargo bikes to the project.

#### Project Development:

#### ▪ Last quarter

*In progress*

- Ongoing discussion with Bewegen on expansion opportunities.
- Received end of year report for Bewegen system.
- The final report to LCTT and Transport Scotland completed.
- Supporting CBM with business plan development and funding sources for 2022/23.

#### • Stages achieved

*On track*

- All planned hubs operational (May 2021)
- LCTT funding fully maximised with 6 new hubs.
- Quarters one to three claims and reporting completed for CBM.

#### • Next steps

*In progress*

- Relocation of Jarnac bikes complementing redevelopment at the court.
- Work with partners to promote scheme in East & Midlothian, enhancing the system website with route suggestion in the area. Upgrading signage for existing Bewegen stations.
- Planning for activities of all hubs in 2022/23.
- Develop plans for expansion of the Bewegen system at two more sites.

## 2.2 Regional Cycle Network Grant Scheme



**Start date:** April 2014

**Initial completion date:** ongoing programme

**Expected completion date:** ongoing programme subject to funding

**Overall project progress:**

*In progress*

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

### Project Development:

- **Edinburgh BioQuarter**
  - No further progress has been made in the last quarter.
- **SEStran Strategic Network**
  - **Last Quarter:** In order to maximise investment in the Strategic Network, funding will complement the Regional Active Travel Fund and activity (described below).

*Delayed*

*In progress*

## 2.3 Regional Active Travel Development Fund – Transport Scotland



**Start date:** Financial year 2021/22

**Initial completion date:** March 2022

**Expected completion date:** March 2022

**Overall project progress:**

*In Progress*

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

### Project Development:

- **Project 1: Attitudinal Survey**
  - **Last quarter:**
  - The second wave of qualitative surveying was presented with continuing themes from the other results.

*In progress*

- Final pieces of work are being prepared along with the preparation for a publication of all results when complete.
- **Stages achieved:**
  - Population survey 1 ,2, & 3 complete (September 2020, February 2021, September 2021)
  - Qualitative panel session 1&2 complete (March 2021, October 2021)
- **Next steps:**
  - Final panel surveys to be held.
  - Publication of full longitudinal results.

▪ **Project 2: 'Do The Ride Thing' Awareness Campaign**

*In progress*

- **Last quarter:**
  - No activity in the last quarter though preparations are underway for remaining pieces of work.
- **Stages achieved:**
  - Initial social media and online campaign presence complete (June 2021)
  - OOH campaign complete (September 2021)
- **Next steps:**
  - Final pieces of marketing including online campaign and targeting marketing through social media influencers.

▪ **Project 3: SEStran Strategic Network**

*In progress*

- **Last quarter:**
  - ARUP were awarded a contract for the delivery of a package of feasibility routes and engagement with stakeholders and the communities involved.
  - West Lothian route plans have been proposed and a draft feasibility report produced.
  - The West Lothian virtual tool - <https://sestran-west-lothian.virtual-engage.com/>
  - Falkirk route plans have been proposed and a draft feasibility report produced.
  - The Falkirk virtual tool - <https://sestran-falkirk.virtual-engage.com/>
  - Community engagement has commenced in the Scottish Borders.
  - All work is on track for completion in early March.
- **Stages achieved:**
  - Feasibility reports and concept proposals for West Lothian and Falkirk now complete.
  - Community and stakeholder engagement in the Scottish Borders.
- **Next steps:**
  - Funding application has been submitted to Transport Scotland to look at data collection in relation to these routes to inform the next stages of design and engagement with local authority departments.

## 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.

### Project Development:

#### ▪ **Bikeability Scotland**

*In progress*

- **Last quarter:** Delivery across the region is progressing however there are some constraints to delivery in certain areas due to capacity of instructors and tutors to support delivery as cycle training activity has picked up.
- Mid-year review meetings have been held with the eight Local Authority Bikeability Scotland Coordinators. East Lothian, Scottish Borders, Edinburgh, Clackmannanshire, and West Lothian are on track to meet or exceed pre-pandemic delivery rates and targets for the year.
- **Next steps:**
- Support will continue with particular focus on areas currently struggling to meet targets, to increase awareness of the programme and availability of trained school staff or third-party delivery.

#### ▪ **GO e-Bike cycle training**

*In progress*

- **Last quarter:** Training is offered to all hubs as they are completed and as part of ongoing development plans.
- **Next steps:**
- Planning for e-bike trials and led-rides as part of the Enduro world series in June (Scottish Borders - Tweedvalley)
- Explore options for tying in training offers with Go e-bike hire schemes including demo days in East Lothian and Midlothian.

#### ▪ **Adult and Family Cycle Training**

*In progress*

- **Last quarter:** Essential Cycling Skills funding has been offered to eligible providers across the region. Deadline for requests mid-Feb. CPD session for eight Cycling Scotland tutors with support from Cargo Bike Movement. Absolute Beginner sessions have been delivered to Midlothian Council with additional sessions planned. Support was also provided to Edinburgh Council to organise a programme of cycle training across all the HE/FE institutions in Edinburgh (and QMU).
- **Next steps:**
- Cargo Bike Training for Fife Outdoor learning staff with support from cargo bike movement. Planning for further cargo bike training for NHS team in Edinburgh.

### 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, providing bus timetable information to make bus travel more predictable and reliable. Since 2010, SEStran has worked with partners to build up a comprehensive network of over 200 screens in 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.

#### Project Development:

- **Last quarter:**
  - PC replacement program is underway for the legacy system.
  - New installations of standalone screens purchased via the framework complete at additional locations in Fife, Scottish Borders and West Lothian.
  - Further installations will be delivered in Fife & Scottish Borders by end March.
  - Weekly meetings held with Local Authority partners and projects team.
- **Stages achieved:**
  - Silent running has been completed and system acceptance took place on the 12th of November.

*In progress*

*On track*

- The system is now live with bus operator data being integrated.
- The framework is being utilised by SEStran and Local Authorities to provide additional real time infrastructure for the region.
- **Next steps:** In progress
  - Roll out of new PCs will continue, 150 have been distributed to date from the total of 200.
  - The new regional real time system is being updated with real time data from bus operators. Data integration has been an issue and the project team is working with key operators to address this.
  - New system training will be conducted with local authority teams, this has been delayed and is now planned for end March 2022 if a suitable date can be found.
  - New infrastructure has been ordered for the Scottish Borders & Fife.
  - SEStran is working with Midlothian Council to explore sites for screens.
- **NOVUS FX** In progress
  - The NOVUS FX platform allows Local Authorities to manage scheduled and real time information in partnership with bus operators.
  - It is owned and provided by Trapeze and SEStran manages the contract on behalf of local authority partners.
  - The system integrates with the SEStran regional real time passenger information system.
  - The current ends in March 2022 with an optional exemption for 12 months.
  - SEStran is currently exploring new contract terms and pricing with Trapeze.

### 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 (national) Thistle Assistance Scheme to make using public transport easier for older people and those with disabilities, illness or mobility issues. SEStran is leading on the development of a new journey planning aspect of the scheme.

Project Development:

- **Last quarter:** In progress
  - Thistle Assistance was promoted in key publications, Enable, Inspire and Possibility magazine with editorial highlighting the new journey planning project.
  - SEStran officers updated Scottish Governments Accessible Travel Steering group in December 2021.

|   |             |
|---|-------------|
| <ul style="list-style-type: none"> <li>Work continues on the journey planning project with further system design, there has been a slight delay with this element due to software integration, but this is not expected to affect the overall project timeline.</li> </ul>  |             |
| <ul style="list-style-type: none"> <li><b>Stages achieved:</b> <ul style="list-style-type: none"> <li>Journey planning project running to plan with final system design.</li> <li>Six-month milestone meeting point met with Scottish Enterprise approval.</li> </ul> </li> </ul>   | On track    |
| <ul style="list-style-type: none"> <li><b>Next steps:</b> <ul style="list-style-type: none"> <li>Stage one initial testing of journey planning prototype will commence in the near future.</li> <li>Project aiming for a 'go live' in July/August 2022.</li> <li>Options for further development/use - SEStran will be discussing with key stakeholders Transport Scotland &amp; Traveline Scotland.</li> </ul> </li> </ul> | In progress |

|  |   |
|--|---|
| <b>3.3 Newburgh Train Station Study</b>  |    |
| <b>Start date:</b> December 2019   |   |
| <b>Initial completion date:</b> March 2020   |   |
| <b>Expected completion date:</b> March 2022  |   |
| <b>Overall project progress:</b>   | In Progress   |
| <p><b>Project description:</b> SEStran procured Systra to carry out a transport options study for Newburgh, on behalf of SEStran. The study is funded by the <a href="#">Local Rail Development Fund</a> 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>Project Development:</u></p> |   |
| <ul style="list-style-type: none"> <li><b>Last quarter:</b> <ul style="list-style-type: none"> <li>Work continues on the detailed options appraisal.</li> <li>Modelling work using the Tay Cities model is nearing completion.</li> <li>Initial draft of the Detail Options/Business Case has been sent to project team for review.</li> </ul> </li> </ul>   | In Progress   |
| <ul style="list-style-type: none"> <li><b>Stages achieved:</b> <ul style="list-style-type: none"> <li>Case for Change &amp; Initial Options Appraisal.</li> </ul> </li> </ul>  | Complete  |
| <ul style="list-style-type: none"> <li><b>Next steps:</b> <ul style="list-style-type: none"> <li>Detailed options appraisal work to be completed by end of the March.</li> <li>Final report due June 2022.</li> <li>Post Appraisal report due July 2022</li> </ul> </li> </ul>   | In Progress   |

### 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:** Completed in November 2021

**Overall project progress:**

Complete

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

Project development:

- **Last Quarter:**
  - SEStran coordinated the drafting of an evaluation and close out report to record reflections on the South East of Scotland Transport Transition Plan.
  - Some activities continue through business-as-usual work, and consideration is being given to the appropriate existing groups that take this forward.

Complete

### 3.5 Bus Service Improvement Partnerships



**Start date:** May 2020

**Initial completion date:** ongoing area of work

**Expected completion date:** March 2026

**Overall project progress:**

In progress

**Project description:** The Bus Partnership Fund (BPF) is a £0.5Bn Transport Scotland capital fund for the delivery of infrastructure to tackle the impacts of congestion on bus priority and reliability. Bids can be made by partnerships working towards a Bus Service Improvement Partnership (BSIP) status. BSIPs must be collaborative, involving bus operators that provide services in a local authority or BSIP area, and other relevant partners. SEStran has supported four bus alliance groupings to become established and supported the development of bids in the region, working with partners to maximise investment in bus priority infrastructure where it is needed, ensuring bids are complementary, and that partnerships are moving towards BSIP status. Funding contributions have been made to bid development costs in four partnerships. Across the region, all bids submitted have now received funding to progress some or all of their proposals.

Project Development:



|  |                    |
|--|--------------------|
| <ul style="list-style-type: none"> <li> <b>Last Quarter:</b><br/> SEStran remains involved in and supportive of the following partnerships as they develop new governance structures and carry out appraisal work to develop funded options further:<br/> Midlothian Bus Alliance was awarded £302,000 to carry out appraisal work on four key routes within Midlothian, from the bid to the October round. <ul style="list-style-type: none"> <li>West Lothian Bus Alliance was awarded £225,750 to carry out appraisal work on fifteen proposals.</li> </ul> </li> </ul>   | <i>In Progress</i> |
| <ul style="list-style-type: none"> <li> <b>Stages achieved:</b> <ul style="list-style-type: none"> <li>Work in partnerships funded from Round One is progressing across the region with consultants appointed by Forth Valley and Fife Partnerships for appraisal work and by Edinburgh for appraisal work and delivery of quick wins.</li> </ul> </li> </ul>  | <i>On track</i>    |
| <ul style="list-style-type: none"> <li> <b>Next steps:</b> <ul style="list-style-type: none"> <li>SEStran will continue to work with all Partnerships on proposed governance structures, plans, and schemes, pending the emerging Guidance and regulations from Scottish Government.</li> <li>Engage with Transport Scotland on issues relevant to the emerging BSIPs in the region, including governance arrangements and efficient application of STAG Appraisals.</li> <li>Continue discussion with project lead partners Midlothian and Forth Valley Bus Alliances on provision of project management arrangements.</li> </ul> </li> </ul> | <i>In Progress</i> |

|   |   |
|---|---|
| <h3>3.4 The GO SEStran project</h3> <p><b>Start date:</b> March 2022<br/> <b>Planned completion date:</b> December 2022<br/> <b>Expected completion date:</b> as above.</p> <p><b>Overall project progress:</b></p> <p><b>Project description:</b> SEStran has worked with a wide range of stakeholders across the South East of Scotland to develop the GO SEStran project, an innovative MaaS and DRT project proposal that was submitted to the Transport Scotland’s MaaS Investment Fund Round 2 (MIF2). The GO SEStran project was awarded £212,440 for the development of MaaS and DRT pilots in the SEStran region over the course of a one-year period.</p> <p>SEStran will deliver the project in partnership with 5 project partners, Fuse Mobility as MaaS providers, Liftango as DRT providers, Prentice Coaches as DRT operator, East Lothian Council and Tactran.</p> |  |
|   | <i>In progress</i>  |

#### Project development:

- **Last Quarter:** In progress
  - SEStran has worked with project partners and Transport Scotland to co-create the final GO SEStran project proposal.
  - The consortium group is meeting fortnightly to discuss updates and plan project activities.
- **Stages achieved:** Complete
  - A revised project proposal was submitted to Transport Scotland and was approved for funding in November 2021.
- **Next steps:** In Progress
  - SEStran is working with Transport Scotland to get the grant agreement arranged, including project objectives and milestones.
  - SEStran is working with Anderson Strathern and the consortium partners to develop and agree a Collaboration Agreement which will set out the collaborative arrangements for the delivery of the GO SEStran project over the first year of MIF2 funding.
  - SEStran is working with the DRT tech provider Liftango, Prentice Coaches and East Lothian Council to prepare the launch of the DRT pilot later this year.

## 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.

#### Project Development:

- **Last Quarter:** In progress

- After discussions with Transport Scotland the Case for Change was approved in December 2021.
- The Project Team is to update the report to take into account TS comments and time passed.
- **Stages achieved:** On track
  - Case for Change approved December 2021.
- **Next steps:** In Progress
  - Finalising the Case for Change ready for publication.
  - Work has begun on the Initial Options Appraisal (Outline Business Case)
  - Stakeholder workshop will be run in March 2022 to help inform the next stage of work.
  - Next report due in June 2022
  - Extension request submitted to TS to take project to June 2023.

## 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.

#### Project Development:

- **Last Quarter:** In Progress
  - SEStran attended the SHARE-North Monthly conference calls and participated in the various Internal Mobility Hub Exchange meetings.
  - SEStran is working with East Lothian Council to further expand the Brunton Hall Journey Hub pilot and provided SHARE-North funding for multi-modal travel counters and additional geo-fenced Bewegen e-bike hubs.

- **Stages achieved:** Complete
  - The first stage of the Journey Hub development at the Brunton Hall in Musselburgh is now complete. This includes EV charging facilities for car club vehicles, electronic information displays, and Journey Hub landscaping concept design.
- **Next steps:** In Progress
  - SEStran will be involved in the SHARE-North final conference which will take place in May 2022. SEStran will present on the Regional Transport Strategy and how shared mobility is being incorporated into sustainable transport policies.

## 5.2 SURFLOGH

Interreg North Sea Region, ERDF



**Start date:** June 2017

**Initial completion date:** October 2020

**Expected completion date:** June 2023

**Overall project progress:**

*In progress*

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

### Project Development:

- **Last Quarter:** In progress
  - Edinburgh Leith hub equipped continues to perform well.
- **Stages achieved:** On track
  - Edinburgh pilot running.
  - Business model framework & canvas developed and being used.
  - Project extension approved.
- **Next steps:** In progress
  - Develop procurement brief for Perth West study – April 2022
  - Drone feasibility study to be developed.
  - Link to freight study were appropriate
  - Partnership Meeting in Sweden in April 2022

### 5.3 BLING

Interreg North Sea Region, ERDF



**Start date:** January 2019

**Initial completion date:** June 2022

**Expected completion date:** June 2023

**Overall project progress:**

*In progress*

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

#### Project Development:

- **Last Quarter:**
  - SEStran engaged with DHL & ZEDIFY logistics to develop interest in using the Blockchain Readiness Awareness Tool (B.R.A.T.) developed by the University of Gothenburg.
- **Stages achieved:**
  - GeoPact pilot proof of concept delivered.
  - Research paper written and shared.
  - Project extension approved.
- **Next steps:**
  - SEStran to explore workshop with DHL & ZEDIFY for use of B.R.A.T. tool in March/April 2022.
  - Partnership meeting in Belgium in March 2022.

*In progress*

*On track*

*In Progress*

### 5.4 PriMaaS

Interreg Europe, ERDF



**Start date:** August 2019

**Initial completion date:** January 2023

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

**Overall project progress:**

*In Progress*

**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.

#### Project Development:

|   |                    |
|---|--------------------|
| <ul style="list-style-type: none"> <li>▪ <b>Last Quarter:</b> <ul style="list-style-type: none"> <li>▪ SEStran appointed IBI Group to support with the delivery of PriMaaS activities. The consultants will help with the identification of good practices, the organisation of Regional Stakeholder Events and Exchange of Experience events and the development of a Regional Action Plan for the SEStran region.</li> </ul> </li> </ul>  | <i>In Progress</i> |
| <ul style="list-style-type: none"> <li>▪ <b>Stages achieved:</b> <ul style="list-style-type: none"> <li>▪ In January, SEStran, with the support of IBI Group, hosted an online Regional Stakeholder event which involved different speakers from across Scotland on the challenges and opportunities surrounding MaaS and DRT.</li> <li>▪ SEStran also participated in an online PriMaaS partner meeting hosted by the Portuguese partners.</li> </ul> </li> </ul>  | <i>On track</i>    |
| <ul style="list-style-type: none"> <li>▪ <b>Next steps:</b> <ul style="list-style-type: none"> <li>▪ SEStran is planning a face-to-face event in the beginning of April, involving all PriMaaS partners and regional stakeholders. The event will consist of three elements: a thematic conference, a capacity building workshop, and an internal partner meeting.</li> <li>▪ The IBI Group consultants are working on writing up the good practices informed by Regional Stakeholder event and will use the international Exchange of Experience event with PriMaaS partners to inform the development of a Regional Action Plan.</li> <li>▪ Another Regional Stakeholder event will be held towards the end of April 2022.</li> </ul> </li> </ul> | <i>In Progress</i> |

|  |   |
|--|---|
| <b>5.5 CONNECT</b><br>Interreg North Sea Region  |  |
| <b>Start date:</b> October 2019<br><b>Initial completion date:</b> March 2022<br><b>Expected completion date:</b> December 2023  |   |
| <b>Overall project progress:</b>   | <i>In Progress</i>  |
| <b>Project description:</b> <a href="#">CONNECT's</a> 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). <a href="https://northsearegion.eu/north-sea-connect">https://northsearegion.eu/north-sea-connect</a> |   |
| <b>Project Development:</b>  |   |
| <ul style="list-style-type: none"> <li>▪ <b>Last Quarter:</b> <ul style="list-style-type: none"> <li>▪ SEStran participated in an online meeting with partners in February - 3 pilot projects provided updates – Ports of Gothenburg, Brussels and Hamburg.</li> </ul> </li> </ul>   | <i>In progress</i>  |
| <ul style="list-style-type: none"> <li>▪ <b>Stages achieved:</b> <ul style="list-style-type: none"> <li>▪ Not applicable.</li> </ul> </li> </ul>   | <i>In progress</i>  |

▪ **Next steps:**

*In Progress*

- SEStran integrating freight study work into project.
- SEStran has invited the BLING partnership to present to CONNECT in March 2022 to explore further links between the two projects.
- SEStran will be review with Forth Ports their approach to enhancing sustainable ports operations and increasing commercial efficiency, this work will be reported back to the project team.
- SEStran to visit key non partnership ports to assess approaches taken.

## 5.6 REGIO-Mob

Interreg Europe, ERDF



**Start date:** April 2016

**Initial completion date:** March 2020

**New start date:** October 2021

**New completion date:** September 2022 (following approval of additional 1 year funding for project activities in relation to Covid-19 impacts)

**Overall project progress:**

*In Progress*

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

The additional REGIO-MOB activities, through a partnership made up of 6 partners from 6 European regions (IT, PL, RO, SI, GR, UK), will allow for an exchange of experiences aimed at learning about the best solutions developed to deal with the Covid-19 crisis and to improve 6 policy instruments for public transport policies to meet the new needs of planning and guarantee a safer and sustainable mobility.

*Project Development:*

▪ **Last quarter:**

*In Progress*

- SEStran identified five good practices that were implemented in the SEStran region in response to the COVID-19 pandemic and shared these with the REGIO-Mob partners.

• **Stages achieved**

*In Progress*

- Five good practices were identified and will be voted on by the REGIO-Mob partners. The good practices include the South East of Scotland Transport Transition Plan, the Thistle Assistance Face Mask exemption sticker, the Bus Priority Rapid Deployment Fund measures, the proposed East Lothian DRT trial, and the Spaces for People programme.

• **Next steps:**

*In Progress*

- An Interregional exchange process will take place with the selection of good practices that will be the subject of in-depth analysis during 3 learning events scheduled in PL, UK, SI.
- Finally, 6 brief summaries on the key elements learned to drive the change will offer visibility of the results achieved and will facilitate applicability in project's regions and replicability in other European regions as well.

## 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 last forum took place on the 26<sup>th</sup> of January 2021 (online).
- **Equalities and Access to Healthcare Forum**
  - The last forum took place on 30 September 2021.
- **Integrated Mobility Forum**
  - The last forum took place on 7 October 2021.



## **HR Policy Review**

### **1. INTRODUCTION**

- 1.1 The purpose of this report is to present the Performance and Audit Committee with a copy of the Health and Safety Policy Statement attached as an **Appendix** to this report and to advise that this now concludes the annual HR policy review.

### **2. HR POLICY CHANGES**

- 2.1 An annual review of the HR policies commenced last summer with reports presented to the September and November meeting of this committee. Following a review by the Health & Safety Adviser at Falkirk Council, SEStran's Health & Safety Policy has been updated.

The following is a summary of the changes made to the policy:

- The addition of key responsibilities, assigned to specific post holders determined by seniority.
- Language modernised/refreshed.

### **3. RECOMMENDATIONS**

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

- 3.1 Approves the amendments made to the Health and Safety Policy Statement for implementation.

Angela Chambers  
**Business Manager**  
25 February 2022

## **Appendix: Health and Safety Policy Statement**

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



## HEALTH & SAFETY POLICY STATEMENT

### DOCUMENT VERSION CONTROL

| Date     | Author                         | Version | Status | Reason for Change   |
|----------|--------------------------------|---------|--------|---|
|          | SEStran                        | 1.0     | FINAL  | Statement Adopted   |
| Oct 2017 | SEStran                        | 1.1     | FINAL  | Adoption of version control   |
| Feb 2022 | H&S Adviser<br>Falkirk Council | 1.2     | FINAL  | Complete update to policy to set out key responsibilities for all staff and modernise language. |

## **Health and Safety Policy Statement**

SEStran is committed to ensuring the health and safety of its employees and those affected by our work. We will do this by:

- Providing safe and healthy working conditions in order to prevent work related injury and ill health.
- Fulfilling our legal responsibilities as an employer and seeking to achieve best practice in our work.
- Eliminating workplace hazards and reducing health and safety risks.
- Continually improving our safety management system.
- Engaging and consulting with our employees and their representatives on matters relevant to their health and safety.

SEStran will seek to develop a positive attitude to health and safety among all it's employees and ensure that health and safety is an integral part of the organisations culture by having appropriate management systems in place which protect and support its employees.

This policy supports efforts to continually improve health and safety outcomes for our employees and to promote safety at work.

This policy applies to all SEStran employees.

Position: Partnership Director

## **Roles & Responsibilities**

### **Partnership Director**

The Partnership Director is responsible for ensuring that SEStran fulfils its legal responsibilities regarding health and safety. They will:

- determine the management structure through which the Health and Safety Policy and supporting policies & procedures are to be implemented
- provide adequate resources for the management and implementation of the safety management system across SEStran
- ensure that health and safety is promoted as an integral part of the culture of SEStran
- set performance indicators for health and safety and review these
- ensure all employees are aware of this policy and other relevant policies and procedures

### **Senior Partnership Manager**

The Senior Partnership Manager has responsibility for ensuring that appropriate health & safety processes are in place for SEStran. They will:

- ensure that SEStran employees are aware of the Health & Safety Policy, and specific health and safety information relevant to their role
- ensuring that employees follow safe working practices
- ensuring that incidents are reported and managed appropriately. This includes the reporting and investigation of incidents, and that remedial action is taken, where appropriate
- ensuring that health and safety risks are managed appropriately
- ensuring health and safety information is communicated to employees on a regular basis and that issues causing concern dealt with appropriately
- determining staff training requirements and ensuring training is provided to all employees to enable them to carry out their duties in a competent manner.

### **Business Manager**

The Business Manager has responsibility for ensuring that appropriate health & safety processes are kept up to date for SEStran and made available to employees. They will:

- ensure that SEStran employees have access to the Health & Safety Policy, and specific health and safety information relevant to their role
- manage a reporting system that will include the reporting and investigation of incidents, and recording the remedial action taken, where appropriate
- ensuring health and safety information is communicated to employees on a regular basis and that issues causing concern are highlighted and discussed.
- ensuring that all new members of staff receive relevant health and safety training as part of their induction process
- determining staff training requirements and ensuring training is provided to all employees to enable them to carry out their duties in a competent manner.

## **Employees**

In order to create a positive and effective culture in regard to health & safety it is vital that all employees of SEStran contribute positively to the successful management of health & safety. They will:

- take reasonable care for their own safety and the safety of others affected by their work
- work in accordance with instruction, safe working methods and training received
- alert managers to unsafe practices, conditions or incidents of concern
- seek advice and clarification from managers when unsure of any health and safety requirement relevant to their working environment
- co-operate with SEStran in its endeavours to create and promote a positive health and safety culture
- not intentionally or recklessly interfere with, or misuse, anything which may result in harm to themselves or others
- report accidents/incidents to their manager as soon as possible
- attend relevant training on health and safety matters as instructed by their manager.