

PERFORMANCE & AUDIT COMMITTEE
Mandela Room, City Chambers, Edinburgh, EH1 1YJ
Or Microsoft Teams
Friday 3rd March 2023 – 13:00pm

AGENDA

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The date of the next meeting is Friday 2 nd June 2023	

Gavin King
Secretary to SESTRAN
Head of Democracy, Governance and Resilience
Strategy & Insight Division
The City of Edinburgh Council
Waverley Court 2.1
Edinburgh
EH8 8BG
24th February 2023

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

PERFORMANCE & AUDIT COMMITTEE

Diamond Jubilee Room, City Chambers, Edinburgh, EH1 1YJ
and via Microsoft Teams
On Wednesday 23 November 2022 at 10am

PRESENT:	<u>Name</u>	<u>Organisation Title</u>
	Councillor Imrie (Chair)	Midlothian Council
	Councillor Pattle	West Lothian Council
	Councillor Linehan	Scottish Borders Council
	Councillor Law	Clackmannanshire Council
	Councillor Glen (from item 7a)	Fife Council
	Councillor McMillan	East Lothian Council
	Doreen Steele	Non-Councillor Member
	John Scott	Non-Councillor Member
IN ATTENDANCE:	<u>Name</u>	<u>Organisation Title</u>
	Jim Grieve	SEStran
	Cheryl Fergie	SEStran
	Angela Chambers	SEStran
	Andrew Ferguson	SEStran
	Keith Fiskin	SEStran
	Iain Shaw	City of Edinburgh Council
	Martin Scott	City of Edinburgh Council

Action by

A1. ORDER OF BUSINESS

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

A2. APOLOGIES

Councillor Scott Arthur, Callum Hay and Simon Hindshaw

A3. DECLARATION OF INTERESTS

None.

A4. MINUTES

To approve the minute of the Performance and Audit Committee of 13 September 2022 as a correct record.

A5. INDICATIVE FINANCIAL PLAN 2023/24 TO 2025/26

An update was provided on financial planning being progressed for the 2023/24 revenue budget and indicative financial plans for 2024/25 – 2025/26.

During discussion, Committee were advised that approval would not be until 18th March 2023 by which time any changes to the then current financial position would be reflected.

Decision

- 1) To note the financial planning assumptions for the period 2023/24 to 2025/26.
- 2) To note that financial planning for 2023/24 to 2025/26 would continue to be developed for approval of a revenue budget by the Partnership at its meeting in March 2023.
- 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)

A6. RISK MANAGEMENT FRAMEWORK

The Performance and Audit Committee, at its meeting in November 2021 approved the SEStran Risk Management Framework Policy. This policy supports the management of the overall risk process within the organisation, including its governance arrangements.

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

Decision

- 1) To note the risk register.
- 2) To note that a final version of the Risk Register would be referred to the Partnership Board for noting.

(References – SEStran Performance and Audit Committee, 21 November 2021 (item A6(b)); report by the Business Manager, submitted)

A7. PERFORMANCE AND AUDIT MEMBER ROLE AND FUTURE REPORTING

(a) Performance & Audit Committee Terms of Reference

The Performance and Audit Committee Terms of reference were presented for information. The Terms of Reference and functions of the Performance and Audit Committee were to deal with the following matters: scrutiny, staffing, standards and audit.

Decision

- 1) To note the Terms of Reference.
- 2) To agree that officers would report to Committee, when appropriate, on issues relating to customer care and the complaints procedure.

(Reference – Performance and Audit Committee Terms of Reference, submitted)

(b) Introduction to Future Reporting

The Partnership Director provided an update regarding the future reporting of the project's performance report. The Partnership Director recommended the Project Performance Report ceases to be considered at the Performance & Audit Committee and goes to the Board on the B Agenda with exceptional matters remaining on the A Agenda. The Board could refer anything specific to the Performance & Audit Committee that they felt required further consideration and scrutiny.

The Partnership Director suggested the Business Plan is reported to the Performance and Audit Committee for scrutiny.

Decision

- 1) To note verbal report.
- 2) To agree that the Partnership Director would recommend to the Board that the Project Performance Report ceases to be considered at the Performance & Audit Committee and goes to the Board on the B Agenda with exceptional matters remaining on the A Agenda, with specific issues the Board felt required further consideration and scrutiny being referred to the Performance & Audit Committee.
- 3) To agree that the Business Plan would be presented to the Performance & Audit Committee as being the more

appropriate document for scrutiny.

(Reference – verbal report by the Partnership Director, submitted)

(c) Project Performance Report – Response to questions from P&A 13/09/22

Members considered a report responding to the questions raised at the Performance and Audit Committee meeting of 13 September 2022 in relation to Item A7, 'Project Performance Report'. The information provided addressed the following questions:

- a) further details to be provided on SEStran Strategic Network, and
- b) more performance and take-up metrics on the GO SEStran app.

Decision

To note the report

(References – SEStran Performance and Audit Committee, 13 September 2022 (item A7); report by the Senior Partnership Manager, submitted)

A8. PROPOSED DATE OF NEXT MEETING

10.00am on Friday 3rd March 2023.

External Audit - Annual Audit Plan 2022/23

1. INTRODUCTION

1.1 This report presents the External Auditor’s Annual Audit Plan for 2022/23.

2. MAIN REPORT

2.1 Audit Scotland has been appointed as the Partnership’s External Auditor for the period from 2022/23 until 2026/27.

2.2 The Annual Audit Plan for 2022/23 is appended.

3 RECOMMENDATIONS

It is recommended the Performance and Audit Committee:

3.1 review and notes the External Audit Plan;

3.2 refer the External Audit Plan to the Partnership Board meeting of 17th March 2023.

Hugh Dunn
Treasurer
27th February 2023

Appendix Annual Audit Plan 2022/23
Contact iain.shaw@edinburgh.gov.uk

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

South East Scotland Transport Partnership

Annual Audit Plan 2022/23



 AUDIT SCOTLAND

Prepared for South East Scotland Transport Partnership

March 2023

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Introduction

Summary of planned audit work

1. This document summarises the work plan for our 2022/23 external audit of South East Scotland Transport Partnership (SEStran). The main elements of our work include:
 - an audit of the Annual Accounts, and provision of an Independent Auditor's Report
 - an audit opinion on the other statutory information published within the Annual Accounts including the Management Commentary, the Annual Governance Statement and the Remuneration Report
 - a review of the Annual Governance Statement, and concluding on the financial sustainability of SEStran over the medium to longer term.
 - reporting on the arrangements for securing Best Value.

Audit Appointment

2. We are pleased to be appointed as the external auditor of SEStran for the period 2022/23 to 2026/27 inclusive.
3. In the first year of the audit appointment, we invest significant time gaining an understanding of your business and identifying and assessing the risks of material misstatement to the financial statements. While we use our initial assessment of risk to inform our planned audit approach, we keep our assessment of risks under review as the audit progresses. We will inform you of any significant changes in assessed risks and any resulting changes in our planned audit work.
4. The audit team will actively engage with you over the course of the audit to ensure our audit work continues to be focused on risk.

Adding value

5. We aim to add value to SEStran through our external audit work by being constructive and forward looking, by attending meetings of the Performance and Audit Committee, and by recommending good practice. In so doing, we will help SEStran promote improved standards of governance, better management and decision-making and more effective use of resources.
6. The Code of Audit Practice includes provisions relating to the audit of less complex bodies. Where the application of the full wider scope is judged by auditors not to be appropriate to an audited body, then the annual audit work can focus on the appropriateness of the disclosures in the governance statement

and the financial sustainability of the body and its services. We plan to apply the less complex body provision of the Code to the 2022/23 audit of SEStran.

7. The [Code of Audit Practice 2021](#) sets out in detail the respective responsibilities of the auditor and SEStran. Key responsibilities are summarised below.

Auditor responsibilities

8. Our responsibilities as independent auditors are established by the Local Government (Scotland) Act 1973 and the [Code of Audit Practice](#) (including supplementary guidance) and guided by the Financial Reporting Council's Ethical Standard.
9. Auditors in the public sector give an independent opinion on the financial statements and other information within the annual report and accounts. We also aim to support accountability and improvement.

The responsibilities of SEStran

10. SEStran is responsible for maintaining accounting records and preparing financial statements that give a true and fair view.
11. SEStran has the 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 deliver their objectives.

Financial statements audit planning

Introduction

12. The Annual Accounts are an essential part of demonstrating SEStran's stewardship of resources and its performance in the use of those resources.
13. 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 main financial systems relevant to the production of the financial statements.

Materiality

14. The concept of materiality is applied by auditors in planning and performing the audit, and in evaluating the effect of any uncorrected misstatements on the financial statements. We are required to plan our audit to determine with reasonable confidence whether the financial statements are free from material misstatement. The assessment of what is material is a matter of professional judgement over both the amount and the nature of the misstatement.

Materiality levels for the 2022/23 audit

15. We assess materiality at different levels as described in [Exhibit 1](#). The materiality values for SEStran are set out in [Exhibit 1](#).

Exhibit 1

2022/23 Materiality levels for SEStran

Materiality	Amount
<p>Planning materiality – This is the figure we calculate to assess the overall impact of audit adjustments on the financial statements. Materiality has been set based on our assessment of the needs of the users of the financial statements and the nature of SEStran's operations. For the year ended 31 March 2023 we have set our materiality at 1.5% of gross expenditure based on the audited financial statements for 2021/22.</p>	£31,000
<p>Performance materiality – This acts as a trigger point. If the aggregate of errors identified during the financial statements audit exceeds performance materiality, this could indicate that further audit procedures should be considered. Using our professional judgement, we have assessed performance materiality at 75% of planning materiality.</p>	£23,500

Reporting threshold – We are required to report to those charged with governance on all unadjusted misstatements more than the 'reporting threshold' amount. £1,500

Source: Audit Scotland

Significant risks of material misstatement to the financial statements

16. Our risk assessment draws on our cumulative knowledge of SEStran, its major transaction streams, key systems of internal control and risk management processes. It is informed by our discussions with management, meetings with internal audit, attendance at committees and a review of supporting information.
17. Audit risk assessment is an iterative and dynamic process. Our assessment of risks set out in this plan may change as more information and evidence becomes available during the progress of the audit. Where such changes occur, we will advise management and where relevant, report them to those charged with governance.
18. Based on our risk assessment process, we identified the following significant risks of material misstatement to the financial statements. These are risks which have the greatest impact on our planned audit procedures. [Exhibit 2](#) summarises the nature of the risk, the sources of assurance from management arrangements and the further audit procedures we plan to perform to gain assurance over the risk.

Exhibit 2

2022/23 Significant risks of material misstatement to the financial statements

Significant risk of material misstatement	Sources of assurance	Planned audit response
<p>1. Risk of material misstatement due to fraud caused by management override of controls</p> <p>As stated in International Standard on Auditing (UK) 240, management is in a unique position to perpetrate fraud because of management's ability to override controls that otherwise appear to be operating effectively.</p>	<ul style="list-style-type: none"> • Owing to the nature of this risk, assurances from management are not applicable in this instance. 	<ul style="list-style-type: none"> • Test journal entries with a focus on significant risk areas. • We will consider any unusual material transactions identified through our audit testing for any evidence of management override of controls. • Substantive testing of income and expenditure transactions around the year-end to confirm they are accounted for in the correct financial year. • Review accounting estimates for evidence of management bias including assessing any changes

Significant risk of material misstatement	Sources of assurance	Planned audit response
<p>2. Risk of material misstatement caused by fraud in expenditure</p> <p>The Code of Audit Practice expands the consideration of fraud under ISA 240 to include the risk of fraud over expenditure. There is a risk that expenditure may be materially misstated in the 2022/23 financial statements due to the extent and nature of the following significant expenditure streams:</p> <ul style="list-style-type: none"> • Project-related expenditure (2021/22: £1.335m) • Other service expenditure (2021/22: £0.185m) 	<ul style="list-style-type: none"> • Controls over expenditure and payment processes. • Scrutiny of monthly financial reports by management and quarterly financial monitoring reports by the Partnership Board and Performance & Audit Committee. • Fraud prevention arrangements. 	<p>to the methods and underlying assumptions used.</p> <ul style="list-style-type: none"> • Testing of expenditure transactions, focusing on the areas of greatest risk. • Review of budget monitoring reports focusing on significant budget variances. • Review of arrangements in place to detect and prevent fraud.

Source: Audit Scotland

- 19.** As set out in International Standard on Auditing (UK) 240: *The auditor's responsibilities relating to fraud in an audit of financial statements*, there is a presumed risk of fraud over the recognition of revenue. There is a risk that revenue may be misstated resulting in a material misstatement in the financial statements. We have rebutted this risk for SEStran because, while the possibility of fraud exists, we assess the risk of the financial statements being materially misstated as a result of fraud to be low. This is due to the nature of the partnership's revenue streams and key sources of income, namely government grants and the constituent councils' contributions.
- 20.** We have not, therefore, incorporated specific work into our audit plan in this area over and above our standard audit procedures.

Audit dimensions

- 21.** The [Code of Audit Practice](#) sets out the four areas that frame the wider scope of public sector audit. These are: financial management; financial sustainability; vision, leadership and governance; and use of resources to improve outcomes.
- 22.** The Code of Audit Practice includes provisions relating to the audit of less complex bodies. Where the application of the full wider scope is judged by auditors not to be appropriate to an audited body, then the annual audit work

can focus on the appropriateness of the disclosures in the governance statement and the financial sustainability of the body and its services.

23. We plan to apply the less complex body provision of the Code to the 2022/23 audit of SEStran. Our wider scope work will therefore focus on the financial sustainability of SEStran and the services that it delivers over the medium to long term, and the arrangements in place for securing best value.

Best Value

24. Auditors have a duty to be satisfied that bodies that fall within section 106 of the 1973 Act have made proper arrangements to secure Best Value. We will consider how SEStran demonstrates that it is meeting its Best Value responsibilities and we will report our findings as part of our Annual Audit Report.

Wider scope risks

25. We have identified one wider scope audit risk in the area set out in [Exhibit 3](#). This exhibit sets out the risk, sources of assurance from management arrangements and the further audit procedures we plan to perform to gain assurances over the risks.

Exhibit 3

2022/23 wider scope risks

Description of risk	Sources of assurance	Planned audit response
<p>1. Financial sustainability</p> <p>Funding from the Scottish Government and constituent councils has remained at the same level for several years and the partnership's budget assumes that this will continue. In addition, European Union funding for several projects is expected to end during 2023.</p> <p>There is a risk that SEStran may not be able to secure further funding or meet cost pressures as they arise.</p>	<ul style="list-style-type: none"> The partnership's business plan 2021-24 has identified a requirement to increase funding for the partnership in the medium term as an objective. Ongoing budget monitoring and reporting arrangements by management. 	<ul style="list-style-type: none"> Ongoing review of financial budget monitoring and reporting arrangements in place to achieve a balanced budget. Review of SEStran's strategy to seek additional funding in the short to medium term.

Source: Audit Scotland

Climate change

26. The Auditor General and Accounts Commission are developing a programme of work on climate change. In 2022/23, we will gather information on SEStran's arrangements for responding to climate change covering areas such as the development of climate change strategies and the monitoring and reporting of progress against targets for reducing emissions.

Reporting arrangements, timetable, and audit fee

Reporting arrangements

27. Audit reporting is the visible output for the annual audit. All Annual Audit Plans and the outputs, as detailed in [Exhibit 4](#), and any other outputs on matters of public interest will be published on our website: www.audit-scotland.gov.uk.
28. Matters arising from our audit will be reported on a timely basis and will include agreed action plans. Draft management reports will be issued to the relevant officers to confirm factual accuracy.
29. We will provide an independent auditor's report to SEStran and the Accounts Commission setting out our opinions on the annual report and accounts. We will provide SEStran and the Accounts Commission with an annual report on the audit containing observations and recommendations on significant matters which have arisen during the audit.
30. [Exhibit 4](#) outlines the target dates for our audit outputs, and we aim to issue the independent auditor's report by the statutory deadline of 30 September 2023.

Exhibit 4 2020/21 Audit outputs

Audit Output	Target date	Performance and Audit Committee Date
Annual Audit Plan	3 March 2023	3 March 2023
Independent Auditor's Report	8 September 2023	8 September 2023
Annual Audit Report	8 September 2023	8 September 2023

Source: Audit Scotland



Timetable

31. To support an efficient audit, it is critical that the timetable for producing the annual report and accounts for audit is achieved. We have included a proposed timetable for the audit at [Exhibit 5](#) that has been discussed with management.

- 32.** Covid-19 has had a considerable impact on the conduct and timeliness of the audit. We recognise that it is in the best interests of public accountability to get the reporting of audited accounts back to pre-pandemic timelines. We are identifying ways to work more efficiently to expedite the 2022/23 audits whilst at the same time maintaining high standards of quality.
- 33.** We intend to take a hybrid approach to the 2022/23 audit with a blend of onsite and remote working. We will continue to work closely with management to identify the most efficient approach as appropriate and will keep timeframes and logistics for the completion of the audit under review. Progress will be discussed with management and finance officers over the course of the audit.

Exhibit 5

Proposed annual report and accounts timetable

 Key stage	 Provisional Date
Consideration of the unaudited annual report and accounts by those charged with governance	2 June 2023
Latest submission date for the receipt of the unaudited annual report and accounts with complete working papers package.	30 June 2023
Issue of draft Letter of Representation and proposed Independent Auditor's Report	TBC August 2023
Agreement of audited and unsigned annual report and accounts	TBC August 2023
Issue of Annual Audit Report to those charged with governance.	1 September 2023
Signed Independent Auditor's Report	8 September 2023

Source: Audit Scotland

Audit fee

- 34.** In determining the audit fee, we have taken account of the risk exposure of SEStran and the planned management assurances in place. The audit fee for 2022/23 is £11,850 as set out in [Exhibit 6](#).
- 35.** Our fees have increased in 2022/23 and this is a reflection of the current audit market and the rising costs in delivering high quality audit work. There are increased regulatory expectations and risks placed on audit and its quality, as well as a widening in the scope of work audit must cover.

Exhibit 6**Audit fees (including VAT)**

Fee component	Fees (£)
External Auditor Remuneration	22,750
Contribution to Audit Scotland costs	860
Sectoral Cap Adjustment	(11,760)
Total 2022/23 fee	11,850

Source: Audit Scotland

- 36.** In setting the fee for 2022/23 we have assumed that SEStran has effective governance arrangements and will prepare comprehensive and accurate accounts for audit in line with the agreed timetable for the audit. The audit fee assumes there will be no major change in respect of the scope of the audit during the year and where our audit cannot proceed as planned, a supplementary fee may be levied.

Other matters

Internal audit

37. It is the responsibility of SEStran to establish adequate internal audit arrangements. We will review the internal audit plan and the results of internal audit's work.
38. While we are not planning to place formal reliance on the work of internal audit in 2022/23, we will review internal audit reports and assess the impact of the findings on our financial statements and wider scope audit responsibilities.

Independence and objectivity

39. Auditors appointed by the Auditor General for Scotland or Accounts Commission must comply with the [Code of Audit Practice](#) and relevant supporting guidance. When auditing the financial statements, auditors must also comply with professional standards issued by the Financial Reporting Council and those of the professional accountancy bodies. These standards impose stringent rules to ensure the independence and objectivity of auditors.
40. Audit Scotland has robust arrangements in place to ensure compliance with these standards including an annual 'fit and proper' declaration for all members of staff. The arrangements are overseen by the Executive Director of Innovation and Quality, who serves as Audit Scotland's Ethics Partner.
41. The appointed auditor for SEStran is Christopher Gardner, Senior Audit Manager. Auditing and ethical standards require the appointed auditor to communicate any relationships that may affect the independence and objectivity of audit staff. We are not aware of any such relationships pertaining to the audit of SEStran.

Audit Quality

42. Quality is at the core of public audit in Scotland and is the foundation for building consistency and confidence across all audit work. High quality audits provide assurance, add value and can support public bodies to achieve their objectives.
43. Until 2021/22, the applicable audit quality standard was International Standard on Quality Control 1 (ISQC (UK) 1). This set out an audit practice's responsibilities for its system of quality control for audits.
44. ISQC(UK) 1 has been replaced by two new audit quality standards: Internal Standards on Quality Management (ISQM (UK) 1) applicable from 15 December 2022 and (ISQM(UK) 2) effective for the 2023/24 audits. Work is underway at Audit Scotland to meet the requirements of these quality standards.

- 45.** Audit Scotland is committed to delivering high quality audits. The foundation of our quality framework is our Audit Guide, which incorporates the application of professional auditing, quality and ethical standards and the [Code of Audit Practice](#) (and supplementary guidance) issued by Audit Scotland and approved by the Auditor General for Scotland. To ensure that we achieve the required quality standards, Audit Scotland conducts peer reviews and internal quality reviews. Additionally, the Institute of Chartered Accountants of England and Wales (ICAEW) has been commissioned to carry out external quality reviews.
- 46.** As part of our commitment to quality and continuous improvement, Audit Scotland will periodically seek your views on the quality of our service provision. We welcome feedback at any time, and this may be directed to the engagement lead.

South East Scotland Transport Partnership

Annual Audit Plan 2022/23

Audit Scotland's published material is available for download on the website in a number of formats. For information on our accessibility principles, please visit:

www.audit-scotland.gov.uk/accessibility

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Audit Scotland, 4th Floor, 102 West Port, Edinburgh EH3 9DN
Phone: 0131 625 1500 Email: info@audit-scotland.gov.uk
www.audit-scotland.gov.uk

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 specific key SEStran partnership risks.
- 1.2 The purpose of this paper is to provide an update on the outcomes of the 2022/23 SEStran IA review of the Thistle Assistance Programme, progress with completion of previously raised audit actions, and to request the Committee's recommendations on potential areas for inclusion in the planned 2023/24 audit.

2. BACKGROUND, SCOPE, AND OUTCOMES OF 2022/23 IA REVIEW – THISTLE ASSISTANCE PROGRAMME

Audit Background

- 2.1 [The Thistle Assistance programme](#) aims to assist older people and those with disabilities or illness (protected characteristic) in using public transport. Stage one of the programme included development and operation of Thistle card and the mobile application, which advises the driver/conductor of passengers' protected characteristics and the assistance they need. Stage two involved creating awareness about the Thistle card/app symbols among transport operators, and stage three relates to the development of VoyagAR app, which aims to assist the passengers with protected characteristics in journey planning and way finding.
- 2.2 SEStran has engaged a third-party contractor to manage the generation and issuance of physical Thistle card. SEStran also administers generation and issuance of Thistle card for six other Regional Transport Partnerships (RTPs) and charges them production and marketing costs on a pro-rata basis.
- 2.3 The VoyagAR project has been awarded with a funding of £150k by Scottish Enterprise in 2019 and a further grant of £150k in 2020. The funding has been used to invite third party providers under the Innovate UK framework to initially deliver a proof of concept and subsequently deliver the final product (website and application). In addition to the cumulative awarded funding of £300k, SEStran has further internally funded this project with £37.5k for the contracted third-party supplier to deliver the final tranche of work by March 2023.

Audit Scope

- 2.4 The scope of the 2022/23 IA review was to assess the adequacy of design and operating effectiveness of the key controls supporting the effective implementation of Thistle Assistance programme. The review also followed up on the implementation of

management actions raised in the previously completed internal audit review of 'Active Travel Network Development'.

Audit Outcomes

- 2.5 The overall assessment of the review was 'some improvement required' (amber) and confirmed that the while some control weaknesses have been identified in the governance, risk and control frameworks supporting the Thistle Assistance programme, they provide reasonable assurance that risks are being managed and programme objectives should be achieved.
- 2.6 Areas for improvement identified in the review include:
- i) formalising contracts and data sharing agreements with third party vendors, including regular review of their performance against key performance indicators (KPIs)
 - ii) reviewing software service provider's terms of agreement and cyber security controls to ensure continued operation of Thistle assistance mobile application
 - iii) developing a process to classify any business activity as a project and establishing formal project management governance arrangements.
- 2.7 Several areas of good practice were also identified as part of this review and are included in the opinion section of the detailed report.
- 2.8 Management has also addressed the low rated Internal Audit recommendations raised in the 2021/22 review of Active Travel Network Development by updating conflict of interest guidance and form in its Anti-bribery policy. The updated policy will be presented for approval to March 2023 Performance and Audit Committee.
- 2.9 The full report is included at Appendix 1.

3. 2023/24 INTERNAL AUDIT REVIEW

- 3.1 The Council's 2023/24 Internal Audit annual plan will be presented to the Governance, Risk, and Best Value Committee on 14 March 2023, and includes one Internal Audit review for SEStran, which is consistent with the level of assurance provided in prior years.
- 3.2 The most significant areas of risk and potential areas for SEStran 2023/24 annual review will be discussed with the management team by July 2023, and the review is likely to be completed between September to December 2023.

4. RECOMMENDATIONS

The Committee is requested to:

- note the progress with completion of an audit action raised in 21/22 audit year
- note outcomes of the 2023/23 IA review of the Thistle Assistance Programme, and the associated costs, and
- provide insights or recommendations on key risks or areas of concern that the Committee would like IA to consider including in the 2023/24 IA review

Appendix 1: Internal Audit Report – Thistle Assistance Programme

Laura Calder

Head of Internal Audit, City of Edinburgh Council

E-mail: laura.calder@edinburgh.gov.uk | Tel: 0131 469 3077

Key contact:

Dheeraj Shekhar, Principal Audit Manager, City of Edinburgh Council

E-mail: dheeraj.shekhar@edinburgh.gov.uk | Tel: 0131 469 3221

Policy Implications	None
Financial Implications	SEStran is charged an annual fee for provision of the annual IA assurance review. The fee for 2022/23 is £5,000, which remains consistent with the 2021/22 fee applied.
Equalities Implications	None
Climate Change Implications	None

South East of Scotland Transport Partnership (SEStran)

Internal Audit Report

Thistle Assistance Programme

23 February 2023

OO2201

Overall Assessment	Some improvement required
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This Internal Audit review is conducted for SEStran under the auspices of the 2022/23 internal audit plan. The review 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 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 as appropriate.

Executive Summary

Overall Assessment

Some improvement required

Overall opinion and summary of findings

Our review of the Thistle Assistance Project identified that while effective operational arrangements have been put in place to support the generation and issuance of Thistle cards, they are not formalised and supported by effective controls governance. Regular oversight is maintained on the third-party supplier contracted to develop the journey planning VoyagAR application, but this is not supported by formalised project management governance and controls.

Improvements in following areas have been identified to support effective governance of the Thistle Assistance project:





- formalised contracts and data sharing agreements with third party vendors and service providers, including key performance indicators (KPI) and service standards
- contract payments linked to service delivery and performance against KPIs
- review of the software service provider terms of agreement and cyber security controls to ensure continued operation of Thistle assistance mobile application
- clarity over classification of a business activity as project and establishing formal project management governance arrangements.

Areas of good practice

Our review identified:

- the card issuance process is fully documented
- the Thistle Assistance card was received within 14 days from application in our audit testing
- there are multiple ways to contact Thistle Assistance via phone, email and an online form
- recharging arrangements for Thistle card production and marketing costs are formally established with other Regional Transport Partnerships
- SEStran has a documented data protection privacy notice published on Thistle assistance website and Thistle app.

Audit Assessment

Audit Area	Control Design	Control Operation	Findings	Priority Rating
1. Thistle Assistance Card and Application Operations			Finding 1 – Thistle Assistance Card Finding 2 - Thistle App cyber security and data privacy controls	Medium Priority
2. Thistle Assistance Project Management			Finding 3 – VoyagAR Project Management	Medium Priority

[See Appendix 1 for Control Assessment and Assurance Definitions](#)

Background and scope

The Thistle Assistance programme aims to assist older people and those with disabilities or illness (protected characteristic) in using public transport. Stage one of the programme included development and operation of Thistle card and mobile application (app), which advises the driver/conductor of passengers' protected characteristics and the assistance they need. The app was further developed during the Covid-19 pandemic to advise drivers about passengers' face mask exemption, where applicable. Stage two involved creating awareness about Thistle card/app symbols among transport operators, and stage three relates to the development of VoyagAR app, which aims to assist passengers with protected characteristics in journey planning and way finding.

SEStran has engaged a third-party contractor to manage the generation and issuance of physical Thistle cards. SEStran also administers generation and issuance of Thistle cards for six other Regional Transport Partnerships (RTPs) and charges them production and marketing costs on a pro-rata basis.

The VoyagAR project was awarded funding of £150k by Scottish Enterprise in 2019 and a further grant of £150k in 2020. The funding has been used to invite third party providers under the Innovate UK framework to initially deliver a proof of concept and subsequently deliver the final product (website and application). In addition to the cumulative awarded funding of £300k, SEStran has further funded this project internally with £37.5k for the contracted third-party supplier to deliver the final tranche of work by March 2023.

Scope

The objective of this review was to assess the adequacy of design and operating effectiveness of the key controls supporting the effective implementation of Thistle Assistance programme.

The review also confirmed that the action raised in the previously completed internal audit review on 'Active Travel Network Development', to update the anti-bribery policy with a Conflict of Interest guidance and form, has been addressed. The updated policy is still in draft, but management has confirmed that it will be presented to the Performance and Audit committee in March 2023, along this audit report.

Risks

The review provides assurance in relation to the following SEStran corporate risks, relevant to the Thistle Assistance programme:

- R002 Financial risk
- R003 Project management risk
- R005 Third party service level agreements - Contract Management

Limitations of Scope

The following areas were excluded from scope:

- Technical elements of the Thistle assistance programme, including the accuracy of recharging arrangements to other partnerships

Reporting Date

Testing was undertaken between 10 January 2023 and 26 January 2023.

Our audit work concluded on 26 January 2023, and our findings and opinion are based on the conclusion of our work as at that date.

Findings and Management Action Plan

Finding 1 – Thistle Assistance Card

Finding Rating	Medium Priority
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Audit testing of the Thistle card design and mail out process established that

- while the first invoice for card and leaflet design and printing is approved by the Partnership Director, there is no documented authorisation of designer/printer’s appointment and commercial arrangement
- although the ongoing mail out of cards is performed by a printing vendor, the invoice is issued by a design agency
- there is not a formal agreement or contract between SEStran and the designer or mail-out printing supplier with established key performance indicators of service delivery. Management has confirmed that a formal contract is now being drafted
- there is no reconciliation performed between the order spreadsheet shared with the printer and the invoice paid
- a data sharing agreement has been drafted by the mail-out partner and shared with SEStran, but it has not yet been signed by both the parties.

Customers can raise queries or complaints via telephone (voicemail), email or an online form. Management advised that they manage these queries/complaints using a shared email inbox, however, there is no log to record customer queries/complaints and monitor that they are addressed in a timely manner.

Risks

- **Contract Management** – Inability to manage contracts appropriately leading to potential service delivery risks
- **Financial** – Potential overbilling and duplicate payments in case of lack of reconciliation.
- **Reputational** – Customer queries and concerns are not addressed in a timely and appropriate manner

Management have advised that they periodically perform mystery shopping (*secret shopping to gather information about service delivery and customer service quality*) of Thistle cards however, results of this activity are not formally recorded.

Recommendations and Management Action Plan: Thistle Assistance Card Controls

Ref.	Recommendation	Agreed Management Action	Action Owner	Contributors	Timeframe
1.1	Appointment of the leaflet designer and mail out printer should be formally authorised as per SEStran financial governance, and an agreement, with service delivery KPIs, should be formalised with all the third-party suppliers.	SEStran will formalise and put in place a new agreement with third party design and printing supplier.	Partnership Director	Programmes Manager	30/06/2023

1.2	SEStran should request confirmation details from the printer when a batch of card order sheet has been processed by the printer. A reconciliation among batch order sheet, batch confirmation sheet and invoice details should be performed before any payment is made to the printer.	Confirmation of batch processing and reconciliation to order sheet will be included in the new agreement and process document, agreed with the printer, as part of ongoing process management.	Partnership Director	Programmes Manager	30/06/2023
1.3	Data Exchange Agreement with the printer should be formalised and physically/digitally signed.	Data exchange agreement will be updated as part of new agreement with the third-party design and printing supplier.	Partnership Director	Programmes Manager	30/06/2023
1.4	Results of mystery shopping should be formally recorded and used as a tool for contract monitoring.	Mystery shopping results will be formally recorded and included in new process management flow and held in project folder.	Partnership Director	Programmes Manager	30/06/2023
1.5	A customer query/complaints log should be created and maintained to record details of received concerns with their resolution date and comments to monitor any thematic customer complaints, understand their concerns and ensure that they are addressed in a timely manner.	Customer query and complaints log will be formally recorded and included in the new process management flow and held in project folder.	Partnership Director	Programmes Manager	30/06/2023

Finding 2 – Thistle Assistance application cyber security and data privacy controls

Finding Rating

Medium Priority

The development and maintenance partner of SEStran’s Thistle card mobile application (app) ceased to trade in 2022, and no alternative vendor had been appointed for app’s maintenance and ongoing support, until 11 January 2023.

Internal Audit cannot comment on the effectiveness of mobile app’s cyber security due to lack of available information. Our audit testing however found that while SEStran data privacy policy is linked on the application store, the Apple App store and Google Play Store are not populated with application specific data privacy information, resulting in a warning notice on both the store pages.

Risks

- **System and technology** – Service delivery would be affected if the application developed a software bug.
- **Reputational** – Potential customers may not download the app due to data privacy warning on the app stores

Recommendations and Management Action Plan: Thistle Assistance App cyber security and data privacy controls

Ref.	Recommendation	Agreed Management Action	Action Owner	Contributors	Timeframe
2.1	SLAs and the terms of agreement with new software services provider should be regularly monitored. Management should also consider exit clauses and strategies to be prepared for future contingencies, where the supplier ceases to operate.	New agreement is currently in place (Jan 2023) with a third-party software services provider and SLA monitoring has been put in place. Exit clauses will also be considered as part of SEStran risk management process for future contingency planning. SEStran will also be setting a new developer account on both the Apple and Google play store.	Partnership Director	Programmes Manager	SLA monitoring is ongoing. Risk register to be updated by 30/06/2023
2.2	SEStran should request and review assurance details from the new app developer on their cyber security controls, including data protection arrangements, on a periodic basis. Some examples of cyber security certifications and assurances include ISO 27001 standard , ISAE 3000/3402 assurance reports and Cyber Essentials certification .	Management will request the details of cyber security controls, including recommended assurance reports, from the new software services provider. These reports and details will be reviewed on an annual basis.	Partnership Director	Programmes Manager	30/06/2023
2.3	Data privacy information specifying how the app manages personal data should be uploaded to both Apple App store and Google Play store.	SEStran data management and information policy will be reviewed, updated and published on Apple and Android App stores.	Partnership Director	Programmes Manager	30/06/2023

Finding 3 – VoyagAR Project Management

Finding Rating

Medium Priority

Discussion with the team and management established that there is a lack of clarity in the team regarding identification of the development of VoyagAR app as a formal project managed by SEStran. The team have instead approached it as an outsourced activity supervised by SEStran through monthly meetings.

Consequently, there are no formally established project management arrangements including but not limited to the following best practice used in other SEStran projects:

- Project governance (Project Board and Senior Management reporting)
- Project progress/milestones review and monitoring
- Project risk management
- Project financial and budget management
- Project third party contract monitoring.





Risks

- **Project Management** – Potential under performance by outsourced contractor and failure to obtain best value delivery in the agreed timeframe.
- **Financial** – Lack of project governance leading to budgetary issues not being identified and addressed in a timely manner.
- **Governance** – Key person dependency risk and significant project delivery risks are not identified and escalated to Senior management / Committee members in a timely manner.

Recommendations and Management Action Plan: Project Governance

Ref.	Recommendation	Agreed Management Action	Action Owner	Contributors	Timeframe
3.1	Management should review the existing progress of the VoyagAR project and consider formalising project management controls, proportionately for the remainder of project.	Noted and agreed. Implementation of formalised project management controls will depend on successful completion and testing of final Voyager application in March 2023.	Partnership Director	Programmes Manager	30/06/2023
3.2	For all future projects, a Project Initiation Document should be drafted and agreed by the Project SRO and Senior Management, to formally establish a project with clearly defined project management arrangements.	SEStran will review the current arrangements and consequently implement the recommended actions, as needed.	Partnership Director	Business Manager/Programmes Manager	30/09/2023

Appendix 1 – Control Assessment and Assurance Definitions

Control Assessment Rating		Control Design Adequacy	Control Operation Effectiveness
Well managed		Well-structured design efficiently achieves fit-for purpose control objectives	Controls consistently applied and operating at optimum level of effectiveness.
Generally Satisfactory		Sound design achieves control objectives	Controls consistently applied
Some Improvement Opportunity		Design is generally sound, with some opportunity to introduce control improvements	Conformance generally sound, with some opportunity to enhance level of conformance
Major Improvement Opportunity		Design is not optimum and may put control objectives at risk	Non-conformance may put control objectives at risk
Control Not Tested	N/A	Not applicable for control design assessments	Control not tested, either due to ineffective design or due to design only audit

Overall Assurance Ratings	
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 SEStran objectives should be achieved.
Some improvement required	Whilst some control weaknesses were identified, in the design and / or effectiveness of the control environment and / or governance and risk management frameworks, they provide reasonable assurance that risks are being managed, and SEStran objectives should be achieved.
Significant improvement required	Significant and / or numerous control weaknesses were identified, in the design and / or effectiveness of the control environment and / or governance and risk management frameworks. Consequently, only limited assurance can be provided that risks are being managed and that SEStran objectives should be achieved.
Inadequate	The design and / or operating effectiveness of the control environment and / or governance and risk management frameworks is inadequate, with several significant and systemic control weaknesses identified, resulting in substantial risk of operational failure and the strong likelihood that SEStran objectives will not be achieved.

Finding Priority Ratings	
Advisory	A finding that does not have a risk impact but has been raised to highlight areas of inefficiencies or good practice.
Low Priority	An issue that results in a small impact to the achievement of objectives in the area audited.
Medium Priority	An issue that results in a moderate impact to the achievement of objectives in the area audited.
High Priority	An issue that results in a severe impact to the achievement of objectives in the area audited.
Critical Priority	An issue that results in a critical impact to the achievement of objectives in the area audited. The issue needs to be resolved as a matter of urgency.

Revenue Budget 2023/24 and Indicative Financial Plan 2024/25 to 2025/26

1. INTRODUCTION

- 1.1 This report presents a revenue budget for 2023/24 and an indicative financial plan for 2024/25 to 2025/26, for review by the Performance and Audit Committee.
- 1.2 The proposed revenue budget for 2023/24 will be presented to the Partnership Board for approval at its meeting on 17th March 2023.

2. MAIN REPORT

Scottish Government Budget 2023-24

- 2.1 The Scottish Budget Bill was passed by the Scottish Parliament on 21st February 2023. At the time of writing, there has been no information received from Transport Scotland as to the Partnership's revenue grant for 2023/24.
- 2.2 On 1 June 2022, Transport Scotland advised a review was being undertaken of Regional Transport Partnerships (RTPs) grant and how this is allocated between RTPs, following the Scottish Government's Resource Spending Review.
- 2.3 The most recent indication is there will be no change in the revenue grant for 2023/24, with the re-allocation of grant among RTP's deferred for one year.
- 2.4 If available, an update will be provided to the meeting of the Partnership Board on 17th March 2023.

Proposed Revenue Budget 2023-24

- 2.5 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.
- 2.6 A financial planning report was considered by the Partnership on 2nd December 2022. The Partnership noted the financial planning assumptions being progressed for 2023/24 to 2025/26. These assumptions included no change from 2022/23 funding levels for constituent council requisitions and Transport Scotland grant.
- 2.7 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.
- 2.8 The three-year planning assumptions presented to the Partnership on 2nd December 2022 have been updated for:

- 2.8.1 Forecast employee costs, following recent employee changes;
- 2.8.2 staff recharges to EU projects – these are forecast to be £4,000, following review of EU projects;
- 2.8.3 other minor budget planning changes to reflect current activity.
- 2.9 An analysis of the proposed core budget for 2023/24 and indicative financial plans for 2024/25 to 2025/26 is shown in Appendix 1.
- 2.10 Proposed Project activity for 2023/24 is shown in Appendix 2(a). Indicative Project activity for 2024/25 is shown in Appendix 2(b) with 2025/26 Project activity shown in Appendix 2(c). The indicative plan presents expenditure and income balanced for each financial year.
- 2.11 Appendix 3 shows all budgeted expenditure and income since 2018/19. 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.
- 2.12 For 2023/24, external income of £498,000 is anticipated to fund 33% of proposed expenditure.
- 2.13 The 2023/24 Council requisitions, based on the proposed budget are shown in the table below.

Council	Requisition
Clackmannanshire	£6,047
East Lothian	£12,858
Edinburgh	£61,773
Falkirk	£18,856
Fife	£43,969
Midlothian	£11,109
Scottish Borders	£13,613
West Lothian	£21,775
Total	£190,000

- 2.14 In accordance with the provisions of the Transport Scotland (2019) Act, the Partnership has agreed a Reserves Policy and established an unallocated General Fund reserve of £31,000, based on 5% of the core revenue budget for 2022/23.
- 2.15 At its meeting on 17th March 2023, the Partnership Board will be advised of the current forecast for 2022/23 in the quarterly Finance Officers report. Slippage is anticipated to be forecast on the 2022/23 Projects budget.
- 2.16 Following confirmation of the 2022/23 outturn, an earmarked balance will be established to meet any slippage on project delivery from 2022/23 to 2023/24, in line with the Partnership's approved Reserves Policy.

- 2.17 Following confirmation of the 2022/23 outturn, a realignment of the Projects budget will be presented to the Partnership Board to take account of Projects budget slippage. This will include activity agreed by the Board on 2nd December 2022 for the promotion of the new Regional Transport Strategy, once Ministerial approval of the RTS is received – estimated to cost £39,000 - and development of Demand Responsive Transport (DRT), which is currently estimated to cost £35,000.
- 2.18 A risk assessment for 2023/24 is included at Appendix 4.

3 NEXT STEPS

- 3.1 Following review by Performance and Audit Committee, the proposed budget for 2023/24 will be presented to the Partnership Board meeting on 17th March 2023, for approval.
- 3.2 Development of the proposed revenue budget for 2023/24 will continue to be progressed until the meeting of the Partnership Board on 17th March 2023. Any further updates will be reflected in the final report to be presented to the Board.

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 2023/24
- 4.1.2 note that financial planning for 2024/25 to 2025/26 will continue to be developed throughout 2023 for consideration by the Partnership in December 2023;
- 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 2023-24 to 2025-26](#)

Hugh Dunn
Treasurer
24th February 2023

- Appendix** Appendix 1 – Proposed Core Budget 2023/24 and Indicative Budget 2024/25 to 2025/26
- Appendix 2(a) – Projects - Proposed Activity 2023/24
- Appendix 2(b) - Projects - Indicative Activity 2024/25
- Appendix 2(c) – Projects – Indicative Activity 2025/26
- Appendix 3 – Summary of Revenue Budget 2018/19 – 2025/26
- Appendix 4 - Risk Assessment 2023/24

Contact iain.shaw@edinburgh.gov.uk

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

**Proposed Core Budget 2023/24 and Indicative Budget
2024/25 to 2025/26**

	Approved Budget 2022/23	Proposed Budget 2023/24	Indicative Budget 2024/25	Indicative Budget 2025/26
	£000	£000	£000	£000
Employee Costs				
Salaries	408	428	447	467
National Insurance	50	49	51	54
Pension Fund	144	151	157	164
Recharges – EU Projects	(172)	(4)	0	0
Recharges – Cycling Officer	(20)	(20)	0	0
Training & Conferences	10	10	10	10
Interviews & Advertising	2	2	2	2
	422	616	667	697
Premises Costs	17	18	18	18
Transport	8	8	8	8
Supplies and Services				
Communications/Computing	48	48	48	48
Hosted ICT – Novus FX	46	44	44	44
Printing, Stationery & General Office Supplies	7	7	7	7
Insurance	6	7	7	7
Equipment, Furniture, Materials, Miscellaneous	4	4	4	4
	111	110	110	110
Support Services				
Finance	30	31	31	31
Legal Services / HR	7	7	7	7
	37	38	38	38
Corporate & Democratic				
Clerks Fees	12	12	12	12
External Audit Fees	11	12	12	12
Members Allowances and Expenses	1	1	1	1
	24	25	25	25
Interest	0	0	0	0
Total Gross Expenditure	619	815	866	896
Funding				
Scottish Government Grant	(429)	(625)	(676)	(706)
Council Requisitions	(190)	(190)	(190)	(190)
Total Funding	(619)	(815)	(866)	(896)

Projects – Proposed Activity 2023-24

Appendix 2(a)

	2022-23	2023-24			
Service	Approved Budget £'000	Gross Expenditure £'000	Income £'000	Net Expenditure £'000	Activity/Notes
Sustainable Travel	63	28	0	28	Implement RTS Activity
Urban Cycle Network	0	100	(100)	0	100% funded by Sustrans
Urban Cycling	21	21	0	21	Cycle Training and support
Active Travel Fund	0	350	(350)	0	100% funded by Transport Scotland
RTS	60	18	0	18	Monitoring of RTS
GO e-BIKE	10	10	0	10	Maintenance
Thistle Assistance	6	30	(24)	6	Scheme development and promotion
Consultancy support	30	43	0	43	Projects development
Equalities Action	10	10	0	10	Operator training and survey
EU – Funded Projects					
ShareNorth	18	0	0	0	Ended June 2022
Surflogh	49	5	(2)	3	Ends March 2023
Bling	33	5	(2)	3	Ends June 2023
Primaas	9	5	(3)	2	Ends July 2023
Regio-Mob	5	0	0	0	Ended November 2022
Connect	34	5	(2)	3	Ends March 2023
Real-Time Passenger Information System (RTPI)					
Maintenance	25	25	0	25	
Income – screens	(20)	0	(15)	(15)	
Total	353	655	(498)	157	
Scottish Govt Grant	(353)			(157)	

Projects - Indicative Activity 2024-25

Appendix 2(b)

	2023/24	2024-25			
Service	Proposed Budget £'000	Gross Expenditure £'000	Income £'000	Net Expenditure £'000	Activity
Sustainable Travel	71	31	0	31	Implement RTS Activity
Urban Cycle Network	0	100	(100)	0	100% funded by Sustrans.
Urban Cycling	21	0	0	0	
Active Travel Fund	0	400	(400)	0	
RTS	18	18	0	18	Monitoring of RTS
GO e-BIKE	10	10	0	10	
Thistle Assistance	6	30	(24)	6	
Consultancy support	0	21	0	21	
Equalities Action	10	10	0	10	
EU – Funded Projects					
ShareNorth	0	0	0	0	Ended June 2022
Surflogh	3	0	0	0	Ends March 2023
Bling	3	0	0	0	Ends June 2023
Primaas	2	0	0	0	Ends July 2023
Regio-Mob	0	0	0	0	Ended November 2022
Connect	3	0	0	0	Ends March 2023
Real-Time Passenger Information System (RTPI)					
Maintenance	25	25	0	25	
Income – screens	(15)	0	(15)	(15)	
Total	157	645	(539)	106	
Scottish Govt Grant	(157)			(106)	

Projects - Indicative Activity 2025-26

Appendix
2(c)

	2024/25	2025-26			
Service	Indicative Budget £'000	Gross Expenditure £'000	Income £'000	Net Expenditure £'000	Activity
Sustainable Travel	31	1	0	1	Implement RTS Activity
Urban Cycle Network	0	100	(100)	0	100% funded by Sustrans.
Active Travel Fund	0	450	(450)	0	
Regional Transport Strategy	18	18	0	18	Monitoring of RTS
GO e-BIKE	10	10	0	10	
Thistle Assistance	6	30	(24)	6	
Consultancy support	21	21	0	21	
Equalities Action	10	10	0	10	
Real-Time Passenger Information System (RTPI)					
Maintenance	25	25	0	25	
Income – screens	(15)	0	(15)	(15)	
Total	106	665	(589)	76	
Scottish Govt Grant	(106)			(76)	

Summary of Revenue Budget 2018/19 – 2025/26

	18/19	19/20	20/21	21/22	22/23	23/24	24/25	25/26
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Core	531	584	581	663	619	815	866	896
Projects	614	590	1,030	786	882	630	620	640
RTPI	108	100	50	23	25	25	25	25
Total Budget	1,253	1,274	1,661	1,472	1,526	1,470	1,511	1,561
External Funding								
EU Grants	139	82	142	106	210	9	0	0
Other income ¹	142	220	547	394	344	489	539	589
Total External Funding	281	302	689	500	554	498	539	589
Scottish Government	782	782	782	782	782	782	782	782
Council Requisition	190	190	190	190	190	190	190	190
Total Funding	1,253	1,274	1,661	1,472	1,526	1,470	1,511	1,561

¹ External funding from 2023/24 subject to final written confirmation. Any decrease in funding will require a compensating reduction in planned expenditure.

Risk Description	Existing Controls
<p>Pay awards The proposed budget makes provision for a pay award of up to 3% in 2023/24. An uplift of 1% in pay award equates to an increase of £6,280.</p>	<p>Alignment with Local Government Pay Policy.</p>
<p>Staff recharges – Projects The indicative budget assumes that £4,000 of staff time can be recharged to Projects. There is a risk this may not be achievable.</p>	<p>Any shortfall in employee cost recharges will be offset by a corresponding reduction in Projects Budget expenditure.</p>
<p>Inflation There is a risk that the indicative budget does not adequately cover price inflation and increasing demand for services.</p>	<p>Allowance made for specific known price inflation. Budgets adjusted in line with current cost forecasts.</p>
<p>Delays in payment of grant by the EU - results in additional short-term borrowing costs.</p>	<p>SEStran grant claims for EU funded projects are submitted in compliance with requirements of EU processes to ensure minimal delay in payment. Ongoing monitoring of cash flow will be undertaken to manage exposure to additional short-term borrowing costs.</p>
<p>Pension Fund Contributions The deficit on the staff pension fund could lead to increases in the employer's pension contribution. There is a risk the contribution rate may increase from 2024/25, following the Actuarial Review in 2023.</p>	<p>Following Lothian Pension Fund's Triennial Actuarial Review in 2020, Partnership employer pension fund contribution rates are confirmed at 33.1% until 31 March 2024.</p>
<p>Funding Reductions Reduction in funding from Transport Scotland and/or council requisitions. On 1 June 2022, Transport Scotland advised of a review of Regional Transport Partnerships revenue grant and how this is allocated between RTPs. There is a risk that current levels of staffing cannot be maintained due to funding constraints and that the Partnership will incur staff release costs.</p>	<p>Continue to seek to source external funding. Recruitment control and additional sources of external funding for activities aligned to the Partnership's objectives to supplement resources.</p>

ANNUAL TREASURY MANAGEMENT STRATEGY 2023 - 2024

1 PURPOSE OF REPORT

- 1.1 The purpose of this report is to propose a Treasury Management Strategy for 2023/24.

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.

Anti Bribery Policy Update

1. INTRODUCTION

- 1.1 The purpose of this report is to present the Performance and Audit Committee with a copy of the Anti Bribery Policy for review. The policy is attached as an **Appendix** to this report.

2 BACKGROUND

- 2.1 The [Internal Audit Report](#) presented to the Performance and Audit Committee in March 2022 raised one low level finding and consequently made recommendations for an appropriate process to be developed and implemented that would enable staff to declare any conflicts of interest, including the provision of guidance that ensured conflicts of interest are clearly defined and understood.
- 2.2 Management agreed to make changes to the Anti Bribery Policy to reflect the recommendations made in the report.

3. ANTI BRIBERY POLICY CHANGES

- 3.1 The policy has been updated to include a new section on Conflicts of Interest. The following is a summary of the changes made to the policy:
- Definition of conflict of interest provided
 - Examples of a conflict of interest listed
 - An explanation on types of action to be taken, what happens when a conflict is not declared and what to do when a conflict arises
 - A new conflicts of interest declaration form which will be required to be completed at least annually

4. ANNUAL HR POLICY REVIEW

- 4.1 The Committee are advised that the Partnership's HR Adviser has commenced the annual review of SEStran's HR policies and will be subject of a future report upon completion.

5. RECOMMENDATIONS

It is recommended that the Performance and Audit Committee:

- 5.1 Approves the amendments made to the Anti Bribery Policy for implementation, and:
- 5.2 Notes that a report on the annual HR policy review will be presented to Committee at a future meeting.

Angela Chambers
Business Manager
22 February 2023

Appendix: Anti Bribery Policy

Policy Implications	Inclusion of a new section within the policy on Conflicts of Interests and a declaration form that will be required to be completed at least annually by staff and Officers' of SEStran.
Financial Implications	Failure to comply with the Anti Bribery Act could result in unlimited fines and financial losses.
Equalities Implications	None
Climate Change Implications	None



ANTI-BRIBERY POLICY
(covering all employees)

DOCUMENT VERSION CONTROL

Date	Author	Version	Status	Reason for Change
Oct 2012	SEStran	1.0	FINAL	Policy Adopted
Oct 2017	SEStran	1.1	FINAL	Adoption of version control
<u>Jan 2023</u>	<u>SEStran</u>	<u>1.2</u>	<u>Draft</u>	<u>Inclusion of Conflicts of Interests section</u>

CONTENTS

- 1. Introduction
- 2. Scope
- 3. Compliance
- 4. What is Bribery?
- 5. What is SEStran’s Position on Bribery?
- 6. Preventing Bribery – Adequate Procedures
- 7. Employee Responsibilities
- 8. Consequences of Improper Behaviour
- 9. Conflicts of Interest
- 9.10. Gifts & Hospitality
- 10. Review
- Annexes

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1 Introduction

- SEStran is wholly committed to preventing bribery and corruption in all our dealings and relationships, and upholding all relevant laws, including the Bribery Act 2010.
- Bribery and corruption in any form are unacceptable and will lead to disciplinary action where allegations are substantiated. SEStran operates a zero tolerance approach to these matters.
- This Policy sets out key principles to achieve these aims, and details SEStran's corporate and employee responsibilities required to ensure compliance with the Act.
- This Policy should be read in conjunction with SEStran's Anti Bribery Procedure, Anti-Fraud and Corruption Policy and HR policies.
- This Policy and associated Procedure also provide information and guidance for employees on how to prevent, recognise and deal with bribery and corruption issues.
- This Policy provides information and guidance for employees to ensure all potential Conflicts of Interest (Col) are declared and managed appropriately.

2 Scope

- This Policy applies to all employees and covers all activities undertaken by SEStran.
- In our dealings with third parties¹, we will promote the adoption of practices and arrangements consistent with the principles set out in this policy.

3 Compliance

- In order to ensure all employees are aware of their responsibilities under this Policy, each employee will be required, at the point of commencing employment with SEStran, and annually thereafter to confirm that they have read and understood the requirements of this Policy and related Anti-Bribery Procedure.

¹ A "third party" is an individual or organisation that engages for business with SEStran e.g. external service providers, suppliers and contractors.

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- Failure to adhere to this Policy may result in disciplinary action being taken against you, up to and including dismissal.

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4 What is Bribery?

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- Bribery is an inducement or a reward offered, promised or provided to gain personal, commercial, regulatory or contractual advantage and can take various forms such as

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- bribery of another individual or organisation;
- accepting a bribe from an individual or organisation.

- Bribes may not always be monetary and may include gifts or hospitality.

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- Bribery is a criminal offence.

- Additionally, failure by SEStran to put in place adequate procedures to prevent bribery can also constitute an offence.

- The maximum penalty for individuals under the Act is 10 years imprisonment and/ or unlimited fines. Failure by an organisation to prevent bribery carries an unlimited fine.

5 What is SEStran's position on Bribery?

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- SEStran expressly forbids employees or associated persons² from offering or accepting bribes or unlawful inducements to or from anyone for any purpose.
- The use of an associated person or third party as a 'go-between' to channel bribes to others is also unacceptable.
- SEStran is committed to the prevention, deterrence and detection of bribery by:
 - ensuring procedures are in place to prevent bribery;
 - making all employees aware of their responsibilities through this Policy, the associated Anti-Bribery Procedure and HR policies;
 - training all employees so that they can recognise bribery and corruption and enable them to take any subsequent action that may be required;
 - ensuring training on this policy forms part of the induction process for all new employees, and that all employees are reminded annually of their responsibilities regarding bribery as part of the Performance, Review and Development process.

² An "associated person" is a person who performs services for or on behalf of SEStran, and can therefore include agents, suppliers and contractors.

- encouraging employees to be vigilant and to report any reasonably held suspicions of bribery or corruption, using SEStran's Public Interest Disclosure (whistleblowing) policy if necessary;
- investigating instances of alleged bribery and assisting police and any other appropriate authorities in any resultant prosecution;
- taking disciplinary action up to and including dismissal against any individual involved in bribery or other corrupt activity;
- including appropriate clauses in employment and commercial contracts to prevent bribery.

6 Preventing Bribery – Adequate Procedures

- An organisation will have a statutory defence against prosecution for bribery offences if it puts in place “adequate procedures” designed to prevent bribery. What is “adequate” depends on the bribery risks, the nature, size and complexity of the business. Adequate procedures need to be applied **proportionately**, based on the level of risk.
- In determining such procedures, the Government has indicated that organisations should be informed by six principles:
 - Top Level Commitment
 - Risk Assessment
 - Proportionate Procedures (proportionate to the bribery risks faced).
 - Due Diligence
 - Communications (the anti-bribery policy and procedure are embedded and understood).
 - Monitoring and Review

SEStran's arrangements embody these six principles.

- A separate **Anti-Bribery Procedure** has been developed which provides a tool for assessing and mitigating risk of bribery, and reflects these principles.

7 Employee Responsibilities

- Employees must read and understand this Policy, the Anti-Bribery Procedure and HR policies. Management will ensure that all employees are given a copy for this purpose.
- The prevention, detection and reporting of bribery and other forms of corruption are the responsibility of all employees working for SEStran.

Therefore, all employees **must**:

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- comply with this policy;
- avoid any activity that breaches this Policy or could be seen as a breach of this Policy;
- Seek advice **before** accepting gifts or hospitality;
- Raise any concerns as soon as possible if you believe or suspect that a breach of this policy has occurred or may occur in the future.
- Declare any potential Conflicts of Interest

Employees **must not**:

- give or promise to give, or offer a payment, gift or hospitality with the expectation or hope that a personal, commercial, regulatory or contractual advantage will be received, or to reward any such advantage already given;
 - give or promise to give, or offer a payment, gift or hospitality to a government official, agent or representative to facilitate or speed up a routine procedure;
 - accept payment from a third party that you know or suspect is offered with the expectation that it will obtain a business advantage for them;
 - accept a gift or hospitality from a third party if you know or suspect that it is offered or provided with an expectation that a business advantage will be provided by SEStran in return;
 - retaliate against, threaten or victimise anyone who has refused to be involved in bribery or corrupt practices, or who has raised concerns under this policy.
- The list above is not exhaustive but is intended to provide examples of conduct likely to breach this policy.
 - If employees have any doubt at all about circumstances that they find themselves in, advice should be sought from their line manager **before** it becomes an issue to be dealt with.

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8 Consequences of Improper Behaviour

- All allegations relating to bribery or corrupt practices will be investigated.
- Where the investigation concludes that improper behaviour may have occurred, SEStran's Disciplinary procedures will be applied. This may result in dismissal.
- In all circumstances where a criminal offence may have been committed, SEStran will notify the Police.

- SEStran will seek, wherever possible, to recover any losses suffered as a result of an act of bribery or corruption.

9 Conflicts of Interest

- What is a Conflict of Interest
- A Conflict of Interest arises in any situation that has the potential to undermine the impartiality of a person because of the possibility of a clash between the person's self interest and professional interest, or public interest. It can occur when a person has a duty to more than one person or organisation but cannot do justice to the interests of both parties. This includes when an employee's personal interests are contrary to their loyalty to public service/business.

Examples of Conflicts of Interest include:

- Having a financial interest (e.g. holding shares or options in a potential supplier or any entity involved in any tendering consortium)
- Having a financial or any other personal interest in the outcome of the evaluation process
- Being employed by (as staff member, official officer or volunteer) or providing services to any potential tenderer
- Being a member of a potential tenderer's management/executive board
- Receiving any kind of monetary payment or non-monetary gift or incentive (including hospitality) from any tenderer or its representatives
- Canvassing, or negotiating with, any person with a view to entering into any of the arrangements outlined above
- Having a close member of your family (which includes unmarried partners) or personal friends who falls into any categories outlined above
- Having any other close relationship (current or historical) with any other potential supplier or member of staff

9.4 What Action to Take

- All employees who engage with external suppliers as part of their work or responsibilities are required to complete the Conflicts of Interest declaration form at Annex B annually or for specific procurement exercises.
- It is important to declare any potential Conflicts of Interest at the earliest opportunity, but especially prior to any interaction with external parties, in order to protect both the employee and the organisation and to provide a clear audit trail should any issue arise.
- If you are unsure whether you have a Conflict of Interest, or you have reason to believe a Conflict of Interest has not been declared by someone else, please contact the Partnership Director.

9.5 Where Conflicts Are Not Declared

- Deliberate concealment of a Conflict of Interest will be construed as unethical, will be treated very seriously and may constitute a matter of gross misconduct

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under the Disciplinary Policy. Such a breach of this policy may also be dealt with as a criminal offence and lead to legal action.

9.6 When and Where a Conflict Arises

- If a Conflict of Interest is present, employees are required to update the Conflicts of Interest declaration form explaining the nature of the conflict to protect themselves and the organisation. This will then be assessed by the Partnership Director.
- The decision as to whether the identified conflict is material, and whether any mitigating arrangements are required, is to be made by the Partnership Director.

9.10 Gifts & Hospitality

- Gifts, offers of hospitality or favours from or to a third party, a contractor, client or partner organisation of SEStran are capable of being perceived as constituting a bribe.
- Therefore, you should never accept or offer a gift, hospitality, favour or any other form of inducement which may influence or be perceived as influencing actions or decisions related to your job.
- In certain limited circumstances, and in connection with your official duties, it may be appropriate for you to offer or receive gifts of low value or small tokens of gratitude, such as merchandise / branded items which have been designed for the purpose of being given away e.g. pens, post-its etc. Similarly, small gifts such as sweets etc given to a team at Christmas will be acceptable.
- Gifts of alcohol or offers of hospitality, however small, should not be automatically accepted by SEStran employees. Similarly, such gifts or offers should not be made by SEStran employees.
- Advice should be sought from your manager on the appropriateness of offering or accepting **any** such hospitality or gifts. Other than in circumstances similar to those set out in paragraph 9.3 you should not accept a gift unless you are satisfied, following discussion with your manager, that to do so would not lead to your actions as a SEStran employee being called into question.
- Other than the small gifts indicated in paragraph 9.3 all gifts and hospitality received should be recorded in the register of gifts and hospitality, in accordance with arrangements.

9.11 Review

- The procedure and associated policy will be reviewed annually by SEStran, to reflect organisational changes, best practice, operational experience and legislative updates, to maintain its effectiveness.

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Appendix A

Agreement Form

I have read and understand SEStran's Anti-Bribery Policy and agree to comply with these guidelines. I understand that any deliberate breach of these will be viewed seriously and may result in action being taken under SEStran's disciplinary procedures.

Please complete the details on this form and return to the **Business Manager, SEStran**

Name: _____

Job Title: _____

Signature: _____

Manager's Signature: _____

Date: _____

Annex B– Conflict of Interest Declaration Form

You must complete this on annual basis and every time you partake in a procurement.

Name:	Job Title:
Tel:	Annual or Specific Procurement
Conflict of Interest	
<p>A Conflict of interest refers to situations *in which a person has a duty to more than one person or organisation, but cannot do justice to the interests of both parties. This includes when a public official's personal interest are contrary to their loyalty to public business.*</p> <p>Examples of conflicts of interest include:</p> <ul style="list-style-type: none"> • Having a financial interest (e.g. holding shares or options in a potential supplier or any entity involved in any tendering consortium • Having a financial or any other personal interest in the outcome of the evaluation of any tender evaluation process • Being employed by (as staff member or volunteer) or providing services to any potential tenderer. • Being a member of a potential tenderer's management/executive board • Receiving any kind of monetary payment or non-monetary gift or incentive (including hospitality) from any tenderer or its representatives • Canvassing, or negotiating with, any person with a view to entering into any of the arrangements outlined above • Having a close members of your family (which includes unmarried partners) or personal friends who falls into any of the categories outlined above • Having any other close relationship (current or historical) with any potential supplier or member of staff <p>It is the employees responsibility to ensure that any and all potential or perceived conflicts of interest are disclosed to the Partnership Director, in writing, on an annual basis AND prior to them becoming involved in any procurement process. Individuals will be excluded from the procurement process where the identified conflict is material and cannot be mitigated. The decision as to whether the identified conflict is material, and whether any mitigating arrangements are required, is to be made by the Partnership Director.</p>	

You must complete at least two of the following sections INCLUDING Section 3:

1. No Conflict of Interest Exists

I **do not have** any Conflicts of Interest that prevent my full and unprejudiced participation in my duties, including any reason why I should not participate in any procurement exercises.

Signature and Date:

2a. A Conflict of Interest Exists (about me)

I do have a conflict of interest that may prevent my full and unprejudiced participation in a procurement exercise or my duties. The nature of this conflict of interest is described below.

2b. A Conflict of Interest exist (not directly related to me)

I **want to declare** where I believe a conflict to exist that is not directly linked to me. The nature of this Conflict of Interest is described below:

3. I also declare that I will inform the Partnership Director and my Line Manager should my/any circumstances change in a way that affects this declaration.

Signature and Date:

SEStran Business Plan 2021-22 to 2023-24

1. INTRODUCTION

- 1.1 The purpose of this report is to update the Committee on the Business Plan activity for the year April 2023 to March 2024

2. BACKGROUND AND CONTEXT

- 2.1 In March 2021 the Partnership introduced a three-year business planning approach.
- 2.2 As part of the three-year plan activity is tracked each year via the activity tracker which details key projects, the focus areas and critical success factors.
- 2.3 As part of the three-year plan the budget is updated and is included in the activity tracker.

3. ACTIVITY FOR YEAR 2023/24

- 3.1 The draft activity plan for the current year to date and up to end March 2024 is outlined in Appendix 1.
- 3.2 The draft budget for the three-year plan period has been updated.

4. RECOMMENDATIONS

- 4.1 It is accordingly recommended that the Board:
- (a) Note this report.
 - (b) Note the contents in Appendix 1 Draft Activity Plan update.
 - (c) Comment on Draft Activity Plan.

Keith Fiskien
Programmes Manager
3rd March 2023


Appendix 1: Activity Update 23/24 Business Plan 2021-2024





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



Business Plan Activity Update

April 2023 to March 2024

GO e-Bike				
Impact	Strategic objective	Key focus areas	2023/ 24 Actions	Critical Success Factor
GO e-Bike will add to the region's active travel facilities, delivering more sustainable and healthier transport solutions for people.		Support GO e-Bike Community Hubs	Increase user numbers and monitor impact from hubs. Roll out GPS tracking to fleets to monitor usage and routes.	Cooperation from hub partners
		GO e-Bike Public Hire/ Bewegen system	<p>Work alongside other systems in Scotland to facilitate a sustainable solution to maintenance and marketing.</p> <p>Adapt to any changes as a result of market pressures on the supplier for goods or services, planning for sustainable future of scheme.</p> <p>Our main supplier has filed for bankruptcy protection to allow it to restructure so that it is better equipped to manage current economic pressures. We do not anticipate any major impacts on existing plans and are engaging with our solicitors, the supplier, other impacted RTPs, local authorities, customers and Transport Scotland to ensure a seamless transition to new arrangements.</p>	<p>Cooperation with HiTrans, ForthBike, availability of funding and resource.</p> <p>Cooperation with Midlothian, East Lothian</p>
		Development of all forms of e-bikes use across the region	Secure additional funding opportunities for further e-bike hubs	Availability of funding

Thistle Assistance Programme				
Impact	Strategic objective	Key focus areas	2023/ 24 Actions	Critical Success Factor
<p>The Thistle Assistance Programme provides helps to those that have difficulty in using and accessing public transport.</p> <p>Provides a national approach.</p> <p>Increases awareness of challenges faced by vulnerable transport users.</p> <p>Reduces costs for transport operators.</p>	 	<p>Launch app-based door-to-door journey planner with the aim of making public transport more accessible to all.</p> <p>Engage with transport operators and public.</p> <p>Use new branding, website and social media</p>	<p>Launch the VoyagAR App with developer Sentireal & project team.</p> <p>Promote transport operator guide for Thistle Assistance.</p> <p>Link development of journey planner to GO SEStran MaaS app (see below)</p> <p>Continue to use marketing tool kit to promote.</p> <p>Survey users and feedback into programme.</p>	<p>Key stakeholders engaged and participating.</p> <p>Co-operation of transport operators. Increased awareness and use amongst transport operators and public.</p>
Real Time Passenger Information (RTPI)				
Impact	Strategic objective	Key focus areas	2023/ 24 Actions	Critical Success Factor
<p>RTPI makes public transport more accessible and reliable.</p> <p>The provision of real-time information</p>	 	<p>SEStran will be working with City of Edinburgh Council to develop a new content management system that will improve the</p>	<p>Complete the updating of the SEStran legacy system.</p> <p>Continue to utilise framework for purchase of new screens for the region.</p>	<p>Wider distribution and uptake/use of RTPI across the region.</p> <p>Improve data accuracy for system.</p>



contributes to tackling declining bus patronage in the SEStran region. Increases confidence in public transport.		public facing regional screen network. SEStran works with local authorities using the NOVUS FX system to manage local services and routes.	Work with operators and local authorities on data input and management. Link RTPI to other projects where appropriate. Promote new system with key stakeholders. Increase use and application of NOVUS FX capabilities with Las.	Training on NOVUS FX with Trapeze (owner). Promote use of system capabilities and API feed with 3 rd parties.
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Active Travel Programmes

Impact	Strategic objective	Key focus areas	2023/ 24 Actions	Critical Success Factor
The active travel programmes contribute to the development and delivery of a regional active travel network , with a particular focus on connecting people and places.		Coordinate future delivery priorities across the network.	Liaise with Local Partners to identify future projects and plan for development.	Successful partnerships with Local Authorities
		Maximise 100% Design funding.	Proposals made to Transport Scotland to progress routes through feasibility and developed design.	Collaboration with consultants, close working with LA partners on specific routes.
		Support sustainable cross boundary projects	Deliver project within budget	Collaboration with consultants
		Increase Active Travel reach	Explore funding opportunities to further promote active travel through innovative projects.	Availability of funding


Cycle Training and Development

Impact	Strategic objective	Key focus areas	2023/ 24 Actions	Critical Success Factor
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<p>The cycle training and development programme supports the Local Authority Bikeability Co-ordinators to increase the numbers of schools delivering Bikeability Scotland training and expands all ages cycle training opportunities including cargo bike training across the region.</p> <p>To help create and deliver opportunities to enable people in the region to cycle easily and safely.</p>		<p>Support the coordination of Bikeability Scotland Level 2 delivery.</p> <p>Develop and support pilots for new Bikeability Scotland delivery models.</p>	<p>Ensure cooperation and engagement from Bikeability Scotland Co-ordinators.</p> <p>Increase capacity of co-ordinators including through staff and volunteer training.</p>	<p>Cooperation and engagement with Bikeability Scotland Co-ordinators in each Local Authority.</p>
		<p>Identify opportunities for delivering adult cycle training in conjunction with SEStran projects and partners.</p> <p>Develop and support opportunities for cycle training at any age across the region, including for cargo bike use and skills</p>	<p>Ensure delivery of training sessions through SEStran projects and partners.</p>	<p>Identification of opportunities to provide training courses and to effectively engage with a range of audiences.</p> <p>Increasing capacity for the delivery of cycle training.</p>
SURFLOGH				
Impact	Strategic objective	Key focus areas	2023/ 24 Actions	Critical Success Factor
<p>SURFLOGH promotes sustainable solutions for urban freight logistics.</p> <p>The pilot with Zedify informs the</p>		<p>Increase awareness of sustainable logistics strategies and approaches.</p> <p>Develop sustainable logistics strategies</p>	<p>Project end conference and final report due end March 2023.</p> <p>Integrate work with regional freight study and RTS implementation plan.</p>	<p>Disseminate reports and learnings to targeted stakeholders.</p> <p>Stakeholder engagement.</p>

development of a business case for e-cargo bike deliveries in Edinburgh. Pathway to commercially successful business models.				Adoption of SURFLOGH approach.
		Deliver final report	Contribute with partners to final report and submit last claim to close project.	Approved by Interreg North Sea JS

BLockchain IN GOvernment


Impact	Strategic objective	Key focus areas	2023/ 24 Actions	Critical Success Factor
The BLING project will deliver a trial that explores opportunities for the integration of Blockchain in transport. Test bed for new technology.	 	Share and disseminate information about Blockchain technology in Transport.	Post project end explore further use cases for Blockchain technology. Finalise project and close.	Final report and claim complete.

PRIMAAS

Impact	Strategic Objective	Key focus areas	2023/ 24 Actions	Critical Success Factor
The PriMaaS project will deliver greater understanding of best practice in	   	Work with project partners to share and disseminate information about MaaS and DRT tech solutions and	Extend the current trial of a working MaaS app for the region, linking to as many alternative transport modes to create a complete 'plan/book/pay' option	Cooperation from project partners, including

procurement, governance and implementation of mobility as a service and related digital solutions to transport issues in the region		how to apply them in the current context, learning from practice in other European countries and elsewhere.	for implementation. Trial DRT as part of the MaaS pilot. Create a 'playbook' on optimal choices for procurement and governance of MaaS, DRT and related tech solutions for local authority and RTP partners. Conclude the PriMaaS implementation plan. Subject to funding extend MaaS and DRT pilots into 23/4 and beyond.	completion of relevant legal agreements. Successful funding bids to Smarter Choices Smarter Places, contributing councils and other bodies, and/or Transport Scotland. Successful procurement of partners for Year 2 onward of MaaS/DRT project.
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Forum & Liaison Groups

Impact	Strategic objective	Key focus areas	2023/ 24 Actions	Critical Success Factor
SEStran Forums facilitate discussion and provide a platform for interested parties to formulate a regional voice in transport-related matters		Bring together interested parties and representative groups, across the following areas: Equalities and Access to Healthcare, Integrated Mobility (passenger), Freight and Logistics	Organise topical meetings for each forum events twice annually. Review membership of groups each year to ensure appropriate stakeholders and groups are able to influence and help address transport related issues in the region	Involvement of key stakeholders

Regional Partnership working

Impact	Strategic objective	Key focus areas	2023/ 24 Actions	Critical Success Factor
Through active and engaged partnership working, SEStran is		Continue to be involved in pressing transport issues and present a regional	Continue to be involved in transport related policy developments and respond to relevant consultations	Resource availability


able to ensure strategic and regional transport issues are a primary consideration within the development of a wide range of complementary plans and strategies and the development of strategic projects.		voice in transport related matters in the South East of Scotland	Organise stakeholder meetings to address various transport related issues	Cooperation from stakeholders
		<p>Continue to lead by example, delivering sustainability and climate change objectives as an organisation and sharing and contributing knowledge and expertise across regional partners.</p> <p>Maintain and support effective links to Transport Scotland and across all RTP partnerships in Scotland</p>	Provide the Sustainable and Active Travel Fund to help organisations adopt sustainable transport solutions	Involvement of organisations

Bus Partnership Development

Impact	Strategic objective	Key focus areas	2023/ 24 Actions	Critical Success Factor
The Bus Partnership Fund (BPF) is a £500m 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		<p>BPF is intended to complement the powers in the Transport (Scotland) Act 2019, which enables local authorities to leverage bus service improvements by working in partnership with bus operators towards a Bus Service Improvement Partnership (BSIP).</p> <p>In this context, this work will help develop evidence of</p>	<p>Finalise appraisal work for both partnerships and submit to Transport Scotland for gateway review.</p> <p>Subject to a positive review – develop options to detailed business case stage and design.</p> <p>Work with key stakeholders to progress Bus Service Improvement Partnership (BSIPs).</p>	<p>Final reports complete by end May 2023</p> <p>June 2023 submitted To Transport Scotland for gateway review.</p> <p>Approval from Transport Scotland to move to next stage with funding.</p>

Service Improvement Partnership (BSIP) status.		<p>how bus services could be improved by addressing congestion and developing bus priority measures that may be part of a BSIP Partnership Scheme.</p> <p>STAG appraisals for Midlothian & Forth Valley bus alliances</p>		
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Regional Transport Strategy (RTS)

Impact	Strategic objective	Key focus areas	2023/ 24 Actions	Critical Success Factor
<p>It is SEStran’s statutory duty to create and maintain a Regional Transport Strategy. The strategy must be kept up to date to reflect the pace of the changes affecting the transport of people and goods. The RTS provides a regional framework for future developments and interventions.</p>		<p>Following Approval of SEStran 2035 by Scottish Ministers, the promotion of the RTS with all stakeholders and engagement on how best to deliver the policies and actions will be the next key steps.</p> <p>Developing a list of activities and actions to deliver the priorities of the RTS.</p> <p>Create a costed delivery plan for 2023/24 based on the RTS and the</p>	Publish SEStran 2035.	Online publication of RTS
			Ongoing development of the Programmed Investment Plan. This will include 2023/24 budget updates.	Completion and making available the PIP to stakeholders.
			Development of a RTS Communications Plan linked to wider promotional and profile raising of SEStran and the RTS.	<p>Wide engagement and distribution of SEStran 2035.</p> <p>Approval and implementation of a communications plan</p>

		information from the Programmed Investment Plan.		
			Ongoing review of SEStran 2035 actions and policies and existing project commitments including a review of resources needed for delivery	Approval and implementation of a delivery plan for 2023/24

DRAFT

Glossary

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

Term or abbreviation

Full title and meaning

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

- RTS** Regional Transport Strategy. SEStran's current [RTS](#) is on our website
- RTP** [Regional Transport Partnerships](#) - there are seven established across Scotland
- SEStran** [SEStran](#) is the South East of Scotland Transport Partnership
- SHARE-North** [SHARE-North](#) is a project in which SEStran is a partner – the name reflects the ambition to achieve more use of shared mobility solutions
- STAR** [Scottish Transport Applications and Research Conference](#)
- STPR2** [Second Strategic Transport Projects Review for Scotland](#), led by Transport Scotland
- SURFLOGH** [SURFLOGH](#) is a project in which SEStran is a partner. The project aims to stimulate sustainable and efficient 'last mile' deliveries in urban areas. The name comes from 'Sustainable Urban Freight Logistics Hubs'