PERFORMANCE & AUDIT COMMITTEE

Mandela Room, City Chambers, Edinburgh, EH1 1YJ
Or Microsoft Teams
Friday 2nd June 2023 – 1:00pm

AGENDA

9. **DATE OF NEXT MEETING**
The next meeting is scheduled for 13:00pm on **Friday 8th September 2023** and will be in a hybrid format, either in person in the Mandela Room, City Chambers, Edinburgh or online via Microsoft Teams.

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

26th May 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

ITEM 4

PERFORMANCE & AUDIT COMMITTEE

Diamond Jubilee Room, City Chambers, Edinburgh, EH1 1YJ
and via Microsoft Teams
On Friday 3 March 2023
1.00pm

PRESENT:

Name	Organisation Title
Councillor Imrie (Chair)	Midlothian Council
Councillor Glen (from Item A6)	Fife Council
Councillor Linehan	Scottish Borders Council
Councillor Pattle	West Lothian Council
Councillor Arthur (Items A1 to A5)	City of Edinburgh Council
Simon Hindshaw	Non-Councillor Member
Doreen Steele	Non-Councillor Member
John Scott	Non-Councillor Member

IN ATTENDANCE:

Name	Organisation Title
Brian Butler	SEStran
Angela Chambers	SEStran
Andrew Ferguson	SEStran
Keith Fisken	SEStran
Peter Jackson	SEStran
Gavin King	City of Edinburgh Council
Matthew MacArthur	City of Edinburgh Council
Martin Scott	City of Edinburgh Council
Iain Shaw	City of Edinburgh Council
Dheeraj Shekhar	City of Edinburgh Council
Christopher Gardner	Audit Scotland
Lucy Telling	Audit Scotland

Action by

A1. ORDER OF BUSINESS

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

A2. APOLOGIES

Councillor McMillan and Callum Hay

A3. DECLARATION OF INTERESTS

None.

A4. MINUTES

To approve the minute of the Performance and Audit Committee of 23 November 2022 as a correct record.

A5 AUDIT PLANS 2021/22

(a) External Audit Plan 2022-23

A summary of the work plan for the 2022/23 external audit of the South-East of Scotland Transport Partnership ("the Partnership") was provided.

Audit Scotland had been appointed as the Partnership's External Auditor for the period from 2022/23 until 2026/27

Decision

1) To note the External Audit Plan for 2022/23.

2) To refer the External Audit Plan to the Partnership Board meeting of 17th March 2023.

(Reference – report by the External Auditor, submitted)

(b) Internal Audit 2022/23

The City of Edinburgh Council Internal Audit (IA) team performed one annual review to provide assurance over the controls established to mitigate certain key SEStran partnership risks.

An update was provided on the outcomes of the 2022/23 SEStran IA review. The Performance and Audit Committee's insights were sought on areas for potential inclusion in the scope of the planned 2023/24 audit. It was noted that there was still time to provide suggested key areas of risk for the audit next year.

During the discussion the Chair suggested Doreen Steele contact the Partnership Director to discuss ways to improve the Thistle card and if any actions could be incorporated in to the Thistle Card programme.

Decision

1) To note the progress with completion of an audit action raised in 21/22 audit year.

2) To note outcomes of the 2023/23 IA review of the Thistle Assistance Programme, and the associated

costs.

(Reference – report by the Head of Internal Audit, submitted)

A6. FINANCE REPORTS

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

The revenue budget for 2023/24 and an indicative financial plan for 2024/25 to 2025/26 were presented for review by the Performance and Audit Committee.

The proposed revenue budget for 2023/24 would be presented to the Partnership Board for approval at its meeting on 17 March 2023.

Decision

1) To note the financial planning assumptions for the Partnership's proposed revenue budget for 2023/24.

2) To note that financial planning for 2024/25 to 2025/26 would continue to be developed throughout 2023 for consideration by the Partnership in December 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)

(b) Annual Treasury Management Strategy

A Treasury Management Strategy for 2022/23 was proposed.

Decision

1) To review the Annual Treasury Management Strategy.

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

(Reference – report by the Treasurer, submitted)

A7. ANTI-BRIBERY POLICY

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.

Management had agreed to make changes to the Anti Bribery Policy to reflect the recommendations made in the report.

The Anti Bribery Policy was presented for review.

Decision

1) To approve the amendments made to the Anti Bribery Policy for implementation.

2) To note that a report on the annual HR policy review will be presented to Committee at a future meeting.

(References – SEStran Performance and Audit Committee 4 March 2022 (item A5b); report by the Business Manager, submitted)

A8. BUSINESS PLAN ACTIVITY UPDATE 2023 - 2024

An update was provided to the Committee on the Business Plan activity for the year April 2023 to March 2024.

During the discussion it was noted that there was some overlap between the Business Plan Activity Update and the Project report. It was noted that the Business Plan Activity update was not the tracker and that a different document provided this function but there may be a need to review the overall package in terms of how the reports were presented to Committee.

Decision

1) To note the report by the Programmes Manager.

2) To note the contents in Appendix 1 of the report Draft Activity Plan update.

(Reference – report by the Programmes Manager, submitted)

A9. DATE OF NEXT MEETING

Friday 2nd June 2023.

Unaudited Annual Accounts 2022/23 and Treasury Management report 2022/23

1.	**Introduction**
1.1	This report presents the unaudited Annual Accounts for the year ended 31st March 2023.
1.2	The report also provides the annual Treasury Management report for 2022/23.
2.	**Unaudited Annual Accounts 2022/23**
2.1	The unaudited Annual Accounts are submitted to the Partnership in accordance with the Local Authority Accounts (Scotland) Regulations 2014. The accounts are subject to audit and the audited Annual Accounts, incorporating the Auditor's report, will be presented to the Performance and Audit Committee and Partnership Board in due course.
2.2	The unaudited Annual Accounts are appended at Appendix 1.
2.3	The Treasurer's opinion on the effectiveness of the Partnership's system of internal financial control is provided within the Annual Governance Statement on pages 7 to 9. The Treasurer's opinion is informed by the work of Internal Audit and managers in the Partnership.
2.4	The Management Commentary is on pages 2 to 5 of the Annual Accounts. This highlights key aspect of financial performance during the year. The unaudited underspend is £177,000. This comprises an underspend of £18,000 on the Core revenue budget and slippage of £159,000 on the Projects budget. Under the Partnership's Reserves Policy, it is planned to carry these balances forward to 2023/24.
3.	**Treasury Management report 2022/23**
3.1	The Partnership has adopted the CIPFA Code of Practice on Treasury Management in the Public Sector. Under the code, an annual report on Treasury Management must be submitted to the Partnership at the end of each financial year.
3.2	The Partnership 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 and is offset by expenditure undertaken by the City of Edinburgh Council on behalf of the Partnership. Interest is given on month end net indebtedness between the Council and the Partnership.

3.3	For 2022/23, interest was calculated in accordance with the (withdrawn) Local Authority (Scotland) Accounts Advisory Committee's Guidance Note 2 on Interest on Revenue Balances.
3.4	Net end of month balances for 2022/23 are shown below.

	Balance due to SEStran(+ve) /due by SEStran (-ve)
Opening Balance	£-506,806.13
30 April 2022	£-444,962.30
31 May 2022	£-140,550.79
30 June 2022	£26,500.80
31 July 2022	£68,265.06
31 August 2022	£73,928.12
30 September 2022	£-36,823.54
31 October 2022	£50,153.99
30 November 2022	£31,302.60
31 December 2022	£-50,117.07
31 January 2023	£-93,094.34
28 February 2023	£-214,248.30
31 March 2023	£-298,892.41

3.5	Interest is calculated on the average monthly balance. The interest rate applied was 2.212%, giving an interest charge of £2,279.06.
4	**Recommendations**
	It is recommended that the Performance and Audit Committee notes:
4.1	the unaudited Annual Accounts for 2022/23 and refer the Unaudited Accounts to the Partnership Board for review;
4.2	the annual Treasury Management report for 2022/23;
4.3	the audited Annual Accounts, incorporating the Auditor's report, will be presented to the Performance and Audit Committee and Partnership Board in due course.

Hugh Dunn
Treasurer
30th May 2023

Appendix	Unaudited Annual Accounts 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.

The South East of Scotland Transport Partnership (SESTRAN)

Unaudited Annual Accounts

2022/2023

C O N T E N T S

The South East of Scotland Transport Partnership (SESTRAN)

Management Commentary

1. Basis of Accounts

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

2. Statutory Background

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

In accordance with Section 122 of the Transport (Scotland) Act 2019, which allows Regional Transport Partnerships to carry forward reserves, the Partnership established a General Fund reserve. This provision in the Transport (Scotland) Act 2019 came into effect on 19 March 2020.

3. Corporate Strategy

The following is an introductory extract from the Transport (Scotland) Act 2005, which established the Partnership; one of seven Scottish Regional Transport Partnerships (RTPs):
"An Act of the Scottish Parliament to provide for the setting up and functions of the new transport bodies and to enable the Scottish Ministers to discharge certain transport functions; to provide further for the control and co-ordination of road works and for the enforcement of the duties placed on those who carry them out; to set up national concessionary fares schemes; and to make other, miscellaneous modifications of the law relating to transport."

The Partnership aims to develop a sustainable transportation system for South East Scotland that will enable business to function effectively, and provide everyone living in the region with improved access to healthcare, education, public services and employment opportunities. These aims are embodied in the Regional Transport Strategy: SEStran 2035.

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

SEStran's Vision Statement is as follows:
"A regional transport system that provides all citizens of South East Scotland with a genuine choice of transport which fulfils their needs and provides travel opportunities for work and leisure on a sustainable basis."

4. Risks and Uncertainties

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

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

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

The third group of risks are around inadequate governance, failure to follow process, etc. These can take the form of financial loss or penalty, and are mitigated by regular reviews, internal and external audits.

5. Results for the Year

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

Management Commentary *(continued)*

5. Results for the Year *(continued)*

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

The net revenue budget of the Partnership in 2022/23 was £0.972m, funded by Government Grant and Council Contributions. A comparison of the outturn position with the revenue budget and earmarked reserves brought forward (£131,000) is presented in the table below. Key aspects of financial performance in 2022/23 are:

- Overall the Partnership had an underspend of £18,000 on the core revenue budget and £159,000 on the projects budget. This is shown in the table below.

- The Partnership incurred core service expenditure of £0.601m which was £18,000 below the Core Service revenue budget. The favourable variance arose from increased staff recharges to EU projects.

- The Partnership incurred expenditure of £1.474m on revenue projects and received external grants and contributions of £1.149m, resulting in net expenditure of £0.325m. Net expenditure was £159,000 under budget, after inclusion of the earmarked reserve brought forward. The main favourable variances on the Projects revenue budget arose on the Sustainable Travel budget (£41,000), Regional Transport Strategy expenditure (£74,000), EU projects (£15,000) and the Real-Time Passenger Information (RTPI) project, where net expenditure was £23,000 below budget..

	Revised Budget £'000	Earmarked Reserves from 21/22 £'000	Outturn £'000	Variance £'000
Core Service	619	0	601	(18)
Revenue Projects - Expenditure	974	131	1,474 }	(159)
Revenue Projects - Income	(621)	0	(1,149) }	
Total Expenditure 2022/23	**972**	**131**	**926**	**(177)**
Government Grant	(782)	0	(782)	0
Constituent Council Requisitions	(190)	0	(190)	0
Total Government Grant and Council Contributions 2022/23	**(972)**	**0**	**(972)**	**0**

In accordance with the provisions of the Transport Scotland (2019) Act, the Partnership has agreed a Reserves Policy and established an unallocated reserve of £31,000. Slippage on project delivery from 2022/23 to 2023/24 will be managed by establishment of an earmarked balance, in accordance with the Partnership's Reserves Policy.

Non Financial Results

During 2022/23, membership of the Partnership Board underwent significant change following local authority elections and the recruitment of a number of new non-Councillor Board members. A significant amount of training was delivered to the new Board members.

The Partnership Director retired in December 2022 and was replaced by a new Director in January 2023.

The Board approved an Equalities Outcomes 2021-2025 and Mainstreaming Report in March 2023.

The Regional Transport Strategy (RTS) was approved by the Minister for Transport in March 2023. The RTS sets the strategic framework for transport plans and decisions within the SEStran region up to 2035. The RTS was developed through consultancy support, with partner and stakeholder input sought at key stages, analysis of evidence of transport problems and opportunities and detailed option appraisal. Relevant Statutory Assessments for the new RTS were concluded in 2021/22 and all consultations were completed in 2022/23.

The South East of Scotland Transport Partnership (SESTRAN)

Management Commentary *(continued)*

5. Results for the Year *(continued)*

Non Financial Results *(continued)*

The Partnership was successful in attracting funding for delivery of region-specific strategies, projects and services of benefit to transport users and partners across the region and remained actively involved in a wide range of regional and national strategic activities, and progressed initiatives in response to Covid-19.

- Further funding from Transport Scotland supported continued development of the Strategic Network. Building on previous years, routes in West Lothian, Falkirk and Scottish Borders underwent topographical and utility surveying. Additional work reviewed a sample of the multi-criteria assessment of routes for future prioritisation;
- The Partnership with Sustrans Scotland supported the Bio Quarter Active Travel corridor project with final junction and lighting design aspects ready for a bid to construct;
- The GO e-Bike programme extended support to several community organisations through the procurement of e-bikes, cargo-bikes, adapted bikes and storage solutions to further promote the varied uses of e-bikes throughout the region. This support will allow more access to bikes and reduce the need for combustion vehicles for the delivery of goods and services;
- The Partnership progressed development work of the Thistle Assistance Journey Planner project. The bulk of the work and design was completed, with public testing due to start in early 2023/24;
- Work on the SEStran Freight Study continued with initial options completed and presented for review by Transport Scotland in September 2022;
- The Partnership, working with the Newburgh Train Station Group and Fife Council, completed the final stage of the transport appraisal and submitted this for review to Transport Scotland. Comments were received in February 2023 from Transport Scotland which the project team will work through in the upcoming year;
- The upgrade of the Real Time Passenger Information (RTPI) system succeeded in becoming fully operational in November 2021. The Partnership continued to work with Local Authorities and Bus Operators to improve the quality of real time data and also expand the screen network with the purchase of new screen infrastructure via the regional procurement framework;
- Through the PriMaaS project and the development of a Regional Mobility as a Service (MaaS) Action Plan and with support from funding from the MaaS Investment Fund, the Partnership developed 'GOSEStran' - a MaaS platform and a Demand Responsive Transport (DRT) focussed pilot. After a successful trial in East Lothian and a further bid for funding from Paths for All, the project will be expanded in 2023/24;
- Through the BLING project, the Partnership began exploring the potential to test the project's Blockchain Readiness Awareness Tool with commercial operators DHL and ZEDIFY logistics. A project extension of funding and time to June 2023, was agreed with the project's lead partner;
- Through the Surflogh project, the partnership completed a study to determine the feasibility of a logistics hub/consolidation centre at Perth. The study developed a logistics framework for Perth West to explore and demonstrate how efficient cargo distributions in urban areas can be achieved, utilising key learnings from the SURLOGH programme;

- The Partnership has been working on improvements to bus infrastructure in the region via the Bus Partnership Fund (BPF). This is a £500m Transport Scotland capital fund for the delivery of infrastructure to tackle the impacts of congestion on bus priority and reliability. SEStran has supported five bus alliance groupings to become established and supported the development of bids in the region, namely Forth Valley, Fife, Midlothian, West Lothian and Edinburgh. SEStran has been working with partners and providing project management services to Midlothian and Forth Valley Bus Alliance appraisal work to assess options for further investment along key bus routes in the region;

- The Partnership has continued to pursue activities towards its five equalities outcomes, which will guide the Partnership up to 2025.

Management Commentary *(continued)*

6. Future Developments

In 2023/24, the Partnership will focus on working with partners to implement the new RTS. The key stages will be:

- Developing and publishing a Strategic Environmental Assessment, which considers environmental effects as part of the preparation and implementation of plans and strategies. It also enables the monitoring of significant effects, and the review of plans and strategies;
- Sending the RTS to all stakeholders and publicise it as widely as possible;
- Progressing existing and initiating new projects on:

  Public transport including:
  - A number of initiatives to increase patronage of bus services and identify and work with partners to improve services to transport-poor areas
  - Further rollout and replacement of real time passenger information screens for buses
  - Thistle Assistance Programme and VoyagAR, which improve accessibility of bus services
  - Mobility as a Service including further development of the GoSEStran app and work with partners to expand the scheme throughout Scotland
  - Demand Responsive Transport

  Active travel including:
  - E-bikes
  - Regional Active Travel Development Fund
  - Cycle Training and Development

  Freight and logistics projects including the Forth Freight Study.

- Finalising the RTS delivery plan (Programmed Investment Plan) and graphical maps to view the current situation and future plans across the region to identify priority areas for action.
- Working with stakeholders to agree how SEStran can best support this work. This will include:

  Examining the services provided by SEStran to support financially challenged partners. This may include the potential creation of a pooled resource or shared services and, in conjunction with other RTPs, a centre of excellence;

  Examining whether SEStran currently has the powers required to provide the optimal level of assistance, and whether existing legislation offers the opportunity to take a more proactive role;

  Working with partners across Scotland to re-energise the review of regional transport governance;

  Monitoring and reporting on delivery of the RTS, including the 20% reduction in car kilometres.

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

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

The South East of Scotland Transport Partnership (SESTRAN)

STATEMENT OF RESPONSIBILITIES FOR THE ANNUAL ACCOUNTS

The Partnership's Responsibilities

The Partnership is required:

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

The Treasurer's Responsibilities

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

In preparing the Annual Accounts, the Treasurer has:

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

The Treasurer has also:

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

I certify that the Annual Accounts give a true and fair view of the financial position of the Partnership at the reporting date and the transactions of the Partnership for the year ended 31st March 2023.

Treasurer: HUGH DUNN, CPFA ____________________ Date signed:

The South East of Scotland Transport Partnership (SESTRAN)

ANNUAL GOVERNANCE STATEMENT 2022/23

1. Scope of Responsibility

The South East of Scotland Transport Partnership aims to lead the development of a transportation system for South East Scotland, enabling business to function effectively and provide everyone living in the region with improved access to healthcare, education, public services and employment opportunities.

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

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

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

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

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

2. The Partnership's Governance Framework

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

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

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

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

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

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

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

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

The Partnership aims to lead the development of a transportation system for South East Scotland, enabling business to function effectively and provide everyone living in the region with improved access to healthcare, education, public services and employment opportunities. The vision for achieving this is outlined in the Regional Transport Strategy.

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

4. Review of Effectiveness

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

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

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

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

- **The Partnership Board,** which provides strategic leadership, determines policy aims and objectives and takes executive decisions not delegated to officers. It provides political accountability for the Partnership's performance;
- **The Performance and Audit Committee,** which demonstrates the Partnership's commitment to the principles of good governance, undertaking the core functions of an audit committee as identified in Audit Committees: Practice Guidance for Local Authorities and Policy (CIPFA);
- **The Internal Audit Service** of the City of Edinburgh Council provides an independent and objective assurance service to the Partnership, by completing one review in each financial year that is focused on the adequacy and effectiveness of controls established to manage a key risk of the Partnership. The Partnership seeks to ensure that Internal Audit arrangements conform with the governance requirements of the CIPFA Statement on the Role of the Head of Internal Audit.
- **The External Auditor's Annual Audit Report** is considered by the Partnership Board and the Performance and Audit Committee, along with the output from other external audits and inspections;
- **The risk management system** requires that risks are regularly reviewed by the Performance and Audit Committee and Board. This ensures that actions are taken to effectively manage the Partnership's highest risks;

4. Review of Effectiveness *(continued)*

- **The Partnership Secretary** is responsible to the Partnership for ensuring that agreed procedures are followed. The Partnership has a contractual arrangement with an external Legal Services provider to ensure all applicable statutes and regulations are complied with.
- The Partnership operates Anti-Bribery, Anti-Fraud and Corruption policies in accordance with the CIPFA Code of Practice on Managing the Risk of Fraud and Corruption.
- **CIPFA Financial Management Code**
  A requirement of the Annual Governance Statement is to disclose compliance with the CIPFA Financial Management (FM) Code and identify any outstanding areas for improvement or change. The Code is designed to support good practice and assist local government organisations in demonstrating their financial sustainability and resilience, by setting out expected standards of financial management.
  The Partnership has undertaken an evaluation of compliance with the Financial Management Code
  The Partnership's financial management arrangements are assessed as being compliant with the FM Code.

5. Internal Audit Opinion

During the year, the City of Edinburgh Council Internal Audit Service undertook one review to assess the adequacy of design and operating effectiveness of the key controls supporting the effective implementation of the 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'. 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.

6. Coronavirus Pandemic

During the Covid 19 pandemic, meetings of the Partnership were held online. The Partnership continues to make use of online engagement for meetings, business and events, in addition to face to face meetings.

7. Partnership Board Membership

Seventeen new councillors were appointed to the Partnership by the Partnership's constituent councils, following the Local Government Election of May 2022. Three councillors returning to the Partnership. A new Partnership Chairperson and two new Deputy Chairpersons were appointed.

8. Certification

In compliance with accounting practice, the Treasurer has provided the Partnership Director with a statement on the adequacy and effectiveness of the Partnership's internal financial control system for the year ended 31st March 2023. It is the Treasurer's opinion that reasonable assurance can be placed upon the adequacy and effectiveness of the Partnership's internal control system.

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

10. The Partnership's governance arrangements and systems are confirmed as being operational and current at the date of signing of this Annual Governance Statement.

REMUNERATION REPORT

1. Remuneration Policy for Senior Employees

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

2. Remuneration for Senior Councillors

The Partnership does not provide any remuneration to senior councillors.
Expenses paid to Board members are detailed in note 19 to the annual accounts.

3. Management of Remuneration Arrangements

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

4. Officers Remuneration

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

Remuneration Bands	2022/23	2021/22
£60,000 - £64,999	1	1
£65,000 - £69,999	1	0
£85,000 - £89,999	0	1

5. Senior Employees Remuneration

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

Name and Post Title	Salary, Fees and Allowances £	Compensation £	Total Remuneration 2022/23 £	Total Remuneration 2021/22 £
Jim Grieve - Partnership Director (to 31/12/22)	68,758	0	68,758	85,512
Brian Butler - Partnership Director (from 12/12/22)	26,262	0	26,262	0
	95,020	0	95,020	85,512

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

6. Senior Employees Pension Entitlement

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

Name and Post Title	In-year pension contributions 2022/23 £	In-year pension contributions 2021/22 £		Accrued pension benefits As at 31 March 2023 £'000	Accrued pension benefits Difference from 31 March 2022 £'000
Jim Grieve - Partnership Director	15,549	28,305	Pension	5	3
(to 31/12/22)			Lump Sum	0	0
Brian Butler - Partnership	5,962	0	Pension	0	0
Director (from 12/12/22)			Lump Sum	0	0
	21,511	28,305			

REMUNERATION REPORT *(continued)*

7. Pension Entitlement

Pension benefits for the Partnership's employees are provided through the Local Government Pension Scheme (LGPS).
For the Partnership's employees, the Local Government Pension Scheme (LGPS) became a career average pay scheme on 1 April 2015. Benefits built up to 31 March 2015 are protected and based on final salary. Accrued benefits from 1 April 2015 will be based on career average salary.
The scheme's normal retirement age for employees is linked to the state pension age (but with a minimum of age 65).

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

The tiers and members contributions rates for 2022-23 were as follows:

Whole Time Pay	**Contribution rate**
On earnings up to and including £23,000 (2021/2022 £22,300)	5.50%
On earnings above £23,000 and up to £28,100 (2021/2022 £22,300 to £27,300)	7.25%
On earnings above £28,100 and up to £38,600 (2021/2022 £27,300 to £37,400)	8.50%
On earnings above £38,600 and up to £51,400 (2021/2022 £37,400 to £49,900)	9.50%
On earnings above £51,400 (2021/2022 £49,900)	12.00%

From April 2015, when allocating contribution rates to members, pensionable pay means the actual pensionable pay, regardless of hours worked.
There is no automatic entitlement to a lump sum for members who joined the scheme post April 2009. Members may opt to give up (commute) pension for lump sum or bigger lump sum up to the limit set by the Finance Act 2004.
The value of the accrued benefits has been calculated on the basis of the age at which the person will first become entitled to receive a pension on retirement without reduction on account of its payment at that age; without exercising any option to commute pension entitlement into a lump sum; and without any adjustment for the effects of future inflation - assuming that the person left the related employment or service as at 31st March in the year to which the value relates.

8. Exit Packages

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

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

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

The South East of Scotland Transport Partnership (SESTRAN)

MOVEMENT IN RESERVES STATEMENT

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

	Usable Reserves			
2021/22 - Previous Year Comparative	**General Fund Balance**	**Total Usable Reserves**	**Unusable Reserves**	**Total Partnership Reserves**
	£'000	£'000	£'000	£'000
Opening Balances at 1 April 2021	**134**	**134**	**(747)**	**(613)**
Movement in reserves during 2021/22				
Surplus or (Deficit) on Provision of Services	(155)	(155)	0	(155)
Other Comprehensive Expenditure and Income	0	0	509	509
Total Comprehensive Expenditure and Income	**(155)**	**(155)**	**509**	**354**
Adjustments between accounting basis & funding basis under regulations (Note 7)	183	183	(183)	0
Increase/Decrease in 2021/22	**28**	**28**	**326**	**354**
Balance at 31 March 2022 carried forward	**162**	**162**	**(421)**	**(259)**

	Usable Reserves			
2022/23 - Current Financial Year	**General Fund Balance**	**Total Usable Reserves**	**Unusable Reserves**	**Total Partnership Reserves**
	£'000	£'000	£'000	£'000
Opening Balances at 1 April 2022	**162**	**162**	**(421)**	**(259)**
Movement in reserves during 2022/23				
Surplus or (Deficit) on Provision of Services	34	34	0	34
Other Comprehensive Expenditure and Income	0	0	1,320	1,320
Total Comprehensive Expenditure and Income	**34**	**34**	**1,320**	**1,354**
Adjustments between accounting basis & funding basis under regulations (Note 7)	11	11	(11)	0
Increase/Decrease in 2022/23	**45**	**45**	**1,309**	**1,354**
Balance at 31 March 2023 carried forward	**207**	**207**	**888**	**1,095**

The South East of Scotland Transport Partnership (SESTRAN)

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT 2022/23

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

2021/22				2022/23		
Gross Expenditure £'000	**Gross Income £'000**	**Net Expenditure £'000**	**Services**	**Gross Expenditure £'000**	**Gross Income £'000**	**Net Expenditure £'000**
750	0	750	Core	711	(1)	710
1,335	(979)	356	Projects	1,356	(1,147)	209
2,085	**(979)**	**1,106**	**Cost Of Services**	**2,067**	**(1,148)**	**919**
71	(50)	21	Financing & Investment Income (Note 9)	96	(77)	19
0	(972)	(972)	Taxation and Non-Specific Grant Income (Note 10)	0	(972)	(972)
2,156	**(2,001)**	**155**	**(Surplus) or Deficit on Provision of Services**	**2,163**	**(2,197)**	**(34)**
			Other Comprehensive Income and Expenditure			
0	(18)	(18)	Change in Demographic Assumptions	0	(23)	(23)
0	(277)	(277)	Change in Financial Assumptions	0	(1,519)	(1,519)
8	0	8	Other Experience	228	0	228
0	(222)	(222)	Return on Assets excluding amounts included in net interest	0	(6)	(6)
8	**(517)**	**(509)**	**Total Other Comprehensive Income and Expenditure**	**228**	**(1,548)**	**(1,320)**
2,164	**(2,518)**	**(354)**	**Total Comprehensive Income and Expenditure**	**2,391**	**(3,745)**	**(1,354)**

The South East of Scotland Transport Partnership (SESTRAN)

BALANCE SHEET

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

31 March 2022 £'000		Note	31 March 2023 £'000
173	Property, plant and equipment	11	231
0	Other long-term assets (Pensions)	24	667
173	**Long term assets**		**898**
840	Short-term debtors	13	1,145
0	Provision for Bad Debts	14	0
95	Cash and cash equivalents	15	227
935	**Current assets**		**1,372**
(40)	Contributions and Grants Received in Advance		(15)
(747)	Short-term creditors	16	(1,160)
(787)	**Current liabilities**		**(1,175)**
(580)	Other long-term liabilities (Pensions)	24	0
(580)	**Long-term liabilities**		**0**
(259)	**Net assets/ (liabilities)**		**1,095**
	Financed by:		
161	Usable reserves	17	207
(420)	Unusable reserves	18	888
(259)	**Total reserves**		**1,095**

The unaudited Annual Accounts were issued on the XX June 2023.

Treasurer: HUGH DUNN, CPFA ______________________ Date signed: ______________

The South East of Scotland Transport Partnership (SESTRAN)

CASH FLOW STATEMENT

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

31 March 2022 £'000	31 March 2022 £'000		31 March 2023 £'000	31 March 2023 £'000
		OPERATING ACTIVITIES		
(782)		Government Grants	(782)	
(190)		Constituent Council Requisitions	(190)	
0		Interest paid/ (received)	0	
(807)		Other receipts from operating activities	(971)	
	(1,779)	**Cash inflows generated from operating activities**		**(1,943)**
562		Cash paid to and on behalf of employees	494	
1,478		Cash paid to suppliers of goods and services	1,317	
	2,040	**Cash outflows generated from operating activities**		**1,811**
	261	**Net cash flows from operating activities**		**(132)**
		INVESTING ACTIVITIES		
10		Purchase of property, plant and equipment	0	
(46)		Proceeds from the sale of property, plant and equipment	0	
	(36)	**Net cash flows from investing activities**		**0**
		FINANCING ACTIVITIES		
0		Other receipts from financing activities	0	
	0	**Net cash flows from financing activities**		**0**
	225	**Net(increase)/ decrease in cash and cash equivalents**		**(132)**
	320	**Cash and cash equivalents at the beginning of the reporting period**		**95**
	95	**Cash and cash equivalents at the end of the reporting period (Note 15)**		**227**

The South East of Scotland Transport Partnership (SESTRAN)

NOTES TO THE ANNUAL ACCOUNTS

1. STATEMENT OF ACCOUNTING POLICIES

1.1 Accounting Policies

The Annual Accounts have been prepared in accordance with the International Financial Reporting Standards (IFRS) based Code of Practice in the United Kingdom (the Code). This is to ensure that the Annual Accounts "present a true and fair view" of the financial position and transactions of the Partnership.
The Annual Accounts have been prepared on an historic cost basis, modified by the valuation of pension assets and liabilities and property, plant and equipment, where appropriate.

1.2 Revenue Expenditure

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

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

1.3 Revenue Income

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

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

1.4 Accruals of Expenditure and Income

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

1.5 Operating Leases

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

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

1.6 Overheads

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

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

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

NOTES TO THE ANNUAL ACCOUNTS

1. STATEMENT OF ACCOUNTING POLICIES *(continued)*

1.8 Employee Benefits

Pensions
The Partnership is an admitted body to the Local Government Pension Scheme (LGPS) which is administered by Lothian Pension Fund. The LGPS is a defined benefit statutory scheme, administered in accordance with the Local Government Pension Scheme (Scotland) Regulations 1998, as amended.
The Annual Accounts have been prepared including pension costs, as determined under International Accounting Standard 19 – Employee Benefits (IAS 19). The cost of service in the Comprehensive Income and Expenditure Statement includes expenditure equivalent to the amount of retirement benefits the Partnership has committed to during the year. Pensions interest cost and the expected return on pension assets have been included in the "Surplus or Deficit on the Provision of Services" within the Comprehensive Income and Expenditure Statement.

The pension costs charged to the Comprehensive Income and Expenditure Statement in respect of employees are not equal to contributions paid to the funded scheme for employees. The amount by which pension costs under IAS19 are different from the contributions due under the pension scheme regulations are disclosed in the Movement in Reserves Statement for the General Fund.
Pension assets have been valued at bid value (purchase price), as required under IAS19.
Under pension regulations, contribution rates are set to meet 100% of the overall liabilities of the Fund.

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

1.9 Non Current Assets

Property, Plant and Equipment
Property, Plant and Equipment is categorised into the following classes:
- Vehicles, plant and equipment;
- Assets under construction;

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

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

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

1.10 Government Grants and Other Contributions

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

NOTES TO THE ANNUAL ACCOUNTS

1. STATEMENT OF ACCOUNTING POLICIES *(continued)*

1.1 Government Grants and Other Contributions *(continued)*

● Capital

Capital grants and contributions are recognised in the Comprehensive Income and Expenditure Statement, except to the extent there are conditions attached to them that have not been met.
Where there are no conditions attached to capital grants and contributions, these funds are a reconciling item in the Movement in Reserves Statement by way of an adjusting transaction with the capital adjustment account where expenditure has been incurred and the unapplied capital grants account, where expenditure has not been incurred.

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

1.11 Provisions

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

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

1.12 Reserves

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

The Partnership operates the following unusable reserves:

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

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

***c)* Accumulated Absences Account**
This represents the net monies which the Partnership requires to meet its short-term compensated absences for employees under IAS19.

1.13 Financial Instruments

Financial Assets
Loans and receivables are initially measured at fair value and carried at their amortised cost. Annual credits to the Comprehensive Income and Expenditure Statement for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument.
Surplus funds held on behalf of the Partnership are managed by the City of Edinburgh Council under a formal management agreement in a pooled investment arrangement.

NOTES TO THE ANNUAL ACCOUNTS

1. STATEMENT OF ACCOUNTING POLICIES *(continued)*

1.14 Cash and Cash Equivalents

Cash and cash equivalents include:
- Credit and debit funds held in banks

1.15 Contingent Liabilities

A contingent liability arises where an event has taken place that gives the Partnership a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Partnership.
Contingent liabilities are not recognised in the Balance Sheet but disclosed in a note to the accounts.

1.16 Value Added Tax

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

1.17 Events After the Reporting Period

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

Two types of events can be identified:
i) those that provide evidence of conditions that existed at the end of the reporting period - the Annual Accounts are adjusted to reflect such events;
ii) those that are indicative of conditions that arose after the reporting period - the Annual Accounts are not adjusted to reflect such events, but where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect.
Events taking place after the date of authorisation for issue are not reflected in the Annual Accounts.

1.18 Short Term Debtors and Short Term Creditors

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

1.19 Changes in Accounting Policies and Estimates and Errors

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Partnership's financial position or performance.
Changes in accounting estimates are accounted for prospectively; i.e. in the current and future years affected by the change.
Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

1.20 Going Concern

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

NOTES TO THE ANNUAL ACCOUNTS

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

The Code requires the disclosure of information relating to the impact of an accounting change that will be required by a new standard that has been issued but not yet adopted by the Code for the relevant financial year. The standards introduced by the 2023/24 Code where disclosures are required in the 2022/23 financial statements in accordance with the requirements of paragraph 3.3.4.3 of the Code are:

- IFRS 16 Leases (but only for those local authorities that have decided to voluntarily implement IFRS 16 in the 2023/24 year);
- Definition of Accounting Estimates (Amendments to IAS 8) issued in February 2021;
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) issued in February 2021;
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) issued in May 2021.

CIPFA/LASAAC consider it is likely that, though they lead to improved reporting, the non-IFRS16 items above will not have a significant impact on the amounts anticipated to be reported in the financial statements.

3. CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

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

- There is high degree of uncertainty about future levels of funding for local government. The Partnership has determined that this uncertainty is not yet sufficient to provide an indication that the Partnership's assets might be impaired as a result of a need to reduce service provision;

- Local Government Pension Scheme - Guaranteed minimum pension (GMP). The interim solution to avoid inequalities between men and women's benefits following the introduction of the Single State Pension in 2016 resulted in a recalculation of pension liabilities for the estimated impact of GMP indexation changes. The Partnership's actuary has allowed for the impact of full GMP indexation in the calculation of the latest funding valuation results. The funding valuation results are used as the starting point for the accounting roll-forward calculations and therefore an allowance for full GMP indexation is included in the accounting disclosure;

- GMP equalisation – historical transfers (Further Lloyd’s ruling) - the Partnership's actuary has advised this further ruling is unlikely to have a significant impact on the pension obligations of a typical employer. The historic individual member data needed to assess the impact is not readily available. As a result, no allowance has been made for this within the actuary's calculations.

- Local Government Pension Scheme (LGPS) - McCloud and Sargeant cases. Where an allowance was made for the McCloud case in 2021/22, the actuary has made no further adjustment to the 2022/23 Result Schedule. No explicit additional adjustment for the McCloud case has been added to the current service cost for 2022/23 or the projected service cost for 2023/24.

- The Goodwin case judgement in respect of deemed discrimination in spousal transfer on death of a member, may also result in the potential increasing of the pension liabilities. The actuary has carried out analysis to understand the potential impact of implementing a solution to correct the past underpayment of spouses’ benefits. The remedy is still uncertain but the potential impact has been estimated to be very small. The actuary does not believe it is necessary or appropriate to make an adjustment to account for this at the moment.

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

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

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

The items in the Partnership's Balance Sheet at 31 March 2023 for which there is a significant risk of material adjustment in the forthcoming financial year are:

4.1 Pension Liabilities

Uncertainties

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

Effect if Actual Result Differs from Assumptions

Formal actuarial valuations are carried out every three years, where each employer’s assets and liabilities are calculated on a detailed basis, using individual member data for cash contribution setting purposes. For LGPS Funds, asset investment returns have been greater than expected compared to last year’s accounting date assumption. The net discount rate assumption has increased by more than the increase in the CPI assumption, which has resulted in a gain on the balance sheet position. For a medium duration LGPS employer, this could be of the order of 6-8% of obligations. Using more up-to-date longevity assumption has also led to a small gain on the obligations.

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

	Approximate % increase to Defined Benefit Obligation	Approximate monetary amount (£000)
0.1% decrease in Real Discount Rate	2%	48
1 year increase in member life expectancy	4%	93
0.1% increase in the Salary Increase Rate	0%	1
0.1% increase in the Pension Increase Rate (CPI)	2%	47

5. EVENTS AFTER THE BALANCE SHEET DATE

The Unaudited Annual Accounts were authorised for issue on XX June 2023. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provide information about conditions existing at 31st March 2023, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

There were no events which took place after 31st March 2023 which would materially affect the 2022/23 Annual Accounts.

6. EXPENDITURE AND FUNDING ANALYSIS

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

Expenditure and Funding Analysis

	Net Expenditure Chargeable to the General Fund	**Adjustments**	**Net Expenditure in the CIES**
2022/23	**£'000**	**£'000**	**£'000**
Core	599	111	710
Projects	325	(116)	209
Net Cost of Services	**924**	**(5)**	**919**
Other Income and Expenditure			
Government grant	(782)	0	(782)
Constituent council requisitions	(190)	0	(190)
Interest paid/ (received)	0	2	2
Net pension interest cost	0	17	17
(Surplus) or deficit on the provision of services	**(48)**	**14**	**(34)**

	Net Expenditure Chargeable to the General Fund	**Adjustments**	**Net Expenditure in the CIES**
2021/22	**£'000**	**£'000**	**£'000**
Core	588	162	750
Projects	356	0	356
Net Cost of Services	**944**	**162**	**1,106**
Other Income and Expenditure			
Government grant	(782)	0	(782)
Constituent council requisitions	(190)	0	(190)
Interest Received	0	0	0
Net pension interest cost	0	21	21
(Surplus) or deficit on the provision of services	**(28)**	**183**	**155**

6. EXPENDITURE AND FUNDING ANALYSIS *(continued)*

Expenditure and Funding Analysis *(continued)*

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

2022/23	Adjusts. For Capital Purposes £'000	Net Change for Pensions Adjusts. £'000	Other Differences £'000	Total Statutory Adjusts. £'000
Core	58	56	(3)	111
Projects	(116)	0	0	(116)
Net Cost of Services	**(58)**	**56**	**(3)**	**(5)**
Other Income and Expenditure				
Interest paid/ (received)	0	0	2	2
Net pension interest cost	0	17	0	17
(Surplus) or deficit on the provision of services	**(58)**	**73**	**(1)**	**14**

2021/22	Adjusts. For Capital Purposes £'000	Net Change for Pensions Adjusts. £'000	Other Differences £'000	Total Statutory Adjusts. £'000
Core	84	78	0	162
Projects	0	0	0	0
Net Cost of Services	**84**	**78**	**0**	**162**
Other Income and Expenditure				
Net pension interest cost	0	21	0	21
(Surplus) or deficit on the provision of services	**84**	**99**	**0**	**183**

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

6. EXPENDITURE AND FUNDING ANALYSIS *(continued)*

6.2 Segmental Analysis of Income included in Expenditure and Funding Analysis

	Core	Projects	Total
2022/23	**£'000**	**£'000**	**£'000**
Expenditure			
Employee expenses	389	0	389
Other service expenses	211	1,472	1,683
Total Expenditure	**600**	**1,472**	**2,072**
Income			
Government grants and other contributions	(1)	(1,147)	(1,148)
Total Income	**(1)**	**(1,147)**	**(1,148)**
Net Cost of Services	**599**	**325**	**924**

	Core	Projects	Total
2021/22	**£'000**	**£'000**	**£'000**
Expenditure			
Employee expenses	403	0	403
Other service expenses	185	1,335	1,520
Total Expenditure	**588**	**1,335**	**1,923**
Income			
Government grants and other contributions	0	(979)	(979)
Total Income	**0**	**(979)**	**(979)**
Net Cost of Services	**588**	**356**	**944**

6.3 Expenditure and Income Analysed by Nature

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

	31st March 2023	31st March 2022
Expenditure	**£'000**	**£'000**
Employee expenses	442	481
Other service expenses	1,567	1,510
Depreciation, amortisation and impairment	58	94
Interest payments	96	71
Total Expenditure	2,163	2,156
Income		
Fees, charges and other service income	0	0
Interest and investment income	(77)	(50)
Income from constituent councils	(190)	(190)
Government grants and other contributions	(1,930)	(1,761)
Total Income	(2,197)	(2,001)
(Surplus) or Deficit on the Provision of Services	(34)	155

NOTES TO THE ANNUAL ACCOUNTS

7. ADJUSTMENTS BETWEEN ACCOUNTING BASIS AND FUNDING BASIS UNDER REGULATIONS

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

	Usable Reserves	Unusable Reserves			
2022/23	**General Fund Balance**	**Capital Adjustment Account**	**Accumulated Absence Account**	**Pension Reserve**	**Movement in Unusable Reserve**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**
Adjustments primarily involving the Capital Adjustment Account					
Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement (CIES)					
Charges for depreciation and impairment of non-current assets	58	(58)			(58)
Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement (CIES)					
Contributions credited to the CIES that have been applied to capital financing	(116)	116			116
Adjustments primarily involving the Pensions Reserve					
Reversal of items relating to retirement benefits debited or credited to the CIES	208			(208)	(208)
Employer's pension contributions and direct payments to pensioners payable in the year	(135)			135	135
Adjustments primarily involving the Accumulated Absence Account					
Amount by which officer remuneration charged to the CIES on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	(3)		3		3
Total Adjustments	**12**	**58**	**3**	**(73)**	**(12)**

7. ADJUSTMENTS BETWEEN ACCOUNTING BASIS AND FUNDING BASIS UNDER REGULATIONS *(continued)*

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

	Usable Reserves	Unusable Reserves			
2021/22	**General Fund Balance**	**Capital Adjustment Account**	**Accumulated Absence Account**	**Pension Reserve**	**Movement in Unusable Reserve**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**
Adjustments primarily involving the Capital Adjustment Account					
Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement (CIES)					
Charges for depreciation and impairment of non-current assets	84	(84)			(84)
Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement (CIES)					
Contributions credited to the CIES that have been applied to capital financing	0	0			0
Adjustments primarily involving the Pensions Reserve					
Reversal of items relating to retirement benefits debited or credited to the CIES	228			(228)	(228)
Employer's pension contributions and direct payments to pensioners payable in the year	(129)			129	129
Adjustments primarily involving the Accumulated Absence Account					
Amount by which officer remuneration charged to the CIES on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	0		0		0
Total Adjustments	**183**	**(84)**	**0**	**(99)**	**(183)**

NOTES TO THE ANNUAL ACCOUNTS

8. TRANSFERS TO/FROM EARMARKED RESERVES

In accordance with the provisions of the Transport Scotland (2019) Act, the Partnership has agreed a Reserves Policy. An earmarked balance will be established to meet slippage on project delivery from 2022/23 to 2023/24.

9. FINANCING AND INVESTMENT INCOME

	2022/23 £'000	2021/22 £'000
Interest income on plan assets	(77)	(50)
Interest Paid/ (Received)	2	0
Pensions interest cost	94	71
	19	21

10. TAXATION AND NON SPECIFIC GRANT INCOME

	2022/23 £'000	2021/22 £'000
Government Grant	(782)	(782)
Constituent Council Requisitions	(190)	(190)
	(972)	(972)

NOTES TO THE ANNUAL ACCOUNTS

11. PROPERTY, PLANT AND EQUIPMENT

11.1 Movements on balances:

Movements in 2022/23 Cost or Valuation	Vehicles Plant and Equipment £'000	Assets Under Construction £'000	Total Property Plant and Equipment £'000
At 1st April 2022	885	28	913
Additions	94	22	116
Transfers	14	(14)	0
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	0	0	0
At 31st March 2023	993	36	1,029
Accumulated Depreciation			
At 1st April 2022	(740)	0	(740)
Depreciation charge	(58)	0	(58)
Depreciation written out to the Surplus/Deficit on the Provision of Services	0	0	0
At 31st March 2023	(798)	0	(798)
Net Book Value			
At 31st March 2023	195	36	231

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

11.2 Movements on balances:

Comparative Movements in 2021/22 **Cost or Valuation**	**Vehicles Plant and Equipment £'000**	**Assets Under Construction £'000**	**Total Property Plant and Equipment £'000**
At 1st April 2021	787	137	924
Additions	10	0	10
Transfers	88	(88)	0
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	0	(21)	(21)
At 31st March 2022	885	28	913
Accumulated Depreciation			
At 1st April 2021	(667)	0	(667)
Depreciation charge	(73)	0	(73)
Depreciation written out to the Surplus/Deficit on the Provision of Services	0	0	0
At 31st March 2022	(740)	0	(740)
Net Book Value			
At 31st March 2022	145	28	173

11.3 Depreciation

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

- Vehicles, plant and equipment: 4 - 5 years

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

11.4 Capital Commitments

As at 31st March 2023, the Partnership had no capital commitments.

NOTES TO THE ANNUAL ACCOUNTS

12. FINANCIAL INSTRUMENTS

12.1 **Financial Instruments - Classifications**

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

Financial Liabilities

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

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

- Trade payables for goods and services received.

Financial Assets

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

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

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

12.2 **Financial Instruments - Balances**

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

	Current	
	31st March 2023 £'000	**31st March 2022 £'000**
Trade creditors	1,167	718

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

	Current	
	31st March 2023 £'000	**31st March 2022 £'000**
Loans and receivables	1,041	529
Trade debtors	107	287
	1,148	816

12. FINANCIAL INSTRUMENTS *(continued)*

12.3 **Financial Instruments - Fair Values**

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

The fair values calculated are as follows:

	31 March 2023		31 March 2022	
Financial Liabilities	**Carrying Amount £'000**	**Fair Value £'000**	**Carrying Amount £'000**	**Fair Value £'000**
Trade creditors	1,167	1,167	718	718

	31 March 2023		31 March 2022	
Financial Assets	**Carrying Amount £'000**	**Fair Value £'000**	**Carrying Amount £'000**	**Fair Value £'000**
Loans and receivables	1,041	1,041	529	529
Trade debtors	107	107	287	287
	1,148	1,148	816	816

12.4 **Income, Expenses, Gains and Losses**

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

	31st March 2023 £'000	31st March 2022 £'000
Total expense and income in Surplus or Deficit on the Provision of Services:		
Interest Expense/ (Income)	2	0

13. DEBTORS

	31st March 2023 £'000	31st March 2022 £'000
Debtors:		
Central government bodies	603	315
Other local authorities	120	254
HM Customs and Excise - VAT	59	20
Other entities and individuals	363	251
	1,145	840

NOTES TO THE ANNUAL ACCOUNTS

14. PROVISION FOR BAD DEBTS

Cost or Valuation	31st March 2023 £'000	31st March 2022 £'000
Opening Balance	0	0
Provision made during year	0	0
Unused amounts reversed during the year	0	0
Closing Balance	0	0

15. CASH AND CASH EQUIVALENTS

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

	31st March 2023 £'000	31st March 2022 £'000
Bank account	227	95
	227	95

16. CREDITORS

	31st March 2023 £'000	31st March 2022 £'000
Central government bodies	0	0
Other local authorities	(6)	(29)
Other entities and individuals	(1,113)	(694)
Employee costs	(41)	(24)
	(1,160)	**(747)**

17. USABLE RESERVES

		31st March 2023 £'000	31st March 2022 £'000
17.1	Unallocated General Fund Reserve	49	104
17.2	Earmarked Balance - Project Budget slippage	159	58
		207	162

NOTES TO THE ANNUAL ACCOUNTS

18. UNUSABLE RESERVES

		31st March 2023 £'000	31st March 2022 £'000
18.1	Capital Adjustment Account	231	173
18.2	Pension Reserve	667	(580)
18.3	Accumulated Absence Account	(11)	(14)
		888	(420)

18.1 Capital Adjustment Account

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

	2022/23 £'000	2021/22 £'000
Balance at 1st April	173	257
Reversal of items related to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:		
• Charges for depreciation and impairment of non-current assets	(58)	(73)
• Charges for revaluation of non-current assets	0	(21)
Net written out amount of the cost of non-current assets consumed in year	115	163
Capital financing applied in the year:		
• Contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	116	10
Balance at 31st March	231	173

18.2 Pension Reserve

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

18. UNUSABLE RESERVES *(continued)*

18.2 Pension Reserve *(continued)*

	2022/23 £'000	2021/22 £'000
Balance at 1st April	(580)	(990)
Remeasurements of the net defined benefit liability	1,320	509
Reversals of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement.	(208)	(228)
Employer's pension contributions and direct payments to pensioners payable in the year.	135	129
Balance at 31st March	667	(580)

18.3 Accumulated Absence Account

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

	2022/23 £'000	2021/22 £'000
Balance at 1st April	(14)	(14)
Settlement or cancellation of accrual made at the end of the preceding year	14	14
Amounts accrued at the end of the current year	(11)	(14)
Balance at 31st March	(11)	(14)

19. MEMBERS EXPENSES

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

	2022/23 £'000	2021/22 £'000
Expenses	0	0
	0	0

NOTES TO THE ANNUAL ACCOUNTS

20. EXTERNAL AUDIT COSTS

The Partnership has incurred the following costs in relation to the audit of the Annual Accounts by the Partnership's external auditors:

	2022/23	2021/22
Fees payable in respect of:	£'000	£'000
• external audit services carried out by the appointed auditor for the year	11	11
	11	11

21. GRANT INCOME

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

	2022/23	2021/22
	£'000	£'000
Credited to Taxation and Non Specific Grant Income		
Scottish Government - Revenue Grant	(782)	(782)
Constituent Council Requisitions (Note 22.3)	(190)	(190)
	(972)	(972)
Credited to Services		
EU Grant - Bling	(43)	(17)
EU Grant - Connect	(18)	(14)
EU Grant - Primaas	(29)	(33)
EU Grant - Regio Mob	(29)	(6)
EU Grant - Sharenorth	(5)	(42)
EU Grant - Surflogh	(53)	(34)
Contribution - City of Edinburgh Council	(2)	(2)
Contribution - Clackmannanshire Council	0	(3)
Contribution - East Lothian Council	(2)	(6)
Contribution - Falkirk Council	(12)	(4)
Contribution - Fife Council	(91)	(143)
Contribution - First Bus Scotland	0	(5)
Contribution - Midlothian Council	(7)	(9)
Contribution - Paths for All	0	(25)
Contribution - Scotrail	(11)	3
Contribution - Scottish Borders Council	(8)	(69)
Contribution - Scottish Enterprise	(40)	(110)
Contribution - Stirling Communication Centre	(4)	(2)
Contribution - Scottish Government/ Transport Scotland	(729)	(484)
Contribution - West Lothian Council	(1)	(10)
Contribution - HITRANS	(4)	(4)
Contribution - NESTRANS	(6)	(5)
Contribution - SPT	(5)	(4)
Contribution - SUSTRANS	(45)	(159)
Contribution - SWESTRANS	(2)	(2)
Contribution - TACTRAN	(6)	(5)
Contribution - ZETRANS	(1)	(1)
	(1,153)	(1,195)

22. RELATED PARTIES

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

22.1 Scottish Government

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

22.2 Members

Members of the Partnership have direct control over the Partnership's financial and operating policies.
The total of members' expenses paid by the Partnership in 2022-23 is shown in Note 19.

22.3 Other Parties

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

	2022/23 £'000	**2021/22 £'000**
• Revenue Expenditure - Support Services		
City of Edinburgh Council - Financial and Clerking Services	44	42
Falkirk Council - HR Services	0	0
	44	42
• Revenue Expenditure - Interest on Revenue Balances		
City of Edinburgh Council	2	0
	2	0
• Revenue Expenditure - Other		
City of Edinburgh Council	1	0
East Lothian Council	1	30
Edinburgh & Lothians Greenspace Trust	0	20
NHS Lothian	0	43
Scottish Government	18	15
West Lothian Council	2	14
	22	122

NOTES TO THE ANNUAL ACCOUNTS

22. RELATED PARTIES *(continued)*

22.3 Other Parties *(continued)*

	2022/23 £'000	2021/22 £'000
• Revenue Income - Requisitions		
Clackmannanshire Council	(6)	(6)
East Lothian Council	(13)	(13)
City of Edinburgh Council	(62)	(61)
Falkirk Council	(19)	(19)
Fife Council	(44)	(44)
Midlothian Council	(11)	(11)
Scottish Borders Council	(13)	(14)
West Lothian Council	(22)	(22)
	(190)	(190)
• Revenue Income - Interest on Revenue Balances		
City of Edinburgh Council	0	0
	0	0
• Revenue Income - Other		
City of Edinburgh Council	(2)	(2)
Clackmannanshire Council	0	(3)
East Lothian Council	(2)	(6)
Falkirk Council	(12)	(4)
Fife Council	(3)	(2)
Midlothian Council	(7)	(9)
Scottish Borders Council	(2)	(3)
Scottish Enterprise	(40)	(110)
Scottish Government/ Transport Scotland	(729)	(484)
West Lothian Council	(1)	(1)
	(798)	(624)
• Revenue Income - Agency Income		
Fife Council	(88)	(141)
Scottish Borders Council	(6)	(66)
West Lothian Council	0	(9)
	(94)	(216)

22. RELATED PARTIES *(continued)*

22.3 Other Parties *(continued)*

The following represents amounts due to/(from) the Partnership at 31 March 2023, with its related parties.

CREDITORS	**2022/23 £'000**	**2021/22 £'000**
• Creditors - Related Parties (Revenue Grants)		
East Lothian Council	0	(28)
Scottish Enterprise	0	(40)
	0	(68)
• Creditors - Related Parties (Other)		
City of Edinburgh Council	(1)	(1)
Falkirk Council	0	0
Fife Council	(5)	0
Scottish Government	(2)	0
	(8)	(1)
• Creditors - Other Parties	(1,167)	(718)
Total Creditors	(1,175)	(787)
DEBTORS		
• Debtors - Related Parties (Revenue Grants/ Other)		
Clackmannanshire Council	0	1
East Lothian Council	0	(12)
Falkirk Council	7	0
Fife Council	100	169
Midlothian Council	4	0
Scottish Borders Council	9	84
Scottish Government/ Transport Scotland	603	315
West Lothian Council	0	11
	723	568
• Debtors - Other Parties	422	272
Total Debtors	1,145	840

23. LEASES

Operating Leases

From 8th February 2016 the Partnership took occupancy of Area 3D (Bridge) in Victoria Quay, Edinburgh under the terms of a Memorandum of Terms of Occupation (MOTO) with the Scottish Government, which forms part of the Civil Estates Occupancy Agreement (CEOA).
The Partnership signed a new MOTO and is permitted to occupy the space from 8th February 2019 to 7th February 2022 (the Prescribed Term) and so on until ended by either party giving notice under the terms of the CEOA. Both parties will, upon provision of not less than 1 year's prior written notice, have the ability to break this agreement.

The Partnership currently has a contract with O2 to lease ten Apple iPhones for staff use. The minimum term for this contract is 24 months before the Partnership has the option to terminate the lease under no penalty. This contract expires in February 2024.

The Partnership currently has a contract with Ricoh UK Ltd to lease an office printer. The minimum term for this contract is 36 months before the Partnership has the option to terminate the lease under no penalty. This contract expires in September 2025.

The Partnership's expenditure on lease payments during 2022/23 was £23,000 (2021/22 £17,000)

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

	2022/23 £'000	2021/22 £'000
• Not later than 1 year	23	21
• Over 1 year	1	4
	24	25

The Partnership has no other material operational leases.

24. DEFINED BENEFIT PENSION SCHEMES

24.1 Participation in Pension Schemes

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

The Partnership participates in:

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

24. DEFINED BENEFIT PENSION SCHEMES *(continued)*

24.2 Transactions Relating to Post-employment Benefits

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

	2022/23 £000	2022/23 £000	2021/22 £000	2021/22 £000
Comprehensive Income and Expenditure Statement				
Cost of services:				
Service cost, comprising:				
Current service costs	191		207	
Past service costs	0		0	
		191		207
Financing and investment income:				
Net interest expense		17		21
Total post employee benefit charged to the surplus on the provision of services		208		228
Other post-employment benefits charges to the Comprehensive Income / Expenditure Statement				
Remeasurement of the net defined liability, comprising:				
Return on plan assets, excluding the amount included in the net interest expense above	(6)		(222)	
Actuarial gains and (losses) arising on changes in financial assumptions	(1,519)		(277)	
Actuarial gains and (losses) arising on changes in demographic assumptions	(23)		(18)	
Other experience	228		8	
		(1,320)		(509)
Total post-employment benefits charged to the Comprehensive Income / Expenditure Statement		(1,112)		(281)
Movement in Reserves Statement				
Reversal of net charges made to the surplus on the provision of services for post-employment benefits in accordance with the Code.		73		99
Actual amount charged against the General Fund Balance for pensions in the year:				
Employer's contributions payable to the scheme		135		129
		135		129

24. DEFINED BENEFIT PENSION SCHEMES *(continued)*

24.3 Pension Assets and Liabilities Recognised in the Balance Sheet

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

	2022/23 £'000	2021/22 £'000
Fair value of employer assets	2,996	2,821
Present value of funded liabilities	(2,329)	(3,401)
Present value of unfunded liabilities	0	0
Net liability arising from defined benefit obligation	667	(580)

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

	2022/23 £'000	2021/22 £'000
Opening fair value of scheme assets	2,821	2,463
Interest income	77	50
Remeasurement gain / (loss):		
Other Experience		
Return on plan assets, excluding the amount included in the net interest expense	6	222
Contributions from employer	135	129
Contributions from employees into the scheme	30	29
Benefits paid	(73)	(72)
Unfunded benefits paid	0	0
Closing fair value of scheme assets	2,996	2,821

Reconciliation of Present Value of the Scheme Liabilities

	2022/23 £'000	2021/22 £'000
Present value of funded liabilities	(3,401)	(3,453)
Present value of unfunded liabilities	0	0
Opening balance at 1st April	(3,401)	(3,453)
Current service cost	(191)	(207)
Interest cost	(94)	(71)
Contributions from employees into the scheme	(30)	(29)
Remeasurement gain / (loss):		
Change in demographic assumptions	23	18
Change in financial assumptions	1,519	277
Other experience	(228)	(8)
Past service cost	0	0
Benefits paid	73	72
Unfunded benefits paid	0	0
Closing balance at 31st March	(2,329)	(3,401)

24. DEFINED BENEFIT PENSION SCHEMES *(continued)*

24.5 Fair Value of Employer Assets

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

	2022/23		**2021/22**	
	£'000	**%**	**£'000**	**%**
Equity Securities:				
Consumer *	367	12	347	12
Manufacturing *	413	14	373	13
Energy and Utilities *	181	6	156	6
Financial Institutions *	180	6	163	6
Health and Care *	220	7	195	7
Information technology *	124	4	128	5
Other *	205	7	210	7
Sub-total Equity Securities	1,690		1,573	
Debt Securities:				
Corporate Bonds (investment grade) *	47	2	0	0
UK Government *	347	12	246	9
Other *	63	2	53	2
Sub-total Debt Securities	457		299	
Private Equity:				
All *	2	0	0	
All	10	0	13	0
Sub-total Private Equity	12		14	
Real Estate:				
UK Property *	20	1	26	1
UK Property	115	4	123	4
Overseas Property *	4	0	0	0
Overseas Property	1	0	1	0
Sub-total Real Estate	140		150	
Investment Funds and Unit Trusts:				
Equities *	40	1	49	2
Equities	2	0	2	0
Bonds *	0	0	53	2
Bonds	87	3	79	3
Infrastructure	427	14	286	10
Sub-total Investment Funds and Unit Trusts	556		469	
Derivatives:				
Foreign Exchange *	0	0	0	0
Sub-total Derivatives	0		0	
Cash and Cash Equivalents				
All *	142	5	317	11
Sub-total Cash and Cash Equivalents	142		317	
Total Fair Value of Employer Assets	2,996		2,821	

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

24. DEFINED BENEFIT PENSION SCHEMES *(continued)*

24.6 Basis for Estimating Assets and Liabilities

Hymans Robertson, the independent actuaries to Lothian Pension Fund, have advised that the financial assumptions used to calculate the components of the pension expense for the year ended 31 March 2023 were those from the beginning of the year (i.e. 31 March 2022) and have not been changed during the year.

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

Investment returns		
• Total returns for the period from 1 April 2022 to 31 March 2023		2.9%
	2022/23	**2021/22**
Mortality assumptions - longevity at 65 for current pensioners:		
• Males	19.9 years	20.3 years
• Females	22.9 years	23.1 years
Mortality assumptions - longevity at 65 for future pensioners:		
• Males	21.2 years	21.6 years
• Females	24.7 years	25.0 years
Pension increase rate	2.95%	3.20%
Salary increase rate (see below)	3.45%	3.70%
Discount rate	4.75%	2.70%

Estimation of defined benefit obligations is sensitive to the actuarial assumptions set out above. In order to quantify the impact of a change in the financial assumptions used, the Actuary has calculated and compared the value of the scheme liabilities as at 31 March 2023 on varying bases. The approach taken by the Actuary is consistent with that adopted to derive the IAS19 figures.

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

24. DEFINED BENEFIT PENSION SCHEMES *(continued)*

24.7 Analysis of projected amount to be charged to profit or loss for the period to 31 March 2024

	Assets £000	Obligations £000	Net (liability) / asset £000	% of pay
Projected current service cost	0	80	80	19.6%
Past service cost including curtailments	0	0	0	0.0%
Effect of settlements	0	0	0	0.0%
Total Service Cost	0	80	80	19.6%
Interest income on plan assets	144	0	144	35.3%
Interest cost on defined benefit obligation	0	(111)	(111)	(27.2%)
Total Net Interest Cost	144	(111)	33	8.1%
Total included in Profit or Loss	144	(191)	(47)	(11.5%)

The Partnership's estimated contribution to Lothian Pension Fund for 2023/24 is £135,000.

25. NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

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

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

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

Credit risk

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

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

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

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

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

Liquidity risk

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

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

Refinancing risk

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

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

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

Market risk

Interest rate risk

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

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

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

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

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

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

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

Price risk

The Partnership does not invest in equity shares.

Foreign Exchange risk

As at 31 March 2023, the Partnership had financial assets of £212,000 subject to foreign exchange risk.

The foreign exchange loss or gain on these financial assets cannot be determined until 2023/24, when the Partnership is in receipt of the related grant income from the European Regional Development Fund.

The Partnership has no financial liabilities denominated in foreign currencies.

SEStran Business Plan Development 2024 to 2027

1. INTRODUCTION

1.1 The purpose of this report is to update the Committee on the Business Plan development process for the next 3-year activity period.

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, 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.

2.4 Annual project activity is reported to the Partnership Board on a quarterly basis throughout each year of the plan using the Project Performance Report.

3. PLANNING PROCESS FOR 2024 to 2027

3.1 The Partnership has an opportunity to further refine the business planning and reporting process and structure for the next 3-year cycle which considers:

- The new Regional Transport Strategy (RTS) adopted in March 2023
- The Programmed Investment Plan (PIP), which seeks to identify and document every current or planned transport-related project in the SEStran area
- National and Local Government Strategies and Plans

3.2 To enhance governance and assurance, SEStran Officers are proposing to encourage end-to-end ownership of the business plan by the Performance and Audit Committee. This will allow Committee members to actively support project prioritisation, initiation, progression, achievement of outcomes, and reporting. The aim will be to develop a collaborative, proportionate approach to Partnership business planning and monitoring that improves operational effectiveness.

3.3 SEStran Officers seek involvement from the Committee to develop a short life working group to help develop the next 3-year business plan for the Partnership, which will:

- define short to medium term goals in relation to RTS & PIP

- articulate key issues, potential problems and identify opportunities
- develop a structure and process to measure progress
- identify funding gaps and opportunities

3.4 The working group will be in place for 9 to 10 months starting in June/July 2023 and report regularly to the Performance and Audit Committee.

3.5 The draft 3-year Business Plan 2024 to 2027 will be presented to the Partnership Board in March 2024 for approval.

4. RECOMMENDATIONS

4.1 It is accordingly recommended that the Committee:

(a) Approves the establishment of a short life working group to devise and manage progress of the Business Plan 2024-27

(b) Agrees membership of the working group

(c) Requests Officers to work with working group members to devise Terms of Reference for the group, and to submit them to the next meeting of the Committee for approval

Keith Fisken
Programmes Manager
2nd June 2023

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 2024 to 2025 and subsequent years.
Equalities Implications	No separate EQIA (EQUALITY IMPACT ASSESSMENT) 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.

Risk Register

1. INTRODUCTION

1.1 The purpose of this report is to provide the Performance and Audit Committee with its six-monthly update on SEStran's risk register.

2. BACKGROUND

2.1 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.

2.3 The latest version of the risk register can be found at **Appendix 1** of this report.

3. MAIN REPORT

3.1 The Committee should note that all changes made to the register are highlighted in red. Key changes made to the register since the last update are as follows:

3.2 **R001 (1.0) Strategic - Regional Transport Strategy**
The risk of a delay in approval of the RTS by Ministers has been closed as the document has been formally approved by the Minister for Transport and ratified by the Partnership Board.

R001 (1.1) Strategic - Regional Governance
The risk has been updated to include new planned response details on RTP joint working provisions and proposals for collaboration with constituent councils.
The risk appetite for this risk is low to medium. All mitigating actions are being taken to manage the risk but it remains high.

R001 (1.2) Strategic - Regional Governance
This is a new risk detailing the lack of clarity on the role of non-statutory bodies.
The net risk score is medium and whilst the risk appetite is low to medium, mitigating measures will be used to treat the risk.

R002 (2.5) Financial - Sources of Additional Income
The net risk score for this risk is medium, the risk appetite score is rated as low to medium, however additional actions after mitigation have been inserted to treat the risk, including exploring alternative funding options and lobbying/bidding for additional funding.

R002 (2.9) Financial – Other Funding Sources
This risks specifically addresses the lack of access to EU project funding. The net risk score is medium and whilst the risk appetite is low to medium additional measures have been included in the risk after mitigation section to treat the risks. These measures include advocating for access to UK replacement funds.

R003 (3.2) Reputational – Project Management
This risk is seeking to address any issues around supplier insolvency. Whilst the net risk score is medium and within the risk appetite range, new mitigating measures have been undertaken to reduce the risk.

R004 (4.0) Governance – Newly Appointed Board
This risk is closed as board member induction training has been completed and a skills audit is ongoing which will identify future training needs of the board members.

R005 (5.1) External - Contract Management
This risk to address the implications of poor contract management has been updated with new mitigating measures/actions.

R005 (5.2) External – Grant Funding
This new risk has been developed to mitigate the consequences of failure to comply with conditions of grant, resulting in funding being withheld or reclaimed. Whilst the risk score is medium and within the risk appetite tolerance range, the risk requires treatment.

R009 (9.3) People – Loss of Key Personnel
This is a new risk which identifies the risks to the organisation due to loss of key staff and the actions and measures in place to mitigate those risks.

4. RECOMMENDATIONS

4.1 The Committee are asked to comment on the contents of the report, and;

4.2 To note that a final version of the Risk Register will be referred to the Partnership Board for noting;

Angela Chambers
Business Manager
26 May 2023

Appendix 1: SEStran Risk Register

Policy Implications	Policies have been reviewed and updated.
Financial Implications	As highlighted in the register.
Equalities Implications	None
Climate Change Implications	None

Appendix 1

Risk Number	Risk Category	Risk Detail	Gross Risk Assessment						Planned Response/Mitigation	Net Risk Assessment						Risk After Mitigation	Date and Owner	Risk Appetite		Action Required
			Probability		Impact		Risk Score			Probability		Impact		Risk Score						
R001 1.0	**Strategic**	**Regional Transport Strategy:** Introduction of new RTS. Delay in approval by ministers. Delayed introduction of the new strategy.	3	**Possible**	2	**Minor**	6	**Low**	Regular comms with Transport Scotland at all stages in the development of the RTS.	1	**Remote**	2	**Minor**	2	**Low**	**Low** **Tolerate**	28 March 2023 Jim Stewart **CLOSED**	Low	Med	↔
R001 1.1	**Strategic**	**Regional Governance** Transport Scotland review of regional transport governance arrangements could result in changes to functions of RTPs. This could present either a risk or an opportunity to SEStran.	**4**	**Probable**	**4**	**Major**	**16**	**High**	~~NTS2 Roles and Responsibilities Working Group have made recommendations which are currently being considered by Transport Scotland. NTS2 Roles and Responsibilities WG resumed meetings in September 2020 to consider regional governance arrangements but has been delayed by TS.~~ ~~Title of working group changed. Progress awaited.~~ SG has paused the NTS2 WG review of regional governance arrangements, but RTPs are working together to persuade SG to re-start the review. This will include presenting a refreshed business case to Transport Scotland. SEStran will also aim to create a 'coalition of the willing' amongst partner LAs.	**4**	**Probable**	**4**	**Major**	**16**	**High**	**High** **Treat (because mitigations are ongoing)**	Ongoing Partnership Director	Low	Med	↓
R001 1.2	**Strategic**	**Regional Governance** Lack of clarity on role of non statutory REP/ESES City Region Deal groupings	**4**	**Probable**	**3**	**Possible**	**12**	Medium	Joint working group created between SEStran and ESESCRD members to agree working arrangements	**3**	**Possible**	**3**	**Possible**	**9**	**Medium**	**Medium** **Treat**	July 2023 Partnership Director	Low	Med	↓

Appendix 1

RO01 1.3	**Strategic**	**Pandemic / Epidemic:** Interruption of normal service/inability to deliver functions. Financial impact of crisis on sources of funding.	3	Possible	4	Major	12	Medium	Adhere to Government restrictions, rules or guidance. Regular communication with Transport Scotland and consituent councils officials to guide any operational changes. Business Continuity Plan. Maintain current functions that can be delivered within working guidance.	3	Possible	3	Moderate	9	Medium	**Medium** An ongoing risk-remains for future spikes of Covid-19 or other kinds of disease outbreaks Working from home arrangements now tried and tested and effective. **Tolerate**	Ongoing Partnership Director	Low	Med	↔
R002 2.0	**Financial**	**Financial:** Significant deviation from budgeted spend	**2**	**Unlikely**	**3**	**Moderate**	**6**	**Low**	The Financial Rules do not permit spending (whether revenue or capital) to exceed available budget. Budget and spend is monitored on a monthly basis by SEStran officers, using financial information provided by CEC through the Partnership's Financial Services Service Level Agreement with CEC and supported by qualified accounting staff of CEC. Action is taken by Partnership officers to develop alternative savings measures, including options for development of contingency arrangements, if required and subject to approval by the Partnership. The Partnership's Financial Rules require reporting of financial performances to the Partnership Board on a quarterly basis.	**1**	**Remote**	**2**	**Minor**	**2**	**Low**	**Low** Transport (Scotland) Act 2019 includes section on RTPs carrying reserves. **Tolerate**	November 2023 Partnership Director	Low	Med	↔
R002 2.1	**Financial**	The approved budget for 2023/24 makes provision for a pay award of up to 3%.	**5**	**Highly Probable**	**3**	**Moderate**	**15**	**High**	Prudent planning assumption with ongoing monitoring of public sector pay negotiations.	**4**	**Probable**	**3**	**Moderate**	**12**	**Medium**	**Medium** Ongoing monitoring and review of all costs and forecasts during 2023/24. **Tolerate**	November 2023 Partnership Director	Low	Med	↔

R002 2.2	**Financial**	Staff recharges - externally funded projects: The approved budget assumes that £4,000 of staff time can be recharged to Projects. There is a risk this may not be achievable.	3	**Possible**	3	**Moderate**	9	**Medium**	Any shortfall in employee cost recharges will be offset by a corresponding reduction in Projects Budget expenditure.	3	**Possible**	3	**Moderate**	9	**Medium**	**Medium** Other funding sources will continue to be pursued. **Tolerate**	November 2023 Partnership Director	Low	Med	↔
R002 2.3	**Financial**	Inflation: There is a risk that the indicative budget does not adequately cover price inflation and increasing demand for services.	4	**Probable**	4	**Major**	16	**High**	When setting the revenue budget, allowance was made for specific known price inflation. Budgets adjusted in line with current cost forecasts.	4	**Probable**	3	**Moderate**	12	**Medium**	**Medium** Ongoing monitoring and review of all costs and forecasts during 2023/24. **Tolerate**	November 2023 Partnership Director	Low	Med	↔
R002 2.4	**Financial**	Delays in payment of external grants results in additional short-term borrowing costs.	3	**Possible**	3	**Moderate**	9	**Medium**	SEStran grant claims for projects are submitted in compliance with grant funding requirements to ensure minimal delay in payment. Ongoing monitoring of cash flow is undertaken to manage exposure to additional short-term borrowing costs.	3	**Possible**	3	**Moderate**	9	**Medium**	**Medium** Grant submission procedures in place, along with financial planning. **Tolerate**	November 2023 Partnership Director	Low	Med	↔
R002 2.5	**Financial**	Sources of additional income to the Partnership may become constrained in the current economic climate and/or due to changes in operating arrangements.	4	**Probable**	4	**Major**	16	**High**	Active Travel funding a high priority for Government with funds consistently available to bid for. Revenue budget for 2023/24 developed to take account of most likely level of external income in 2023/24.	3	**Possible**	4	**Major**	12	**Medium**	**Medium** ~~Adapt expenditure accordingly.~~ ~~Ongoing monitoring and review of all costs, income and forecasts during 2023/24.~~ Explore alternative funding options Lobby/bid for additional funds **~~Tolerate~~Treat**	~~November 2022~~ ~~February 2023~~ June 2023 Partnership Director	Low	Med	↓
R002 2.6	**Financial**	Funding reductions: Future reductions in core funding from Scottish Government and/or council requisitions. This could result in difficulty in delivering statutory obligations/duties.	3	**Possible**	4	**Major**	12	**Medium**	The Partnership will continue to source and develop external funding.	3	**Possible**	4	**Major**	12	**Medium**	**Medium** Manage organisation in accordance with available funding but ability of organisation to deliver RTS objectives will inevitably be dictated by available funding. Engagement/advocating with SG/TS to maintain/increase funding Working with other RTPs to influence SG review of allocation of funding **Tolerate**	~~November 2022~~ ~~February 2023~~ June 2023 Partnership Director	Low	Med	↔

R002 2.7	**Financial**	The ~~deficit~~ funding position of the staff pension fund could lead to increases in the employers pension contribution	4	**Probable**	3	**Moderate**	12	**Medium**	Following the Lothian Pension Fund Triennial Acturial Review of 2020, Partnership contribution rates have been advised until 2023/24. Planning assumptions have been updated and included in the revenue budget 2023/24 and indicative budget for 2024/25 reported to the Partnership Board on 17th March 2023.	4	**Probable**	3	**Moderate**	12	**Medium**	**Medium** **Tolerate**	November 2023 Partnership Director	Low	Med	↔
R002 2.8	**Financial**	Current staffing levels cannot be maintained due to funding constraints and the Partnership incurs staff release costs	3	**Possible**	4	**Major**	12	**Medium**	The Partnership continues to seek additional sources of funding for activities aligned to the Partnership's objectives to supplement resources. Recruitment control measures in place. Additional resources can be managed through consultancy as required.	3	**Possible**	4	**Major**	12	**Medium**	**Medium** Other funding sources will continue to be pursued. **Tolerate**	Ongoing Partnership Director	Low	Med	↔
R002 2.9	**Financial**	**Other Funding Sources:** Reduced access to EU project funding and lack of replacement funding from UK Government	5	**Highly Probable**	3	**Moderate**	15	**High**	The Partnership has sought to engage in as many relevant EU projects and funds as it can whilst UK authorities are allowed to access these funds. This should mitigate the short-term impact of any EU Exit negotiated and implemented. The Partnership has a proven track record in securing funding for relevant projects from the UK and other partners. It is anticipated that this will continue. Horizon projects being pursued.	5	**Highly Probable**	2	**Minor**	10	**Medium**	**Medium:** The risk remains as there is significant uncertainty around the immediate and medium (3-5year) horizon for access to funds. ~~Opportunity for renewed collaborative working with EU following Brexit to be explored.~~ ~~SEStran continuing to be accepted as partners in EU funded Horizon projects.~~ ~~*1 Horizon application submitted and a second in the pipeline.*~~ Other funding applications will be made when available. There has been no confirmation from UK Government on participation in EU funded programmes, like Horizon. Advocate for access to UK replacement funds. Explore further ongoing calls for Horizon programme when available. ~~**Tolerate**~~**Treat**	Ongoing Partnership Director	Low	Med	↓

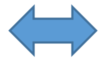
Appendix 1

R003 3.0	**Reputational**	**Project Management:** Project incomplete or of poor quality Late Delivery	2	**Unlikely**	4	**Major**	8	**Medium**	Monthly monitoring and management intervention by the project officer and oversight by the Programmes Manager. Regular monitoring and management/project team meetings provides all across the organisation with a clear view of progress and expenditure against budget.	2	**Unlikely**	3	**Moderate**	6	**Low**	**Low** Regular reports presented to ~~P&A Committee and~~ Partnership Board, which have been revised to provide focused monitoring template. Weekly projects staff team meeting to be reinstated with Partnership Director in attendance. **Tolerate**	Ongoing Programmes Manager	Low	Med	
R003 3.1	**Reputational**	**Reputation:** Regard by the public and stakeholders. Negative or inaccurate media coverage leading to misrepresentation of SEStran position	3	**Possible**	3	**Moderate**	9	**Medium**	Good relationships with media. Quick response to negative or inaccurate coverage. Board members regulary updated on SEStran work successes and issues. Agreed broad media positions. Availability of Spokesperson - Senior staff only. No unauthorised media statements.	3	**Possible**	2	**Minor**	6	**Low**	**Low** Partnership staff and Board Members continue to promote and advocate activities via speaking, writing or wider networking Continue to work closely with regional partners **Tolerate**	Ongoing Partnership Director	Low	Med	
R003 **3.2**	**Reputational**	**Project Management:** Potential insolvency of 3rd party supplier	3		4	**Major**	12	**Medium**	Improved supplier viability checks before award, renewal or modification of contracts or grants to be introduced by August 2023. Individual risks and mitigations to be developed for any contract or grant over an agreed threshhold.	2	**Unlikely**	4	**Major**	8	**Medium**	**Medium** ~~Partnership staff continue to monitor developments and advocate for shared mobility services in the region. Continue to work closely with regional partners and communication with users.~~ Full review of procurement procedures to be carried out by Legal Advisers **Treat**	Ongoing Senior Project Officer	Low	Med	
R004 4.0	**Governance**	**Newly Appointed Board.** Risk of lack of continuity and loss of expertise due to high turnover in members for the new term of office.	3	**Possible**	3	**Moderate**	9	**Medium**	Ensure that full training and support is provided to the new Board in 2022 to enable strategic decisons to be made. A Regular schedule of meetings of the Succession Planning Committee.	2	**Unlikely**	2	**Minor**	4	**Low**	**Low** Skills audit will identify future training requirements Option to appoint Board Observers to supplement areas of expertise Partnership Director 1:1 meetings with Board Members **Tolerate**	Ongoing Partnership Director **CLOSED**	Low	Low	

R005 5.0	External	**Third party Service Level Agreements:** Failure or inadequacy of service	2	Unlikely	2	Minor	4	Low	Service Level Agreements in place for Financial Services, HR and Insurance services. Reviewed annually by senior officers. Subject to independent audit scrutiny. Action: Progress renewals of SLA's to secure continuity of services	2	Unlikely	2	Minor	4	Low	**Low** Cross RTP discussion exploring viability of introducing shared services **Tolerate**	~~May 2023~~ September 2023 Partnership Director	Low	Med	↔
R005 5.1	External	**Contract Management:** Failure to manage contracts leads to under performance and failure to obtain best value and delivery from contractual relationship.	3	Possible	4	Major	12	Medium	Conditions of contract are being reviewed, including Contract Standing Orders and Procurement Strategy ~~Procurement Policy~~ Ensure contract documentation sound and up to date. Apply adequate supervision to the contract.	2	Unlikely	3	Moderate	6	Low	**Low** Business propriety/credit/analytic criteria to be written in to documentation. Contract management process to be included as part of full procurement review. **Tolerate**	~~November 2022~~ ~~February 2023~~ August 2023 Partnership Director	Low	Med	↔
R005 **5.2**	**External**	**Grants:** Failure to adhere to grant conditions could result in grants being withheld or reclaimed, impacting the Sestran budget	4	Probable	4	Major	16	High	Develop processes to ensure that grant conditions are understood before application is submitted, that relevant team members are briefed on grant conditions, and that adequate controls are in place to ensure that all steps and approvals are documented	2	Unlikely	4	Major	8	Medium	**Medium** **Treat**	June 2023 Partnership Director	Low	Med	↓
R006 6.0	Legal and Regulatory	**Statutory Duties:** Failure to adhere to duties described in legislation and related documentation	1	Remote	4	Major	4	Low	Board members regulary updated on SEStran work successes and issues. Ongoing liaison with Transport Scotland and relevant governing bodies. Regular liaison with Auditors.	1	Remote	2	Minor	2	Low	**Low** Regular monitoring and programming of statutory duties is undertaken by the Partnership Director, Senior Partnership Manager and Business Manager. Audited by third parties. **Tolerate**	Ongoing Partnership Director	Low	Low	↔
R008 8.0	System and Technology	**Digital/IT:** Server failure Comms failure Website breach Resulting in loss of service to business operations	3	Possible	4	Major	12	Medium	Regular review of the Management Plan for Business Continuity. IT/Website maintained under contract. Both proactively managed by third parties. IT hardware/software/licences upgraded at regular intervals.	3	Possible	2	Minor	6	Low	**Low** Contracted IT consultants deliver IT services. Website contract includes security updates. Robust Information Security Policy in place with regular monitoring reports. GDPR compliant and Cyber Essentials Plus Accreditation maintained. **Tolerate**	Ongoing Business Manager	Low	Med	↔

R009 9.0	**People**	**HR:** ~~Pension Liabilities~~ ~~Redundancy~~ ~~Contingency~~ ~~Inappropriate Behaviour~~ ~~Staffing/Incapacity~~ Non-compliance with emloyment and/or data privacy laws may result in poor repuation as an employer, difficulty in attracting skilled resource and greater probability of litigation and / or financial penalties	3	**Possible**	3	**Moderate**	9	**Medium**	SLA in place until May ~~2023~~ 2024 with Falkirk Council to provide specialist HR advice as required and is under regular review. Legal advice is provided, when required, through a framework contract, which is in place until August ~~2023~~ 2024	1	**Remote**	2	**Minor**	2	**Low**	**Low** **Tolerate**	May ~~2023~~ 2024 Partnership Director	Low	Low	
R009 9.1	**People**	Inadequate measures in place to facilitate staff health, safety and well-being during contingency arrangements or future office arrangements.	3	**Possible**	4	**Major**	12	**Medium**	Regular review of appropriate policies. Carry out appropriate assessments of office equipment and working arrangements, following landlords guidance in relation to access to the office. Risk Management Framework approved by P&A Committee. Liaise with HR Adviser, SG facilities team. Hybrid Working Policy implemented to facilitate transition arrangements to normal working arrangements	3	**Possible**	3	**Moderate**	9	**Medium**	**Medium** An ongoing risk remains for future pandemics and future widespread disease or other outbreaks. Measures will be adjusted in accordance with government advice. **Treat**	Ongoing Partnership Director (Subject to SG advice)	Low	Low	
R009 9.2	**People**	Inadequate measures in place to facilitate staff health, safety and well-being during working from home arrangements.	3	**Possible**	4	**Major**	12	**Medium**	Appropriate policies are reviewed and updated. Risk assessments of staff personal home working arrangements have been completed and will be subject to regular review. Risk Management Framework approved by P&A Committee. Business Continuity Plan reviewed. Liaise with HR Adviser. Review transition arrangements to normal working arrangements at appropriate time. Hybrid Working Policy will facilitate this.	3	**Possible**	3	**Moderate**	9	**Medium**	**Medium** An ongoing risk remains for future pandemics and future widespread disease or other outbreaks. Measures will be adjusted in accordance with government advice and legislation. **Treat**	Ongoing Partnership Director (Subject to SG advice)	Low	Low	

Appendix 1

R009 9.3	**People**	Loss of key personnel may lead to inability to deliver strategy and projects.	3	**Possible**	**3**	**Moderate**	**9**	**Medium**	Recruitment strategy. Development of existing staff through performance appraisal. Staff training Specialist HR recruitment consultancy	**3**	**Possible**	**1**	**Insignificant**	**3**	**Low**	**Low** Work programme will be monitored and redistributed as necessary. Recruitment exercise has commenced **Tolerate**	~~May 2023~~ September 2023 Partnership Director	Low	Low	

Risk Number	Risk Detail	Risk Category	Gross Risk Assessment						Planned Response/Mitigation	Net Risk Assessment						Risk After Mitigation/Appetite for Risk	Date and Owner
			Probability		Impact		Risk Score			Probability		Impact		Risk Score			
	Restricted ability to undertake RTS re-write: Inadequate senior staff resourcing available due to continued absence of Partnership Director	Strategic	4	Probable	3	Moderate	12	Medium	Resolve absence as soon as possible and appoint external resources as required.	2	Unlikely	2	Minor	4	Low	Partnership Director appointed May 2019. Funds identified for RTS re-write	June 2019 CLOSED
	Accommodation: Occupancy Agreeement with SG due for renewal February 2019. SG may not renew and alternative premises required at market rates.	Financial	3	Possible	3	Moderate	9	Medium	A notice period of 12 months must be served by each party under the current occupancy agreement. Occupancy Agreement renewed until February 2022.	3	Possible	3	Moderate	9	Medium		June 2019 CLOSED
	ECOMM: Agreement to commit to ECOMM on the basis of being cost neutral. Income depends on number of delegates attending conference.	Financial	3	Possible	3	Moderate	9	Medium	SEStran withdrew offer to host ECOMM due to uncertaintity over Brexit and subsequent impact on attendance at the conference.	3	Possible	2	Minor	6	Low		June 2019 CLOSED
	Following the outcome of the EU Referendum, the Partnership is unable to access EU funding.	Financial	5	Highly Probable	3	Moderate	15	High	The Partnership continues to seek alternative funding sources to progress knowledge exchange/transfer.	4	Probable	3	Moderate	12	Medium	**Medium** **Tolerate:** Adapt expenditure accordingly Currently involved in 5 EU projects, the completion of which are underwritten by the UK Treasury.	June 2021 CLOSED
	Governance: Succession Planning Business Continuity	Governance	3	Possible	3	Moderate	9	Medium	Governance Scheme contains adequate provision to deal with senior officer absence. Staff structure and Business Continuity Plan in place. Senior Partnership Manager appointed.	2	Unlikely	2	Minor	4	Low	**Low** **Tolerate**	CLOSED Partnership Director
	Policy Appraisal: Poor Quality Lack of consultation	Strategic	1	Remote	3	Moderate	3	Low	Advised by Government of relevant policy changes and Partnership Director and Officers regularly looking out for further policies and responding accordingly. Consultative forums also enable greater visibility and integration of local policies into regional strategy. Make full use of online consultancy options.	1	Remote	2	Minor	2	Low	**Low.** Partnership staff also continue to monitor their networks for relevant policy discussions. Draft RTS approved for statutory consultation. **Tolerate**	CLOSED Partnership Director

Low Med

Risk Description and Impacts Table

Ref	Type of Risk	Description	Impact
R001	Strategic	Inability to design and / or implement a strategic plan or strategy for SEStran.	Lack of clarity regarding future direction and structure of SEStran impacting quality and alignment of strategic decisions
R002	Financial	Inability to perform financial planning; deliver an annual balanced budget; manage cash flows; and confirm ongoing adequacy of reserves	SEStran is unable to continue to deliver in line with strategic objectives; inability to meet financial targets; adverse external audit opinion; adverse reputational consequences
R003	Reputational	Adverse publicity because of decisions taken and / or inappropriate provision of sensitive strategic, commercial and / or operational information to external parties	Significant adverse impact to SEStran's reputation in the public domain
R004	Governance	Inability of management and members to effectively manage and scrutinise performance, and take appropriate strategic, financial and operational decisions	Poor performance is not identified, and decisions are not aligned with strategic direction
R005	External	Inability to effectively manage SEStran's most significant supplier and partnership relationships	Inability to deliver strategy and major projects within budget and achieve best value
R006	Legal / regulatory	Delivery of services and decisions are not aligned with applicable legal and regulatory requirements	Regulatory censure and penalties; legal claims; financial consequences
R007	Specific Operational	Inability to deliver projects and programmes effectively, on time and within budget	Inability to deliver projects; achieve service improvements; and deliver savings targets
R008	System and technology	Potential failure of cyber defences; network security; application security; and physical security and operational arrangements	Inability to use systems to support services; loss of data and information; regulatory and legislative breaches; and reputational consequences
R009	People	Employees and / or citizens suffer unnecessary injury and / or harm	Legal; financial; and reputational consequences
R010	New Project Income	Inability to attract new projects to fill the funding gap left by diminishing EU projects/Brexit	Inadequate funding streams and lack of innovation.

Risk Impact

Likelihood		Severity		
1	Remote	1	Insignificant	
2	Unlikely	2	Minor	
3	Possible	3	Moderate	
4	Probable	4	Major	
5	Highly Probable	5	Catastrophic	

Risk Score	
1	Low Risk
2	
3	
4	
5	
6	
8	Medium Risk
9	
10	
12	
15	High Risk
16	
20	
25	

At Risk
Strategic
Financial
Reputational
System and Technology
Governance
Specific Operational
External
Legal and Regulatory
People
New Project Income

Impact				
Descriptor	Score	Health and Safety Impact	Impact on Service and Reputation	Financial Impact
Insignificant	1	No injury or no apparent injury.	No impact on service or reputation. Complaint unlikely, litigation risk remote.	Loss/costs up to £5000.
Minor	2	Minor injury (First Aid on Site)	Slight impact on service and/or reputation. Complaint possible. Litigation possible.	Loss/costs between £5000 and £50,000.
Moderate	3	Reportable injury	Some service distruption. Potential for adverse publicity, avoidable with careful handling. Complaint expected. Litigation probable.	Loss/costs between £50,000 and £500,000
Major	4	Major injury (reportable) or permanent incapacity	Service disrupted. Adverse publicity not avoidable (local media). Complaint expected. Litigation expected.	Loss/costs between £500,000 and £5,000,000.
Catastrophic	5	Death	Service interrupted for significant time. Adverse publicity not avoidable (national media interest.) Major litigation expected. Resignation of senior management/directors.	Theft/loss over £5,000,000

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

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

Risk Appetite

Risk Rating	Net Risk Assessment	Risk Appetite Response
High	15-25	Unacceptable level of risk exposure which requires action to be taken urgently.
Medium	7-14	Acceptable level of risk but one which requires action and active monitoring to ensure risk exposure is reduced
Low	1-6	Acceptable level of risk based on the operation of normal controls. In some cases, it may be acceptable for no mitigating action to be taken.

Risk Response

There are four categories of risk response:

Terminate: risk avoidance – where the proposed activity is outwith the current risk appetite level;

Treat: risk reduction – where proactive action is taken to reduce the likelihood or impact of an event occurring or limiting the consequences should it occur

Transfer: risk transfer – where the liability for the consequences is transferred to an external organisation in full or part (e.g. insurance cover)

Tolerate: where certain risks are accepted

Risk Appetite Target Scores

Risk Description	From	To	Commentary
Strategic	Low	Medium	SEStran has a low to medium appetite in relation to its strategic risks and aims to ensure effective delivery of its commitments in line with agreed timescales. Strategic delivery is monitored through ongoing reporting processes and governance processes.
Financial	Low	Medium	SEStran has a low to medium appetite in relation to financial risk and may be prepared to accept some risk, subject to: · setting and achieving an annual balanced revenue budget, in line with legislative requirements · maintaining an unallocated general reserve fund, in line with legislative requirements Financial risk is set out in SEStran's Governance Scheme.
Reputational	Low	Medium	SEStran is prepared to tolerate a low to medium level of occasional isolated reputational damage. Media response protocols are set out in the Governance Scheme.
System and Technology	Low	Medium	SEStran has a low to medium appetite in relation to system and technology risk. The risk appetite will vary depending on the nature, significance and criticality of systems used, and the services they support. Risks are managed through ongoing use of inbuilt technology, security controls, encryption, data loss prevention, firewalls and vulnerability scanning, plus a range of security protocols and procedures. SEStran has achieved Cyber Essentials Plus accreditation.
Governance	Low	Low	SEStran has a low appetite in relation to governance and decision making. The partnership's governance arrangements are detailed in the Governance Scheme. No officer or member may knowingly take or recommend decisions or actions which breach legislation.
Specific Operational	Low	Medium	SEStran has a low to medium appetite in relation to specific operational risks. The Partnership Director and Management Team are expected to design, implement and maintain appropriate programme, project management and governance controls to manage these risks.
External (Suppliers/contractors/partnerships)	Low	Medium	SEStran has a low to medium appetite in relation to external risks. The appetite will vary depending on the criticality of the service or third-party support. SEStran has an established procurement process, supported by the Contract Standing Orders and use of Public Contract Scotland frameworks.
Legal and Regulatory	Low	Low	SEStran aims to fully comply with all applicable regulatory and legislative requirements. No officer or member may knowingly take or recommend decisions or actions which breach the law.
People	Low	Low	SEStran recognises that accidents can occur because of unknown and/or unplanned events and has an appetite to fully comply with all relevant health and safety requirements to minimise any health and safety risks that could potentially result in loss of life or injury.
New Project Income	Medium	High	SEStran has a medium to high appetite in relation to attracting new projects to enable innovation and attract new funding streams. SEStran has an established procurement process, supported by the Contract Standing Orders and use of Public Contract Scotland frameworks. Financial risk is set out in SEStran's Governance Scheme.

HR Policy Review

1. INTRODUCTION

1.1 The purpose of this report is to present the Performance and Audit Committee with a copy of the Family Leave Policy for approval. The draft policy is attached as an **Appendix** to this report.

2. HR POLICY REVIEW

2.1 As reported to the last meeting of this Committee, an annual review of the HR policies has commenced and will continue over summer.

Due to updated government guidance on UK and overseas adoption and fostering for adoption, the Family Leave Policy has been identified as requiring revision and the following is a summary of the changes made:

- Leave entitlement has been updated to up to 52 weeks, regardless of length of service
- Reference to adoption pay or leave now includes surrogacy pay and leave unless otherwise stated
- Inclusion of adopting a child from overseas and fostering for adoption
- New guidance added for Foster Carers and Approved Kinship Carers which provides support to staff in the form of flexible working arrangements and time off for eligible staff

3. RECOMMENDATIONS

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

3.1 Approves the amendments made to the Family Leave Policy for implementation.

Angela Chambers
Business Manager
26 May 2023
Appendix: Family Leave Policy

Policy Implications	As outlined in the report
Financial Implications	Additional paid leave provided to eligible staff
Equalities Implications	None
Climate Change Implications	None

APPENDIX

FAMILY LEAVE POLICY

Document Version Control

Date	Author	Version	Status	Reason for Change
Jun 2007	SEStran	1.0	FINAL	Policy Adopted
Sept 2015	SEStran	1.1	FINAL	Adapted for compliance with new legislation, related to Shared Parental Leave
Oct 2017	SEStran	1.2	FINAL	Adoption of version control
Sept 2021	SEStran	1.3	FINAL	Adapted for Parental Bereavement Leave
June 2023	SEStran	1.4	FINAL	Update to Adoption and Surrogacy leave entitlement and new guidance on Foster Carers and Approved Kinship Carers

<u>CONTENTS</u>

INTRODUCTION

SESTRAN aims to recruit and retain high calibre employees and ensure a commitment to equal opportunities.

The following provisions are available for employees in order to assist in the balance of work and family/parental commitments.

1. MATERNITY LEAVE

This section of the policy sets out the rights and responsibilities of employees who are pregnant or have recently given birth and gives details of the arrangements for antenatal care, pregnancy-related illness, and maternity leave and pay.

SESTRAN recognises that, from time to time, employees may have questions or concerns relating to their maternity rights. It is SESTRAN's policy to encourage open discussion with employees to ensure that questions and problems can be resolved as quickly as possible. As the maternity provisions are complex, if an employee becomes pregnant she should clarify the relevant procedures with the Office Manager or the SESTRAN Human Resources Adviser to ensure that they are followed correctly.

The following definitions are used in this policy:

'Expected week of childbirth' means the week, starting on a Sunday, during which the employee's doctor or midwife expects her to give birth.

'Qualifying week' means the 15th week before the expected week of childbirth.

Notification of pregnancy

On becoming pregnant, an employee should notify her line manager as soon as possible. This is important as there are health and safety considerations for SESTRAN.

By the end of the qualifying week, or as soon as reasonably practicable afterwards, the employee is required to inform SESTRAN in writing of:

- the fact that she is pregnant;
- her expected week of childbirth; and
- the date on which she intends to start her maternity leave.

The employee must also provide a MAT B1 form, which is a certificate from a doctor or midwife confirming the expected week of childbirth. The form must have either the doctor's name and address or the midwife's name and registration number on it.

The employee is permitted to bring forward her maternity leave start date, provided that she advises SESTRAN in writing at least 28 days before the new start date or, if that is not possible, as soon as reasonably practicable. The employee may also postpone her maternity leave start date, provided that she advises SESTRAN in writing at least 28 days before the original proposed start date or, if that is not possible, as soon as reasonably practicable.

SESTRAN will formally respond in writing to the employee's notification of her leave plans within 28 days, confirming the date on which she is expected to return to work if she takes her full 52-week entitlement to maternity leave.

Time off for antenatal care

Once an employee has advised SESTRAN that she is pregnant, she will be entitled to take reasonable paid time off work to attend antenatal appointments as advised by her doctor, registered midwife or registered health visitor.

In order to be entitled to take time off for antenatal care, the employee is required to produce a certificate from her doctor, registered midwife or registered health visitor, stating that she is pregnant. Except in the case of the first appointment, the employee should also produce evidence of the appointment, such as a medical certificate or appointment card, if requested to do so.

Antenatal care may include relaxation and parent craft classes that the employee's doctor, midwife or health visitor has advised her to attend, in addition to medical examinations.

The employee should endeavour to give her line manager as much notice as possible of antenatal appointments and, wherever possible, try to arrange them as near to the start or end of the working day as possible.

Fathers and partners of pregnant women are entitled to unpaid time off to attend two ante-natal appointments, on production of appropriate evidence of appointments.

Health and safety

SESTRAN has a duty to take care of the health and safety of all employees. We are also required to carry out a risk assessment to assess the workplace risks to women who are pregnant, have recently given birth or are breastfeeding.

SESTRAN will provide the employee with information as to any risks identified in the risk assessment. If the risk assessment reveals that the employee would be exposed to health hazards in carrying out her normal job duties, SESTRAN will take such steps as are reasonably necessary to avoid those risks, such as altering the employee's working conditions. In some cases, this may mean offering the employee suitable alternative work (if available) on terms and conditions that are not substantially less favourable.

If it is not possible for the employee's working conditions to be amended to remove the risks to her health and there is no suitable alternative work available to offer her on a temporary basis, the employee may be suspended from her work on maternity grounds until such time as there are no longer any risks to her health. This may be for the remainder of her pregnancy until the commencement of her maternity leave. If an employee is suspended in these circumstances, her employment will continue during the period of the suspension and it does not in any way affect her statutory or contractual employment and maternity rights. The employee will be entitled to her normal salary and contractual benefits during the period of her suspension, unless she has unreasonably refused an offer of suitable alternative employment.

Sickness absence

If an employee is absent from work during pregnancy owing to sickness, she will receive normal statutory or contractual sick pay in the same manner as she would during any other sickness absence provided that she has not yet begun ordinary maternity leave. If, however, the employee is absent from work due to a pregnancy-related illness after the beginning of the fourth week before her expected week of childbirth, her maternity leave will start automatically.

If the employee is absent from work wholly or partly because of pregnancy during the four weeks before the expected week of childbirth, she must notify SESTRAN in writing of this as soon as reasonably practicable.

Maternity leave

All pregnant employees are entitled to take up to 26 weeks' ordinary maternity leave and up to 26 weeks' additional maternity leave, making a total of 52 weeks. This is regardless of the number of hours they work or their length of service. Additional maternity leave begins on the day after ordinary maternity leave ends.

Ordinary maternity leave can start at any time after the beginning of the 11th week before the employee's expected week of childbirth (unless her child is born prematurely before that date in which case it will start earlier).

Maternity leave will start on whichever date is the earlier of:

- the employee's chosen start date;
- the day after the employee gives birth; or
- the day after any day on which the employee is absent for a pregnancy-related reason in the four weeks before the expected week of childbirth.

If the employee gives birth before her maternity leave was due to start, she must notify SESTRAN in writing of the date of the birth as soon as reasonably practicable.

The law obliges all employees to take a minimum of two weeks of maternity leave immediately after the birth of the child.

Ordinary maternity leave

During the period of ordinary maternity leave, the employee's contract of employment continues in force and she is entitled to receive all her contractual benefits, except for salary. In particular, any benefits in kind will continue; contractual annual leave entitlement will continue to accrue; and pension contributions will continue to be made provided that the employee is receiving maternity pay (Employee contributions will be based on actual pay, while employer contributions will be based on the salary that the employee would have received had she not gone on maternity leave).

Salary will be replaced by maternity pay if the employee is eligible to receive it, as noted below.

Employees are encouraged to take any outstanding annual leave due to them before the commencement of ordinary maternity leave*.* Employees are reminded that holiday must be taken in the year that it is earned and therefore if the holiday year is due to end during maternity leave, the employee should take the full year's entitlement before starting her maternity leave.

Additional maternity leave

During the period of additional maternity leave, the employee's contract of employment remains and she is entitled to receive all her contractual benefits, except for salary. Any benefits in kind will continue and contractual annual leave entitlement will continue to accrue.

Payment during additional maternity leave, if the employee is eligible to receive it, will be as noted below.

Pension contributions will continue to be made during the period when the employee is receiving pay but not during any period of unpaid additional maternity leave.

Maternity pay

Maternity pay is payable for up to 39 weeks during maternity leave. An employee is entitled to maternity pay if:

- she has been continuously employed by SESTRAN for at least 26 weeks at the end of the qualifying week and she is still employed during that week (previous local authority continuous service is recognised for the purposes of determining maternity leave entitlement);
- her average weekly earnings in the eight weeks up to and including the qualifying week are not less than the lower earnings limit for national insurance contributions, (in which case the employee may be entitled to claim Maternity Allowance from the Benefits Agency). For the purposes of calculating average weekly earnings, any allowances or overtime payments made during the eight week period will be included;
- she is still pregnant 11 weeks before the start of the expected week of childbirth (or has already given birth);
- she provides a MAT B1 form stating her expected week of childbirth; and
- she gives SESTRAN proper notification of her pregnancy in accordance with the rules set out above.

If the employee returns to work following maternity leave maternity pay will be:

- 6 weeks at 90% of the employee's average weekly earnings calculated over the period of eight weeks up to and including the qualifying week
- followed by 12 weeks at half pay, plus SMP at the standard rate, followed by,
- 21 weeks at SMP only.

If the employee becomes eligible for a pay rise between the start of the original calculation period and the end of her maternity leave (whether ordinary maternity leave or additional maternity leave), the maternity pay to which the employee is eligible will be recalculated to take account of the pay rise and appropriate payment made.

Statutory maternity pay is treated as earnings and is therefore subject to PAYE and national insurance deductions.

Payment of SMP cannot start prior to the 11th week before the employee's expected week of childbirth. Statutory maternity pay can start from any day of the week in accordance with the date the employee starts her maternity leave.

Statutory maternity pay is payable whether or not the employee intends to return to work after her maternity leave. If the employee does not intend to return to work she is not entitled to occupational maternity pay, ie 12 weeks at half pay. If an employee intends to return to work and is accordingly paid occupational maternity pay but subsequently does not return for 3 months at the end ~~of her~~of her maternity leave she will be required to repay the occupational element of her maternity pay but not the statutory maternity pay.

Employees who are not entitled to SMP may be entitled to receive maternity allowance payable by the Government.

Contact during maternity leave

Shortly before an employee's maternity leave starts, the employee’s manager will discuss the arrangements for her to keep in touch during her leave, should she wish to do so. SESTRAN reserves the right in any event to maintain reasonable contact with the employee from time to time during her maternity leave. This may be to discuss the employee's plans for return to work, to discuss any special arrangements to be made or training to be given to ease her return to work or simply to update her on developments at work during her absence.

Keeping-in-touch days

Except during the first two weeks after childbirth an employee can agree to work for SESTRAN (or to attend training) for up to 10 days during either ordinary maternity leave or additional maternity leave without that work bringing the period of her maternity leave to an end and without loss of a week's SMP. These are known as 'keeping-in-touch' days. Any work carried out on a day shall constitute a day's work for these purposes.

SESTRAN has no right to require the employee to carry out any work, and the employee has no right to undertake any work, during her maternity leave. Any work undertaken, including the amount of salary paid for any work done on keeping-in-touch days, is entirely a matter for agreement between SESTRAN and the employee. Any keeping-in-touch days worked do not extend the period of maternity leave. Once the keeping-in-touch days have been used up, the employee will lose a week's SMP for any week in which she agrees to work for SESTRAN.

Pension contributions will be made in respect of any ‘keeping in touch days worked.

Returning to work

Upon notification that they are pregnant the employee will have been formally advised in writing by SESTRAN of the date on which she is expected to return to work if she takes her full 52-week entitlement to maternity leave. The employee is expected to return on this date, unless she notifies SESTRAN otherwise. If she is unable to attend work at the end of her maternity leave due to sickness or injury, SESTRAN's normal arrangements for sickness absence will apply. In any other case, late return without prior authorisation will be treated as unauthorised absence.

While the employee is under no obligation to do so, it would assist SESTRAN if she confirms as soon as convenient during her maternity leave that she will be returning to work as expected.

If the employee wishes to return to work earlier than the expected return date, she must give SESTRAN at least eight weeks' notice of her date of early return, preferably in writing. If she fails to do so, SESTRAN may postpone her return to such a date as will give SESTRAN eight weeks' notice, provided that this is not later than the expected return date.

If the employee decides not to return to work after maternity leave, she must give notice of resignation as soon as possible and in accordance with the terms of her contract of employment. If the notice period would expire after maternity leave has ended, SESTRAN may require the employee to return to work for the remainder of the notice period.

Rights on and after return to work

On resuming work after ordinary maternity leave, the employee is entitled to return to the same job as she occupied before commencing maternity leave on the same terms and conditions of employment as if she had not been absent.

On resuming work after additional maternity leave, again she is entitled to return to the same job as she occupied before commencing maternity leave on the same terms and conditions of employment as if she had not been absent. However, if it is not reasonably practicable for SESTRAN to allow the employee to return to the same job, the employee may be offered suitable alternative work, on terms and conditions that are no less favourable than would have applied if she had not been absent.

An employee who worked full-time prior to her maternity leave has no automatic right to return to work on a part-time basis or to make other changes to her working patterns. However, all requests for part-time work or other flexible working arrangements will be considered in line with the operational requirements of SESTRAN's business. If an employee would like this option to be considered, she should write to her line manager setting out her proposals as soon as possible in advance of her return date, so that there is adequate time for full consideration of the request. The procedure for dealing with such requests is set out in SESTRAN’s flexible working procedure.

2. ADOPTION AND SURROGACY LEAVE

This section of the policy sets out the rights of employees to adoption and surrogacy leave and pay.

~~An employee who adopts a child through an approved adoption agency is entitled to up to 52 weeks' adoption leave provided that he/she has at least 26 weeks' continuous service calculated as at the week in which notification of matching is given by the adoption agency. Local authority continuous service is recognised for this purpose.~~

~~The employee's entitlement is to take up to 26 weeks' ordinary adoption leave followed immediately by up to 26 weeks' additional adoption leave. The employee's maximum entitlement is thus to take up to 52 weeks' adoption leave.~~

~~All employees who take adoption leave have the right to return to work at any time during either ordinary adoption leave or additional adoption leave subject to their following the correct notification procedures as set out below.~~

~~Where a couple jointly adopt a child, the couple must choose one person to take leave under this scheme.~~

~~Where more than one child is placed as part of the same adoption arrangements only one period of leave will be granted.~~

Where the policy refers to adoption pay or leave, this includes surrogacy pay and leave unless otherwise stated.

You will be entitled to up to 52 weeks leave regardless of your length of service. If you are entitled to adoption pay, it will start on the day your leave begins.

The leave can start:

- up to 14 days before the date the child starts living with you (UK adoptions)
- when the child arrives in the UK or within 28 days of this date (overseas adoptions)
- the day the child's born or the day after (if you've used a surrogate to have a child)

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You must tell us within 28 days if the date of placement (or UK arrival date for overseas adoptions) changes.

Where a couple jointly adopts a child, the couple must choose one person only to take leave under this policy (the adopter). The partner of the adopter may be entitled to adoption support leave, paternity leave or shared parental leave. Only the adopter will receive the entitlements outlined in this section, including leave and pay.

If more than one child is placed as part of the same adoption/surrogacy arrangement, only one period of leave will be granted.

Leave if you're adopting a child from overseas

You must also sign form SC6 if you're adopting from overseas with a partner. This confirms you're not taking paternity leave or pay.

You're fostering for adoption

If you're eligible for adoption pay and leave, you'll receive them from when the child comes to live with you.

Exceptions

You do not qualify for Statutory Adoption Leave or Pay if you:

- arrange a private adoption
- become a special guardian or kinship carer
- adopt a stepchild
- adopt a family member

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If you get adoption leave, you can also get paid time off work to attend 5 adoption appointments after you've been matched with a child.

Your manager might need to see evidence of appointments

Adoption Pay

Employees who qualify for adoption leave will also qualify for statutory adoption pay provided that their average weekly earnings are not less than the lower earnings limit for national insurance contributions**.** If the employee returns to work following adoption leave, adoption pay will be as follows:

- 6 weeks at 90% of earnings (off set against payments by way of SAP);followed by;
- 12 weeks at half pay plus SAP, and
- 21 weeks at SAP only

Adoption pay is treated as earnings and is therefore subject to PAYE and national insurance deductions.

Statutory adoption pay is payable whether or not the employee intends to return to work adoption leave. If the employee does not intend to return to work they are not entitled to occupational adoption pay, ie 12 weeks at half pay. If an employee intends to return to work and is accordingly paid occupational adoption pay but subsequently does not return for 3 months at the end of their adoption leave they will be required to repay the occupational element of their adoption pay but not the statutory adoption pay.

Timing of adoption leave

Adoption leave can start on the day the child is placed for adoption, or on an agreed date up to 14 days earlier.

In order to make administration as easy as possible, the employee should discuss the timing of his/her adoption leave with his/her immediate manager as early as possible.

Notice requirements

In order to be entitled to take adoption leave and receive statutory adoption pay, the employee is required to give SESTRAN written notification of his/her intention to take adoption leave no later than seven days after the date on which notification of the match with the child was provided by the adoption agency. This notification must specify the date the child is expected to be placed with the employee for adoption and the date the employee intends his/her adoption leave to start.

The employee is permitted to bring forward his/her adoption leave start date, provided that he/she advises SESTRAN in writing at least 28 days before the new start date or, if that is not possible, as soon as reasonably practicable. The employee may also postpone his/her adoption leave start date, provided that he/she advises SESTRAN in writing at least 28 days before the original proposed start date or, if that is not possible, as soon as reasonably practicable. The employee must also provide evidence of entitlement to adoption leave and pay by producing a 'matching certificate' from the adoption agency.

Within 28 days of receiving the employee's notice of intention to take adoption leave, SESTRAN will write to the employee confirming the latest date on which the employee must return to work after adoption leave.

Pre-Adoption Meetings/Training Courses

Where an employee is required to attend the pre-adoption meetings/training courses associated with progressing through the adoption processes, they will be granted half (50%) of this time as special leave and the rest of the time will be made up by the employee through either annual leave or flexi time.

Rights during ordinary adoption leave and additional adoption leave

Ordinary adoption leave

During ordinary adoption leave the employee’s contract of employment continues in force and they are entitled to receive all contractual benefits except for salary. In particular, any benefits in kind will continue; contractual annual leave entitlement will continue to accrue; and pension contributions will continue to be made provided that the employee is receiving adoption pay . Employee contributions will be based on actual pay, while employer contributions will be based on the salary that the employee would have received had they not taken adoption leave

Salary will be replaced by adoption pay as noted above if the employee is eligible to receive it.

Employees are encouraged to take any outstanding holiday due to them before the commencement of adoption leave. Employees are reminded that holiday must be taken in the year that it is earned.

Additional adoption leave

Additional adoption leave begins on the day after ordinary adoption leave ends and lasts for a further 26 weeks. During additional adoption leave the employee’s contract of employment remains and they are entitled to receive all contractual benefits, except for salary. Any benefits in kind will continue and contractual annual leave entitlement will continue to accrue.

Payment during additional adoption pay will be as noted previously. Pension contributions will continue to be made during the period when the employee is receiving adoption pay but not during any period of unpaid additional adoption leave.

Contact during adoption leave

SESTRAN reserves the right to maintain reasonable contact with employees during adoption leave. This may be to discuss employees' plans for return to work, to discuss any special arrangements to be made or training to be given to ease their return to work or to update them on developments at work during their absence.

Keeping-in-touch days

Employees can agree to work for SESTRAN (or to attend training) for up to 10 days during their adoption leave without that work bringing their adoption leave to an end and without loss of a week's statutory adoption pay. These are known as 'keeping-in-touch' days. Any work carried out on a day shall constitute a day's work for these purposes

Pension contributions will be made in respect of any ‘keeping in touch days’ worked.

SESTRAN has no right to require employees to carry out any work and employees have no right to undertake any work during their adoption leave. Any work undertaken, and the amount of salary paid for any work done on keeping-in-touch days, is entirely a matter for agreement between employees and SESTRAN.

Termination of Placement

Where the child or children’s placement ends during the adoption period, the adopter will be entitled to remain absent on adoption leave for up to 8 weeks after the end of the placement. In this respect employees are required to advise their manager of this at the earliest opportunity. In the case of an earlier return, notification should be given as noted below.

Returning to work after adoption leave

The employee may return to work at any time during ordinary adoption leave or additional adoption leave, provided that he/she gives the appropriate notification. Alternatively, the employee may take his/her full period of adoption leave entitlement and return to work at the end of this period. If the employee wishes to return before the full period of adoption leave has elapsed, he/she must give at least eight weeks' notice in writing to SESTRAN of the date on which he/she intends to return.

Failure to return to work by the end of adoption leave will be treated as an unauthorised absence unless the employee is sick and produces a current medical certificate before the end of the adoption leave period.

If the employee decides during adoption leave that he/she does not wish to return to work, he/she should give written notice of resignation to SESTRAN as soon as possible and in accordance with the terms of his/her contract of employment

3. MATERNITY & ADOPTION SUPPORT LEAVE/ PATERNITY LEAVE

Maternity or Adoption Support Leave is available to all employees, who have a minimum of 26 weeks continuous service at the start of the 15th week before the EWC, or date of placement of a child, and who is a nominated carer.

The nominated carer is the person nominated by the mother or the person taking adoption leave to assist in the care of the child and to provide support to her/him.

Leave consists of up to a maximum of 5 days paid leave (pro-rated for part time/week workers) The leave may be taken as half working days, full working days or block periods as appropriate and must be taken within 56 days of the baby's birth.

Application for maternity or adoption support leave should be made to SESTRAN in the same way as that for annual leave and the employee will require to produce for inspection form MATB1, confirming the expected date of childbirth. If the employee is not the father, they will be required to produce a statement from the expectant mother declaring the applicant as the nominated carer. This will also be the case if the mother does not work and is unable to produce a MATB1 certificate.

In the event of a stillbirth, the five days maternity support leave will still be available.

Employees will be entitled to return to the same job after maternity or adoption support leave.

NB: Fathers or partners of an expectant mother or partners of adopters are also entitled to an additional week's ordinary paternity leave (see below).

Ordinary paternity leave

In addition to maternity/ adoption support leave, an employee whose wife, civil partner or partner gives birth to a child, or who is the biological father of the child, is entitled to a further one week's ordinary paternity leave, provided that he or she has 26 weeks' continuous service by the end of the 15th week before the week in which the child is expected.

Ordinary paternity leave is also available to an employee whose spouse, civil partner or partner adopts a child, or where the employee is one of a couple jointly adopting a child, provided that he or she has 26 weeks' continuous service by the end of the week in which notification of the match occurs.

To qualify for ordinary paternity leave, the employee must also have, or expect to have, responsibility for the upbringing of the child and be making the request to help care for the child or to support the child's mother.

Ordinary paternity leave must be taken in a single block of one week within eight weeks of the birth or adoption of the child. If the employee is eligible to receive it, pay during ordinary paternity leave will be at the weekly rate of statutory paternity pay, or at a rate equivalent to 90% of the average weekly earnings, if this figure is less than the weekly rate of statutory paternity pay.

The employee must give SESTRAN 15 weeks' written notice of the date on which the baby is due and the date on which they wish their leave to commence. In an adoption situation, no later than seven days after the adopter is informed of the match, they must inform SESTRAN in writing of the date notification of the adoption occurred, the date on which the child is expected to be placed for adoption, and the date on which they wish their leave to commence. If they subsequently wish to change the timing of their ordinary paternity leave, they must give 28 days' written notice of the new dates. They must also, if so requested, complete and sign a self-certificate declaring that they are entitled to ordinary paternity leave.

Additional paternity leave

Eligible employees may take up to 26 weeks' additional paternity leave within the first year of their child's life provided that the mother has returned to work. Additional paternity leave is also available to adoptive parents within the first year after the child's placement for adoption provided that the child's adopter who elected to take adoption leave (the "primary adopter") has returned to work.

The earliest that additional paternity leave may commence is 20 weeks after the date on which the child is born, or 20 weeks after the date of placement of the child for adoption, and it must end no later than 12 months after that date. Additional paternity leave must be taken as a single block in multiples of complete weeks. The minimum period is two consecutive weeks and the maximum period is 26 weeks.

To be eligible for additional paternity leave, the employee must satisfy each of the following criteria:

The employee must be the father of the child or married to, the civil partner of, or the partner of, the child's mother; married to, the civil partner of, or the partner of, the primary adopter; and, in the case of a birth child, expect to have the main responsibility for the upbringing of the child (apart from the mother's responsibility); or, in the case of adoption, have been matched with the child for adoption, and in either case be taking the leave to care for the child.

The employee must have a minimum of 26 weeks' continuous service by the end of the 15th week before the week in which the child is expected or by the end of the week in which notification of the match occurs.

The employee must remain in continuous employment until the week before the first week of additional paternity leave.

The mother of the child must be entitled to one or more of maternity leave, statutory maternity pay or maternity allowance or, in the case of adoption, the primary adopter must be entitled to one or both of adoption leave or statutory adoption pay, and the mother or primary adopter must have returned to work.

Where the employee wishes to request additional paternity leave and pay, they must give SESTRAN eight weeks' written notice of the date on which they wish the leave and, if applicable, additional statutory paternity pay to commence. The request must be in writing and must specify, in the case of the birth of a child, the date the child was expected to be born and the actual date of birth or, in the case of an adopted child, the date on which they were notified of having been matched with the child and the date of placement for adoption and, in either case, their name and intended start date and end date of additional paternity leave and statutory paternity pay.

In addition, not less than eight weeks before the proposed start date of additional paternity leave and pay, the employee must submit a written and signed self-certification form and the mother or primary adopter must submit a written and signed declaration form. These forms can be obtained from the Office Manager.

The employee must also, if so requested, produce the name and business address of the mother's or primary adopter's employer and a copy of the child's birth certificate or, in the case of an adopted child, evidence of the name and address of the adoption agency, the date on which the employee was notified of having been matched with the child and the date on which the agency expects to place the child for adoption.

SESTRAN will formally respond in writing to the notification of the employee's additional paternity leave plans within 28 days, confirming the relevant start and end dates of additional paternity leave and pay. If the employee subsequently wishes to change the timing of their additional paternity leave, they must give six weeks' written notice of the new dates.

FOSTER CARERS AND APPROVED KINSHIP CARERS

We are committed to support any staff member who is a foster carer or approved kinship carer. We will do this, wherever possible, by creating a fostering friendly organisation that offers flexible working arrangements which respond to the needs of all staff who are foster carers or approved kinship carers.

Eligibility

This policy applies to employees who have three months or more employment service and:-

- are applying to become a foster carer
- are an approved foster carer and have a child in placement (or have had a child in placement for 75% of the previous twelve months)
- are an approved kinship carer

Time Off

We will support foster carers and approved kinship carers by giving paid time off per leave year as follows:-

- assessment and training prior to approval as a foster carer - up to three days as a one off pre placement – pro rata for part time
- attendance at panel for approval – one day, pro rata for part tome
- child review meetings, annual foster carer review meeting, training – up to five days per year- pro rata for part time.

The line manager will approve the leave on a discretionary basis taking into account individual circumstances of each case and operational requirements of the business. The leave will be considered and approved on a pro rata basis.

The request for time off should outline the reason and the amount of leave required.

Where more than the maximum entitlement of paid leave is requested (as outlined above), the line manager and the staff member should discuss other means available eg annual leave, time off in lieu, parental leave.

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4. PARENTAL LEAVE

An employee is entitled to up to 18 weeks' unpaid parental leave per child if he/she meets one of the following conditions:

- He/she is the parent of a child who is under five years of age.
- He/she has adopted a child under the age of 18 (the right to parental leave lasts for a period of five years from the date of adoption or until the child's 18th birthday, whichever is the sooner).
- He/she has acquired formal parental responsibility for a child who is under five years of age.

An employee who is the parent or adoptive parent of a child who has been awarded Disability Living Allowance is entitled to up to 18 weeks' unpaid parental leave, which can be taken up to the child's 18th birthday.

To qualify for parental leave, employees must have completed at least one year's continuous service with SESTRAN.

Rights during parental leave

Qualifying employees will be entitled to a maximum of 13 weeks' parental leave to be taken up until the child's fifth birthday (unless the child is adopted or disabled - see above). During parental leave the employee will remain employed, although pay and most contractual benefits will be suspended. The right to accrue statutory holiday entitlement will, however, remain in place. Certain other terms of employment will remain in force, as follows. During parental leave employees will be entitled to the implied obligation of trust and confidence, and any terms and conditions of employment relating to:

- notice of termination;
- redundancy compensation; and
- disciplinary or grievance procedures.

Employees taking parental leave will be bound by the implied obligation of good faith, and any terms and conditions of employment relating to:

- notice of termination;
- disclosure of confidential information;
- the acceptance of gifts or other benefits; and
- participation in any other business.

Conditions of leave

An employee must, if required comply with any request made by SESTRAN to produce evidence as to his/her entitlement (eg parental responsibility or expected responsibility for the child in question; the child's date of birth or date on which placement for adoption began; where the employee is exercising a right in relation to a disabled child, details of the child's entitlement to Disability Living Allowance).

Notice of Intention to Take Parental Leave

The employee must give proper notice of the period of leave that he/she proposes to take. This notice must be given to SESTRAN at least 21 days before the date on which leave is to start and must specify the dates on which the period of leave is to begin and end.

Where the employee is the father of the child in respect of whom the leave is to be taken and he requests parental leave to begin when his child is born, his notice must specify the expected week of childbirth and the duration of the period of leave. The employee must give this notice at least 21 days before the expected week of childbirth.

Where the parental leave is in respect of an adopted child and is to begin on the date of the placement, the employee's notice must be given to SESTRAN at least 21 days before the beginning of the week in which the child is to be placed for adoption, or as soon as is reasonably practicable thereafter. It must specify the week in which the placement is expected to occur and the duration of the period of parental leave requested.

SESTRAN may postpone a period of parental leave (other than where parental leave has been requested immediately after childbirth or immediately after placement for adoption) where it is considered business would be unduly disrupted if the employee were to take leave during the period requested. In such a case, the employee will be allowed to take an equivalent period of parental leave beginning no later than six months after the commencement of the period originally requested. SESTRAN will give notice in writing of the postponement stating the reason for it and specifying suggested dates for the employee to take parental leave. Such notice will be given no more than seven days after the employee's notice of their intention to take parental leave.

Employees may not take parental leave in blocks of less than one week (except in relation to a child who is disabled).

Employees may not take more than four weeks' leave in respect of any individual child in any year. For these purposes a year is the period of 12 months beginning when the employee first becomes entitled to parental leave in respect of the child in question, and each successive period of 12 months beginning on the anniversary of that date.

Return from leave

At the end of parental leave, the employee will be entitled to return to the same job provided that the leave was for a period of four weeks or less (and did not follow on immediately from a period of additional maternity or adoption leave). If the period of parental leave was longer than four weeks (or followed on immediately from a period of additional maternity or adoption leave), then the employee will be entitled to return to the same job or, if that is not practicable, to a similar job that has the same or better status, terms and conditions as the previous job.

5. SHARED PARENTAL LEAVE (ShPL)

What is Shared Parental Leave?

Shared Parental Leave (ShPL) is designed to give parents/adopters more flexibility in how to share the care of their child in the first year following birth or adoption. Eligible employees can share up to 50 weeks leave, and can decide to be off work at the same time and/or take turns to have periods of leave to look after their child.

This option applies to employees, whether they are the mother or the partner. For an employee to be eligible for shared parental leave, both parents need to meet certain qualifying criteria (as noted below).

If it is the mother who is employed by SEStran, her partner must submit any notifications to take ShPL to their own employer. Similarly, if it is the partner who is employed by SEStran, the mother must submit any notifications to take ShPL to her own employer.

The mother and the partner should ensure that they are each liaising with their own employer to ensure that requests for ShPL are handled as smoothly as possible.

Eligibility for Shared Parental Leave

Who is eligible?

ShPL can only be used by 2 people:

- The mother/adopter, andz

- One of the following:
- The father of the child (in the case of birth) or,
- The spouse, civil partner or partner of the child's mother/adopter.

Working parents who share the main responsibility for caring for their child are able to opt into the shared parental leave system.

Both parents must share the responsibility for the care of the child at the time of the birth/placement for adoption.

If an employee has 2 or more posts with SEStran they are required to take shared leave in respect of all posts. In the case of the mother, they are required to curtail their maternity leave for all posts.

Eligibility Criteria

For employees to be able to take ShPL, **both** parents must meet certain eligibility requirements.

Maternity Entitlements

The mother of the child must be entitled to maternity leave or (if she is not entitled to maternity leave) to statutory maternity pay or maternity allowance. In addition, she must have curtailed her entitlement to maternity leave (or her maternity pay or maternity allowance period) before she has taken her full entitlement. See Section 1 to determine eligibility to maternity leave.

Care of the child – the mother must be sharing the main responsibility for the care of the child with the child's father or partner.

Continuity of employment – an employee must meet a continuity of employment test. This means that the employee must have been employed by the same employer for 26 weeks at the end of the 15^{th} week before the expected week of childbirth and remain employed by that employer at the start of the week in which shared parental leave is to be taken.

The continuity of employment test is similar to that for statutory maternity pay and paternity pay. So an employee who is entitled to SMP or SPP is likely to meet the continuity test for shared parental leave (See Section1).

Eligibility for the other parent – "employment and earning test" – the other parent, who must be the partner of the employee (i.e. the mother's/adopter's partner or the child's father – even if the father is not in a relationship with the mother) must satisfy an employment and earnings test and must make a declaration that they meet this test.

The employment and earnings test requires that in the 66 weeks leading up to the week in which the child is due (or in the case of adoption, the date when the adopter is notified of a match), they have worked in the UK for at least 26 weeks and in 13 weeks during the 66 week period they have earned the nationally agreed minimum level and would have paid class 1 national insurance contributions.

Shared Parental Leave Entitlement

Employees are entitled to take up to 50 weeks ShPL during the child's first year. The amount of ShPL which an individual is entitled to will depend on when the mother brings her maternity leave period to an end (i.e. curtails her leave) and the amount of leave that the other parent takes in respect of the child.

The first two weeks following birth are the compulsory maternity leave period and are reserved for the mother. This means that the mother cannot curtail her maternity leave to take ShPL until two weeks after the birth and the maximum period that the parents could take as ShPL is 50 weeks between them (although it will normally be less than this if the mother/adopter has taken leave before the birth or adoption placement).

The mother's partner can begin a period of ShPL at any time from the date of the child's birth if the correct booking notification has been given. **Note:** the partner must ensure that they use up any paternity leave or maternity/adoption support leave prior to taking shared parental leave. If paternity leave it not taken before Shared Parental Leave it will be lost.

Shared Parental Leave Options

It is up to the parents how they share the parental leave – they can take it in turns or take time off together, provided no more than 50 weeks of shared leave is taken in total.

An employee wishing to take ShPL is encouraged to contact their line manager to arrange an informal discussion as early as possible regarding their leave request. A line manager upon receiving a formal request should arrange a meeting with the employee to talk about their intentions and how they currently expect to use their ShPL entitlement. The purpose of any meeting is to discuss the leave proposed and what will happen when the employee is away from work.

Employees have the option to take leave in one continuous block (see Continuous Leave) or as separate blocks of leave (see Discontinuous Leave). Particularly in cases of requests for separate blocks of leave, the employee should discuss this in detail with their line manager to determine if the request can be granted and if necessary discuss other options that would be agreeable to both the employee and SEStran.

A maximum of three requests for leave per pregnancy can normally be made by each parent.

Notice requirements for shared parental leave

The notices that the parents must give to the relevant employer to be able to take ShPL are made up of the following elements. They are

- Curtailment notice (mother only)
- Notice of entitlement and intention
- Booking Notice
- Variation or cancellation Notice

This is explained in more detail below and the relevant forms are available (Appendices 1-4).

Curtailment Notice

Before the mother/adopter or partner can take ShPL, the mother/adopter must return to work before the end of their maternity/adoption leave. This will be done by giving the required eight weeks' notice of her planned return and providing SEStran with a curtailment notice.

A ‘maternity/adoption leave curtailment notice’ from the **mother/adopter** sets out when they propose to end their maternity/adoption leave **(see Appendix 1).**

The mother/adopter must provide the curtailment notice at the same time as the notice of entitlement and intention (Appendix 2) to take ShPL or a declaration of consent and entitlement signed by the mother confirming that her partner has given his/her employer a notice of entitlement and intention.

Revocation of maternity leave curtailment notice

The curtailment notice can be withdrawn in limited circumstances. The withdrawal of a curtailment notice must be in writing and can be given only if the mother/adopter has not returned to work. The curtailment notice can be withdrawn if:

- it is discovered that neither the mother/adopter nor the partner are entitled to ShPL or statutory shared parental pay and the mother withdraws her curtailment notice within eight weeks of the date on which the notice was given;
- the curtailment notice was given before the birth of the child and the curtailment notice is withdrawn within six weeks of the child's birth; or
- the partner has died.

If a mother and her partner have already started a period of shared leave or agreed a period of shared leave which is due to start within 8 weeks following the revocation, they may be required to be absent from work on unpaid leave for some or all of this period. SEStran is under no obligation to accept an employee back to work with no notice.

Notice of entitlement and intention

This notice is from the employee (whether they are the mother/adopter or partner) giving an initial, non-binding indication of their entitlement to, and intention to take, shared parental leave. This is a one-off notification and is only to inform SEStran of their intention to take shared parental leave **(See Appendix 2).**

A separate notice to book leave is required once an employee wishes to request specific dates of leave).

Adoption or Surrogacy Notice of Entitlement

In addition to the notice of entitlement and intention, adoptive parents must also confirm:

- the date the parents were notified as having been matched with the child;
- the date the child is expected to be placed with the parents; and
- a declaration from the parents and consent to the amount of time the other parent intends to take.

Evidence of eligibility in this case will be copies of documents issued by the adoption agency confirming the date the parents were matched with the child.

For surrogacy arrangements, if the intended parents have applied, or intend to apply, for a ‘parental order’ then, subject to meeting qualifying conditions, the nominated ‘primary’ adopter will be entitled to take adoption leave and pay and to end their adoption leave early and move onto ShPL .

Booking Notice

The employee's notice to book shared parental leave, must be in writing and be provided at least eight weeks before the start date of the first period of ShPL to be taken by the employee **(see Appendix 3).** However, the earlier an employee informs SEStran of their intentions, the more likely it is that SEStran will be able to accommodate the employee's wishes, particularly if they want to take periods of discontinuous leave.

Within 14 days of receiving a booking notice from the employee, whether the mother or partner, SEStran can request from the employee:

- a copy of the child's birth certificate (or, if the child has not been born, a copy of the birth certificate within 14 days of the birth - if the birth certificate has yet to be issued after this period, a signed declaration stating the date and location of the child's birth will suffice or a copy of the MATB1); and
- the name and address of the other parent's employer (or a declaration that the other parent has no employer).

The employee has 14 days from the date of the request to send SEStran the required information.

Variation or cancellation of notice of entitlement and intention

The employee can vary or cancel their proposed ShPL dates following the submission of a Booking Notice. They must provide SEStran with a written notice not less than eight weeks before any period of leave varied or cancelled by the notice is due to commence **(see Appendix 4).** The written notice can:

- vary the start date or the end date of any period of ShPL or cancel a request for leave;
- request that a continuous period of leave become discontinuous periods of leave; or
- request that discontinuous periods of leave become a continuous period of leave.

Any indication of leave intended to be taken that the employee provides in a Variation Notice is non-binding, until they provide a Booking Notice in relation to the new period of leave being requested.

Limit on number of requests for leave

The employee can provide a total of up to three Booking Notices per pregnancy (including the original request).

Continuous period of shared parental leave

If the employee submits a Booking Notice requesting one continuous period of leave, they will be entitled to take that period of leave provided they have followed the correct notification process. Discussions should however take place with the employee's line manager prior to any leave requests.

Discontinuous periods of shared parental leave

The employee may submit a Booking Notice requesting discontinuous periods of leave. For example, the mother and partner could request a pattern of leave from their respective employers that allows them to alternate childcare responsibilities.

If the employee submits notice requesting discontinuous periods of leave, SEStran, in the two weeks beginning with the date the notice was submitted, can:

- consent to the pattern of leave requested;
- propose an alternative pattern of leave; or
- refuse the pattern of leave requested. If the decision is taken to refuse the leave, the employer must provide clear reasons for this to the employee.

Any response to the employee should be in writing. If agreement is reached within those two weeks, the employee is entitled to take the leave on the dates agreed.

If no agreement has been reached within that two-week discussion period, the employee is entitled to take the leave as one continuous period of leave. In that event, the employee must choose a start date for the leave that is at least eight weeks from the date on which the leave notice was originally submitted. The employee must notify SEStran of that date within five days of the end of the two-week discussion period. If the employee does not choose a start date within five days of the end of the two-week discussion period, the period of continuous leave will start on the date of the first period of leave originally requested.

Alternatively, if SEStran has refused the request or no agreement has been reached during the two-week discussion period, the employee may withdraw their Booking Notice requesting discontinuous periods of leave. The employee can withdraw this at any time on or before the 15th day after the notice was submitted. A notice for discontinuous leave that has been withdrawn before it is agreed does not count towards the total number of requests for leave that an employee can make (maximum 3 requests).

Shared Parental Pay

Only statutory pay is payable to either party for the duration of the ShPL period.

Statutory shared parental pay is available for eligible parents to share between them while on ShPL. The number of weeks' statutory shared parental pay available to the parents will depend on when the mother has ended her maternity leave and how much statutory maternity pay or maternity allowance the mother/adopter has been paid when her maternity leave or pay period ends.

A total of 39 weeks' statutory pay is available to the mother/adopter. As there is a compulsory maternity leave period of two weeks, this means that a mother who ends her maternity leave at the earliest opportunity could share up to 37 weeks' statutory shared parental pay with her partner (although it will normally be less than this because of the maternity leave that mothers usually take before the birth).

It is up to the parents to identify the period(s) of leave they are taking as shared parental leave in order that the appropriate rate of statutory shared parental pay is paid.

Statutory ShPL is paid for 37 weeks at the **lower** of the statutory prescribed rate or 90% of the relevant parent's normal weekly earnings (subject to the lower earnings limit). The remaining 13 weeks of ShPL are unpaid.

This means that statutory shared parental pay is paid at the statutory level throughout the leave period. Unlike occupational maternity/adoption pay, there is no provision for the first six weeks to be paid at 90% of the parent's actual weekly earnings. This is the case even if the mother returns from maternity leave after only two weeks, during the period where the higher (occupational) level of maternity would be have been available to her.

Eligibility for statutory shared parental pay

For employees to be eligible for statutory shared parental pay, both parents must meet certain eligibility requirements.

- have at least 26 weeks' continuous employment ending with the 15th week before the expected week of childbirth and remains in continuous employment with her employer until the week before any period of shared parental pay that they get;

  Or in the case of the partner, have been employed or a self-employed earner during at least 26 of the 66 weeks immediately before the expected week of childbirth.

- have normal weekly earnings for a period of eight weeks ending with the 15th week before the expected week of childbirth/adoption placement of at least the lower earnings limit for national insurance contribution purposes;
- have, at the date of the child's birth, the main responsibility, apart from the partner, for the care of the child;
- is absent from work and intends to care for the child during each week in which they receive statutory shared parental pay; and

The mother must also be entitled to statutory maternity pay in respect of the child, but the maternity/adoption pay period has been curtailed.

Terms and Conditions during shared parental leave

During ShPL, all terms and conditions of the employee's contract except normal pay will continue. Salary will be replaced by statutory shared parental pay if the employee is eligible for it.

This means that, while sums payable by way of salary will cease, all other benefits will remain in place.

Shared Parental Leave in Touch days (SPLIT)

An employee can agree to work for SEStran (or to attend training) for up to 20 days during ShPL without that work bringing the period of his/her ShPL and pay to an end. These are known as "shared-parental-leave-in-touch" (SPLIT) days. These will be in addition to the 10 keeping in touch (KIT) days already available for women on statutory maternity leave (as per paragraph 3.7.1).

SEStran has no right to require employees to carry out any work and employees have no right to undertake any work during their ShPL. Any work undertaken on SPLIT days, is entirely a matter for agreement between employees and SEStran. An employee will be paid the equivalent of their normal pay for time worked on a SPLIT day which will be inclusive of Statutory Shared Parental Pay.

6. PARENTAL BEREAVEMENT LEAVE

Parental bereavement leave is designed to give parents additional leave as a means to provide extra support through their grief following the loss of a child. This leave can be taken by the child's birth parent, adoptive parent, the partner of the child's parent or adoptive parent – anyone with parental responsibility for the child.

This can be taken by all employees, regardless of their length of service. It is also available to parents who suffer a stillbirth after 24 weeks of pregnancy.

Where an employee is eligible to take parental bereavement leave under this regulation as a result of the death of more than one child, they are entitled to parental bereavement leave in respect of each child.

The statutory right is for parents of children under the age of 18 however, SEStran are flexible on this as we appreciate that the loss of a child is equally as distressing for any parent.

The employee can take one or two weeks' parental bereavement leave. This is in addition to bereavement leave which is available for up to five days (as noted in point 8 below). It is not available as individual days and can be taken as

- a single block of two weeks or

- two separate blocks of one week at different times.

This leave can be taken within 56 weeks of the date of the death of the child.

Payment
Under legislation, employees with 26 weeks' continuous service are entitled to two weeks of paid leave at the statutory rate and employees with less than 26 weeks will be entitled to unpaid leave.

SEStran have extended this to allow all employees, including those with less than 26 weeks service, access to their normal pay during the 2 week parental bereavement leave period.

Notification
Employees do not need to provide notice in writing. Informal notification, such as a phone call, is sufficient to take parental bereavement leave.

Within the first 56 days of a child's death, the employee can take the leave straight away. This can begin by the employee letting their line manager know before they would have been due to start work or, if that is not feasible, as soon as possible.

If an employee wishes to take the leave more than 56 days after the child's death, they are required to give one week's notice of their intention to take the leave.

If an employee wishes to cancel parental bereavement leave they must give notice before the leave starts of at least one week if it is 56 days after the child's death and no later than the first day the leave was due to start if it is within 56 days of the child's death. Bereavement leave which has already started cannot be cancelled.

Right to return
If an employee requires a flexible return to work following parental bereavement leave, they should discuss this with their line manager.

Employees have the right to return to the same job, in the same location as they had before starting parental bereavement leave. Any changes to their job or location must be in accordance with the normal consultation procedures, and not in any way related to the leave.

If the employee is on a temporary contract, they will not have the right to return to work where their contract would have expired during the leave. They will however be entitled to all other provisions noted above, as long as relevant eligibility criteria are met.

7. CARER'S LEAVE

Carer's leave is available to all employees of SESTRAN irrespective of length of service, and whether they are part time or full time. It is available to deal with family/dependent emergency obligations or where normal care arrangements fall down. Examples when carer's leave may be applicable are:

- to provide assistance when a dependant falls ill, gives birth or is injured or assaulted;
- to make arrangements for the provision of care for an ill or injured dependant;
- because of the unexpected disruption or termination of arrangements for the care of a dependant;
- to deal with an incident that involves their child and occurs unexpectedly whilst the child is at school/other educational establishment.

Carer's leave is intended to cover unforeseen matters and should not be used for pre-planned occurrences such as hospital and dental appointments. In these circumstances other options are available such as annual leave or parental leave.

Carer's leave consists of up to a maximum of 5 days paid leave (pro-rated for part-time/week workers) in any one leave year to deal with emergency obligations. Notwithstanding, when normal care arrangements break down, employees will be expected to make alternative arrangements as soon as possible.

Leave may be taken as half days, single days or block periods.

A dependent is defined as an employee's partner, child (or partner's child), parent (or legal guardian) or someone who lives in the same household as the employee (other than by reason of being his employee, tenant, boarder or lodger).

Where the leave is in respect of bereavement the provisions for bereavement leave as noted in section 8 will apply. Where a parent has lost a child, see also section 6.

In the cases of serious illness, up to 3 months leave may be granted at the discretion of the Partnership Director. This leave may be paid, unpaid, and in exceptional circumstances unpaid leave may be extended.

Authorisation for carer's leave should be obtained by following the normal procedures for absence notification.

9. SPECIAL LEAVE

Bereavement Leave

SESTRAN has discretion to grant up to 5 working days paid leave where a family member or close friend of an employee dies. In exercising discretion, the following will be taken into account:

(a) the circumstances which justify leave to attend the funeral;

(b) the requirement of an employee to make funeral arrangements and/or deal with financial or legal issues which occur immediately around the time of the death; and/or

(c) the requirement for an employee to travel over long distances (for travel outside the UK absence may be part paid and part unpaid).

REVIEW

This policy will be reviewed annually, to take account of developments within SESTRAN and legislative requirements.

Appendix 1 – Curtailment Notice Form

Appendix 2 – Notice of Entitlement and Intention to Take Shared Parental Leave

Appendix 3 – Shared Parental Leave Booking Notice

Appendix 4 – Notice to Vary a Period of Shared Parental Leave