GO SEStran
South East of Scotland Transport Partnership

SESTRAN PARTNERSHIP BOARD MEETING

Dean of Guild Courtroom, City Chambers, Edinburgh, EH1 1YJ
Or via Microsoft Teams
10:00am Friday 21st June 2024

09:30	**TEA/COFFEE**
10:00	**PARTNERSHIP BOARD**
11:30	**BREAK**
11:45	**PARTNERSHIP BOARD**
13:00	**LUNCH**

<u>**AGENDA**</u>   **Page No's**

1.   **ORDER OF BUSINESS**
2.   **APOLOGIES**
3.   **DECLARATIONS OF INTEREST**

<u>**AGENDA A – POINTS FOR DECISION**</u>

The date of the next meeting is **10:00am on Friday 27th September 2024**

<u>AGENDA B – POINTS FOR NOTING</u>

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

14 June 2024

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Agendas and papers for all SEStran meetings can be accessed on www.sestran.gov.uk

Partnership Board Agenda Briefing Note - Friday 21st June 2024

Item	Paper	Board Action
A2	**Finance Reports** **(a) Unaudited Annual Accounts 2023/24 & Treasury Management Report** This report presents the unaudited Annual Accounts for the year ended 31st March 2024 & also the annual Treasury Management report for 2023/24. Key Highlights: • The unaudited underspend is £249,000 • The Projects budget incurred expenditure slippage of £168,000 • The Partnership has agreed a Reserves Policy and established an unallocated reserve of £49,000 • the Partnership will be asked to approve carry forward of £81,000 on the Core budget underspend. This will increase the unallocated reserve to £130,000 • Slippage of £168,000 on project delivery in 2023/24 will be managed by establishment of an earmarked balance in 2024/25 It is recommended that the Partnership notes: • the unaudited Annual Accounts for 2023/24 • the annual Treasury Management report for 2023/24 • the audited Annual Accounts, incorporating the Auditor's report are anticipated to be presented to the Performance and Audit Committee and Partnership Board in Nov 2024 **(b) Reserves Policy Review 2024** At the Performance and Audit Committee meeting of 7th June 2024, it was recommended that the Partnership's Reserves Policy be reviewed and presented to the Partnership meeting of 21st June 2024. The Report Outlines the following • the statutory parameters and professional guidance underpinning the Reserves Policy	Approval

	• the reserves held by the Partnership • the governance proposals for managing the reserves and • the arrangements for review of the Reserves Policy It is recommended that the Partnership approves continuation of the Reserves Policy, as detailed at Appendix 1.	Approval
A3	**Internal Audit 2023-2024** The purpose of this paper is to provide an update on the outcomes of the 2023/24 SEStran IA review of the Financial Sustainability, progress with the completion of management actions agreed as part of 2022/23 audit, and to request the Board's recommendations on potential areas for inclusion in the planned 2024/25 audit. The overall assessment of the review was 'Reasonable Assurance' (amber) and confirmed that while there are some moderate weaknesses in the financial management policies and procedures, design and operating effectiveness of controls provide reasonable assurance that SEStran's financial sustainability objectives will be achieved. Areas for review are included in the report. The Board is requested to: • note the progress with completion of management actions, agreed as part of 22/23 audit report • note outcomes of the 2023/24 IA review of Financial Sustainability, and the associated risks, and • provide insights or recommendations on key risks or areas of concern that the Board would like IA to consider including in the 2024/25 IA review	For Noting
A4	**Partnership Update** Cllr Russell Imrie (Deputy Chair) who is chairing the meeting will provide an update to the Board on membership. Keith Fisken Snr Partnership Manager will provide an update to the Board to highlight key activity: ▪ Staff appointments, welcome Rebecca Smith & Sandra Lavergne ▪ People and Place Program – progress to date ▪ Bus strategy – to be presented at this meeting, item A7 ▪ Levenmouth opening and Newburgh appraisal ▪ MaaS development ▪ Regional Transport Delivery Plan ▪ EV charging work on a regional approach	

	▪ Future funding opportunities Board discussion is welcome.		For Noting
A5	**Contract Standing Orders** The purpose of the report is to seek approval of the revised Contract Standing Orders as attached to this report. The revised Contract Standing Orders have been drafted by SEStran's solicitors in line with relevant legislation and guidance, sector best practice, and the specific requirements of SEStran. The Board should satisfy itself that the correct controls are in place to around the Partnership's procurement activities, including if they have adequate assurance around the levels of delegation proposed, including the revised limits for procurement beyond those set out in legislation. It is recommended that the Partnership Board: a) Approve the revised Contract Standing Orders as attached at Appendix 1 b) Delegate to officers any final minor amendments to the text of the revised Contract Standing Orders		Approval
A6	**Annual Report & Business Plan** The purpose of this report is to update the Partnership Board on the draft Annual Report which outlines the activity undertaken by the partnership in the year to end March 2024 and the Business Plan for the year April 2024 to March 2025. The Business Plan has been reviewed by the P&A Committee at the June 7th meeting. Board to approve the new approach to combine the 2 documents for publication. Note the Partnership accounts will be published separately towards the end of the year. Feedback on the annual report content is welcomed by mid-August 2024.		Approval

A7	**Bus Strategy Update**	
	The purpose of this report is to inform the Board of the key findings of the Case for Change which would lead to the creation of a SEStran Regional Bus Strategy. At the June 2023 SEStran Partnership Board, the board agreed with the recommendations of the Item A5(d) Towards a World Class Bus Service, which included the action to begin progress on a bus strategy for the region. The Board will be participating in a review of the work to date and the emerging findings with the opportunity to feedback and contribute to the work. The Board is asked to approve continuation of the work to progress the next stages on strategy and option development.	Approval

SEStran Partnership Board Minutes

10.00am, Friday 15 March 2024

Dean of Guild Court Room, City Chambers, Edinburgh, and Microsoft Teams

Present	Name	Organisation Title
	Cllr Colin Davidson (Chair)	Fife Council
	Cllr Scott Arthur	City of Edinburgh Council
	Cllr Jule Bandel	City of Edinburgh Council
	Cllr Sanne Dijkstra Downie	City of Edinburgh Council
	Cllr John McMillan	East Lothian Council
	Cllr Derek Glen	Fife Council
	Cllr Robin Lawson	Fife Council
	Cllr Colin Cassidy	Midlothian Council
	Cllr Russell Imrie	Midlothian Council
	Cllr Jenny Linehan	Scottish Borders Council
	Cllr Sally Pattle	West Lothian Council
	Linda Bamford	Non-Councillor Member
	Alistair Couper	Non-Councillor Member
	Geoff Duke	Non-Councillor Member
	John Scott	Non-Councillor Member
	Kate Sherry	Non-Councillor Member
	Paul White	Non-Councillor Member
In Attendance		
	Christopher Gardner	Audit Scotland
	Lucy Telling	Audit Scotland
	Andrew Henderson (Clerk)	City of Edinburgh Council
	Daisy Narayanan	City of Edinburgh Council
	Iain Shaw	City of Edinburgh Council
	Christopher Cox	Falkirk Council
	Matthew Roberts	Fife Council
	Anna Herriman	Midlothian Council
	Sharon Dickson	Scottish Government

Brian Butler	SEStran
Angela Chambers	SEStran
Cameron Duck	SEStran
Cheryl Fergie	SEStran
Andrew Ferguson	SEStran
Keith Fisken	SEStran
Michael Melton	SEStran
Rachael Murphy	SEStran

Apologies for Absence

Cllr Margaret Anslow	Falkirk Council
Cllr Danny Aston	City of Edinburgh Council
Cllr Ruaridh Bennett	East Lothian Council
Cllr Jane Cox	Scottish Borders Council
Callum Hay	Non-Councillor Member
Simon Hindshaw	Non-Councillor Member
Doreen Steele	Non-Councillor Member

A1. Minutes

Decision

1) To agree the minute of the SEStran Partnership Board of 1 December 2023 as a correct record.

2) To note the draft minute of the SEStran Performance and Audit Committee of 1 March 2024.

A2a. Revenue Budget 2024/25 and Indicative Financial Plan 2025/26

This revenue budget for 2024/25 was presented for approval and an indicative financial plan for 2025/26 was submitted for noting. It was highlighted that the proposed revenue budget for 2024/25 was reviewed by the Performance and Audit Committee at its meeting on 1st March 2024.

Decision

1) To approve the proposed Core budget for 2024/25 of £901,000, as detailed at Appendix 1;

2) To approve the proposed Projects budget for 2024/25, as detailed at Appendix 2; and

3) To note that financial planning for 2025/26 will be developed throughout 2024 for review by the Partnership in December 2024

(Reference – report by the Treasurer, submitted.)

A2b. Indicative Financial Plan 2024/25 and 2025/26

The Treasury Management Strategy for 2024/25 was presented to the board for approval.

Decision

1) To approve the Annual Treasury Management Strategy as detailed in Appendix 1.

(Reference – report by the Treasurer, submitted.)

A2c. Finance Officer's Report

The third update on the financial performance of the Partnership's Core and Projects budgets for 2023/24 was presented, in accordance with the Financial Regulations of the Partnership. The report presented an analysis of financial performance to the end of January 2024.The Partnership's Core and Projects budgets for 2023/24 were approved by the Partnership on 17th March 2023.

Decision

1) To note the forecast underspend on the Core revenue budget of £68,000; and

2) To note the forecast underspend on the Projects budget of £82,000.

(Reference – report by the Treasurer, submitted.)

A3. Partnership Directors Report

The Partnership Director provided an update on SEStran activities, including updates from Performance and Audit Committee held on 1st March 2024, funding, the progress in relation to key strategies including the Regional Bus Strategy, the Regional Electric Vehicle Charging Infrastructure Strategy and Travel to Healthcare. Reference was also made to the Scottish Government Climate Change Commitment

Decision

To note the Partnership Director's Update.

(Reference – Presentation by Partnership Director)

A4. Grant Standing Orders

The report presented the Partnership Board with the new Grant Standing Orders to be incorporated into SEStran's governance arrangements.

Decision

1) To approve the Grant Standing Orders as presented at Appendix 1; and

2) To approve subsequent changes to SEStran's Governance Scheme committee remit sections for the Board and Performance and Audit Committee to state their roles in the approval of grants in line with the Grant Standing Orders.

(Reference – report by the Programme Manager, submitted.)

A5. People and Place Plan

An outline of the People and Place Plan, including work carried out to date, future plans, and the management of grant funds in 2024/25 was presented. Approval was also sought for the grant eligibility criteria and assessment process for the accompanying grant fund.

Decision

1) To note the content of the report, the People and Place Plan at Appendix 1 and the revised programme budgets in Appendix 2; and

2) To approve the eligibility criteria and assessment process for the £2,318,561 People and Place Grant Fund at Appendix 3 in line with the Grant Standing Orders, and delegate authority to the Partnership Director to vary the total value of the People and Place Grant Fund by up to 10% in line with the 24/25 budget and the total People and Place Plan budget.

(Reference – report by the Programme Manager, submitted.)

A6. GoSEStran Future Approach

At its meeting of 1st December, the Board received a report on GoSEStran, updating on progress of the pilot project to trial Mobility as a Service and Digital Demand Responsive Transport.

The Board agreed to note the progress made since the last meeting, to agree to receive updates on the project as appropriate and to agree to SEStran participating in a procurement exercise in partnership with Tactran and other Integrated Mobility Partnership partners and entering into such licence and other agreements as are necessary to secure the continuation of the GoSEStran and other IMPs partners apps, subject always to appropriate levels of funding being secured.

The DDRT trial which formed part of the overall pilot, compromising an on-demand bus between Humbie and Haddington, is to continue after March with East Lothian Council's support, but without the digital app and therefore no longer forms part of SEStran's project.

An update on recent progress with funding discussions for the MaaS part of the project was presented and the Board was asked to approve a six month extension of the GoSEStran project, taking into account the risks and opportunities involved in doing so.

Decision

1) To note the risks and opportunities for SEStran in relation to the continuation of the GoSEStran MaaS project;

2) To agree to SEStran continuing to participate in a procurement exercise in partnership with Tactran and other IMPs partners, and entering into such licence and other agreements as are necessary to secure the continuation of the GoSEStran and other IMPs partners apps, subject always to appropriate levels of funding being secured; and

3) To note that a report detailing the outcome of the funding bids and, if appropriate, the procurement exercise, will be put to the September Board. Progress against the

following key success criteria will be reported to the Partnership Board in September. If any of the criteria have not been met, then officers will recommend that SEStran withdraws from the MaaS pilot.:

A) Long term funding committed (at least 3 years)

B) Successfully concluded procurement exercise to confirm future partners

C) Service Level Agreement in place with Tactran and other IMPs partners to confirm responsibilities, including project management.

(Reference – report by the Projects Officer, submitted.)

A7. Develop to Deliver

The report informed the Board of a policy document prepared by Scotland's seven Regional Transport Partnerships on the opportunities to maximise the role of the partnerships in delivering strategic transport improvements, working with others.

The document will be used as the basis for discussions with Transport Scotland, CoSLA, and the Society of Chief Officers of Transportation in Scotland with the aim of devolving some roles and responsibilities from Transport Scotland to the RTPs.

The report was shared with, and noted by, the Performance and Audit Committee at their meeting on 1st March 2024.

Decision

1) To approve the "Develop to Deliver – 2023 Refresh" document; and
2) To note that the report will then be shared with CoSLA, SCOTS and Transport Scotland and used as the basis for discussions about devolving some roles and responsibilities from Transport Scotland to the RTPs, in line with the principles enshrined in the Verity House agreement.

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

A8. Date of Next Meeting

Decision

To note the date of the next meeting was scheduled for 10:00am on Friday 21st of June 2024.

B1. External Audit - Annual Audit Plan 2023/24

The External Auditor's Annual Audit Plan for 2023/24 was presented. The Annual Audit Plan 2023/24 was reviewed by the Performance and Audit Committee at its meeting on 1st March 2024.

Decision

To note the External Audit Plan.

(Reference – report by the Treasurer, submitted.)

B2. Projects and Strategy Performance Report

The Partnership Board were updated on the performance of the Partnership's strategy and project workstreams over the last quarter.

At its December Board meeting, the board agreed that project performance and progress against targets would, in future, be scrutinised by the Committee with any comments and concerns being highlighted to the next Partnership Board as required.

The Performance & Audit Committee reviewed the report and supporting appendix at its meeting on the 1st of March 2024.

Decision

To note progress recorded in the past quarter, summarised in the attached Appendix.

(References - report by the Senior Partnership Manager, submitted.)

B3.   Minutes

B3.1   Minutes - Remote Chief Officer Liaison Group Meeting Wednesday 14th February 2024

Decision

To note the minutes of the Remote Chief Officer Liaison Group Meeting, Wednesday 14th February 2024.

Special Meeting SEStran Partnership Board Minutes

10.30am, Tuesday 30 April 2024

Virtual Meeting via Microsoft Teams

Present	**Name**	**Organisation Title**
	Cllr Colin Davidson (Chair)	Fife Council
	Cllr John McMillan	East Lothian Council
	Cllr Paul Garner	Falkirk Council
	Cllr Derek Glen	Fife Council
	Cllr Russell Imrie	Midlothian Council
	Cllr Tom Conn	West Lothian Council
	Cllr Sally Pattle	West Lothian Council
	Geoff Duke	Non-Councillor Member
	Simon Hindshaw	Non-Councillor Member
	Kate Sherry	Non-Councillor Member
	Paul White	Non-Councillor Member
In Attendance		
	Lucy Telling	Audit Scotland
	Andrew Henderson (Clerk)	City of Edinburgh Council
	Iain Shaw	City of Edinburgh Council
	Susan Keenlyside	Fife Council
	Brian Butler	SEStran
	Angela Chambers	SEStran
	Andrew Ferguson	SEStran
	Keith Fisken	SEStran
	Sandra Lavergne	SEStran
	Michael Melton	SEStran
	Rachael Murphy	SEStran
	Rebecca Smith	SEStran
	Graeme Johnstone	Scottish Borders Council

Cllr Margaret Anslow	Falkirk Council
Cllr Jule Bandel	City of Edinburgh Council
Cllr Robin Lawson	Fife Council
Callum Hay	Non-Councillor Member
John Scott	Non-Councillor Member

A1. Partnership Revenue and Capital Budget 2024/25 – Update

The report provided an update following the board's approval of the Revenue Budget for 2024/25 and Indicative Financial Plan for 2025/26 at its meeting on the 15th of March 2024. It confirmed changes to the assumed level of core funding, and an update was also provided in relation to the People and Place active travel grant for 2024/25.

Decision

1) To note the reduction of £39,100 in Transport Scotland Core funding;

2) To note that the reduction will be managed by use of the Core budget underspend for 2023/24;

3) To note that Transport Scotland has confirmed funding of £5,326,154 for the People and Place Programme; and

4) To note the proposed allocation of funding of £5,326,154 for the People and Places Programme, as detailed in Appendix 1 of the report.

(Reference – report by the Treasurer, submitted.)

AOCB. Staff Changes – Verbal Update

A verbal update in relation to staffing changes within the SEStran partnership was provided.

Decision

1) To welcome to Rebecca Smith and Sandra Lavergne in their new roles in the SEStran Partnership.

SUCCESSION PLANNING COMMITTEE

**REMOTE MEETING ON MICROSOFT TEAMS
ON TUESDAY 7TH MAY 2024 AT 3PM**

PRESENT:	Name	Organisation
	Cllr Colin Davidson (Chair)	Fife Council
	Dr Doreen Steele	NCM SEStran
	Brian Butler	SEStran (Partnership Director)
	Gavin King	City of Edinburgh Council

IN ATTENDANCE:	Name	Organisation
	Angela Chambers	SEStran
	Nikki Boath	SEStran

1. **ORDER OF BUSINESS**
   It was confirmed that there was no change to the order of business.

2. **APOLOGIES**
   Apologies were received from Paul White, NCM, SEStran Board.

3. **DECLARATION OF INTERESTS**
   None.

4. **MINUTES**
   The minute of the Succession Planning Committee of 18th November 2021 was approved as a correct record.

5. **SUCCESSION PLANNING UPDATE**
   The Committee considered a report by the Business Manager to progress the Partnership's succession planning objectives. The Committee was asked to:

   (i)   Review the Skills Audit results and to agree an appropriate programme of training for the Partnership.
   (ii) Consider the appointment of Board Observers, and:
   (iii) Delegate authority to SEStran Officers to review and update the Board Diversity Succession Plan.

Decision

The Committee suggested:

(i)   Raising the topic of training at the June Partnership Board to identify Board members particular interests. The Committee suggested Board sessions on topical issues such as Freeports, Emission Zones, DRT and how to scrutinise better. These sessions could be run from Victoria Quay as hybrid meetings and invites sent 2 months prior to these sessions to gain good attendance.

(ii)   The Committee agreed in principle to appointing Observers to the Board, subject to considering the timing of a recruitment exercise and proposed that the duration of appointments could be increased from 12 months to 2 years.

(iii)   The Committee agreed to delegate authority to SEStran Officers to review and update the Board Diversity Succession Plan, in line with the report proposals.

6. DATE OF NEXT MEETING
Autumn 2025

PERFORMANCE & AUDIT COMMITTEE

**Dean of Guild Court Room, City Chambers, Edinburgh, EH1 1YJ
and via Microsoft Teams
on Friday 7 June 2024
1.00pm**

PRESENT:	Name	Organisation Title
	Councillor Imrie (Chair)	Midlothian Council
	Councillor Arthur	City of Edinburgh Council
	Councillor Glen	Fife Council
	Callum Hay	Non-Councillor Member
	Doreen Steele	Non-Councillor Member
	John Scott	Non-Councillor Member

IN ATTENDANCE:	Name	Organisation Title
	Brian Butler	SEStran
	Angela Chambers	SEStran
	Cameron Duck	SEStran
	Cheryl Fergie	SEStran
	Keith Fisken	SEStran
	Christopher Gardner	Audit Scotland
	Andrew Henderson (Clerk)	City of Edinburgh Council
	Sandra Lavergne	SEStran
	Rachel Mclean	City of Edinburgh Council
	Dheeraj Shekhar	City of Edinburgh Council

Action by

A1. **ORDER OF BUSINESS**

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

A2. **APOLOGIES**

Apologies were submitted on behalf of Councillor Law (Clackmannanshire Council), Councillor McMillan (East Lothian Council), Councillor Linehan (Borders Council) and Simon Hindshaw (Non-Councillor Member)

A3. **DECLARATION OF INTERESTS**

None.

A4.   **MINUTES**

To approve the minute of the Performance and Audit Committee of 1 March 2024 as a correct record.

A5.   **UNAUDITED ANNUAL ACCOUNTS 2023/24 AND TREASURY MANAGEMENT REPORT 2023/24**

The unaudited Annual Accounts for the year ended 31st March 2024 were presented along with the annual Treasury Management report for 2023/24.

Decision

1) To note the unaudited Annual Accounts for 2023/24 and refer the Unaudited Accounts to the Partnership Board for review;

2) To note the annual Treasury Management report for 2023/24; and

3) To note the audited Annual Accounts, incorporating the Auditor's report, will be presented to the Performance and Audit Committee and Partnership Board in due course.

(Reference – report by the Treasurer, submitted)

A6.   **INTERNAL AUDIT ASSURANCE**

An update on the outcomes of the 2023/24 SEStran Internal Audit review of the Financial Sustainability was presented with progress of the completion of management actions agreed as part of 2022/23 audit being provided.

Decision

1) To note the progress with completion of management actions, agreed as part of 22/23 audit report; and

2) To note outcomes of the 2023/24 IA review of Financial Sustainability, and the associated risks.

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

A7.   **RISK REGISTER**

An overview of the six-monthly update on SEStran's risk register was presented.

Decision

1) To note the content of the report and appendices, and;

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

(Reference – report by the Business Manager, submitted)

A8.   **SESTRAN BUSINESS PLAN 2024 TO 2025**
An update on the Committee on the Business Plan for the year April 2024 to March 2025 was provided,

It was highlighted that 3-year business plan format has been adjusted to a 1-year plan to accommodate the new People and Place planning and funding mechanisms.
Decision

1) To note the changes to reporting implemented after consultation with the working group; and

2) To note the Draft Business Plan shown in Appendix 1.

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

A9.   **PROJECTS AND STRATEGY PERFORMANCE REPORT**
An update on the performance of the Partnership's strategy and project workstreams over the last quarter was presented.

Decision

1) To note the progress to date and discuss; and

2) To note the progress recorded in the past quarter, summarised in the attached Appendix

(Reference – report by the Programme Manager, submitted)

A10.   **DATE OF NEXT MEETING**

Friday 13th September 2024

Unaudited Annual Accounts 2023/24 and Treasury Management report 2023/24

1.	**Introduction**
1.1	This report presents the unaudited Annual Accounts for the year ended 31st March 2024.
1.2	The report also provides the annual Treasury Management report for 2023/24.
2.	**Unaudited Annual Accounts 2023/24**
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 are anticipated to be presented to the Performance and Audit Committee and Partnership Board in November 2024.
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 10 to 12. 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 8 of the Annual Accounts. This highlights key aspect of financial performance during the year. The unaudited underspend is £249,000.
2.5	The underspend of £249,000 includes an underspend of £81,000 on the Core revenue budget due to staff vacancies during 2023/24.
2.6	The Projects budget incurred expenditure slippage of £168,000, due to the urgent requirement to re-prioritise resources to develop the Scottish Government funded 'People and Place Plan' from December 2023.
3.	**Reserves**
3.1	In accordance with the provisions of the Transport Scotland (2019) Act, the Partnership has agreed a Reserves Policy and established an unallocated reserve of £49,000.
3.2	Subject to confirmation of the audited outturn position, the Partnership will be asked to approve carry forward of £81,000 on the Core budget underspend. This will increase the unallocated reserve to £130,000.

3.3	Slippage of £168,000 on project delivery in 2023/24 will be managed by establishment of an earmarked balance in 2024/25, in accordance with the Partnership's Reserves Policy.
4.	**Treasury Management report 2023/24**
4.1	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.
4.2	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.
4.3	For 2023/24, interest was calculated in accordance with the (withdrawn) Local Authority (Scotland) Accounts Advisory Committee's Guidance Note 2 on Interest on Revenue Balances.
4.4	Net end of month balances for 2023/24 are shown below.

	Balance due to SEStran(+ve) /due by SEStran (-ve)
Opening Balance	-298,892
30 April 2023	-403,371
31 May 2023	138,832
30 June 2023	204,080
31 July 2023	220,508
31 August 2023	195,884
30 September 2023	341,472
31 October 2023	329,745
30 November 2023	356,966
31 December 2023	146,080
31 January 2024	87,735
28 February 2024	-50,000
31 March 2024	202,832

4.5	Interest is calculated on the average monthly balance. The interest rate applied was 4.876%, giving an interest payment of £5,157.
5	**Recommendations**
	It is recommended that the Partnership notes:
5.1	the unaudited Annual Accounts for 2023/24;
5.2	the annual Treasury Management report for 2023/24;
5.3	the audited Annual Accounts, incorporating the Auditor's report are anticipated to be presented to the Performance and Audit Committee and Partnership Board in November 2024.

Richard Lloyd-Bithell
Treasurer
14th June 2024

Appendix   Unaudited Annual Accounts 2023/24
Contact   iain.shaw@edinburgh.gov.uk

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

3

The South East of Scotland Transport Partnership (SESTRAN)

Unaudited
Annual Accounts

2023/2024

The South East of Scotland Transport Partnership (SESTRAN)

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 extract from the Transport (Scotland) Act 2005, which established the Partnership; one of seven Scottish Regional Transport Partnerships (RTPs). It lays out the statutory remit of RTPs and puts the Corporate Strategy in context.

(1) It is the duty of each Transport Partnership to draw up a strategy for transport within its region (its "transport strategy" or RTS).

(2) Its transport strategy shall include provision about each of the following matters—

(a) the respects in which transport in the region needs to be provided, developed or improved having regard to, among other things—
(i) future needs including those occasioned by demographic and land use changes; and
(ii) what can be done, taking account of cost, funding and practicability;

(b) meeting the needs of all inhabited places, in particular, those which the Partnership considers different from the remainder of the region by reason of their remoteness or the sparsity of their populations;

(c) meeting the need for efficient transport links between heavily populated places;

(d) how transport in the region will be provided, developed, improved and operated so as—
(i) to enhance social and economic well-being;
(ii) to promote public safety, including road safety and the safety of users of public transport;
(iii) to be consistent with the principle of sustainable development and to conserve and enhance the environment;
(iv) to promote social inclusion;
(v) to encourage equal opportunities and, in particular, the observance of the equal opportunities requirements;
(vi) to facilitate access to hospitals, clinics, surgeries and other places where a health service is provided;
(vii) to integrate with transport elsewhere;

(e) the order of priority in which different elements of the provision, development and improvement of transport should be undertaken;

(f) how the Transport Partnership's functions will be exercised so as to fulfil its transport strategy and, if the Partnership considers that the conferring of further functions is necessary for that purpose, what those functions are;

(g) how the Transport Partnership, so as to enable it to fulfil its transport strategy, will seek to influence its constituent councils or council in the performance of their functions relating to transport;

(h) the measuring and monitoring of the achievement of the strategy.

The new RTS - SEStran 2035 - was approved by Ministers in March 2023 and replaces the Regional Transport Strategy 2015 - 2025 Refresh published in July 2015. It addresses the transport problems and issues being experienced in the SEStran region.

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

The South East of Scotland Transport Partnership (SESTRAN)

Management Commentary *(continued)*

3. Corporate Strategy (continued)

Together, these authorities cover 8,400km2, which is just over 10% of Scotland's landmass. It is hugely diverse and includes areas which fall into every one of the Scottish Government's six-fold urban-rural classification. The total population of the SEStran area was estimated as 1,609,070 in 2019. The majority of the population is concentrated in the centre of the SEStran area with a large, sparsely populated rural area to the south, particularly the remote rural areas in Scottish Borders and East Lothian. The greatest concentration of population is within the City of Edinburgh which accounts for approximately 33% of the total SEStran region population.

The new RTS sits within a policy hierarchy which spans the national, regional and local levels. In particular, the RTS is has been developed within the policy framework provided by the National Transport Strategy 2 which was published in February 2020. It set out four strategic priorities, as well as defining a Sustainable Travel Hierarchy. These four priorities and hierarchy have been used to guide the development of this RTS.

The Partnership's Vision Statement is as follows:

A South-East of Scotland, fully integrated transport system that will be efficient, connected and safe; create inclusive, prosperous and sustainable places to live, work and visit; be affordable and accessible to all, enabling people to be healthier; and delivering the region's contribution to net zero emissions targets.

The 4 key strategy objectives are:
- Transitioning to a sustainable, post-carbon, transport system
- Facilitating healthier travel options
- Transforming public transport connectivity and access across the region
- Supporting safe, sustainable and efficient movement of people and freight across the region.

Now that the RTS has been approved, the Partnership's focus has moved from developing the RTS to working with partners to implement it.

This work takes various forms including:
- Collaborating with local authority partners to ensure that their Local Transport Strategies, Development Plans and related strategies or policies, all align with the RTS
- Leading on the development of strategies to help partners to tackle transport issues which can be more effectively addressed at a regional level
- Influencing senior stakeholders such as Scottish and UK governments, Transport Scotland, local authority partners, community planning partnerships, other RTPs, NHS, transport operators, and transport users' groups
- Building test cases for, and piloting, innovative solutions to transport problems, particularly where this would not be feasible for individual local authorities
- Seeking innovative funding mechanisms to support the delivery of priority projects
- Supporting on-the-ground delivery of regional projects by working with partners, consultants etc to develop detailed project plans and, where relevant, funding delivery of these plans.

4. Risks and Uncertainties

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

Income

The Scottish Government block grant has remained at the same level for over a decade, while Council requisitions have reduced over the same period. European Union funding has ceased entirely (primarily due to the exit of the UK from the EU). Combined, these factors result in a significant real-term impact on income levels which, in turn, could impact the ambition of the Partnership to deliver the RTS. In addition, other sources of funding are not guaranteed and many require annual 'bids' to secure funding. The uncertain nature of this funding means that it is difficult to adopt a long-term planning horizon, which could also impact project delivery. The Partnership mitigates this risk by:
- Proactively seeking additional sources of funding - particularly from a number of funds aimed at innovation and digital innovation
- Monitoring income and expenditure on a monthly basis and adjusting expenditure to ensure that there is no overspend.

The South East of Scotland Transport Partnership (SESTRAN)

Management Commentary (continued)

4. Risks and Uncertainties (continued)
Costs

Costs have been subject to the highest level of inflation for a generation and, although the situation is improving, there is a real risk that staff salaries and pensions could increase beyond budgeted levels. The Partnership mitigates this risk by:

- Monitoring income and expenditure on a monthly basis and adjusting expenditure to ensure that there is no overspend

- Holding an appropriate cash reserve which can be used in the event that the above control is insufficient to prevent an overspend.

National approach to transport governance

The 7 RTPs jointly developed a report titled 'Develop to Deliver' which examines the potential for RTPs to contribute more to achieving government transport policy. Feedback from Transport Scotland has been positive, and they are looking to form a working group to examine transport governance - the split between national, regional and local responsibility for different aspects of the transport portfolio. This presents both an opportunity and a threat to the Partnership. The Partnership will look to be actively involved in the working group in order to influence the future direction of transport governance in Scotland.

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 16.

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 6.

The net revenue budget of the Partnership in 2023/24 was £0.972m, funded by Government Grant (£0.782m) and Council Contributions (£0.190m). A comparison of the outturn position with the revenue budget and earmarked reserves of £0.159m carried forward from 2022/23 is shown in the table below. In summary:

- The Partnership had an underspend of £81,000 on the core revenue budget and £168,000 on the projects budget.

- The Core budget provides for the day-to-day running costs of the Partnership and includes employee costs, premises costs and supplies and services. The Partnership incurred net core service expenditure of £0.734m which was £81,000 below budget. The favourable variance arose from staff vacancies during the financial year.

- The Partnership incurred expenditure of £1.759m on revenue projects and received external grants and contributions of £1.611m. Net expenditure was £168,000 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 (£79,000), Active Travel budget (£51,000) and Bus Strategy Development budget (£40,000).

	Revised Budget £'000	Earmarked Reserves from 22/23 £'000	Total Available Funding £'000	Outturn £'000	Variance from Total Funding £'000
Core Service	815	0	815	739	(81)
Core Service - Interest Received	0	0	0	(5)	
Revenue Projects - Expenditure	923	162	1,085	1,759	(168)
Revenue Projects - Income	(766)	(3)	(769)	(1,611)	
Total Expenditure 2023/24	**972**	**159**	**1,131**	**882**	**(249)**
Government Grant	(782)	0	(782)	(782)	0
Constituent Council Requisitions	(190)	0	(190)	(190)	0
Total Government Grant and Council Contributions 2023/24	**(972)**	**0**	**(972)**	**(972)**	**0**

The South East of Scotland Transport Partnership (SESTRAN)

Management Commentary *(continued)*

5. Results for the Year (*continued*)

The Partnership was on track to spend the full Projects budget during 2023/24 until the requirement to deliver a new Scottish Government funded 'People and Place Plan' emerged in December 2023. This necessitated the short-term redeployment of key staff to engage intensively with Transport Scotland and other stakeholders for the remainder of 2023/24. This resulted in the postponement of some project work. Following completion of a recruitment and team restructuring exercise, it is forecast that the slippage on Project expenditure will be spent in 2024/25.

In accordance with the provisions of the Transport Scotland (2019) Act, the Partnership has agreed a Reserves Policy and established an unallocated reserve of £49,000. Slippage on project delivery from 2023/24 to 2024/25 will be managed by establishment of an earmarked balance, in accordance with the Partnership's Reserves Policy.

Non Financial Results

Concordat between SEStran and the Edinburgh and South East Scotland City Region Deal

Perhaps the biggest deliverable in 2023/24 has been the improvement in the relationships between the Partnership and a number of key stakeholders – particularly the Edinburgh and South East Scotland City Region Deal team (ESES CRD).

This work culminated in the joint development and signing of a Concordat that:

- Demonstrates the commitment between the Partnership and ESESCRD to support further integrating economic development, transport and land use planning and delivery in the Edinburgh and South East Scotland city region
- Sets out how both bodies will align their activities to ensure that regional plans can deliver shared outcomes through targeted transport interventions
- Describes how new transport interventions will progress, from strategy to delivery, through the appropriate governance structure(s), depending on the activity.

The Concordat has already paved the way for a number of key, joint pieces of work including the RTS Delivery Plan and the Regional EV Strategy - both of which are described in more detail below.

Development of Strategies

Work commenced on the development of a number of key strategies to support partners to deliver regionally significant projects including a Regional Bus strategy, Travel to Healthcare Strategy, and Electric Vehicle Charging Infrastructure Strategy - all of which are detailed in the 'Future Developments' section of this report.

Go SEStran pilot

Work on the Mobility as a Service (MaaS) project pilot, GO SEStran, was also completed with the final report informing national work on the potential for MaaS in Scotland.

Demand Responsive Transport (DRT)

One objective in the Partnership's bid to the MaaS Investment Fund was to test how DRT and MaaS influence each other. After going out to procurement, the Partnership awarded a contract to The Routing Company to work in partnership with Prentice Coaches to create a new DRT route in East Lothian which went live in March 2023. This new DRT service was also integrated into the GoSEStran MaaS app.

Regional Freight Strategy

The regional freight study detailed options work was completed. As well as exploring ways to improve the existing regional freight network this study has developed draft business cases for modal shift from road to heavy and light rail, assessing the potential impact of the three freight-related interventions: freight on trams, converted electric passenger trains and a multi-user freight train operating from Grangemouth. Following the STAG appraisal guidance, the costs, benefits and feasibility of options have been investigated and quantified, where possible. Overall, all three measures justify further investigation and ultimately the development of a Full Business Case to set out revenue and costs in more detail. The Partnership will be exploring this with partners further in 2024.

Bike sharing

The supplier of the GO-e-Bike system, Bewegen, went into liquidation in February 2023. As a result, the Partnership revised its approach to bike share, to look for an approach that would be lower cost, less at risk from vandalism and with the capacity to support multi-modal journeys. Brompton Bikes have been identified as offering a service that meets all the outlined requirements within the available budget. A contract was awarded for the work and sites were identified and groundworks started in the first quarter of 2024, the work will be completed by mid-2024 with the bikes available for use by the public.

The South East of Scotland Transport Partnership (SESTRAN)

Management Commentary *(continued)*

5. Non Financial Results *(continued)*

Thistle Assistance and VoyagAR

VoyagAR is an end-to-end journey-planning and journey-tracking system to allow disabled people to utilise public transport in a safer, more convenient, and more enjoyable way. The system is designed to make disabled people feel more confident and comfortable when journeying on public transport services.

The traveller accesses the system through a smartphone app. Appropriately authorised carers or family members can assist with journey planning and track the traveller's progress using a companion website. During a journey, the traveller receives wayfinding guidance and support at key points, using a flexible combination of digital mapping, simple directional indicators, and Augmented Reality.

In addition to the work on VoyagAR, the Partnership continued to promote the national Thistle Assistance Programme by coordinating the marketing campaign using the 'A Little Help Goes a Long Way' marketing creative which is placed in specialist audience publications and by engaging with key stakeholders to understand how staff employees are being engaged and made aware of the campaign.

Real-time passenger information

RTPI screens provide information about when buses are expected to arrive at a particular bus stop. As well as being a great aid to journey planning, this system actually helps to promote confidence in public transport among people who may otherwise not feel comfortable waiting for a bus.

All 330 RTPI screens within Edinburgh have now been replaced, and 15 different bus operators are now integrated into the system and displaying service information across the SEStran region.

Local Authorities within the SEStran region are continuing to purchase and install screens across their areas, through the Regional Framework contract so that travel information throughout the region is presented in a similar way.

In addition, the Partnership has been working with Local Authorities on designing a new module for bus stop integration using the Novus FX platform which will enhance the system and provide better standardisation of information across the region. When the design is finished this will be rolled out across the region.

Additional funding

The Partnership was successful in attracting funding for delivery of region-specific strategies, projects and services, including:

Funding Body	Title	Amount
Transport Scotland	Active Travel Grant	£467,500
Paths for All	Smarter Choices Smarter Places – GOSEStran	£100,000
Paths For All	Active Nation – Do the Ride Thing campaign	£100,300
Paths for All	Smarter Choices Smarter Places – Thistle Assistance marketing support	£20,000
Transport Scotland	Active Travel Transformation Fund - Design Support	£180,000
Transport Scotland	Community Bus Fund	£150,000
Transport Scotland	Local Rail Development Fund – freight study	£41,000
TOTAL		**£1,058,800**

6. Future Developments

2024/25 is shaping up to be a very exciting year for the Partnership.

RTS Delivery Plan

In addition to the many and varied projects delivering or supporting delivery of various aspects of the RTS, work is progressing to update the list of all current and planned transport projects in the region and to prioritise the projects based on a number of factors including:

- Scoring in a multi-criteria assessment which includes alignment with the RTS, NTS2 and STPR2 (the most recent Strategic Transport Projects Review)
- Land Use Planning
- Economic Growth.

The Partnership is working very closely with the ESES City Region team and, having aligned the transport strategies of the 2 organisations through the development of the previously mentioned Concordat, the RTS Delivery Plan now incorporates the CRD Transport Masterplan.

The South East of Scotland Transport Partnership (SESTRAN)

Management Commentary *(continued)*

6. Future Developments (*continued***)**

RTS Delivery Plan (continued)

It is anticipated that the Delivery Plan will identify a shortlist of priority projects, most of which will be unfunded, and will provide the basis for funding conversations with stakeholders including the Scottish Government and Transport Scotland.

People and Place Plan

The RTPs were key stakeholders in a review of active travel funding undertaken by Transport Scotland. Over recent years, expenditure on active travel has increased exponentially while participation rates have remained at roughly the same level. The Active Travel Transformation Programme was designed to transform participation rates by:

- Redesigning the mechanism for allocating funding to, and construction of, active travel infrastructure – tasking local authorities with the concept and designs, and Transport Scotland for procurement of contractors and construction
- Moving the behaviour change element of active travel away from the 6 Active Travel Delivery Partners (ATDPs - Cycling UK, Cycling Scotland, Living Streets, Paths for All, Scottish Cycling and Sustrans) receiving and distributing the funds at a national level, to the devolution of the funds to RTPs, who have been asked to work with their partner Local Authorities to identify priorities and develop a plan for their region.

As a result, and after much hard work by the small active travel team at SEStran, the Partnership has been awarded £5.3m in additional funding (although this will be slightly offset by the loss of c.£0.5m of funding from a different active travel fund) and are working with partner local authorities and ATDPs to target improvements in the following areas:

- Schools and young people
- Workplaces
- Accessibility and inclusion
- Building capacity

The team has developed a 'People and Place Plan', supported by Grant Standing Orders and is working with an AI partner and Transport Scotland to devise a monitoring and evaluation dashboard which will demonstrate measurable improvements in participation rates.

The Partnership will also commission consultants to ensure that internal processes and procedures are strengthened over the coming year in order to drive further improvements in this area and ensure that Transport Scotland continues to support the new ways of working.

This change in approach also provides a very strong indication of the value that Transport Scotland places on RTPs. The Partnership is hopeful that this marks a move towards devolution of other transport priorities from Transport Scotland to RTPs.

Regional Bus Strategy

The Partnership has commissioned consultants to develop a regional bus strategy to:

- Explore the current state of the bus network in the SEStran region and develop a problem statement
- Identify gaps caused by the withdrawal of services or by the development of new housing schemes, destinations etc
- Consider the potential of the bus provisions of the Roads (Scotland) Act 2019 to improve the situation. These include bus service improvement partnerships, municipally owned bus services, bus franchising, and data sharing
- Propose a set of recommendations to address the problem statement

Work will continue throughout 2024/25. An Options Appraisal will be presented to the September meeting of the Partnership Board with the draft strategy being presented to the December meeting.

Regional Electric Vehicle Charging Infrastructure Procurement

The Partnership is working with local authority partners, SWestrans, Transport Scotland the Scottish Futures Trust to explore a collaborative approach to the procurement of EV Charging Infrastructure.

This is mainly in order to prevent a repeat of the broadband rollout, where operators cherry-picked the most lucrative areas and many rural areas were left without a service.

Approval to commence the work has been gained from all local authorities, governance has been agreed, and a task force including legal, procurement, EV and financial expertise is being assembled to take the work forward.

Work is expected to conclude in September, when each LA will make a decision on whether to procure collaboratively or to take a unilateral approach.

The South East of Scotland Transport Partnership (SESTRAN)

Management Commentary *(continued)*

6. Future Developments (*continued*)

Travel to Healthcare

Lack of travel options is cited as one of the main reasons for people missing healthcare appointments, and this is likely to be worse in rural areas with higher levels of transport poverty. The Mobility and Access Commission produced a series of recommendations to address this in the Transport to Health and Social Care report in 2019.

Little has changed in the intervening period, although the Scottish Government is in the process of developing a Travel to Healthcare Plan. This work is currently in the early stages, and the requirements of RTPs are not clearly defined. Indeed, the current proposal misses the opportunities that RTPs can present to drive this agenda forward. As a result, the Partnership is forming a stakeholder network comprising the 4 NHS Boards in the SEStran region, NHS Assure, the Scottish Ambulance Service, the Community Transport Association, and a number of other groups.

The network will essentially be a coalition of the willing which will seek to share best practice, identify priorities and undertake tests of change to build evidence of successful initiatives. It is anticipated that both the network and programme portfolio will grow over time, and that the outputs and learnings will dovetail with the Travel To Healthcare Plan when that work is more mature.

Thistle Assistance VoyagAR

The VoyagAR app described above will be launched in 2024/25, when transfer of the Intellectual Property and development to date is transferred to a new provider.

Funding

The one downside is that, after over a decade of standstill funding from Transport Scotland, the Partnership's core grant has been reduced by 5% for 2024/25. This is in line with reductions across the Scottish Government and is a symptom of the very challenging financial environment.

This reduction, which amounts to c.£39,000, can be accommodated within the budget for 2024/25 due to the carry forward from 2023/24.

The Partnership has met with and written to Transport Scotland, outlining the potential impact on the delivery of the RTS and, in particular, on some of the strategies referred to above. The Partnership has also asked whether this is a one-off reduction, or if reflects a new, lower baseline for future years. Given the current financial uncertainty, Transport Scotland is not yet in a position to respond to this question.

As mentioned earlier in this report, the Partnership will continue to seek additional sources of funding to help offset current pressures.

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 2024.

Treasurer: RICHARD LLOYD-BITHELL, CPFA _____   Date signed:

The South East of Scotland Transport Partnership (SESTRAN)

ANNUAL GOVERNANCE STATEMENT 2023/24

1. **Scope of Responsibility**

   The Partnership's Vision Statement is for a South-East of Scotland, fully integrated transport system that will be efficient, connected and safe; create inclusive, prosperous and sustainable places to live, work and visit; be affordable and accessible to all, enabling people to be healthier; and delivering the region's contribution to net zero emissions targets.

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

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

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

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

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

2. **The Partnership's Governance Framework**

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

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

   - Focusing on the purpose of the Partnership and on outcomes for the community, and creating and implementing a vision for the local area;

   - Members and officers working together to achieve a common purpose with clearly defined functions and roles;

   - Promoting values for the Partnership and demonstrating the values of good governance through upholding high standards of conduct and behaviour;

   - Taking informed and transparent decisions which are subject to effective scrutiny and managing risk;

   - Developing the capacity and capability of members and officers to be effective;

   - Engaging with local people and other stakeholders to ensure robust public accountability.

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

   The Partnership aims for compliance with Public Sector Equality Duties, including Scottish Specific Duties.

   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.

The South East of Scotland Transport Partnership (SESTRAN)

ANNUAL GOVERNANCE STATEMENT 2023/24 *(continued)*

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's Vision Statement is for a South-East of Scotland, fully integrated transport system that will be efficient, connected and safe; create inclusive, prosperous and sustainable places to live, work and visit; be affordable and accessible to all, enabling people to be healthier; and delivering the region's contribution to net zero emissions targets.

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;

The South East of Scotland Transport Partnership (SESTRAN)

ANNUAL GOVERNANCE STATEMENT 2023/24 *(continued)*

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 the design and operating effectiveness of the key controls in place to support the ongoing financial sustainability of the Partnership. The Review found the design and effectiveness of the controls in place to ensure the Partnership's continued financial sustainability provide reasonable assurance that financial sustainability objectives will be achieved. Management actions have been identified to address improvement actions identified during the Review. The audit also performed a follow-up review to confirm that management had implemented the actions agreed in the 2022/23 internal audit review of the Thistle Assistance Programme.

6. **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 2024. It is the Treasurer's opinion that reasonable assurance can be placed upon the adequacy and effectiveness of the Partnership's internal control system.

7. 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.

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

The South East of Scotland Transport Partnership (SESTRAN)

REMUNERATION REPORT

1. Audit of Remuneration Report
The tables at sections 5, 6, 7 and 8 on pages 10 and 11 in the Remuneration Report will be audited by the Partnership's external auditor. The other sections in the Remuneration Report will be reviewed by the external auditor to identify material inconsistencies with the financial statements, or is inconsistent with knowledge obtained in the course of the audit, or otherwise appears to be materially misstated.

2. 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.

3. 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.

4. 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.

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

Remuneration Bands	2023/24	2022/23
£50,000 - £54,999	1	0
£60,000 - £64,999	1	1
£65,000 - £69,999	0	1
£90,000 - £94,999	1	0

6. Senior Employees Remuneration
The remuneration paid to the Partnership's senior employees is as follows:

Name and Post Title	Salary, Fees and Allowances £	Total Remuneration 2023/24 £	Total Remuneration 2022/23 £
Jim Grieve - Partnership Director (to 31 December 2022)	0	0	68,758
Brian Butler - Partnership Director (from 12 December 2022)	92,787	92,787	26,262
	92,787	92,787	95,020

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.

7. 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 2023/24 £	In-year pension contributions 2022/23 £		Accrued pension benefits As at 31 March 2024 £'000	Accrued pension benefits Difference from 31 March 2023 £'000
Jim Grieve - Partnership Director (to 31/12/22)	0	15,549	Pension	0	5
			Lump Sum	0	0
Brian Butler - Partnership Director (from 12/12/22)	30,713	5,962	Pension	2	2
			Lump Sum	0	0
	30,713	21,511			

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The South East of Scotland Transport Partnership (SESTRAN)

REMUNERATION REPORT *(continued)*

7. Pension Entitlement

Pension benefits for the Partnership's employees are provided through the Local Government Pension Scheme (LGPS).

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

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

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

The tiers and members contributions rates for 2023-24 were as follows:

Whole Time Pay	Contribution rate
On earnings up to and including £25,300 (2022/2023 £23,000)	5.50%
On earnings above £25,300 and up to £31,000 (2022/2023 £23,000 to £28,100)	7.25%
On earnings above £31,000 and up to £42,500 (2022/2023 £28,100 to £38,600)	8.50%
On earnings above £42,500 and up to £56,600 (2022/2023 £38,600 to £51,400)	9.50%
On earnings above £56,600 (2022/2023 £51,400)	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

9. Trade Union (Facility Time Publication Requirements) Regulations 2017

The Partnership is required to report information on facility time made available to employees who are trade union representatives. For 2023/24, no individual spent time during the year on trade union-related activities.

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.

2022/23 - Previous Year Comparative	Usable Reserves		Unusable Reserves	Total Partnership Reserves
	General Fund Balance	Total Usable 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	653	653
Total Comprehensive Expenditure and Income	34	34	653	687
Adjustments between accounting basis & funding basis under regulations (Note 7)	12	12	(12)	0
Increase/Decrease in 2022/23	46	46	641	687
Balance at 31 March 2023 carried forward	208	208	220	428

2023/24 - Current Financial Year	Usable Reserves		Unusable Reserves	Total Partnership Reserves
	General Fund Balance	Total Usable Reserves		
	£'000	£'000	£'000	£'000
Opening Balances at 1 April 2023	208	208	220	428
Movement in reserves during 2023/24				
Surplus or (Deficit) on Provision of Services	86	86	0	86
Other Comprehensive Expenditure and Income	0	0	666	666
Total Comprehensive Expenditure and Income	86	86	666	752
Adjustments between accounting basis & funding basis under regulations (Note 7)	4	4	(4)	0
Increase/Decrease in 2023/24	90	90	662	752
Balance at 31 March 2024 carried forward	298	298	882	1,180

The South East of Scotland Transport Partnership (SESTRAN)

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT 2023/24

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.

2022/23				2023/24		
Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000	Services	Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000
711	(1)	710	Core	752	0	752
1,356	(1,147)	209	Projects	1,751	(1,611)	140
2,067	**(1,148)**	**919**	**Cost Of Services**	**2,503**	**(1,611)**	**892**
96	(77)	19	Financing & Investment Income (Note 9)	142	(148)	(6)
0	(972)	(972)	Taxation and Non-Specific Grant Income (Note 10)	0	(972)	(972)
2,163	**(2,197)**	**(34)**	**(Surplus) or Deficit on Provision of Services**	**2,645**	**(2,731)**	**(86)**
			Other Comprehensive Income and Expenditure			
0	(23)	(23)	Change in Demographic Assumptions	0	(48)	(48)
0	(1,519)	(1,519)	Change in Financial Assumptions	0	(166)	(166)
0	647	647	Changes in the effect of the asset ceiling	0	(678)	(678)
228	0	228	Other Experience	366	0	366
14	0	14	Return on Assets excluding amounts included in net interest	0	(140)	(140)
242	**(895)**	**(653)**	**Total Other Comprehensive Income and Expenditure**	**366**	**(1,032)**	**(666)**
2,405	**(3,092)**	**(687)**	**Total Comprehensive Income and Expenditure**	**3,011**	**(3,763)**	**(752)**

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 2023 £'000		Note	31 March 2024 £'000
231	Property, plant and equipment	11	182
0	Other long-term assets (Pensions)	24	714
231	**Long term assets**		**896**
1,145	Short-term debtors	13	624
0	Provision for Bad Debts	14	0
227	Cash and cash equivalents	15	228
1,372	**Current assets**		**852**
(15)	Contributions and Grants Received in Advance		0
(1,160)	Short-term creditors	16	(568)
(1,175)	**Current liabilities**		**(568)**
0	**Long-term liabilities**		**0**
428	**Net assets/ (liabilities)**		**1,180**
	Financed by:		
208	Usable reserves	17	298
220	Unusable reserves	18	882
428	**Total reserves**		**1,180**

The unaudited Annual Accounts were issued on the 14th June 2024.

Treasurer: RICHARD LLOYD-BITHELL, 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 other receipts and contributions for 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 2023 £'000	31 March 2023 £'000		31 March 2024 £'000	31 March 2024 £'000
		OPERATING ACTIVITIES		
(782)		Government Grants	(782)	
(190)		Constituent Council Requisitions	(190)	
0		Interest paid/ (received)	2	
(971)		Other receipts from operating activities	(1,867)	
	(1,943)	**Cash inflows generated from operating activities**		**(2,837)**
494		Cash paid to and on behalf of employees	585	
1,317		Cash paid to suppliers of goods and services	2,126	
	1,811	**Cash outflows generated from operating activities**		**2,711**
	(132)	**Net cash flows from operating activities**		**(126)**
		INVESTING ACTIVITIES		
0		Purchase of property, plant and equipment	125	
0		Proceeds from the sale of property, plant and equipment	0	
	0	**Net cash flows from investing activities**		**125**
		FINANCING ACTIVITIES		
0		Other receipts from financing activities	0	
	0	**Net cash flows from financing activities**		**0**
	(132)	**Net(increase)/ decrease in cash and cash equivalents**		**(1)**
	95	**Cash and cash equivalents at the beginning of the reporting period**		**227**
	227	**Cash and cash equivalents at the end of the reporting period (Note 15)**		**228**

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.

The South East of Scotland Transport Partnership (SESTRAN)

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.

The South East of Scotland Transport Partnership (SESTRAN)

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, or is the value of the net pension asset, as calculated under IAS 19, Employee Benefits;

b) *Capital Adjustment Account*

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

c) **Accumulated Absences Account**

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

1.13 Financial Instruments

Financial Assets

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

The South East of Scotland Transport Partnership (SESTRAN)

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.

The South East of Scotland Transport Partnership (SESTRAN)

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 2024/25 Code where disclosures are required in the 2023/24 financial statements in accordance with the requirements of paragraph 3.3.4.3 of the Code are:

- IFRS 16 Leases issued in January 2016;
- Classification of Liabilities as Current or Non-current (Amendments to IAS 1) issued in January 2020;
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16) issued in September 2022;
- Non-current Liabilities with Covenants (Amendments to IAS 1) issued in October 2022;
- International Tax Reform: Pillar Two Model Rules (Amendments to IAS 12) issued in May 2023;
- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7) issued in May 2023.

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;

- Section 37 confirmations (Virgin Media vs NTL Pension Trustees II Limited ruling) - the Partnership's actuary has made no additional allowance for this initial legal judgement from July 2023 due to:
  >the ruling only applying to the above-named private sector pension scheme;
  > the legal judgement is currently being appealed;
  > it is unknown whether there would be any potential remedy required to public service schemes;
  > it is unknown what the impact of any potential remedy would be;
  > it is unknown whether Section 37 certificates exist for prior scheme amendments.

- 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 funding valuation results. The funding valuation results are used as the starting point for the accounting roll-forward calculation. 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 that this further ruling is unlikely to have a significant impact on the pension obligations of a typical employer. No allowance has therefore been made for this within the pension obligation calculation;

- Local Government Pension Scheme (LGPS) - McCloud and Sargeant cases. The Partnership's actuary has allowed for the McCloud judgement in the calculation of the latest funding valuation results. The Employer's funding valuation results are used as the starting point for the accounting roll forward calculations and therefore an allowance is included in the accounting disclosure;

- 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 previously carried out some approximate 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 is estimated to be very small for a typical Fund (c0.1% of obligations). The Partnership's actuary does not believe it is necessary or appropriate to make an adjustment for this;

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

The South East of Scotland Transport Partnership (SESTRAN)

NOTES TO THE ANNUAL ACCOUNTS

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 2024 for which there is a significant risk of material adjustment in the forthcoming financial year are:

4.1 Pension Asset/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.   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%	53
1 year increase in member life expectancy	4%	110
0.1% increase in the Salary Increase Rate	0%	2
0.1% increase in the Pension Increase Rate (CPI)	2%	52

5. EVENTS AFTER THE BALANCE SHEET DATE

The Unaudited Annual Accounts were authorised for issue on 14th June 2024. 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 2024, 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 2024 which would materially affect the 2023/24 Annual Accounts.

The South East of Scotland Transport Partnership (SESTRAN)

NOTES TO THE 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 16).

Expenditure and Funding Analysis

	Net Expenditure Chargeable to the General Fund	Adjustments	Net Expenditure in the CIES
2023/24	**£'000**	**£'000**	**£'000**
Core	739	12	751
Projects	148	(7)	141
Net Cost of Services	**887**	**5**	**892**
Other Income and Expenditure			
Government grant	(782)	0	(782)
Constituent council requisitions	(190)	0	(190)
Interest paid/ (received)	(5)	0	(5)
Interest on the effect of the asset ceiling	0	31	31
Net pension interest cost/ (income)	0	(32)	(32)
(Surplus) or deficit on the provision of services	**(90)**	**4**	**(86)**

	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 Received	2	0	2
Net pension interest cost	0	17	17
(Surplus) or deficit on the provision of services	**(46)**	**12**	**(34)**

The South East of Scotland Transport Partnership (SESTRAN)

NOTES TO THE ANNUAL ACCOUNTS

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:

2023/24	Adjusts. For Capital Purposes £'000	Net Change for Pensions Adjusts. £'000	Other Differences £'000	Total Statutory Adjusts. £'000
Core	56	(47)	3	12
Projects	(7)	0	0	(7)
Net Cost of Services	**49**	**(47)**	**3**	**5**
Other Income and Expenditure				
Interest paid/ (received)	0	0	0	0
Interest on the effect of the asset ceiling	0	31	0	31
Net pension interest cost/ (received)	0	(32)	0	(32)
(Surplus) or deficit on the provision of services	**49**	**(48)**	**3**	**4**

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				
Net pension interest cost	0	17	0	17
(Surplus) or deficit on the provision of services	**(58)**	**73**	**(3)**	**12**

- 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.

The South East of Scotland Transport Partnership (SESTRAN)

NOTES TO THE ANNUAL ACCOUNTS

6. EXPENDITURE AND FUNDING ANALYSIS *(continued)*

6.2 Segmental Analysis of Income included in Expenditure and Funding Analysis

2023/24	Core £'000	Projects £'000	Total £'000
Expenditure			
Employee expenses	494	0	494
Other service expenses	245	1,759	2,004
Total Expenditure	**739**	**1,759**	**2,498**
Income			
Government grants and other contributions	0	(1,611)	(1,611)
Total Income	**0**	**(1,611)**	**(1,611)**
Net Cost of Services	**739**	**148**	**887**

2022/23	Core £'000	Projects £'000	Total £'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**

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 2024 £'000	31st March 2023 £'000
Expenditure		
Employee expenses	450	442
Other service expenses	1,994	1,567
Depreciation, amortisation and impairment	59	58
Interest payments	142	96
Total Expenditure	**2,645**	**2,163**
Income		
Fees, charges and other service income	0	0
Interest and investment income	(148)	(77)
Income from constituent councils	(190)	(190)
Government grants and other contributions	(2,393)	(1,930)
Total Income	**(2,731)**	**(2,197)**
(Surplus) or Deficit on the Provision of Services	**(86)**	**(34)**

The South East of Scotland Transport Partnership (SESTRAN)

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.

2023/24	Usable Reserves	Unusable Reserves			
	General Fund Balance	Capital Adjustment Account	Accumulated Absence Account	Pension Reserve	Movement in Unusable Reserve
	£'000	£'000	£'000	£'000	£'000
Adjustments primarily involving the Capital Adjustment Account					
Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement (CIES)					
Charges for depreciation and impairment of non-current assets	59	(59)			(59)
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	(10)	10			10
Adjustments primarily involving the Pensions Reserve					
Reversal of items relating to retirement benefits debited or credited to the CIES	74			(74)	(74)
Employer's pension contributions and direct payments to pensioners payable in the year	(122)			122	122
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	4	(49)	(3)	48	(4)

The South East of Scotland Transport Partnership (SESTRAN)

NOTES TO THE ANNUAL ACCOUNTS

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.

2022/23	Usable Reserves	Unusable Reserves			
	General Fund Balance	Capital Adjustment Account	Accumulated Absence Account	Pension Reserve	Movement in Unusable Reserve
	£'000	£'000	£'000	£'000	£'000
Adjustments primarily involving the Capital Adjustment Account					
Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement (CIES)					
Charges for depreciation and impairment of non-current assets	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)

The South East of Scotland Transport Partnership (SESTRAN)

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 2023/24 to 2024/25.

9. FINANCING AND INVESTMENT INCOME

	2023/24 £'000	2022/23 £'000
Interest income on pension asset/liability	(143)	(77)
Interest Paid/ (Received)	(5)	2
Pensions interest cost	111	94
Interest on the effect of the asset ceiling	31	0
	(6)	19

10. TAXATION AND NON SPECIFIC GRANT INCOME

	2023/24 £'000	2022/23 £'000
Government Grant	(782)	(782)
Constituent Council Requisitions	(190)	(190)
	(972)	(972)

The South East of Scotland Transport Partnership (SESTRAN)

NOTES TO THE ANNUAL ACCOUNTS

11.   PROPERTY, PLANT AND EQUIPMENT

11.1   Movements on balances:

Movements in 2023/24	Vehicles Plant and Equipment £'000	Assets Under Construction £'000	Total Property Plant and Equipment £'000
Cost or Valuation			
At 1st April 2023	993	36	1,029
Additions	10	0	10
Transfers	25	(25)	0
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	0	0	0
At 31st March 2024	1,028	11	1,039
Accumulated Depreciation			
At 1st April 2023	(798)	0	(798)
Depreciation charge	(59)	0	(59)
Depreciation written out to the Surplus/Deficit on the Provision of Services	0	0	0
At 31st March 2024	(857)	0	(857)
Net Book Value			
At 31st March 2024	171	11	182

The South East of Scotland Transport Partnership (SESTRAN)

NOTES TO THE ANNUAL ACCOUNTS

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

11.2 Movements on balances:

Comparative 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

11.3 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 2024, the Partnership had no capital commitments.

The South East of Scotland Transport Partnership (SESTRAN)

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 2024 £'000	31st March 2023 £'000
Trade creditors	567	1,167

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

	Current	
	31st March 2024 £'000	31st March 2023 £'000
Loans and receivables	562	1,041
Trade debtors	121	107
	683	1,148

The South East of Scotland Transport Partnership (SESTRAN)

NOTES TO THE ANNUAL ACCOUNTS

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 2024		31 March 2023	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Liabilities	£'000	£'000	£'000	£'000
Trade creditors	567	567	1,167	1,167

	31 March 2024		31 March 2023	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets	£'000	£'000	£'000	£'000
Loans and receivables	562	562	1,041	1,041
Trade debtors	121	121	107	107
	683	683	1,148	1,148

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 2024 £'000	31st March 2023 £'000
Total expense and income in Surplus or Deficit on the Provision of Services:		
Interest Expense/ (Income)	(5)	2

13. DEBTORS

	31st March 2024 £'000	31st March 2023 £'000
Debtors:		
Central government bodies	334	603
Other local authorities	201	120
HM Customs and Excise - VAT	62	59
Other entities and individuals	27	363
	624	1,145

The South East of Scotland Transport Partnership (SESTRAN)

NOTES TO THE ANNUAL ACCOUNTS

14. PROVISION FOR BAD DEBTS

Cost or Valuation	31st March 2024 £'000	31st March 2023 £'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 2024 £'000	31st March 2023 £'000
Bank account	228	227
	228	227

16. CREDITORS

	31st March 2024 £'000	31st March 2023 £'000
Central government bodies	(4)	(2)
Other local authorities	(25)	(531)
Other entities and individuals	(524)	(586)
Employee costs	(15)	(41)
	(568)	(1,160)

17. USABLE RESERVES

		31st March 2024 £'000	31st March 2023 £'000
17.1	Unallocated General Fund Reserve	130	49
17.2	Earmarked Balance - Project Budget slippage	168	159
		298	207

The South East of Scotland Transport Partnership (SESTRAN)

NOTES TO THE ANNUAL ACCOUNTS

18. UNUSABLE RESERVES

		31st March 2024 £'000	31st March 2023 £'000
18.1	Capital Adjustment Account	182	231
18.2	Pension Reserve	714	0
18.3	Accumulated Absence Account	(14)	(11)
		882	220

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.

	2023/24 £'000	2022/23 £'000
Balance at 1st April	231	173
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	(59)	(58)
• Charges for revaluation of non-current assets	0	0
Net written out amount of the cost of non-current assets consumed in year	172	115
Capital financing applied in the year:		
• Contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	10	116
Balance at 31st March	182	231

18.2 Pension Reserve

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

The South East of Scotland Transport Partnership (SESTRAN)

NOTES TO THE ANNUAL ACCOUNTS

18.   UNUSABLE RESERVES *(continued)*

18.2   Pension Reserve *(continued)*

	2023/24 £'000	2022/23 £'000
Balance at 1st April	0	(580)
Remeasurements of the net defined benefit liability	666	653
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.	(74)	(208)
Employer's pension contributions and direct payments to pensioners payable in the year.	122	135
Balance at 31st March	714	0

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.

	2023/24 £'000	2022/23 £'000
Balance at 1st April	(11)	(14)
Settlement or cancellation of accrual made at the end of the preceding year	11	14
Amounts accrued at the end of the current year	(14)	(11)
Balance at 31st March	(14)	(11)

19.   MEMBERS EXPENSES

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

	2023/24 £'000	2022/23 £'000
Expenses	0	0
	0	0

The South East of Scotland Transport Partnership (SESTRAN)

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:

	2023/24 £'000	2022/23 £'000
Fees payable in respect of:		
• external audit services carried out by the appointed auditor for the year	13	12
	13	12

21. GRANT INCOME

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

	2023/24 £'000	2022/23 £'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	(11)	(43)
EU Grant - Connect	(13)	(18)
EU Grant - Primaas	1	(29)
EU Grant - Regio Mob	2	(29)
EU Grant - Sharenorth	0	(5)
EU Grant - Surflogh	(8)	(53)
Contribution - City of Edinburgh Council	(2)	(2)
Contribution - East Lothian Council	(2)	(2)
Contribution - Falkirk Council	(7)	(12)
Contribution - Fife Council	(183)	(91)
Contribution - Midlothian Council	(280)	(7)
Contribution - Scotrail	(5)	(11)
Contribution - Scottish Borders Council	(61)	(8)
Contribution - Scottish Enterprise	0	(40)
Contribution - St. Andrews University	(66)	0
Contribution - Stirling Communication Centre	(4)	(4)
Contribution - Scottish Government/ Transport Scotland	(867)	(729)
Contribution - The Media Shop	(1)	0
Contribution - West Lothian Council	(47)	(1)
Contribution - HITRANS	(10)	(4)
Contribution - NESTRANS	(6)	(6)
Contribution - SPT	(11)	(5)
Contribution - SUSTRANS	0	(45)
Contribution - SWESTRANS	(2)	(2)
Contribution - TACTRAN	(31)	(6)
Contribution - ZETRANS	(1)	(1)
	(1,615)	(1,153)

The South East of Scotland Transport Partnership (SESTRAN)

NOTES TO THE ANNUAL ACCOUNTS

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 2023-24 is shown in Note 19.

22.3 Other Parties

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

	2023/24 £'000	2022/23 £'000
• Revenue Expenditure - Support Services		
City of Edinburgh Council - Financial and Clerking Services	42	44
Falkirk Council - HR Services	0	0
	42	44
• Revenue Expenditure - Interest on Revenue Balances		
City of Edinburgh Council	0	2
	0	2
• Revenue Expenditure - Other		
City of Edinburgh Council	2	1
East Lothian Council	0	1
Scottish Government	17	18
West Lothian Council	0	2
	19	22

The South East of Scotland Transport Partnership (SESTRAN)

NOTES TO THE ANNUAL ACCOUNTS

22.   RELATED PARTIES *(continued)*

22.3   Other Parties *(continued)*

	2023/24 £'000	2022/23 £'000
• Revenue Income - Requisitions		
Clackmannanshire Council	(6)	(6)
East Lothian Council	(13)	(13)
City of Edinburgh Council	(62)	(62)
Falkirk Council	(19)	(19)
Fife Council	(44)	(44)
Midlothian Council	(11)	(11)
Scottish Borders Council	(13)	(13)
West Lothian Council	(22)	(22)
	(190)	(190)
• Revenue Income - Interest on Revenue Balances		
City of Edinburgh Council	(5)	0
	(5)	0
• Revenue Income - Other		
City of Edinburgh Council	(2)	(2)
East Lothian Council	(2)	(2)
Falkirk Council	(7)	(12)
Fife Council	(3)	(3)
Midlothian Council	(5)	(7)
Scottish Borders Council	(2)	(2)
Scottish Enterprise	0	(40)
Scottish Government/ Transport Scotland	(867)	(729)
West Lothian Council	(1)	(1)
	(889)	(798)
• Revenue Income - Agency Income		
Fife Council	(180)	(88)
Midlothian Council	(275)	0
Scottish Borders Council	(59)	(6)
West Lothian Council	(46)	0
	(560)	(94)

The South East of Scotland Transport Partnership (SESTRAN)

NOTES TO THE ANNUAL ACCOUNTS

22. RELATED PARTIES *(continued)*

22.3 Other Parties *(continued)*

The following represents amounts due to/(from) the Partnership at 31 March 2024, with its related parties.

CREDITORS	2023/24 £'000	2022/23 £'000
• Creditors - Related Parties (Revenue Grants)		
	0	0
• Creditors - Related Parties (Other)		
City of Edinburgh Council	(1)	(1)
Falkirk Council	0	0
Fife Council	0	(5)
Scottish Government	(4)	(2)
	(5)	(8)
• Creditors - Other Parties	(563)	(1,167)
Total Creditors	(568)	(1,175)
DEBTORS		
• Debtors - Related Parties (Revenue Grants/ Other)		
East Lothian Council	2	0
Falkirk Council	4	7
Fife Council	137	100
Midlothian Council	0	4
Scottish Borders Council	2	9
Scottish Government/ Transport Scotland	335	603
West Lothian Council	56	0
	536	723
• Debtors - Other Parties	88	422
Total Debtors	624	1,145

The South East of Scotland Transport Partnership (SESTRAN)

NOTES TO THE ANNUAL ACCOUNTS

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's contract with O2 to lease ten Apple iPhones for staff use expired in February 2024 under no penalty.

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 2023/24 was £23,000 (2022/23 £23,000)

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

	2023/24 £'000	2022/23 £'000
• Not later than 1 year	18	23
• Over 1 year	0	1
	18	24

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 require 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 tarrangement, under which liabilities are recognised when awards are made. However, there are no investment assets built up to meet these pension liabilities, and cash has to be generated to meet actual pensions payments as they eventually fall due.

The South East of Scotland Transport Partnership (SESTRAN)

NOTES TO THE ANNUAL ACCOUNTS

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:

	2023/24 £000	2023/24 £000	2022/23 £000	2022/23 £000
Comprehensive Income and Expenditure Statement				
Cost of services:				
Service cost, comprising:				
Current service costs	75		191	
Past service costs	0	75	0	191
Financing and investment income:				
Net interest expense/ (income)	(32)		17	
Interest on the effect of the asset ceiling	31	(1)	0	17
Total post employee benefit charged to the surplus on the provision of services		74		208
Other post-employment benefits charges to the Comprehensive Income / Expenditure Statement				
Remeasurement of the net defined liability, comprising:				
Return on pension assets, excluding the amount included in the net interest expense above	(140)		14	
Actuarial gains and (losses) arising on changes in financial assumptions	(166)		(1,519)	
Actuarial gains and (losses) arising on changes in demographic assumptions	(48)		(23)	
Restriction in Pension Asset	(678)		647	
Other experience	366		228	
		(666)		(653)
Total post-employment benefits charged to the Comprehensive Income / Expenditure Statement		(592)		(445)
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.		(48)		73
Actual amount charged against the General Fund Balance for pensions in the year:				
Employer's contributions payable to the scheme		122		135
		122		135

The South East of Scotland Transport Partnership (SESTRAN)

NOTES TO THE ANNUAL ACCOUNTS

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:

	2023/24 £'000	2022/23 £'000
Fair value of employer assets	3,465	2,976
* Restriction in Pension Asset	0	(647)
Present value of funded liabilities	(2,751)	(2,329)
Net asset/(liability) arising from defined benefit obligation	714	0

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

	2023/24 £'000	2022/23 £'000
Opening fair value of scheme assets	2,976	2,821
Interest income	143	77
Remeasurement gain / (loss):		
Other Experience	146	
Return on plan assets, excluding the amount included in the net interest expense	140	(14)
Contributions from employer	122	135
Contributions from employees into the scheme	27	30
Benefits paid	(89)	(73)
Unfunded benefits paid	0	0
Closing fair value of scheme assets	3,465	2,976

Reconciliation of Present Value of the Scheme Liabilities

	2023/24 £'000	2022/23 £'000
Present value of funded liabilities	(2,329)	(3,401)
Present value of unfunded liabilities	0	0
Opening balance at 1st April	(2,329)	(3,401)
Current service cost	(75)	(191)
Interest cost	(111)	(94)
Contributions from employees into the scheme	(27)	(30)
Remeasurement gain / (loss):		
Change in demographic assumptions	48	23
Change in financial assumptions	166	1,519
Other experience	(512)	(228)
Past service cost	0	0
Benefits paid	89	73
Unfunded benefits paid	0	0
Closing balance at 31st March	(2,751)	(2,329)

* International Accounting Standard 19 imposes a limit on the maximum amount of surplus which can be recognised on the balance sheet. This adjustment reduced the value of the Pension Asset to the restricted amount for 2022/23.

The South East of Scotland Transport Partnership (SESTRAN)

NOTES TO THE ANNUAL ACCOUNTS

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.

	2023/24 £'000	%	2022/23 £'000	%
Equity Securities:				
Consumer *	409	12	365	12
Manufacturing *	476	14	410	14
Energy and Utilities *	188	5	180	6
Financial Institutions *	204	6	179	6
Health and Care *	224	6	219	7
Information technology *	172	5	124	4
Other *	213	6	203	7
Sub-total Equity Securities	1,886		1,679	
Debt Securities:				
Corporate Bonds (investment grade) *	56	2	46	2
UK Government *	466	13	345	12
Other *	60	2	62	2
Sub-total Debt Securities	582		454	
Private Equity:				
All *	18	1	2	
All	14	0	10	0
Sub-total Private Equity	32		12	
Real Estate:				
UK Property *	0	0	20	1
UK Property	177	5	114	4
Overseas Property *	12	0	4	0
Overseas Property	0	0	1	0
Sub-total Real Estate	189		139	
Investment Funds and Unit Trusts:				
Equities *	0	0	40	1
Equities	0	0	2	0
Bonds	88	3	86	3
Commodities	38	1	0	0
Infrastructure *	8	0	0	0
Infrastructure	515	15	424	14
Sub-total Investment Funds and Unit Trusts	649		552	
Derivatives:				
Foreign Exchange *	(1)	(0)	0	0
Sub-total Derivatives	(1)		0	
Cash and Cash Equivalents				
All *	129	4	141	5
Sub-total Cash and Cash Equivalents	129		141	
Total Fair Value of Employer Assets	3,465		2,976	

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

The South East of Scotland Transport Partnership (SESTRAN)

NOTES TO THE ANNUAL ACCOUNTS

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 2024 were those from the beginning of the year (i.e. 31 March 2023) 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 2023 to 31 March 2024   9.4%

	2023/24	2022/23
Mortality assumptions - longevity at 65 for current pensioners:		
• Males	22.0 years	19.9 years
• Females	22.9 years	22.9 years
Mortality assumptions - longevity at 65 for future pensioners:		
• Males	22.2 years	21.2 years
• Females	25.7 years	24.7 years
Pension increase rate	2.75%	2.95%
Salary increase rate (see below)	3.25%	3.45%
Discount rate	4.85%	4.75%

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 2024 on varying bases. The approach taken by the Actuary is consistent with that adopted to derive the IAS19 figures.

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

The South East of Scotland Transport Partnership (SESTRAN)

NOTES TO THE ANNUAL ACCOUNTS

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 2025

	Assets £000	Obligations £000	Net (liability) / asset £000	% of pay
Projected current service cost	0	(84)	(84)	(21.9%)
Past service cost including curtailments	0	0	0	0.0%
Effect of settlements	0	0	0	0.0%
Total Service Cost	0	(84)	(84)	(21.9%)
Interest income on plan assets	169	0	169	44.1%
Interest cost on defined benefit obligation	0	(134)	(134)	(35.0%)
Total Net Interest Cost	169	(134)	35	9.1%
Total included in Profit or Loss	169	(218)	(49)	(12.8%)

The Partnership's estimated contribution to Lothian Pension Fund for 2024/25 is £103,000.

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.

NOTES TO THE ANNUAL ACCOUNTS

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 2024, the Partnership had no financial assets subject to foreign exchange risk.

The Partnership has no financial liabilities denominated in foreign currencies.

Reserves Policy - Review

1.   Introduction

1.1   Section 122 of the Transport (Scotland) Act 2019 was enacted on 19th March 2020, permitting the Partnership to hold and contribute to a General Fund reserve.

1.2   The Partnership's Reserves Policy was approved by use of Emergency Delegated Powers, following cancellation of the Partnership Board meeting on 20th March 2020. The cancellation was due to the Coronavirus Pandemic.

1.3   In the report Internal Audit Assurance to the Performance and Audit Committee meeting of 7th June 2024, it was recommended that the Partnership's Reserves Policy be reviewed and presented to the Partnership meeting of 21st June 2024.

2.   Main Report

2.1   The Partnership's functions are determined by the Transport (Scotland) Act 2005. A technical bulletin issued by Audit Scotland in June 2007 indicated that the Transport (Scotland) Act 2005 did not permit Regional Transport Partnerships (RTP's) to generate a surplus or deficit on the General Fund and hence to add to reserves.

2.2   The anomaly in the Transport (Scotland) Act 2005 was rectified by Section 122 of the Transport (Scotland) Act 2019. RTP's are now permitted to hold and contribute to a General Fund reserve.

2.3   The Chartered Institute of Public Finance and Accountancy (CIPFA) Bulletin 13, Local Authority Reserves and Balances, issued in March 2023 provides accounting guidance to update Bulletin 99, Local Authority Reserves and Balances (July 2014).

2.4   Reserves can be held for three main purposes:

- a working balance to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing – this forms part of general reserves;

- a contingency to cushion the impact of unexpected events or emergencies – this also forms part of general reserves;

- a means of building up funds, referred to as earmarked reserves to meet known or predicted requirements. Earmarked reserves may be reported separately but remain legally part of the General Fund.

2.5   CIPFA considers that local authorities (including Joint Boards) should establish reserves and that the level of those reserves should be based on the advice of their chief finance officers (the Treasurer). RTP's should make their own judgements on such matters, considering all the relevant local circumstances. Such circumstances

within RTP's will be unique and vary between each RTP, dependant on business needs and risk factors.

2.6 Since 2020, the Partnership has operated a Reserves Policy as follows:

- Maintain a minimum general reserve level of 5% of the approved annual core revenue budget, to mitigate core revenue budget risks; specifically, to provide a contingency to cushion the impact of unexpected financial events;

- Where slippage occurs on revenue projects, which are included in the approved annual revenue Projects budget, retain within the General Fund reserve an earmarked balance of the underspent Project budget.

- Reserve balances must be reported and reviewed annually as part of the Partnership's budget setting process. Where any amendments are proposed to be made to reserves or new reserves created during the year, a report must be prepared for the Partnership.

2.7 Since its establishment as a statutory body in 2006, the Partnership has achieved a financial outturn within the approved budget in each financial year. Where underspends have occurred, constituent councils have approved such underspends be applied to deliver planned projects in the following financial year.

2.8 The table below shows reserve balances for each year since the establishment of the Reserves Policy in 2020. The Partnership has maintained a minimum unallocated reserve of at least 5% of the Core budget since 31 March 2021. All slippage on Project expenditure has been carried forward to the following financial year in accordance with the Partnership's Reserves Policy.

	5% Reserve Target	Actual Unallocated Reserve	Earmarked Reserve for Project Slippage	Total Usable Partnership Reserves
	£'000	£'000	£'000	£'000
31 March 2020	29	12	177	189
31 March 2021	29	29	105	134
31 March 2022	31	104	58	162
31 March 2023	31	49	159	208
31 March 2024	41	130	168	298

2.9 To assess the adequacy of the unallocated reserve, it is necessary to take account of the strategic, operational and financial risks facing the Partnership. The assessment should take account of controls in place to manage identified risks together with the overall financial standing of the Partnership and general arrangements to support effective financial risk management. The financial risks identified when setting the Partnership's budget for 2024/25 were detailed in the report to the Partnership meeting of 15th March 2024 Revenue Budget 2024/25 and Indicative Financial Plan 2025/26. These are re-stated at Appendix 2.

Reserves Policy review

2.10 Based on the risks identified at Appendix 2, the Partnership's record of financial management and operation of the current Reserves Policy, it is recommended that the Partnership continues to operate its existing Reserves Policy.

2

2.11 The Partnership has a target unallocated general reserve of £49,000 for 2024/25.

2.12 At 31ˢᵗ March 2024, the actual unaudited general reserve is £130,000. This reflects a favourable variance on the Core budget due to staff vacancies during 2023/24.

2.13 A further £168,000 has been carried forward to 2024/25 due to project slippage in 2023/24. The Partnership was planning to spend the full Projects budget during 2023/24 until the requirement to deliver a new Scottish Government funded 'People and Place Plan' emerged in December 2023. This necessitated the short-term redeployment of key staff to engage intensively with Transport Scotland and other stakeholders for the remainder of 2023/24. This resulted in the postponement of some project work. Following completion of a recruitment and team restructuring exercise, it is forecast that the slippage will be spent in 2024/25.

2.14 The existing Reserves Policy, updated for CIPFA Bulletin 13, Local Authority Reserves and Balances, is stated at Appendix 1 and covers four principal areas: -

- the statutory parameters and professional guidance underpinning the Reserves Policy;

- the reserves held by the Partnership;

- the governance proposals for managing the reserves; and

- the arrangements for review of the Reserves Policy.

3   Recommendation

3.1 It is recommended that the Partnership approves continuation of the Reserves Policy, as detailed at Appendix 1.

4   Background Reading/External References

4.1 Local Authority Reserves and Balances CIPFA Bulletin 13, March 2023
4.2 Internal Audit Assurance Performance and Audit Committee, 7 June 2024
4.3 Reserves Policy Partnership Board, 20 March 2020
4.4 Revenue Budget 2024/25 and Indicative Financial Plan 2025/26 Partnership Board, 15 March 2024

Richard Lloyd-Bithell
Treasurer
21st June 2024

Appendix	Appendix 1 – Reserves Policy
	Appendix 2 – Risk Assessment
Contact	iain.shaw@edinburgh.gov.uk
Policy Implications	The Reserves Policy is detailed at Appendix 1.
Financial Implications	Following implementation of the Transport (Scotland) Act 2019, the Partnership has powers to operate a usable General Fund reserve.
Equalities Implications	There are no equality implications arising as a result of this report.
Climate Change Implications	There are no climate change implications arising as a result of this report.

**South East Scotland Transport Partnership
(SEStran) - Reserves Policy**

1.   **Introduction**

1.1   It is best practice that the Partnership has a documented and approved Reserves Policy.

1.2   The Chartered Institute of Public Finance and Accountancy (CIPFA) Bulletin 13, Local Authority Reserves and Balances, issued in March 2023 provides accounting guidance, which is applicable to the Partnership.

1.3   This Policy reflects the key messages from the CIPFA Bulletin and outlines the practical application.

2.   **CIPFA Bulletin 13 – Main Messages**

2.1   In Scotland there are explicit statutory powers under Schedule 3 of the Local Government (Scotland) Act 1975 permitting Local Authorities to maintain a General Fund Reserve. These powers extend to the Partnership.

2.2   Within the General Fund Reserve, organisations can create specific funds earmarked for specific purposes, which are called earmarked reserves.

2.3   It is the responsibility of chief finance officers (the Partnership's Treasurer) to advise local authorities about the level of reserves that they should hold and to ensure that there are clear protocols for their establishment and use.

2.4   Whilst not prescribing a generally acceptable minimal level of reserves the CIPFA Bulletin states that reserves should not be held without a clear purpose.

2.6   In the case of Earmarked Reserves there should be a clear protocol setting out the purpose of the reserve, how and when the reserve can be used and a process for review of the reserve to ensure continuing relevance and adequacy.

2.7   Bulletin 13 states that "it is not normally prudent for reserves to be deployed to finance recurrent expenditure" and "where such action is taken it should be made explicit and an explanation given as to how such expenditure will be funded in the medium to long term".

3   **General Fund Reserve Operated by the Partnership**

3.1   The General Fund Reserve is split between earmarked and non-earmarked reserves. As the name suggests the earmarked reserves are held for a specific purpose, but there is no restriction on whether the funds are spent on capital or revenue. The non-earmarked reserve is the Partnership's true general reserve and is held as an organisational contingency. The Partnership's non-earmarked reserve is targeted to be held at 5% of approved core revenue budget expenditure.

4.   **Governance of Reserves**

4.1   It is important that there is clarity on the rules and responsibilities in respect of the governance of the Partnership's Reserves. The governance arrangements are:

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4.1.1   Balances – The non-earmarked General Fund balance will be held at a minimum of 5% of approved core budget expenditure. Earmarked General Fund balances to be held at approved levels will vary for any draws and additions. Balances will be reviewed annually as part of the budget setting process.

4.1.2   Creation – With the exception of earmarked General Fund reserves all other reserves are statutory. The creation of a new earmarked reserve requires the approval of the Partnership. As a minimum a request to create a new earmarked reserve must include: -
- a description of what the reserve is for;
- the reason that the reserve is required;
- the amount of reserve that is required;
- timescales for the utilisation of the reserve; and
- how the reserve will be funded.

4.1.3   Additions – Where an addition to reserves is planned as part of the budget setting process it must be approved by the Partnership. In-year additions to reserves must be approved by the Partnership.

4.1.4   Draws – The utilisation of reserves must be approved by the Partnership as part of the Capital or Revenue budget process. Where the need to utilise a reserve arises in-year it must be approved by the Partnership.

4.1.5   Reporting / Review – Reserve balances must be reported / reviewed annually as part of the Partnership's budget setting process. Where any amendments are being made to reserves or new reserves created during the year, a report to the Partnership must include details of all current reserve balances held.

4.2   Unapplied Capital Grants are excluded from the above governance arrangements as, although a cash reserve, the fund is simply utilised to account for capital grants between financial years.

5.   Review
5.1   The Reserves Policy requires to be reviewed and approved by the Partnership within a three-year period of previous approval. The Partnership Director may review the Reserves Policy at any time where a change in the external or internal environment has had or is going to have a significant impact on the policy. Any changes to the Policy must be approved by the Partnership.

5

Risk Description	Existing Controls
Pay awards The proposed budget makes provision for a pay award of up to 3% in 2024/25. An uplift of 1% in pay award equates to an increase of £6,790.	Alignment with Local Government Pay Policy.
Inflation There is a risk that the indicative budget does not adequately cover price inflation and increasing demand for services.	Allowance made for specific known price inflation. Budgets adjusted in line with current cost forecasts.
Pension Fund Contributions The value of the Partnership's pension fund was restricted to 'Nil' at 31 March 2023, following proper accounting practice. The actual surplus may lead to a decrease in future employer's pension fund contributions.	Following Lothian Pension Fund's Triennial Actuarial Review in 2023, Partnership employer pension fund contribution rates are confirmed at 26.8% until 31 March 2027.
Funding Reductions Reduction in funding from Transport Scotland and/or council requisitions. There is a risk that current levels of staffing cannot be maintained due to funding constraints and that the Partnership will incur staff release costs.	Continue to seek to source external funding. Recruitment control and additional sources of external funding for activities aligned to the Partnership's objectives to supplement resources.

Internal Audit Assurance

1. **INTRODUCTION**

1.1 The City of Edinburgh Council Internal Audit (IA) team performs one annual review to provide assurance over the controls established to mitigate SEStran's specific key risks.

1.2 The purpose of this paper is to provide an update on the outcomes of the 2023/24 SEStran IA review of the Financial Sustainability, progress with the completion of management actions agreed as part of 2022/23 audit, and to request the Board's recommendations on potential areas for inclusion in the planned 2024/25 audit.

2. **BACKGROUND, SCOPE, AND OUTCOMES OF 2023/24 IA REVIEW – Financial Sustainability**

Audit Background

2.1 The Partnership's Core budget for the financial year 2023/24 was £815,000 and Projects expenditure was budgeted for £923,000. Core budget was made up of the Scottish Government grant (£625,000) and requisitions from the eight constituent councils (£190,000). The core budget provides for the day-to-day running costs of the Partnership and includes employee costs, premises costs and supplies and services. As at 31 January 2024, it is projected that core annual expenditure will be £68,000 under budget. The 2023/24 net expenditure on projects is also forecast to be £82,000 less than the budget.

2.2 The Board's Reserves Policy recommends establishment of an unallocated General Fund Reserve based on a minimum value of 5% core revenue budget (£41,000). As at 1 April 2023, the Partnership had an unallocated General Fund Reserve of £49,000. The policy also recommends that where slippage occurs on core revenue projects, this is retained as an earmarked balance. Slippage of £159,000 was included in the 2023/24 projected budget.

2.3 An update on the financial planning process for 2024/25 and indicative figures for 2025/26 was presented to the Partnership Board on 1 December 2023. These plans include an increase to the costs of the Partnership's organisational structure of £43,000. This is a result of the strategic realignment undertaken to support the delivery of the Regional Transport Strategy (RTS). The Partnership will be looking to proactively secure additional funds to ensure delivery of key strands of the RTS and ongoing financial sustainability.

Audit Scope

2.4 The scope of the 2023/24 IA review was to assess the adequacy of design and operating effectiveness of the key controls in place to support the ongoing financial sustainability of SEStran. The review also followed up on the implementation of

management actions raised in the previously completed 2022/23 internal audit review of the Thistle Assistance programme.

Audit Outcomes

2.5 The overall assessment of the review was 'Reasonable Assurance' (amber) and confirmed that while there are some moderate weaknesses in the financial management policies and procedures, design and operating effectiveness of controls provide reasonable assurance that SEStran's financial sustainability objectives will be achieved.

2.6 Areas for improvement identified in the review include:

i) financial planning procedures should be documented to include scenario planning, identification of efficiency savings and lessons learned

ii) the reserves policy requires review and approval

iii) a log of all potential funding opportunities and the actions taken to secure them should be maintained

iv) Finance Officer reports on current financial position should also be presented to the Performance and Audit Committee, and

v) risk mitigation actions should be routinely monitored to confirm effective implementation.

2.7 Several areas of good practice were also identified as part of this review and are included in the Executive Summary section of the detailed report, appended below.

2.8 Management has also addressed eight out of ten medium rated IA recommendations raised in the 2022/23 audit of the Thistle Assistance Programme. The remaining two recommendations and associated management actions along with management's status update is provided in Appendix 3 of the detailed report.

3. 2024/25 INTERNAL AUDIT REVIEW

3.1 City of Edinburgh Council's 2024/25 Internal Audit annual plan was approved by the Council's Governance, Risk, and Best Value Committee on 19 March 2024. The plan includes one Internal Audit review for SEStran, which is consistent with the level of assurance provided in prior years.

3.2 The most significant areas of risk and potential areas for SEStran 2024/25 annual review will be discussed with the management team by November 2024, and the review is likely to be completed between January to March 2025.

4. RECOMMENDATIONS

The Board is requested to:

- note the progress with completion of management actions, agreed as part of 22/23 audit report

- note outcomes of the 2023/24 IA review of Financial Sustainability, and the associated risks, and

- provide insights or recommendations on key risks or areas of concern that the Board would like IA to consider including in the 2024/25 IA review.

Appendix 1: Internal Audit Report – Financial Sustainability

Laura Calder
Head of Internal Audit, City of Edinburgh Council
E-mail: laura.calder@edinburgh.gov.uk

Key contact:
Dheeraj Shekhar, Principal Audit Manager, City of Edinburgh Council
E-mail: dheeraj.shekhar@edinburgh.gov.uk

Policy Implications	None
Financial Implications	SEStran is charged an annual fee for provision of the annual IA assurance review. The fee for 2023/24 is £5,000, which remains consistent with the 2022/23 fee applied.
Equalities Implications	None
Climate Change Implications	None

APPENDIX

South East of Scotland Transport Partnership (SEStran)

Final Internal Audit Report

Financial Sustainability

31 May 2024

OO2301

Overall Assessment	Reasonable Assurance

Contents

This Internal Audit review is conducted for SEStran under the auspices of the 2023/24 internal audit plan. The review is designed to help the SEStran assess and refine its internal control environment. It is not designed or intended to be suitable for any other purpose and should not be relied upon for any other purpose. The City of Edinburgh Council accepts no responsibility for any such reliance and disclaims all liability in relation thereto.

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

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

2

Internal Audit Report: SEStran: Financial Sustainability: OO2301

| | Overall Assessment | Reasonable Assurance |

Executive Summary

Overall opinion and summary of findings

Review of the design and effectiveness of the controls in place to ensure SEStran's continued financial sustainability provide reasonable assurance that financial sustainability objectives will be achieved.

The following improvement actions were identified during the review:

- financial planning procedures should be documented to include scenario planning, identification of efficiency savings and lessons learned
- the reserves policy requires review and approval
- a log of all potential funding opportunities and the actions taken to secure them should be maintained
- Finance Officer reports on current financial position should also be presented to the Performance and Audit Committee
- risk mitigation actions should be routinely monitored to confirm effective implementation.

Areas of good practice identified

- Financial plans are developed and approved on a timely basis in advance of the start of the financial year.
- There is a comprehensive risk register in place supported by a well-developed risk appetite assessment for all risk categories.
- Progress against project workstreams is effectively reported to the Performance and Audit Committee using a RAG status.
- SEStran has strategies in place to identify available funding sources.
- Finance Officer reports provide an update on the current financial position and include a reforecast budget and explanatory narrative of any variances.

Audit Assessment

See Appendix 1 for Control Assessment and Assurance Definitions

Audit Area	Control Design	Control Operation	Findings	Priority Rating
1. Financial Planning	🟠	🟠	Finding 1 – Financial Planning Procedures	**Medium Priority**
	🟢	🟢	Finding 2 – Review of Reserves Policy	**Low Priority**
	🟢	🟢	Finding 3 – Monitoring of Funding Opportunities	**Low Priority**
2. Ongoing Monitoring and Reporting of Savings Plans Performance	🟢	🟢	Finding 4 – Finance Officer Reports	**Low Priority**
	🟢	🟢	Finding 5 – Risk Management Action Tracking	**Low Priority**

3

Background and scope

The Partnership's Core budget for the financial year 2023/24 was £815,000 and Projects expenditure was budgeted for £923,000. Core budget was made up of the Scottish Government grant (£625,000) and requisitions from the eight constituent councils (£190,000). The core budget provides for the day-to-day running costs of the Partnership and includes employee costs, premises costs and supplies and services. As at 31 January 2024, it is projected that core annual expenditure will be £68,000 under budget. The 2023/24 net expenditure on projects is also forecast to be £82,000 less than the budget.

The Board's Reserves Policy recommends establishment of an unallocated General Fund Reserve based on a minimum value of 5% core revenue budget (£41,000). As at 1 April 2023, the Partnership had an unallocated General Fund Reserve of £49,000. The policy also recommends that where slippage occurs on core revenue projects, this is retained as an earmarked balance. Slippage of £159,000 was included in the 2023/24 projected budget.

An update on the financial planning process for 2024/25 and indicative figures for 2025/26 was presented to the Partnership Board on 1 December 2023. These plans include an increase to the costs of the Partnership's organisational structure of £43,000. This is a result of the strategic realignment undertaken to support the delivery of the Regional Transport Strategy (RTS). The Partnership will be looking to proactively secure additional funds to ensure delivery of key strands of the RTS and ongoing financial sustainability.

Scope

The objective of this review was to assess the adequacy of design and operating effectiveness of the key controls in place to support the ongoing financial sustainability of SEStran.

This audit also confirmed that 8 out of the 10 medium rated management actions, agreed in the 2022/23 audit of the Thistle Assistance Programme, have been implemented. Details of the two outstanding actions is included in Appendix 3.

Alignment to SEStran Risks

- Financial risk
- Project management risk
- Contract management risk - Grants

Limitations of Scope

This review does not provide any assurance on current financial sustainability, only over the controls in place to support its achievement.

Reporting Date

Testing was undertaken between 26 February and 29 March 2024

Our audit work concluded on 29 March 2024, and our findings and opinion are based on the conclusion of our work as at that date.

Findings and Management Action Plan

Finding 1 – Financial Planning Procedures

Finding Rating	Medium Priority

SEStran's financial planning arrangements include the development of an initial financial plan, presented to the Partnership Board and Performance and Audit Committee in December, with a final plan being presented in March each year. Financial plans are developed with assistance from the City of Edinburgh Council's finance team and meetings are held with SEStran senior management to discuss budget assumptions and projections.

Although financial plans are prepared on a timely basis, there are no documented procedures outlining how this is achieved. Documenting the steps for preparation and key milestones for reporting of financial plans would ensure a comprehensive and consistent approach each year.

Financial plans are developed on the basis of various key assumptions on estimated spend and likely funding sources. SEStran does not currently undertake any formal scenario planning exercises on these assumptions. Scenario planning exercise would help SEStran to evaluate the resilience of its financial plans for potential spend increase or income reduction.

There is also no formal process for the identification of efficiency savings. This is done on an ad hoc basis during contract renewals etc.

Risks

- **Financial Planning** – potential inconsistencies in the financial planning process may reduce the reliability of financial plans
- **Budgetary Resilience –** changes in key budgetary assumptions may pose a risk to financial sustainability
- **Financial Sustainability** – missed opportunities to achieve efficiency savings may pose a risk to financial sustainability.

Recommendations and Management Action Plan: Financial Planning Procedures

Ref.	Recommendation	Agreed Management Action	Action Owner and Lead Officers	Timeframe
1.1	A financial planning procedure document should be developed that includes key reporting milestones and roles and responsibilities.	A financial planning procedure will be developed.	Brian Butler, Partnership Director, SEStran	31/10/2024
1.2	Scenario planning exercises should be performed on key budgetary assumptions, as part of the annual financial planning cycle. This should be included in the financial planning procedures and results should be reported along with financial plans for approval.	A scenario planning procedure will be included in the wider financial planning procedure. It will describe how scenarios and sensitivities will be selected.	Keith Fisken, Senior Partnership Manager, SEStran	31/10/2024

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1.3	The identification of efficiency savings should be included as a step within the financial planning procedures. Once identified, the achievement of these savings should be monitored and reported.	The requirement to identify and realise efficiency savings will be included in the financial planning procedure and undertaken each year as part of the process.		31/10/2024
1.4	The identification of lessons learned from the annual financial planning cycle should be included within the procedures document. These should then be reviewed prior to the next planning cycle and improvements made, where appropriate.	A lessons learned process will be included in the financial planning procedure.		31/10/2024

Finding 2 – Review of Reserves Policy

Finding Rating	Low Priority

The Partnership Reserves Policy was approved by the Partnership Board in March 2020. Reserve balances consist of both earmarked funds, made up of underspent project funding to be applied the following year, and an unallocated General Fund. The adequacy of the unallocated General Fund is assessed through consideration of the Partnership's strategic, operational and financial risks. The policy states that it should be reviewed within a three-year period, however, it is yet to be reviewed following its initial approval in 2020 and is therefore overdue for review.

Risks

- **Financial Sustainability –** General fund reserves may not be sufficient to mitigate against current strategic, operational and financial risks.

Recommendations and Management Action Plan: Review of Reserves Policy

Ref.	Recommendation	Agreed Management Action	Action Owner and Lead Officers	Timeframe
2.1	The Partnership's Reserves Policy should be reviewed to ensure the level of unallocated general fund held remains appropriate. Consideration should be given to current strategic, operational and financial risks. Once reviewed this should be reported to the Partnership Board.	A requirement to review the reserves policy on a three-year basis will be included in the financial planning procedure. The policy will be reviewed and presented to the 21st June meeting of the Partnership Board.	Brian Butler, Partnership Director, SEStran	30/06/2024

Finding 3 – Management of Funding Opportunities

Finding Rating	Low Priority

SEStran operates a number of funded project workstreams and has a number of procedures in place to identify other potential funding sources. Where a potential project is deemed to be favourable (aligned to SEStran's aims and objectives etc.) then an application is made in a bid to secure the funding.

Although current project performance is extensively monitored and reported, there is no central log to manage and monitor all potential funded projects and the status of any bids made to secure the funds.

Risks

- **Financial Sustainability –** absence of a central log may not allow for the effective management of funding sources and the progression of bids, leading to potential funding loss.

Recommendations and Management Action Plan: Management of Funding Opportunities

Ref.	Recommendation	Agreed Management Action	Action Owner and Lead Officers	Timeframe
3.1	SEStran should develop a central log of all identified potential funded projects. This log should include the deadline for applications and assist in monitoring the progress made in preparing these.	A log of all applications for funding – formal or otherwise – will be created and maintained on a project by project basis.	Brian Butler, Partnership Director, SEStran Keith Fisken, Senior Partnership Manager, SEStran	31/10/2024

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Finding 4 – Finance Officer Reports

Finding Rating	Low Priority

SEStran's Performance and Audit Committee receives reports for the approval of the annual accounts and financial plans. The Committee's remit includes review of the adequacy of financial information presented to the Partnership.

The Finance Officer reports detailing current financial position against budget, are submitted to the Partnership Board in September, December and March of each financial year, however these are not presented to the Performance and Audit Committee for scrutiny.

Presenting these reports to the Performance and Audit Committee would add an additional layer of scrutiny and strengthen financial governance.

Risks

- **Financial Governance –** financial monitoring reports are not subject to adequate scrutiny and challenge.

Recommendations and Management Action Plan: Finance Officer Reports

Ref.	Recommendation	Agreed Management Action	Action Owner and Lead Officers	Timeframe
4.1	Finance Officer reports, which detail current performance against budget, should be presented to the Performance and Audit Committee for scrutiny prior to presentation to the Partnership Board.	The Performance and Audit Committee will be asked to approve the recommendation that Finance Officer reports are presented to them for scrutiny prior to presentation to the Partnership Board.	Brian Butler, Partnership Director, SEStran	31/10/2024

Finding 5 –Risk Management Action Tracking

Finding Rating	Low Priority

SEStran has a robust risk register in place for managing risk which includes a gross risk assessment, identified mitigating actions and a net risk assessment. Mitigating actions are developed with the aim of reducing risk in line with the Partnership's risk appetite.

There is however no method currently to formally track the implementation of identified risk mitigation actions.

Risks

- **Risk Management –** Mitigating actions are not effectively implemented to reduce risk in line with SEStran's risk appetite.

Recommendations and Management Action Plan: Risk Management Action Tracking

Ref.	Recommendation	Agreed Management Action	Action Owner and Lead Officers	Timeframe
5.1	The implementation of risk mitigation actions should be regularly monitored to ensure risks are effectively managed/mitigated.	A central log of all actions is being created and will include actions from the Risk Log. In order to ensure that agreed actions are rapidly progressed, the Actions Log will be reviewed and updated by action owners on a weekly basis and reviewed by the Partnership Director at Team meetings on a fortnightly basis.	Brian Butler, Partnership Director, SEStran Angela Chambers. Business Support Manager. SEStran	30/06/2024

Appendix 1 – Control Assessment and Assurance Definitions

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

Overall Assurance Ratings	
Substantial Assurance	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.
Reasonable Assurance	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.
Limited Assurance	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.
No Assurance	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.

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

Appendix 2 – Areas of Audit Focus and Control Objectives

Audit Areas	Control Objectives
Financial Planning	Financial governance arrangements, aligned to the current organisational structure, are in place.
	There are established annual financial planning processes and procedures, including expected timescales and consultation processes.
	The initial 2024/25 financial plan, and indicative 2025/26 figures, have been prepared and approved on a timely basis using appropriate assumptions.
	There are procedures in place to identify efficiency savings and secure all available funding sources.
	A proportionate reserves policy, aligned to the risk appetite of the Partnership, is established. Reserves are maintained according to this policy.
	Scenario planning is used to assess the potential impact of factors such as increased costs and reduced funding on financial sustainability.
Ongoing Monitoring and Reporting of Financial position and Savings Plans Performance	Regular reporting takes place on the Partnership's financial position, the achievement of efficiency savings targets and the delivery of projects within budget.
	Reporting includes reforecasting of financial plans and the identification of adverse variances and planned mitigating actions.
	Financial sustainability risks are included within the Partnership's risk register and actions are identified to mitigate them.
	Actions are tracked and implementation is monitored, as appropriate.
	Lessons learned are captured and used to inform the development of future financial and savings plans.

Appendix 3 – 2022/23 Internal Audit – Thistle Assistance Programme – Implementation Status

Ref.	Recommendation	Agreed Management Action	Due Date	Status	Management Update
3.1	Management should review the existing progress of the VoyagAR project and consider formalising project management controls, proportionately for the remainder of project.	Noted and agreed. Implementation of formalised project management controls will depend on successful completion and testing of final Voyager application in March 2023.	30 June 2023	Outstanding	SEStran is looking for a new third-party developer to take on the project.
3.2	For all future projects, a Project Initiation Document should be drafted and agreed by the Project SRO and Senior Management, to formally establish a project with clearly defined project management arrangements.	SEStran will review the current arrangements and consequently implement the recommended actions, as needed.	30 September 2023	Outstanding	Process and template is being developed and tested with EV and RTS masterplan work.

APPENDIX

South East of Scotland Transport Partnership (SEStran)

Final Internal Audit Report

Financial Sustainability

31 May 2024

OO2301

Overall Assessment	Reasonable Assurance

Contents

This Internal Audit review is conducted for SEStran under the auspices of the 2023/24 internal audit plan. The review is designed to help the SEStran assess and refine its internal control environment. It is not designed or intended to be suitable for any other purpose and should not be relied upon for any other purpose. The City of Edinburgh Council accepts no responsibility for any such reliance and disclaims all liability in relation thereto.

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

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

Executive Summary

Overall Assessment	Reasonable Assurance

Overall opinion and summary of findings

Review of the design and effectiveness of the controls in place to ensure SEStran's continued financial sustainability provide reasonable assurance that financial sustainability objectives will be achieved.

The following improvement actions were identified during the review:

- financial planning procedures should be documented to include scenario planning, identification of efficiency savings and lessons learned
- the reserves policy requires review and approval
- a log of all potential funding opportunities and the actions taken to secure them should be maintained
- Finance Officer reports on current financial position should also be presented to the Performance and Audit Committee
- risk mitigation actions should be routinely monitored to confirm effective implementation.

Areas of good practice identified

- Financial plans are developed and approved on a timely basis in advance of the start of the financial year.
- There is a comprehensive risk register in place supported by a well-developed risk appetite assessment for all risk categories.
- Progress against project workstreams is effectively reported to the Performance and Audit Committee using a RAG status.
- SEStran has strategies in place to identify available funding sources.
- Finance Officer reports provide an update on the current financial position and include a reforecast budget and explanatory narrative of any variances.

Audit Assessment

See Appendix 1 for Control Assessment and Assurance Definitions

Audit Area	Control Design	Control Operation	Findings	Priority Rating
1. Financial Planning	🔴	🔴	Finding 1 – Financial Planning Procedures	Medium Priority
	🟢	🟢	Finding 2 – Review of Reserves Policy	Low Priority
	🟢	🟢	Finding 3 – Monitoring of Funding Opportunities	Low Priority
2. Ongoing Monitoring and Reporting of Savings Plans Performance	🟢	🟢	Finding 4 – Finance Officer Reports	Low Priority
	🟢	🟢	Finding 5 – Risk Management Action Tracking	Low Priority

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Internal Audit Report: SEStran: Financial Sustainability: OO2301

Background and scope

The Partnership's Core budget for the financial year 2023/24 was £815,000 and Projects expenditure was budgeted for £923,000. Core budget was made up of the Scottish Government grant (£625,000) and requisitions from the eight constituent councils (£190,000). The core budget provides for the day-to-day running costs of the Partnership and includes employee costs, premises costs and supplies and services. As at 31 January 2024, it is projected that core annual expenditure will be £68,000 under budget. The 2023/24 net expenditure on projects is also forecast to be £82,000 less than the budget.

The Board's Reserves Policy recommends establishment of an unallocated General Fund Reserve based on a minimum value of 5% core revenue budget (£41,000). As at 1 April 2023, the Partnership had an unallocated General Fund Reserve of £49,000. The policy also recommends that where slippage occurs on core revenue projects, this is retained as an earmarked balance. Slippage of £159,000 was included in the 2023/24 projected budget.

An update on the financial planning process for 2024/25 and indicative figures for 2025/26 was presented to the Partnership Board on 1 December 2023. These plans include an increase to the costs of the Partnership's organisational structure of £43,000. This is a result of the strategic realignment undertaken to support the delivery of the Regional Transport Strategy (RTS). The Partnership will be looking to proactively secure additional funds to ensure delivery of key strands of the RTS and ongoing financial sustainability.

Scope

The objective of this review was to assess the adequacy of design and operating effectiveness of the key controls in place to support the ongoing financial sustainability of SEStran.

This audit also confirmed that 8 out of the 10 medium rated management actions, agreed in the 2022/23 audit of the Thistle Assistance Programme, have been implemented. Details of the two outstanding actions is included in Appendix 3.

Alignment to SEStran Risks

- Financial risk
- Project management risk
- Contract management risk - Grants

Limitations of Scope

This review does not provide any assurance on current financial sustainability, only over the controls in place to support its achievement.

Reporting Date

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Our audit work concluded on 29 March 2024, and our findings and opinion are based on the conclusion of our work as at that date.

Internal Audit Report: SEStran: Financial Sustainability: OO2301

Findings and Management Action Plan

Finding 1 – Financial Planning Procedures

Finding Rating	Medium Priority

SEStran's financial planning arrangements include the development of an initial financial plan, presented to the Partnership Board and Performance and Audit Committee in December, with a final plan being presented in March each year. Financial plans are developed with assistance from the City of Edinburgh Council's finance team and meetings are held with SEStran senior management to discuss budget assumptions and projections.

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There is also no formal process for the identification of efficiency savings. This is done on an ad hoc basis during contract renewals etc.

Risks

- **Financial Planning** – potential inconsistencies in the financial planning process may reduce the reliability of financial plans
- **Budgetary Resilience –** changes in key budgetary assumptions may pose a risk to financial sustainability
- **Financial Sustainability** – missed opportunities to achieve efficiency savings may pose a risk to financial sustainability.

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Ref.	Recommendation	Agreed Management Action	Action Owner and Lead Officers	Timeframe
1.1	A financial planning procedure document should be developed that includes key reporting milestones and roles and responsibilities.	A financial planning procedure will be developed.	Brian Butler, Partnership Director, SEStran	31/10/2024
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Finding 2 – Review of Reserves Policy

Finding Rating	Low Priority

The Partnership Reserves Policy was approved by the Partnership Board in March 2020. Reserve balances consist of both earmarked funds, made up of underspent project funding to be applied the following year, and an unallocated General Fund. The adequacy of the unallocated General Fund is assessed through consideration of the Partnership's strategic, operational and financial risks. The policy states that it should be reviewed within a three-year period, however, it is yet to be reviewed following its initial approval in 2020 and is therefore overdue for review.

Risks

- **Financial Sustainability –** General fund reserves may not be sufficient to mitigate against current strategic, operational and financial risks.

Recommendations and Management Action Plan: Review of Reserves Policy

Ref.	Recommendation	Agreed Management Action	Action Owner and Lead Officers	Timeframe
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Finding 3 – Management of Funding Opportunities

Finding Rating	Low Priority

SEStran operates a number of funded project workstreams and has a number of procedures in place to identify other potential funding sources. Where a potential project is deemed to be favourable (aligned to SEStran's aims and objectives etc.) then an application is made in a bid to secure the funding.

Although current project performance is extensively monitored and reported, there is no central log to manage and monitor all potential funded projects and the status of any bids made to secure the funds.

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Finding 4 – Finance Officer Reports

Finding Rating	Low Priority

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Presenting these reports to the Performance and Audit Committee would add an additional layer of scrutiny and strengthen financial governance.

Risks

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Recommendations and Management Action Plan: Finance Officer Reports

Ref.	Recommendation	Agreed Management Action	Action Owner and Lead Officers	Timeframe
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Finding 5 –Risk Management Action Tracking

Finding Rating	Low Priority

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There is however no method currently to formally track the implementation of identified risk mitigation actions.

Risks

- **Risk Management –** Mitigating actions are not effectively implemented to reduce risk in line with SEStran's risk appetite.

Recommendations and Management Action Plan: Risk Management Action Tracking

Ref.	Recommendation	Agreed Management Action	Action Owner and Lead Officers	Timeframe
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Internal Audit Report: SEStran: Financial Sustainability: OO2301

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Finding Priority Ratings	
Advisory	A finding that does not have a risk impact but has been raised to highlight areas of inefficiencies or good practice.
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Appendix 2 – Areas of Audit Focus and Control Objectives

Audit Areas	Control Objectives
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Ongoing Monitoring and Reporting of Financial position and Savings Plans Performance	Regular reporting takes place on the Partnership's financial position, the achievement of efficiency savings targets and the delivery of projects within budget.
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Ref.	Recommendation	Agreed Management Action	Due Date	Status	Management Update
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3.2	For all future projects, a Project Initiation Document should be drafted and agreed by the Project SRO and Senior Management, to formally establish a project with clearly defined project management arrangements.	SEStran will review the current arrangements and consequently implement the recommended actions, as needed.	30 September 2023	Outstanding	Process and template is being developed and tested with EV and RTS masterplan work.

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Internal Audit Report: SEStran: Financial Sustainability: OO2301

<u>**Contract Standing Orders**</u>

1.   INTRODUCTION

1.1   The purpose of the report is to seek approval of the revised Contract Standing Orders as attached to this report.

2.   BACKGROUND

2.1   As a statutory body, it is appropriate that SEStran has good governance arrangements in place which enable lawful and transparent decision making. The SEStran Governance Scheme forms a collection of all of the key documents giving effect to these governance arrangements which includes the Contract Standing Orders.

2.2   The Contract Standing Orders set out the rules for the procurement of goods, works and services for the Partnership. Procurement decisions are important for the Partnership not only to secure best value in its arrangements but also to ensure that decisions are made lawfully and transparently.

2.3   A key driver for this update has been to develop the Contract Standing Orders to ensure that they meet current business needs and provide an appropriate level of scrutiny and openness. Updates have also been made to accommodate a number of changes in procurement regulations and statutory guidance that have occurred over the past few years.

3.   MAIN REPORT

3.1   The revised Contract Standing Orders are presented at Appendix 1. These have been drafted by SEStran's solicitors in line with relevant legislation and guidance, sector best practice, and the specific requirements of SEStran.

3.2   Due to extend of updating and reformatting that has taken place, it is not possible to present a version showing all changes tracked to the current Contract Standing Orders (which are attached at Appendix 2 for reference). Instead, SEStran's solicitor has but together the following summary of the key changes that have been made:

Existing Provision	Changes to the Standing Orders	Rationale behind the change
Any contracts which were to be awarded under a framework agreement were exempt from the Contract Standing Orders. This meant that the limits and processes set out in the Contract Standing Orders did not apply to any contracts granted under a framework agreement. *Note: Framework agreements are agreements which have been put in place by a contracting authority in compliance with the procurement legislation. These framework agreements enable contracting authorities to call off contracts (whether by mini-competition or direct award) compliantly without having to go through a full procurement process.*	This has now been amended to bring framework agreements into the Contract Standing Orders	Framework Agreements are a flexible tool and if used correctly they allow you to efficiently comply with the procurement rules. The use of Framework Agreements is still permitted under the Contract Standing Orders. However, it was considered appropriate to bring them into the Standing Orders to (i) ensure that consideration is given as to whether it is an appropriate procurement route and (ii) to ensure that the delegated limits for approval apply to any contracts awarded under Framework Agreements.
No existing provision	A new provision has been inserted to enable the suspension of standing orders in the case of an emergency where immediate action is required to protect the interests of the Partnership.	This has been inserted to enable contracts to be awarded outwith the standing order process where there is an emergency scenario, for example there is a danger to life or health or destruction of property. This is only permitted on a temporary basis and is subject to a requirement to advise the Chairperson as soon as practicable and would then be reported to the Partnership to ensure that there is openness and transparency.

New Provision	A new provision requiring employees and members who have a financial interest in a contract being considered to declare an interest. The focus relates to employees to ensure that they take appropriate steps regarding declaration of interest.	It is important to ensure that there can be no suggestion of impropriety in dealing with the award of contracts both in terms of the Public Procurement Regulations and also reputationally. This links with SEStran's existing Anti-Bribery Policy.
The Standing Orders currently have three financial tiers as follows: **Works Contracts** £60,000 or less – quotations required but no advertising required £60,001 to the Higher Value Threshold (currently £5,372,609) – some advertising required £5,372,609 and above – full process required. **Supply and Services Contract** £30,000 or less – quotations required but no advertising required £30,001 to the Higher Value Threshold (currently £214,904) – some advertising required £5,372,609 and above – full process required.	This has been amended as follows to add an additional lower tier: **Works contracts** £6,000 or less – no advertising and quotations not required. £6,000 - £2,000,000 – advertising not mandatory – although there is a requirement to obtain three quotes or to advertise Over £2,000,000 - £5,372,609 – advertising required using PCS (Public Contracts Scotland) £5,372,609 – full procurement required. **Supply and Services Contract (except consultancy)** £6,000 or less – no advertising and quotations not required.	The values have been amended to reflect the Procurement Reform (Scotland) Act 2014. As part of the update, for each of the tiers, we have set out a more detailed set of steps for each process. This will ultimately be supplemented with a procurement manual.

	£6,001 - £50,000 – advertising not mandatory – although there is a requirement to obtain three quotes or to advertise Over £50,000 - £213,477 – advertising required using PCS £213,477 – full procurement required. **Consultancy Contract** £25,000 or less no advertising and quotations not required. £25,001 - £50,000 – advertising not mandatory – although there is a requirement to obtain three quotes or to advertise Over £50,000 - £213,477 – advertising required using PCS £213,477 – full procurement required.	

New Provision	A new provision has been included to deal with single source contracts. The aim of this provision is to enable contracts to be awarded to a single supplier in certain circumstances as set out in the Contract Standing Orders. This is supplemented with a process to ensure an appropriate audit trail.	Both the Public Contracts (Scotland) Regulations 2015 and the Public Procurement (Scotland) Regulations 2016 enable contracts to be awarded to one contractor in certain circumstances, for example where a particular contract has certain IP rights etc. The provisions in the standing orders have been set up to reflect the legal position with an appropriate audit trail in relation to the decision making process.
New Provision	A new provision has been inserted to deal with variations to contracts. This has been included to deal with the circumstances where a contract requires to be varied to include new elements of work.	On occasion following entering into a contract, there may be circumstances where it would be appropriate to vary a contract. This could be for example, that for reasons that SEStran was not aware of at the start of the contract, there may be additional work required. In order to ensure good governance, a process has been included to ensure that appropriate information is obtained before any contract is modified. There have also been limits put on such approval in terms of (i) the circumstances where the contract can be extended and (ii) the value of that extension. In terms of the value, approvals to an extension can only be given up to the higher of £200,000 or 50% of the original contract value. Any variations above these limits would be referred to the Partnership for approval.

New Provision	A new limit has been included in relation to the award of contracts.	In the previous standing orders there were no clear limits on the powers of the Partnership Director to approve the entry into a contract. The Partnership Director can now approve contracts up to the value of £1,000,000 excluding VAT. As a result the award of contracts above this value would require to be approved by the Partnership.

4. RECOMMENDATIONS

4.1 It is recommended that the Partnership Board:

    a) Approve the revised Contract Standing Orders as attached at Appendix 1

    b) Delegate to officers any final minor amendments to the text of the revised Contract Standing Orders

Michael Melton
Programme Manager
21 June 2024

Appendix 1: New Contract Standing Orders
Appendix 2: Current Contract Standing Orders

Policy Implications	There are no policy implications beyond the adoption of the new Contract Standing Orders into the Governance Scheme
Financial Implications	There are no direct financial implications of this change, however the new Contract Stading Orders ensure that the Partnership continues to secure best value in all of the contracts that it awards.
Equalities Implications	None
Climate Change Implications	None

<u>SESTRAN CONTRACT STANDING ORDERS</u>

1. **Introduction**

1.1. These Contract Standing Orders set out how the Partnership deals with the award of contracts for the supply of goods, works and services. The purpose of the Contract Standing Orders is to ensure that contracts are procured in an open and transparent way that demonstrates compliance with the law and the Partnership's policies and procedures. These are the Contract Standing Orders referred to in Standing Order 42 of the SEStran Governance Scheme, Part 1: Standing Orders.

1.2. These Contract Standing Orders must be applied in accordance with the following principles:

1.2.1. Any procurement must be conducted in accordance with the principles of transparency, equal treatment, non-discrimination, and proportionality;

1.2.2. Unless the Contract Standing Orders are suspended or the contracts are exempt pursuant to paragraph 2, all contracts must be awarded in accordance with the SEStran Governance Scheme including without prejudice to the foregoing generality, these Contract Standing Orders;

1.2.3. That the requirements of all applicable legislation and statutory guidance related to public sector procurement shall apply; and

1.2.4. Of the duty to secure Best Value in terms of section 1 of the Local Government in Scotland Act 2003.

1.3. Except where the SEStran Governance Scheme does not permit the further delegation of any power, the Partnership Director may nominate a delegated representative to exercise the powers delegated to him under the SEStran Governance scheme including the matters delegated in Appendix 1 to these Contract Standing Orders.

1.4. Any breach or non-compliance with these Contract Standing Orders must be reported to the Partnership Director who shall have the power to determine the appropriate action to be taken.

1.5. The Partnership Director may develop further procedures and practices in respect of the procurement and award of contacts for the supply of goods, works and services without reference to the Partnership, provided that the procedures and the practices comply with the SEStran Governance Scheme.

1.6. The Partnership Director may update these Contract Standing Orders without further reference to the Partnership insofar as:

1.6.1. To change job titles or deal with amendments to the structure; and

1.6.2.   To amend the thresholds for each of the relevant procurement processes where either (i) these are amended as a matter of law or (ii) to increase the thresholds by no more than 5% annually.

Where the Contract Standing Orders are amended in this way, the Partnership Director shall issue the updated Contract Standing Orders to the Partnership for noting retrospectively.

2.   **Exemptions from the Contracts Standing Orders**

2.1.   The Contract Standing Orders do not apply to the following contracts:

2.1.1.   Any contract of employment or secondment, but not including contracts for the employment of staff on an agency basis;

2.1.2.   Any contract relating to the transfer, acquisition, disposal or lease or licence of heritable property or an interest in the heritable property including a licence to occupy or use any heritable property;

2.1.3.   A contract between two or more contracting authorities provided that the terms of the Regulations are met; and

2.1.4.   Grant awards being made by the Partnership to other bodies which are dealt with under the Grant Standing Orders and The SEStran Governance Scheme, Part 4: Financial Rules.

3.   **Suspension of the Contract Standing Orders**

3.1.   These Contract Standing Orders may be suspended by the Partnership or set aside temporarily by the Partnership Director in the case of emergency where immediate action is required to protect the interests of the Partnership.

3.2.   The Partnership Director is authorised to take such measures as may be required in emergency situations including for example to enter into an emergency contract where such contract would avert or deal with the potential effects of an actual or potential emergency/disaster. This emergency/disaster could include without prejudice to the foregoing generality, danger to life or health or serious damage to or destruction of property.

3.3.   If the Partnership Director does temporarily set aside the Contract Standing Orders, the Partnership Director requires to:

3.3.1.   advise the Chairperson of the Partnership as soon as practicable; and

3.3.2.   report the use of this power to the Partnership at the next meeting, explaining why this action was taken.

4.   **Declaration and Registers of Interest**

4.1.   A member of the Partnership (whether a Councillor Member or an Other Member) who has either a financial interest or non-financial interest in a contract which is being considered must declare an interest as soon as the

interest becomes apparent. The members of the Partnership in determining what is an interest should have regard to and comply with the relevant code of conduct/Ethical Standards in Public Life (Scotland) Act 2000.

4.2. Employees must take appropriate steps to ensure that they identify and prevent conflicts of interest. In taking appropriate steps, employees should have regard to the Anti-Bribery Policy. [1]

4.3. In respect of employees of the Partnership, any employee who has an actual or potential conflict of interest, or a direct or indirect pecuniary interest in a tender/contract, should notify the Partnership Director in writing (email counts as writing).

4.4. If a conflict has been declared or otherwise identified, the person concerned should not be involved in any way in the tendering process including for the avoidance of doubt, the drafting, evaluation or approval of tenders, the management of any contracts which have been awarded or the issue of variations to the contract.

5. **Framework Contracts**

5.1. The Partnership Director may determine that the appropriate route for procurement may be the utilisation of a framework.

5.2. The Partnership Director may arrange for the Partnership to become a member of, registered user of or to otherwise use a framework agreement which has been set up in compliance with the relevant legal requirements and which the Partnership is entitled to use.

5.3. A contract to be awarded under the framework may be awarded in line with the rules set out as part of that framework agreement.

5.4. Where the framework permits a direct award (i.e. without requiring a further mini-competition) the Partnership Director should approve the use of that procedure.

5.5. Notwithstanding the terms of paragraph 5 – the limits in paragraph 2 of Appendix 1 will still apply.

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[1] SEStran Anti-Bribery Policy

6. Procurement Procedures

6.1. The procedure for the award of any contract shall be determined upon the estimated value of that contract. The relevant values and the associated tendering procedure that must be applied are detailed in table below. These values are exclusive of VAT and relate to the full potential life of the contract (i.e. including possible extension periods).

Tender Procedure	Works	Services	Supplies
Low Value Contracts – Paragraph 7	Below £6,000 (excluding VAT)	Below £6,000 (excluding VAT) for services except consultancy. For consultancy the limit shall be below £25,000 (excluding VAT).	Below £6,000 (excluding VAT)
Unregulated Contracts – Paragraph 8	£6,000 or over and less than £2 million (excluding VAT)	For services contracts (other than consultancy contracts £6,000 or over and less than £50,000 (excluding VAT) and for consultancy contracts £25,000 or over and less than £50,000.	£6,000 or over and less than £50,000 (excluding VAT)
Regulated Contracts– Contract Paragraph 9[2]	£2 million or above (excluding VAT) but less than the Find a Tender Threshold	£50,000 or above (excluding VAT) but less than the Find a Tender Threshold	£50,000 or above (excluding VAT) but less than the Find a Tender Threshold

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[2] The thresholds may be amended by order – link to current thresholds Procurement threshold values - gov.scot (www.gov.scot)

Find a Tender Threshold (as at 1 January 2024) – Paragraph 10[3]	£5,372,609 (including VAT) and above	£214,904 (including VAT) and above	£214,904 (including VAT) and above

6.2. The disaggregation of a single requirement to circumvent or avoid the requirements of these Contract Standing Orders or any legal requirement is expressly prohibited.

7. **Low Value Contracts below £6,000 excluding VAT**

7.1. In the interest of efficient management of the Partnership, tenders or quotations need not be invited in respect of:

    7.1.1. any contracts which have a value below £6,000 excluding VAT (for any type of contract); and

    7.1.2. any consultancy contracts of below £25,000 excluding VAT.

8. **Unregulated Works Contracts with a value of £6,000 or over but less than £2 million excluding VAT and; Unregulated Services and Supplies Contracts between with a value of £6,000 or over excluding VAT (for all services contracts excluding consultancy) and £25,000 or overexcluding VAT for consultancy contracts but in both cases less than £50,000 excluding VAT**

8.1. Advertising shall not be mandatory and a contract may be awarded after obtaining a minimum of three quotations from suitable suppliers identified by market research as having the necessary expertise to meet the requirements of SEStran. When obtaining three quotations, it should be determined how bids will be assessed. For example for the higher end of the range it may be appropriate to obtain the most economically advantageous tender. In these circumstances, the assessment criteria should include quality/pricing criteria.

8.2. Quotations may be invited by

    8.2.1. approaching prospective contractors directly;

    8.2.2. using the Quick Quote system; or

    8.2.3. open advertisement on the PCS portal.

The Partnership Director shall be consulted and approve the most appropriate route, having regard to the nature of the Contract, the nature of the market and equal access to opportunities.

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[3] The thresholds are updated on 1 January every two years – link to current thresholds Procurement threshold values - gov.scot (www.gov.scot). SEStran is an "other body" or "all sector" for the purpose of the thresholds.

8.3. Where three quotations cannot be obtained, a written record must be kept detailing the reasons for this. If only one quote has been obtained, the procedure set out in paragraph 11 of these Contract Standing Orders shall be adopted. If more than one quote has been obtained, the Partnership Director has the discretion to award the contract with only two quotations.

8.4. Where quotations are received, except where the Partnership Director agrees otherwise, the contract will be awarded to:

8.4.1. the tenderer who submitted the lowest quotation where the basis of assessment was solely pricing; or

8.4.2. the tenderer who submitted the most economically advantageous tender based on the quality/price split set out.

9. **Regulated Works Contracts £2 million or over (excluding VAT) but less than the Find a Tender threshold and Regulated Services and Supplies Contracts £50,000 or over (excluding VAT) but less than the Find a Tender threshold**

9.1. In order to assess the contract value in order to determine whether the contract falls within this paragraph, the estimated value of a contract shall be assessed in accordance with Regulation 3 of the Procurement (Scotland) Regulations 2016 [4]

9.2. All such contracts require to be advertised in a manner that is sufficient to enable open competition and to meet the requirements of the principles detailed in 1.2 and except where the provisions of 2.2 (exemption from electronic tendering) of Appendix 2 apply, they will be advertised electronically on the Public Contracts Scotland portal Home – Public Contracts Scotland.

9.3. Timescales for the return of Tenders shall take account of the complexity of the requirement and allow adequate time for Tenderers to respond.

9.4. The General Requirements in respect of tenders set out in Appendix 2 shall apply.

10. **Contracts at or above the Find a Tender Threshold.**

10.1. In order to assess the contract value in order to determine whether the contract falls within this paragraph, the estimated value of a contract shall be assessed in accordance with Regulation 6 of the Public Contracts (Scotland) Regulations 2015.[5]

10.2. Before undertaking a procurement in this category:

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[4] The Procurement (Scotland) Regulations 2016 (legislation.gov.uk)

[5] The Public Contracts (Scotland) Regulations 2015 (legislation.gov.uk)

10.2.1. an assessment should be made as to whether there are already frameworks in existence which are capable of being used for the particular requirement; and

10.2.2. approval of the Partnership Director will require to be sought.

10.3. The Partnership Director (at their discretion) may instruct that a procurement is carried out either:

10.3.1. using an existing framework; or

10.3.2. by asking another contracting authority to procure the works, goods and services on the Partnership's behalf; or

10.3.3. by the Partnership using this route.

10.4. Where it is determined that the procurement will be carried out by the Partnership using this route

10.4.1. all such contracts require to be advertised in a manner that is sufficient to enable open competition and to meet the requirements of the principles detailed in 1.2 and except where the provisions of paragraph 2.2 (exemption from electronic tendering) of Appendix 2 apply, they will be advertised electronically on the Public Contracts Scotland portal Home – Public Contracts Scotland which ultimately posts procurements on the Find a Tender Service;

10.4.2. Timescales for the return of Tenders shall take account of the complexity of the requirement and allow adequate time for Tenderers to respond; and

10.4.3. The General Requirements in respect of tenders set out in Appendix 2 shall apply.

10.5. The procedure to be adopted, for example, whether open, restricted etc shall be approved by the Partnership Director.

11. **Single Source/Non-competitive Procurement Procedure – New Contracts**

11.1. **Contracts £6,000 or over excluding VAT (for services excluding consultancy) £25,000 or over excluding VAT in respect of consultancy and in both cases less than £50,000 excluding VAT in value**

11.1.1. Where it can be demonstrated that Best Value will be served by the appointment of a contractor without competition, then the Single Source Approval Form Appendix 3 must be completed and submitted to the Partnership Director.

11.1.2. If the Partnership Director approves the Single Source Approval Form, then the award without advertising the opportunity may be progressed.

11.2. **Contracts £50,000 or over excluding VAT**

11.2.1. Where:

11.2.1.1. it can be demonstrated that Best Value will be served by the appointment of a contractor without competition;

11.2.1.2. the circumstances set out in paragraph 11.2.3 apply; and

11.2.1.3. it is intended to award the contract to a single contractor

then the Request for a Single Source Equal to or greater than £50,000 Approval Form – Appendix 4 must be completed and submitted to the Partnership Director for approval.

11.2.2. If the Partnership Director approves the Single Source Approval Form, then the award without advertising the opportunity may be progressed.

11.2.3. The circumstances for the purpose of paragraph 11.2.3 are:

11.2.3.1. where no tenders, no suitable tenders, no requests to participate or no suitable requests to participate have been submitted in response to the publication of a contract notice, provided that the initial conditions of the contract are not substantially altered; or

11.2.3.2. where the works, supplies or services can be supplied only by a particular economic operator for any of the following reasons:

11.2.3.2.1. the aim of the procurement is the creation or acquisition of a unique work of art or artistic performance; or

11.2.3.2.2. competition is absent for technical reasons; or

11.2.3.2.3. the protection of exclusive rights, including intellectual property rights;

but only, in the case of paragraphs 11.2.3.2.2 and 11.2.3.2.3, where no reasonable alternative or substitute exists and the absence of competition is not the result of an artificial narrowing down of the parameters of the procurement; or

11.2.3.3. where (but only if it is strictly necessary) for reasons of extreme urgency brought about by events unforeseeable by the contracting authority, the authority considers it must proceed to award a contract without delay; or

11.2.3.4. Where all of the following conditions apply:

11.2.3.4.1. it is for new works, services or both, consisting of the repetition of similar works or services entrusted to the economic operator to which the contracting authority awarded an original contract, provided that such works or services are in conformity with the project for which the original contract was awarded;

11.2.3.4.2. the project indicated the extent of possible additional works or services and the conditions under which they would be awarded;

11.2.3.4.3. the possible use of this procedure was disclosed in the procurement documents and the total estimated cost of subsequent works or services was taken into consideration by the contracting authority when determining the estimated value of the original contract; and

11.2.3.4.4. not more than three years has elapsed following the conclusion of the original contract.

11.2.3.5. Where, for supply contracts only, a change of supplier would oblige the Partnership to obtain goods of a different characteristic which would result in incompatibility or disproportionate technical difficulties in the operation or maintenance of current goods supplied; or

11.2.3.6. Where goods are being purchased from a supplier being wound up or directly from the liquidator, where these are offered on advantageous terms.

11.3. Note that any contract awarded £50,000 or over(excluding VAT) may require an award notice to be published which sets out the grounds for entering that contract. The reasons given in the completed Request for a Single Source Equal £50,000 or over Approval Form may be used for a justification on the notice.

12. Contract Modifications and Extension

12.1. If any modification, extension or variation of a contract is required and is not provided for in the original contract, a Request for Modification Form requires to be completed and submitted to the Partnership Director for approval in line with their delegated limits.

12.2. If approved by the Partnership Director, the necessary amendments will be made to the Contract.

12.3. For the avoidance of doubt all variations which cannot be contained within approved budgets require to be approved by the Partnership or the relevant Committee of the Partnership.

12.4. All modifications or variations will be reported to the Partnership retrospectively on a 6 monthly basis if the cumulative effect of these is to increase the value of the contract by 50% of the award price.

12.5. In respect of any contracts which are above the Find a Tender threshold or where the variation would put them above the Find a Tender threshold, the Partnership Director will take legal advice as appropriate on any of the amendments.

Appendix 1 – Specific Powers delegated to the Partnership Director in relation to Contracts

The following powers/functions are delegated to the Partnership Director:

1. To determine and manage the appropriate tendering arrangements in relation to the purchase of works, goods and services for the Partnership including:

    1.1. The determination of the most appropriate route for the procurement of the goods, services and works;

    1.2. Determining the most appropriate qualification and award criteria;

    1.3. Assessing and rejecting tenders;

    1.4. Taking all such steps necessary to carry out the procurement process in line with these Contracts Standing Orders including arranging for the evaluation of the tenders; and

    1.5. Exercising all powers delegated in terms of the Standing Orders

2. To approve entering into a contract with the total value of the contract being up to £1,000,000 (excluding VAT);

3. To approve varying a contract which has already been entered into provided that the variation is no greater than the higher of (i) £200,000 (excluding VAT) or (ii) 50% of the original contract value;

4. To make arrangements with another contracting authority to undertake procurement exercises on behalf of the Partnership;

5. Determining the appropriate form of contract to be used in respect of the procurement of a contract; and

6. To agree to settle claims from contractors in respect of matters or items not clearly within the terms of any relative contract up to a value of £200,000 (excluding VAT) on a cumulative basis.

Appendix 2 – General Tendering procedures for all Regulated Contracts or Contracts at or over the Find a Tender Threshold.

1. **Pre-Tender Requirements**

Prior to advertising the opportunity:

1.1. Tender and contract documentation will be prepared and will set out clearly:

  1.1.1. The scope/ quality of the works, goods and/or services;

  1.1.2. The required quality and standards;

  1.1.3. Any service levels required; and

  1.1.4. Any key dates for delivery.

1.2. The selection criteria for the procurement exercise, taking account all of the legal requirements. This will be restricted to suitability to pursue the relevant activity; economic and financial standing; and technical and professional ability. This should be determined by using the Single Procurement Document (SPD)[6].

1.3. The award criteria should be set. They must be clearly set out within the notice or the tender documentation. The method of evaluation should be the Most Economically Advantageous Tender with the ratio between quality and price having been agreed with the Partnership Director having regard to the market, risk, nature and value of the relevant requirement.

1.4. Will have assessed what level of sustainability would be proportionate to include in order to meet any sustainable procurement duty.

1.5. As part of the procurement obligations consideration should be given to whether a contract can or should be split into lots. After considering the appropriate route, the reasons for your decision should be documented.

2. **Electronic Tendering and process for opening tenders.**

2.1. All procurements to which these general rules apply shall be conducted using electronic means through the Public Contracts Scotland portal and except as set out in paragraph 2.2 of this appendix there shall be a requirement for all tenders so be submitted electronically.

2.2. The Partnership is not obliged to require electronic means of communication in the submission process where:

  2.2.1. due to the specialised nature of the procurement, the use of electronic means of communication would require specific tools, devices or file

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[6] Information and the current version of the SPD can be found here Single Procurement Document (SPD) | Supplier Journey

formats that are not generally available or supported by generally available applications;

2.2.2. the applications supporting file formats that are suitable for the description of the tenders use file formats that cannot be handled by any other open or generally available applications or are under a proprietary licencing scheme and cannot be made available by the Partnership for downloading or remote use;

2.2.3. the use of electronic means of communication would require specialised office equipment that is not generally available to the Partnership; or

2.2.4. the procurement documents require the submission of physical or scale models which cannot be transmitted using electronic means.

2.3. In the circumstances set out in paragraph 2.2, communication must be carried out by:

2.3.1. post or by other suitable carrier; or

2.3.2. a combination of post or other suitable carrier and,

2.3.3. to the extent that electronic means of communication is possible, by such means.

2.4. It can also consider not using electronic means of communication in the submission process to the extent that the use of means of communication other than electronic means is necessary: because of a breach of security of the electronic means of communication; or for the protection of information of a particularly sensitive nature which requires such a high level of protection that it cannot properly be ensured by using electronic tools and devices.

3. **Opening and recording of Tenders.**

3.1. Notwithstanding the process whether electronic or otherwise, the process should be such that bids can only be accessible and opened only following the deadline set for the return of tenders. Public Contracts Scotland complies with these procedures.

3.2. When bids are opened, the name of the person accessing the tenders as well as the time and date for opening the tenders should be recorded automatically within the system or otherwise recorded where tenders are not being submitted through an electronic system.

4. **Confidentiality**

4.1. During the period between the opening and evaluation of tenders through to the standstill period/award of the contract when the content becomes publicly known, an absolute obligation of preserving confidentiality exists.

5. **Late Tenders**

5.1. All tenders received after the time and date specified for the return of tenders to the Partnership will only be accepted where the bidder can provide

verifiable evidence from the provider of the electronic procurement system that there has been a provider system issue which directly prevented the submission of the bid by the date and time of return stated. Any bid made after the date and time of tender submission where this evidence cannot be provided will be rejected.

6. **Evaluation of Tenders including corrections, clarifications and amendments**

6.1. **Arithmetical Checks:** Arithmetical checks will be limited to verification that the rates submitted and any extensions and totals pertaining to those rates have been correctly entered by the bidder. Rates and totals may only be corrected where an obvious error has been made and can be clearly seen without ambiguity from the information provided. The relevant employee of the Partnership will examine all tenders for arithmetical errors, and any found shall be advised to the bidder through the clarification process. Only after the clarification process has been completed shall a revised tender price be accepted and the bid altered accordingly.

6.2. **Abnormally Low Tenders:** Where tenders are found to be abnormally low in relation to either the pre-tender cost estimate and/or in relation to all other bids, the bidder should be asked to provide a detailed breakdown of their bid to include all costs, overheads and profit together with a written explanation in order that an assessment be made as to its validity and short/long term sustainability. Any bid found following these checks to be invalid or unsustainable may be rejected and the bidder informed.

6.3. **Clarifications**: Between the last date and time for the receipt of tenders and the date on which a decision is taken as to which, if any, tender is to be accepted, there may be a process of clarification in order to confirm or clarify the terms of the tender and any information within the bid which may be ambiguous. No entirely new information must be sought where the bidder has provided a clear and unambiguous response or where no response has been made to any part of the tender where the submission of new information may fundamentally affect the evaluation. No information concerning any tender other than their own will be disclosed to the bidder. A full record will be retained of all such clarifications and held on the contract file.

6.4. **Non-Arithmetical Checks:** All tenders will be examined for the purpose of evaluating technical and professional issues in order to establish the tender representing the best value for money in accordance/ compliance with the stated award criteria. Evaluation panels consist of no fewer than two employees although the actual number should be dependent on the value and complexity of the contract in question.

6.5. **Post Tender Clarification (PTC):** PTC as part of the competitive tendering process may be used to refine the bid(s) following evaluation to clarify any matters which are unclear. Competition must not be distorted by allowing a bidder not clearly ranked first after evaluation a chance to improve its offer to change their position in the bidding process. No changes should in addition be made which would result in a contract being awarded on terms more favourable to the bidder.

7. **Award of Contract**

7.1. Contracts should not be awarded on the basis of lowest cost only and should always represent Best Value. The Most Economically Advantageous Tender (MEAT) criteria should be used in deciding to award a Contract.

7.2.	Details of the award of the contract must be published on the Public Contracts Scotland unless publication would:

7.2.1.	Impede law enforcement or be contrary to public interest;

7.2.2.	Prejudice the commercial interests of another party; or

7.2.3.	Prejudice fair competition

7.3.	Notice of the award to unsuccessful Tenderers must include:

7.3.1.	The name of the successful Tenderer;

7.3.2.	The criteria used to award the Contract; and

7.3.3.	The scoring of the successful Tender as well as scoring of the unsuccessful Tender.

8.	**Reporting Arrangements**

8.1.	The Partnership Director will arrange for all contracts accepted with an estimated value exceeding £50,000 or such lower amount as agreed with the Partnership Director to be publicly displayed on the Partnership's externally facing website. This will be in the form of a Register of Contracts awarded and will contain the following information:

8.1.1.	the date the contract was awarded;

8.1.2.	the name of the contractor(s) the contract has been awarded to;

8.1.3.	the subject matter of the contract;

8.1.4.	the estimated value of the contract;

8.1.5.	the start date of the contract;

8.1.6.	the end date of the contract (excluding contract extensions). If the date is not provided, a description of the circumstances when the contract will end; and

8.1.7.	the duration of any contract extension periods.

Information can be withheld if disclosing information would: impede law enforcement; be contrary to public interest; prejudice commercial interests of any person; or prejudice fair competition between suppliers.

9.	**Data Protection**

9.1.	All contracts and processes must be complaint with the Data Protection Act 2018.

10. Terms and conditions to be applied to the contract

10.1. Whilst where appropriate the preferred position is that the Partnership's appropriate standard form contract is adopted, the Partnership Director will have discretion, in consultation with advisers as appropriate, to determine that an alternative form of contract be adopted for a particular procurement.

10.2. The Partnership Director requires to determine whether any security or performance bond is required in respect of the contract. This will depend on factors including the risks in delivery of the contract or risks in respect of the company with whom the contract is to be entered into.

10.3. If there is an inherent risk of delay which may materially impact on the Partnership it should be considered whether liquidated damages should be included. This should be approved by the Partnership Director before issuing the contract.

Appendix 3 – Single Source Approval Form for contracts £6,000 or over excluding VAT (for all services excluding consultancy and £25,000 or over excluding VAT for Consultancy) and less than £50,000

Please complete

Contract/Project name/brief description:	
Estimated value:	[Drafting Note: this is the whole value of the contract including extension periods – attach email/correspondence if you have an estimate]
Estimated Duration:	[Drafting Note: This should cover the whole period of the contract to be entered into including any extension periods]
Name and company number (if any) of Proposed Contractor:	
Describe the Goods, Services or Works required.	[Drafting Note: this should provide the background, current position and details of what you are seeking to purchase under the contract]
Explanation of why there is a request for a single source.	[Drafting Note: this should say why this needs to be a single source, what steps have you taken to see if there are other suppliers out there, what difficulties would there be if you did not award the contract to this supplier].
Explanation as to how the approach delivers Best Value/value for money	[Drafting Note: you should include discussions you have had with the contractor and what value has been secured in these discussions in terms of both price and/or quality].

Name of the requestor:	
Signed by the requestor:	
Date:	

Approved by the Partnership Director

Signed by the Partnership Director:	
Date:	

Appendix 4 Request for Single Source Contracts £50,000 or over excluding VAT

Please complete

Contract/Project name/brief description:	
Estimated value:	[Drafting Note: this is the whole value of the contract including extension periods – attach email/correspondence if you have an estimate]
Estimated Duration:	[Drafting Note: This should cover the whole period of the contract to be entered into including any extension periods]
Name and company number (if any) of Proposed Contractor:	
Describe the Goods, Services or Works required.	[Drafting Note: this should provide the background, current position and details of what you are seeking to purchase under the contract]
Explanation of why there is a request for a single source.	[Drafting Note: this should identify which of the grounds set out in 11.2.3 you consider apply. You should identify why they specifically apply to the contract you want to award. You should note that these grounds are very narrowly interpreted. You should therefore be clear in your explanation why they apply and why there are no other alternatives – which make it clear that you are for example not unreasonably narrowing down the field of competition by being unduly restrictive about what you want].
Explanation as to how the approach delivers Best Value/value for money	[Drafting Note: you should include discussions you have had with the contractor and what value has been secured in these discussions in terms of both price and/or quality].

Name of the requestor:	
Signed by the requestor:	
Date:	

Approved by the Partnership Director

Signed by the Partnership Director:	135
Date:	

Appendix 5 – Request for a contract modification

Please complete

Original Contract/Project name/brief description:	
Original Value of the contract:	
Estimated value of the variation:	[Drafting Note: this is the whole value of the variation/amendment – attach email/correspondence if you have an estimate]
Estimated value of any variations which have been previously approved:	
Cumulative Total of all variations:	
Estimated Duration:	[Drafting Note: This should cover the whole period of the contract to be entered into including any extension periods]
Describe the variation and why is required.	[Drafting Note: this should provide the background, current position and details of what you are seeking to vary and why]
What changes are needed to the contract.	

Name of the requestor:	
Signed by the requestor:	
Date:	

Approved by the Partnership Director

Signed by the Partnership Director:	
Date:	

Part 5: Contract Standing Orders

Document Version Control – Contract Standing Orders

Date	Author	Version	Status	Reason for Change
Aug 2017	Andrew Ferguson	1.0	Board Approval	Implementation
Oct 2018	Andrew Ferguson	1.1	FINAL	Adoption of version control
Sept 2019	Gavin King	1.1	FINAL	Reviewed, no changes
March 2021	Andrew Ferguson	1.2	Amended	Changes to reflect EU law, electronic tendering and increase to limits for obtaining quotes
Sept 2022	Gavin King	1.2	FINAL	Reviewed, no changes
Dec 2022		1.3	Draft	Update to tender and FTS threshold values

SESTRAN CONTRACT STANDING ORDERS

1. SESTRAN makes the following standing orders in relation to the procurement of Supplies, Services and the execution of Works on its behalf. They are the Contract Standing Orders   referred to in Standing Order 42 of the Standing Orders of SESTRAN.

2. These Contract Standing Orders must be applied in accordance with the following principles:

    2.1 Any procurement must be conducted in accordance with the principles of transparency, equality, non-discrimination, and proportionality;

    2.2 Except as otherwise provided for, all contracts to which these orders apply should be made as a result of competition; and

    2.3 Any procurement must be conducted so as to ensure delivery of Best Value in terms of the Local Government in Scotland Act 2003.

    2.4 These Contract Standing Orders are subject to the over-riding provisions of United Kingdom or Scottish legislation; including the Regulations. They are also subject to any UK Government or Scottish Government guidance on public procurement that may be issued from time to time.

3. No employee of SESTRAN who has an actual, or potential, conflict of interest or a direct or indirect pecuniary interest in a tender should be involved in the tendering process.

4. The Partnership Director may nominate a delegated representative to exercise the powers delegated to him by these Contract Standing Orders.

5. The following contracts shall be exempted from the provisions of these Contract Standing Orders with the exception of the duty to ensure the delivery of Best Value as set out in 2.3 of these Orders:

    5.1 Any contract of employment, but not including contracts for the employment of staff on an agency basis;

    5.2 Any contract or type of contract which is declared by the Partnership to be exempt because it is satisfied the exemption is justified by special circumstances;

    5.3 Any contract or framework agreement entered into by a consortium, partnership, collaboration, company or similar body:

        5.3.1 of which the Partnership is a member, registered user or otherwise is entitled to use the said contract or framework agreement and such body has invited Tenders for the provision of goods/supplies/services/works e.g. Office of Government Commerce, Procurement Scotland and Scotland Excel; ; and

        5.3.2 which body exists for the purpose of joint purchasing arrangements; and

        5.3.3 provided such body has invited tenders in accordance with the principle contained in 2.4 and the use of that contract or famework agreement complies with the principle in 2.3 ; and

        5.3.4 subject to call-offs being made in accordance with agreed processes for the operation of the framework and any subsequent guidance.

    5.4 Any contract relating to the disposal or lease of land and/or buildings;

    5.5 Where the Partnership Director is satisfied that the requirement is not readily obtainable from more than one supplier, service provider, or contractor, and it can be demonstrated that no equivalent is available; provided any contract awarded in accordance with this exemption is reported to the Partnership at its next meeting.

    5.6 Where the estimated cost of a contract does not exceed £25,000, the Partnership Director or appropriate officer may invite and place tenders for consultancy services, without seeking competitive tenders, provided that, in the Partnership Director's or appropriate officer's opinion, best value would not be secured by competition.

Procedures for Awarding Contracts

6. The procedure for the award of any contract shall be determined upon the estimated value of that contract.

6.1   The estimated value of a contract shall be assessed in accordance with Regulation 6 of the Regulations.

6.2   The relevant values and the associated tendering procedure that must be applied are detailed in Table below. These values are inclusive of VAT and relate to the full potential life of the contract (i.e. including possible extension periods). The values were updated in 2021 and are subject to review every 2 years in accordance with the Regulations.

Tender Procedure	**Works**	**Services**	**Supplies**
FTS Procedure – Standing Order 7	£5,336,937 and above	£213,477 and above	£213,477 and above
Below FTS but with mandatory advertising – Standing Order 8	Between £60,001 and £5,336,936	Between £30,001 and £213,476	Between £30,001 and £213,476
Advertising not mandatory – Standing Order 9	£60,000 or less [£50,000 excl VAT]	£30,000 or less [£25,000 excl VAT]	£30,000 or less [£25,000 excl VAT]

6.3   The disaggregation of a single requirement to circumvent or avoid the requirements of these contract Standing Orders or any legal requirement is expressly prohibited.

7.   FTS Procedure: Works contracts of £5,336,937 and above and Services/supplies Contracts of £213,477 and above.

7.1   This Contract Standing Order shall, together with the procedures detailed in the **General Tender Procedures section** below, apply to Works contracts with an estimated value of £5,336,937 and above and Services and Supplies Contracts with a value of £213,477 or above.

7.2   All contracts to which this Standing Order applies shall be conducted in accordance with the Open, Restricted, Negotiated or Competitive Dialogue Procedures as detailed in the Regulations Where any procurement activity is related to continued participation in European Social Fund or European Regional Development Fund programmes, these remain subject to EU legislation. As of 31st December 2020, these procurement activities must follow the obligations set out on Public Contracts Scotland and all information related to European Funding completed.

7.3   All tenders shall be submitted electronically, except as set out below at 10.1.

8. Works Contracts between £60,001 and £5,336,936 and Services and Supplies Contracts between £25,001 and £150,000

8.1 This Contract Standing Order shall, together with the procedures detailed in the **General Tender Procedures section** below, apply to Works Contracts between £60,001 and £5,336,936 and Services and Supplies Contracts between £30,001 and £213,477.

8.2 All contracts to which this Standing Order applies shall be advertised in a manner that is sufficient to enable open competition and to meet the requirements of the principles detailed in 2.1.

8.3 Timescales for the return of tenders shall take account of the complexity of the requirement and allow adequate time for tenderers to respond.

8.4 All tenders shall be submitted electronically, except as set out below at 10.1.

9. Works Contracts below £60,000; Services and Supplies Contracts below £30,000

9.1 **Contracts with a value below £6,000** - Tenders or Quotations need not be invited in respect of contracts which have a value below £6,000.

9.2 **Contracts with a value between £6,001 and £60,000 (Works) and £30,000 (Services/Supplies)** – Advertising shall not be mandatory and a contract may be awarded after obtaining three quotations from suitable suppliers identified by market research.

General Tender Procedures

10. Electronic Tendering

10.1 As stated above, all tendering will be carried out using appropriate processes e.g. Public Contracts Scotland website, except in exceptional circumstances when an ad hoc hard copy process with appropriate safeguards will be used. Any electronic method to be used to invite and receive tenders shall comply with the following:

    10.1.1 It shall have safeguards to ensure that either:

        (a) tenders cannot be uploaded after the tender deadline; and/or
        (b) the date and time that a tender is uploaded is recorded.

    10.1.2 It shall ensure that the substantive content of a tender cannot by accessed by any SESTRAN personnel until after the tender deadline.

10.1.3   It shall record the identity of any person who accesses the tenders as well as the time and date that took place. Those persons charged with assessing the tenders will only be given the appropriate information, with another member of SEStran staff being tasked with accessing the tenders after the deadline and passing the appropriate information to the assessment team.

10.1.4   All records must be of a sufficient standard to be used as evidence in Court.

10.1.5   All records must be kept for at least seven years from the date of the contract award.

10.1.6   It shall ensure that economic operators can submit queries regarding the tender on an anonymous basis and that the answers to such queries are made available to all interested economic operators.

10.1.7   It shall ensure that SESTRAN shall be able to publish clarifications, or additional information, to the tender documentation so that it is available to all interested economic operators.

11.1   The Partnership Director or appropriate Officer of the Partnership will prepare the contract documents setting out:
- The scope;
- The quality;
- The quantity of the works, the goods and services or The consultancy services;
- The proposed method of evaluation to be used. Where the proposed method is "Most Economically Advantageous Tender" (MEAT), the criteria for the evaluation of tenders shall also be specified in the tender documents.

11.2   The Contract Documents shall state that the Partnership is not bound to accept the lowest tender or any tender.

12   Contract Security

12.1   If the estimated cost of carrying out work under any one contract is more than £1 million, the contractor will normally require to provide appropriate contract security to the Partnership. The Partnership Director or appropriate officer shall consider what contract security may be appropriate, which may take the form of a performance bond and/or a parent company guarantee.

12.2 The Partnership may ask for any contract security considered appropriate on other contracts.

12.3 Appropriate levels of public/professional indemnity insurance will be sought as appropriate.

13. Tender acceptance

13.1 The Partnership Director shall issue letters of acceptance provided:

13.1.1 The award is to the tender that represents either:
- The lowest cost; or
- The Most Economically Advantageous tender.

13.1.2 He is satisfied that the award represents Best value.

13.2 For contracts subject to the full rigours of the FTS procedures the Partnership Director shall approve and issue Pre Standstill Successful Letters at the start of the standstill period.

13.3 For contracts subject to the full rigours of the FTS procedures the Partnership Director shall approve and issue Post Standstill Award Letters to the successful Tenderer(s) at the end of the standstill period if there has been no form of judicial interruption.

14. Post Tender Communications

14.1 If, during the evaluation process, any post tender communication with Tenderers is necessary prior to contract award in order to clarify or supplement any aspect of their Tender, such communication shall be conducted in accordance with this Contract Standing Order and a record of any such communication must be maintained for audit purposes.

14..2 In order to ensure that there is no distortion of competition, post tender communications undertaken prior to contract award shall be carried out in a restricted and carefully handled manner.

14.3 Any amendment to Tenders or contract documents made as a result of post tender communications must not go beyond clarifying or supplementing a Tender. It is essential to consider, prior to commencing communications whether the amendments that may be achieved are such that a Tenderer excluded from the process (whether on the list of Tenderers or not) could allege that they had been unfairly treated and/or could have submitted a better Tender.

14.4 In conducting post tender communications prior to contract award, Procuring Officers shall comply with the following additional rules:

14.4.1 All Tenderers must be treated equally and in an open and fair manner;

14.4.2 Tenderers must not be permitted to amend their bids in a manner that allows them to improve their offer;

14.4.3 Post tender communications must not be carried out in such a manner as to leave the Partnership open to charges of acting anti-competitively;

14.4.4 Where any factor giving rise to post tender communications is not specific to one Tenderer, all Tenderers must be invited to participate in such communications;

14.4.5 There must be no material change to the specification(s) and/or criteria on which tenders are to be assessed;

14.4.6 If it becomes apparent that a material change is required, the tendering process must be recommenced with a revised specification or award criteria;

14.5 The Procuring Officer must keep written records of all discussions with Tenderers and these must include the following details:
- Who was involved in the discussion from the Partnership and from the tendering organisation;
- The date, time and location of any meeting; and
- The nature of the discussion and the outcome (it would be advantageous if both parties can confirm agreement of the accuracy of this record);

15. Qualified Tenders

A Tenderer who submits a qualified Tender should be given the opportunity to withdraw the qualification. If the Tenderer fails to do so, the whole Tender shall be rejected if it is considered that such qualification affords the Tenderer an unfair advantage over other Tenderers.

16 Confidentiality of Tenders

16.1 Between the last date and time for the receipt of Tenders and the date on which a decision is taken as to which, if any, is to be accepted, Tenderers may be contacted in cases where it is necessary to confirm or clarify the terms of the Tender or to effect any necessary adjustments. No information concerning any Tender other than their own will be disclosed to the Tenderer so contacted. A full written record shall be kept of all such contacts and shall be retained with the original Tender.

16.2   During the period between the opening of the Tenders and the stage where the content of them is required to be publicly known an absolute obligation of preserving confidentiality will rest on Members and officers of the Partnership.

17.   Contract Conditions

17.1   Except as detailed below, the Partnership's standard contract terms and conditions must be applied to contracts entered into on behalf of the Partnership.

17.2   It is permissible in relation to Works contracts to use   widely recognised, construction industry standard contracts -e.g. I.C.E, J.C.T., N.E.C.

17.3   The Partnership Director may authorise contract terms substantially different from those set out only in exceptional circumstances, and after consultation with the Solicitor.

18.   Definitions

"Best Value" - means the provisions contained in Part 1 of the Local Government in Scotland Act 2003.

"FTS" – means the new UK e-notification service called Find A Tender Service (FTS) accessed via www.publiccontractsscotland.gov.uk

"Quick Quote" -means an online request for quotation facility operated through the Public Contracts Scotland Website used to obtain competitive quotes for low value/low risk procurement exercises or for mini competitions within framework agreements.

"the Regulations" –means the Public Contracts (Scotland) Regulations 2015 or any amendment or re-enactment thereof.

"SESTRAN" - the South-East of Scotland Transport Partnership

Services - means those services which can be the subject of a public service contract in terms of the Regulations.

Supplies - means those supplies which can be the subject of a public supply contract in terms of the Regulations. "Works" - means those works which can be the subject of a public works contract in terms of the Regulations.

SEStran Annual Report and Business Plan

1. INTRODUCTION

1.1 The purpose of this report is to update the Partnership Board on the draft Annual Report which outlines the activity undertaken by the partnership in the year to end March 2024 and the Business Plan for the year April 2024 to March 2025.

1.2 The Annual Report provides an overview of SEStran's project portfolio. It highlights the contributions that SEStran has made to transport in the region over the last year, in line with the agreed objectives of the Regional Transport Strategy (RTS) and SEStran's Business Plan.

1.3 It also updates the Partnership Board on the Business Plan for 2024 -2025 and advises on the new structures for displaying the plan and its subsequent reporting which was reviewed by the Performance and Audit Committee at its meeting on 7th June 2024.

1.4 The previous 3-year business plan format has been adjusted to a 1-year plan to accommodate the new People and Place planning and future funding mechanisms.

2. NEW BUSINESS PLAN BACKGROUND AND CONTEXT

2.1 The P&A Committee set up a short-life working group in 2023 with the remit of reviewing the approach to business planning and reporting. P&A members on the group were Cllr Sally Pattle, and non-Councillor members Simon Hindshaw and Doreen Steele.

2.2 The focus of the working group was to align strategy, activity and reporting more closely to improve future planning and operational effectiveness. It was also anticipated that this would encourage end-to-end ownership of the project and strategy lifecycle by Committee members.

2.3 Officers accordingly restructured the plan itself and its subsequent reporting, in accordance with the working group's feedback. Notable changes are aligning delivery to RTS actions where appropriate, improved quarterly reporting format (see item B1.) and improved budget tracking.

3. BUSINESS PLAN ACTIVITY FOR THE YEAR 2024/25

3.1 The draft Business Plan for the current year from March 2024 to March 2025 is shown in Appendix 1.

3.2 The plan has been divided into separate sections:
  - Strategy – including RTS development and monitoring

- Projects
- People & Place Plan
- Communications
- Groups – includes forums and working groups (e.g. rail)

3.3 The draft budget for the plan period is outlined in the Business Plan for the Partnership Board to approve.

3.4 Any underspend that is approved in the final accounts for 2023/24 will be added to the budget for 2024/25 and can be used to deliver Business Plan activity.

3.5 The Business Plan was reviewed by the Performance and Audit Committee at the meeting on the 7th of June. Officers will incorporate feedback to refine the plan.

3.6 The Business Plan will be monitored by the quarterly Projects and Strategy Performance report which will be presented to the Performance and Audit Committee with any issues brought to the attention of the Partnership Board for review and action.

4. FUTURE DEVELOPMENT WORK AND FUNDING

4.1 The Business Plan includes project proposals which have been submitted to potential funders and are awaiting a response. If successful, these will be added to the reporting and monitoring plan. These are detailed in Appendix 1.

4.2 The Partnership will continue to explore opportunities for new projects that support the delivery of the RTS.

5. COMBINED PUBLICATION

5.1 The Partnership has in the past published the Annual Report and Business Plan as separate documents at different times of the year.

5.2 Publishing both documents at the same time and as one document will deliver a better narrative for stakeholders, a greater understanding of the activity delivered and planned and how the two elements link together.

6. RECOMMENDATIONS

6.1 It is recommended that the Partnership Board:

(a) Note the contents of the draft document and any comments on the draft document are welcomed for discussion
(b) Note the Draft Annual Report and Business Plan shown in Appendix 1 and approve the combined document approach
(c) Approve the 2024/25 Budget
(d) Approve the Partnership Director to amend the draft considering any comments and finalise for publication and circulation

Keith Fisken
Senior Partnership Manager
21st June 2024

Appendix 1: Draft Annual Report 2023 – 2024 and Business Plan 2024 - 2025

Policy Implications	The Annual Report and Business Plan will align with SEStran's established and emerging policies and the Regional Transport Strategy.
Financial Implications	The Business Plan will be subject to formal Board approval of proposed budgets in year 2024 – 25 and subsequent years. Cost for publication can be met from within existing budget.
Equalities Implications	No separate EQIA will be carried out as the Business Plan does not propose a change to SEStran's policies and procedures.
Climate Change Implications	The implications for Climate Change issues will be assessed at the project level.

GO SEStran

South East of Scotland
Transport Partnership

2023-24 Annual Report.

Contents

(Note page numbers to be confirmed pending final publication formatting)

Foreword

<mark>To be completed.</mark>

Cllr Colin Davidson, Partnership Chair

Cllr Colin Davidson
Chair SEStran

Who we are

SEStran is the South East of Scotland Transport Partnership. We are one of seven statutory Regional Transport Partnerships in Scotland established under the Transport (Scotland) Act 2005. SEStran is a statutory Regional Transport Partnership covering the council areas of City of Edinburgh, Clackmannanshire, East Lothian, Falkirk, Fife, Midlothian, Scottish Borders and West Lothian.

SEStran's Vision

A South-East of Scotland fully integrated transport system that will be efficient, connected, and safe; create inclusive, prosperous, and sustainable places to live, work and visit; be affordable and accessible to all, enabling people to be healthier; and delivering the region's contribution to net zero emissions targets.

(INSERT INFOGRAPHICS OF THE REGION AS A SNAPSHOT) To be developed at publication.

SEStran's Team

SEStran has a staff of 9 as of March 2024:

Partnership Director – Brian Butler

Senior Partnership Manager – Keith Fisken

Strategy Manager – Rachael Murphy

Programme Manager – Michael Melton

Project Officer – Beth Harley Jepson

Communication and Marketing Officer – Cameron Duck

Business Manager – Angela Chambers

Business Support Officer – Cheryl Fergie

Business Support Assistant – Nikki Boath

SEStran's Board

The Partnership Board consists of 20 elected members from the partnership local authorities and 9 appointed non-councillor members, meeting quarterly.

Cllr Colin Davidson (Chair) Cllr Robin Lawson (Deputy Chair) Cllr Sally Pattle (Deputy Chair) Cllr Russell Imrie (Chair of Performance and Audit Committee and Deputy Chair of The Board) Cllr Margaret Anslow Cllr Jenny Linehan Cllr Jane Cox Cllr Paul Garner Cllr Tom Conn Cllr Colin Cassidy Cllr Sanne Dijkstra-Downie Cllr Marie-Clair Munro Cllr Danny Aston Cllr Fiona Law Cllr Derek Glen Cllr Ruaridh Bennett Cllr John McMillan Cllr Denis Coyne Cllr Scott Arthur Cllr Jule

Bandel Alastair Couper Dr Doreen Steele Kate Sherry Linda Bamford Paul White Simon Hindshaw Callum Hay Geoff Duke John Scott

Local Authority Partners

SEStran consists of 8 local authorities:

Clackmannanshire

Falkirk

Fife

City of Edinburgh

East Lothian

Midlothian

West Lothian

Scottish Borders

What we do

Regional Transport Strategy - 2035

What is the Regional Transport Strategy – 2035?

Regional Transport Strategy (RTS) provides a comprehensive framework and direction for transportation in the southeast of Scotland area. The Transport (Scotland) Act 2005. mandates the production of a statutory RTS, serving as a strategic framework for transport management and investment within the Partnership area.

The RTS, initiated in November 2020 is progressing on track. It aims to provide a regional framework for managing future travel demand, behaviour, and developing the region's transport system, aligning with the National Transport Strategy 2, National Planning Framework 4, Climate Change (Scotland) Act 2019, and other relevant spatial and economic strategies.

 RTS's milestones achieved include the completion of draft work on the Programmed Investment Plan (PIP) by consultants S82, publication of the RTS and its accompanying Strategic Environmental Assessment (SEA) on the SEStran website, and approval by the Scottish Ministers and SEStran Partnership Board.

Recent activities include engagement with the ESECRD grouping to align with transport delivery plan workstream, and refining PIP work by integrating case studies with consultants S82.

Planned activities include the development of an action plan matrix, integration into the SEStran Business Plan for 2024 to 2027, mapping baseline and Gap analysis, setting up a working group, and determining criteria for 'Regional' and 'Cross-boundary' projects. Additionally, there's a focus on gathering ideas on funding models for projects.

However, there are risks related to funding availability for specific actions within the plan, which need to be addressed. Nonetheless, the project remains on track towards achieving its objectives, ensuring a robust and sustainable transport system for the region.

Active Travel

Actions delivered against:

Progress the delivery of the SEStran Strategic Network and broader cross boundary networks with partners. Develop further phases of this network to ensure a long-term pipeline of investment

Promotional and communication campaigns to highlight the benefits of active travel across the region and encourage people to adopt it where possible

Strategic Network + Traffic Monitoring Cameras

First developed in 2019, the SEStran Strategic Network presents a framework for coordinated development of cross boundary active travel routes connecting cities, towns, neighbourhoods, settlements and public transport hubs in the SEStran region.

In summer 2023 Arup was appointed to undertake a revised Multi Criteria Assessment (MCA) exercise for the SEStran Strategic Network, to inform an updated prioritisation and phasing of active travel routes within the network.

The MCA update was undertaken to reflect changes across the SEStran region since the original publication of the strategic network. This included changes in travel patterns due to the covid-19 pandemic, changes to national and local transport policy and conclusions drawn from newly available data. The MCA update has utilised new data sources available including, the Sustrans Network Planning Tool (2023), SIMD (2020) and up to date DfT STATS19 collision data. The refresh of the network was completed in December following consultation with all Local Authority partners.

Go E-bike/Do The Ride Thing

SEStran has been delivering the Go e-bike project since 2017. The project increases access to and awareness of the benefits of using e-bikes across the region. In 2023 SEStran was successful in securing funding from the Paths for All – Active Nation Funding for the delivery of a promotional campaign, employer trial and event support. Employer trials were delivered from February to April 2024 by West Lothian Bike Library, who have been involved with Go e-bike since the project started.

Do The Ride Thing was a promotional behaviour change campaign, which ran between March – April 2024. The aim of the campaign was to encourage the target audience to increase their consideration of e-bikes and choose them over cars for short daily trips

such as a commute. The campaign would achieve this aim by raising awareness of e-bikes, their benefits, and emphasise the available support. The campaign was based on the insight that 26% of car journeys in 2022 were under 1km (Transport Scotland, 2024). The campaign aimed to limit this car dependency by advocating an active travel alternative.

Employing a phased communication approach—Awareness, Consideration, Action—across a wide range of appropriate channels, the campaign targeted adults, particularly women aged 40-60 with cycling experience and an interest in e-bikes, while also acknowledging first-time and returning cyclists.

(INSERT EXAMPLE OF DO THE RIDE THING CREATIVE)

The campaign's creative featured a landscape featuring e-bikes, building upon a previous Do The Ride Thing campaign's creative. The campaign website underwent significant redevelopment in content, copy, and technological updates to improve its performance and accessibility. Field events were hosted at workplaces to promote e-bikes, offer e-bike trial runs, and address individual barriers. A paid for media campaign ran across social, digital, audio and radio. In addition, the campaign engaged in a media partnership with Bauer Media to amplify the messages of the campaign.

The campaign gained support from stakeholders such as the Scottish Government, Energy Saving Trust, Cycling Scotland, and Wheels for Wellbeing, which was facilitated through outreach efforts and the provision of resources through the Stakeholder Toolkit. Field events generated positive results. Prior to attending 56% of event attendees typically travelled to work by car. However, after attending an event 97% of event attendees expressed willingness to consider hiring e-bike from a Do The Ride Thing hub in the future. Indicating the success of persuading car drivers to switch their choice of transport for the commute. The website also resonated well with the audience with good levels of visits and engagement across pages. Finally, paid for media reached 85.7% of the target audience across the region at least once. Contributing to the achievement of the campaign objectives of increasing awareness of e-bikes and persuading users to switch to e-bikes.

People and Place Plan Development

In December 2023, Transport Scotland invited Regional Transport Partnerships to apply for People and Place funding. The funding is intended to enable the delivery of behavioural change projects which would increase rates of active travel (walking, wheeling and cycling).

The funding largely replaces that previously provided by Transport Scotland to the Active Travel Delivery Partners (Cycling UK, Cycling Scotland, Living Streets, Paths for All, Scottish Cycling and Sustrans) to achieve similar outcomes, and is accompanied by

further direct funding for related projects to be awarded by Transport Scotland directly to Local Authorities. From December 2023 to March 2024, SEStran, in close consultation with Local Authority partners, developed a plan for the distribution of these funds.

The plan will work in all of the region's eight Local Authority areas to provide a balanced package, based on the regional priorities, targeted at each of the four themes which Transport Scotland has suggested should form part of People and Place plan:

- Schools and young people
- Workplaces
- Developing accessible and inclusive communities
- Capacity and capability building within the public sector and community-based organisations

The plan includes both capital and revenue elements. It has been developed mindful of the need to deliver investment of the full grant award within the 2024/25 year and achieve best value.

The plan seeks to combine best practice and experience (to drive value for money) with innovation, recognising that the 2024/25 year is one of transition before what we hope will be a long-term plan in future years.

A total of £5.3M is available to SEStran for the 2024/25 financial year, of which 40% is funding for revenue expenditure and 60% for capital investment. A total of £2.56 million of the funding will be going directly to Local Authorities.

Public Transport

Real Time Passenger Information

SEStran began implementing a region-wide network of RTPI screens, providing bus timetable information to make bus travel more predictable and reliable in 2010. SEStran has worked with partners to build up a comprehensive network of over 200 maintained screens in travel hubs such as railway stations, park and choose / ride sites, hospitals, colleges, universities, shopping centres and large employer hubs. Since 2021 SEStran has worked with the City of Edinburgh Council to develop a new, Regional RTPI System that will improve the information provided in the public facing regional screen network incorporating Lothian Buses information.

The system which has been implemented can receive and display information from all public transport operators (local bus, inter-city services, tram, rail, and air), which enables operator information to be displayed on the Bustracker screens. However, operators are responsible for their own real time data and are expected to maintain a high level of consistency and accuracy.

All 330 screens within Edinburgh have now been replaced. There are 15 operators using the new Travel Tracker System to show departure information across the SEStran region. 14 of the 15 operators using the system continue to show high levels of accuracy for their associated real-time departure information on screens across the region.

Local Authorities within the SEStran region are continuing to purchase and install screens across their local authority areas, through the Regional Framework contract so that travel information throughout the region provides very similar experiences for passengers throughout their journey.

Novus FX Authority System

Novus-FX (a propriety system owned by Trapeze) has been designed to assist Local Authorities manage bus information by streamlining the production of registration information, facilitating the transmission of accurate data to Traveline and Journey Planners, and integrating seamlessly with Trapeze's Novus-RT for the provision of real-time data. Novus-FX Publicity makes it easy to create modern and engaging printed information including roadside timetables, network maps and leaflets. The result is more accurate public transport data and better-informed passengers, leading to increased use of public transport.

This year SEStran has been working with Local Authorities on designing a new module for bus stop integration which will enhance the system and provide better standardisation of information across the region. Once design is finished this will be rolled out across the region in 2024.

As part of ongoing training, local authority officers from within the SEStran region participated in an online training course covering an introduction to the system facilitated by Trapeze, this included several new officers which will help increase capacity within this area for local authorities and increase the system resilience.

Newburgh Transport Appraisal

The Newburgh Train Station Group (NTSG), South East Scotland Transport Partnership (SEStran) and Fife Council, with the support of SYSTRA Ltd, are working together to develop proposals to improve sustainable transport to and from Newburgh.

The multi-model transport appraisal builds on work already undertaken by the NTSG and focuses on improving links to and from Perth, Edinburgh and Fife. It follows the Scottish Transport Appraisal Guidance (STAG).

The final stage of the report, the detailed options appraisal was completed and submitted to Transport Scotland for review in September 2023. The project team met with Transport Scotland in early 2024 to discuss further refinements to enhance the report. Due to the complexity of the appraisal process, and the number of revisions needed the project has taken a long time to reach this stage, however, it is anticipated that the final addendum will be submitted to Transport Scotland in May 2024 to inform the next stages of the project.

(INSERT NEWBURGH STATION IMAGE)

Technology

Actions Delivered Against:

Deliver a regional MaaS pilot scheme with a view towards establishing the long-term viability of MaaS in the region

Work with DRT and community transport operators to deliver more widespread and efficient usage of services in areas where traditional fixed-route bus services are inappropriate. Differing approaches may be required for urban and rural areas.

Go SEStran

Mobility as a Service, or MaaS, is a concept that places the traveller's needs at the heart of transport. Most commonly it is based on a digital app that allows the person making the journey to plan, book and pay for their journey in one place, irrespective of the type of transport or which transport operator(s) are involved.

SEStran were successful with a bid to Transport Scotland for the Maas Investment Fund, and received £212,440 in September 2021. This was a third of the original bid, which led to the innovative approach of sharing the MaaS platform licence with Tactran. The GoSEStran app launched in July 2022, powered by Fuse Mobility. The app includes integrations to various transport modes such as trains, buses, taxis, community transport and e-bikes. The GoSEStran app also has access to real time passenger information and a map to show the users location of park & ride, electric vehicle charging and journey hubs.

The pilot was initially focused on East Lothian, and currently has over 3800 users on the app.

SEStran were successful with a joint bid with Tactran to Smarter Choices Smarter Places (SCSP) to fund the licence and continued work on the GoSEStran pilot up to March 2024. Prior to the year end, further funding of £42,000 was received from Transport Scotland as an extension to the MaaS Investment Fund pilot, in order that the platform licence be extended for 6 months until Transport Scotland's appraisal of all the MaaS pilots has been concluded and procurement of a longer term contract, subject to funding, can be carried out. A further award of £100,000 for the next financial year was also received in late March 2024 from SCSP.

Key to continuation of MaaS in Scotland is joint working between all of the public bodies interested in pursuing a digital solution to travellers' needs. For this reason, much of the work in the year to March 2024 involved working closely with other RTPs and local authorities in the Integrated Mobility Programme Scotland (IMPs) to share knowledge and pool funding.

Demand Responsive Transport (DRT)

One objective in SEStran's bid to the MaaS Investment Fund was to test how DRT and MaaS influence each other. After going out to procurement, SEStran awarded a contract to The Routing Company to work in partnership with Prentice Coaches to create a new DRT route in East Lothian which went live March 2023. This new DRT service was also integrated into the GoSEStran app.

The pilot faced a number of challenges, and it proved difficult to grow passenger numbers using the app as an additional incentive. A report on the outcome of the pilot can be read here [link]. A positive outcome of the pilot was that Prentice of Haddington and East Lothian Council have decided to proceed with a DRT bus service, not using digital technology, but instead relying on requests for service by phone and email. This was seen by them as a better service than the original fixed line route, and may well serve as a model for similar, low passenger number rural routes.

East Lothian have also pursued a separate tech-enabled DRT pilot with Eve Coaches, covering the Oldhamstocks to Dunbar area.

Thistle Assistance VoyagAR

Thistle Assistance VoyagAR is an end-to-end journey-planning and journey-tracking system to allow disabled people to utilise public transport in a safer, more convenient, and more enjoyable way. The system is designed to make disabled people feel more confident and comfortable when journeying on public transport services.

The traveller accesses the system through a smartphone app. Appropriately authorised carers or family members can assist with journey planning and track the traveller's progress using a companion website. During a journey, the traveller receives wayfinding guidance and support at key points, using a flexible combination of digital mapping, simple directional indicators, and Augmented Reality.

SEStran has received £300,000 funding from Scottish Enterprise to develop project through phase one proof of concept and phase two prototype development which after mini competition from the phase 1 work, Sentireal based in Northern Ireland was contracted to develop the phase 2 pilot.

The work on the phase 2 pilot was completed in March 2024 with the development of the system architecture and a working app and website tested.

The developer Sentireal took the decision to move their business in another direction and will not be able to support the launch of the system. In agreement with SEStran they have agreed to transfer all the assets including base code and intellectual property to SEStran.

Whilst this was a setback, SEStran will look to find another partner in 2024 to bring the system to the public.

The creative development for a promotional campaign has begun. Collaboration with key stakeholders to gather their feedback and lived experiences will be delivered in the future. This approach ensures that the creative content developed is accurate and resonates effectively with the target audience. By engaging stakeholders through feedback sessions, we will be able to refine the creative and highlight the most appealing features of the VoyagAR app. This collaborative effort will result in a promotional campaign that authentically represents the app's value proposition and effectively persuades potential users to engage with the app.

Accessibility

Thistle Assistance Programme

SEStran is working with the other regional transport partnerships to deliver the Thistle Assistance Programme. The aim is to make using public transport easier for older people and those with disabilities or illnesses.

Thistle Assistance is supported by a wide variety of voluntary organisations across Scotland and by most bus, train, tram, ferry, and airport operators. The card comes with a supply of peel-off stickers to tailor the communication of support that is required. The App which replicates the physical card and can be used on a mobile device to advise the driver or conductor of the passenger's mobility challenge or disability and the help they need in an easy-to-read format.

Awareness about the programme is generated by a print media campaign using the 'A Little Help Goes a Long Way' marketing creative which is placed in specialist audience publications and by engaging with key stakeholders to understand how staff employees are being engaged and made aware of the campaign.

Strategy

Actions delivered against:

Work with the private sector and partners to develop a regional electric vehicle (and e-bike) investment and charging strategy, with associated technical guidance, including a spatial strategy across the area for long journey, rapid-charging facilities and for local area hub/community charging

Collate data/knowledge around green hydrogen/fuel cell technology, EV charging technology (e.g. on-street/at home/workplace/forecourt) and regularly monitor both emerging technology and trends

Electric Vehicle Strategy

Responding to the region's ambitions to grow the public electric vehicle charging network in line with national policy, SEStran brought together a regional EV Forum to discuss common challenges and potential solutions. As part of this work, a baselining and positioning statement was created with support of Urban Foresight to provide an overview of current electric vehicle (EV) uptake and charge point coverage throughout the region. A key conclusion of this report was that, to maintain delivery momentum and progress to sustainable and optimised EV charging infrastructure, there was a need to collaborate regionally in the development and delivery of a strategic EV charging infrastructure plan. To that end, SEStran has worked with partner local authorities and Dumfries and Galloway Council to develop regional consensus around a collaborative approach, with this outcome of this to be delivered in 24/25.

Regional Bus Strategy

Actions delivered against:

Undertake a Regional Bus Connectivity study for non-Edinburgh travel to identify settlement pairs where travel demand is high and bus services are poor, as a means to promoting new routes and connectivity (in partnership with other policies)

Undertake a Regional Bus Priority study which will identify regional, cross-boundary, quality bus corridors and key bus priority interventions to reduce bus journey times and improve bus journey time reliability where Edinburgh is likely to be a focus

Deliver the bus priority interventions funded by Transport Scotland's Bus Partnership Fund and subsequently identified by the Regional Bus Priority study

Review the bus powers detailed in the Transport (Scotland) Act 2019 and identify if they could be implemented across all or parts of the region within an integrated strategy to enhance the bus network

In collaboration with bus operators, undertake analysis of regional and cross-boundary corridors where congestion is impacting on bus operations and identify locations where road space reallocation may be required

The Regional Transport Strategy seeks to 'transform and extend' the bus network in the region rather than accept a position of managed decline. As with the National Transport Strategy (NTS2), the RTS sees the bus network at the heart of the region's public transport system. Almost half (47%) of residents of the region used a bus service at least once a month in 2019 and patronage is building back. At the June Partnership Board Meeting, a paper titled Towards a World Class Bus Service was brought forward to begin the process of shaping a Regional Bus Strategy for the South East of Scotland.

Given the diverse range of issues currently impacting the bus sector, the Partnership Board considered that, following the mandate of the adopted RTS, it is the right time to develop a Regional Bus Strategy. Work in developing the new RTS has reaffirmed significant concerns in terms of the efficiency, performance, affordability and overall sustainability of the bus network across the SEStran region, both presently and in the future.

The scope and provisions of the Transport (Scotland) Act 2019 are wide ranging and within it provides powers which offer an ambitious new model for bus services. While many of the provisions of the Act have yet to be supported by regulation or guidance, one aspect that has been enacted is the power for local authorities to run their own bus services. The SEStran region is fortunate, in that the only local authority-controlled bus service operating in the country is Lothian Buses which covers a large part of the regional network.

SEStran looked for consultancy support to develop a Regional Bus Strategy and to consider how best to utilise the competitive advantage of a local authority-controlled bus service.

In the final months of 23-24, we procured consultants to undertake the strategy with the following components:

- Work Package 1 Case for Change
- Work Package 2 Options Appraisal
- Work Package 3 Strategy Development
- Work Package 4 Finalise Strategy & Consultation

The successful bid was won by Systra and Stantec, working in collaboration, and began with an inception meeting in February 2024.

It is worth noting that the bus strategy is taking place during the pause on the £500million Bus Partnership Fund from Transport Scotland. This pause has drawn concern from local authorities, both that work undertaken already will wither on the vine, and that the pause represents a de-prioritisation of bus by Transport Scotland.

The Bus Partnership Fund, prior to pausing, has in the SEStran region achieved the following:

Midlothian: Bus Alliance

In May 2022 AECOM was commissioned by Midlothian Council, in partnership with SEStran, to conduct a study based on Scottish Transport Appraisal Guidance (STAG) for four bus corridors within Midlothian:

- Corridor 1: A6094 Whitecraig to A6094 Eskbank;
- Corridor 2: B6392 Eskbank to A772 Gilmerton Junction;
- Corridor 3: A7 Gorebridge to A7 Danderhall;
- Corridor 4: A6094 Eskbank to A701 Straiton

Following a process of option identification, development, review and appraisal, four Option Packages were taken forward for detailed appraisal against the study Transport Planning Objectives, STAG criteria and deliverability criteria. Overall, the assessment has identified that each of the four Option Packages would be anticipated to have positive impacts against the assessment criteria and address the study TPOs by delivering bus priority measures that would reduce bus journey times, and in turn reduce bus journey time variability, particularly during the peak morning and evening travel periods.

While several the bus priority measures within the Option Packages would be suitable for speedy delivery, such as traffic signal priority measures, it should be noted that further assessment is required to confirm the feasibility of specific measures. For example, for those measures which include road space reallocation, modelling would be required to understand their impact on wider traffic, road safety audits would be required to confirm the suitability of bus laybys for removal, while for measures to address on-street parking, these will require TROs and further consultation.

INSERT IMAGES OF CORRIDORS

Forth Valley Bus Alliance (FVBA)

The Forth Valley Bus Alliance (FVBA) identified corridors in the Falkirk, Clackmannanshire, and Stirling Council areas. The work was led by Falkirk Council as the lead local authority on behalf of the FVBA and will be supported by SEStran and consultancy partners ATKINS & Anturus.

Five corridors are considered in the appraisal:

- Stirling-Falkirk
- Glasgow Road
- Graham's Road
- A9-A872
- A908-B9096

INSERT IMAGES OF CORRIDORS

The key findings and recommendations from the study were:

Across all corridors - improve bus stop arrangement through infill of laybys or build out at parking to allow the bus to stop in the traffic and remove delays pulling in and out of

traffic – typically achieve a 3:1 benefit to cost for the investment and actively impact on car journey times as vehicles are given lower priority to buses. These are supplemented by the potential introduction of bus detection to provide priority at traffic signal-controlled junctions on the corridors. These interventions have the additional benefit that if patronage increases the benefits increase and only a marginal increase in patronage provides a significant improvement to the BCR.

Within Corridor 2 – Improvements at Greencornhills Roundabout to introduce signals for east/west bus priority incorporating AT route across the A91 which align with Stirling Council's Active Travel Strategy – identified for further consideration and investigation with a detailed business case.

Within Corridor 3 – Improvements on Glasgow Road at Camelon Station to allow buses to bypass congestion – this addresses a longstanding pinch point on the network which impacts all services in the town – road widening to allow a bus lane and active travel path to be provided delivers significant JT savings on the corridor but only to buses.

Within Corridor 6 –Improvements to Stirling Bus Station which can improve the flow of buses through the bus station with potential for significant time savings – this would include bus gates and improved AT connections which would remove general traffic from parts of Goosecroft Road. In addition, provision of P&R at South Stirling Gateway as a measure to improve bus patronage in the area which again would support the other direct measures which improve journey times on the corridor.

Within Corridor 7 reallocation of road space around Shillinghill roundabout to provide a bus lane on dual carriageway within the town centre, prioritising buses over general traffic.

Fife Bus Alliance

WSP was commissioned by Fife Council to undertake bus corridor appraisals across five key bus corridors in Fife as part of the Bus Partnership Fund (BPF), managed by Transport Scotland on behalf of the Scottish Government.

Freight Strategy

In March 2024 SEStran working with consultants AECOM completed the final report on the regional freight study, the Detailed Options Appraisal, assessing the potential impact of the three freight related interventions, in the region: freight on trams and converted electric passenger trains and a multi-user freight train operating out of Grangemouth. By following the STAG appraisal guidance, the costs, benefits and feasibility of the options have been investigated and where possible, quantified.

Throughout the study, over 4 years, from the Case for Change through to the Detailed Options Appraisal each of the options has been refined, assessed and discussed in detail with key stakeholders.

All three options have demonstrated they align strongly with the aspirations of UK, Scotland, SEStran and local authorities. All three options have also been subject to strong support from stakeholders, demonstrating not only viability, but a real desire to see these services introduced.

Critically, all options have performed well in relation to costs and benefits. For a relatively modest capital investment and resource requirement to set up and maintain services, benefits equal to millions per year can be realised.

It is anticipated that in future years, this can be achieved with no subsidy and are likely to be revenue earners.

The options are not mutually exclusive and there may be benefits and synergies to linking options. For example, parcels could be brought to the freight tram from the heavy rail network. Regardless, all three options perform well in isolation.

But perhaps the most powerful aspect of each option is the opportunity for South East Scotland to act as an exemplar for sustainable freight and modal shift to rail freight. By proving the case for sustainable freight, volumes can grow and other areas can learn from these interventions.

The Freight Tram is a clear example of an intervention that could be high profile and a good news story for the network with likely strong public support. With the tram network already affording a direct route into Edinburgh, and much of the network traffic-free, the scope for a more reliable, quicker supply chain network is significant.

With infrastructure requirements likely to be modest and the 'last/final mile' being undertaken by cycle logistics the benefits of this intervention are clear.

Ex-passenger trains for freight coming directly into the city centre has the potential to raise the profile of rail freight given the high footfall of passengers at stations such as Waverley. With collections from the platform by cycle logistics or small electric vans, the potential for a seamless and emission free logistics supply chain is significant.

The benefits of this intervention will also be felt outside of South East Scotland, with the potential for services to Yorkshire and other locations. This is turn will help create a more robust network for associated services as well as metrics such as carbon emissions, which affect the global climate.

Whilst traditional rail freight is well established, exacting targets for increasing modal shift mean supporting new services is vital. A multi-user train linking the central belt with

North East Scotland and the Highlands would help alleviate traffic from key routes such as the A9 and the A90. Carbon savings would be significant, and the service would take advantage of growth in potential volumes associated with the Green Freeport initiative and other proposed infrastructure improvements, further enhancing the business case for those initiatives.

Overall, all three measures justify further investigation and ultimately the development of a Full Business Case to set out revenue and costs in more detail, SEStran will be exploring this with partners further in 2024.

Communications and Marketing

In October 2023, SEStran welcomed the appointment of a dedicated Communication and Marketing Officer, marking a step towards improving the awareness of SEStran's profile and improving stakeholder engagement. Since then, significant milestones have been achieved, underscoring SEStran's commitment to effective communication.

 One of the key activities undertaken was the "Do The Ride Thing" campaign, an integrated marketing campaign which aimed at promoting e-bikes, their benefits and the support available. The campaign used paid media, field events, and stakeholder engagement activities to maximise reach and drive impact. The campaign gained over 17,000,000 impressions reaching an estimated 85% of the target audience in the region at least one. This success raised awareness about e-bikes and amplified the awareness of SEStran.

SEStran has initiated the development of a comprehensive communication strategy, aiming to establish clear objectives and stakeholder identification and engagement approaches. This strategic framework will serve as a roadmap for future communication activities, ensuring alignment with Regional Transport Strategy and facilitating meaningful interactions with stakeholders.

SEStran's digital platforms have been key in amplifying messages and engaging with audiences. SEStran has developed a presence across Linked and X (formerly Twitter). LinkedIn emerged as a strong performer, recording 14,064 impressions with an average engagement rate of 4.65%. Furthermore, the account received a substantial increase in 163 followers which is notably for purely organic activity.

While the X platform experienced more modest performance, with 3,326 impressions and an average engagement rate of 4%, however it remains a key platform to the social media mix, offering valuable opportunities for targeted outreach and engagement to the wider public.

Appendix:

Governance

Decision Making Structure

SEStran's main policy and budgetary decisions are taken by the Partnership Board, which consists of 20 Councillor and nine Non-Councillor members. Operational decisions are taken by the Partnership Director and other officers in accordance with the List of Officer Powers which forms part of SEStran's Governance Scheme. The Scheme is reviewed regularly and was last updated in March 2024.20234. The Partnership Board delegates some decisions to Committees in accordance with the [Governance Scheme](#). The Performance and Audit Committee remit covers scrutiny of performance, staffing, standards and audit. It comprises a Councillor member from each constituent authority, and four non-Councillor members. It is currently chaired by Councillor Russell Imrie. The Succession Planning Committee remit covers matters related to succession planning and Board appointments. Its membership consists of the Partnership Chair, two Board members, the Partnership Director, the Partnership Secretary and a Human Resources adviser.

Equalities Duty

SEStran is a listed public body under the Equality Act 2010 and the Equality Act 2012 (Scotland) Specific Duties Regulations, and as such have a duty to publish a biennial Equalities Mainstreaming Report and a set of [Equality Outcomes](#) to enable the organisation to better perform the equality duty. SEStran published a new set of Equality Outcomes 2021-2025 in April 2021 and a progress report in April 2023. A new set of Equalities Outcomes will be published in April 2025.

Cyber Security

To comply with the Scottish Government's Public Sector Cyber Security Action Plan, SEStran carried out a robust review of its IT provision. Under the scheme, an independent cyber security consultant was appointed in 2018 and audited the partnership's IT environment. The outcome of this audit was SEStran being awarded Cyber Essentials Plus accreditation. SEStran have been re-audited annually and continue to retain the award.

Partnership Board

Formal Partnership Meetings and Forums

Partnership Board

The Partnership Board met four times during the reporting period. At its meetings, in addition to dealing with standard business, the Board considers relevant topics, with in-depth presentations and discussion. Topics in this period included Bus Strategy, collaboration with stakeholders and partners, Travel to Healthcare and the People and Place Programme These topics generated considerable insight which was shared in SEStran forum groups described below. SEStran's quarterly Performance and Audit Committee meets two weeks before each board meeting to scutinise the running of the Partnership and to suggest improvements.

Succession Planning Committee

The Succession Planning Committee meets biennially. The last meeting took place in May 2024, where the Committee approved to revisions being made to the the Board Diversity Succession Plan and appointing Observers to increase the diversity of the Board make up.

Performance and Audit Committee

SEStran's quarterly Performance and Audit Committee meets two weeks before each board meeting to scutinise the running of the Partnership and to suggest improvements.### Chief Officers' Liaison Group

The remit of the group is to provide a forum for discussion of transport matters between officers of the constituent councils and officers of SEStran.

Integrated Mobility Forum (IMF):

 aims to develop a better understanding of the opportunities to improve implementation and understanding of integrated mobility in the region such as maximising the use of public transport through discussions between stakeholders.

Logistics and Freight Forum:

aims to support economic growth and resilience across the region by developing and implementing sustainable business and distribution solutions.

Equalities and Access to Healthcare Forum:

aims to deliver our Equality Outcomes and legislative requirement to consult Health Boards and those who represent those with or who share a protected characteristic. The forum covers how equality issues should be considered in future transport strategy development.

Annual Accounts and Reports

Annual Accounts

Note: SEStran's Annual Accounts will be published sperately

Climate Change Report (REPORT LINK TO BE INSERTED)

The Climate Change (Scotland) Act 2009 places duties on public bodies to act in the way best calculated to contribute to the delivery of emissions reduction targets, to help deliver any statutory climate change adaptation programme, and in a way that they consider is most sustainable.

Public Services Reform Act (REPORT LINK TO BE INSERTED)

The Public Services Reform (Scotland) Act 2010 (Sections 31 and 32) imposes duties on Scottish public bodies to publish financial information as soon as is reasonably practicable after the end of each financial year. This statement can be accessed online here:

Community Empowerment Act

SEStran is a listed public authority under the Community Empowerment Act and one of our duties under the Act is to consider requests from the community. Participation Requests can help groups from the local community to liaise with SEStran on improving issues. We welcome requests from groups that can aid SEStran in delivering its strategic functions. To gain more information on how to place a request, please follow the link

Public Records Act

SEStran is required under the terms of Section 1 of the Public Records (Scotland) Act 2011 to produce a Records Management Plan, setting out proper arrangements for the management of its records and to submit this to the Keeper of the Records for approval. SEStran submitted its RMP in January 2011. Records Management Plan (PDF document)

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Business Plan Activity Update
April 2024 to March 2025

GO SEStran
South East of Scotland
Transport Partnership

SEStran is the South East of Scotland Transport Partnership, one of seven statutory Regional Transport Partnerships in Scotland established under the Transport (Scotland) Act 2005. SEStran encompasses eight local authorities, City of Edinburgh, Clackmannanshire, East Lothian, Falkirk, Fife, Midlothian, Scottish Borders and West Lothian

SEStran's Vision

A South-East of Scotland fully integrated transport system that will be efficient, connected, and safe; create inclusive, prosperous, and sustainable places to live, work and visit; be affordable and accessible to all, enabling people to be healthier; and delivering the region's contribution to net zero emissions targets.

Regional Transport Strategy

The Regional Transport Strategy (RTS), was adopted in March 2023 . The RTS aims to provide a regional framework for managing future travel demand, behaviour, and developing the region's transport system, aligning with the National Transport Strategy 2, National Planning Framework 4, Climate Change (Scotland) Act 2019, and other relevant spatial and economic strategies.

The 2024/25 Business Plan outlines how the partnership will be progressing the aims of the RTS at the tactical and operational level for one 12 month period.

Regional Transport Strategy Objectives

Strategy Objective 1: Transitioning to a sustainable, post-carbon transport system
Strategy Objective 2: Facilitating healthier travel options
Strategy Objective 3: Transforming public transport connectivity and access across the region
Strategy Objective 4: Supporting safe, sustainable and efficient movement of people and freight across the region

Regional Bus Strategy

Justification	RTS Actions	RTS Objectives	Project goals	Project actions	Project Outcomes	Budget line
The RTS sees the bus network at the heart of the region's public transport system. Almost half (47%) of residents across the South East of Scotland used a bus service at least once a month in 2019 and patronage is increasing again following a significant reduction caused by the pandemic. Given the diverse range of issues currently impacting the bus sector, the Partnership Board agreed that it is the right time to develop a new Regional Bus Strategy. Through the development of the RTS, significant opportunities were identified to improve the efficiency, performance, affordability and overall sustainability of the bus network across the region.	Undertake a Regional Bus Connectivity study for non-Edinburgh travel to identify settlement pairs where travel demand is high and bus services are poor, as a means to promoting new routes and connectivity (in partnership with other policies) Undertake a Regional Bus Priority study which will identify regional, cross-boundary, quality bus corridors and key bus priority interventions to reduce bus journey times and improve bus journey time reliability where Edinburgh is likely to be a focus Deliver the bus priority interventions funded by Transport Scotland's Bus Partnership Fund and subsequently identified by the Regional Bus Priority study Review the bus powers detailed in the Transport (Scotland) Act 2019 and identify if they could be implemented across all or parts of the region within an integrated strategy to enhance the bus network	1,3,4	Understand the perspective of and engage with relevant stakeholders; authorities, operators principally Build understanding of challenges and opportunities of current scenario, as well as identifying key options to pursue. Build support for the SEStran RBS by clearly setting out the challenges for bus in the region and involving stakeholders in developing solutions to these challenges whilst recognising that some stakeholders may not agree with the final Strategy proposals. Engage proactively to ensure that the development of the SEStran RBS is informed by a wide range of stakeholders, including the public, to produce documents that recognise the needs of workers, residents, businesses, and visitors across the region.	Working with Systra/ Stantec, we will complete: •Work Package 1 Case for Change •Work Package 2 Options Appraisal •Work Package 3 Strategy Development •Work Package 4 Finalise Strategy & Consultation	We have a clear and well constructed strategy from which to direct our future activity on bus.	92087

Transport to Health Strategy

Justification	RTS Actions	RTS Objectives	Project goals	Project actions	Project Outcomes	Budget line
Transport to health is a key service, connecting Scots with healthcare, from day-to-day appointments at the GP to hospital care. In 2019, the Mobility and Access Committee, working with Transport Scotland, produced MACS Report: Transport to Health and Social Care. This was strengthened by implementation last autumn of parts of the Transport (Scotland) Act 2019, which dealt specifically with Transport to Health .The Primary Health Directorate and Transport Scotland published their Transport to Health Delivery Plan draft. The draft puts an obligation on both health boards and regional transport partnerships to work together when considering transport to health.	Support the delivery of bus services and infrastructure measures which ensure access to healthcare for all	2	Build collaborative relationships with health boards	Quarterly meetings with health boards to identify opportunities to reduce/ reallocate spend on TtH, and reduce bed blocking	A clearer understanding of the options available, connections to appropriate stakeholders and a readiness to work with Primary Care Directorate and TS as their TtH plan develops.	92062
			Consider innovative solutions to TtH	Small working group with some LA officers on what is working well		
				Healthcare and Active Travel		
				Consider role of CTs across the region in delivery effective TtH		
			Highlight best practice in our region	Make TtH a theme of the current regional Bus Strategy work		
				Improve our data and understanding of what's happening currently		

RTS Delivery Plan (with ESESCRD)

Justification	RTS Actions	RTS Objectives	Project goals	Project actions	Project Outcomes	Budget line
Building on the ESESCRD and SEStran Concordat, this delivery plan will highlight projects Local Authorities want to develop that exemplify the themes and objectives of the RTS. By identifying these opportunities, we can make best use of CRD and SEStran efforts	Partner councils work with SEStran through the statutory planning processes to implement RTS policies with regards to major developments	ALL	Creating a single source of truth for easier prioritisation of interventions	Consultant Develop Priority Projects (STAG or other methodology)	All concordat partners have an agreed single source of truth, prioritised to allow focussed work from STAG specialist	92042
			Cross referencing RTS actions with local plans to improve SEStran's efficacy	Define delivery of Wider RTS Action Plan		

and actively pursue funding for these.			Short-life working group to agree definitions/ scoring etc	Draft Final Delivery Plan		

Regional Freight Strategy

Justification	RTS Actions	RTS Objectives	Project goals	Project actions	Project Outcomes	Budget line
Within the RTS SEStran supports, where appropriate, the development of new or enhanced rail freight services in the region. Opportunities for innovative passenger train forming which incorporates the ability to carry freight should be explored combined with innovation and automation to increase the efficiency of freight and logistics networks across the region. The regional should also support improved road freight services with better driver facilities and alternative fuel provision for HGV and LGV working with industry to transition from ICE power.	Work with partners to identify, through the further development of the SEStran Freight Strategy, locations where Freight Consolidation Centres could be located	1 & 4	Work with partners to progress development of the options outlined in the regional freight study (March 2024)	Engage with stakeholders via appropriate forums and groups.	EU Horizon Bids submitted in September 2024 - Projects would start in December 2024 Successful ACCESS for Goods bid unlocks funding to develop LA workshops	92080
	Work with partners to identify, through the further development of the SEStran Freight Strategy, locations where gauge clearances should be increased to enable new and enhanced rail freight services to operate in the region		Work with Green Free Port partners to enhance business case development to be submitted in June 2024.	Work with consortium partners on 2 EU Horizon project submission to support the development for trials within the SEStran region.		
	Identify opportunities to implement innovation and automation in the freight and logistics industry in the region, including the delivery of relevant pilot projects		Improve knowledge and skills within the public sector to enhance freight policy development.	Submit project funding proposal with the University of the West of England to develop a tool to enhance public sector planning.		
	Further develop proposals for new rail freight services, including a potential multi-user freight train running from Grangemouth and use of converted passenger trains for freight, as part of the development of the SEStran Freight Strategy					

Regional Rail Strategy

Justification	RTS Actions	RTS Objectives	Project goals	Project actions	Project Outcomes	Budget line
The rail network (comprising 'conventional' heavy rail and light rail/tram) plays a key role linking up the region, as well as providing connectivity to external locations. The region has benefitted from the construction of the Borders Railway which opened in September 2015. More of the region's towns and settlements could be connected to the existing rail network by the provision of new stations. This is particularly important where significant new developments are proposed, and opportunities should be sought to connect these to the rail network where appropriate.	Work with Transport Scotland and Network Rail to deliver new rail infrastructure in the region, where appraisal and business case development has demonstrated its merits	1,3 & 4	Deliver improved public transport information in a variety of formats.	Work with train operating companies (TOCs) to promote and improve information in and around stations.	Expansion of RTPI information screens in ScotRail stations. Participate in ECMA meetings and contribute to joint research projects. Regular quarterly meetings with stakeholders via the Regional Rail Quarterly and Bi-annual Integrated Mobility Forum. Additional work on Newburgh Station Appraisal submitted to Transport Scotland.	92047
	Undertake appraisal and business case development for an Edinburgh & South-East Scotland Mass Transit system, including BRT, new light rail and tram links within the region, in partnership with ongoing development of STPR2.		Improve rail infrastructure in the region.	Finalise appraisal work for Newburgh station business case.		
	Resist pressures to increase public transport fares and explore opportunities to provide more affordable public transport for those least able to pay for it		Work with TOCs to support reduces ticket prices and integrated ticketing.	Leverage meetings and forums.		
	Opportunities should be explored with partners to introduce new services, including more direct links across the region, national boundaries and cross-city connections		Work with ESESCRD partners and CEC to progress business case development for rail projects via the regional transport delivery plan.	Develop a list of projects with stakeholders that have regional impact.		

Thistle Assistance Programme

Justification	RTS Actions	RTS objectives	Project goals	Project Actions	Project Outcomes	Cost centre
The Thistle Assistance Programme provides helps to those that have difficulty in using and accessing public transport. SEStran aim to provide a national approach. The programme increases awareness of challenges faced by vulnerable transport users and reduces the cost for transport operators.	Deliver improved public transport information in a variety of formats, supported by appropriate wayfinding infrastructure on the transport network	1,3 &4	Launch app-based door-to-door journey planner with the aim of making public transport more accessible to all.	Secure new partner and launch the VoyagAR App with support from original developer Sentireal	Key stakeholders engaged and participating.	92077 92078
			Engage with transport operators, third sector stakeholders and public.	Promote transport operator guide for Thistle Assistance.		
			Create awareness of the programme through use of branding, website and social media activity.	Continue to use marketing tool kit to promote.	Co-operation of transport operators. Increased awareness and use amongst transport operators and public.	
				Survey users and feedback into programme.		

Real Time Passenger Information (RTPI)

Justification	RTS Actions	RTS Objective	Project goals	Project Actions	Project Outcomes	Cost centre
The provision of real-time information contributes to tackling declining bus patronage in the SEStran region, helps makes public transport more accessible and reliable and increases confidence in public transport.	Deliver improved public transport information in a variety of formats, supported by appropriate wayfinding infrastructure on the transport network	1,3 & 4	SEStran will be working with local authorities to expand and develop the new regional real time system.	Secure new locations for screen infrastructure across the region with request funding	Wider distribution and uptake/use of RTPI across the region.	92017 92019
				Work with operators and local authorities on data input, accuracy and management.	Improved operator data accuracy for system.	
	Introduce Real Time Passenger Information for public transport services through mobile applications, stations and stops and across all parts of the region		SEStran will continue to work with local authorities using the NOVUS FX system to manage local services and routes.	Link RTPI to other projects where appropriate.	Run 2 LA training workshops on NOVUS FX with Trapeze (owner).	
				Promote new system with key stakeholders.	3rd parties using system capabilities and API feed e.g. ScotRail	
				Increase use and application of NOVUS FX capabilities with LAs.		

Mobility-as-a-Service (MaaS) - GoSEStran

Justification	RTS Actions	RTS objective	Project goals	Project Actions	Project Outcomes	Cost centre
The GoSEStran MaaS app is a digital tool which promotes and enables sustainable travel as well as helping improve the viability of shared multi-modal transport opportunities.	Deliver improved public transport information in a variety of formats, supported by appropriate wayfinding infrastructure on the transport network	1,3 & 4	Promote Sustainable Travel Encourage behaviour and modal shifts for climate and air quality.	Contribute and attend regional, national and international conferences around MaaS and related projects such as data sharing or smart ticketing to ensure the potential of MaaS is understood.	Attend relevant events and conferences as a guest or speaker.	92086
			Promote active travel.	Continue the promotion and development of the GoSEStran app and IMPs partnership with RTP partners.	Assess the number of users and number of partners involved on the MaaS platform.	
	Deliver a regional MaaS pilot scheme with a view towards establishing the long-term viability of MaaS in the region		Encourage national leadership in MaaS, and continue to understand the role tech could play in achieving transport objectives.	Support National Initiatives: Contribute to MaaS Scotland, Smart Ticketing and Traveline projects to encourage Transport Scotland to take a national role in MaaS.	Attend regular meetings with other partners to discuss MaaS, including MaaS Scotland, Trapeze, Transport Scotland and other RTPs.	

					Undertake a joint procurement with Tactran for further development for MaaS with partners and include VoyagAR so that both workstreams are integrated.	Share learnings and knowledge to all stakeholders	

Strategic Cycle Network

Justification	RTS Actions	RTS Objective	Project goals	Project Actions	Project Outcome	Cost centre
A robust, revised strategic network can support local authorities to direct some of their resource to delivering sections of the network to support regional connections. A high quality strategy with accompanying business case will be a strong supporting document for local authorities so source additional funding (on a competitive basis) to deliver elements of the network	Progress the delivery of the SEStran Strategic Network and broader cross boundary networks with partners. Develop further phases of this network to ensure a long-term pipeline of investment Review destinations served by the active travel network to identify gaps and locations where cross-boundary schemes may be required to ensure an integrated, high-quality network exists	1,2 & 4	Build on the success of the Strategic Network to date, and ensure it is fully aligned with the new RTS and the People and Place Programme	Produce a revised strategic cycle network with a specific focus on how the network connects with and supports delivery of the Regional Transport Strategy	Increase in successful funding bids for active travel infrastructure development in the SEStran region.	92076
			Develop the network so that it can become a key tool for local authorities to support their development and funding of active travel routes	Create a GIS map layer of the cycle network that is currently in the design stage, differentiated by type of provision (e.g. off road, segregated, on road etc) and design stage (concept or developed). It is expected that some of this can be compiled from desktop research, but a meeting with each LA will be required.	SEStran and Local Authorities have a better knowledge and understanding of the network of active travel infrastructure in the region, including gaps, cross boundary routes and progress towards delivery.	
			Complete design work on 2 Falkirk routes on behalf of Falkirk Council to the point at which they are ready for construction.	Commission consultant and undertake client duties on behalf of Falkirk Council	Full tender package handed over to Falkirk Council by end September 2024 to allow them to progress a construction tender	

EV Delivery

Justification	RTS Actions	RTS Objective	Project goals	Project Actions	Project Outcome	Cost centre
Supporting the development of a regional collaboration on public EV charging	Engage with Scottish Government for effective national strategy/guidance/specifications on fleet decarbonisation and rollout of appropriate and future-proofed supporting infrastructure. This should include legislation to manage on street charging provision and the provision of chargers in new developments. Work with the private sector and partners to develop a regional electric vehicle (and e-bike) investment and charging strategy, with associated technical guidance, including a spatial strategy across the area for long journey, rapid-charging facilities and for local area hub/community charging	1 & 4	Deliver a regional collaboration to develop a common set of tender documents and a procurement strategy	Facilitate a governance structure to oversee the work with representation of all LAs	An agreed set of tender documents and procurement strategy ready for issue by LAs (in groups/individually)	92088
				Support the procurement of consultants to support this work on behalf of the 9 LAs	Successful procurement of consultants within budget of the project term	
			Facilitate support for future procurements that emerge as a result of the procurement strategy, scope of this to be dependant on the outcome of the procurement strategy.	tbc dependant on outcome of the procurement strategy	tbc dependant on outcome of the procurement strategy	

People and Place Programme						
Justification	RTS Actions	RTS Objective	Project goals	Project Actions	Project Outcome	Cost centre
The People and Place plan presents an opportunity to enable and encourage more people to walk, wheel and cycle more often, which can contribute to many of the objectives of the Regional Transport Strategy.	Promotional and communication campaigns to highlight the benefits of active travel across the region and encourage people to adopt it where possible Deliver road safety measures that enable people to safely use active travel within the region Expand the provision of bike-sharing initiatives across the region	1,2 & 4	Deliver increases in walking, wheeling and cycling, by both enabling and encouraging people that don't make these choices to start to do so, and those that do so already to do more Raise awareness of the benefits of active travel to many other people, making them more likely to change in future Work in many of the region's communities, schools, and residential settings, plus build capacity and capability for further change	Deliver the 24/25 programme by distributing funding to LAs and third party orgs Direct delivery of specific areas of the programme assigned to SEStran Monitoring of the programme and reporting to TS Development of a 5 year programme in partnership with LAs	Funding allocation from TS is spent in full Monitoring shows positive outcomes in line with national, regional and local expectations The 25/26 programme is agreed by LAs and TS	92082

Communications – External Stakeholder Partnership Enhancement

Justification	RTS Actions	RTS Objectives	Project Objectives	Project goals	Project Actions	Project Outcomes	Evaluation	Cost Centre
Strengthened relationships with stakeholders contribute to a more favourable and widely recognised reputation. Improving the impact that SEStran can have in delivering outcomes. Strong relationships with external stakeholders reduces risks and improves information and resource sharing. ,	SEStran will engage with relevant bodies and stakeholders to develop and implement interventions which reassert public confidence in public transport services	1,2,3,4	By the end of 2024/2025, establish, develop, and execute a communication stakeholder relationship management approach aimed at delivering optimal results tailored to the distinct communication needs of all stakeholders involved within the RTS framework.	Develop a stakeholder engagement communications strategy that actively involves existing partners in ongoing discussions to identify and comprehend their concerns and requirements. This approach empowers them to shape our decision-making processes, ensuring that our outcomes align with their needs.	Establish a stakeholder communication platform to efficiently and regularly share updates with various stakeholder groups.	Establishment of stakeholder communication platform.	Increase in engagement rate among audience across social media platforms. As well as strong anecdotal support.	92079
				Initiate connections with new stakeholders that will assist in achieving RTS objectives. Discuss and action solutions for their concerns, facilitate the flow of information, and enable their input to influence decision-making. Achieve optimal results that cater to the unique requirements of all stakeholders.	Establish a stakeholder communication groups related to RTS/SEStran priority areas to facilitate information sharing and issue coordination in a regular and organised method.	Establishment of communications groups.	Completion and making available the PIP to stakeholders.	
					Development of a RTS Communications Plan linked to wider promotional and profile raising of SEStran and the RTS.	Develop a written communications strategy that details how RTS priorities will be communicated efficiently and regularly.	Wide engagement and distribution of SEStran 2035.	

Communications – Internal Stakeholder Renewal

Justification	RTS Actions	RTS Objectives	Project Objectives	Project goals	Project actions	Project Outcomes	Cost Centre	Cost Centre
Improved quality engagement of internal stakeholders is important to the accountability, sustainability and integrity of the organisation.	Deliver improved public transport information in a variety of formats, supported by appropriate wayfinding infrastructure on the transport network	1,2,3,4	To enhance the quality of engagement with internal stakeholders and strengthen the accountability, sustainability, and integrity of the SEStran.	To reengage internal stakeholders, comprising both councillors and non-councillors, by identifying their perceptions and understanding of SEStran.	Conducting a consultation of Board member's preferences, and perception of SEStran's objectives, priorities, and overall purpose. Strategies may include surveys or interviews, to gather comprehensive feedback.	Completion of consultation	Increase in engagement rate among audience across social media platforms. As well as strong anecdotal support.	92079
	SEStran will engage with relevant bodies and stakeholders to develop and implement interventions which reassert public confidence in public transport services			To implement recommendations for the internal stakeholder engagement consultation.	Developing targeted communication strategies based on their recommendations and implementing measures to enhance engagement.	Delivery of consultation recommendations	Completion and making available the PIP to stakeholders.	
				To assess the effectiveness and appropriateness of the internal communications approach and materials.	Review and improve existing communication materials by gathering feedback from internal stakeholders. Address gaps, inconsistencies, and implement systematic changes for enhanced effectiveness. Communicate updates to the internal audience and establish an evaluation system for ongoing refinement.	Review of materials and implementation of recommendation.	Wide engagement and distribution of SEStran 2035.	

Communications – Digital Presence

Justification	RTS Actions		Project Objectives	Project goals	Project actions	Project Outcomes	Cost Centre	Cost Centre
A robust presence on social and digital media channels is advantageous for improved brand recognition and fostering audience engagement. A strong social and digital media presence facilitates effective marketing and promotion, contributes to improved stakeholder relationships, and can play a pivotal role in talent and funding acquisition by showcasing organisational activity.	SEStran will engage with relevant bodies and stakeholders to develop and implement interventions which reassert public confidence in public transport services	1,2,3,4.	To grow, develop and maintain a robust presence on external channels.	To increase awareness of SEStran's purpose, vision, RTS and objectives through consistent, clear and engaging presence on digital platforms including social media.	To create and implement a social media and digital presence plan that is consistent, clear, and adaptable to the evolving landscape, effectively conveying SEStran's vision, objectives, and priorities.	Increase in engagement rate among audience across social media platforms. As well as strong anecdotal support.	Increase in engagement rate among audience across social media platforms. As well as strong anecdotal support.	92079
				To develop and maintain a permeant digital footprint from SEStran and related projects that is agile, authentic, effective and safe.	To conduct a comprehensive website audit and deliver on recommendations.	Completion and making available the PIP to stakeholders.	Completion and making available the PIP to stakeholders.	
				Develop marketing strategies and campaigns where appropriate to advertise projects and services through relevant marketing channels.	To identify opportunities for marketing campaigns where appropriate to advertise projects and services through relevant marketing channels.	Wide engagement and distribution of SEStran 2035.	Wide engagement and distribution of SEStran 2035.	
						Approval and implementation of a communications plan	Approval and implementation of a communications plan	

Forum & Liaison Groups

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

Regional Partnership working

Justification	Goals	Actions	Outcome
Through active and engaged partnership working, SEStran is able to ensure strategic and regional transport issues are a primary consideration within the development of a wide range of complementary plans and strategies and the development of strategic projects.	Continue to be involved in pressing transport issues and present a regional voice in transport related matters in the South East of Scotland	Continue to be involved in transport related policy developments and respond to relevant consultations	Resource availability
		Organise stakeholder meetings to address various transport related issues	Cooperation from stakeholders
	Continue to lead by example, delivering sustainability and climate change objectives as an organisation and sharing and contributing knowledge and expertise across regional partners.	Provide the Sustainable and Active Travel Fund to help organisations adopt sustainable transport solutions	Involvement of organisations
	Maintain and support effective links to Transport Scotland and across al RTP partnerships in Scotland		

2024/25 High Level Budget Summary

(to be finalised)

	2021/22	2022/23	2023/24	2024/25
	£'000	£'000	£'000	£'000
Revised Budget				
Core	663	619	815	862
People & Place	0	0	0	5,326
Projects	809	959	923	325
Expenditure	**1,472**	**1,578**	**1,738**	**6,513**

	2021/22	2022/23	2023/24	2024/25	
Projects	500	606	766	254	
Scottish Government	782	782	782	743	Includes Scottish Govt 5% reduction for 24/25
People and Place	0	0	0	5,326	
Council Requisition	190	190	190	190	
Funding	**1,472**	**1,578**	**1,738**	**6,513**	

The existing reserves and any underspend carried forward from 23/24 are not budgeted for, hence are not showing in above table.
Core 23/24 budget underspend (per the unaudited accounts) is provisionally £81k

Glossary

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

Term or abbreviation	Full title and meaning
CT	Community Transport Organisation
CoMoUK	CoMoUK is the name of a Trust that promotes shared and integrated mobility
DRT	Demand Responsive Transport is generally used in the context of bus travel and indicates that the bus is responsive to where its passengers want to join and alight from the service. This has traditionally been the preserve of community transport providers, but is increasingly being used elsewhere by commercial bus operators to replace 'fixed-line' bus routes.
ESESCRD	Edinburgh & South East Scotland City Region Deal
EU Horizon	https://research-and-innovation.ec.europa.eu/funding/funding-opportunities/funding-programmes-and-open-calls/horizon-europe_en
ECMA	The Consortium of East Coast Main Line Authorities (Councils, Combined Authorities and Regional Transport Partnerships) along the area served by the East Coast Main Rail Line
HGV	Heavy Goods Vehicle
ICE	Internal Combustion Engine
LGV	Light Goods Vehicle
LRDF	Local Rail Development Fund – funding provided by Transport Scotland
MACS	Mobility & Access Committee Scotland
MaaS	integrating journey options, planning,
NTS2	The second National Transport Strategy for Scotland, launched in February 2020
RTPI	Real Time Passenger Information
RTS	Regional Transport Strategy. SEStran's current RTS is on our website
RTP	Regional Transport Partnerships - there are seven established across Scotland
SEStran	SEStran is the South East of Scotland Transport Partnership
STAR	Scottish Transport Applications and Research Conference
STPR2	Second Strategic Transport Projects Review for Scotland, led by Transport Scotland
TOCs	Train Opperating Companies

Case for Change: SEStran Regional Bus Strategy

1   INTRODUCTION

1.1   The purpose of this report is to inform the Board of the key findings of the Case for Change which would lead to the creation of a SEStran Regional Bus Strategy. It is accompanied by a slide pack to illustrate, with maps and tables, the nature of the bus sector in the region. These slides will be presented at the Partnership Board meeting.

2   CONTEXT FOR THE REGIONAL BUS STRATEGY

2.1   At the June 2023 Sestran Partnership Board, the board agreed with the recommendations of the Item A5(d) Towards a World Class Bus Service, which included the action to begin progress on a bus strategy for the region.

2.2   The decision to begin the strategy was made in the context of a strong policy landscape, with bus highly commended in the Regional Transport Strategy, national documents like NTS2 and the legislation following on from the Transport (Scotland) Act of 2019.

2.3   Given the current fiscal situation, Transport Scotland paused the Bus Partnership Fund for the year 2024/25. Whilst this was discussed at the March 2024 board as a frustrating reality for authorities, operators and the travelling public, if anything, it further highlights the need to consider solutions within our region.

3   Activity to date

3.1   SEStran applied to and won £150k from the TS Community Bus Fund in November 2023, to fund the Regional Bus Strategy. On 29th January 2024, we procured Systra and Stantec, to work together to produce our strategy, having scored highest against the tender criteria. Further, Systra's involvement in SPT's bus strategy and Stantec's role in crafting our RTS made them ideal candidates.

3.2   Working with Systra/ Stantec, we have facilitated workshops with local authorities and operators during April, to understand the opportunities, issues and challenges at play in our region.

3.3   A page was created on the website and the draft EQIAs are visible there. We will continue to add documents to this page.

3.4   SEStran officers, with Systra/ Stantec, have developed the draft Case for Change. The distilled summary is Appendix One and the accompanying slide deck is Appendix Two.

3.5   A working draft of the case for change was shared with local authority officers for their feedback.

4   Key findings of the case for change

4.1   The Case for Change is strong. This is particularly true because doing nothing will result in ongoing decline in patronage and network.

4.2   There is wealth of environmental and transport policy, which could be better realised by strengthening the bus sector. In actual fact however, bus patronage and network size is down, whilst private car ownership continues to increase.

4.3   Local authorities are subsidising weekend and evening services to maintain functioning bus networks, but budget constraints are reducing this year by year. Bus journey times in some parts of the region are triple that of the same car trip, making bus unattractive.

4.4   The picture in Edinburgh is brighter, due to the strength of Lothian Buses and the density of population, but buses from surrounding authorities are slowed entering the city by congestion and of course, become part of the traffic themselves.

4.5   Population growth, major housing developments, under-22 concessions and the policy environment make now an ideal time to improve bus in the region.

4.6   There are significant constraints around funding and public behaviour change, which will present a challenge.

6   NEXT STEPS

6.1   Subject to board approval, SEStran officers will continue to work with Systra and Stantec to develop the strategy and options to appraise.

6.2   SEStran will continue to advocate for a resumption of the Bus Partnership Fund.

6.3   Stakeholder engagement + SEStran will update the Partnership Board throughout the work packages, to gain their feedback and necessary approvals.

7   RECOMMENDATIONS

It is recommended that the Board:

7.1   Note the summary of the Case for Change and provide feedback.

7.2   Give permission to continue with the next aspects of the strategy development, primarily the development of a draft strategy and corresponding Outline Options Appraisal.

7.3   Requests the Partnership Director to continue to engage with the government on reopening the Bus Partnership Fund

Rachael Murphy
SEStran Strategy Manager
23rd May 2024

<u>Appendices</u>

1. Case for Change
2. Slide deck to be presented at board.

<u>Background Paper</u>:

1. Implementation of Part 3 (Bus Services) of the Transport (Scotland) Act 2019, Partnership Board Meeting Friday 24th September 2021.

https://sestran.gov.uk/wp-content/uploads/2021/09/2021-09-24-Item-A7-Implementation-of-Part-3-Bus-Services-of-the-Transport-Scotland-Act-2019.pdf

Policy Implications	The aspiration for a regional bus strategy to facilitate a World Class Bus Service aligns with objectives and actions in SEStran's Regional Transport Strategy and the National Transport Strategy 2.
Financial Implications	SEStran applied to and won £150k from the TS Community Bus Fund in November 2023, to fund the Regional Bus Strategy. Thus, the actions proposed in the report will have no new financial implications, any subsequent proposals will be brought back to the Partnership Board for approval. There is a risk if we do not progress the strategy, that bus becomes too costly for LAs to sufficiently subsidise.
Equalities Implications	The proposed Regional Bus Strategy will support the equalities objectives in the Regional Transport Strategy. Without this work, there is a risk that a key facilitator of equalities is impinged.
Climate Change Implications	The aspiration for a regional bus strategy to facilitate a World Class Bus Service will support and positively impact on SEStran's Climate. Change objectives as outlined in the Regional Transport Strategy. Without improving our public transport offering, we risk increased private car use and corresponding worsening climate.

SUMMARY

This Case for Change document sets out why a change in nature and quantum of bus network services in the SEStran region is required to contribute to a range of policy goals. It provides a clear statement as to why the status quo, in terms of the network of services currently provided, its quality and the cost to the user are not delivering for all of the region's residents, the economy and the environment of the region, in terms of a range of national and regional policy objectives.

The Case for Change is the first step towards the development of a **SEStran Regional Bus Strategy** (SRBS), with the Case for Change defining objectives from which a set of core policies flow to frame the strategy and inform the appraisal of options to determine the strategy and its delivery.

The Case for Change reflects and builds on the findings of the RTS, undertaking a detailed analysis of the bus network in the SEStran region, considering both supply and demand, and setting out how the existing bus network is shaped by the current 'model' under which services are delivered. The Case for Change concludes by setting out a vision for the SRBS and from this a set of core objectives. These objectives form the basis of a set of policies around which the SRBS will be developed.

The foundations of this Case for Change are embedded in the SEStran **Regional Transport Strategy** (RTS) (2021 – 2035), and its associated vision, objectives and policies.[1] The Case for Change produced in advance of the RTS set out the socio-economic context for the region and the national policy context in which the RTS and the Regional Bus Strategy sit - the most pertinent elements of context for this study are:

- The SEStran region is a growing region – population grew by 7.5% between 2009 and 2019 and is projected to grow a further 6% by 2035. This total figure however masks projected drops in Clackmannanshire and Fife and rapid growth in others, most notably Midlothian.

- This growth is allied to reductions in average household size (persons / household) creating even greater demand for housing

- Car ownership is high across the region and continues to increase

- The settlement pattern is diverse ranging from 'large urban area' to 'remote rural' areas and this clearly brings a range of issues for the delivery of public transport and bus services in particular

POLICY PROBLEMS

The principal policy problem is that there is a raft of policy, the aims of which imply **reduced car use and increased use of public transport**. In the SEStran region, bus is very much the dominant form of public transport and would be required to provide the bulk of this shift but in the decade prior to the pandemic, **bus use fell by 11% across the region** and by 2022-23 was only 88% of pre-pandemic levels, despite the introduction of free bus travel for the under 22s. The supply of bus services, **bus vehicle kilometres, also fell from a peak in 2007-08**. However, **these trends vary markedly across the region** with some local authorities seeing much lower levels of bus use and greater falls in bus use than others. At the national level, bus use declined steadily between the mid-1970s and the turn of the century, before growing slowly until the financial crisis in 2008 then falling steadily thereafter.[2]

Whilst bus had a high mode share for travel to Edinburgh city centre in the 2011 census, **travel to work commuting in the region was dominated by car outside of Edinburgh**, with a bus mode share of 7%-9%. The highest absolute number of car trips (and therefore car kilometres) is within SEStran local authorities (excluding Edinburgh) where the bus mode share was only 9%.[3]

In short, the **supply of bus services and passenger numbers are falling at a time when the direction of policy requires sustained growth** – both to encourage mode shift from car and to provide greater equality of opportunity for people across the region who do not have access to a car or who would prefer not to use a car.

There has been sustained **decline in bus passenger numbers compared to road traffic and rail** (the latter had seen a very large increase before COVID-19).[4] By 2022/23, bus and rail passenger numbers were still substantially below pre pandemic levels, yet road traffic levels had almost fully recovered.

Reflecting the decline in passenger numbers, **satisfaction with public transport** as measured through the Scottish Household Survey (and averaged across the SEStran local authorities) **dropped in the decade prior to the pandemic and this has dropped further post-pandemic.**[5] Again, this measure **varies widely across the region**

[1] SEStran-2035-Regional-Transport-Strategy.pdf
[2] Scottish Transport Statistics 2023 | Transport Scotland
[3] SEStran-2035-Regional-Transport-Strategy.pdf
[4] Transport and Travel in Scotland 2022 | Transport Scotland (Travel Diary Tables, TD2e)
[5] statistics.gov.scot

with the percentage of those 'very satisfied' or 'fairly satisfied' ranging from around 85% (City of Edinburgh) to less than 40% (Falkirk). This again reflects the passenger usage trends seen at the local authority level. The satisfaction levels with different aspects of bus services also varies widely across the region.

SUPPLY SIDE PROBLEMS

Many regional bus services across the region are Edinburgh-focussed and **options for bus for travel between local authorities outside of Edinburgh are more limited**. The City of Edinburgh has stronger bus services compared to the other local authorities with greater access to buses, higher bus frequencies, and the strongest Sunday services.

The commercial bus network is focused around key urban areas and high-volume corridors in the region and there is a **need for subsidy to support services in more rural areas**. These subsidised services are increasingly vulnerable given the rise in tender prices and real-terms reductions in council budgets, and as a result many smaller communities in our rural areas are not served by scheduled bus services. **Local authorities have no control over the commercially provided network**.

Postcode level analysis has been used to consider access to the bus network, determined through consideration of the Scottish Government's Urban Rural 6-fold classification.[6] This analysis at full-postcode level provides enhanced granularity to inform the Case for Change, with each postcode representing a handful of households. Summing the associated number of households contained within each postcode which meet different criteria has enabled a detailed understanding of access to the bus network and services, both across the region and by local authority, with the quality of access at very specific locations being able to be understood. This will also provide a baseline for later policy development and options appraisal. This analysis highlights:

- Some households do not have **convenient access to a formal bus stop** and are therefore excluded from the bus network or require a long walk, bike ride or lift to access the network – this figure is **4%** across the region rising to **15%** in the Scottish Borders.

- Low **service frequency** can make bus travel an unattractive option – service frequency varies hugely across the region with high proportions of households in Scottish Borders and West Lothian having, at best, an hourly service. Outwith Edinburgh, relatively few residents have what could be regarded as a turn-up-and-go service.

- The need to **interchange** can be a deterrent to bus use given the uncertainty about connections, potential physical access issues, implications for journey time and potentially cost implications if more than one operator is involved – outside of Edinburgh only **50%** of households have access to a direct bus connection to Edinburgh and only **7%** of all SEStran residents benefit from direct connections to Glasgow, **9%** to Dundee and **8%** to Stirling.

- Some households have poor access to bus services in the **evening** which is likely to lead to forms of exclusion and increased car use. Communities that see their bus services stop in the evening cannot enjoy the full range of services provided in bigger neighbouring towns. **8%** of households have no bus service after 7pm, rising to around **18%** after 10pm. Access to evening services varies significantly across the region. Most households in Edinburgh and Fife have access to a bus service in the evening - however households in Falkirk, West Lothian and particularly Scottish Borders have more limited access to evening bus services.

- The absence of **Sunday services** is also a problem for some, especially those working in retail and hospitality. **10%** of households across the region do not have a Sunday bus service (in addition to the **4%** with no service at all) rising to over **20%** in Clackmannanshire, Falkirk, Scottish Borders and West Lothian. Where services do run these will typically be at a reduced frequency. This will lead to some not being able to take up opportunities and increased car use.

Travel times by bus are usually long and are generally far longer than by car. Across a sample of travel between 20 SEStran towns, journey times by bus are on **average 2.4, 2.5 and 3.0 times longer** than travel by car in the AM peak, inter-peak and PM peak. Only for travel to / from Edinburgh is the bus more competitive, with travel times by bus being on average 1.6, 1.7 and 2.2 times those of the bus in the AM peak, inter-peak and PM peak period.[7] However, even for travel within Edinburgh travel by bus can take significantly longer than by car, especially when trips do not involve the city centre. Long travel times, especially if combined with the need to interchange and with the cost, uncertainty and accessibility issues which this can involve, are a significant deterrent to bus use, and people will generally use a car if one is available to them, unless there is a compelling reason not to do so.

Congestion, bus punctuality and the journey time reliability of buses significantly impacts the levels of bus patronage and bus satisfaction. Urban **congestion** is a serious problem facing bus operators in SEStran, and a particular issue for those operating in and around Edinburgh. Congestion increases bus operating costs and journey times in

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[6] Urban Rural Classification - Scotland (spatialdata.gov.scot)
[7] Analysed using Google API data

general, which affects the price and attractiveness of bus services, particularly on longer bus trips, leading in turn to lower passenger numbers.[8] Therefore, the expansion and effective enforcement of bus priority measures to prevent issues such as vehicles parking in and blocking bus lanes is important in countering this.

Previous analysis from the RTS has identified communities across the region where **high levels of deprivation** are **allied to poor connectivity by public transport**, e.g., high employment deprivation and relatively poor access to the job market.[9] Improved public transport connectivity may be one element of addressing this deprivation and improving **equality of opportunity** across the region.

Bus services across the region have been subject to a **high degree of change** over the last 20 years or so. Changes in the main operator serving an area and also changes to individual services create uncertainty amongst bus users and those who may consider using the bus. One consequence of this though has been that Lothian Buses has extended its operations into the Lothians which is seen as a benefit by residents of these areas. This lack of certainty (in contrast to the permanence say of a railway station or tram / Bus Rapid Transit) means that people are less likely to make life-decisions (e.g., where to work and live) on the basis of a bus service in the same way that they might for other form of public transport.

Bus **fares** have increased in real terms since the turn of the century, and at a faster rate than rail fares and the cost of motoring - so the cost of travel by bus helps explain the reduction in passenger numbers.[10] The proportion of all bus passengers using concessionary fares has jumped sharply in Scotland to almost 50% with the introduction of the under 22s scheme – however those without access to good bus services cannot take full advantage of these schemes, so the benefits go disproportionately to the areas with the highest quality services.[11] The absolute level of fares (and fare-capping) also varies widely across the region bringing a further inequality.

Ticketing options can be complex across the region[12] and most tickets are also only useable on a single operator's services. More, and simpler multi-operator (and multi modal) tickets are needed to make it easier, cheaper and more attractive from a user perspective to travel by bus, especially for longer journeys across the region. The multi-modal and multi-operator OneTicket is not widely used.

There is an absence of true **competition between bus operators** across the region and what are essentially local monopolies have developed over time, so **the benefits of competition envisaged by the 1985 Act are not evident**. A reduction in the number of operators also affects bidding for tendered contracts where the absence of healthy competition may lead to higher tender prices.

Bus services have seen **competition from other modes**. Most notably there is a long-term trend of increased car ownership, and this continues to be seen in all the SEStran local authorities. The use of rail also grew sharply in the years prior to the pandemic in part reflecting major investments in the rail network affecting the region. Competition from car and train is therefore a key reason for the long-term decline in bus passenger numbers. Investment in high-quality segregated active travel connections in urban areas in particular provides further competition, both in terms of people switching from bus to bike, and also from these schemes reducing the road space available to general traffic which can affect bus journey times and reliability if buses are not suitably prioritised.

OPPORTUNITIES

The key opportunities identified are as follows:

- The SEStran region is projected to see significant **population growth**.[13] More people in the region means more potential bus passengers and associated revenue.

- **Major developments** (e.g., Heartlands, Blindwells, West Edinburgh) provide an opportunity to embed bus travel as the norm for people moving into these developments before car use becomes established and deep rooted.[14,15,16] These, and indeed all new developments should be planned around good access to high quality bus services from the outset.

- There is a prevailing national, regional and local **policy environment** which seeks to reduce car kilometres, especially in Edinburgh where an ambitious 30% target has been set.[17] A significant shift from car to bus will be

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[8] SEStran-Main-Issues-Report.pdf
[9] SEStran-2035-Regional-Transport-Strategy.pdf
[10] Chapter 2: Bus and Coach Travel | Transport Scotland
[11] Chapter 2 - Bus and coach travel | Transport Scotland
[12] SEStran-Main-Issues-Report.pdf
[13] SEStran-2035-Regional-Transport-Strategy.pdf
[14] Heartlands Development - Invest in West Lothian
[15] Blindwells - A flagship residential site located in East Lothian
[16] West Town Edinburgh (west-town-edinburgh.com)
[17] Targets for a sustainable transport future – The City of Edinburgh Council

required to meet this target and therefore the range of policies adopted by the City of Edinburgh and neighbouring local authorities should all encourage greater bus use.

- The **Transport (Scotland) Act 2019** provides a range of new powers to local authorities and others to be more active in the planning and delivery of bus services, including (i) the development of Bus Service Improvement Partnerships which would place firm commitments to improve bus services and infrastructure on a legal footing, (ii) local transport authorities in Scotland being permitted to establish their own new municipally owned bus operator, and (iii) the quality contracts process being replaced by a revised Bus Franchising Scheme.[18]

- Stakeholder engagement undertaken as part of this work noted an **appetite for increased partnership working** between operators and other stakeholders, including on cross-boundary issues.

- The **under 22s scheme** may promote increased or indeed lifelong bus use habits amongst some in that generation, which may arrest the decline in bus use and growth in car ownership.[19]

- As **public awareness of environmental issues** grows, more people are interested in sustainable travel options. Buses can play a role in reducing individual carbon footprints and providing people with alternatives to car ownership.

- A range of **new technologies** will provide opportunities to drive innovation and efficiency in the bus sector, including for example in scheduling, ticketing and automation etc.

CONSTRAINTS

The key constraints identified are as follows:

- The primary constraint is around **funding**, and this was confirmed by all stakeholders engaged with as part of this study. There has been a real term reduction in local authority spending on subsidised services and increased tender prices mean that the subsidy cost per bus kilometre has also increased. Local authorities are therefore getting fewer bus kilometres per £ spent on subsidy. Local authorities are becoming increasingly under strain in terms of their internal capacity and the pressure on resources that they face. As a consequence, their ability to deliver and manage bus services is under pressure.

- Capital spending on bus priority infrastructure via the **BPF** has been paused in 2024/25.[20] This has affected the development of a range of schemes across the region and the future of this fund remains uncertain at the time of writing.

- The ability of local authorities and other public bodies to act in the bus market is still bound by **competition law**, unless the most radical of measures are adopted.

- Much infrastructure funding is currently directed at **active travel** schemes.[21] The implied reallocation of road space to form dedicated cycle tracks can impact on the road space available to general traffic and this can be disadvantageous to the bus if it too is not prioritised.

- Some of the **assets** used to deliver bus services are not under council ownership. For example, at the time of writing, the future of Edinburgh Bus Station in St Andrews Square is uncertain. The site is owned by a pension fund which may be seeking a higher value use of this site. This lack of control around the future of the bus station is a constraint on meaningfully planning the future role of the bus station. Similarly, not all of the Park & Ride sites around Edinburgh are under council ownership which creates a constraint on maintaining and developing these sites.

- Some people **perceive** buses as a less desirable and lower quality mode of transport compared to private cars or trains. Overcoming this perception by improving quality and passenger comfort is crucial.

- The **Park & Ride sites** around Edinburgh are potentially not in the best locations with the right services to provide a more attractive option than driving into Edinburgh's suburbs and parking near a major bus corridor.

STRATEGY VISION, OBJECTIVES AND DESIRED OUTCOMES

This SEStran Case for Change presents a thorough examination of the current situation of the bus network in the region and what is needed to achieve the vision that is presented in the RTS.[22] The analysis as set out in this

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[18] Transport (Scotland) Act 2019 (legislation.gov.uk)
[19] Executive summary | Transport Scotland
[20] Bus Partnership Fund | Transport Scotland
[21] Getting Scotland walking, wheeling and cycling | Transport Scotland
[22] SEStran-2035-Regional-Transport-Strategy.pdf

document highlights that while travel by bus needs to increase to meet a wide range of policy objectives, including those set out in the RTS, bus services and patronage have been broadly flat or in decline over the last decade and more, with a very varied picture across the region.[23] Across the bus network in the region therefore:

- Some markets are not served at all, or served poorly, either at all or at certain times of the day or week

- There is little true competition in terms of services and fares in many parts of the region

- There is network delay and congestion which is impacting on the attractiveness of the network and eroding passenger confidence and perceptions of travel by bus

These factors are increasing the widening gap between the existing bus network and the vision for a high-quality class network as set out in the RTS, as evidenced by the trends in passenger numbers and satisfaction with bus services. For passengers, the current operating model means:

- Fares and ticketing can be complex and more expensive with limited convenient integration between operators and / or modes

- Bus routes are run on a commercial basis meaning some areas are better served than others – but bus services can generate wider economic, social and environmental benefits which can mean that it is economically efficient to increase supply above the levels determined by the commercial market

- Customer standards and satisfaction varies vastly across the region given different service providers

- A loss in passenger confidence due to instability in the bus network (due to reduced services, high journey times, changes in routes, poor reliability etc.) is evident in places

- There is some competition between public transport and sustainable modes rather than integration

In terms of present operation, the current operating models across the SEStran region:

- Cannot provide a truly planned and integrated transport network in terms of timetabled interchange and fares

- Cannot effectively and efficiently coordinate a long-term transport strategy that supports the RTS vision

- Means there is very limited control over the routes operated, service frequencies, fares charged, or tickets sold by operators

- Needs to provide increasing public sector funding to support socially necessary services to fill gaps in provision at time when local authority funding is constrained – this has been reducing for some years now

This points towards a case for change in the delivery of bus operations (in its widest sense across a range of stakeholders) across the region, and overall bus reform to start closing the gap between existing operations and a high-quality bus network for the whole region. Any new approach would need to provide a more coordinated approach to the provision of a regional bus network, providing more efficient, fast and reliable services, cheaper and simpler fares, an improved passenger experience and a network which is resilient to change.

Given this, the vision for the SRBS has been set:

> *To provide a high quality bus network for the whole region which is fully integrated with other forms of transport and increases passenger numbers and passenger satisfaction, to support the social, environmental and inclusive economic development of the region*

This vision flows into three strategy objectives, which in turn support the fundamental transport outcome for the strategy – **to increase bus passenger numbers to align with a range of policy outcomes.** Achieving these outcomes would in turn provide a wide variety of benefits to society, which would align to policies around decarbonisation, social inclusion and the widening of opportunities, economic growth and placemaking.

To express how the three objectives can be met, and help shape the development of options to be appraised, three core policy areas will flow from the objectives, focussed around:

(i)   Level of Service – this policy area considers how, where and when the bus network operates. For example, it will set out ambitions for the hours of operation of bus services, how frequently buses run, and the connectivity the bus network needs to provide to widen opportunity and increase car use across the rural and urban landscape of the region.

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[23] Scottish Transport Statistics 2023 | Transport Scotland (STS Chapter 02, Table 2.2b)

(ii) Affordability – the policy will set out ambitions related to the affordability of travel by bus across the region, including factors such as the structure, legibility, and integration of fares

(iii) Service Quality – the policy will focus on the other important aspects that allow the delivery of a high-quality bus service. This includes topic areas such as interchanges and bus stops, accessibility, information, ticketing, vehicle and driver standards, and service reliability and punctuality

Next Steps

These policies will set out in more detail SEStran's aspirations for a high-quality bus network and its relationship with other modes of transport across the region, and they will be developed at the start of the next task, Options Appraisal.

The Options Appraisal will assess, based on an approach which is compliant with the Scottish Transport Appraisal Guidance (STAG), how **different approaches** can deliver these policies and hence the objectives and vision, together with the associated costs and therefore the value for money.

SEStran Regional Bus Strategy (SRBS)

Case for Change

Agenda

1. SRBS Introduction
2. Problems
3. Opportunity for board comment
4. Opportunities
5. Opportunity for board comment
6. Constraints
7. Opportunity for board comment
8. SRBS Vision/ Objectives
9. Opportunity for board comment
10. Closing Thoughts

Problems

Case for Change

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Transport Partnership

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Transport Partnership

Key Policy Context

	Transport	Planning	Social Inclusion	Carbon and Energy	Economic	Local Environment
National	National Transport Strategy 2	National Planning Framework 4	Scotland's Accessible Travel Framework	Climate Change Plan	National Strategy for Economic Transformation	Cleaner Air for Scotland 2
	A Route map to a 20% reduction in car kilometres by 2030	Regional Spatial Strategies	Equality Act 2010 and Public Sector Equality Duty	Scottish Net Zero Roadmap	National Performance Framework 4	Transportation Noise Action Plan
Regional	Strategic Transport Projects Review 2	Local Development Plans	Fairer Scotland Duty	Scotland's Energy Strategy and Just Transition Plan	2030 Infrastructure Investment Plan	Scotland's Road Safety Framework
	Scotland's Road Safety Framework to 2030	Local Outcome Improvement Plans	Child Rights and Wellbeing Duty		Edinburgh City Region Economic Strategy	
	Regional Transport Strategy				Regional City and Growth Deals	
Local	Local Transport Strategies				STPR2 inc. Edinburgh and South East Scotland City Region Deal	
	Edinburgh Council's Public Transport Action Plan 2030					

Bus has a major role in the successful delivery of these

- A raft of national, regional and local policy implies the need to reduce car use and increase the use of public transport to:
  - Meet net-zero ambitions
  - Improve equality of opportunity for all
  - Reduce the impact of the car on our local environments
- This is particularly the case in the SEStran region which is projected to see continuing population growth (+6% by 2035) and car ownership continues to rise

Problems

Demand & Satisfaction

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South East of Scotland Transport Partnership

….but bus services and passenger numbers are falling at a time when the direction of policy requires sustained growth

- In the decade prior to the pandemic, **bus use fell by 11% across the region** and by 2022-23 was only 88% of pre-pandemic levels

- Decline in bus passenger numbers compared to **increased road traffic and large increases in rail passengers**

- People's use of buses and the trend over time **varies widely across the region**

- Supply of bus services (bus vehicle kilometres) also fell from a peak in 2007-08

Annual Passenger Journeys (2004/05 - 2022/23) – Absolute Figures (Scottish Transport Statistics)

Proportion of adults using the bus at least twice a week (Scottish Household Survey)
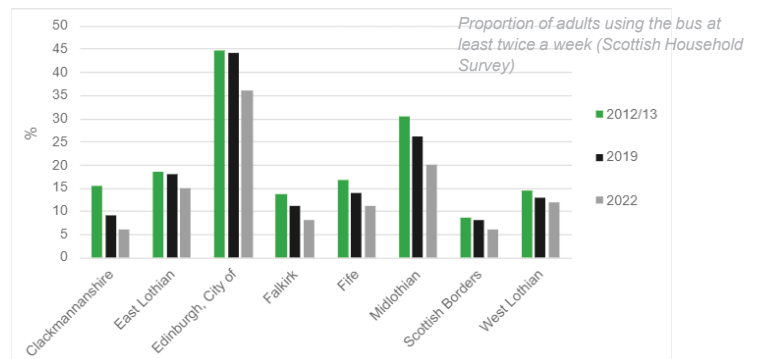
Travel to work data by mode varies significantly regionally (2011)

- Bus had a high mode share for travel to Edinburgh city centre

- Travel to work commuting in the region was dominated by car outside of Edinburgh in 2011 with a bus mode share of 7%-9%

- The highest absolute number of car trips is *within SEStran local authorities (excluding Edinburgh)* where the bus mode share was only 9%
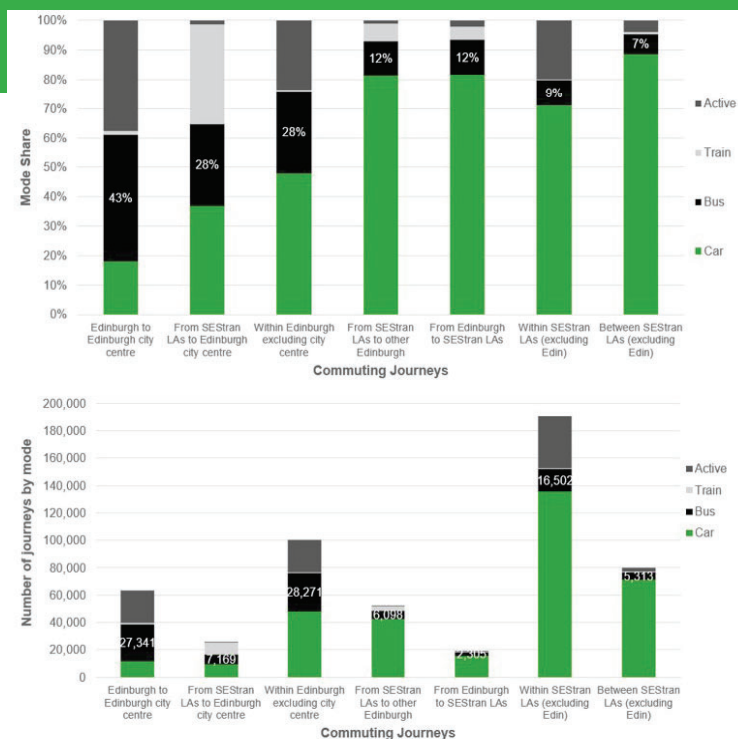
Travel to work by mode of travel, 2011 (mode share percentage - top, and number of journeys by mode - bottom)

Public satisfaction with public transport varies significantly across the region

- In 2022, the percentage of those 'very satisfied' or 'fairly satisfied' ranged from around 85% (City of Edinburgh) to less than 40% (Falkirk)

- In some parts of the region, satisfaction levels have dropped significantly since 2012/13

- Satisfaction with specific aspects of bus services also varies widely across the region
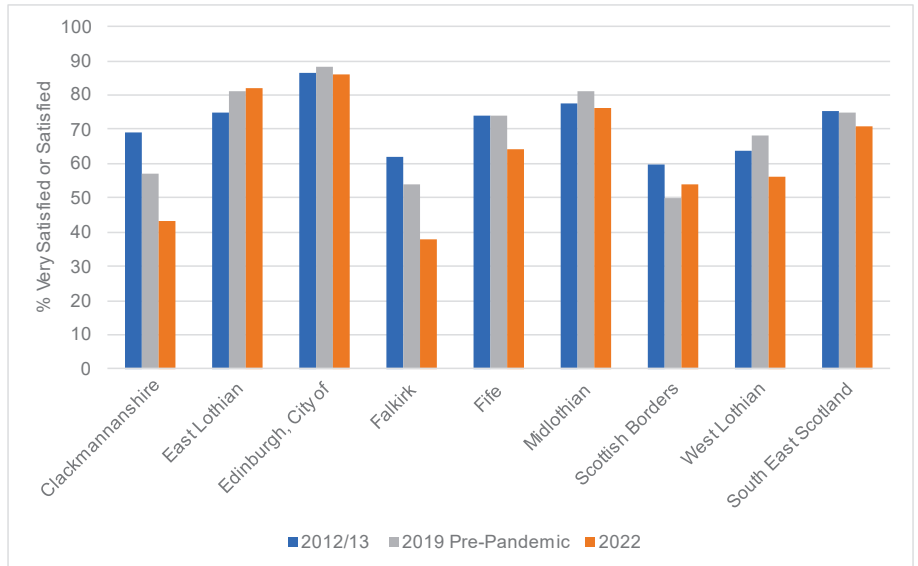
Scottish Household Survey results from the SEStran council areas, 2012/13 to 2022

Problems

Supply Side

Commercial Services

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Legend

Study Area

Commercial vs. Subsidised Services
Commercial

Rail Lines
Local Authority Boundaries
City of Edinburgh
Clackmannanshire
East Lothian
Falkirk
Fife
Midlothian
Scottish Borders
West Lothian

0 — 30 — 60 km

© OpenStreetMap contributors

Stantec
Fully Commercial
Date: 23/04/2024
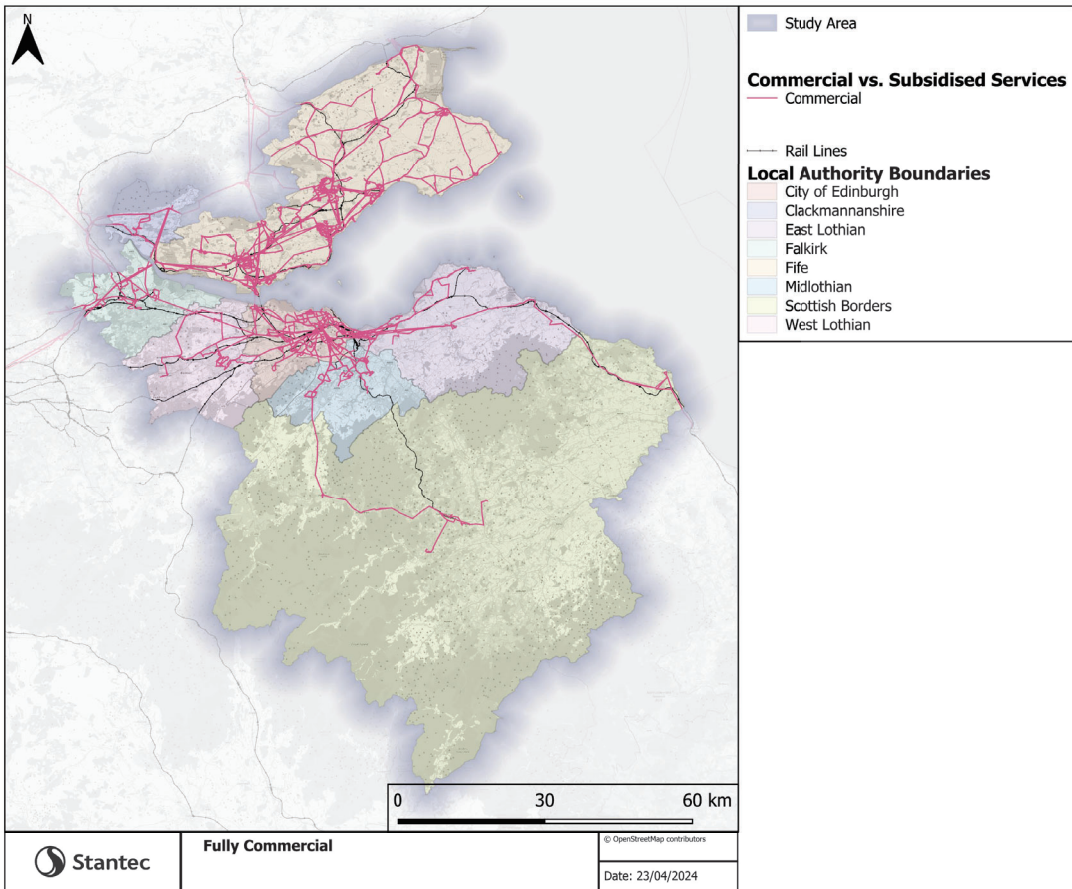
Fully and partly subsidised services

Study Area

Commercial vs. Subsidised Services
— Partially Subsidised
— Subsidised

---- Rail Lines
Local Authority Boundaries
City of Edinburgh
Clackmannanshire
East Lothian
Falkirk
Fife
Midlothian
Scottish Borders
West Lothian

0   30   60 km

Stantec

Fully and Partially Subsidised

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Date: 23/04/2024

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Some households have poor access to bus services in the evening and Sundays likely to lead to exclusion and car use

- 8% of households have no bus service after 7pm, rising to around 18% after 10pm.

- Access to evening services varies significantly across the region.

- Most households in Edinburgh and Fife have access to a bus service in the evening - however households in Falkirk, West Lothian and particularly Scottish Borders have more limited access to evening bus services

- 10% of households across the region do not have a Sunday bus service rising to over 20% in Clackmannanshire, Falkirk, Scottish Borders and West Lothian.

- Where Sunday services do run these will typically be at a reduced frequency

Bus network on a Sunday versus weekday network

Absence of convenient bus stop and low service frequency can make bus travel an unattractive option

- 4% of SEStran households do not have **convenient access to a bus stop** – rising to 15% in Scottish Borders

- Service frequency varies hugely across the region with high proportions of households in Scottish Borders and West Lothian having an hourly service

- Outwith Edinburgh, relatively few residents have what could be regarded as a 'turn-up-and-go' service
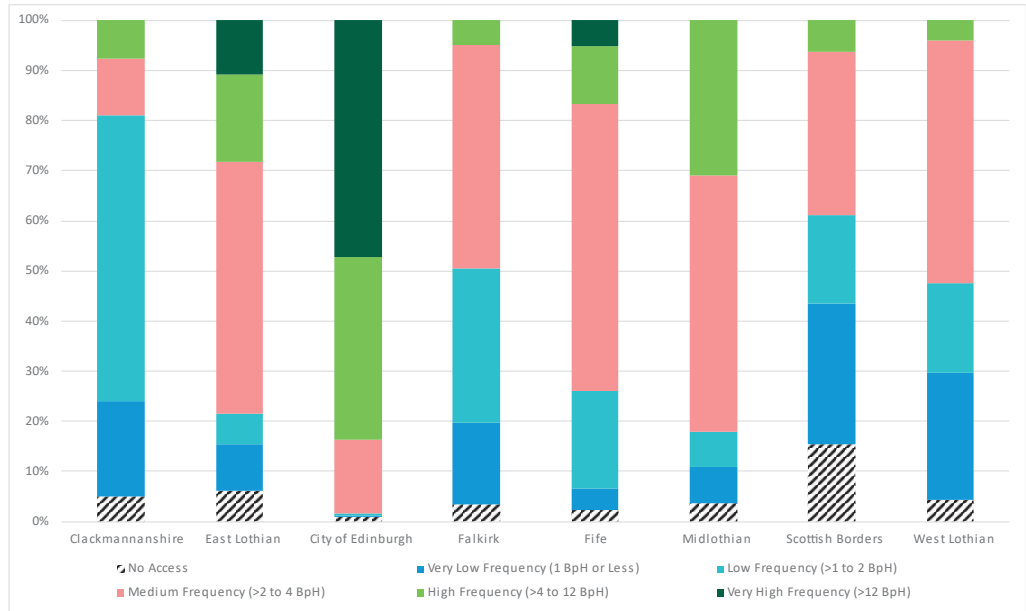
Percentage of households with defined bus frequencies, by SEStran local authority

Some households have poor access to bus services in the evening and Sundays likely to lead to exclusion and car use

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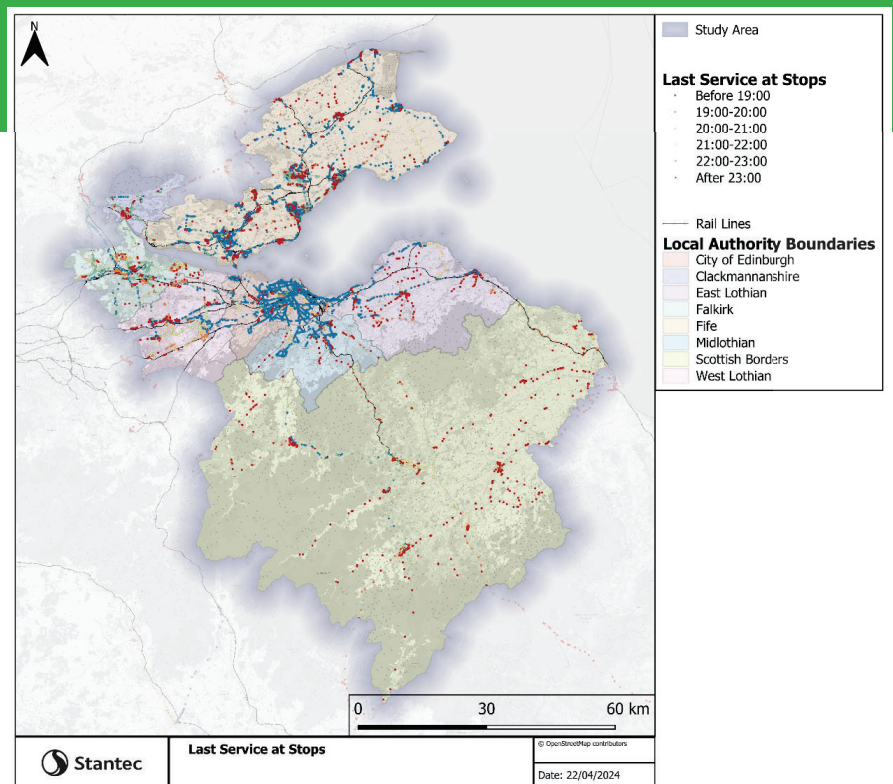
Weekday last service stops

Travel times by bus are usually long and are generally far longer than by car

Ratio	Alloa	Bathgate	Dalkeith	Denny	Dunfermline	Edinburgh	Falkirk	Galashiels	Glenrothes	Haddington	Hawick	Kelso	Kirkcaldy	Linlithgow	Livingston	Musselburgh	North Berwick	Peebles	Penicuik	St Andrews	Averages
Alloa		3.7	3.7	2.9	2.5	2.4	3.0	3.2	2.9	3.4	4.5	6.7	2.7	3.7	4.6	3.3	3.2	5.3	3.8	2.5	3.6
Bathgate	3.9		3.7	4.4	3.5	1.7	2.4	2.7	3.0	2.7	3.6	7.9	3.2	1.4	3.1	2.7	2.6	2.9	3.4	2.6	3.2
Dalkeith	4.2	3.8		3.8	3.1	1.8	3.1	1.7	2.5	3.7	1.7	2.0	2.7	3.4	3.2	1.8	2.5	2.6	2.3	2.4	2.7
Denny	4.1	3.7	3.9		2.4	2.3	2.2	3.4	2.5	3.2	6.0	7.7	2.5	3.7	4.1	3.2	2.9	3.4	3.8	2.5	3.6
Dunfermline	3.5	2.9	2.7	3.4		1.3	1.8	2.1	1.7	2.1	1.9	6.3	2.4	3.5	2.9	2.2	2.4	2.2	2.7	1.7	2.6
Edinburgh	2.6	1.7	1.4	2.1	1.5		1.7	1.3	1.5	1.2	1.5	3.6	1.4	1.5	1.8	1.4	1.5	1.4	1.5	1.7	1.7
Falkirk	2.8	2.5	3.2	2.0	2.2	1.6		2.9	2.4	2.7	5.0	3.3	1.2	4.0	3.4	3.0	2.6	2.2	4.0	1.0	2.7
Galashiels	3.1	2.8	2.6	3.3	2.5	1.8	2.5		2.2	3.4	2.0	5.8	2.2	2.6	2.4	4.1	1.3	2.1	4.0	3.9	2.9
Glenrothes	3.0	2.7	2.4	3.1	1.7	1.3	2.2	2.2		2.1	4.2	2.5	6.4	3.1	2.4	2.5	2.4	2.0	1.5	3.4	2.7
Haddington	3.4	3.1	3.2	3.1	2.4	1.6	2.7	2.5	2.3		6.3	5.2	2.0	2.9	1.7	4.1	6.3	2.3	5.1	2.8	3.3
Hawick	2.3	2.0	5.7	3.0	1.9	2.7	1.1	6.5	1.9	3.6		6.9	2.1	2.4	2.1	2.8	1.5	2.6	3.5	1.2	2.9
Kelso	2.9	2.4	9.6	4.0	2.5	3.3	1.7	6.0	2.3	3.4	5.3		2.7	2.9	2.9	4.1	2.1	2.7	3.8	4.0	3.6
Kirkcaldy	2.9	2.7	3.6	2.1	2.5	2.2	4.3	1.1	7.3	1.6	3.9	2.7		3.3	2.6	2.7	2.4	2.1	2.2	2.9	2.9
Linlithgow	1.9	4.7	2.4	4.0	2.2	0.9	6.0	1.8	2.8	3.3	5.0	3.7	2.2		3.6	3.3	2.5	2.4	5.0	4.5	3.3
Livingston	1.9	5.5	4.0	2.7	2.0	2.1	4.2	2.0	2.5	3.6	5.1	3.8	2.0	4.1		3.5	2.5	2.5	4.8	1.9	3.2
Musselburgh	2.4	1.4	10.3	2.3	1.2	4.0	2.4	2.2	1.2	9.3	5.3	2.5	1.9	2.8	2.2		2.7	1.9	5.6	4.0	3.5
North Berwick	2.6	1.8	7.0	2.4	1.7	3.3	3.0	2.6	1.2	9.1	5.6	4.6	2.4	2.6	1.7	4.6		2.2	4.7	1.3	3.4
Peebles	2.6	2.0	4.0	2.7	1.7	2.6	1.4	3.8	2.1	3.6	4.7	2.8	2.3	2.6	2.3	4.0	1.2		7.1	1.6	2.9
Penicuik	3.0	2.0	6.3	2.8	1.9	3.1	2.3	2.1	2.2	4.8	5.2	2.2	2.2	3.5	2.6	3.7	1.2	6.1		5.9	3.3
St Andrews	2.6	2.4	2.4	1.8	2.0	1.9	3.0	1.1	3.8	1.5	4.6	2.2	3.3	2.6	2.3	2.3	2.0	1.9	2.1		2.4
Averages	2.9	2.8	4.3	2.9	2.2	2.2	2.7	2.7	2.6	3.6	4.3	4.3	2.5	3.0	2.7	3.1	2.4	2.7	3.7	2.7	3.0

PM period bus to car journey time ratios

- Journey times by bus are on average **2.4, 2.5 and 3.0 times longer** than travel by car in the AM peak, inter-peak and PM peak.
- Only for travel to / from Edinburgh is the bus a bit more competitive, with travel times by bus being on average **1.6**, **1.7** and **2.2** over same time periods.

Fares / Ticketing / Service History / Competition

- Bus **fares** have increased in real terms since the turn of the century and at a faster rate than rail fares and the cost of motoring

- **Ticketing** options can be complex across the region. Most tickets are also only useable on a single operator's services

- The multi-modal and operator OneTicket is not widely used

- Bus routes and operators across the region have been subject to a **high degree of change** over the last 20 years or so

- There is an absence of true **competition between bus operators** across the region and what are essentially local monopolies have developed over time
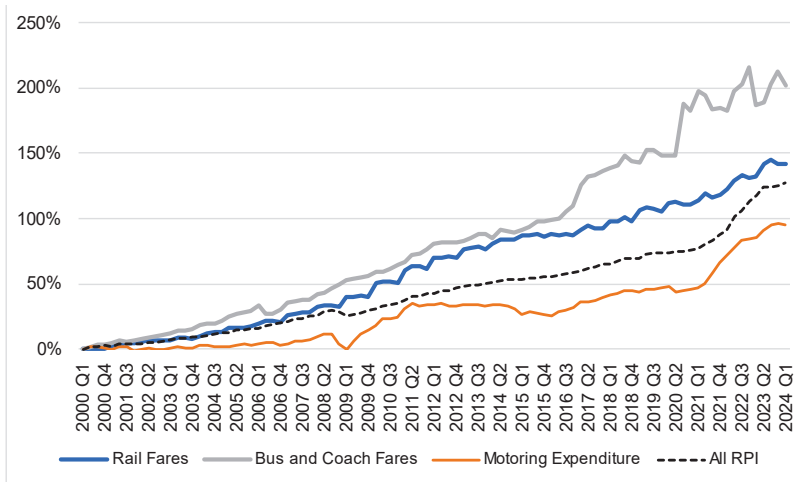
Relative Cost of Travel (2000 Q1 - 2024 Q1, indexed against 2001 Q1 figures)

Opportunities

Case for Change

GO SEStran

South East of Scotland Transport Partnership

Opportunities (1)

- **Policy environment** which seeks to reduce car kilometres, especially in Edinburgh where a 30% target has been set
- The region is projected to see significant **population growth** - more potential bus passengers and associated revenue
- **Major developments** (e.g., Heartlands, Blindwells, West Edinburgh) provide an opportunity to embed bus travel as the norm for people moving into these developments before car use becomes established and deep rooted
- **Transport (Scotland) Act 2019** provides a range of new powers to local authorities and others to be more active in the planning and delivery of bus services, including:
    i. the development of Bus Service Improvement Partnerships
    ii. local transport authorities being permitted to establish their own new municipally owned bus operator
    iii. the quality contracts process being replaced by a revised Bus Franchising Scheme

Opportunities (2)

- Stakeholder engagement undertaken as part of this work noted an **appetite for increased partnership working** between operators and other stakeholders, including on cross-boundary issues.

- **Under 22s scheme** may promote increased or indeed lifelong bus use habits amongst some in that generation

- More **people are interested in sustainable travel options** - buses can play a role in reducing individual carbon footprints and providing people with alternatives to car ownership

- A range of **new technologies** will provide opportunities to drive innovation and efficiency in the bus sector, including for example in scheduling, ticketing and automation etc.

Constraints

Case for Change

GO SEStran

South East of Scotland Transport Partnership

Constraints

- Primary constraint is around **funding**, and this was confirmed by all stakeholders engaged with as part of this study - real term reduction in local authority spending on subsidised services and increased tender prices mean that the subsidy cost per bus kilometre has also increased.

- Capital spending on bus priority infrastructure via the **BPF** has been paused in 2024/25 - affected the development of a range of schemes across the region and the future of this fund remains uncertain

- The ability of local authorities and other public bodies to act in the bus market is still bound by **competition law**, unless radical measures are adopted

- Much infrastructure funding is currently directed at **active travel** schemes - reallocation of road space to form dedicated cycle tracks can impact on the road space available to general traffic and this can be disadvantageous to the bus

- Some of the **assets** used to deliver bus services are not under council ownership - Edinburgh Bus Station, and not all of the P&R sites around Edinburgh are under council ownership which creates a constraint on maintaining and developing these sites

- Some people **perceive** buses as a less desirable and lower quality mode of transport compared to private cars or trains

- The **Park & Ride sites** around Edinburgh are potentially not in the best locations with the right services to provide a more attractive option than driving into Edinburgh's suburbs and parking near a major bus corridor.

SRBS Vision / Objectives

Case for Change

GO SEStran

South East of Scotland Transport Partnership

SRBS Vision

- The problems opportunities and constraints points towards a case for change in the delivery of bus operations (in its widest sense across a range of stakeholders) across the region and overall bus reform to start closing the gap between existing operations and a high-quality bus network

- Any new delivery model would need to provide a more coordinated approach to the provision of a regional bus network, providing more efficient, fast and reliable services, cheaper and simpler fares, an improved passenger experience and a network which is resilient to change

- Given this, the vision for the SRBS has been set:

To provide a high quality bus network for the whole region which is fully integrated with other forms of transport and increases passenger numbers and passenger satisfaction, to support the social, environmental and inclusive economic development of the region

SRBS Vision into strategy objectives

This key aim gives rise to three Strategy Objectives and meeting these objectives will result in the fundamental transport outcomes for the strategy – to get more people to choose travel by bus and that more people can use the bus to meet their everyday travel needs.

i. Level of Service – this policy area considers how, where and when the bus network operates

ii. Affordability – the policy will set out ambitions related to the affordability of travel by bus across the region, including factors such as the structure, legibility, and integration of fares

iii. Service Quality – the policy will focus on the other important aspects that allow the delivery of a high-quality bus service. This includes topic areas, such as interchanges and bus stops, information, ticketing, vehicle and driver standards, and service reliability and punctuality

GO SEStran
South East of Scotland Transport Partnership

Some markets are not served at all, or served poorly

There is little true competition in terms of services and fares

Increased network delay and congestion leading to increased operating costs and higher fares

Key Aim

To provide a transformative change in South East Scotland's transport system to enable a fully integrated system which is efficient, connected, and safe. While also creating an environment that is inclusive, prosperous, and sustainable.

Objectives

Improve operational performance of the bus network

Improve affordability of bus network

Improve the attractiveness of the bus network

Core Transport Outcome

More people choose to travel by bus
More people can use the bus to meet their everyday travel needs

Wider Societal Impacts

Economic, Environmental, Social

Policy | Policy | Policy

Level Of Service | Affordability | Quality

RECOMMENDATIONS
It is recommended that the Board:

Note the summary of the Case for Change and provide feedback.

Give permission to continue with the next aspects of the strategy development, primarily the development of a draft strategy and corresponding Outline Options Appraisal.

Requests the Partnership Director to continue to engage with the government on reopening the Bus Partnership Fund

PROJECTS AND STRATEGY PERFORMANCE REPORT

1 INTRODUCTION

1.1 This report and its appendix are as presented to the Performance and Audit Committee on 7th June and update the Board on the performance of the Partnership's strategy and project workstreams over the last quarter.

2 NEW MONITORING AND REPORTING STRUCTURE

2.1 This report is presented in an updated format from previous iterations. It presents a clear and concise summary of each project currently underway, with a specific focus on budget, programme and risk.

2.2 The cover page to the appendix provides this high-level summary for each project, with following pages providing further detail on each project to allow for additional scrutiny where the Performance and Audit Committee feels this would be appropriate. Information provided on budget is currently high level, with more detail (including actual budgets per project and current variances to these) planned to be provided to next Performance and Audit Committee meeting and subsequent Partnership Board.

2.3 Also presented is a risk register and an issue log for all projects, so that these can be seen overall rather than by project.

2.4 The People and Place Plan has been integrated into this report but, given its scale, is it presented with its own risk register and budget. For reporting purposes, the Plan has been broken down into three areas according to who will be spending the funding – Local Authorities, third parties, and SEStran.

2.5 Over the next quarter, work will continue to refine this new report structure, and feedback from the Performance and Audit Committee will be incorporated as this progresses.

3. KEY ISSUES AND FUNDING

3.1 Overall, all projects are currently running to plan and budget. One project (the Strategic Network) has a minor delay due to delays to funding, which will result in an estimated 4 week delay to the programme.

3.2 There are a range of risks across the projects, but following mitigation in place there are no high risks remaining. One key theme within the project risks is around stakeholder engagement in projects, which is planned to be discussed further as part of internal project management meetings to identify any further actions that may be needed in this area.

3.3 There are currently 2 issues noted. One surrounds data from Lothian Buses feeding into the RTPI system which has been ongoing since 23/24, with a resolution expected in Q2. Within the past quarter, an issue has arisen around a funding application for Transport to Healthcare work, the outcome of which has been delayed due to purdah, and the impact of this on the potential programme is currently unknown.

3.4 People and Place is currently running to programme and budget. We expect to have a clear quarterly spend profile for all projects funded by mid-June, and from there it will be possible to track progress quarter by quarter. There are also no high risks on People and Place and no issues are currently being managed. There are however 5 medium risks that are being actively managed with the mitigations noted.

3.5 Some key progress over the quarter has included funding a joint funding application for and ACCESS to Goods project, the draft case of change for the Bus Strategy has been produced, regional agreement to progress and commit budget to a joint approach to EV public charging infrastructure, and procurement options for VoyagAR and GoSEStran have been progressed jointly with Tactran.

4 RECOMMENDATIONS

4.1 The Board is asked to note progress recorded in the past quarter, summarised in the attached Appendix, as discussed and noted by the Performance and Audit Committee on 7th June.

Michael Melton
Programme Manager
21st June 2024

Appendix: SEStran Projects & Strategy Tracker – June 2024

Policy Implications	Outlined project work contributes to the objectives identified within the SEStran Regional Transport Strategy.
Financial Implications	All project work is delivered within confirmed budgets.
Equalities Implications	There are no adverse equalities implications arising from SEStran projects. Several projects actively work to reduce inequalities.
Climate Change Implications	There are no negative climate change implications arising from SEStran projects. Several projects actively work to tackle climate change through the creation of, or support for more sustainable transport options.

Project Summary

Project	Budget		Programme				Risks		Issues		
	Finance Status	Programme Status	No of on track milestones	No of completed milestones	No of Delayed Milestons	No of late milestones	No of Medium Risks	No of High Risks	No of Medium Issues	No of High Issues	No of Critcal Issues
Thistle Assistance	On Budget	n/a	0	0	0	0	0	0	0	0	0
VoyagAR	n/a	On Target	2	0	0	0	1	0	0	0	0
Real Time Passenger Information	On Budget	On Target	1	0	0	0	2	0	1	0	0
GoSEStran	On Budget	On Target	2	0	0	0	2	0	0	0	0
Strategic Network	On Budget	Minor Delay	1	0	2	0	1	0	0	0	0
EV Delivery	On Budget	On Target	3	0	1	0	2	0	0	0	0
Regional Bus Strategy	On Budget	On Target	3	1	0	0	3	0	0	0	0
Transport to Healthcare	n/a	On Target	1	1	0	0	2	0	1	0	0
Regional Freight Strategy	n/a	On Target	0	1	0	1	2	0	0	0	0
RTS Delivery Plan	n/a	On Target	6	1	0	0	2	0	0	0	0
Rail Strategy	On Budget	n/a	0	0	0	0	1	0	0	0	0
Total			*19*	*4*	*3*	*1*	*18*	*0*	*2*	*0*	*0*
People and Place Plan:							5	0	0	0	0
Local Authority Projects	On Budget	On Target	4	2	0	0					
Non-Local Authority Projects	On Budget	On Target	4	2	0	0					
SEStran Projects	On Budget	On Target	7	1	1	0					
Total			*15*	*5*	*1*	*0*	*5*	*0*	*0*	*0*	*0*

Project Risk Register

Risk Number	Project	Risk Detail	Gross Probability	Gross Impact	Gross Risk Score	Planned Response/Mitigation	Net Probability	Net Impact	Net Risk Score	Actions (inc who and date due	Completed Actions	Status	Date Raised	Last Updated	Owner
PR001	Thistle Assistance	Use of the app leads to an accident due to lack of training or awareness from transport operators	Unlikely	Major	Medium Risk	Good communication material made available and training provided for operators	Remote	Moderate	Low Risk	As per planned response/mitigations 29/05		In Progress	01/04/2024	29/05/2024	KF
PR002	Thistle Assistance	Issue with app software prevents users form accessing the app	Unlikely	Moderate	Low Risk	Working closely with the software developers to ensure that the app is up to date and in compliance with apple store / Google	Remote	Moderate	Low Risk	As per planned response/mitigations 29/05		In Progress	01/04/2024	29/05/2024	KF
PR003	Thistle Assistance	Data breach for personal data collected as part of card process	Unlikely	Major	Medium Risk	SEStran GDPR policy to be followed at all times and data deleted at regular intervals in line with this, with no personal data retained	Remote	Major	Low Risk	As per planned response/mitigations 29/05		In Progress	01/04/2024	29/05/2024	KF
PR004	VoyagAR	Supplier cannot be found to take over development and launch the app	Possible	Major	Medium Risk	Procurement combined with GoSEStran to increase attractiveness, discussions held with potential suppliers to gauge interest	Unlikely	Major	Medium Risk	As per planned response/mitigations 29/05	Met with Tactran 05/24 to agree procurement approach	In Progress	01/04/2024	29/05/2024	KF
PR005	Real Time Passenger Information	Operator data is inaccurate or drops out, resulting in poor user impression/loss of faith in data accuracy/damage to SEStran reputation	Probable	Major	High Risk	Regular meetings with transport operators to ensure data accuracy	Possible	Major	Medium Risk	As per planned response/mitigations 29/05		In Progress	01/04/2024	29/05/2024	KF
PR006	Real Time Passenger Information	System failure and/or data feed disruption resulting in system becoming unavailable	Possible	Major	Medium Risk	Regular meetings with tech supplier to ensure updates are being made and contingency plans are in place	Possible	Major	Medium Risk	As per planned response/mitigations 29/05		In Progress	01/04/2024	29/05/2024	KF
PR007	Real Time Passenger Information	At contract end, framework contract negotiation fails and/or results in increase in costs impacting ability to delivery additional screens	Possible	Moderate	Medium Risk	Seek negotiation of contract when required working with LA partners and suppliers to come to agreement	Unlikely	Minor	Low Risk	As per planned response/mitigations 29/05		In Progress	01/04/2024	29/05/2024	KF
PR008	GoSEStran	Lack of funding to continue with the app past September	Probable	Major	High Risk	Continue to seek other funding sources in collaboration with Tactran. Ongoing dialogue with TS around future plans for MaaS and outcome of pilot evaluation	Possible	Major	Medium Risk	Put in place outline comms plan in case funding cannot be secured and app has to close - CD/RS by 30/06	Some additional funding secured from TS and SCSP fund - 01/04	In Progress	01/04/2024	29/05/2024	RS
PR009	GoSEStran	Uncertainty over responsibilities and workload between SEStran and Tactran either leading to duplication or effort or tasks being missed	Possible	Moderate	Medium Risk	Regular dialogue with Tactran on joint working at all levels. SLA being developed with Tactran to clearly identify responsibilities.	Unlikely	Moderate	Low Risk				01/04/2024	29/05/2024	RS

Risk Number	Project	Risk Detail	Gross Probability	Gross Impact	Gross Risk Score	Planned Response/Mitigation	Net Probability	Net Impact	Net Risk Score	Actions (inc who and date due	Completed Actions	Status	Date Raised	Last Updated	Owner
PR010	GoSEStran	Delays to procurement mean a new supplier cannot be in place until after September when the current contract expires, leaving a gap in provision	Possible	Major	Medium Risk	Ongoing discussion with Tactran to identify optimal procurement route	Possible	Major	Medium Risk	Put in place outline comms plan in case funding cannot be secured and app has to close - CD/RS by 30/06	Joint procurement workshop held with Tactran and P&K Council Discussions held with Innovate UK on potential for procurement support		01/04/2024	29/05/2024	RS
PR011	GoSEStran	Challenge to extension of current contract by 6 months by other potential tenderers	Possible	Major	Medium Risk	Take legal advise. Explain to potential suppliers need for extension to current contract to allow funding discussions to conclude. Issue a VEAT notice and advise potential tenders of forthcoming procurement.	Remote	Major	Low Risk	As per planned response/mitigations 29/05	Communication sent to all potential tenderers about extension and future plans - 28/03 VEAT notice published - 28/03	In Progress	01/04/2024	29/05/2024	AF
PR012	Strategic Network	Lack of funding to proceed with work leads to project being paused/cancelled	Probable	Major	High Risk	Seek alternate funding for Falkirk routes elements to ensure these can progress. Deliver mapping work as part of PPP. Continue to seek funding to conclude review of network	Possible	Moderate	Medium Risk	As per planned response/mitigations 29/05	Include mapping work in PPP support tender - 30/04 Funding agreed with Falkirk Council to complete Falkirk route design - 28/05	In Progress	01/04/2024	29/05/2024	MM
PR013	Strategic Network	Lack of data availability makes mapping element longer than expected and/or incomplete	Probable	Moderate	Medium Risk	Ensure early engagement with each LA to access any available mapping data. Seek other partners who may have relevant data	Possible	Minor	Low Risk	As per planned response/mitigations 29/05	Met with Scottish Ramblers re their walking mapping work and potential to work together - 23/05	In Progress	01/04/2024	29/05/2024	BHJ
PR014	EV Delivery	failure to secure funding commitments from local authorities to fund a collaborative exercise	Possible	Major	Medium Risk	Gain understanding of approval processes required by each LA and support getting delegated approval in place as required. Develop clear and costed project scope to support funding decisions	Unlikely	Major	Medium Risk	Finalise procurement of Project Manager to complete the Project Initiation Document	Drafted standard Committee paper that each LA can use to seek relevant approvals Met with senior officer in each LA to discuss plans and seek initial £5k of funding Met with TS to understand level	In Progress	01/04/2024	29/05/2024	MM
PR015	EV Delivery	Compressed timescale required to reach contract start date is very tight, and leads to either low quality of work and/or missed deadlines	Probable	Major	High Risk	Seek early procurement of specialist support to drive forward project	Possible	Major	Medium Risk	Finalise procurement of consultant support with regional agreement - 07/06	Met with CEC to secure agreement to extend scope of their existing commission to cover regional work	In Progress	01/04/2024	29/05/2024	MM
PR016	Regional Bus Strategy	Work produced by the consultant is of low quality and/or delivered behind programme	Possible	Major	Medium Risk	Weekly meetings with consultants to check on progress and work produced to date, staggered payment schedule for invoicing	Unlikely	Major	Medium Risk	As per planned response/mitigations 29/05		In Progress	01/04/2024	29/05/2024	RM
PR017	Regional Bus Strategy	Lack of buy in from stakeholders	Possible	Major	Medium Risk	Regular updates to SEStran Board, website page on bus strategy updated regularly	Unlikely	Major	Medium Risk	As per planned response/mitigations 29/05	Website page created: https://sestran.gov.uk/projects/regional-bus-strategy/	In Progress	01/04/2024	29/05/2024	RM

Risk Number	Project	Risk Detail	Gross Probability	Gross Impact	Gross Risk Score	Planned Response/Mitigation	Net Probability	Net Impact	Net Risk Score	Actions (inc who and date due	Completed Actions	Status	Date Raised	Last Updated	Owner
PR018	Regional Bus Strategy	Lack of investment at a national level for delivery of outputs of strategy	Probable	Major	High Risk	Continue to support the case for bus investment at relevant meetings with TS	Possible	Major	Medium Risk	As per planned response/mitigations 29/05		In Progress	01/04/2024	29/05/2024	RM
PR019	Transport to Healthcare	Lack of buy in from stakeholders	Possible	Major	Medium Risk	Regular meetings and ongoing opportunities to collaborate	Unlikely	Major	Medium Risk	As per planned response/mitigations 29/05		In Progress	01/04/2024	29/05/2024	RM
PR020	Transport to Healthcare	Lack of strategic direction from Scottish Government	Possible	Major	Medium Risk	Active engagement with policy leads at Scot Gov	Unlikely	Major	Medium Risk	As per planned response/mitigations 29/05		In Progress	01/04/2024	29/05/2024	RM
PR021	Regional Freight Strategy	Lack of buy in from stakeholders	Possible	Major	Medium Risk	Run quarterly Regional Freight & Logistics forum meetings	Unlikely	Major	Medium Risk	As per planned response/mitigations 29/05		In Progress	01/04/2024	29/05/2024	KF
PR022	Regional Freight Strategy	Lack of capacity in the public sector to further develop and delver on freight strategy	Possible	Major	Medium Risk	Look to provide training and support as needed	Unlikely	Major	Medium Risk	As per planned response/mitigations 29/05		In Progress	01/04/2024	29/05/2024	KF
PR023	RTS Delivery Plan	Lack of engagement from stakeholders	Possible	Major	Medium Risk	Regular meetings and opportunities to collaborate	Unlikely	Major	Medium Risk	As per planned response/mitigations 29/05		In Progress	01/04/2024	29/05/2024	RM
PR024	RTS Delivery Plan	Low data input from partners	Possible	Major	Medium Risk	Seek to minimise requests as much as possible, when making requests give long lead in times	Unlikely	Major	Medium Risk	As per planned response/mitigations 29/05		In Progress	01/04/2024	29/05/2024	RM
PR025	Rail Strategy	Lack of investment at a national level for delivery of outputs of strategy	Probable	Major	High Risk	Continue to support the case for rail investment at relevant meetings with TS	Possible	Major	Medium Risk	As per planned response/mitigations 29/05		In Progress	01/04/2024	29/05/2024	KF

Project Issues Log

Issue Ref	Project	Description	Severity	Next Steps (date and who)	Lessons Learnt	Status	Date Raised	Last Updated	Owner
PI001	Real Time Passenger Information	Lothian Buses data integration has been problematic as there is a separate stream of work being undertaken by LB to update their internal systems. The data feed is currently incompatible with the regional system.	Medium	A solution is in place and the target is for real time data will roll out from their fleet from end June 2024. For the regional screen network only, scheduled data will be displayed. The screens will be updated with a message to this effect. KF having regular meetings to discuss and update.	tbc	In Progress	11/12/2023	29/05/2024	KF
PI002	Transport to Healthcare	Outcome of UK Government funding bid will be delayed until after the election due to the purdah period	Medium	RF working with partners to understand impact of any delays on potential programmes. As this become known further updates will be made to this issue.	tbc	New	22/05/2024	29/05/2024	KF

Project Title	**Thistle Assistance**
Budget Code	92077
Responsible Officer	Cameron Duck
Manager	Keith Fisken
RTS Objectives	1, 3, 4
Last Updated	30/05/2024

RTS Actions
Deliver improved public transport information in a variety of formats, supported by appropriate wayfinding infrastructure on the transport network

Project Summary
The Thistle Assistance Programme provides helps to those that have difficulty in using and accessing public transport. SEStran aim to provide a national approach. The programme increases awareness of challenges faced by vulnerable transport users and reduces the cost for transport operators.

Q1 Progress
Research brief has been drafted and will be reviewed by KF. Understanding of next steps and how the research will inform the development of the Thistle Assistance Comms Plan.

Q2 Progress

Q3 Progress

Q4 Progress

Finance Status:	**On Budget**

Programme Status:	n/a

Milestones					
Name	Due Date	Revised Date	Completed Date	Status	Last Updated
n/a					30/05/2024

Project Title	**VoyagAR**
Budget Code	92078
Responsible Officer	Keith Fisken/Andrew Ferguson
Manager	Keith Fisken
RTS Objectives	1,3 & 4
Last Updated	30/05/2024

RTS Actions

• Deliver improved public transport information in a variety of formats, supported by appropriate wayfinding infrastructure on the transport network

Project Summary

The VoyagAR system provides users with an accessible option within the public transportation ecosystem. Aimed at the traveller within this scenario, who is likely to be a vulnerable individual, the mobile application allows its user to navigate along a pre-defined journey (defined by their carer(s) using the carer app via the web) or create their journey from starting point to an end destination using in-app navigation prompts which update in real-time based upon the users' location and device GPS data.

Q1 Progress

SEStran has received all of the core coding from the outgoing developer Sentireal
To secure a new partner to manage further development the VoyagAR procurement will be included in the wider MaaS procurement programme.
The procurement is being run in partnership with Tactran, with the work underway

Q2 Progress

Q3 Progress

Q4 Progress

Finance Status:	n/a

Programme Status:	**On Target**

Milestones

Name	Due Date	Revised Date	Completed Date	Status	Last Updated
Procurement of supplier complete	30/09/2024			On Track	30/05/2024
Go live date for app	31/01/2025			On Track	30/05/2024

Project Title	Real Time Passenger Information
Budget Code	92017 & 92019
Responsible Officer	Rebecca Smith
Manager	Keith Fisken
RTS Objectives	1, 3, 4
Last Updated	30/05/2024

RTS Actions

•Deliver improved public transport information in a variety of formats, supported by appropriate wayfinding infrastructure on the transport network

•Introduce Real Time Passenger Information for public transport services through mobile applications, stations and stops and across all parts of the region

Project Summary

The provision of real-time information contributes to tackling declining bus patronage in the SEStran region, helps makes public transport more accessible and reliable and increases confidence in public transport.

Q1 Progress

LA project group continues to meet weekly

Lothian bus feed solution has been developed by the Lothian bus team and is being tested for integration into the SEStran system. End of June 2024 is proposed 'go live' date

Q2 Progress

Q3 Progress

Q4 Progress

Finance Status:	On Budget

Programme Status:	On Target

Milestones

Name	Due Date	Revised Date	Completed Date	Status	Last Updated
Complete review of screen network	30/09/2024			On Track	30/05/2024

Project Title	**GoSEStran**
Budget Code	92086
Responsible Officer	Rebecca Smith
Manager	Michael Melton
RTS Objectives	1, 3, 4
Last Updated	30/05/2024

RTS Actions
• Deliver improved public transport information in a variety of formats, supported by appropriate wayfinding infrastructure on the transport network • Deliver a regional MaaS pilot scheme to establish the long-term viability of MaaS in the region

Project Summary
The GoSEStran MaaS app is a digital tool which promotes and enables sustainable travel as well as helping improve the viability of shared multi-modal transport opportunities. This project will support the continued running of the app under its current contract until September. Any continuation of this project post September is subject to Board approval, and in turn completing procurement exercise and securing funding for the continuation.

Q1 Progress
The current contract has been extended by 6 months as per the board decision. Discussions have been ongoing with Tactran to agree future roles, and Tactran have taken a lead on procurement. Discussions have been held with Perth and Kinross Council and Innovate UK to identify the best procurement route.

Q2 Progress

Q3 Progress

Q4 Progress

Finance Status:	**On Budget**

Programme Status:	**On Target**

Milestones					
Name	Due Date	Revised Date	Completed Date	Status	Last Updated
Report to Board on next steps	27/09/2024			On Track	30/05/2024
New supplier in place	30/09/2024			On Track	30/05/2024

Project Title	Strategic Network
Budget Code	92076
Responsible Officer	Beth Harley-Jepson
Manager	Michael Melton
RTS Objectives	1, 2, 4
Last Updated	30/05/2024

RTS Actions

•Progress the delivery of the SEStran Strategic Network and broader cross boundary networks with partners. Develop further phases of this network to ensure a long-term pipeline of investment
•Deliver road safety measures that enable people to safely use active travel within the region

Project Summary

This project is in 2 parts:
Complete the design of the Falkirk to Polmont and Falkirk to Larbert to the point of being 'construction ready'. This 6 month piece of work will conclude the design work begun in previous years on behalf of Falkirk council for 2 routes that form elements of the SEStran Strategic Network.
Carry out a review of the current network and its fit with changing local authority plans, with the aim of a robust regional document that support local authorities in securing funding for elements of the network that align with their priorities.

Q1 Progress

Falkirk routes: Funding bid to Sustrans was placed on hold due to lack of funding, alternate funding offered by Falkirk Council via their TS grant, consultant brief completed and quote received, project to start early June (approx. 4 week delay).
Network review: Baseline mapping work included in tender for PPP development support, to begin in early June on schedule

Q2 Progress

Q3 Progress

Q4 Progress

Finance Status:	On Budget

Programme Status:	Minor Delay

Milestones

Name	Due Date	Revised Date	Completed Date	Status	Last Updated
Feedback on current design complete	30/06/2024	45485		Delayed	30/05/2024
Completion of design work	30/09/2024	31/10/2024		Delayed	30/05/2024
Completion of baseline mapping (via PPP)	30/11/2024			On Track	30/05/2024

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Project Title	EV Delivery
Budget Code	92088
Responsible Officer	Michael Melton/Rebecca Smith
Manager	Brian Butler
RTS Objectives	1, 4
Last Updated	30/05/2024

RTS Actions

•Engage with Scottish Government for effective national strategy/guidance/specifications on fleet decarbonisation and rollout of appropriate and future-proofed supporting infrastructure. This should include legislation to manage on street charging provision and the provision of chargers in new developments.
•Work with the private sector and partners to develop a regional electric vehicle (and e-bike) investment and charging strategy, with associated technical guidance, including a spatial strategy across the area for long journey, rapid-charging facilities and for local area hub/community charging

Project Summary

This project seeks to support the development of common procurement documentation for public EV charging infrastructure in the SEStran and SWEStran regions. It will also recommend procurement approaches to be taken forward, whether this be a single regional procurement or serval different procurement waves across the region with common tender documents. The overall project aim it to pool resource to create efficiencies for all LAs, and to secure a increased competition and better value in the final tender by presented a bigger market for suppliers.

Q1 Progress

Agreement gained from all LAs (plus Dumfries and Galloway) to jointly develop public EV changing procurement documents. Formal governance structure put in place to oversee the project. Worked with TS to identify grant available to each LA to understand available budget. Ongoing discussion with CEC and a consultant with the aim of having a PM and project delivery support tin place from early June.

Q2 Progress

Q3 Progress

Q4 Progress

Finance Status:	On Budget

Programme Status:	On Target

Milestones

Name	Due Date	Revised Date	Completed Date	Status	Last Updated
Form governance structure	30/04/2024		30/04/2024	Complete	
Procure PM & consultant support	31/05/2024	07/06/2024		Delayed	
Procurement docs complete	30/09/2024			On Track	
Procurement begins (scope tbc)	31/10/2024			On Track	
Tender awarded (scope tbc)	30/05/2025			On Track	

Project Title	**Regional Bus Strategy**
Budget Code	92087
Responsible Officer	Rachael Murphy
Manager	Keith Fisken
RTS Objectives	1,3,4
Last Updated	23/05/2024

RTS Actions
•Undertake a Regional Bus Connectivity study for non-Edinburgh travel to identify settlement pairs where travel demand is high and bus services are poor, as a means to promoting new routes and connectivity (in partnership with other policies) •Undertake a Regional Bus Priority study which will identify regional, cross-boundary, quality bus corridors and key bus priority interventions to reduce bus journey times and improve bus journey time reliability where Edinburgh is likely to be a focus •Deliver the bus priority interventions funded by Transport Scotland's Bus Partnership Fund and subsequently identified by the Regional Bus Priority study •Review the bus powers detailed in the Transport (Scotland) Act 2019 and identify if they could be implemented across all or parts of the region within an integrated strategy to enhance the bus network

Project Summary
The RTS sees the bus network at the heart of the region's public transport system, building alongside the National Transport Strategy (NTS2). Almost half (47%) of residents across the South East of Scotland used a bus service at least once a month in 2019 and patronage is building back. At SEStran's June Partnership Board Meeting, the Towards a World Class Bus Service paper begun the process of shaping a Regional Bus Strategy for the South East of Scotland.

Q1 Progress
Consultants procured (Systra + Stantec) Local Authorities and operators engaged Inception documents created EQIAs drafted Case for Change first draft shared with SEStran

Q2 Progress

Q3 Progress

Q4 Progress

Finance Status:	

Programme Status:	**On Target**

Milestones

Name	Due Date	Revised Date	Completed Date	Status	Last Updated
Case for Change	17/05/2024	45442	30/05/2024	Complete	30/05/2024
Options Appraisal	31/08/2024			On Track	30/05/2024
Draft Strategy Published	31/12/2024			On Track	30/05/2024
Consultation on Strategy	01/02/2025			On Track	30/05/2024

Project Title	**Transport to Healthcare**
Budget Code	92062
Responsible Officer	RCM
Manager	KF
RTS Objectives	2
Last Updated	30/05/2024

RTS Actions
• Support the delivery of bus services and infrastructure measures which ensure access to healthcare for all

Project Summary
Transport to health is a key service, connecting Scots with healthcare, from day-to-day appointments at the GP to hospital care. In 2019, the Mobility and Access Committee, working with Transport Scotland, produced MACS Report: Transport to Health and Social Care. This was strengthened by implementation last autumn of parts of the Transport (Scotland) Act 2019, which dealt specifically with Transport to Health .The Primary Health Directorate and Transport Scotland published their Transport to Health Delivery Plan draft. The draft puts an obligation on both health boards and regional transport partnerships to work together when considering transport to health.

Q1 Progress
1-1s with all four health boards, NHS Assure, Scottish Ambulance Service 1st group meeting with these stakeholders

Q2 Progress

Q3 Progress

Q4 Progress

Finance Status:	**n/a**

Programme Status:	**On Target**

Milestones					
Name	Due Date	Revised Date	Completed Date	Status	Last Updated
First meeting with all boards	16/05/2024		16/05/2024	Complete	30/05/2024
Agreed projects for collaboration	31/08/2024			On Track	30/05/2024

Project Title	Regional Freight Strategy
Budget Code	92080
Responsible Officer	Keith Fisken
Manager	Keith Fisken
RTS Objectives	1, 4
Last Updated	30/05/2024

RTS Actions

• Work with partners to identify, through the further development of the SEStran Freight Strategy, locations where Freight Consolidation Centres could be located
• Work with partners to identify, through the further development of the SEStran Freight Strategy, locations where gauge clearances should be increased to enable new and enhanced rail freight services to operate in the region
• Identify opportunities to implement innovation and automation in the freight and logistics industry in the region, including the delivery of relevant pilot projects
• Further develop proposals for new rail freight services, including a potential multi-user freight train running from Grangemouth and use of converted passenger trains for freight, as part of the development of the SEStran Freight Strategy

Project Summary

Within the RTS SEStran supports, where appropriate, the development of new or enhanced rail freight services in the region.
Opportunities for innovative passenger train forming which incorporates the ability to carry freight should be explored combined with innovation and automation to increase the efficiency of freight and logistics networks across the region.
The region should also support improved road freight services with better driver facilities and alternative fuel provision for HGV and LGV working with industry to transition from ICE power.

Q1 Progress

Submitted ACCESS for Goods project funding proposal with the University of West of England, feedback in July
Reviewing regional freight study with stakeholders, will present at freight forum in May

Q2 Progress

Q3 Progress

Q4 Progress

Finance Status:	n/a

Programme Status:	On Target

Milestones

Name	Due Date	Revised Date	Completed Date	Status	Last Updated
Present option to freight forum	30/05/2024		30/05/2024	Complete	30/05/2024
Access for goods funding feedback	31/07/2024			Late	30/05/2024

Project Title	RTS Delivery Plan
Budget Code	92042
Responsible Officer	Rachael Murphy
Manager	Keith Fisken
RTS Objectives	1, 2, 3, 4
Last Updated	27/05/2024

RTS Actions

•Partner councils work with SEStran through the statutory planning processes to implement RTS policies with regards to major developments

Project Summary

Building on the ESESCRD and SEStran Concordat, this delivery plan will highlight projects Local Authorities want to develop that exemplify the themes and objectives of the RTS. By identifying these opportunities, we can make best use of CRD and SEStran efforts and actively pursue funding for these.

Q1 Progress

PID created, shared with group participants
First meeting of group hosted, PID and matrix discussed
Matrix editing begun

Q2 Progress

Q3 Progress

Q4 Progress

Finance Status:	n/a

Programme Status:	On Target

Milestones

Name	Due Date	Revised Date	Completed Date	Status	Last Updated
Project preparation	31/03/2024		31/03/2024	Complete	30/05/2024
Baselining	31/07/2024			On Track	30/05/2024
Matrix of projects	30/11/2024			On Track	30/05/2024
Procurement of consultant support	31/12/2024			On Track	30/05/2024
Identify Priority Projects	30/06/2024			On Track	30/05/2024
Develop wider RTS Action Plan	30/06/2024			On Track	30/05/2024
Drafting of RTS Delivery Plan Report	30/11/2025			On Track	30/05/2024

Project Title	**Rail Strategy**
Budget Code	92047
Responsible Officer	Keith Fisken
Manager	Keith Fisken
RTS Objectives	1, 3 & 4
Last Updated	28/05/2024

RTS Actions
Work with key stakeholders (Transport Scotland & Network) rail to develop new rail infrastructure supported by appropriate appraisal and business case development
Opportunities should be explored with partners to introduce new services, including more direct links across the region, national boundaries and cross-city connections

Project Summary
Enhancements to rail services can deliver improved public transport connectivity. This could take several forms, such as more direct through services between locations, reducing the need for interchange on existing routes, and increased frequencies on particular routes or at key times of the day.

Q1 Progress
Developing response to TS comments on Newburgh appraisal for submission in May
ECMA - SEStran participated in an officer group meeting in May

Q2 Progress

Q3 Progress

Q4 Progress

Finance Status:	**On Budget**

Programme Status:	**n/a**

Milestones					
Name	Due Date	Revised Date	Completed Date	Status	Last Updated
n/a					30/05/2024

People and Place Plan

People and Place Budget

Theme	Programme Name	Who delivers	Revenue Budget	Capital Budget	Total Budget	LA Rev Awards	LA Cap Awards	SEStran Rev Awards	SEStran Cap Awards	Third Party Rev Awards	Third Party Cap Awards	Total Rev Award	Total Cap Awards	Total Award	Rev Variance	Cap Variance	Total Variance
Schools and Young People	Active Ways to School	Third party	£490,450	£405,849	£896,299	£0	£0			£490,450	£405,849	£490,450	£405,849	£896,299	£0	£0	£0
Schools and Young People	Encouraging Active Travel: Young People	Local Authorities	£248,500	£231,650	£480,150	£226,500	£220,650			£0	£0	£226,500	£220,650	£447,150	-£22,000	-£11,000	-£33,000
Schools and Young People	Access to Bikes: Young People	Local Authorities & Third Parties	£0	£608,795	£608,795	£0	£150,000			£0	£458,795	£0	£608,795	£608,795	£0	£0	£0
Workplaces	Active Ways to Work: Large Employers	Third party	£25,000	£80,000	£105,000	£0	£0			£25,000	£80,000	£25,000	£80,000	£105,000	£0	£0	£0
Workplaces	Active Ways to Work: Other Employers	Local Authorities	£46,524	£135,000	£181,524	£17,000	£105,000	£20,524	£25,000	£0	£0	£37,524	£130,000	£167,524	-£9,000	-£5,000	-£14,000
Accessibility and Inclusion	Street Audits and Enabling Facilities	Local Authorities	£0	£500,000	£500,000	£0	£491,000			£0	£0	£0	£491,000	£491,000	£0	-£9,000	-£9,000
Accessibility and Inclusion	Active Travel Hubs	Third party	£0	£150,000	£150,000	£0	£0			£0	£150,000	£0	£150,000	£150,000	£0	£0	£0
Accessibility and Inclusion	Existing Active Travel Hubs Communities support	Third party	£100,792	£334,390	£435,182	£0	£0			£104,768	£334,390	£104,768	£334,390	£439,158	£3,976	£0	£3,976
Accessibility and Inclusion	Encouraging Active Travel: Communities	Local Authorities	£566,600	£485,500	£1,052,100	£597,600	£510,500			£0	£0	£597,600	£510,500	£1,108,100	£31,000	£25,000	£56,000
Accessibility and Inclusion	Access to Bikes	Local Authorities & Third Parties	£0	£431,016	£431,016	£0	£195,000			£0	£236,016	£0	£431,016	£431,016	£0	£0	£0
Accessibility and Inclusion	Regional AT Comms Campaign	SEStran	£50,000	£0	£50,000	£0	£0	£50,000	£0	£0	£0	£50,000	£0	£50,000	£0	£0	£0
Capacity and Capability Building	Behaviour Change Project Officers	Third party	£129,506	£0	£129,506	£0	£0			£129,506	£0	£129,506	£0	£129,506	£0	£0	£0
Capacity and Capability Building	Programme Management for 2024/25	SEStran	£100,000	£0	£100,000	£0	£0	£100,000	£0	£0	£0	£100,000	£0	£100,000	£0	£0	£0
Capacity and Capability Building	Programme Preparation for 2025/26 onwards	SEStran	£80,000	£0	£80,000	£0	£0	£80,000	£0	£0	£0	£80,000	£0	£80,000	£0	£0	£0
Capacity and Capability Building	Capability and capacity building development	SEStran	£15,000	£0	£15,000	£0	£0	£15,000	£0	£0	£0	£15,000	£0	£15,000	£0	£0	£0
Capacity and Capability Building	Programme level Monitoring & evaluation	SEStran	£40,000	£50,000	£90,000	£0	£0	£40,000	£50,000	£0	£0	£40,000	£50,000	£90,000	£0	£0	£0
Capacity and Capability Building	Contingency	n/a	£21,582	£0	£21,582	£0	£0	£17,606	£0	£0	£0	£17,606	£0	£17,606	-£3,976	£0	-£3,976
			£1,913,954	£3,412,200	£5,326,154	£841,100	£1,672,150	£323,130	£75,000	£749,724	£1,665,050	£1,913,954	£3,412,200	£5,326,154	£0	£0	£0

			Revenue Budget	Capital Budget	Total Budget	LA Rev Awards	LA Cap Awards	SEStran Rev Awards	SEStran Cap Awards	Third Party Rev Awards	Third Party Cap Awards	Total Rev Award	Total Cap Awards	Total Award	Rev Variance	Cap Variance	Total Variance
Schools and Young People			£738,950	£1,246,294	£1,985,244	£226,500	£370,650	£0	£0	£490,450	£864,644	£716,950	£1,235,294	£1,952,244	-£22,000	-£11,000	-£33,000
Workplaces			£71,524	£215,000	£286,524	£17,000	£105,000	£20,524	£25,000	£25,000	£80,000	£62,524	£210,000	£272,524	-£9,000	-£5,000	-£14,000
Accessibility and Inclusion			£717,392	£1,900,906	£2,618,298	£597,600	£1,196,500	£50,000	£0	£104,768	£720,406	£752,368	£1,916,906	£2,669,274	£34,976	£16,000	£50,976
Capacity & Capability Building			£386,088	£50,000	£436,088	£0	£0	£252,606	£50,000	£129,506	£0	£382,112	£50,000	£432,112	-£3,976	£0	-£3,976

People and Place Risk Register

Risk Number	Risk Detail	Gross Probability	Gross Impact	Gross Risk Score	Planned Response/Mitigation	Net Probability	Net Impact	Net Risk Score	Actions (inc who and date due)	Completed Actions	Status	Date Raised	Last Updated	Owner
PPP12	Funding allocation is perceived to be inequitable by some partners	Possible	Moderate	Medium Risk	Careful engagement with LA partners to coordinate activities and help them understand what factors have influenced decisions Online tool ebing developed for transpareny on where all fudnign is being spent and results of this	Unlikely	Moderate	Low Risk	Monitoring tool to be live by 30/06		In Progress	29/01/24	28/05/24	MM
PPP14	Reduction in revenue funding by TS could lead to an inequitable programme that favours cycling over walking and wheeling and/or lacks capacity to engage with seldom heard groups	Probable	Major	High Risk	Programme revised to retain revenue funding in key areas such as communities and walking/wheeling Jacobs commissioned to carry out EqIA of entire plan	Possible	Moderate	Medium Risk	Promote plan EqIA to projects as a resource to promote equity in project delivery		In Progress	25/03/24	28/05/24	MM
PPP18	Lack of resource to delivery projects within local authorities or third parties leads to slowed/no delivery on specific projects leading to underspend and/or failure to achieve anticipated impact	Probable	Major	High Risk	Grant monitoring process of reporting on anticipated spend in place and regular meetings with partners to understand any resource issues early. Identify projects more likely to Keep reserve list of projects that can be funded if	Possible	Moderate	Medium Risk	Develop reserve list of projects by 30/06		In Progress	12/04/24	28/05/24	MM
PPP19	Lack of resource within SEStran to delivery on grant management, 25/26 plan development, comms, M&E, and capability building work. This could variously lead to ineffective grant management and/or a failure to deliver on elements of the plan	Possible	Major	Medium Risk	Budget set aside in Plan for staff resource based on estimate of time required 2 new Projects Officers in place. Regular PPP updates to wider team. Distribute LA and third parties between the team	Unlikely	Moderate	Low Risk	As per planned mitigations (28/05)		In Progress	12/04/24	28/05/24	MM
PPP20	Need to claim grant funds from TS after partners have submitted a claim to SEStran either leads to delay in payments to partners or negative cashflow for SEStran and subsequent charges	Highly Probable	Moderate	High Risk	Gain claim profile info from each partner on a monthly basis to understand cashflow requirements. Work with TS to find solution for advance payments based on this claim profile Discuss with TS options for payment up front on this claim profile	Possible	Moderate	Medium Risk	Compile initial claim profile from partners and share with TS - by 07/06	Develop financial reporting sheet and share with partners at inception meetings	In Progress	12/04/24	28/05/24	MM
PPP21	Potential for overlap of projects being funded via the CPTF could dilute impact or result in confusion over funding	Possible	Moderate	Medium Risk	Regular contact with CPTF team to understand what is being funded by them in the SEStran region. Seek to show these projects on regional project map for full transparency	Unlikely	Minor	Low Risk	As per planned mitigations (28/05)		New	28/05/24	28/05/24	MM
PPP22	Lack of Local Authority capacity to engage in 25-30 PPP Development workshops leads to lack of input/buy-in/support for the final regional plan	Possible	Moderate	Medium Risk	Engage early with LA contacts Offer options of workshops and 1-1 meetings as appropriate	Unlikely	Moderate	Low Risk	Send out Sept workshop date by 31/05 Raise in inception meeting with consultant - by 7/6		New	28/05/24	28/05/24	BHJ
PPP23	Change in funding priorities/ political agenda impacts the programme development work, potentially resulting in work needing to be redone or no longer needed	Probable	Major	High Risk	Development of 5 year plan to be flexible to changing priorities and ensure consultant is award of this need for flexibility Develop plan to allow for inclusion of public transport and integrated mode projects	Probable	Moderate	Medium Risk	Raise in inception meeting with consultant - by 7/6		New	28/05/24	28/05/24	BHJ
PPP25	Inability to evidence impact of projects on modal shift results in reduced/no funding from TS in future years	Probable	Major	High Risk	Develop open portal for full transparency on projects funded and their monitoring results. Ongoing engagement with TS Gather case study evidence to supplement quantitative reporting, esp when this may not be available until March 25 or into 25/26	Possible	Moderate	Medium Risk	Monitoring tool to be live by 30/06	Share monitoring framework with each partner and discuss in inception meetings	New	28/05/24	28/05/24	MM

PPP Area	**Local Authority Projects**				
Last Updated	28/05/2024				

Project Summary
This area of the PPP covers all grants to Local Authorities. Projects cut across all of the main themes of the Plan as set out by Transport Scotland.

Q1 Progress
Awards were made later than expected due to delay in received funding from TS, but all awards are now finalised and funding agreements have been issued. Inception meets have also been held with each LA to discuss reporting requirements. There were some minor changes to the budget between programmes in this area to accommodate changes to projects and priorities, but this has not resulted in any changes to the overall plan budget.

Q2 Progress

Q3 Progress

Q4 Progress

Finance Status:	**On Budget**

Programme Status:	**On Target**

Milestones					
Name	Due Date	Revised Date	Completed Date	Status	Last Updated
Project award	01/04/2024	30/04/2024	30/04/2024	Complete	28/05/2024
Inception Meetings	31/05/2024		24/05/2024	Complete	28/05/2024
Q1 Reporting & Claims	05/07/2024			On Track	28/05/2024
Q2 Reporting & Claims	07/10/2024			On Track	28/05/2024
Q3 Reporting & Claims	10/01/2025			On Track	28/05/2024
Q4 Reporting & Claims	08/04/2025			On Track	28/05/2024

PPP Area	Local Authority Projects				
Last Updated	28/05/2024				
Project Summary					

This area of the PPP covers all grants to third parties. Projects cut across all of the themes of the Plan as set out by Transport Scotland. In total, grants have been awarded to 9 organisations to deliver 14 projects.

Q1 Progress

Awards were made later than expected due to delay in received funding from TS, but all awards are now finalised and funding agreements have been issued. Inception meets have also been held with each organisation to discuss reporting requirements. Once project has had its grant award increased by £3976 due to a complexity around VAT - this has been covered by the overall plan contingency.

Q2 Progress

Q3 Progress

Q4 Progress

Finance Status:	On Budget

Programme Status:	On Target

Milestones					
Name	Due Date	Revised Date	Completed Date	Status	Last Updated
Project award	01/04/2024	30/04/2024	30/04/2024	Complete	28/05/2024
Inception Meetings	31/05/2024		24/05/2024	Complete	28/05/2024
Q1 Reporting & Claims	05/07/2024			On Track	28/05/2024
Q2 Reporting & Claims	07/10/2024			On Track	28/05/2024
Q3 Reporting & Claims	10/01/2025			On Track	28/05/2024
Q4 Reporting & Claims	08/04/2025			On Track	28/05/2024

PPP Area	Local Authority Projects				
Last Updated	28/05/2024				

Project Summary
This area of the PPP covers all funding being spent directly by SEStran. It covers some project delivery (including GoEbike and TravelKnowHow), communications, knowledge sharing, overall plan management and development, and plan wide monitoring and evaluation.

Q1 Progress
Due to later than expected funding confirmation, work has been delayed but it is felt at this point that this won't have a material impact on the overall programme. A tender has been awarded for plan wide monitoring and to increase transparency, and an additional tender will be awarded priority to the committee to support programme development. Work has begun to plan a knowledge sharing event in September. There have been no budget changes in this area, but it is expected that there will be some variance in Q2 as budgets for pieces of work become clear.

Q2 Progress

Q3 Progress

Q4 Progress

Finance Status:	On Budget

Programme Status:	On Target

Milestones					
Name	Due Date	Revised Date	Completed Date	Status	Last Updated
Award monitoring tende	26/04/2024		26/04/2024	Complete	28/05/2024
Award plan dev tender	31/05/2024	45450		Delayed	28/05/2024
Q1 report to TS	12/07/2024			On Track	
Q2 Knowledge Sharing E	29/08/2024			On Track	28/05/2024
Q2 Report to TS	14/10/2024			On Track	28/05/2024
25/26 Plan approved by	06/12/2024			On Track	28/05/2024
Q3 Report to TS	17/01/2025			On Track	28/05/2024
Q4 Report to TS	15/04/2025			On Track	28/05/2024
24/25 evaluation report to TS	30/06/2025			On Track	28/05/2024

Risk Register

1. **INTRODUCTION**

1.1   The purpose of this report is to provide the Partnership Board with its six-monthly update on SEStran's risk register.

1.2   The draft Risk Register was presented to the Performance and Audit Committee at its meeting on 7th June 2024.

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   Key changes made to the register since the last update are as follows:

NEW RISKS
3.1.1   **R001 (1.4) Strategic – Political/Govt Change**
There is a risk that a change in political party and government could result in changes being made to regional governance and RTPs. The net score has been calculated as medium and sits within the risk appetite score of low to medium and will be tolerated. However, mitigating measures will be followed, including regular engagement with political parties and agencies, and the prioritisation of the Develop to Deliver report.

3.1.2   **R007 (7.0) Specific Operational – People and Place Programme**
This risk has been developed to address any changes to funding of the People and Place Programme, resulting in the end of regional administration beyond this financial year. The net score is medium and is within the appetite range and will be tolerated. Mitigations will include regular engagement with Transport Scotland and providing evidence of the efficacy of a regional approach.

3.1.3   **R009 (9.4) People – Climate Change**
As climate change is having more adverse affects on the weather, there is a risk that staff are unable to access the office. Whilst the risk is low, there are a number of mitigating measures in place to minimise the impact. These include keeping policies under regular review and regular staff engagement.

3.1.4   **R001 (1.1) Strategic - Regional Governance**

The risk has been updated to include planned response details on RTP joint working provisions, including the refreshed Develop to Deliver report, which has now been submitted to Transport Scotland. They have agreed to restart the regional governance review and a group will be set up with representation from RTPs, Cosla and TS.

The risk appetite score for this risk is low to medium. All mitigating actions are being taken to manage the risk but it remains high.

3.1.5   **R003 (3.1) Reputational - Reputation**

This risk details the consequences of any poor regard or misrepresentation of SEStran by the public or media. It has been updated with more robust mitigating measures.

The net risk score is low with a risk appetite score of low to medium and will be tolerated.

3.1.6   **R003 (3.2) Reputational – Project Management**

This risks outlines the implications of potential third party supplier insolvency.

The net risk score has been calculated as medium, whilst the risk appetite score is rated as low to medium. Additional actions after mitigation have been included to treat the risk, including the contuuing use of framework contracts and a refreshed set of procurement documents which will be presented to the Partnership Board for approval.

4.   RECOMMENDATIONS

4.1   The Board is asked to comment on the contents of the report.

Angela Chambers
Business Manager
14 June 2024

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

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 1.1	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	The joint RTPs have submitted a refreshed Develop to Deliver report to TS. This report will also be submitted to Cosla. TS have now agreed to restart the review of regional governance and a group willl be set up, including RTPs, Cosla and TS.	4 Probable	4 Major	16 High	**High** **Treat (because mitigations are ongoing)**	Review at end of Dec 2024 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	A Concordat has been agreed between SEStran and the ESESCRD, commiting to working together in an open and transparent matter to jointly support land use planning and economic growth across the region.	2 Unlikely	3 Moderate	9 Medium	**Medium** **Tolerate**	Review at end of Dec 2024 Partnership Director	Low	Med	↔
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. Ensure that all staff are trained on the Business Continuity Plan, and that it is reviewed regularly. Maintain current functions that can be delivered within working guidance. Working from home arrangements now tried, tested and effective.	3 Possible	3 Moderate	9 Medium	**Medium** An ongoing risk-remains for future spikes of Covid-19 or other kinds of disease outbreaks **Tolerate**	Review at end of Dec 2024 Partnership Director	Low	Med	↔
RO01 1.4	Strategic	**Political/Govt Change** There is a risk that a change in government could lead to changes to RTPs/Regional Governance	3 Possible	4 Major	12 Medium	Continued engagement with all political parties and agencies. Ensure dialogue on the Develop to Deliver report is prioritised	3 Possible	3 Moderate	9 Medium	**Medium** An ongoing risk remains **Tolerate**	Review at end of Dec 2024 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** **Tolerate**	November 2024 Partnership Director	Low	Med	↔
R002 2.1	Financial	The approved budget for 2024/25 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. Ongoing monitoring and review of all costs and forecasts during 2024/25 . Costs will be aligned with COSLA pay offer.	4	Probable	3	Moderate	12	Medium	**Medium** **Tolerate**	November 2024 Partnership Director	Low	Med	↔
R002 2.2	Financial	Staff recharges - externally funded projects: The approved budget assumes no staff time will be recharged to Projects.	3	Possible	3	Moderate	9	Medium	Other funding sources will continue to be pursued.	3	Possible	3	Moderate	9	Medium	**Medium** **Tolerate**	November 2024 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. Ongoing monitoring and review of all costs and forecasts during 2024/25.	4	Probable	3	Moderate	12	Medium	**Medium** **Tolerate**	Partnership Director	Low	Med	↔

ID	Category	Risk							Mitigation							Target Risk / Action	Review Date / Owner			Trend
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. Grant submission procedures in place, along with financial planning.	3	Possible	3	Moderate	9	Medium	Medium 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	Revenue budget for 2024/25 developed to take account of most likely level of external income in 2024/25. Budget confirmed for 2024/25 Continue to explore alternative funding options Lobby/bid for additional funds	3	Possible	4	Major	12	Medium	Medium Treat	Review at end Dec 2024 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. 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	3	Possible	4	Major	12	Medium	Medium Tolerate	June 2024 Partnership Director	Low	Med	↔
R002 2.7	Financial	The 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 2023, Partnership contribution rates have been advised until 2026/27. Planning assumptions have been updated and included in the revenue budget 2024/25 and indicative budget for 2025/26 reported to the Partnership Board on 15th March 2024.	4	Probable	3	Moderate	12	Medium	Medium Tolerate	November 2024 Partnership Director	Low	Med	↔

Ref	Category	Risk	L	Likelihood	I	Impact	Score	Rating	Mitigation/Controls	L	Likelihood	I	Impact	Score	Rating	Response	Review/Owner			Trend
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. People and Place Programme has increased financial flexibilty. Establish regular scenario planning/monitoring exercises	2	Unlikely	4	Major	8	Medium	**Medium** **Tolerate**	Review at end of Dec 2024 Partnership Director	Low	Med	↔
R002 2.9	Financial	**Funding/Grant Awards:** The timing of some funding applications and grant awards do not align with the financial year, resulting in an inability to spend allocated funding within prescribed timescales	4	Probable	3	Moderate	12	Medium	The Partnership will seek to introduce a number of suitable on the shelf schemes Regular budget monitoring and reports to the Partnership Board.	3	Possible	3	Moderate	9	Medium	**Medium** **Treat**	September 2024 Partnership Director	Low	Med	↓
R003 3.0	Reputational	**Project Management:** Project incomplete or of poor quality Late Delivery	3	Possible	4	Major	12	Medium	All project progress reported to the Projects Team monthly- and the P&A Committee quarterly. Management action taken as required. Regular reports presented to the Partnership Board, which have been revised to provide focused monitoring template. Weekly projects staff team meeting to be reinstated with Partnership Director in attendance. Sensitivity checks to be introduced.	2	Unlikely	3	Moderate	6	Low	**Low** **Tolerate**	Review at end Dec 2024 Programmes Manager	Low	Med	↔

ID	Category	Risk		Likelihood		Impact		Score		Mitigation		Likelihood		Impact		Score		Response	Review	Trend
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		Quick response to negative or inaccurate coverage. Proactive profile and reputation management via social media, website and press releases. Partnership staff and Board Members continue to promote and advocate activities via speaking, writing or wider networking Continue to work closely with regional partners Board members regulary updated on SEStran work successes and issues. Agreed approach to media position set out in Standing Orders.	2	Unlikely	3	Moderate	6	Low	**Low** **Tolerate**	Review at end of Dec 2024 Partnership Director	Low Med
R003 3.2	Reputational	**Project Management:** Potential insolvency of 3rd party supplier	3	Possible	4	Major	12	Medium		Improved supplier viability checks before award, renewal or modification of contracts or grants to be introduced by January 2024. Individual risks and mitigations to be developed for any contract or grant over an agreed threshhold. Where appropriate, Government frameworks will be utilised. Full review of procurement procedures to be carried out by is nearing completion by Legal Advisers. An updated set of Contract Standing Orders will be presented to the June meeting of the Partnership Board for approval. Legal Advisers to provide staff training on new procedures.	2	Unlikely	4	Major	8	Medium	**Medium** **Treat**	Review at end of Dec 2024 Partnership Director	Low Med

Ref	Category	Risk	L		I		Score		Controls / Actions	L		I		Score		Risk Appetite	Review			Trend
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 Cross RTP discussion exploring viability of introducing shared services	2	Unlikely	2	Minor	4	Low	**Low** Tolerate	August 2024 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. Ensure contract documentation sound and up to date. Apply adequate supervision to the contract. Business propriety/credit/analytic criteria to be written in to documentation. Contract management process to be included as part of full procurement review.	2	Unlikely	3	Moderate	6	Low	**Low** Tolerate	September 2024 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. Also refer to risk 2.9. Successful management of risk 5.2, reduces likliehood of risk 2.9	2	Unlikely	4	Major	8	Medium	**Medium** Treat	March 2025 Partnership Director	Low	Med	⬇

Ref	Category	Risk						Controls							Risk Appetite	Review		
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. Regular monitoring and programming of statutory duties is undertaken by the Partnership Director, Senior Partnership Manager and Business Manager. Audited by third parties.	1	Remote	2	Minor	2	Low	**Low** Tolerate	Review at end Dec 2024 Partnership Director	Low	Low
R007 7.0	Specific Operational	**People and Place Plan:** Funding changes result in programme not continuing regionally beyond 2024-25.	3	Possible	3	Moderate	9	Medium	Engage regularly with Transport Scotland. Ensure outcomes and outputs from the programme delivery are captured to evidence efficacy of regional approach.	3	Possible	3	Moderate	9	Medium	**Medium** Tolerate	March 2025 Programme Manager	Low	Med
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. 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.	1	Remote	4	Major	4	Low	**Low** Tolerate	Ongoing Business Manager	Low	Med
R009 9.0	People	**HR:** 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 2025 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 2024 Retendering for Legal Services contract to commence shortly, utilising SG Framework Contacts.	1	Remote	3	Moderate	3	Low	**Low** Tolerate	Review at end Dec 2024 Partnership Director	Low	Low

R009 9.1		Inadequate measures in place to facilitate staff health, safety and well-being during contingency arrangements or future office arrangements.	People	3	Possible	4	Major	12	Medium	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. An ongoing risk remains for future pandemics and future widespread disease or other outbreaks. Measures will be adjusted in accordance with government advice.	2	Unlikely	3	Moderate	6	Low	**Low** **Tolerate**	Review at end Dec 2024 Partnership Director (Subject to SG advice)	Low	Low
R009 9.2		Inadequate measures in place to facilitate staff health, safety and well-being during working from home arrangements.	People	3	Possible	4	Major	12	Medium	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 implemented and working well. 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.	2	Unlikely	3	Moderate	6	Low	**Low** **Tolerate**	Review at end Dec 2024 Partnership Director (Subject to SG advice)	Low	Low

Ref	Category	Risk	L	Likelihood	I	Impact	Score	Rating	Controls	L	Likelihood	I	Impact	Score	Rating	Response	Action / Owner	Current	Target	Trend
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. Work programme will be monitored and redistributed as necessary. Recruitment exercise complete and full staff complement in place.	3	Possible	1	Insignificant	3	Low	**Low** **Tolerate**	Review at end Dec 2024 Partnership Director	Low	Low	⬌
R009 9.4	People	**Climate Change** Staff are unable to access the office more frequently due to increase in adverse weather events.	3	Possible	3	Moderate	9	Medium	Home working policy in place and procedures for inability to access the office outlined in the SEStran Business Continuity Plan (Jan 2024). Train team in BCP, and review regularly. Regular staff wellbeing meetings.	3	Possible	2	Minor	6	Low	**Low** **Tolerate**	Review at end Dec 2024 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 Agreement with SG due for renewal February 2019. SG may not renew and alternative premises required at market rates.	Financial	3 Possible	3 Moderate	9 Medium	A notice period of 12 months must be served by each party under the current occupancy agreement. Occupancy Agreement renewed until February 2022.	3 Possible	3 Moderate	9 Medium		June 2019 CLOSED			
	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 uncertainity 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	⟷
	Regional Transport Strategy: Introduction of new RTS. Delay in approval by ministers. Delayed introduction of the new strategy.	Strategic	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	⟷
	Newly Appointed Board. Risk of lack of continuity and loss of expertise due to high turnover in members for the new term of office.	Governance	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	Med	⟷
	Other Funding Sources: Reduced access to EU project funding and lack of replacement funding from UK Government	Financial	5 Highly Probable	3 Moderate	15 High	The Partnership has sought to engage in as many relevant EU projects and funds as it can whilst UK authorities are allowed to access these funds. This should mitigate the short-term impact of any EU Exit negotiated and implemented. 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. 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. Treat	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			Risk Score	
1	Remote	1	Insignificant		1	
2	Unlikely	2	Minor		2	
3	Possible	3	Moderate		3	
4	Probable	4	Major		4	Low Risk
5	Highly Probable	5	Catastrophic		5	
					6	
					8	
					9	Medium Risk
					10	
					12	
					15	
					16	
					20	High Risk
					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 disruption. 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

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.

People and Place Grant Awards

1   INTRODUCTION

1.1   The purpose of this paper is to report the SEStran People and Place grant awards 2024/2025 to the Board.

2   MAIN REPORT

2.1   As per the Assessment Process and Award of Grants section in the SEStran Grant Standing Orders, the People and Place grant awards have been reviewed and approved by the Partnership Director. All awards were under the delegation limit for approval by the Partnership Director. The process stipulates to report to the Board for noting at its next meeting.

2.2   The grant eligibility criteria and assessment process for the grant fund were approved by the Board at its last meeting, which took place on Friday 15ᵗʰ March 2024. The total value of the non-Local Authority amounted to £2,464,774, which was within the 10% variation threshold for the approved total grant fund value as agreed by the Board.

3   RECOMMENDATIONS

3.1   The Partnership Board is asked to note the content of this report and the SEStran People and Place Plan 2024/2025, including the list of grant awards at Appendix 1.

Sandra Lavergne
Project Officer
21ˢᵗ June 2024

Appendix 1: SEStran People and Place Plan 2024/2025 – list of grant awards

Policy Implications	The People and Place Plan aligns with the objectives of the RTS and therefore will help deliver on SEStran's policy objectives
Financial Implications	All costs are within the grant award from Transport Scotland, so there is no financial impact on the SEStran core budget. Funding agreements are in place for each grant to ensure funds are appropriately managed.
Equalities Implications	In supporting people to travel actively, the grants should have a positive impact on equalities. Specific elements of the grants have been designed to further support the accessibility of active travel, including a focus on the provision of adaptive bikes and a programme focused on physical barrier removal on pavements. An EqIA has been undertaken on the Plan and recommendations from this will be incorporated where possible.
Climate Change Implications	In promoting behaviour change from private cars to active travel, the grants will support the transition to net zero.

People and Place Grant Awards

Local Authorities grant awards

City of Edinburgh Council	£798,700
Clackmannanshire Council	£190,200
East Lothian Council	£149,800
Falkirk Council	£84,000
Fife	£361,200
Midlothian Council	£270,400
Scottish Borders Council	£433,800
West Lothian Council	£175,150
Total	**£2,463,250**

Third Party organisations grant awards

Bike Station	Wee Bike Library	£106,795
	Kids Bike Life	£153,300
Cycling Scotland	Access to Bikes for Young People	£352,000
	Active Ways to Work	£105,000
Cycling UK	Cycle Access Fund	£236,016
	Connected communities East Lothian	£150,000
Forth Environment Link	Community Active Travel Programme	£195,000
	Community Active Travel Programme - Schools	£159,750
Greener Kirkcaldy	Routes to Change	£99,902
Living Streets	WOW Southeast Scotland	£122,075
Paths for All	Secondary School clusters Walking, Wheeling and Cycling programme	£124,000
Sustrans	Behaviour Change Strategy Embedded Officers	£129,506
	I Bike Schools	£490,474
University of Edinburgh		£40,956
	Total	**£2,464,774**

INTEGRATED MOBILITY FORUM
10:00AM THURSDAY 25TH APRIL 2024

Present:

Cllr Sally Pattle (Cllr Pattle)	West Lothian Council
Cllr Russell Imrie (Cllr Imrie)	Midlothian Council
Cllr Ruaridh Bennett (Cllr Bennett)	East Lothian Council
Cllr Jenny Linehan (Cllr Linehan)	Scottish Borders Council
Madeleine Bell (MB)	Midlothian Council
Steven Psihramis (SP)	Midlothian Council
Doreen Steele (DS)	NCM, SEStran
Geoff Duke (GD)	NCM, SEStran
Linda Bamford (LB)	NCM, SEStran
Paul White (PW)	NCM, SEStran
Adam Kesby (AK)	Sustrans
Claire Clarke (CC)	East Lothian Council
Ruth White (RW)	City of Edinburgh Council
Shirley Paterson (SP)	Clackmannanshire Council
Ewan Doyle (ED)	Scottish Borders Council
Tony McRae (TMcR)	Fife Council
Adam Watson (AWa)	Falkirk Council
Diana Murray (DM)	East Lothian Council
Aileen Webster (AWe)	Forth Valley College
Desmond Bradley (DB)	Scotrail
David Collins (DC)	Cycling Scotland
Hugh McGregor (HMcG)	Cycling Scotland
Natash Byrne (NB)	Cycling Scotland
Emma Crowther (EC)	Edinburgh University
Sarah Elliott (SE)	Stagecoach Buses
Sarah Gibson (SG)	Lothian Buses
Ross Prentice (RP)	Prentice Coaches
George Lowder (GL)	Transport for Edinburgh
Mark Speed	Tactran
Keith Fisken (KF)	SEStran
Beth Harley-Jepson (BHJ)	SEStran
Nikki Boath (NLB)	SEStran

Apologies:

Cllr Danny Aston	City of Edinburgh Council
Cllr Marie-Clair Munro	City of Edinburgh Council
Cllr Sanne Dijkstra-Downie	City of Edinburgh Council
Cllr Robin Lawson	Fife Council
Brian Butler	SEStran
Sarah Boyd	Lothian Buses
Gareth Williams	SCDI
David Kelly	Community Transport Association
Ken Gourlay	Fife Council

George Hazel
Stuart Lowrie   City of Edinburgh Council
Maureen Lynch   Scottish Parliament

Ref.		Actions
1.	**Welcome and Introductions**	
	Cllr Pattle welcomed everyone to the meeting and apologies were noted as above.	
2.	**Minutes of IMF – 5ᵗʰ October 2023 and matters arising**	
	Matters arising from the last minutes: Community Transport Neither Cllr Conn nor BB were able to attend the meeting. Therefore there is no update. GO E-Bike BHJ confirmed that 44 bikes have been purchased. The minutes were approved as a correct record.	
3.	**Active Travel – Presentation by Beth Harley-Jepson**	
	BHJ presented the slides. BHJ highlighted that SEStran's Partnership Board will meet on 30ᵗʰ April to approve the budget and thereafter Grant Offer letters will be sent out to Local Authorities and local organisations.	**SEStran**
	Do The Ride Thing Campaign BHJ explained that this promotional campaign was run using Active Nation Funding. The campaign was to promote health benefits of short journeys on e-bikes.	
	Brompton Bike Lockers BHJ explained the use of Brompton Bike lockers and where they are currently situated within SEStran region.	
	AW asked the following questions:	
	• the possibility of a hub within area of Falkirk/Alloa. • Link up with university campuses and Falkirk town centre.	
	SP will invite AW to a meeting currently being arranged with partners to discuss how local funding will be used within the central area.	**SP**
	LB asked if the bike availability will be integrated into the GO-SEStran app. BHJ confirmed that this is the case.	

	LB also asked if there was an opportunity to look into reducing the conflict between road users within behaviour change campaign. BHJ & CD are currently looking at options. KF highlighted the availability of a transition fund from Paths for All. This is available up to 31/3/25. KF explained that this fund is to support community organisations to continue their development. The link for further information is: https://www.pathsforall.org.uk/active-travel/community-project-transition-fund	
4.	**Regional Bus Strategy – Presentation by Keith Fisken**	
	KF presented this item. KF explained the Case for Change process and the criteria that needs to be included. KF also outlined current bus patronage, challenges and comparisons against other modes of transport choices. KF discussed the bus routes within each local authority area and where gaps appear within each area. LB queried the measures of success. KF explained that Case for Change will look at issues, challenges and opportunities. This will include understanding operators, communities and local authorities needs. ED mentioned that Scottish Borders Council undertake a rural proofing checklist as part of EQIA. ED will share a template of the checklist used by Scottish Borders Council with KF. KF explained that SEStran have undertaken workshops with local authorities. SEStran are currently engaging with bus operators to obtain their views and find ways to support the operators. KF said that the Case for Change will be presented at SEStran's June Partnership Board meeting. Thereafter, SEStran will develop policy objectives and address options which have been raised from the Case for Change. AW enquired if Ember Buses have been included within bus routes in Falkirk region and KF confirmed that Ember have been included. PW asked about a timeline for wider engagement. KF set out the Case for Change timeline. SEStran are hoping to gain wider engagement after the June Partnership Board.	**ED**

5.	**Rail Update – Verbal Update by Keith Fisken**	
	KF provided a verbal update. KF suggested prioritising rail at a future IMF meeting. KF invited Forum members to contact him if there are any rail topics that SEStran can work on and discuss at future meetings. KF outlined key regional highlights: • Scotrail have completed their public consultation on timetables options for Fife which include Levenmouth rail link. KF provided the link to press article regarding new timetables: https://www.scotrail.co.uk/about-scotrail/news-press-releases-latest-news-media-release/public-consultation-shapes-exciting-1. • Winchburgh Station update – discussions still underway between developers and Network Rail. Developers are still tasked with building a business case for development of station • Newburgh Community Group – SEStran and Fife Council have been supporting this group in the appraisal process for a new station at Newburgh. SEStran are currently addressing Transport Scotland comments on the appraisal.	
6.	**Decarbonisation – EV – Verbal Update by Keith Fisken**	
	KF provided a verbal update. Electric Vehicle Charging – SEStran are working with local authority partners to develop potential approaches within SEStran region. KF suggested exploring how often electric vehicle charging is used, concerns and benefits via this Forum. ED highlighted the drive for collaboration of EV roll out. ED explained that a standard report and recommendations has been agreed which will be sent to SEStran local authorities and Dumfries and Galloway.	
7.	**AOCB**	
	Edinburgh Bus Station PW mentioned the bus station might lose its lease in 2027. Cllr Pattle suggested taking this item to SEStran Partnership Board in June. Cllr Imrie and KF will discuss this further.	**Cllr Imrie/KF**
8.	**Next Meeting**	
a)	Topics/priorities for next meeting – • Rail • NPF4 – LDP audit investigation	
b)	Date of Next Meeting – 10th October 2024	

GO SEStran
South East of Scotland
Transport Partnership

Remote Chief Officer Liaison Group Meeting
14:00 Wednesday 22nd May 2024
Microsoft Teams

Present:

Brian Butler	SEStran
Keith Fisken	SEStran
Rachael Murphy	SEStran
Michael Melton	SEStran
Beth Harley-Jepson	SEStran
Cheryl Fergie	SEStran
Jamie Robertson	City of Edinburgh Council
Hannah Ross	City of Edinburgh Council
Peter Forsyth	East Lothian Council
Graeme Johnstone	Scottish Borders Council
Jason Hedley	Scottish Borders Council
Lesley Deans	Clackmannanshire Council
Christopher Cox	Falkirk Council
Anna Herriman	Midlothian Council

Apologies:

Iain Shaw	City of Edinburgh Council
Kevin Anderson	Midlothian Council

Ref.		Actions
1.	**Welcome and Apologies for Absence**	
	The Chair welcomed the Officers to the meeting, introductions were made and apologies were noted as above.	
2.	**Minutes and Matters Arising**	
	The minutes from Wednesday 14th February were agreed as a correct record. BB asked CF to check if the Develop to Deliver report had been circulated.	**CF**
3.	**Regional Bus Strategy – The Case for Change**	
	Rachael Murphy ran through the work completed by SEStran so far and the findings are noted as below: • Competition in the region • Decline of bus patronage • Subsidising weekend and evening services	

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	- Limited connections between LAs - Policy and reality are not meeting - There is a case for change RM then highlighted statistics relating to households in the region and noted the following points: - In 2022-23 local authorities in the SEStran area spent £13 million on annual bus subsidies for tendered mileage - 4% do not have access to a bus stop - 50% (with bus access) outside of Edinburgh have no direct bus to Edinburgh - 8% have no service after 1900 - 18% have no access to bus services after 2200 on a weekday - 10% do not have a Sunday service (rising to 17% outside Edinburgh) RM stated the executive summary will be shared with the Partnership Board in June, this will be circulated to the COs beforehand to collect thoughts and feedback. The case for change will be ready in May, the options appraisal will be in August and the draft strategy ready in December to go to public consultation next year. PF asked what the TPOs were for this, KF stated once the case for change is gathered policy objectives will be defined within the options appraisal. GJ noted SBC have found this process to be valuable. There is additional information to add to the process on the following: - Affordability - 5 year cycle - Local companies can't afford to put the services on - Taxi bus operation GJ asked will there be recommendations that come out of this. RM said this is not solution led and it's too early to say. An agreed understanding will be defined working through the steps. BB stated bus franchising might be an option also looking into BSIPS and a whole range of solutions, but the main thing is to define the case for change first.	**RM**
4.	**Procurement of Electric Vehicle Charging Infrastructure**	
	Brian Butler gave a brief update: LAs are at different stages but have agreed to be part of the exploration for the EV charging infrastructure. Decisions will be made whether they are going collaboratively or not by September. A steering group has been set up with Officers from all councils, TS and Scotland Excel. A PM should be in place today or tomorrow, their main objectives will be developing an EV task force, PID and project plan. Everything should be in place for the meeting in two weeks.	
5.	**People and Place Plan**	

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	Michael Melton presented slides and updated the group on where SEStran are with the People and Place Plan, and ran through the split of funding and the following points were covered and discussed: • 5.3million funding for the region • Consistent data collection, SEStran with compile and evaluate • Mitigate impact of single year funding • Consultancy should be in place within a fortnight • 5 year delivery plan, finalised by end of 2024 • Capital revenue split • Fund accordingly for 25/26 HR asked why funding is split between capital and revenue. MM said SEStran have tried to challenge this with TS and not been given a reason. TS initially split the finding 60% revenue and 40% capital. This has now been changed to 40% revenue and 60% capital. HR would like to discuss this further. LD with such large sums of money timescales are an issue when having to procure, sharing procurement knowledge may be useful. BB noted TS have said they may allow to draw down some funding in advance but are still not committing to multi year funding. BB will email Alan Martin for clarification. JR agrees one year funding is inefficient. PF also has concerns around the capital and revenue split. Long term financial strategy should be in place for maintenance etc. BB encouraged LAs to feedback their concerns to TS.	**MM** **BB**
6.	**Council Requisitions**	
	Brian Butler updated the COs: SEStran receive £190000 a year from our eight Councils. This amount has not been raised for a long time. TS are encouraging RTPs to ask for an increase, this has not been decided yet. It will be useful to explore this before the next COs meeting. BB asked COs to supply contacts within Councils who will be able to help get council requisition invoices settled.	**COs**
7.	**RTS Delivery Plan**	
	Rachael Murphy provided the COs with a brief update. The aim of the RTS Delivery plan is create a pipeline of larger regional projects that SEStran are keen to help find funding for. The first meeting took place last week, there was a lot of positive discussion. The next meeting will be held in June, Brian Butler and Kevin Andrson will chair jointly.	

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	SEStran want to hear from transport planning colleagues, please let people know if you think they should be part of this work. BB stated the regional transport masterplan has now become the RTS Delivery Plan. RM to circulate the PID to COs	**RM**
8.	**Network Resilience/Climate Adaptation**	
	Brian Butler led a brief discussion on Network Resilience/Climate Adaptation, the following points were raised and noted: • Climate will change and weather will worsen • The need to identify critical transport networks • COs to share if they have a Climate Adaptation Plan • Collaborative working to identify risks LD put a link to the SCOTS survey in the meeting chat https://www.nhtnetwork.co.uk/isolated/data/ukrlgsurvey/new/bespoke/1334 PF agreed sharing outputs from other LAs would be useful. BB agreed to pull something together and circulate.	**BB**
9.	**Go SEStran**	
	Michael Melton presented slides on the GoSEStran app, this provided a quick update on key findings so far, SEStran's current position and then raised questions for the COs. The following points were discussed: • More focus on demand response transport • High access to healthcare element • Existing funding/contract remains until September • Making the app more relevant to specific areas • Local or National • Integrate VoyagAR • End to end travel restricted due to lack of smart ticketing • Integrated ticketing to be considered • Accountability from traveline for quality of data • How other apps perform BB suggested inviting the National Smart Ticketing Board to give a short presentation at the next COs meeting to update. The idea of inviting a traveline representative and TS was also suggested.	**BB**
10.	**Real Time Passenger Information Screens**	
	Keith Fisken gave an update on RTPI and noted the following: • Data underpins everything and needs aligned • Currently 14 out of 15 operators feeding into the system • Lothian Buses not currently feeding into the system, this should happen from end of June • Screens not matching with apps • Better sharing of data	

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	• Working towards less service disruption • Risk of reputational damage • Looking at regulations through the Bus Strategy • Working with operators at a regional level	270
11.	**Council Updates**	
	Brian Butler stated the Chief Officers Liaison Group should be an informative exchange group and didn't want it to be one sided. LAs are doing some amazing work that SEStran think would be helpful to feed into this group. If you are finalising strategies or plans or starting big projects, it would be great to raise these things at this meeting to update transport colleagues or neighbouring authorities.	
12.	**Draft Partnership Board Agenda**	
	Keith Fisken ran through the agenda items for the next Partnership Board meeting. KF will lead on this with Cllr Russel Imrie in the Chair.	
13.	**AOCB**	
	There were no other business matters raised.	
14.	**Date of Next Meeting**	
	The proposed date of the next meeting is scheduled for 2:00pm on 21 August 2024	

Logistics & Freight Forum
Thursday 30th May 2024, 2pm
Microsoft Office Teams

In Attendance:

Cllr Colin Davidson (Chair) (CD)	Fife Council
Cllr Robin Lawson (RL)	Fife Council
Cllr Danny Aston (DA)	City of Edinburgh Council
Cllr Tom Conn (TC)	West Lothian Council
Cllr Russell Imrie (RI)	Midlothian Council
Doreen Steele (DS)	NCM
Linda Bamford (LB)	NCM
Beth Harley-Jepson (BHJ)	SEStran
Keith Fisken (KF)	SEStran
Michael Melton (MM)	SEStran
Nikki Boath (NB)	SEStran
Rachael Murphy (RM)	SEStran
Sandra Lavergne (SL)	SEStran
Paul Davison (PD)	AECOM
Kevin Collins (KC)	Falkirk Council
Ian Buchanan (IB)	City of Edinburgh Council
Jo Edmenson (JE)	P D Ports
Douglas Norris (DN)	CILT UK
David Prescott (DP)	Allan Rail
Lynne Mason (LM)	RHA
Jim May (JM)	Transport Scotland
John Yellowlees (JY)	
Stuart McLean (SM)	TRL
Jane Findlay (JF)	Fife Council
Andrew Sim ((AS)	Fife Council
Jacquie McArthur (JMcA)	Fife Council
Marianne Bull (MB)	Fife Council
Daniela Paddeu (DP)	University of the West of England
Mark Bowman (MB)	ARUP
Naomi Kloostra (NK)	ARUP
Paula Godoy (PG)	ARUP

Apologies:

Cllr Jenny Linehan	Scottish Borders Council
Cllr Iain Whyte	City of Edinburgh Council
Mike Birch	NTBCC
Jonathan Cowie	Napier University
Ewan Doyle	Scottish Borders Council

Ref.		Actions
1.	**Welcome and Introductions**	
	Cllr Davidson welcomed members to the meeting and apologies were noted as above.	
2.	**Minutes of last meeting**	
	Matters arising from the last minutes: KF will send out a questionnaire to all Forum members to determine what projects Forum members would like to be involved in. Cllr Davidson to invite Jaimey Brown to visit the wind power facility at Crail. The minutes were approved as a correct record.	**KF** **Cllr Davidson**
3.	**GO Forth Freight Findings**	
	KF explained the context, timeline and background of the freight findings. KF highlighted the 3 project options. PD outlined the detailed option appraisal methodology and described in detail the 3 options. PD explained the economic benefits, risk and uncertainty and monitoring and evaluations. KF outlined the next steps. Cllr Imrie highlighted that the trainline heading north of Haymarket is not electrified. KF explained that the converted passenger trains would be used within Central Belt and heavy rail multiuser trains would be diesel powered for moving freight North. KF stressed that working with Network Rail is key. Cllr Lawson asked what discussions had taken place with parcel delivery services, Royal Mail and Network Rail. KF confirmed that discussions have taken place with Network Rail and highlighted that Haymarket has more potential for both train and tram freight as well as the Port of Leith. KF also confirmed that engagement has taken place with Fedex, DHL and Amazon in relation to tram freight. Cllr Aston asked about the Leith Docks branch line. KF explained that Forth Ports who have been a partner since the beginning of this study, see a lot of potential around Leith Docks. KF also mentioned SEStran has been working with the team based at Grangemouth in relation to multi user heavy freight. KF explained that SEStran has been working with commercial partners and public sector organisations to determine workflows. KF highlighted that setting up a trial and running a pilot would be a good achievement. DP explained that the access at Leith Docks will be a challenge. DP said that City Centre parcels delivery could be really good.	
4.	**Access for Goods**	
	Daniela Paddeu gave her presentation. Below is the link to Triple Access Planning Handbook - Stand Alone Summary https://sestran.sharepoint.com/Shared%20Documents/Governance/Committee%20and%20liaison%20group%20meetings/Logistics%20&%20Freight%20Forum/2024%20Meetings/1.%2030%20May%2024/Triple%20Access%20Planning%20HANDBOOK%20-	

	%20Standalone%20summary%20-%20Final%20-18-03-24%20-%20English.pdf Below is the QR code for the Handbook https://sestran.sharepoint.com/Shared%20Documents/Governance/Committee%20and%20liaison%20group%20meetings/Logistics%20&%20Freight%20Forum/2024%20Meetings/1.%2030%20May%202024/TAP%20Handbook%20QR%20Code.png IB provided a link for Triple Access Planning https://uwe-repository.worktribe.com/output/11751967 Daniela Paddeu provided her email address if any Forum members would like to contact her daniela.paddeu@uwe.ac.uk.	
5.	**Space for Cargo Bike for last-mile logistics**	
	PG & NK jointly presented their project research. 20240530 Presentation Cargobikes SEStran.pdf KF will share the study with local authority planners and transportation employees within SEStran region. Cllr Lawson asked how many cargo bikes are operating in a Dutch city. PG & NK will investigate this. RM shared a link to a report about white van cities https://www.urbantransportgroup.org/system/files/general-docs/White%20Van%20Cities.pdf	**KF** **PG & NK**
6.	**UK Cargo Bike Summit Update**	
	BHJ provided a verbal update and provided the slides from the Conference and presentations: https://www.cargobikesummit.uk/programme-2024 BHJ then explained the role cargo bikes could play within the SEStran region. Cllr Davidson suggested that Forum members be informed of the date of the next Cargo Bike Summit meeting in 2025.	**BHJ**
7.	**Suggestions for topics at future meetings**	
	If any Forum members have suggestions for topics for discussion or would like to present a topic at future meetings, please contact Keith Fisken – keith.fisken@sestran.gov.uk	
8.	**Date of Next Meeting**	
	Date of Next Meeting - 21st November 2024	