Partnership Board

10am, Friday 21st June 2024

Hybrid meeting (Microsoft Teams and Dean of Guild Room, City Chambers, Edinburgh)

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Agenda

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Item	Agenda		
1	Order of Business		
2	Apologies		
3	Declarations of Interest		
Item	**Agenda A – points for discussion**	**Page No's**	**Slide No's**
A1	Minutes – FOR APPROVAL (a) Partnership Board – Friday 15th March 2024 (b) Special Partnership Board – 30th April 2024 (c) Succession Planning Committee – 7th May 2024 (d) Performance and Audit Committee – 7th June 2024	 7 13 15 17	5-6
A2	Finance Reports – FOR APPROVAL (a) UNAUDITED ANNUAL ACCOUNTS 2023/24 AND TREASURY MANAGEMENT REPORT 2023/24 (b) RESERVES POLICY REVIEW 2024 Reports by Richard Lloyd-Bithell, Treasurer / presented by Iain Shaw	 20 72	7-10

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Agenda

Item	Agenda A – points for discussion (continued)	Page No's	Slide No's
A3	INTERNAL AUDIT – FOR NOTING Report by Dheeraj Shekhar	78	11-12
A4	PARTNERSHIP UPDATE – FOR NOTING Presentation by Keith Fisken		13-16
A5	CONTRACT STANDING ORDERS – FOR APPROVAL Report by Michael Melton	107	17-19
A6	ANNUAL REPORT & BUSINESS PLAN – FOR NOTING Report by Keith Fisken	146	20-24
A7	BUS STRATEGY UPDATE – FOR NOTING Report by Rachael Murphy	184	25-50
A8	Date of Next Meeting The date of the next meeting is **10:00am on Friday 27th September 2024**		51

A1: Minutes of previous meetings

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For Approval

(a) Partnership Board – Friday 15th March 2024

(b) Special Partnership Board – 30th April 2024

(c) Succession Planning Committee – 7th May 2024

(d) Performance and Audit Committee – 7th June 2024

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A2: Finance Reports

Reports by Richard Lloyd-Bithell, Treasurer

(a) Unaudited Annual Accounts 2023/24 & Treasury Management Report 2023/24
(b) Reserves Policy Review 2024

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Unaudited Annual Accounts 2023/24

- Accounts presented to Partnership for review per the Local Authority Accounts (Scotland) Regulations 2014;

- Financial performance:
  - Core budget - underspend of £81,000 – *due to staff vacancies during the 2023/24;*
  - Projects budget – slippage of £168,000 – *due to requirement to re-prioritise resources to develop Scottish Government funded 'People and Place Plan' from December 2023*.

- 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;

- Project slippage of £168,000 will be carried forward to 2024/25 per Partnership's Reserves Policy;

- Annual Accounts will be audited by Audit Scotland. It is anticipated the audited Annual Accounts, will be presented to Performance and Audit Committee and Partnership in late 2024;

- Partnership is recommended to note the unaudited Annual Accounts.

Treasury Management report 2023/24

- Treasury Management annual report prepared for the Partnership, in line with Partnership's Treasury Management Policy;

- Partnership maintains its bank account as part of the City of Edinburgh Council's group of bank accounts;

- Month-end balances for 2023/24 noted - interest received by the Partnership was £5,157;

- Partnership recommended to note the annual Treasury Management report for 2023/24.

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Reserves Policy - Review

- Internal Audit has recommended that the Partnership's Reserves Policy be reviewed and presented to the Partnership meeting of 21st June 2024;

- Since 2020, the Partnership has operated a Reserves Policy to:

- 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.

- Partnership recommended approval of continuation of the existing Reserves Policy.

A3: Internal Audit

Report by Dheeraj Shekhar

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Internal Audit 23/24 Review

Financial Sustainability Audit – Reasonable Assurance

(moderate weaknesses in the financial management policies and procedures)

23/24 Internal Audit highlighted following areas for improvement:

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.

22/23 Internal Audit: 8 out of 10 management actions agreed as part of last year's audit of Thistle Assistance Programme have been implemented. The remaining two actions are being implemented by SEStran management.

24/25 Internal Audit: The Board is requested to provide insights on key areas of concern for IA to review as part of 24/25 audit.

A4: Partnership Update

Report by Keith Fisken

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General Update

- Update on Board – Cllr Russell Imrie

- Staff appointments, welcome:

Rebecca Smith & Sandra Lavergne!

Projects and Strategy Update

- Bus strategy – to be presented at this meeting, item A7
- Levenmouth opening and Newburgh appraisal
- MaaS development – GOSEStran & VoyagAR
- Regional Transport Masterplan – working with partners
- EV charging work on a regional approach
- Future funding opportunities

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People and Place

- 24/25 delivery is currently running to budget and the programme
- Work has been ongoing to ensure robust monitoring is in place where appropriate
- An online platform is being developed following a tender exercise to give full transparency on funding and monitoring data
- Following a competitive tender, Jacobs has been appointed to support the development of a 5-year People and Place Plan

A5: Contract Standing Orders

Report by Michael Melton

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Key changes:

- Framework agreement clarifications
- Emergency provisions
- Conflict of interests
- Financial thresholds
- Single supplier contracts
- Contract variations
- Partnership Director contract approval limit

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Recommendations:

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

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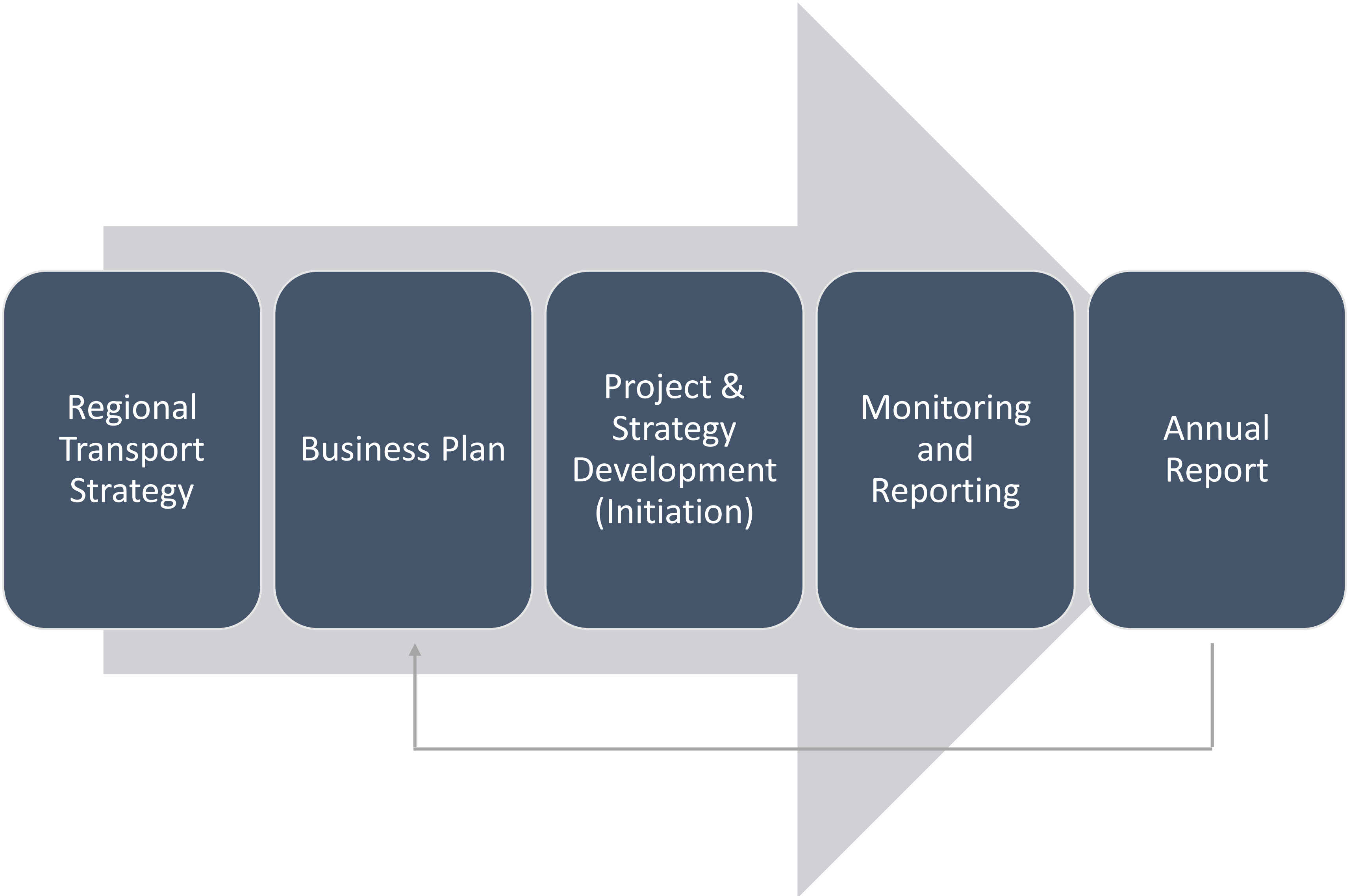
A6 ANNUAL REPORT & BUSINESS PLAN

Report by Keith Fisken

Introduction

- 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 previous financial year
- The Business Plan outlines the work to be undertaken in the current financial year
- 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
- 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

Process Flow



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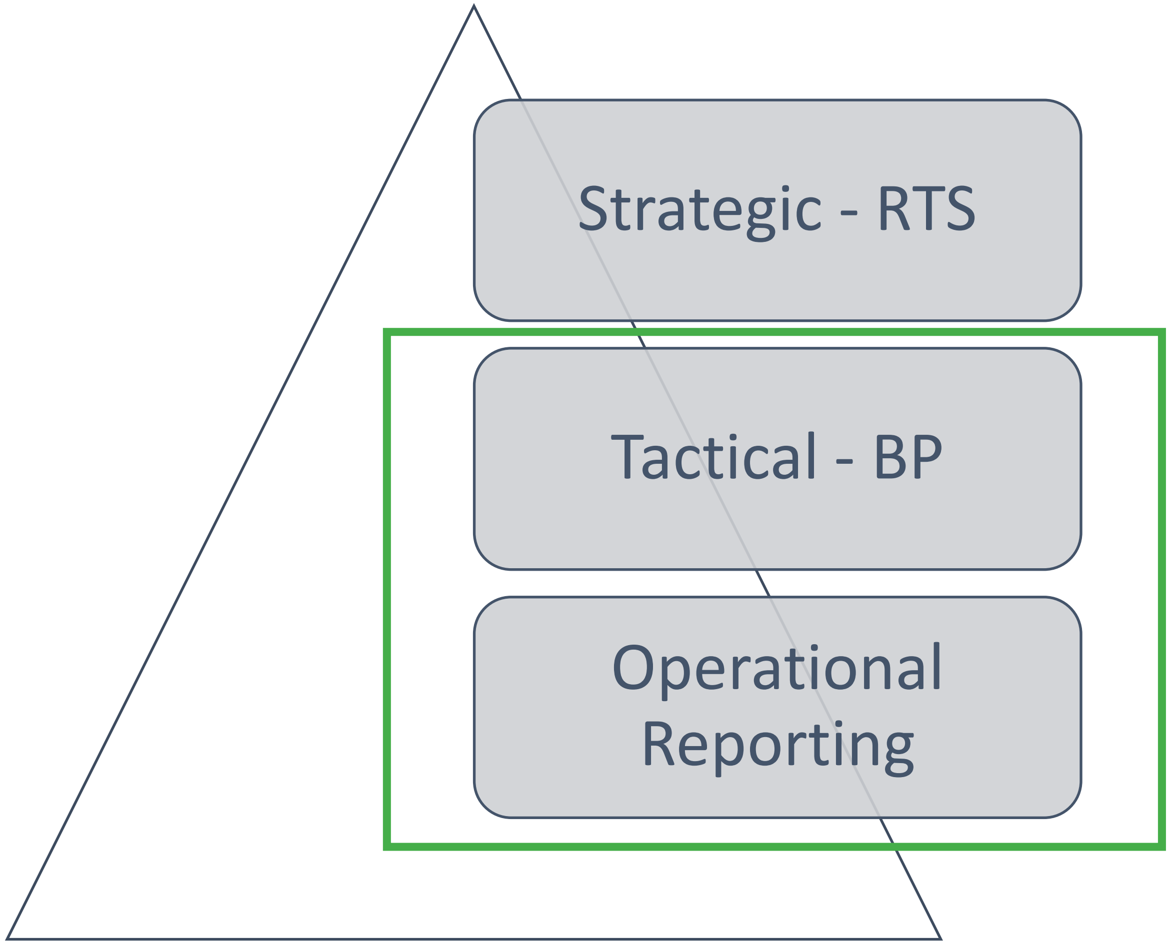
Business Plan and Reporting Framework



- Aligns with RTS objectives and actions
- Clear separation of Strategy & Projects
- Tracking performance against actions
- Alignment with new budget codes
- Integrated budget tracking
- Improved Issue and Risk monitoring and reporting
- Reviewed by P&A quarterly – comments and feedback currently being actioned
- New projects, funding and contracts will be incorporated as approved

Discussion and Recommendations

It is recommended that the Partnership Board:

- Note the contents of the draft Annual Report written feedback can be provided to officers after the meeting. Kindly request that this be received by COB 15th August.
- Note the Draft Annual Report and Business Plan shown in Appendix 1 and approve the combined document approach
- Approve the 2024/25 Budget
- Approve the Partnership Director to amend the draft considering any comments and finalise for publication and circulation

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A7: Bus Strategy Update

Report by Rachael Murphy

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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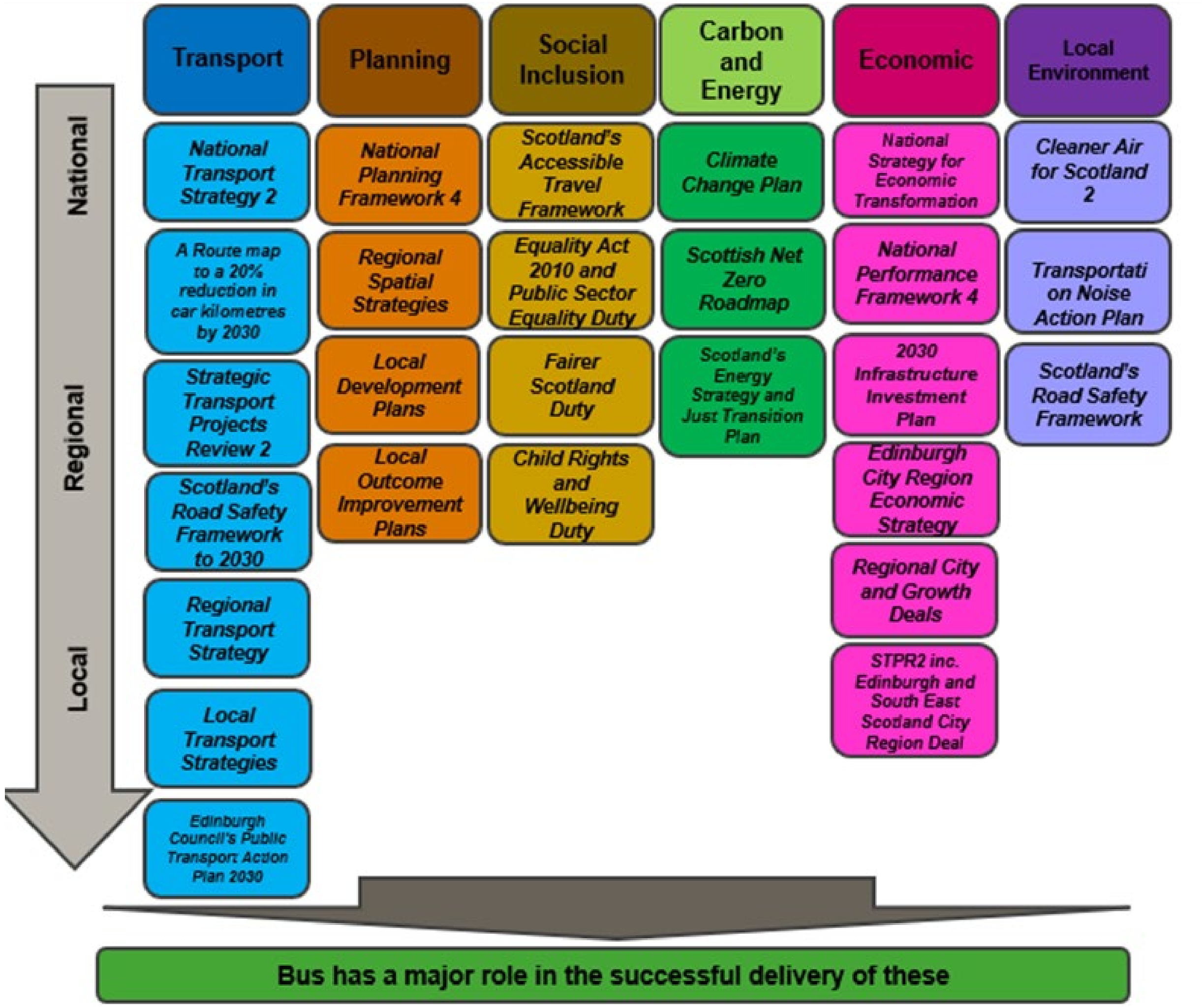
Key Policy Context



- 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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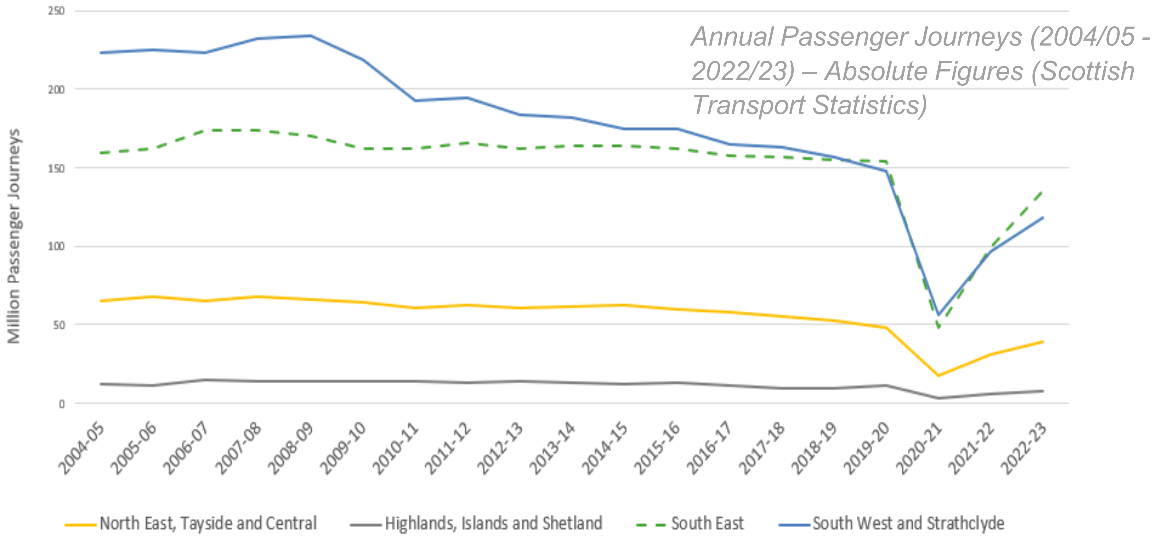
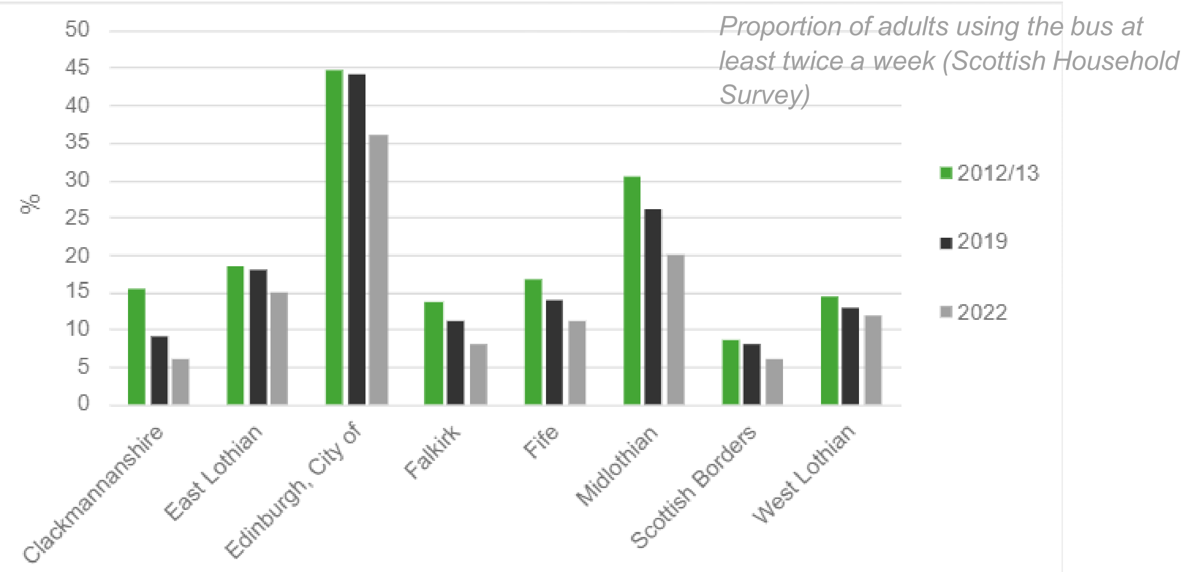
….but bus services and passenger numbers are falling at a time when the direction of policy requires sustained growth

- 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





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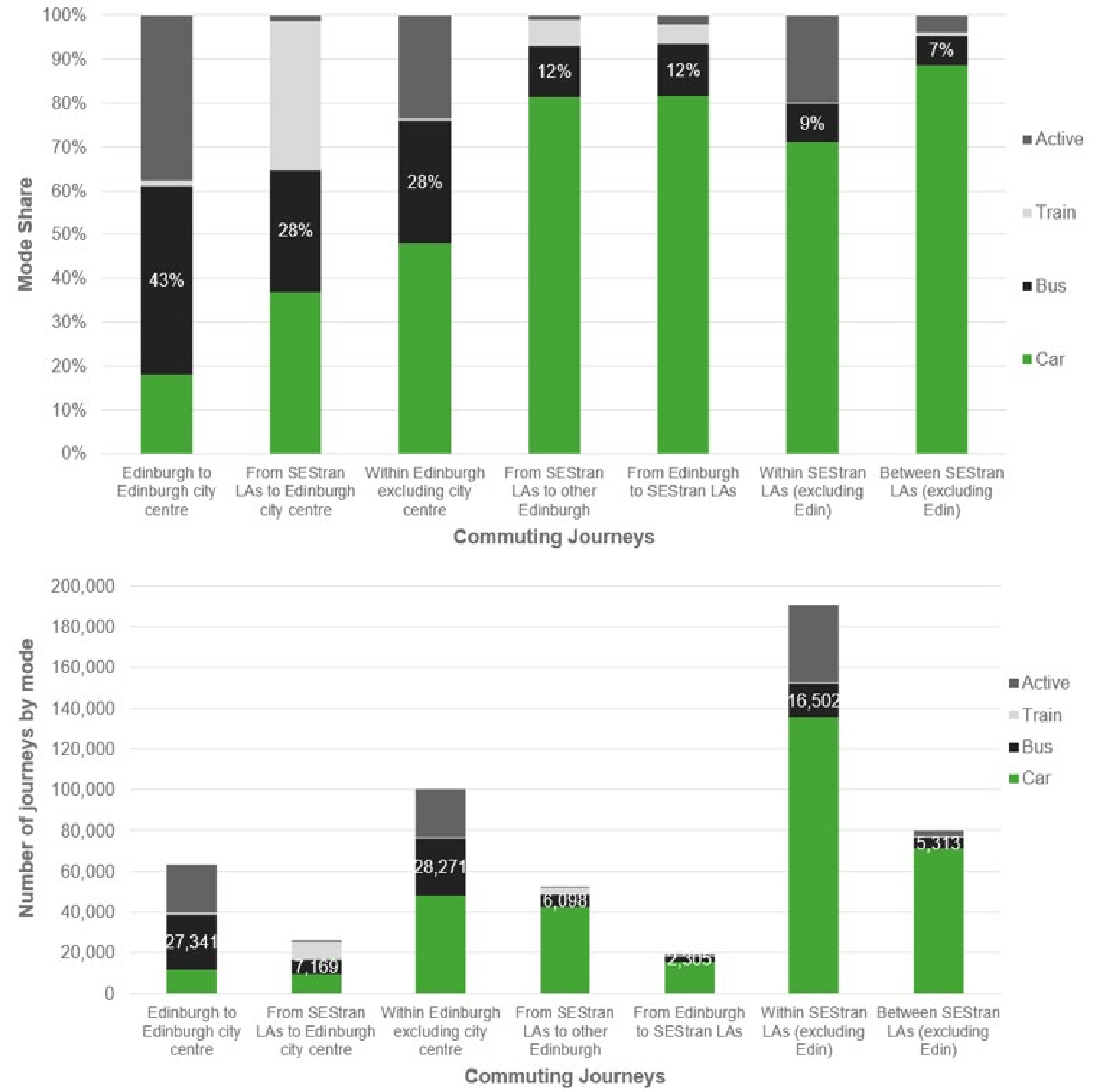
Travel to work data by mode varies significantly regionally (2011)

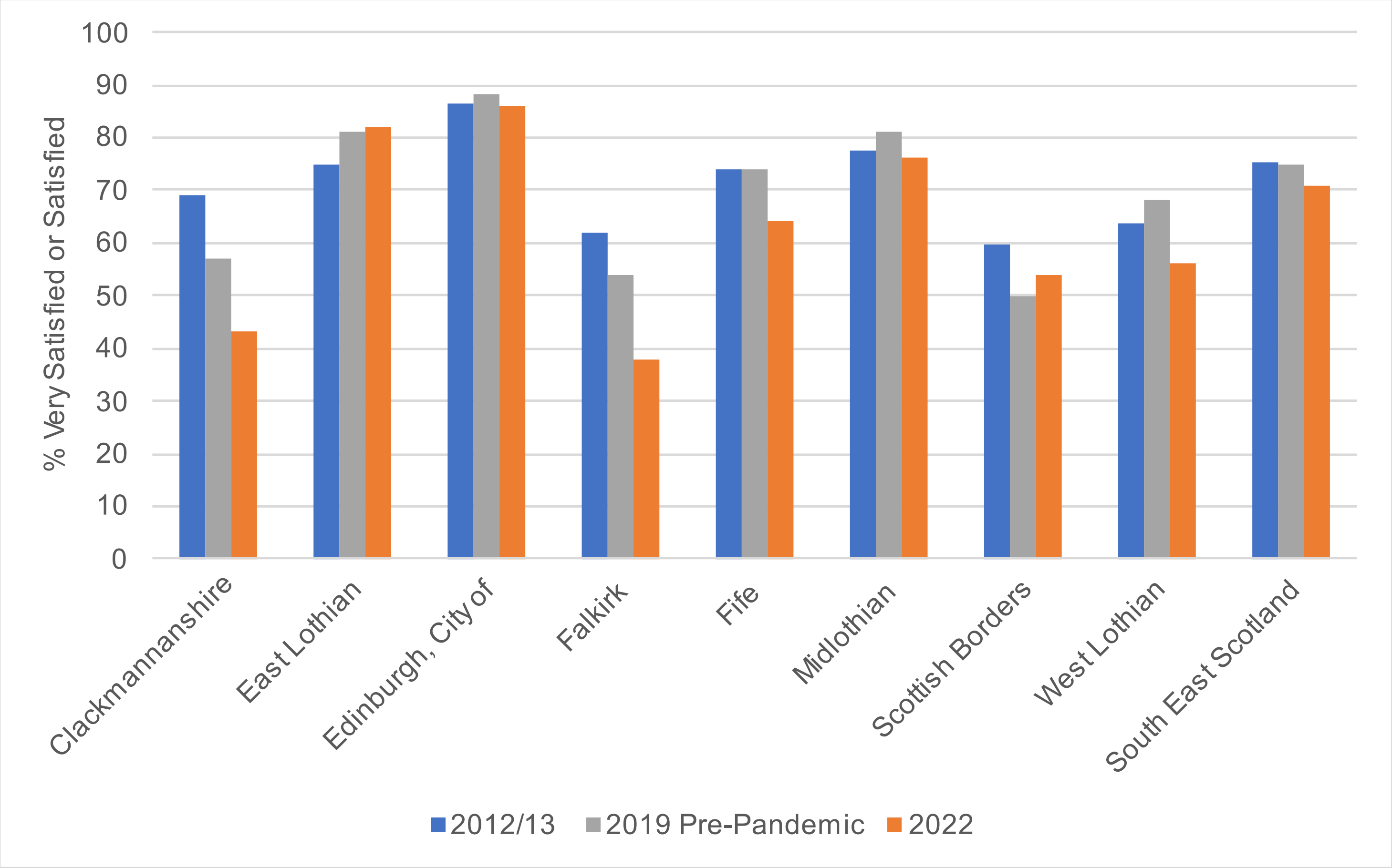
- Bus had a high mode share for travel to Edinburgh city centre
- Travel to work commuting in the region was dominated by car outside of Edinburgh in 2011 with a bus mode share of 7%-9%
- The highest absolute number of car trips is *within SEStran local authorities (excluding Edinburgh*) where the bus 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

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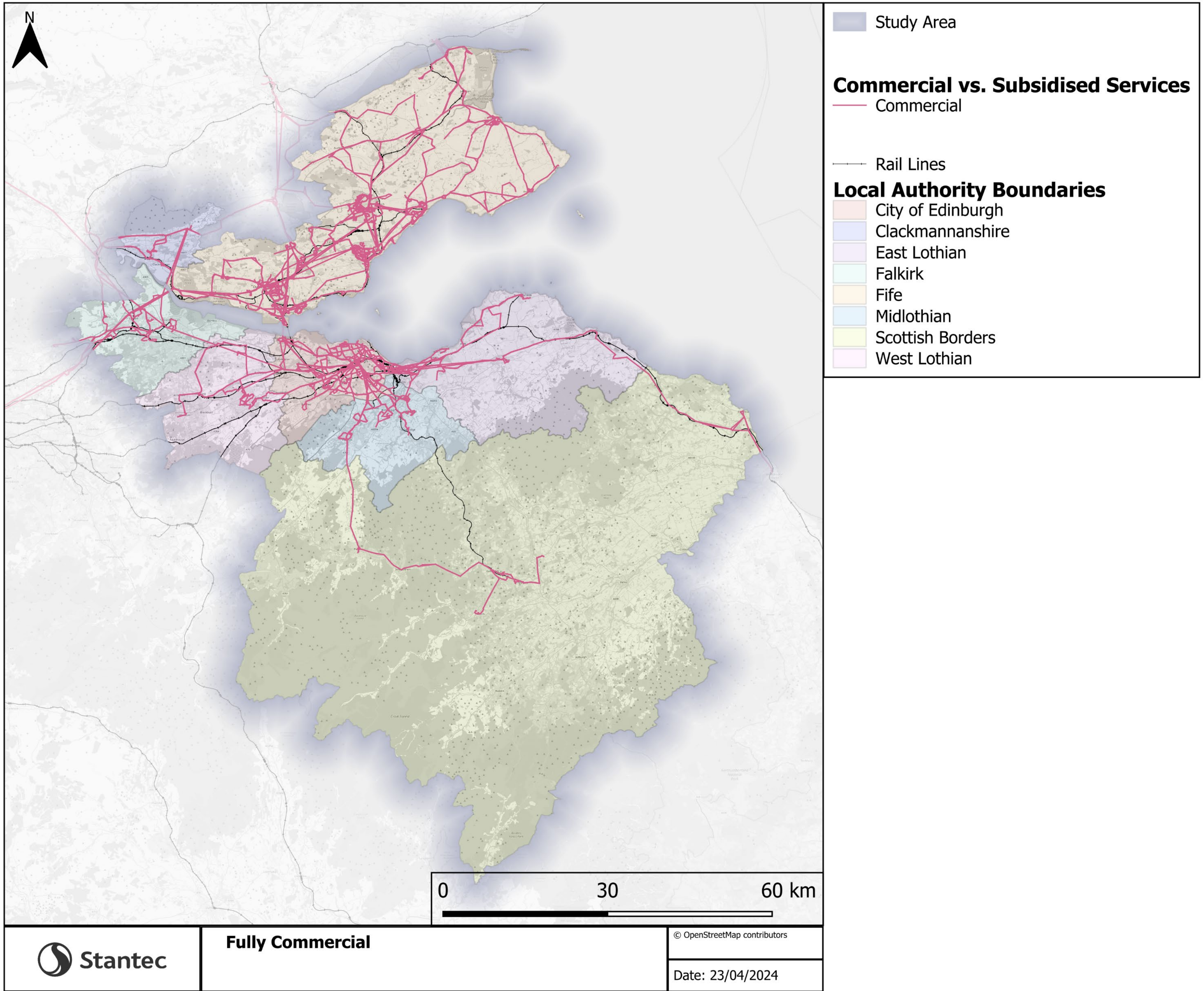
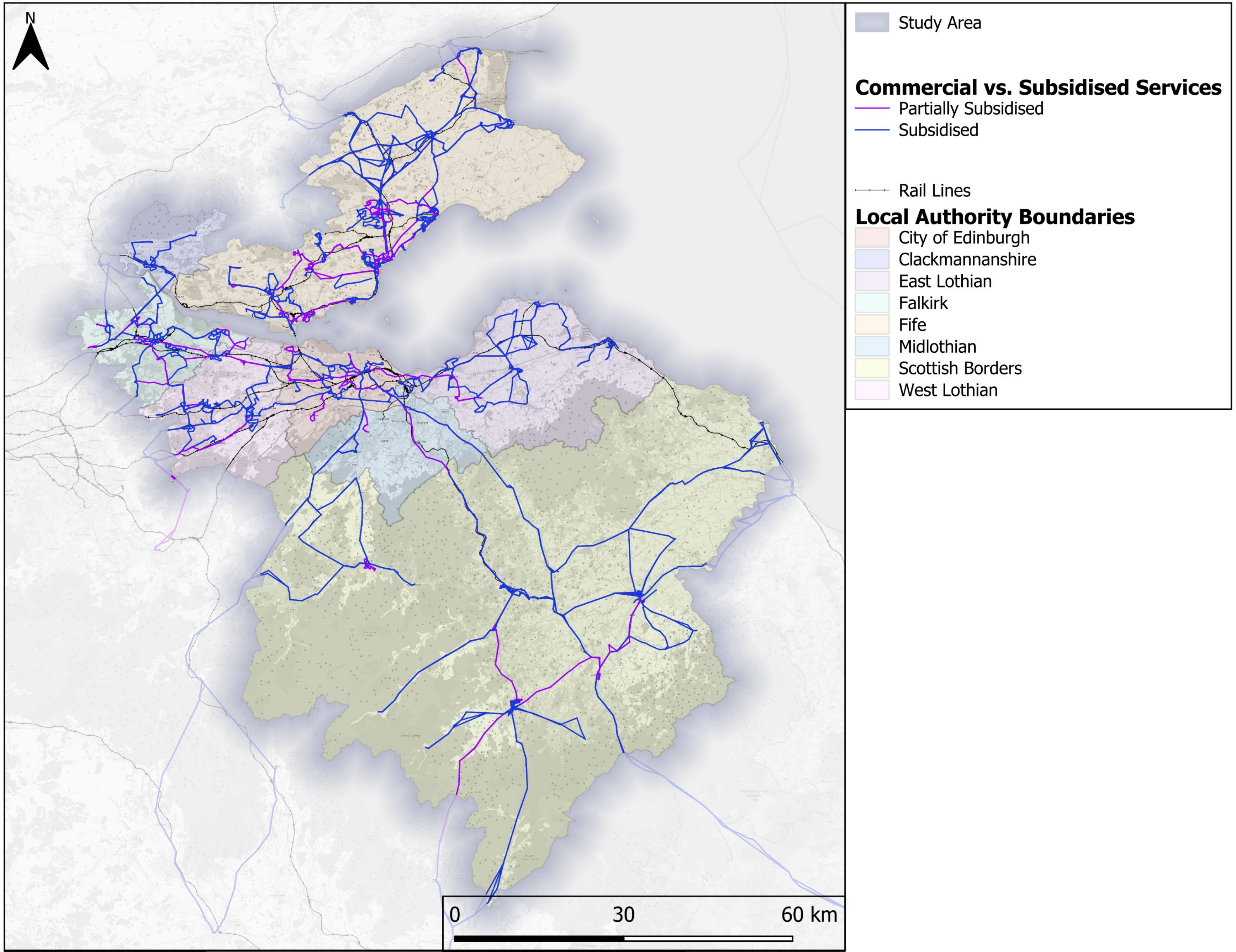
Commercial Services



Fully and partly subsidised services



Stantec

Fully and Partially Subsidised

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Date: 23/04/2024

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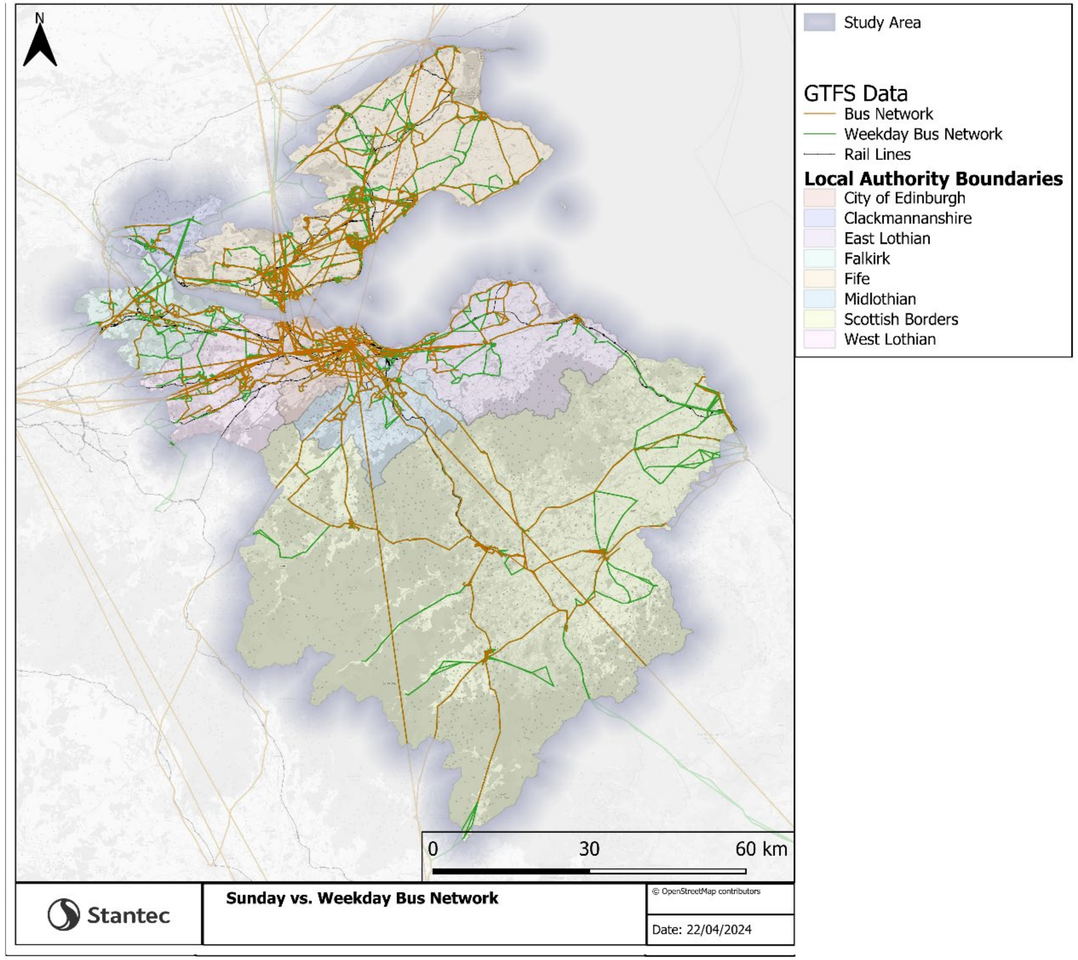
Some households have poor access to bus services in the evening and Sundays likely to lead to exclusion and car use

- 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



Weekday last service stops

Bus network on a Sunday versus weekday network

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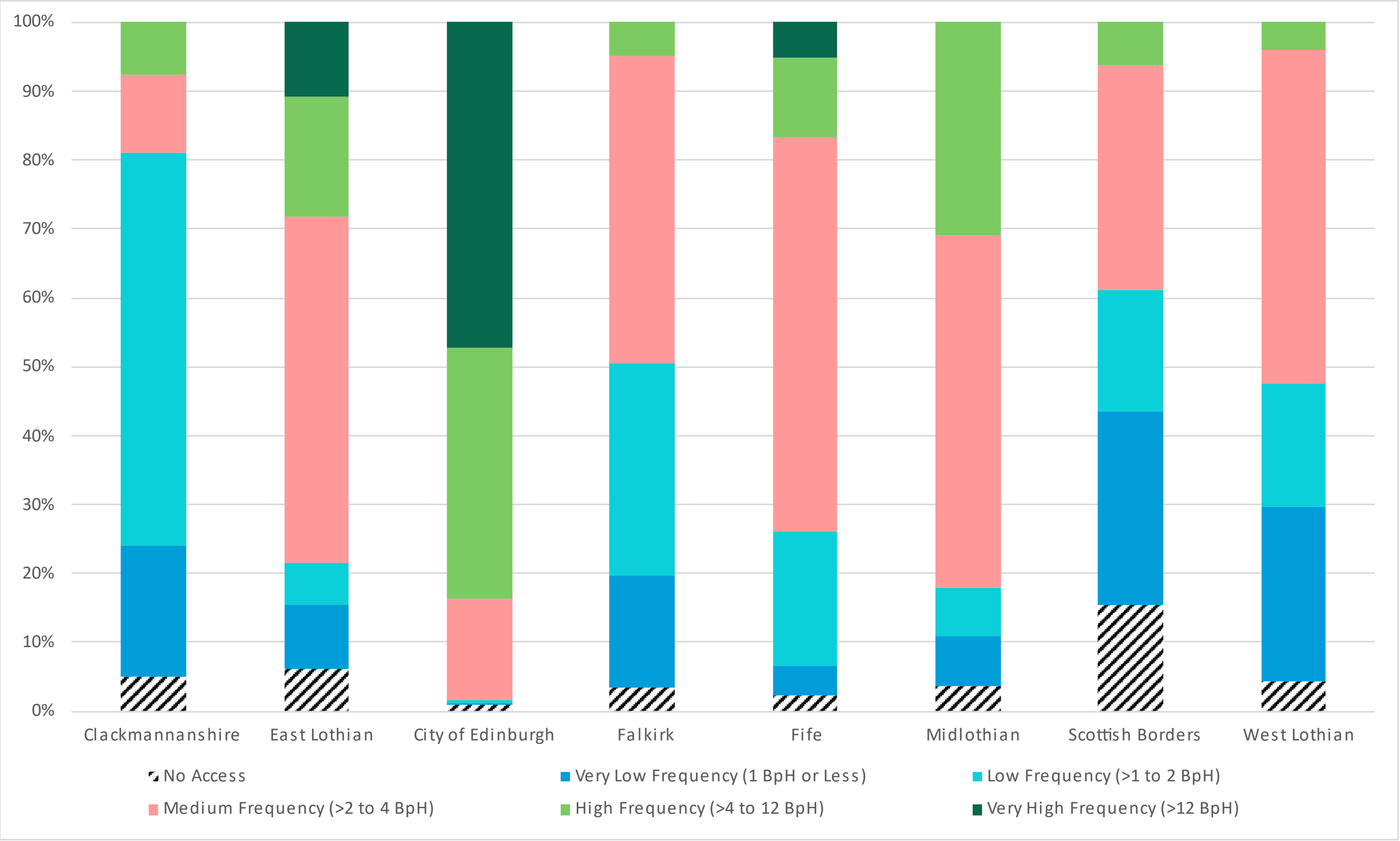
Absence of convenient bus stop and low service frequency can make bus travel an unattractive option

- 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

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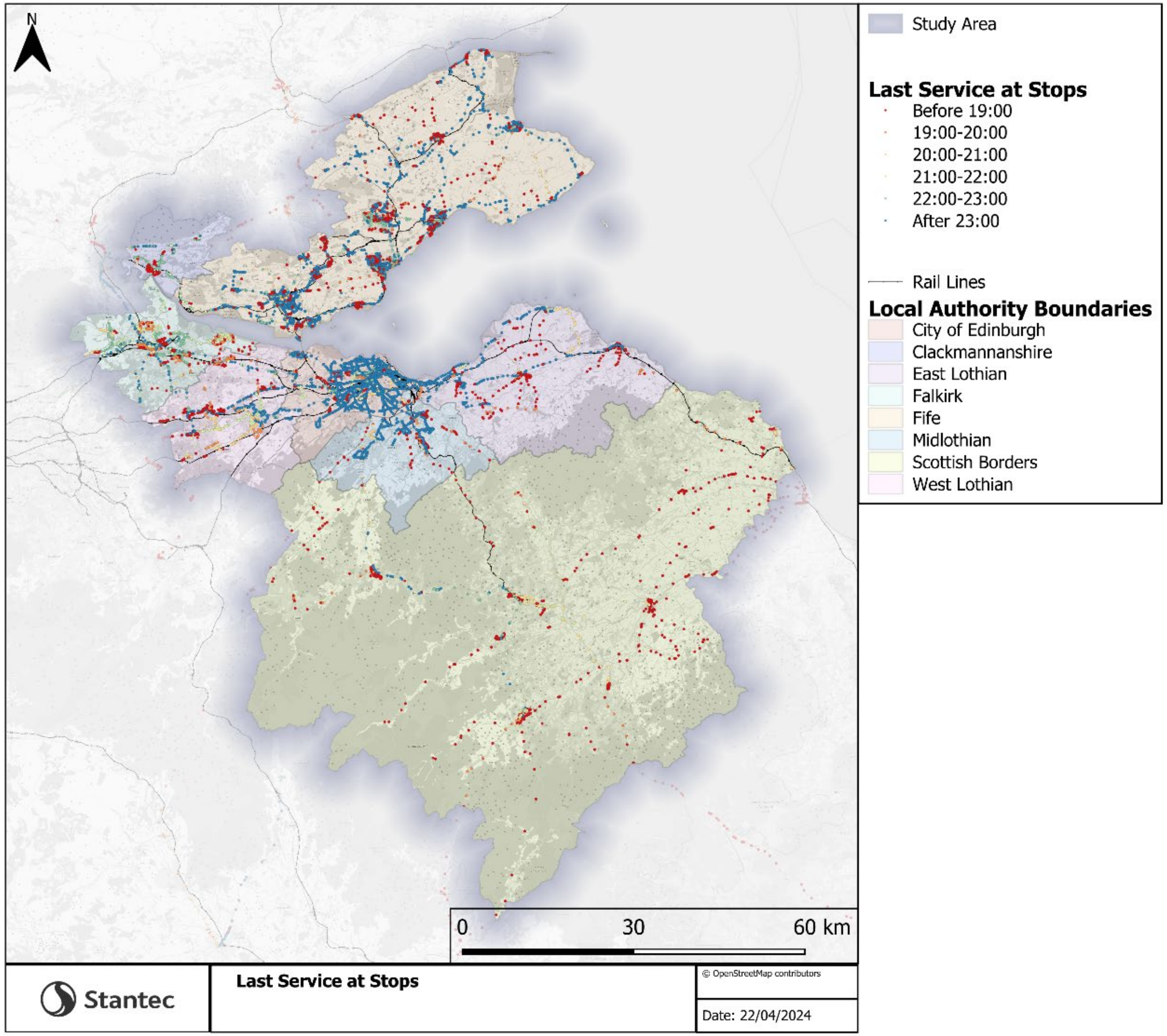

Weekday last service stops

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Travel times by bus are usually long and are generally far longer than by car

		Destination																				
	Ratio	Alloa	Bathgate	Dalkeith	Denny	Dunfermline	Edinburgh	Falkirk	Galashiels	Glenrothes	Haddington	Hawick	Kelso	Kirkcaldy	Linlithgow	Livingston	Musselburgh	North Berwick	Peebles	Penicuik	St Andrews	**Averages**
Origin	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

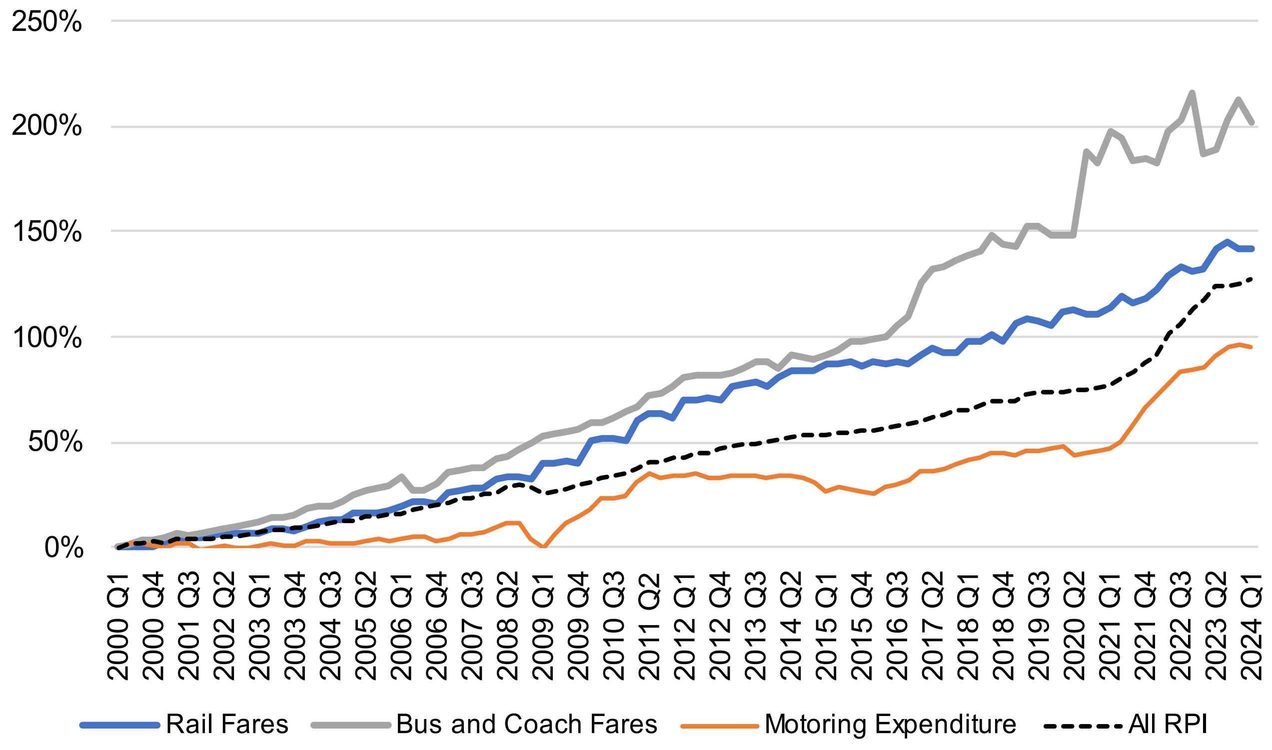
PM period bus to car journey time ratios

- 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

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

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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

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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

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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

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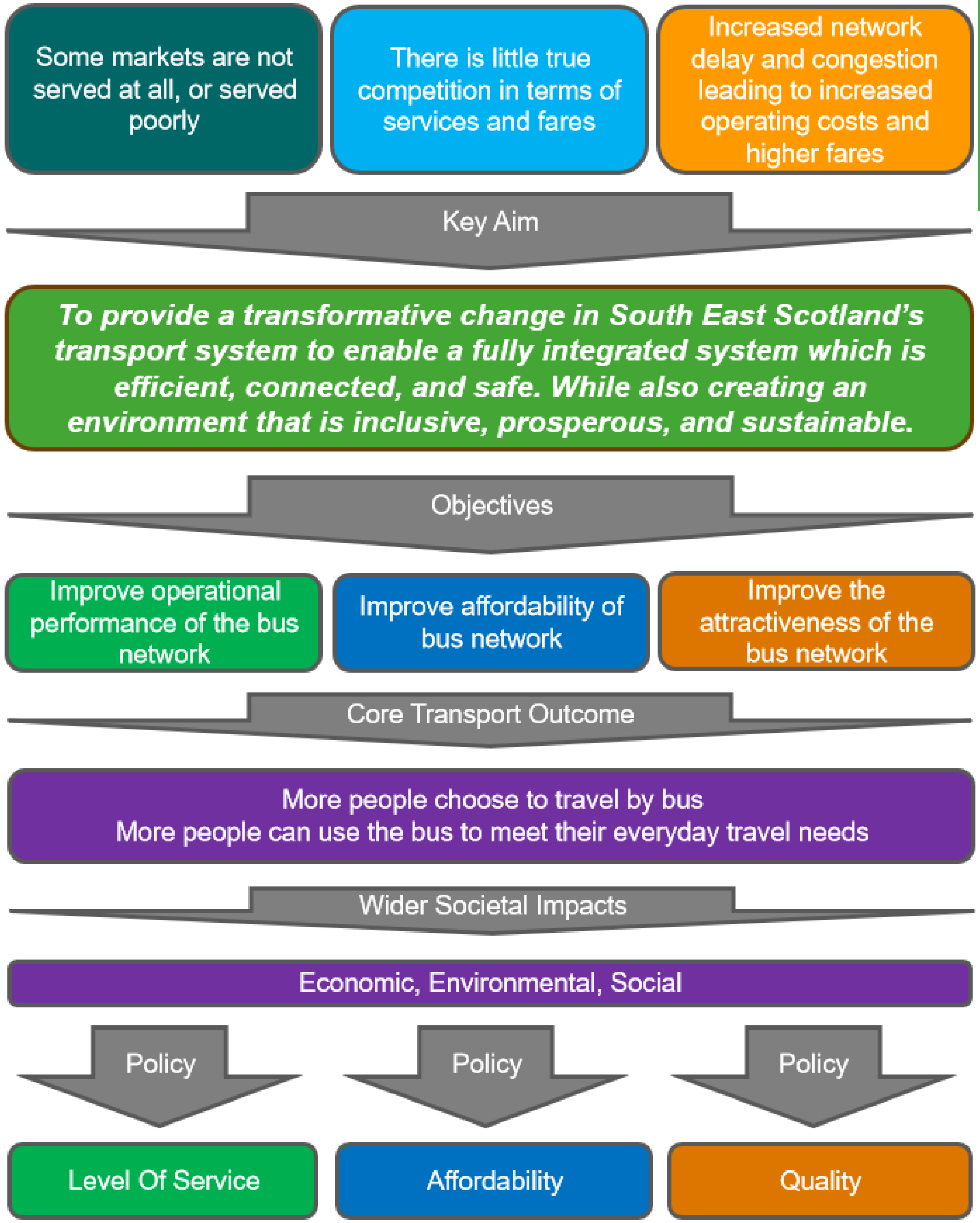
SRBS Vision into strategy objectives

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



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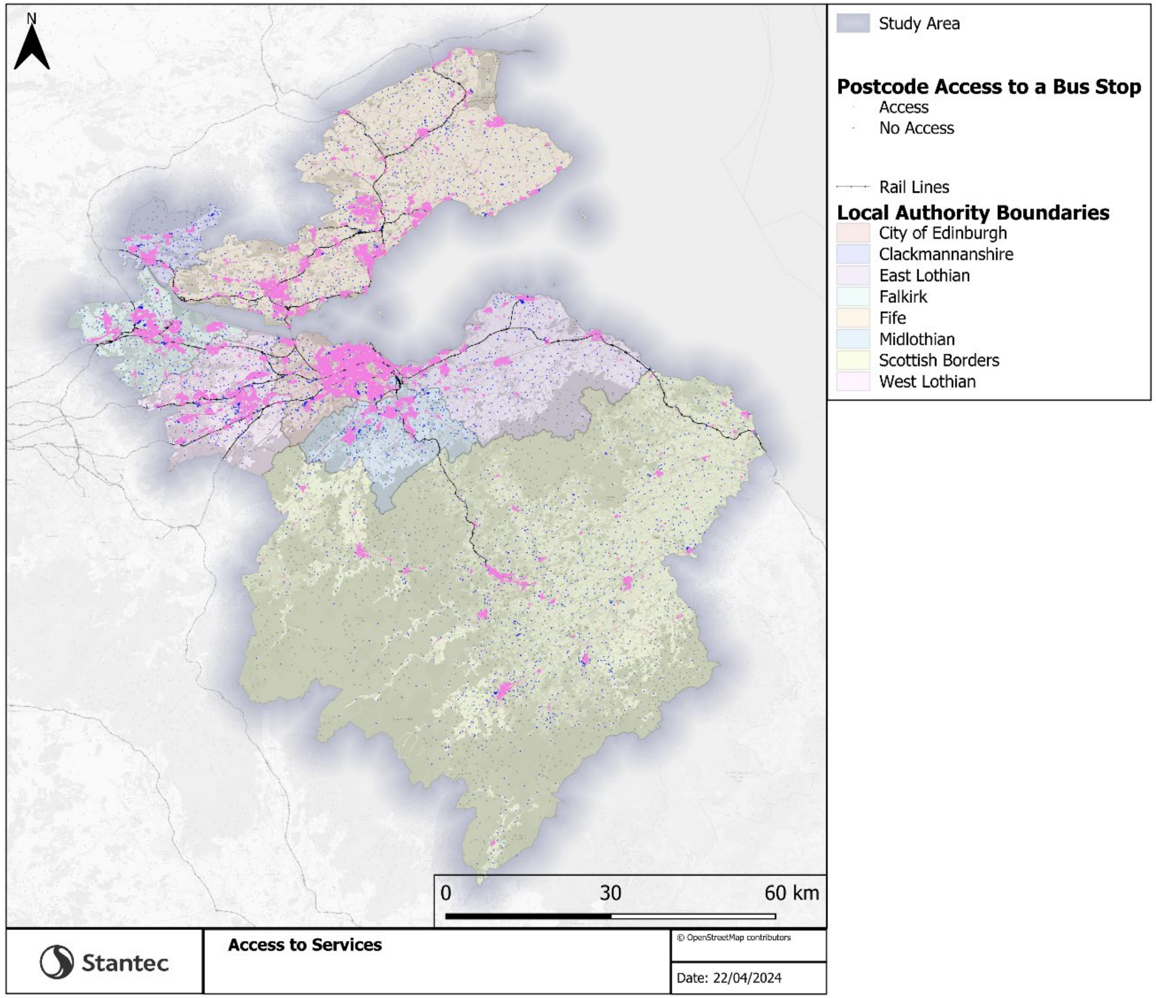
Some households do not have convenient access to a bus stop

- Some households do not have **convenient access to a bus stop** and are therefore excluded from the bus network or require a long walk, bike ride or lift to access the network

Local Authority	% households outwith access to a bus stop (under defined walk catchments)
Clackmannanshire	5%
East Lothian	6%
City of Edinburgh	1%
Falkirk	3%
Fife	2%
Midlothian	4%
Scottish Borders	15%
West Lothian	4%
SEStran	4%



Access to a bus stop in SEStran region

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

A8: Date of next meeting
10:00am on Friday 27th September 2024

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