

**PERFORMANCE & AUDIT COMMITTEE**

**Microsoft Teams Meeting  
Friday 29 November 2024 – 1:00pm**

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AGENDA

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<b>The date of the next meeting is Friday 28<sup>th</sup> February 2025</b>	

Gavin King  
Secretary to SESTRAN  
Head of Democracy, Governance and Resilience  
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**PERFORMANCE & AUDIT COMMITTEE**

**Dean of Guild Court Room, City Chambers, Edinburgh, EH1 1YJ  
 and via Microsoft Teams  
 on Friday 13 September 2024  
 1.00pm**

<b>PRESENT:</b>	<u>Name</u>	<u>Organisation Title</u>
	Councillor Imrie (Chair)	Midlothian Council
	Councillor Glen	Fife Council
	Councillor Law	Clackmannanshire Council
	Councillor Linehan	Scottish Borders Council
	Councillor McMillan	East Lothian Council
	Callum Hay	Non-Councillor Member
	Doreen Steele	Non-Councillor Member
	John Scott	Non-Councillor Member

<b>IN ATTENDANCE:</b>	<u>Name</u>	<u>Organisation Title</u>
	Brian Butler	SEStran
	Angela Chambers	SEStran
	Cheryl Fergie	SEStran
	Keith Fiskin	SEStran
	Christopher Gardner	Audit Scotland
	Sandra Lavergne	SEStran
	Jamie Macrae (Clerk)	City of Edinburgh Council
	Michael Melton	SEStran
	Iain Shaw	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 Pattle (West Lothian 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 7 June 2024 as a correct record, subject to the following correction: to note Iain Shaw was in attendance.

## **A5. FINANCE OFFICER'S REPORT**

The first update on the financial performance of the Partnership's Core and Projects budgets for 2024/25 was presented, in accordance with the Financial Regulations of the Partnership. This included an analysis of financial performance to the end of July 2024. The Partnership's Core and Projects budgets for 2024/25 were approved by the Partnership on 15th March 2024.

### **Decision**

- 1) To note that the forecast overspend on the Core revenue budget of £29,000, which was principally due to a reduction in Scottish Government grant funding, would be met by a drawdown from the Partnership's unallocated reserve
- 2) To note that expenditure was forecast to be within budget for Projects
- 3) To note the proposed re-alignment of the Projects 2024/25 budget, subject to the conclusion of the 2023/24 external audit.
- 4) To note that finance officers across the constituent local authorities would write to the Finance Minister to highlight issues with late audits.

(Reference – report by the Treasurer, submitted)

## **A6. ANNUAL REPORT & BUSINESS PLAN**

An update on the annual report and business plan was presented to Committee. Officers are developing the draft Business Plan, and will continue to engage with the Performance and Audit Committee before submitting a final version in February 2025.

The Annual Report is also being developed and will be submitted to the Board in March 2025 for approval.

### **Decision**

To note the update.

## **A7. PROJECTS AND STRATEGY PERFORMANCE**

An update was provided on the performance of the Partnership's strategy and project workstreams over the last quarter. The Committee discussed and reviewed each of the projects summarised in the report by the Programme Manager.

### **Decision**

- 1) To note progress recorded by project in the past quarter
- 2) To note that officers would speak to Scottish Borders Council about the work being done in Hawick on e-bikes
- 3) To note that officers would speak to stakeholders at East Lothian Community Hospital about issues with the car park being used as a park and ride.

(Reference – report by the Programme Manager, submitted)

## **A8. DATE OF NEXT MEETING**

Friday 22<sup>nd</sup> November 2024

## **PERFORMANCE AND AUDIT COMMITTEE ARRANGEMENTS**

### **1 INTRODUCTION**

- 1.1 This report and its appendices outline required appointments to the Committee, and propose setting up a new Sub-Group to provide additional scrutiny around project and strategy delivery.

### **2 APPOINTMENTS TO THE COMMITTEE**

- 2.1 At the UK General Election on 4 July 2024, Councillor Scott Arthur of City of Edinburgh Council was elected as a Member of Parliament. As a result, he resigned as a Councillor, and was replaced on the SEStran Partnership Board by Councillor Stephen Jenkinson. Cllr Jenkinson does not automatically replace Cllr Arthur on the Committee. Instead, it falls to the City of Edinburgh Council to advise SEStran of the replacement.
- 2.2 The Council has been asked to nominate a replacement, and this will be reported to the Committee when the nomination has been received.
- 2.3 At its meeting on 27 September 2024, the Partnership Board appointed Councillor Sally Pattle of West Lothian Council as its Chair. Following the Board meeting, Councillor Pattle resigned her position on the Partnership's Performance and Audit Committee.
- 2.4 Each Council should have representation on the Committee and, as Cllr Pattle represents West Lothian Council, an invitation has been extended to the other West Lothian Councillor on the Partnership Board, Tom Conn. Cllr Conn's response will be reported to the Committee in due course.

### **3 PROJECT AND STRATEGY DELIVERY OVERSIGHT SUB GROUP**

- 3.1 As part of the ongoing oversight of project and strategy delivery, it is proposed that a Project and Strategy Delivery Oversight Sub Group (PaSDOS) of the Performance and Audit Committee is established. This Sub Group would add to, and not replace, normal scrutiny of project and strategy delivery, which is currently reported to the Performance and Audit Committee and the Partnership Board. Nor would it replace Board approvals for forward planning, including the Business Plan, Delivery Plans, or completed Strategies. Minutes of the Sub Group would be reported to the following Performance and Audit Committee Meetings.
- 3.2 It is proposed that the Sub Group meets quarterly on the fourth Friday following the quarter end – this would result in meetings at the end of July, October, January and April. This would allow reporting to be produced for the Sub Group on progress in that quarter so that it could be adequately scrutinised. The first meeting of the Sub Group would therefore be Friday 24<sup>th</sup> January 2025. It should be noted that ad hoc meetings

may be called at short notice where required, for example to avoid delays in initiating new projects, or where urgent guidance is required from Board members.

- 3.3 It is proposed that the work of the Sub Group is centred on the following for each project and strategy work area:
- A detailed analysis of key project documentation including the Project Outline Document, Project Initiation Document, Project Status Reports, and Project Closure Reports
  - A review of progress in the most recent quarter
  - Progress against outcomes as agreed in the Business Plan
  - Updates on financial projections for the year as agreed in the Annual Budget and spend within the quarter
  - Progress against project timelines and milestones as agreed in the Business Plan
  - The current programme risk register and issues log

The first meeting of the Sub Group would be used to agree any reporting required in addition to the above, and to agree Terms of Reference for the Sub Group.

- 3.4 Given the scale of the People and Place delivery programme it is proposed that additional reporting will be provided for this that will include:
- Detailed breakdown of progress on individual projects, including key achievements and lessons learned
  - Information on actual and predicted grant claims
  - The current People and Place programme risk register and issues log

As for the wider delivery programme, the first meeting of the Sub Group would be used to agree any reporting required for People and Place in addition to the above.

- 3.5 It is proposed that membership of the Sub Group be made up of at least two Councillor members and two non-Councillor members, none of whom are required to be members of the Performance and Audit Committee. It is further proposed that membership is initially by invitation, at the direction of the Committee Chair, in order that members with specific skillsets can be targeted. These skillsets may include audit, accounts, programme or project management, change management, risk management or legal knowledge.

## **4 RECOMMENDATIONS**

- 4.1 The Committee is asked to:
- Note the position regarding future appointments to the Committee
  - Approve the formation of the Project and Strategy Delivery Oversight Sub Group as set out in section 3

Michael Melton  
**Programme Manager**  
29<sup>th</sup> November 2024

Policy Implications	There is no policy implication arising from this report. Appointments to the Committee are in line with the Standing Orders. The proposed Sub-Group would support delivery of the Regional Transport Strategy.
Financial Implications	There is no financial implication arising from this report. All project work is delivered within confirmed budgets. The proposed Sub-Group will result in additional scrutiny of project budgets.
Equalities Implications	There are no adverse equalities implications arising from this report.
Climate Change Implications	There are no negative climate change implications arising from this report.

## **Audited Annual Accounts 2023/24**

### **1. Introduction**

- 1.1 This report presents the draft Audited Annual Accounts for the year ended 31st March 2024.

### **2. Main Report**

- 2.1 The unaudited Annual Accounts were noted by the Partnership at its meeting on 21st June 2024.

- 2.2 The Partnership's appointed External Auditor – Audit Scotland has substantially completed work on the 2023/24 annual accounts. The External Auditor anticipates issuing an unmodified audit opinion in the independent auditor's report to the meeting of the Partnership on 6 December 2024.

- 2.3 The draft Audited Annual Accounts for the year ended 31<sup>st</sup> March 2024 are presented at Appendix 1.

- 2.4 The draft Annual Audit Report states the accompanying financial statements:

- give a true and fair view of the state of affairs of the Partnership as at 31 March 2024 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards, as interpreted and adapted by the 2023/24 Code;
- have been prepared in accordance with the requirements of the Local Government (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003

- 2.5 The Audit Opinion is included in the Independent Auditor's report at pages 50 to 52 of the Audited Annual Accounts.

- 2.6 The Partnership Board will consider the Annual Audit Report and the Audited Annual Accounts at its' meeting on 6<sup>th</sup> December 2024.

### **3 Recommendations**

- 3.1 It is recommended that the Performance and Audit Committee note the draft audited annual accounts and the Auditor's opinion in the audit certificate.



**Richard Lloyd-Bithell**

Treasurer

27<sup>th</sup> November 2024

**Appendix**            1 – Draft Audited Annual Accounts 2023/24  
                              2 - The Draft Annual Audit Report 2023/2024

**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 following issue of an unqualified Audit certificate.
Equalities Implications	There are no equality implications arising as a result of this report.
Climate Change Implications	There are no climate change implications arising as a result of this report.

**The South East of Scotland  
Transport Partnership  
(SESTRAN)**

**Audited  
Annual Accounts**

**2023/2024**

# The South East of Scotland Transport Partnership (SESTRAN)

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# 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 8,400km<sup>2</sup>, 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 1,600,400 in 2022 (Scottish Census 2022). 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 32% 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 two main categories - financial and transport governance.

#### Financial Risks

Traditionally, the Partnership has had 4 main sources of funding:

- Annual grant funding from Transport Scotland
- Requisition from each of the eight local authority partners
- Funding for specific projects or activities e.g. Active Travel
- Funding from the European Union for collaborative projects with partners in other EU states.

The annual grant from Transport Scotland has remained at the same level for over a decade, but it has been reduced by 5% for 2024/25 in line with reductions across the Scottish Government. There is a real risk that there will be further reductions to this grant, which is designed to cover the Partnership's core costs, in 2025/26 and beyond.

Council requisitions have reduced by 10% over the same period. Transport Scotland has encouraged RTPs to increase the requisitions, but with council budgets already under significant pressure, any attempt to increase requisition is likely to meet with significant resistance.

# The South East of Scotland Transport Partnership (SESTRAN)

## Management Commentary (*continued*)

### 4. Risks and Uncertainties (*continued*)

#### Financial Risks

Funding for specific projects has accounted for as much as 50% of the Partnership's overall income in recent years. As it is not usually announced until part-way through each financial year, it does not form part of the budget process. Due to Scottish Government financial constraints, there is unlikely to be much, if any, ad hoc funding in 2024/25.

European Union funding has ceased entirely during 2022/23 and 2023/24, primarily due to the exit of the UK from the EU. There is a more positive outlook though, as the UK government has confirmed that UK organisations are eligible to bid for EU Horizon funding. The Partnership is a part of two consortia that will bid for funding for innovation projects in 2024/25.

By far the biggest change to RTP's funding, has resulted from Transport Scotland's Active Travel Transformation Programme, as a result of which RTPs are now responsible for the disbursement of all government-funded active travel behaviour change projects within their region. Previously, this role was undertaken by the third sector, but has not produced the desired outcome of significantly increased active travel participation rates.

From 2024/25, the Partnership will receive an additional £5.3m of grant funding – an effective quadrupling of typical annual income. Most will be passed through to local authorities or active travel delivery partners whose projects qualify for funding under the new grant standing orders and funding processes which have been approved by the Partnership. This will be the subject of the 2024/25 Internal Audit.

In line with guidance from Transport Scotland, the Partnership's internal capacity has been increased to ensure that the team undertaking this work is adequately resourced and resilient. For 2024/25 the team will be supported by external consultants, also in line with government guidance.

Given that 2024/25 is a transition year for this funding, now called the People and Place Plan, there is a likelihood that it will be refined in 2025/26. This could potentially involve the inclusion of other forms of sustainable travel and the incorporation of funds which are currently directly awarded to community organisations to sustain them through the transition. As such, this funding presents both a risk and an opportunity from 2025/26. The Partnership, in common with other RTPs, are attempting to influence Transport Scotland's thinking as far as possible.

The Partnership is also proactively seeking additional sources of funding - particularly from a number of funds aimed at innovation and digital innovation.

Costs have been subject to the highest level of inflation for a generation. 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.

The Partnership's long-term financial sustainability was assessed by the City of Edinburgh Council's Internal Audit team in 2023/24. Apart from recommended changes to financial and budgeting processes, the audit report was very positive. In future, the Partnership will undertake scenario planning and sensitivity exercises as part of the budgeting process.

#### National approach to transport governance

Transport governance refers to the respective roles and responsibilities of Transport Scotland, the 7 Regional Transport Partnerships, 32 local authorities and selected other partners.

Over recent years, there has been much discussion. Successive independent reports have proposed that Transport Scotland should devolve much of its workload to other organisations which, due to superior knowledge of local requirements, may be better placed to prioritise and deliver projects in their region or local authority area.

This is both a risk and an opportunity to the Partnership. The recent transfer of People and Place responsibilities indicates that Transport Scotland has a degree of confidence in RTPs. The Partnership is aiming to build on this and actively engage with Transport Scotland about other matters where it believes it can make a significant positive impact.

# The South East of Scotland Transport Partnership (SESTRAN)

## Management Commentary (continued)

### 4. Risks and Uncertainties (continued)

#### National approach to transport governance (continued)

In addition, the seven RTPs have 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 it is looking to form an officers' group, which will report directly to the Cabinet Secretary for Transport, to examine transport governance. RTPs will be represented on the officers' group in order to influence the future direction of transport governance, and the Partnership has indicated its enthusiasm for being directly involved.

### 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 17.

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.

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 £86,000 on the core revenue budget and £293,000 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 £0.729m which was £86,000 below budget. The favourable variance arose from staff vacancies during the financial year.
- The Partnership incurred expenditure of £1.013m on revenue projects and received external grants and contributions of £0.990m. Net expenditure was £293,000 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 (£157,000) 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	734	(86)
Core Service - Interest Received	0	0	0	(5)	
Revenue Projects - Expenditure	923	162	1,085	1,013	(293)
Revenue Projects - Income	(766)	(3)	(769)	(990)	
<b>Total Expenditure 2023/24</b>	<b>972</b>	<b>159</b>	<b>1,131</b>	<b>752</b>	<b>(379)</b>
Government Grant	(782)	0	(782)	(782)	0
Constituent Council Requisitions	(190)	0	(190)	(190)	0
<b>Total Government Grant and Council Contributions 2023/24</b>	<b>(972)</b>	<b>0</b>	<b>(972)</b>	<b>(972)</b>	<b>0</b>

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.

# The South East of Scotland Transport Partnership (SESTRAN)

## Management Commentary (*continued*)

### 5. Results for the Year (*continued*)

#### Treasury Management

The Partnership has adopted the CIPFA Code of Practice on Treasury Management in the Public Sector. 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. For 2023/24, interest of £5,157 was calculated in accordance with the (withdrawn) Local Authority (Scotland) Accounts Advisory Committee's Guidance Note 2 on Interest on Revenue Balances. The role of Treasury Management in the management of financial risks is referenced in Note 25.

#### 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

Mobility as a service (MaaS) is a type of service that enables users to plan, book, and pay for multiple types of mobility services through a combined platform. Transportation services from public and private transportation providers are combined through a unified gateway, usually via an app or website, that creates and manages the trip and payments, including subscriptions, with a single account. The key concept behind MaaS is to offer travellers flexible mobility solutions based on their travel needs, thus "mobility as a service" also refers to the broader concept of a shift away from personally-owned modes of transportation and towards mobility provided as a service.

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)

Demand-responsive transport (DRT), is a form of shared private or quasi-public transport for individuals or groups traveling, where vehicles alter their routes each journey, based on actual transport demand without using a fixed route or timetabled journeys. These vehicles typically pick-up and drop-off passengers in locations according to passengers needs and can include taxis, buses or other vehicles. Passengers can typically summon the service with a mobile phone app or by telephone; telephone is particularly relevant to older users who may not be conversant with technology.

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.



# The South East of Scotland Transport Partnership (SESTRAN)

## Management Commentary (*continued*)

### 5. Non Financial Results (*continued*)

#### Regional Freight Strategy (*continued*)

The study has assessed 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 Scottish Transport Appraisal Guidance (STAG), 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.

#### 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

The Partnership has procured a single supplier framework agreement for RTPi screens, which is used by all local authority partners to purchase real-time signage. 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

For 2023/24, funding was successfully secured for the delivery of region-specific strategies, projects and services, including:

Funding Body	Title	Amount
Transport Scotland	Active Travel Grant	£652,579
Paths for All	Smarter Choices Smarter Places – GOSEStran	£91,265
Paths For All	Active Nation – Do the Ride Thing campaign	£86,532
Paths for All	Smarter Choices Smarter Places – Thistle Assistance marketing support	£20,000
Transport Scotland	Community Bus Fund	£150,000
Transport Scotland	Local Rail Development Fund – freight study	£41,157
<b>TOTAL</b>		<b>£1,041,533</b>

# The South East of Scotland Transport Partnership (SESTRAN)

## Management Commentary (*continued*)

### 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.

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.



# 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.

I confirm that the annual accounts were approved for signature by the South East of Scotland Transport Partnership at its Board meeting on 6th December 2024.

Chair of Partnership

Board:

SALLY PATTLE

\_\_\_\_\_ Date signed:

### 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. Procurement Procedures

During 2023/24, the Partnership's legal advisers were engaged to review the Partnership's procurement procedures. All the Partnership's Standing Orders were reviewed and strengthened in 2023/24 and 2024/25, including Contract Standing Orders. The most recent review of the Partnership's Corporate Procurement Strategy was in March 2023. The Strategy will be reviewed again by March 2025. Revised Procurement procedures and processes have been drafted, with the intention of seeking Board approval by March 2025.

### 6. Internal Audit Opinion

The City of Edinburgh Council Internal Audit Service undertakes one annual review each year to provide assurance over the controls established by the Partnership to mitigate specific key risks. During 2023/24, the Internal Audit Service undertook a 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.

Due to the 2023/24 review being focussed on the key controls in place to support the ongoing financial sustainability of the Partnership, an internal audit annual opinion is not given on the Partnership's overall governance arrangements. As the Partnership uses the financial systems of City of Edinburgh Council, assurance is placed on work undertaken by Internal Audit on the City of Edinburgh Council's financial systems.

### 7. 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.

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

Chair of Partnership

Board: SALLY PATTLE \_\_\_\_\_ Date signed:

Partnership Director:

BRIAN BUTLER \_\_\_\_\_ Date signed:

# 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 14 and 15 in the Remuneration Report have been audited by the Partnership's external auditor. The other sections in the Remuneration Report have been 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			Accrued pension benefits	
	2023/24 £	2022/23 £		As at 31 March 2024 £'000	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			



# 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	£'000	£'000	£'000	£'000	£'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.

Chair of Partnership

Board: SALLY PATTLE \_\_\_\_\_ Date signed :

Partnership Director: \_\_\_\_\_ Date signed :

BRIAN BUTLER \_\_\_\_\_ Date signed :

# 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
<b>Opening Balances at 1 April 2022</b>	<b>162</b>	<b>162</b>	<b>(421)</b>	<b>(259)</b>
<b>Movement in reserves during 2022/23</b>				
Surplus or (Deficit) on Provision of Services	34	34	0	34
Other Comprehensive Expenditure and Income	0	0	653	653
<b>Total Comprehensive Expenditure and Income</b>	<b>34</b>	<b>34</b>	<b>653</b>	<b>687</b>
<b>Adjustments between accounting basis &amp; funding basis under regulations (Note 7)</b>	<b>12</b>	<b>12</b>	<b>(12)</b>	<b>0</b>
<b>Increase/Decrease in 2022/23</b>	<b>46</b>	<b>46</b>	<b>641</b>	<b>687</b>
<b>Balance at 31 March 2023 carried forward</b>	<b>208</b>	<b>208</b>	<b>220</b>	<b>428</b>

### 2023/24 - Current Financial Year

	Usable Reserves		Unusable Reserves	Total Partnership Reserves
	General Fund Balance	Total Usable Reserves		
	£'000	£'000	£'000	£'000
<b>Opening Balances at 1 April 2023</b>	<b>208</b>	<b>208</b>	<b>220</b>	<b>428</b>
<b>Movement in reserves during 2023/24</b>				
Surplus or (Deficit) on Provision of Services	223	223	0	223
Other Comprehensive Expenditure and Income	0	0	(48)	(48)
<b>Total Comprehensive Expenditure and Income</b>	<b>223</b>	<b>223</b>	<b>(48)</b>	<b>175</b>
<b>Adjustments between accounting basis &amp; funding basis under regulations (Note 7)</b>	<b>(3)</b>	<b>(3)</b>	<b>3</b>	<b>0</b>
<b>Increase/Decrease in 2023/24</b>	<b>220</b>	<b>220</b>	<b>(45)</b>	<b>175</b>
<b>Balance at 31 March 2024 carried forward</b>	<b>428</b>	<b>428</b>	<b>175</b>	<b>603</b>

# 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 RESTATE <sup>d</sup> *				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	749	0	749
1,262	(1,053)	209	Projects	996	(990)	6
<b>1,973</b>	<b>(1,054)</b>	<b>919</b>	<b>Cost Of Services</b>	<b>1,745</b>	<b>(990)</b>	<b>755</b>
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)
<b>2,069</b>	<b>(2,103)</b>	<b>(34)</b>	<b>(Surplus) or Deficit on Provision of Services</b>	<b>1,887</b>	<b>(2,110)</b>	<b>(223)</b>
			<b>Other Comprehensive Income and Expenditure</b>			
0	(23)	(23)	Change in Demographic Assumptions	0	(48)	(48)
0	(1,519)	(1,519)	Change in Financial Assumptions	0	(164)	(164)
0	647	647	Changes in the effect of the asset ceiling	0	(68)	(68)
228	0	228	Other Experience	369	0	369
14	0	14	Return on Assets excluding amounts included in net interest	0	(41)	(41)
<b>242</b>	<b>(895)</b>	<b>(653)</b>	<b>Total Other Comprehensive Income and Expenditure</b>	<b>369</b>	<b>(321)</b>	<b>48</b>
<b>2,311</b>	<b>(2,998)</b>	<b>(687)</b>	<b>Total Comprehensive Income and Expenditure</b>	<b>2,256</b>	<b>(2,431)</b>	<b>(175)</b>

\* Both Projects expenditure and income have been reduced by £0.094m to remove agency income/ expenditure.

# 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	189
0	Other long-term assets (Pensions)	24	0
<b>231</b>	<b>Long term assets</b>		<b>189</b>
1,145	Short-term debtors	13	741
0	Provision for Bad Debts	14	0
227	Cash and cash equivalents	15	228
<b>1,372</b>	<b>Current assets</b>		<b>969</b>
(15)	Contributions and Grants Received in Advance		0
(1,160)	Short-term creditors	16	(555)
<b>(1,175)</b>	<b>Current liabilities</b>		<b>(555)</b>
<b>0</b>	<b>Long-term liabilities</b>		<b>0</b>
<b>428</b>	<b>Net assets/ (liabilities)</b>		<b>603</b>
	<b>Financed by:</b>		
208	Usable reserves	17	428
220	Unusable reserves	18	175
<b>428</b>	<b>Total reserves</b>		<b>603</b>

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

The audited Annual Accounts were authorised for issue by Richard Lloyd-Bithell on 6th December 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
		<b>OPERATING ACTIVITIES</b>		
(782)		Government Grants	(782)	
(190)		Constituent Council Requisitions	(190)	
0		Interest paid/ (received)	2	
(971)		Other receipts from operating activities	(1,871)	
	<b>(1,943)</b>	<b>Cash inflows generated from operating activities</b>		<b>(2,841)</b>
494		Cash paid to and on behalf of employees	585	
1,317		Cash paid to suppliers of goods and services	2,121	
	<b>1,811</b>	<b>Cash outflows generated from operating activities</b>		<b>2,706</b>
	<b>(132)</b>	<b>Net cash flows from operating activities</b>		<b>(135)</b>
		<b>INVESTING ACTIVITIES</b>		
0		Purchase of property, plant and equipment	134	
0		Proceeds from the sale of property, plant and equipment	0	
	<b>0</b>	<b>Net cash flows from investing activities</b>		<b>134</b>
		<b>FINANCING ACTIVITIES</b>		
0		Other receipts from financing activities	0	
	<b>0</b>	<b>Net cash flows from financing activities</b>		<b>0</b>
	<b>(132)</b>	<b>Net( increase)/ decrease in cash and cash equivalents</b>		<b>(1)</b>
	<b>95</b>	<b>Cash and cash equivalents at the beginning of the reporting period</b>		<b>227</b>
	<b>227</b>	<b>Cash and cash equivalents at the end of the reporting period (Note 15)</b>		<b>228</b>

# The South East of Scotland Transport Partnership (SESTRAN)

## NOTES TO THE ANNUAL ACCOUNTS

### 1. STATEMENT OF ACCOUNTING POLICIES

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#### 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)*

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#### 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*)

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#### 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*)

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#### 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.

The Partnership's current lease agreements are detailed in Note 2. These agreements will be assessed in preparation for adoption of IFRS16 leases. For the remaining standards introduced by the 2024/25 Code, there is currently no information known on the potential impact that application of the new standards will have on the Board's financial statements.

### **3. CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES**

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

The critical judgements made in the Annual Accounts are:

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

## NOTES TO THE ANNUAL ACCOUNTS

### 3. CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES (*continued*)

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

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

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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

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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
	£'000	£'000	£'000
<b>2023/24</b>			
Core	734	14	748
Projects	23	(16)	7
<b>Net Cost of Services</b>	<b>757</b>	<b>(2)</b>	<b>755</b>
<b>Other Income and Expenditure</b>			
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)
<b>(Surplus) or deficit on the provision of services</b>	<b>(220)</b>	<b>(3)</b>	<b>(223)</b>
	Net Expenditure Chargeable to the General Fund	Adjustments	Net Expenditure in the CIES
	£'000	£'000	£'000
<b>2022/23</b>			
Core	599	111	710
Projects	325	(116)	209
<b>Net Cost of Services</b>	<b>924</b>	<b>(5)</b>	<b>919</b>
<b>Other Income and Expenditure</b>			
Government grant	(782)	0	(782)
Constituent council requisitions	(190)	0	(190)
Interest Received	2	0	2
Net pension interest cost	0	17	17
<b>(Surplus) or deficit on the provision of services</b>	<b>(46)</b>	<b>12</b>	<b>(34)</b>

# 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:

	Adjusts. For Capital Purposes £'000	Net Change for Pensions Adjusts. £'000	Other Differences £'000	Total Statutory Adjusts. £'000
<b>2023/24</b>				
Core	58	(47)	3	14
Projects	(16)	0	0	(16)
<b>Net Cost of Services</b>	<b>42</b>	<b>(47)</b>	<b>3</b>	<b>(2)</b>
<b>Other Income and Expenditure</b>				
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)
<b>(Surplus) or deficit on the provision of services</b>	<b>42</b>	<b>(48)</b>	<b>3</b>	<b>(3)</b>
	Adjusts. For Capital Purposes £'000	Net Change for Pensions Adjusts. £'000	Other Differences £'000	Total Statutory Adjusts. £'000
<b>2022/23</b>				
Core	58	56	(3)	111
Projects	(116)	0	0	(116)
<b>Net Cost of Services</b>	<b>(58)</b>	<b>56</b>	<b>(3)</b>	<b>(5)</b>
<b>Other Income and Expenditure</b>				
Net pension interest cost	0	17	0	17
<b>(Surplus) or deficit on the provision of services</b>	<b>(58)</b>	<b>73</b>	<b>(3)</b>	<b>12</b>

- 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

	Core £'000	Projects £'000	Total £'000
<b>2023/24</b>			
<b>Expenditure</b>			
Employee expenses	494	0	494
Other service expenses	240	1,013	1,253
<b>Total Expenditure</b>	<b>734</b>	<b>1,013</b>	<b>1,747</b>
<b>Income</b>			
Government grants and other contributions	0	(990)	(990)
<b>Total Income</b>	<b>0</b>	<b>(990)</b>	<b>(990)</b>
<b>Net Cost of Services</b>	<b>734</b>	<b>23</b>	<b>757</b>
		<b>RESTATED *</b>	
	Core £'000	Projects £'000	Total £'000
<b>2022/23</b>			
<b>Expenditure</b>			
Employee expenses	389	0	389
Other service expenses	211	1,378	1,589
<b>Total Expenditure</b>	<b>600</b>	<b>1,378</b>	<b>1,978</b>
<b>Income</b>			
Government grants and other contributions	(1)	(1,053)	(1,054)
<b>Total Income</b>	<b>(1)</b>	<b>(1,053)</b>	<b>(1,054)</b>
<b>Net Cost of Services</b>	<b>599</b>	<b>325</b>	<b>924</b>

#### 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:

	<b>RESTATED *</b>	
	<b>31st March 2024</b>	<b>31st March 2023</b>
	<b>£'000</b>	<b>£'000</b>
<b>Expenditure</b>		
Employee expenses	450	442
Other service expenses	1,234	1,473
Depreciation, amortisation and impairment	61	58
Interest payments	142	96
<b>Total Expenditure</b>	<b>1,887</b>	<b>2,069</b>
<b>Income</b>		
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	(1,772)	(1,836)
<b>Total Income</b>	<b>(2,110)</b>	<b>(2,103)</b>
<b>(Surplus) or Deficit on the Provision of Services</b>	<b>(223)</b>	<b>(34)</b>

\* Projects expenditure/ income has been reduced by £0.094m to remove agency income/ expenditure.

# 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	Unusable Reserves				
	General Fund Balance	Capital Adjustment Account	Accumulated Absence Account	Pension Reserve	Movement in Unusable Reserve
	£'000	£'000	£'000	£'000	£'000
<b>Adjustments primarily involving the <u>Capital Adjustment Account</u></b>					
<b>Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement (CIES)</b>					
Charges for depreciation and impairment of non-current assets	61	(61)			(61)
<b>Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement (CIES)</b>					
Contributions credited to the CIES that have been applied to capital financing	(19)	19			19
<b>Adjustments primarily involving the <u>Pensions Reserve</u></b>					
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
<b>Adjustments primarily involving the <u>Accumulated Absence Account</u></b>					
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)
<b>Total Adjustments</b>	<b>(3)</b>	<b>(42)</b>	<b>(3)</b>	<b>48</b>	<b>3</b>

# 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
<b>Adjustments primarily involving the Capital Adjustment Account</b>					
<b>Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement (CIES)</b>					
Charges for depreciation and impairment of non-current assets	58	(58)			(58)
<b>Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement (CIES)</b>					
Contributions credited to the CIES that have been applied to capital financing	(116)	116			116
<b>Adjustments primarily involving the Pensions Reserve</b>					
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
<b>Adjustments primarily involving the Accumulated Absence Account</b>					
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
<b>Total Adjustments</b>	<b>12</b>	<b>58</b>	<b>3</b>	<b>(73)</b>	<b>(12)</b>



# The South East of Scotland Transport Partnership (SESTRAN)

## NOTES TO THE ANNUAL ACCOUNTS

### 8. TRANSFERS TO/FROM EARMARKED RESERVES

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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

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	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
	<hr/>	<hr/>
	(6)	19

### 10. TAXATION AND NON SPECIFIC GRANT INCOME

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	2023/24 £'000	2022/23 £'000
Government Grant	(782)	(782)
Constituent Council Requisitions	(190)	(190)
	<hr/>	<hr/>
	(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
At 1st April 2023	795	36	831
Additions	19	0	19
Transfers	25	(25)	0
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	0	0	0
At 31st March 2024	839	11	850
<b>Accumulated Depreciation</b>			
At 1st April 2023	(600)	0	(600)
Depreciation charge	(61)	0	(61)
Depreciation written out to the Surplus/Deficit on the Provision of Services	0	0	0
At 31st March 2024	(661)	0	(661)
<b>Net Book Value</b>			
At 31st March 2024	178	11	189

# 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	RESTATED * Vehicles Plant and Equipment £'000	Assets Under Construction £'000	Total Property Plant and Equipment £'000
<b>Cost or Valuation</b>			
At 1st April 2022	687	28	715
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	795	36	831
<b>Accumulated Depreciation</b>			
At 1st April 2022	(542)	0	(542)
Depreciation charge	(58)	0	(58)
Depreciation written out to the Surplus/Deficit on the Provision of Services	0	0	0
At 31st March 2023	(600)	0	(600)
<b>Net Book Value</b>			
At 31st March 2023	195	36	231

\* The cost and accumulated depreciation at 1st April 2022 has been reduced by £0.198m to reflect the net book value of assets at 31 March 2016. The asset values at 31 March 2016 were based on net book value after impairment. As all the assets at 31 March 2016 were fully depreciated by 31 March 2021, there is no change to the net book value of the Partnership's Property, Plant and Equipment.

#### 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

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#### 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

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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

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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:

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

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

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

### 13. DEBTORS

	31st March 2024	31st March 2023
	£'000	£'000
Debtors:		
Central government bodies	340	603
Other local authorities	201	120
HM Customs and Excise - VAT	62	59
Other entities and individuals	138	363
	<u>741</u>	<u>1,145</u>

# The South East of Scotland Transport Partnership (SESTRAN)

## NOTES TO THE ANNUAL ACCOUNTS

### 14. PROVISION FOR BAD DEBTS

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

### 16. CREDITORS

	31st March	31st March
	2024	2023
	£'000	£'000
Central government bodies	(4)	(2)
Other local authorities	(25)	(531)
Other entities and individuals	(511)	(586)
Employee costs	(15)	(41)
	(555)	(1,160)

### 17. USABLE RESERVES

	31st March	31st March
	2024	2023
	£'000	£'000
17.1 Unallocated General Fund Reserve	135	49
17.2 Earmarked Balance - Project Budget slippage	293	159
	428	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	189	231
18.2 Pension Reserve	0	0
18.3 Accumulated Absence Account	(14)	(11)
	175	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	(61)	(58)
• Charges for revaluation of non-current assets	0	0
	170	115
Net written out amount of the cost of non-current assets consumed in year		
Capital financing applied in the year:		
• Contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	19	116
	189	231
Balance at 31st March		

#### 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)*

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#### 18.2 Pension Reserve *(continued)*

	2023/24 £'000	2022/23 £'000
Balance at 1st April	0	(580)
Remeasurements of the net defined benefit liability	(48)	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	<u>0</u>	<u>0</u>

#### 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	<u>(14)</u>	<u>(11)</u>

### 19. MEMBERS EXPENSES

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

	2023/24 £'000	2022/23 £'000
Expenses	<u>0</u>	<u>0</u>
	<u>0</u>	<u>0</u>



# 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	2022/23
	£'000	£'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	2022/23
	£'000	£'000
<b>Credited to Taxation and Non Specific Grant Income</b>		
Scottish Government - Revenue Grant	(782)	(782)
Constituent Council Requisitions (Note 22.3)	(190)	(190)
	(972)	(972)
<b>Credited to Services</b>		
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

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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
	<hr/> 42	<hr/> 44
• Revenue Expenditure - Interest on Revenue Balances		
City of Edinburgh Council	0	2
	<hr/> 0	<hr/> 2
• Revenue Expenditure - Other		
City of Edinburgh Council	2	1
East Lothian Council	0	1
Scottish Government	17	18
West Lothian Council	0	2
	<hr/> 19	<hr/> 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)
	<u>(190)</u>	<u>(190)</u>
• Revenue Income - Interest on Revenue Balances		
City of Edinburgh Council	(5)	0
	<u>(5)</u>	<u>0</u>
• 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)
	<u>(889)</u>	<u>(798)</u>
• Revenue Income - Agency Income		
Fife Council	(180)	(88)
Midlothian Council	(275)	0
Scottish Borders Council	(59)	(6)
West Lothian Council	(46)	0
	<u>(560)</u>	<u>(94)</u>

# 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.

<b>CREDITORS</b>	<b>2023/24</b>	<b>Restated*</b>
	<b>£'000</b>	<b>2022/23</b>
		<b>£'000</b>
• Creditors - Related Parties (Revenue Grants)	0	0
• Creditors - Related Parties (Other)		
City of Edinburgh Council	(25)	(526) *
Falkirk Council	0	0
Fife Council	0	(5)
Scottish Government	(4)	(2)
	(29)	(533)
• Creditors - Other Parties	(550)	(1,167)
Total Creditors	(579)	(1,700)
<b>DEBTORS</b>		
• 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	205	422
Total Debtors	741	1,145

\* Creditors 2022/23 - Related Parties (Other) is restated to include the indebtedness between the Partnership and City of Edinburgh Council.

# The South East of Scotland Transport Partnership (SESTRAN)

## NOTES TO THE ANNUAL ACCOUNTS

### 23. LEASES

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#### Operating Leases

On 15th December 2013, the Partnership entered an Agreement with Brompton Bike Hire Limited for the provision of two eight-bay Brompton Hire bicycle docks and sixteen hire bicycles over a period of five years at a total cost of £113,564. The full value of £113,564 was paid in 2023/24.

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 £30,000 (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
	<hr/> 18	<hr/> 24

The Partnership has no other material operational leases.

### 24. DEFINED BENEFIT PENSION SCHEMES

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

# 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
<b>Comprehensive Income and Expenditure Statement</b>				
<i>Cost of services:</i>				
Service cost, comprising:				
Current service costs	75		191	
Past service costs	<u>0</u>	75	<u>0</u>	191
<i>Financing and investment income:</i>				
Net interest expense/ (income)	(32)		17	
Interest on the effect of the asset ceiling	<u>31</u>	(1)	<u>0</u>	17
<b>Total post employee benefit charged to the surplus on the provision of services</b>		<u>74</u>		<u>208</u>
<i>Other post-employment benefits charges to the Comprehensive Income / Expenditure Statement</i>				
Remeasurement of the net defined liability, comprising:				
Return on pension assets, excluding the amount included in the net interest expense above	(41)		14	
Actuarial gains and (losses) arising on changes in financial assumptions	(164)		(1,519)	
Actuarial gains and (losses) arising on changes in demographic assumptions	(48)		(23)	
Restriction in Pension Asset	(68)		647	
Other experience	<u>369</u>		<u>228</u>	
		<u>48</u>		<u>(653)</u>
<b>Total post-employment benefits charged to the Comprehensive Income / Expenditure Statement</b>		<u>122</u>		<u>(445)</u>
<b>Movement in Reserves Statement</b>				
Reversal of net charges made to the surplus on the provision of services for post-employment benefits in accordance with the Code.		<u>(48)</u>		<u>73</u>
<b>Actual amount charged against the General Fund Balance for pensions in the year:</b>				
Employer's contributions payable to the scheme		<u>122</u>		<u>135</u>
		<u>122</u>		<u>135</u>

# 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	3,363	2,976
* Restriction in Pension Asset	(610)	(647)
Present value of funded liabilities	(2,753)	(2,329)
Net asset/(liability) arising from defined benefit obligation	0	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	143	
Return on plan assets, excluding the amount included in the net interest expense	41	(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	3,363	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	164	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	(2,753)	(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 and 2023/24.

# 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		2022/23	
	£'000	%	£'000	%
Equity Securities:				
Consumer *	397	12	365	12
Manufacturing *	462	14	410	14
Energy and Utilities *	183	5	180	6
Financial Institutions *	198	6	179	6
Health and Care *	217	6	219	7
Information technology *	167	5	124	4
Other *	206	6	203	7
Sub-total Equity Securities	1,830		1,679	
Debt Securities:				
Corporate Bonds (investment grade) *	54	2	46	2
UK Government *	452	13	345	12
Other *	58	2	62	2
Sub-total Debt Securities	565		454	
Private Equity:				
All *	17	1	2	
All	14	0	10	0
Sub-total Private Equity	31		12	
Real Estate:				
UK Property *	0	0	20	1
UK Property	172	5	114	4
Overseas Property *	11	0	4	0
Overseas Property	0	0	1	0
Sub-total Real Estate	183		139	
Investment Funds and Unit Trusts:				
Equities *	0	0	40	1
Equities	0	0	2	0
Bonds	86	3	86	3
Commodities	37	1	0	0
Infrastructure *	8	0	0	0
Infrastructure	499	15	424	14
Sub-total Investment Funds and Unit Trusts	630		552	
Derivatives:				
Foreign Exchange *	(1)	(0)	0	0
Sub-total Derivatives	(1)		0	
Cash and Cash Equivalents				
All *	125	4	141	5
Sub-total Cash and Cash Equivalents	125		141	
Total Fair Value of Employer Assets	3,363		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)*

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#### 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 6.1%

	<b>2023/24</b>	<b>2022/23</b>
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)	3.45%	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	<u>0</u>	<u>(84)</u>	<u>(84)</u>	<u>(21.9%)</u>
Interest income on plan assets	164	0	164	42.8%
Interest cost on defined benefit obligation	0	(134)	(134)	(35.0%)
Total Net Interest Cost	<u>164</u>	<u>(134)</u>	<u>30</u>	<u>7.8%</u>
Total included in Profit or Loss	<u>164</u>	<u>(218)</u>	<u>(54)</u>	<u>(14.1%)</u>

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.

# The South East of Scotland Transport Partnership (SESTRAN)

## NOTES TO THE ANNUAL ACCOUNTS

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

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#### **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.

### 26. AGENCY ARRANGEMENTS

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Through a Partnership procurement framework contract, the Partnership makes payment for the supply of Bus Passenger Transport Information system ICT equipment and recovers cost from other bodies. The Partnership has assessed the nature of these transactions to determine if it is acting as a Principal or Agent. Under the Code an Agent is acting as an intermediary, whereas a Principal is acting on its own behalf. In 2023/24, the Partnership entered into agency arrangements with Fife Council, Midlothian Council, Scottish Borders Council, West Lothian Council and St Andrew's University to provide equipment. The total income received and expenditure incurred of £0.627m is not included in the Comprehensive Income and Expenditure Statement. In 2022/23, equipment to the value of £0.094m was supplied and corresponding cost recovered.

# The South East of Scotland Transport Partnership (SESTRAN)

## INDEPENDENT AUDITOR'S REPORT

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### Independent auditor's report to the members of South East of Scotland Transport Partnership and the Accounts Commission

#### Report on the audit of the financial statements

##### Opinion on financial statements

I certify that I have audited the financial statements in the annual accounts of the South East of Scotland Transport Partnership for the year ended 31 March 2024 under Part VII of the Local Government (Scotland) Act 1973. The financial statements comprise the Movement in Reserves Statement, Comprehensive Income and Expenditure Statement, Balance Sheet, Cash Flow Statement and notes to the financial statements, including material accounting policy information. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards, as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 (the 2023/24 Code).

In my opinion the accompanying financial statements:

- give a true and fair view of the state of affairs of the body as at 31 March 2024 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards, as interpreted and adapted by the 2023/24 Code; and
- have been prepared in accordance with the requirements of the Local Government (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003.

##### Basis of opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the Code of Audit Practice approved by the Accounts Commission for Scotland. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I was appointed by the Accounts Commission on 03 April 2023. My period of appointment is five years, covering 2022/23 to 2026/27. I am independent of the body in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to the body. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

##### Conclusions relating to going concern basis of accounting

I have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the body's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

These conclusions are not intended to, nor do they, provide assurance on the body's current or future financial sustainability. However, I report on the body's arrangements for financial sustainability in a separate Annual Audit Report available from the Audit Scotland website.

##### Risks of material misstatement

I report in my Annual Audit Report the most significant assessed risks of material misstatement that I identified and my judgements thereon.

##### Responsibilities of the Treasurer and Partnership Board for the financial statements

As explained more fully in the Statement of Responsibilities, the Treasurer is responsible for the preparation of financial statements that give a true and fair view in accordance with the financial reporting framework, and for such internal control as the Treasurer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

# The South East of Scotland Transport Partnership (SESTRAN)

## INDEPENDENT AUDITOR'S REPORT (Contd.)

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### Responsibilities of the Treasurer and Partnership for the financial statements (Contd.)

In preparing the financial statements, the Treasurer is responsible for assessing the body's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless there is an intention to discontinue the body's operations.

The South East of Scotland Transport Partnership is responsible for overseeing the financial reporting process.

### Auditor's responsibilities for the audit of the financial statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. I design procedures in line with my responsibilities outlined above to detect material misstatements in respect of irregularities, including fraud. Procedures include:

- using my understanding of the local government sector to identify that the Local Government (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003 are significant in the context of the body;
- inquiring of the Treasurer as to other laws or regulations that may be expected to have a fundamental effect on the operations of the body;
- inquiring of the Treasurer concerning the body's policies and procedures regarding compliance with the applicable legal and regulatory framework;
- discussions among my audit team on the susceptibility of the financial statements to material misstatement, including how fraud might occur; and
- considering whether the audit team collectively has the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the body's controls, and the nature, timing and extent of the audit procedures performed.

Irregularities that result from fraud are inherently more difficult to detect than irregularities that result from error as fraud may involve collusion, intentional omissions, misrepresentations, or the override of internal control. The capability of the audit to detect fraud and other irregularities depends on factors such as the skilfulness of the perpetrator, the frequency and extent of manipulation, the degree of collusion involved, the relative size of individual amounts manipulated, and the seniority of those individuals involved.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of my auditor's report.

### Reporting on other requirements

#### Opinion prescribed by the Accounts Commission on the audited part of the Remuneration Report

I have audited the parts of the Remuneration Report described as audited. In my opinion, the audited parts of the Remuneration Report have been properly prepared in accordance with The Local Authority Accounts (Scotland) Regulations 2014.

### Other information

The Treasurer is responsible for the other information in the annual accounts. The other information comprises the Management Commentary, Annual Governance Statement, Statement of Responsibilities and the unaudited part of the Remuneration Report.

# The South East of Scotland Transport Partnership (SESTRAN)

## INDEPENDENT AUDITOR'S REPORT (Contd.)

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### Other information (Contd.)

My responsibility is to read all the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon except on the Management Commentary and Annual Governance Statement to the extent explicitly stated in the following opinions prescribed by the Accounts Commission.

### Opinions prescribed by the Accounts Commission on Management Commentary and Annual Governance Statement

In my opinion, based on the work undertaken in the course of the audit:

- the information given in the Management Commentary for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with statutory guidance issued under the Local Government in Scotland Act 2003; and
- the information given in the Annual Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the Delivering Good Governance in Local Government: Framework (2016).

### Matters on which I am required to report by exception

I am required by the Accounts Commission to report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the financial statements and the audited part of the Remuneration Report are not in agreement with the accounting records; or
- I have not received all the information and explanations I require for my audit.

I have nothing to report in respect of these matters.

### Conclusions on wider scope responsibilities

In addition to my responsibilities for the annual accounts, my conclusions on the wider scope responsibilities specified in the Code of Audit Practice, including those in respect of Best Value, are set out in my Annual Audit Report.

### Use of my report

This report is made solely to the parties to whom it is addressed in accordance with Part VII of the Local Government (Scotland) Act 1973 and for no other purpose. In accordance with paragraph 108 of the Code of Audit Practice, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

### Christopher Gardner

Audit Scotland  
4th Floor, South Suite, The Athenaeum Building  
8 Nelson Mandela Place  
Glasgow  
G1 2BT

Date: \_\_\_\_\_

**Proposed 2023/24 Annual Audit Report**

**1. Introduction**

1.1 The Proposed Annual Auditor’s report summarises the findings arising from the Partnership’s 2023/24 external audit.

**2. Main Report**

2.1 The unaudited Annual Accounts were noted by the Partnership at its meeting on 21st June 2024 and submitted to the appointed external auditor – Audit Scotland.

2.2 Audit work on the 2023/24 annual accounts is now substantially complete. The External Auditor anticipates being able to issue unmodified audit opinions in the independent auditor's report to the meeting of the Partnership on 6 December 2024.

2.3 The Proposed Annual Auditor’s report is appended.

**3 Recommendations**

It is recommended that the Performance and Audit Committee note:

3.1 audit work on the 2023/24 annual accounts is substantially complete;

3.2 the Annual Independent Auditors report will be presented to the meeting of the Partnership Board on 6<sup>th</sup> December 2024.

**Richard Lloyd-Bithell**

Treasurer

27<sup>th</sup> November 2024

**Appendix** South East Scotland Transport Partnership - Proposed 2023/24 Annual Audit Report

**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 as a consequence of this report.
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 of Scotland Transport Partnership

Proposed 2023/24 Annual Audit Report



 AUDIT SCOTLAND

Prepared for the South East of Scotland Transport Partnership and the Controller of Audit  
November 2024



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# Key messages

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## 2023/24 annual accounts

- 1 The financial statements give a true and fair view and were properly prepared in accordance with the financial reporting framework.
- 2 The audited part of the remuneration report, management commentary and annual governance statement were properly prepared in accordance with applicable requirements.
- 3 We have reported significant findings from the audit relating to the recognition of income and expenditure and record keeping for the management of assets.

## Wider scope

- 4 The partnership has a medium-term financial plan, however there is scope to improve the partnership's financial reporting.
- 5 The partnership's responsibilities are evolving with a new grant awarding role in 2024/25 through Transport Scotland's Active Travel programme. This will distribute approximately £5.3 million to partners and represents a significant change in responsibilities and governance for the partnership.
- 6 The partnership has arrangements in place to secure Best Value

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# Introduction

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1. This report summarises the findings from the 2023/24 annual audit of the South East of Scotland Transport Partnership (the partnership). The scope of the audit was set out in an Annual Audit Plan presented to the 1 March 2024 meeting of the Performance and Audit Committee. This Annual Audit Report comprises:

- significant matters arising from an audit of the partnership's annual accounts
- conclusions on wider scope areas that frame public audit as set out in the [Code of Audit Practice 2021](#), which for less complex bodies includes conclusions on financial sustainability and Best Value.

2. This report is addressed to the partnership and the Controller of Audit and will be published on Audit Scotland's website [www.audit-scotland.gov.uk](http://www.audit-scotland.gov.uk) in due course.

## Responsibilities and reporting

3. The partnership has primary responsibility for ensuring the proper financial stewardship of public funds. This includes preparing annual accounts that are in accordance with proper accounting practices. The partnership is also responsible for compliance with legislation putting arrangements in place for governance and propriety.

4. Our responsibilities as the independent auditor appointed by the Accounts Commission are established by the Local Government in Scotland Act 1973, the Code of Audit Practice and supplementary guidance and International Standards on Auditing in the UK.

5. The weaknesses or risks identified in this report are only those which have come to our attention during the team's normal audit work and may not be all that exist. Communicating these does not absolve management from its responsibility to address the issues raised and to maintain adequate systems of control.

6. This report contains an agreed action plan at [Appendix 1](#) setting out specific recommendations, responsible officers, and dates for implementation.

## Auditor Independence

7. We can confirm that the audit team complies with the Financial Reporting Council's Ethical Standard. We can also confirm that the audit team have not undertaken any non-audit related services. We experienced delays to receiving audit evidence and undertook additional testing in response to errors in the unaudited accounts. As a result, we have increased our audit fee by £2,410. Our

final audit fee is £14,970. We are not aware of any relationships that could compromise our objectivity and independence. We are not aware of any relationships that could compromise our objectivity and independence.

**8.** The annual audit adds value to the partnership by:

- identifying and providing insight on significant risks, and making clear and relevant recommendations
- sharing intelligence and good practice identified.

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# Part 1. Audit of 2023/24 annual accounts

Public bodies are required to prepare annual report and accounts comprising financial statements and other related reports. These are principal means of accounting for the stewardship public funds.

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## Main judgements

The financial statements give a true and fair view and were properly prepared in accordance with the financial reporting framework.

Adjustments have been made to the annual accounts as a result of the audit process, including revisions to income, expenditure and non-current assets

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## Audit opinions on the annual accounts are unmodified

9. The Board approved the annual accounts for the partnership for the year ended 31 March 2024 on **6 December 2024**. As reported in the independent auditor's report, in our opinion as the appointed auditor:

- the financial statements give a true and fair view and were properly prepared in accordance with the financial reporting framework
- the audited part of the remuneration report, management commentary and annual governance statement were consistent with the financial statements and properly prepared in accordance with the applicable requirements.

## Overall materiality was assessed on receipt of the annual accounts as £50,000

10. Broadly, the concept of materiality is applied by auditors to determine whether misstatements identified during the audit could reasonably be expected to influence the economic decisions of users of the accounts, and hence impact their opinion set out in the independent auditor's report. Auditors set a monetary threshold when considering materiality, although some issues may be considered material by their nature. It is ultimately a matter of the auditor's professional judgement.

**11.** Our initial assessment of materiality was carried out during the risk assessment phase of the audit. This was reviewed and revised on receipt of the unaudited annual accounts and is summarised in [Exhibit 1](#).

## Exhibit 1 Materiality values

Materiality level	Amount
Overall materiality	£50,000
Performance materiality	£33,000
Reporting threshold	£3,000

**12.** The overall materiality threshold was set with reference to gross expenditure, which was judged as the figure most relevant to the users of the financial statements.

**13.** Performance materiality is used by auditors when undertaking work on individual areas of the financial statements. It is a lower materiality threshold, set to reduce the probability of aggregated misstatements exceeding overall materiality. Performance materiality was set at 65% of overall materiality, reflecting no significant prior period errors and few complex accounting areas within the annual accounts.

**14.** It is our responsibility to request that all misstatements, other than those below the reporting threshold, are corrected. The final decision on making the correction lies with those charged with governance.

## Significant findings and key audit matters

**15.** Under ISA (UK) 260, we communicate significant findings from the audit to the Partnership Board including our view about the qualitative aspects of SEStran's accounting practices.

**16.** The Code of Audit Practice also requires me to highlight key audit matters, which are defined in ISA (UK) 701 as those matters judged to be of most significance.

**17.** The significant findings, including key audit matters, are summarised in [Exhibit 2](#).

## Exhibit 2

### Significant findings and key audit matters from the audit of the annual accounts

Issue	Resolution
<p><b>1. Management and recording of non-current assets</b></p> <p>SEStran holds a large number of relatively low-value individual assets which include bikes, screens and technology related to real-time transport information. Our review of the asset register and corresponding entries in the accounts found a number of material findings:</p> <ul style="list-style-type: none"> <li>• The asset register and balance sheet presented for audit included £198,000 of assets which were impaired in previous years and should have been removed from the disclosures in the accounts.</li> <li>• Not all assets disclosed on the register are allocated a unique reference or serial number, meaning there is often no direct link between the asset register and the physical item.</li> <li>• The asset register has been cumulatively modified over several years, and no longer provided a clear audit trail to the disclosures in the accounts. This included duplication of information and complex formulas.</li> </ul>	<p>The non-current asset register was extensively revised to provide a clearer link to the disclosures in the accounts. This resulted in a prior year correction to remove £198,000 of impaired assets from 2015/16 which had been included in error.</p> <p>SEStran should undertake a full review of its asset management procedures, ensuring that the asset register fully reflects the assets in use. The partnership should:</p> <ul style="list-style-type: none"> <li>• Review and update the accounting policy for non-current assets in line with Code requirements, including information on useful lives, the approach to impairment and the basis of capitalisation.</li> <li>• Improve the asset register to provide a direct link to the disclosures in the accounts, including sufficient detail to ensure that physical items are individually identifiable</li> <li>• Ensure that that physical items are appropriately tagged to create a direct link between the register and the asset.</li> <li>• Ensure that impairment reviews are carried out on a regular basis, including physical inspection of assets. This should be documented in a systematic and methodical way which allows the asset register to be reflective of asset condition. It is important that the partnership works closely with their finance colleagues at City of Edinburgh Council to ensure that disclosures in the accounts are reflective of the assets in operation.</li> </ul> <p><b>Recommendation 1</b></p> <p>(refer <a href="#">Appendix 1</a>, action plan)</p>
<p><b>2. Income and expenditure errors of £626,000 relating to agency transactions</b></p> <p>SEStran has arrangements to procure goods and services on behalf of constituent local authorities and other customers, where SEStran is acting as an intermediary.</p>	<p>Management confirmed these transactions were agency in nature and has corrected the misstatements in the revised annual report and accounts. We reviewed the contracts and framework agreements, supporting purchase</p>

Issue	Resolution
<p>We identified that c. £626,000 of agency transactions were included in the partnership's income and expenditure statement. SEStran was not acting as principal in these transactions and it did not direct where the money was spent, therefore this income and expenditure is agency in nature.</p> <p>The Code of Practice requires that agency income and expenditure should not be recognised in the partnership's income and expenditure statement, except for amounts owed at year-end.</p>	<p>invoices and sales invoices to confirm this assessment.</p> <p>As the transactions were removed from both income and expenditure, there is no net effect on the total surplus/deficit.</p>
<p><b>3. Reduction in disclosed pension asset</b></p> <p>The pension liability/asset is an area of audit focus due to the material value and significant assumptions used within this complex calculation. In common with other local government pension scheme employers, Lothian Pension Fund commissions a firm of actuaries to value its pension liability and the accounting entries in the financial statements. The actuary reported that, as at 31 March 2024, the partnership had a funding surplus of £0.610 million.</p> <p>The surplus arose as a result of a significant increase to the net discount rate (discount rate net of CPI inflation) compared to the previous year, leading to a large gain on the balance sheet .</p> <p>Accounting standards impose a limit on the maximum amount of surplus which can be recognised on an employer's balance sheet. Given that the partnership is to continue to participate in the LGPS (Local Government Pension Scheme), it would be expected that this surplus could lead to lower future contributions rather than a refund of surplus. When this minimum funding obligation is considered, the asset was reduced to zero.</p>	<p>The annual report and accounts presented for audit disclosed a pension asset of £0.610 million. This was reduced to zero, with a corresponding adjustment to the pension reserve, for the final version of the accounts in line with the requirements of accounting standards.</p>
<p><b>4. Expenditure allocated to the wrong financial year</b></p> <p>Our testing of expenditure identified three transactions totalling c.£30,000 which were recorded in the incorrect financial year.</p>	<p>Management corrected these misstatements in the final revised accounts.</p> <p>In addition to the prepayment identified in point 7 below, these cut-off errors became collectively significant to our audit. The</p>



Issue	Resolution
	partnership should strengthen procedures around the year end to ensure that income and expenditure is correctly accrued.
<p><b>5. Errors in the cash flow statement and workings</b></p> <p>The cash flow statement provides an understanding of SEStran's actual cashflows during the period, which will be different to the income and expenditure statement due to accounting requirements and the timing of transactions.</p> <p>The workings for the cash flow statement provided to audit did not provide a clear audit trail and the supporting evidence was not sufficiently linked to ledger transactions.</p>	<p>The cash flow statement was extensively reworked. Revised working papers were provided which provided clearer supporting evidence for the statement. This resulted in amendments and recognition of two capital additions totalling £9,000. This error has been corrected in the final version of the accounts.</p>
<p><b>6. Identification of leases</b></p> <p>SEStran entered into a five-year arrangement with a bike hire company in 2023/24, with the invoiced amount of £113,000 paid in full during the year. As SEStran has not yet benefited from remaining four years of this arrangement, £106,000 of the invoice should be recognised as a prepayment and the assets should be disclosed as in the operating leases note.</p>	<p>Management has corrected these misstatements in the revised annual report and accounts. The partnership will adopt IFRS 16 in 2024/25 which brings right-of-use assets on to the balance sheet. It is therefore important that all lease arrangements are identified which may require to be accounted for under this newly-adopted standard next year.</p>
<p><b>7. Improvements to audit process</b></p> <p>We experienced a delay to the completion of our audit due to late receipt of documentation. We identified that finance staff are under pressure due to competing priorities.</p>	<p>We recommend that management ensures there is sufficient capacity in finance to support timely responses to audit requests. The partnership and the finance team responsible for compiling the annual accounts, based at City of Edinburgh Council, should work closely together to ensure that the substance of transactions, particularly those involving capital expenditure and assets, is accurately reflected in the accounts.</p> <p><b>Recommendation 2</b> (refer <a href="#">Appendix 1</a>, action plan).</p>

## Audit work responded to the risks of material misstatement identified in the annual accounts

18. We have obtained audit assurances over the identified significant risks of material misstatement to the annual accounts. [Exhibit 3](#) sets out the significant risks of material misstatement to the financial statements identified in the 2023/24 Annual Audit Plan. It also summarises the further audit procedures performed during the year to obtain assurances over these risks and the conclusions from the work completed.

### Exhibit 3

#### Identified significant risks of material misstatement in the annual accounts

Audit risk	Assurance procedure	Results and conclusions
<p><b>1. Risk of material misstatement due to fraud caused by management override of controls</b></p> <p>As stated in ISA (UK) 240, management is in a unique position to perpetrate fraud because of management's ability to override controls that otherwise appear to be operating effectively.</p>	<ul style="list-style-type: none"> <li>• Tested journals with a focus on significant risk areas.</li> <li>• We considered any unusual or material transactions identified through our audit testing for any evidence of management override of controls.</li> <li>• Substantive testing of income and expenditure transactions around the year-end to confirm they were accounted for in the correct financial year.</li> <li>• Focussed testing of accounting accruals and prepayments</li> </ul>	<ul style="list-style-type: none"> <li>• No issues were identified that indicate misstatements due to fraud caused by management override of controls.</li> <li>• Audit testing of found errors in the recording of transactions in the correct accounting year. These errors have been resolved and amended in the revised version of the annual accounts. <a href="#">Refer Exhibit 2</a></li> </ul>
<p><b>2. Risk of material misstatement caused by fraud in expenditure</b></p> <p>The Code of Audit Practice expands the consideration of fraud under ISA (UK) 240 to include the risk of fraud over expenditure. There is a risk that expenditure may be materially misstated in the 2023/24 financial statements due to the extent and nature</p>	<ul style="list-style-type: none"> <li>• Detailed testing of expenditure transactions focussing on the areas of greatest risk</li> <li>• Review of budget monitoring reports, focusing on significant variances</li> <li>• Review of arrangements in place to prevent and detect fraud</li> </ul>	<ul style="list-style-type: none"> <li>• Audit testing identified errors in the disclosure of expenditure transactions. These errors have been resolved and amended in the revised version of the annual accounts. <a href="#">Refer Exhibit 2</a></li> <li>• We reviewed budget monitoring reports that are presented at each committee meeting. We concluded that financial management reporting is accurate and appropriate.</li> </ul>

Audit risk	Assurance procedure	Results and conclusions
<p>of the following significant expenditure streams:</p> <ul style="list-style-type: none"> <li>• Project related expenditure (2022/23: £1.472m)</li> <li>• Other service expenditure (2022/23 £0.211m)</li> </ul>		<ul style="list-style-type: none"> <li>• We did not identify any instances of fraud</li> </ul>

**19.** As a result of the audit, gross errors of £1.4 million were corrected. The net impact was a reduction in income of £472,000 and a reduction in net assets of £472,000.

### **The unaudited annual accounts were received in line with the agreed timetable**

**20.** The unaudited annual accounts were received in line with the agreed audit timetable on 27 June 2024.

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# Part 2. Wider Scope

For less complex bodies, wider-scope audit work considers the financial sustainability of the body and the services that it delivers over the medium to longer-term, and the arrangements for securing Best Value.

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## Conclusion

The partnership has a medium-term financial plan, however there is scope to improve the partnership's financial reporting.

The partnership's responsibilities are evolving with a new grant awarding role in 2024/25 through Transport Scotland's Active Travel programme. This will distribute approximately £5.3 million to partners and represents a significant change in responsibilities and governance for the partnership.

The partnership has arrangements in place to secure Best Value.

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### **The partnership reports a net overall underspend of £0.379 million against its budget for 2023/24**

**21.** The partnership receives most of its funding from the Scottish Government via Transport Scotland, and requisitions from constituent council members. The partnership also receives a significant proportion of income through securing externally-generated funding. The partnership approved its initial 2023/24 budget in March 2023. Revenue grant funding of £0.782 million from Transport Scotland and requisitions of £0.190 million from constituent councils remained at the same level as previous years. The partnership budgeted for external income of £0.515 million (£0.554 million in 2022/23) to fund approximately 35% of its budgeted expenditure.

**22.** The partnership reports an underspend of £0.086 million on its core revenue budget (expenditure of £0.734 million against a budget of £0.815 million). This has been attributed to staff vacancies which arose throughout the year. The partnership reports a net underspend in its projects budget of £0.293 million after inclusion of an earmarked reserve brought forward (actual net expenditure of £0.23 million against budgeted net expenditure of £0.316 million). Of the projects underspend, £0.106 million is committed to expenditure in 2024/25, and it forecasts that slippage on project-related expenditure will be spent in 2024/25.

## SEStran has a medium-term financial plan, but internal audit has identified scope to improve the partnership's financial reporting

**23.** As we noted in our 2022/23 Annual Audit Report, the partnership has a medium-term financial plan to the year 2025/26. An indicative financial plan is updated annually and was last presented to the partnership's board on 15 March 2024. The plan anticipated that expenditure will be fully funded in 2024/25, but forecasts a small shortfall of £18,000 in 2025/26. The budget for 2024/25 was agreed in March 2024, setting out total revenue expenditure of £1.226 million (2023/24: 1.738 million).

**24.** Following approval of the budget, SEStran subsequently received a formal grant offer from Transport Scotland of £5.326 million for SEStran's People and Place programme, significantly increasing the planned spend for 2024/25. The funding is intended to enable the delivery of behavioural change projects which would increase rates of active travel (walking, wheeling and cycling). This consists of an additional £1.9 million of revenue, and £3.412 million capital expenditure.

**25.** The partnership recognises there is a risk around future financial sustainability. Assumptions in medium term financial planning include pay awards, inflation and reductions in grant funding. The partnership mitigates these risks through recruitment control and seeking external funding opportunities that align with their purpose. The partnership also maintains a reserves policy of at least 5% of its core revenue budget.

**26.** In 2023/24, internal audit reviewed the design and effectiveness of the controls in place at the partnership to secure financial sustainability. Overall, they concluded reasonable assurance could be taken from the controls in place with recommendations made including:

- Financial planning procedures should include scenario planning
- Finance officer reports on the financial position which are presented to the Board, should also be presented to the Performance and Audit committee
- A log of all potential funding opportunities and actions taken to secure them should be maintained

## The people and place plan represents a significant change in role for the partnership

**27.** In 2024/25, the partnership was awarded approximately £5.3 million from Transport Scotland's Active Travel Transformation Programme, with regional transport partnerships now responsible for the disbursement of government grants to change active travel behaviour in their regions.

**28.** SEStran will distribute up to £5.3 million of funding to projects across the region that deliver against key areas of the partnership's People and Place programme. In March 2024, the partnership developed contract standing orders

to ensure good governance arrangements surrounding grant awards, and to provide clear roles and responsibilities. The standing orders include eligibility and assessment criteria, delegated authorisation limits, and considers due diligence for potential project partners. Management has indicated it plans to develop measurable KPIs for these projects to support reporting on outcomes to Transport Scotland.

**29.** The new standing orders and assessment process includes provisions to ensure that intended outcomes are achieved and managed, but they do not specify in detail how the partnership will monitor if the grant has been spent in line with terms and conditions, and if desired outcomes have been achieved.

**30.** It will be important that SEStran implements a robust post-award performance management process to ensure outcomes are fully aligned with the terms and conditions of the grant agreement. These should identify key performance measures, ensure any risks or delays are reported as soon as they are identified, and outline actions to be taken in the event of a breach. We will assess progress in this area during our 2024/25 audit.

## **SEStran has appropriate arrangements in place for securing Best Value**

**31.** [Ministerial guidance to Accountable Officers](#) for public bodies and the [Scottish Public Finance Manual](#) (SPFM) sets out the accountable officer's duty to ensure that arrangements are in place to secure best value. The guidance sets out the key characteristics of best value and states that compliance with the duty of best value requires public bodies to take a systematic approach to self-evaluation and continuous improvement.

**32.** Procurement decisions are important to securing best value, and the partnership's contract standing orders set out processes for procurement of goods and services. In 2022/23, the service provider for the partnership's Go e-bike project went into liquidation. As part of a lessons-learned exercise, SEStran engaged with a solicitor to develop its contract standing orders to ensure that they met business needs and provide increased scrutiny and openness. These were subsequently approved in June 2024.

**33.** Delivery of best value responsibilities is included as part of the partnership's 2021-24 business plan strategic 'governance' objective. The 2021-24 business plan links SEStran's objectives to current projects and the Scottish Government's National Transport Strategy priorities. Project and strategy updates are reported at partnership board meetings, and a synopsis of performance is also reported in the annual report. We can conclude that arrangements to secure best value are appropriate.

**34.** The previous three-year business plan format is being adjusted to a one-year plan in 2024/25 to accommodate the new People and Place planning and funding mechanisms. SEStran should ensure business plans remain aligned to overall strategies and national priorities, and consider how it assesses compliance against the Scottish Government's Best Value themes.

## Audit work has addressed the wider scope risks identified in the Annual Audit Plan

35. [Exhibit 4](#) sets out the wider scope risks relating to Financial Sustainability identified in the 2023/24 Annual Audit Plan. It summarises the audit procedures performed during the year to obtain assurances over these risks and the conclusions from the work completed.

### Exhibit 4

#### Risks identified from our wider responsibility under the Code of Audit Practice

Audit risk	Assurance procedure	Results and conclusions
<p><b>1. Financial sustainability</b></p> <p>SEStran has submitted a proposal to Transport Scotland for additional Scottish Government funding of c.£5.3 million to administer Active Travel awards from 2024/25 onwards, representing a significant increase in the partnership's overall expenditure. Without adequate planning for this expansion in activity, there is a risk that resources are strained and the partnership is unable to secure best value.</p>	<ul style="list-style-type: none"> <li>• Considered SEStran's strategy to accommodate organisational and financial changes due to increased government funding</li> <li>• Ongoing review of financial budget monitoring and reporting arrangements in place to achieve a balanced budget</li> <li>• Reviewed and assessed revised governance arrangements to accommodate increased government funding and change of role</li> </ul>	<p>The arrangements to secure financial sustainability are considered appropriate with further recommendations made by internal audit to strengthen the controls in this area.</p>

# Appendix 1. Action plan 2023/24

## 2023/24 recommendations

Issue/risk	Recommendation	Agreed management action/timing
<p><b>1. Accounting for non-current assets</b></p> <p>Our review of the asset register and corresponding entries in the 2023/24 unaudited accounts found a number of material errors. There is a risk that accounting records for non-current assets are not accurate or adequately maintained.</p>	<p>SEStran should undertake a full review of its asset management procedures, ensuring that the asset register fully reflects the assets in use. The partnership should:</p> <ul style="list-style-type: none"> <li>• Review and update the accounting policy for non-current assets in line with Code requirements.</li> <li>• Improve the asset register to provide a direct link to the disclosures in the accounts</li> <li>• Ensure that that physical items are appropriately tagged to create a direct link between the register and the asset.</li> <li>• Ensure that impairment reviews are carried out on a regular basis, including physical inspection of assets.</li> <li>• Review the useful life of all assets annually to assess if a change in estimate is required.</li> </ul> <p><a href="#">Exhibit 2</a></p>	<p>SEStran will devise an Asset Management Strategy and submit it for approval at the Partnership's Board in March 2025.</p> <p>The strategy, which will address all of the points raised by the auditors, will be fully implemented immediately following approval. However, many of the actions emerging as part of the strategy will be implemented prior to the financial year end.</p> <p><b>Responsible officer:</b> Partnership Director</p> <p><b>Target date:</b> Strategy approved by end March 2025 and fully implemented by June 2025</p>
<p><b>2. Improvements to the audit process</b></p>	<p>We recommend that management ensures there is sufficient capacity in finance</p>	<p>Confirmation on 12 April 2024 of a delay in commencement of the external audit was a</p>



Issue/risk	Recommendation	Agreed management action/timing
<p>We experienced a delay to the completion of our audit due to late receipt of documentation. We identified that finance staff are under pressure due to competing priorities.</p>	<p>to support timely responses to audit requests. The partnership and the finance team responsible for compiling the annual accounts, based at City of Edinburgh Council, should work closely together to ensure that the substance of transactions, particularly those involving capital expenditure and assets, is accurately reflected in the accounts.</p> <p><a href="#">Exhibit 2</a></p>	<p>contributory factor to the capacity issues experienced during the course of the external audit, with work plans and resource availability already fixed by this date.</p> <p>In light of the issues experienced on the 2023/24 external audit, a review of resource availability will be undertaken in advance of the 2024/25 external audit.</p> <p><b>Responsible officer:</b> Partnership Director/ Treasurer <b>Target date:</b> 31 March 2025</p>

## Follow-up of prior year recommendations

Issue/risk	Recommendation and agreed action	Update
<p><b>4. Presentation of key performance information. 2022/23 AAR</b></p> <p>There is scope to improve the management commentary to provide a clearer narrative on performance during the year and be supported by financial and non-financial information.</p>	<p>It is important that a clear and understandable picture of performance is presented, such as how the overall deficit or surplus was reached, or performance against budget. An overview of service performance in the year and the inclusion of relevant key performance indicators should enhance the service 'story'.</p> <p>Agreed action:</p> <p>A review of information included in the management commentary will be undertaken for the</p>	<p><b>Implemented</b></p> <p>The management commentary for 2023/24 includes a summary of external funding secured during 2023/24, a key factor in the partnership's financial sustainability; and reference to Treasury management and performance of this.</p> <p>The management commentary includes details of the work to introduce a project lifecycle management process which includes development of milestones, a</p>

Issue/risk	Recommendation and agreed action	Update
	preparation of the 2023.24 Annual Accounts. 31 March 2024	report to the board on the project close.

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# South East of Scotland Transport Partnership

## Proposed 2023/24 Annual Audit Report

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

[www.audit-scotland.gov.uk/accessibility](http://www.audit-scotland.gov.uk/accessibility)



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## Indicative Financial Plan 2025/26 and 2026/27

### 1. Introduction

- 1.1 This report provides an update on financial planning being progressed for the 2025/26 revenue budget and an indicative plan for 2026/27.

### 2. Main Report

#### Scottish Government Budget 2025-26

- 2.1 The Scottish Government Draft Budget is scheduled to be announced on 4 December 2024.
- 2.2 It is anticipated Scottish Government funding to Regional Transport Partnerships (RTPs) for 2024/25 will be advised in early 2025.

#### Financial Planning 2025/26 and 2026/27

- 2.3 The planning assumptions presented to the Partnership on 15th March 2024 have been updated.
- 2.4 On 26<sup>th</sup> March 2024, Transport Scotland advised the Partnership of a 5% reduction in the Partnership's annual grant funding for core activity in 2024/25 - a reduction of £39,100. Financial planning is currently based on no further change in the Transport Scotland revenue grant for 2025/26, with a grant of £743,100 included in the financial plan. This is identified as a financial planning risk.
- 2.5 In 2024/25, the Partnership was awarded additional funding of £5.326m from Transport Scotland to progress the People and Places Programme (PPP). Confirmation has yet to be received of Programme continuation and funding for 2025/26.
- 2.6 In recent years, the Partnership's Projects budget has included over £400,000 of expenditure funded by the Scottish Government's Active Travel Fund. This funding ceased in 2024/25 as the objectives of the Fund became part of the People and Places Programme funding.
- 2.7 Until confirmation of 2025/26 funding for the People and Places Programme, the indicative Project budget estimates for 2025/26 and 2026/27 are potentially understated. An update of the Projects budget will be reported to the Partnership, following confirmation of additional Scottish Government funding.
- 2.8 Subject to confirmation of project budgets, it is anticipated that a proportion of employee costs will be recharged to projects initiated and progressed towards realising the Regional Transport Strategy.

- 2.9** The financial plans make provision for a pay award of 3% in 2025/26 and a further 3% in 2026/27.
- 2.10** Financial planning has been updated for the change in employers National Insurance contribution rates announced by the Chancellor of the Exchequer in the UK Government Budget of 30<sup>th</sup> October 2024. An additional Council requisition may require to be considered when the final cost and funding arrangements for the increase in National Insurance contributions is confirmed.
- 2.11** The 2023 Actuarial Valuation for Lothian Pension Fund recommended a reduction of 6.3% in employer contribution rates from 2024/25 to 2026/27. The financial plans reflect the revised employer's contribution rate of 26.8%.
- 2.12** Other budget estimates have been updated to reflect forecast future costs.
- 2.13** Financial planning for 2025/26 and 2026/27 is based on receiving £743,100 of grant from Transport Scotland and £190,000 from constituent council requisitions. This represents a stand-still in Transport Scotland grant and Council requisitions.
- 2.14** The Partnership was on track to spend the full Projects budget during 2023/24 until the requirement to deliver the Scottish Government funded 'People and Place Plan' emerged in December 2023. As reported in the Finance Officer's report elsewhere on this Agenda, this resulted in the postponement of some project work and carry forward of £187,000 of projects budget to 2024/25. This is forecast to be fully spent in 2024/25.
- 2.15** An underspend of £50,000 is forecast for Bus Strategy Development for 2024/25. This is forecast to be carried forward and fully spent in 2025/26.
- 2.16** An analysis of the indicative Core budget for 2025/26 and 2026/27 is shown in Appendix 1.
- 2.17** A roll forward of Project budget activity for 2025/26 is shown in Appendix 2. An indicative Projects budget will be developed for 2026/27 when further funding information is available.
- 2.18** Based on updated Core budget costs, a roll forward of the indicative Project financial plan for 2025/26 and 2026/27 and full spend of the forecast Projects underspend from 2024/25 in 2025/26, there is a net funding shortfall of £44,000 in 2025/26. This is shown in Appendix 3.
- 2.19** Appendix 3 shows all budgeted expenditure and income since 2019/20. Council requisitions reduced by 5% in 2017/18 from £200,000 to £190,000.
- 2.20** In accordance with the provisions of the Transport Scotland (2019) Act, the Partnership has agreed a Reserves Policy and established an unallocated General Fund reserve of £45,000, based on 5% of the core revenue budget.
- 2.21** At 1<sup>st</sup> April 2024, the Partnership has an unallocated General Fund Reserve of £135,000. Based on the forecast requirement for drawdown of £14,000 during 2024/25, the Partnership's unallocated General Fund Reserve is forecast to be £121,000 at 1<sup>st</sup> April 2025.

**2.22** In addition to the carry forward noted at paragraph 2.14, budget of £106,000 has been carried forward from 2023/24 to meet future lease cost commitments for an Active Travel Network project. This expenditure is fully committed.

**2.23** A risk assessment for 2025/26 is included at Appendix 4.

### **3 Next Steps**

**3.1** Following review by Performance and Audit Committee, a report on financial planning for 2025/26 to 2026/27 will be presented to the Partnership Board on 6<sup>th</sup> December 2024 for review.

**3.2** The Partnership's Core and Projects budgets will continue to be developed in order to achieve expenditure within available funding, prior to a budget for 2025/26 being presented to the Partnership Board for approval at its meeting in March 2025.

**3.3** The report to be presented to the Partnership Board in March 2025 will include a financial sensitivity analysis.

### **4 Recommendation**

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

**4.1.1** note the financial planning assumptions for the period 2025/26 to 2026/27;

**4.1.2** note that financial planning for 2025/26 to 2026/27 will continue to be developed for approval of a revenue budget by the Partnership at its meeting in March 2025;

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

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

**5.1** [Revenue Budget 2024/25 and Indicative Financial Plan 2025/26](#) – report to South East Scotland Transport Partnership 15<sup>th</sup> March 2024

**Richard Lloyd-Bithell**

Treasurer

25th November 2024

- Appendix**    Appendix 1 – Indicative Core Budget 2025/26 to 2026/27  
 Appendix 2 – Projects – Indicative Activity 2025/26  
 Appendix 3 – Summary of Revenue Budget 2019/20 – 2026/27  
 Appendix 4 - Risk Assessment 2025/26

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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.

## Indicative Core Budget 2025/26 and 2026/27

	Approved Budget 2024/25	Indicative Budget 2025/26	Indicative Budget 2026/27
	£000	£000	£000
<b>Employee Costs</b>			
Salaries	499	510	530
National Insurance	57	68	71
Pension Fund	134	135	141
Recharges	0	0	(19)
Training & Conferences	10	8	8
Interviews & Advertising	2	2	2
	<b>702</b>	<b>723</b>	<b>733</b>
<b>Premises Costs</b>	<b>18</b>	<b>21</b>	<b>21</b>
<b>Transport</b>	<b>8</b>	<b>5</b>	<b>5</b>
<b>Supplies and Services</b>			
Communications & Computing	48	48	48
Hosted ICT – Novus FX	44	45	45
Printing, Stationery & General Office Supplies	7	7	7
Insurance	7	7	7
Equipment, Furniture, Materials, Miscellaneous	4	4	4
	<b>110</b>	<b>111</b>	<b>111</b>
<b>Support Services</b>			
Finance	31	31	31
Legal Services / HR	7	7	7
	<b>38</b>	<b>38</b>	<b>38</b>
<b>Corporate &amp; Democratic</b>			
Clerks Fees	12	12	12
External Audit Fees	12	12	12
Members Allowances and Expenses	1	1	1
	<b>25</b>	<b>25</b>	<b>25</b>
<b>Interest</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Gross Expenditure</b>	<b>901</b>	<b>923</b>	<b>933</b>
<b>Funding</b>			
Scottish Government Grant	(711)	(733)	(743)
Council Requisitions	(190)	(190)	(190)
<b>Total Funding</b>	<b>(901)</b>	<b>(923)</b>	<b>(933)</b>



**Projects – Indicative Activity 2025-26**

Service	2024/25	2025-26		
	Net Budget £'000	Expenditure £'000	Income £'000	Net Expenditure £'000
Sustainable Travel	25			
Active Travel	3			
Bus Strategy Development	75			
Bus Strategy Development – carry forward to 2025/26	(50)	50		50
Regional Transport Strategy	20	18		18
Transport Appraisal	8			
GO e-BIKE	49	10		10
Thistle Assistance	6	30	(24)	6
Consultancy support	22			
Equalities Access to Healthcare	5	10		10
EV Strategy	35			
Freight Strategy	10			
Real-Time Passenger Information System	0	25	(15)	10
Carried forward from 2023/24	(187)			
<b>People and Places</b>				
Revenue projects	1,914			
Capital projects	3,412			
<b>Total</b>	<b>5,347</b>	<b>143</b>	<b>(39)</b>	<b>104</b>

## Summary of Revenue Budget 2019/20 – 2026/27

	19/20	20/21	21/22	22/23	23/24	24/25	25/26
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Core	584	581	663	619	774	876	923
Projects	690	1,080	809	907	713	275	143
People and Places						5,326	
<b>Total Budget</b>	<b>1,274</b>	<b>1,661</b>	<b>1,472</b>	<b>1,526</b>	<b>1,487</b>	<b>6,477</b>	<b>1,066</b>
<b>External Funding</b>							
EU Grants	82	142	106	210	26	100	0
Other income	220	547	394	344	489	154	39
People and Places						5,326	
<b>Total External Funding</b>	<b>302</b>	<b>689</b>	<b>500</b>	<b>554</b>	<b>515</b>	<b>5,580</b>	<b>39</b>
Scottish Government	782	782	782	782	782	743	743
Council Requisition	190	190	190	190	190	190	190
<b>Total Funding</b>	<b>1,274</b>	<b>1,661</b>	<b>1,472</b>	<b>1,526</b>	<b>1,487</b>	<b>6,513</b>	<b>972</b>
<b>Net Position – Surplus (+ve)/ Shortfall (-ve)</b>						<b>36</b>	<b>-94</b>

## Carry Forward (+ve) /Drawdown Required (-ve)

<b>Core</b>	<b>-14</b>	<b>10</b>
<b>Projects</b>	<b>50</b>	<b>-104</b>
<b>Projects budget carried forward from 2024/25</b>		<b>50</b>
<b>Net Position – Surplus (+ve)/ Shortfall (-ve)</b>	<b>36</b>	<b>-44</b>

Risk Description	Existing Controls
<p><b>Pay awards</b> The indicative budget makes provision for a pay award of up to 3% in 2025/26. An uplift of 1% in pay award equates to an increase of £6,964.</p>	<p>Alignment with Local Government Pay Policy.</p>
<p><b>Inflation</b> There is a risk that the indicative budget does not adequately cover price inflation and increasing demand for services.</p>	<p>Allowance made for specific known price inflation. Budgets adjusted in line with current cost forecasts.</p>
<p><b>Pension Fund Contributions</b> The value of the Partnership's pension fund was restricted to 'Nil' at 31 March 2024, following proper accounting practice. The actual surplus may lead to a decrease in future employer's pension fund contributions.</p>	<p>Following Lothian Pension Fund's Triennial Actuarial Review in 2023, Partnership employer pension fund contribution rates are now confirmed at 26.8% until 31 March 2027.</p>
<p><b>Funding Reductions</b> Reduction in funding from Scottish Government and/or council requisitions.</p> <p>There is a risk that current levels of activity / staffing cannot be maintained due to funding constraints and that the Partnership will incur staff release costs.</p>	<p>Continue to seek to source external funding.</p> <p>Recruitment control and additional sources of external funding for activities aligned to the Partnership's objectives to supplement resources.</p>

## Finance Officer's report

### 1. Introduction

- 1.1 This report presents the second update on the financial performance of the Partnership's Core and Projects budgets for 2024/25, in accordance with the Financial Regulations of the Partnership. This report presents an analysis of financial performance to the end of October 2024.
- 1.2 The Partnership's Core and Projects budgets for 2024/25 were approved by the Partnership on 15th March 2024.

### 2. Core Budget

- 2.1 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 approved Core budget is £901,000. Details of the Core budget are provided in Appendix 1.
- 2.2 Cumulative expenditure for the seven months to 31<sup>st</sup> October 2024 was £487,000. This is within the Core budget resources available for the period.
- 2.3 Estimates have been updated to reflect current expenditure commitments. The forecast includes provision of £24,000 for pay award of 3.6%, in line with the local government pay award.
- 2.4 It is projected that net expenditure for the year will be £14,000 more than budget. This will be met by drawdown from the Partnership's unallocated reserve.
- 2.5 The overspend is due to a 5% reduction in the 2024/25 revenue grant received from Transport Scotland (£39,000). This funding shortfall is partly offset by:
- 2.5.1 Employee costs recharged to the People and Places Project (£20,000);
- 2.5.2 Forecast underspend on employee costs (£3,000).
- 2.5.3 Other non-employee cost underspends (£2,000).

### Projects Budget

- 2.6 The approved Projects budget is detailed in Appendix 2.
- 2.7 The Partnership was on track to spend the full Projects budget during 2023/24 until the requirement to deliver the 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 and carry forward of £187,000 of projects budget to 2024/25.

- 2.8** Budget of £106,000 has also been carried forward from 2023/24 to meet future lease cost commitments for an Active Travel Network project. This expenditure is fully committed.
- 2.9** Following confirmation of the 2023/24 outturn, a review and re-alignment has been undertaken of the Projects budget to reflect current and planned activity. The re-alignment is shown in Appendix 2.
- 2.10** An underspend of £50,000 is forecast for Bus Strategy Development for 2024/25.
- 2.11** Expenditure on both the core and projects budgets will be subject of ongoing review for the remainder of 2024/25. The Partnership's Reserves Policy will be applied when reviewing the year-end outturn.

**Cash Flow**

- 2.12** The Partnership maintains its bank account as part of the City of Edinburgh Council's group of bank accounts. Cash balances are managed by the Council and are offset by expenditure incurred by the City of Edinburgh Council on behalf of the Partnership.

An update of month-end balances is shown in the following table:

<b>Date</b>	<b>Balance due to SEStran(+ve) /due by SEStran (-ve)</b>
	<b>£</b>
30 April 2024	+ 727,711
31 May 2024	+ 620,534
30 June 2024	+ 662,946
31 July 2024	+ 833,285
31 August 2024	+ 794,158
30 September 2024	+ 718,140
31 October 2024	+ 1,437,366

- 2.13** Interest is charged/paid on the monthly indebtedness between the Council and the Partnership. Interest will be calculated in March 2025.
- 2.14** The positive cash balance at 31<sup>st</sup> October 2024 is attributable to funding received from Scottish Government grants, including the grant for 'People and Place Programme 2024/25'.

**Reserves**

- 2.15** The Board's Reserves Policy recommends establishment of an unallocated General Fund Reserve based on a minimum value of 5% (£45,000) of the Partnership's core revenue budget. At 1<sup>st</sup> April 2024, the Partnership has an unallocated General Fund Reserve of £135,000.

- 2.16 Based on the forecast requirement for drawdown of £14,000 at 31<sup>st</sup> March 2025, the Partnership’s unallocated General Fund Reserve will be reduced to £121,000.
- 2.17 The Reserves Policy recommends that where slippage occurs on approved revenue projects, the balance of slippage is retained as an earmarked balance. In total, £293,000 of project cost has been carried forward from 2023/24 and is included in the Projects budget shown in Appendix 2.
- 2.18 An update of Financial Risks for 2024/25 is included at Appendix 3.

**3 Recommendations**

It is recommended that the Performance and Audit Committee notes:

- 3.1 the forecast overspend on the Core revenue budget of £14,000, which is principally due to a reduction in Scottish Government grant funding and will be met by a drawdown from the Partnership’s unallocated reserve;
- 3.2 the forecast underspend on the Projects budget of £50,000, after future lease commitments are met;
- 3.3 the proposed re-alignment of the Projects 2024/25 budget.

**Richard Lloyd-Bithell**

Treasurer

22 November 2024

**Appendix**            Appendix 1 – Core Budget Statement at 31st October 2024  
Appendix 2 – Projects Budget as at 31<sup>st</sup> October 2024  
**Contact**            [iain.shaw@edinburgh.gov.uk](mailto:iain.shaw@edinburgh.gov.uk)

Policy Implications	There are no policy implications arising as a result of this report.
Financial Implications	There are no financial implications arising as a result of this report.
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.

	Annual Budget £'000	Period Budget £'000	Period Actual £'000	Annual Forecast £'000	Forecast Variance £'000
<b>Employee Costs</b>					
Salaries	499	291	279	494	(5)
National Insurance	57	34	31	55	(2)
Pension Fund	134	78	81	138	4
Recharges (to Projects)	0	0	0	(20)	(20)
Training & Conferences	10	6	2	8	(2)
Interviews & Advertising	2	1	0	0	(2)
	<b>702</b>	<b>410</b>	<b>393</b>	<b>675</b>	<b>(27)</b>
<b>Premises Costs</b>					
Office Accommodation	18	9	10	21	3
<b>Transport</b>					
Staff Travel	8	5	1	5	(3)
<b>Supplies and Services</b>					
Communications & Computing	48	29	26	48	0
Hosted Service - Novus FX	44	44	49	45	1
Printing, Stationery & General Office Supplies	7	4	5	7	0
Insurance	7	0	0	7	0
Equipment, Furniture & Materials, Miscellaneous	4	2	2	5	1
	<b>110</b>	<b>79</b>	<b>82</b>	<b>112</b>	<b>2</b>
<b>Support Services</b>					
Finance	31	0	0	31	0
Legal Services / HR	7	0	0	7	0
External Consultants	0	0	1	1	1
	<b>38</b>	<b>0</b>	<b>1</b>	<b>39</b>	<b>1</b>
<b>Corporate &amp; Democratic</b>					
Clerks Fees	12	0	0	12	0
External Audit Fees	12	0	0	12	0
Members Allowances and Expenses	1	0	0	0	(1)
	<b>25</b>	<b>0</b>	<b>0</b>	<b>24</b>	<b>(1)</b>
<b>Total Expenditure</b>	<b>901</b>	<b>503</b>	<b>487</b>	<b>876</b>	<b>(25)</b>
<b>Funding:</b>					
Scottish Government Grant	(711)	(494)	(494)	(672)	39
Council Requisitions	(190)	(190)	(110)	(190)	0
<b>Total Funding</b>	<b>(901)</b>	<b>(684)</b>	<b>(604)</b>	<b>(862)</b>	<b>39</b>
<b>Net Expenditure/ (Income)</b>	<b>0</b>	<b>(181)</b>	<b>(117)</b>	<b>14</b>	<b>14</b>

Projects Budget 2024/25 - as at 31st October 2024

Appendix 2

	Approved Budget	2023/24 Under-spend	Future Lease costs	EU /Other Grant	Budget Realign ment	Net Expenditure Budget	Annual Forecast	Forecast Variance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
EU Projects (various)	0	(9)			9	0	0	0
Sustainable Travel	6	79			(60)	25	25	0
RTPI – System Maintenance	25	17		(15)	(27)	0	0	0
RTPI – Regional Framework	0			0	0	0	0	0
RTS Delivery Plan	18	(14)			16	20	20	0
Equalities Access to Healthcare	10	10			(15)	5	5	0
GO e-Bike	10	39				49	49	0
Thistle Assistance	30	2		(24)	(2)	6	6	0
Transport Appraisal	0	(14)			22	8	8	0
Active Travel Network	0	51	106		(48)	109	109	0
Projects Consultancy	11	2			9	22	22	0
Mobility as a Service	0	(36)			36	0	0	0
Bus Strategy Development	115	40		(115)	35	75	25	(50)
Regional EV Infrastructure		20			15	35	35	0
Freight Strategy					10	10	10	0
People & Places	5,326			(5,326)		0	0	0
Harpcat Horizon	100			(100)		0	0	0
<b>Total</b>	<b>5,651</b>	<b>187</b>	<b>106</b>	<b>(5,580)</b>	<b>0</b>	<b>364</b>	<b>314</b>	<b>(50)</b>



Risk Description	Mitigation and Controls
<p><b>Pay award</b> The revenue budget made provision for a pay award of up to 3% in 2024/25. The Local Government pay award represents an increase on the budget provision.</p>	<p>The financial impact of the Local Government pay award is included in the forecast.</p>
<p><b>Inflation</b> There is a risk that the indicative budget does not adequately cover price inflation and increasing demand for services.</p>	<p>Ongoing monitoring and review of all costs and forecasts during 2024/25.</p>
<p><b>Delays in payment of grant by external funding bodies</b> Resulting in additional short-term borrowing costs.</p>	<p>Grant claims submitted timeously and in line with conditions of grant award.</p>
<p><b>Pension Fund Contributions</b> A deficit on the staff pension fund could lead to increases in the employer's pension contribution.</p>	<p>Following Lothian Pension Fund's Triennial Actuarial Review in 2023, Partnership employer pension fund contribution rates are now confirmed at 26.8% until 31 March 2027.</p>
<p><b>Funding Reductions</b> Reduction in funding from Scottish Government and/or council requisitions.</p> <p>There is a risk that current levels of staffing cannot be maintained due to funding constraints and that the Partnership will incur staff release costs.</p>	<p>Scottish Government grant and Council contributions are confirmed for 2024/25.</p> <p>Recruitment control and additional sources of external funding for activities aligned to the Partnership's objectives to supplement resources.</p>

## PROJECTS AND STRATEGY PERFORMANCE REPORT

### 1 INTRODUCTION

- 1.1 This report and its appendices update the Committee on the performance of the Partnership's strategy and project workstreams over the last quarter.
- 1.2 This project report sits alongside the new project lifecycle management process, that will link directly from the business plan to a project outline document, to a project initiation document and, once this has been approved, into this project progress report. This process will allow us to report to the Committee of progress against project objectives, with the aim of this commencing for all projects from the start of 25/26.

### 2 PROJECTS AND STRATEGY PROGRESS

- 2.1 Appendix 1 shows the current status of all project and strategy work that is currently being progressed. RAG ratings are provided to show finance and programme status, and summary counts of milestones progress, risk and issues are also shown.
- 2.2 Some key project and strategy work successes over the quarter have been:
  - The procurement process for GoSEStran and VoyagAR has been completed with a preferred supplier identified
  - Work completed on the initial phase of the EV delivery project to put in place common tender documents and agree a preferred route to market across all participating Local Authorities
  - The Regional Bus Strategy work has continued with the development of draft strategy policies and actions against a number of 'qualities' like service level are underway
  - Meetings have been held with each Local Authority as part of the RTS Delivery Plan to fully understand their transport dependencies to support work to prioritise projects
  - A successful event was held in Newburgh with representation from numerous stakeholder groups exploring the impact that a station could have on Newburgh and the surrounding area. The final addendum to the appraisal with notes from the meeting will be submitted to Transport Scotland in November for consideration
- 2.3 Three projects are currently showing as either having a current underspend or a risk of underspend:
  - The Strategic Regional Active Travel Network – progress has been delayed on this piece of work, and there is a risk that this may now run past the funding deadline of 31<sup>st</sup> March 2025, and therefore there may be an underspend. A meeting is currently being planned with Falkirk Council with the aim of unlocking several barriers and from that a realistic delivery programme will be put in place.

- Regional Bus Strategy – when allocating funding for 24/25, funding was given to this strategy to allow the completion of additional work packages. As work has progressed, it has become clear that this additional work cannot be fully completed in 24/25, and therefore it is anticipated that there will be an underspend of £50k and a request will be made to carry this budget over into 25/26 to allow this important work to continue.
- RTS Delivery Plan – the budget for this project has been set aside to support work funded either by the City Region Deal or Local Authorities to progress prioritisation of RTS aligned projects. There is a current risk that the £20k assigned to this work will not be spent in full in 24/25 depending on wider project progress, and so a request may be made to carry this funding into 25/26.

2.4 There are four projects that are currently showing as either having delays, or are at risk of delays, to their programmes

- VoyagAR and GoSEStran – the procurement process for both of these pieces of work has been conducted jointly, and a preferred supplier identified. However, progress in appointing this supplier has been slower than expected, and there is now a risk that they will not be in place by 31<sup>st</sup> December 2024. The principal issues for this are a lack of capacity at Tactran to progress the appointment and the associated legal and contractual documentation that is required. Discussions are ongoing with Tactran to resolve this and return this project to its programme.
- Strategic Network – as noted at 2.3
- EV Delivery – The target date for completion of a regional procurement exercise is 31<sup>st</sup> December 2025, however in order to meet this date approvals need to be in place from all Local Authorities to allow the process to begin in February 2025. At present, it is unlikely that this date can be met, albeit work on clarifying budget and governance is being expedited where possible to try and retain this start date. Mitigations are currently being explored, including writing to Transport Scotland to seek clarity on the 31<sup>st</sup> December deadline.

2.5 There are 20 risks on the risk register, 4 of which has been added this quarter, and an additional 4 risks have been closed this quarter. Of these risks, 18 are classed as medium, all of which have mitigation plans in place. There is 1 risk that is classed as high which is around timeline for the EV delivery project – explanation and mitigations are as described at 2.4 above.

2.6 One issue has emerged over the quarter:

- GoSEStran – Tactran have had issues with capacity over the quarter, which has caused delays to the project and procurement process, and limited development or marketing work undertaken over this period. A brief for consultancy support is being developed to provide interim support to minimise any further project delays.

The three issues that had previously been reported are now all resolved and closed.

### 3 PEOPLE AND PLACE

- 3.1 The People and Place (P&P) plan has been integrated into appendix 1 but, given its scale, it is presented with its own risk register and budget. For reporting purposes, P&P has been broken down into three areas according to who will be spending the funding – Local Authorities, third parties, and SEStran.
- 3.2 People and Place is currently running to programme and budget. There are no high risks on People and Place. There are however 9 medium risks that are being actively managed with the mitigations noted. This is up from 5 medium risks reported in Q2, the increase being driven mainly by new risks being identified around uncertainty on timelines and level of funding for 25/26. 3 medium issues are currently being managed, of which 1 is new within this quarter around payment timescales to funded organisations.
- 3.3 Progress on the People and Place Plan (PPP) has gone well over the quarter. At the start of the quarter, project update reports were received from most partners, and these were compiled and sent to Transport Scotland (TS) as one regional report. Feedback from TS on this report and SEStran's progress to date was positive. This report has been included for Members reference at Appendix 2.
- 3.4 Whilst overall the full grant is still predicted to be spent in full, there was a drop seen in grant claims received for Q2 compared to the predicated value by around £230,000. The principal reasons for this are:
- £25,000 of SEStran project management costs going unspent as noted at 3.5
  - £140,000 of claims across 2 local authorities that were not submitted as expected. Discussions are ongoing and both are expected to catch up on this spend over Q3 and Q4
  - £65,000 of underspend in other claims, and as above it is expected that this amount will be made up in Q3 and Q4.
- 3.5 During the quarter, SEStran's project management costs were reviewed and found to have been budgeted too high when considering existing staffing allocations within the core budget. As such, this budget has been reduced from £100,000 to £25,000. The budget freed up will be used for some additional work to prepare for 25/26 delivery, additional programme evaluation costs to ensure this is as robust as possible, and the remainder used for project delivery (with priority given to extending schools projects to run until the end of the summer term).
- 3.6 One of the main items of work over the quarter has been the development of the 25/26 onwards P&P Delivery Plan. Following early discussions at our Local Authority workshop in August, the first draft plan was circulated to stakeholders in October, with feedback being generally positive. Work is currently ongoing to adapt the Delivery Plan in line with this feedback where appropriate, and it remains on track to be presented to the December Board Meeting where a fuller update will be given.

3.7 To ensure transparency over projects being funded and to share details of this amongst all partners and stakeholders to help facilitate collaboration, an online dashboard has been created with the support of Urban Tide. Whilst still awaiting some final updates before being widely shared, Members are welcome to view the map here: <https://usmart.io/org/sestran/>

## 4 COMMUNICATIONS AND MARKETING UPDATE

4.1 Sarah Junik, SEStran’s new Communications and Marketing Officer, started during the quarter. A fuller update on communications and marketing will be provided in future quarters as work progresses, and at the December meeting of the Partnership Board, but some key initial successes have been:

- A press release on Cllr Pattle taking up the role as Partnership Board Chair received coverage in several local newspapers.
- There was coverage in several local newspapers about the Brompton bike locker in Musselburgh as part of the Go E-bike project.
- Monthly social media reporting has been setup, and this has shown that, through regular posting on LinkedIn, we’ve increased the number of impressions from September to October by over 200%, and grown the number of monthly new followers by over 400%
- A tender brief has been written to procure a film company to make three People and Place case study videos, which are due to be complete in quarter 4
- Organised amendments and reprint of the Thistle Assistance cards and leaflet
- Plans have been made for SEStran’s communications priorities for October through to March 2025 and actions are now being delivered associated with this.

## 5 RECOMMENDATIONS

5.1 The Committee is asked to review, discuss and note progress recorded by project in the past quarter, summarised in the attached Appendix

Michael Melton  
**Programme Manager**  
 22<sup>nd</sup> November 2024

**Appendix 1:** SEStran Projects & Strategy Tracker – November 2024

**Appendix 2:** SEStran People and Place Q2 report

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	Finance Status		Programme Status		Milestones					Risks		Issues			Last Updated	
	Finance Status	Change since Q2	Programme Status	Change since Q2	No on track	No completed	No late completed	No delayed	No late	No Medium	No High	No Medium	No High	No Critical		
<u>Thistle Assistance</u>	On Budget	↔	On Target	↔	0	0	0	0	0	0	0	0	0	0	0	11/6/2024
<u>VoyagAR</u>	On Budget	↔	Minor Delay	↓	0	0	0	2	0	1	0	0	0	0	0	11/1/2024
<u>Real Time Passenger Information</u>	On Budget	↔	On Target	↔	1	1	1	0	0	2	0	1	0	0	0	11/1/2024
<u>GoSEStran</u>	On Budget	↔	Minor Delay	↓	0	1	1	3	0	3	1	2	0	0	0	11/1/2024
<u>Go Ebike</u>	On Budget	↔	On Target	↔	2	1	0	0	1	0	0	0	0	0	0	11/11/2024
<u>Strategic Network</u>	Risk of Underspend	↓	Minor Delay	↔	0	0	1	2	0	1	0	0	0	0	0	11/11/2024
<u>EV Delivery</u>	On Budget	↔	Major Delay	↓	0	1	2	2	0	1	1	0	0	0	0	11/8/2024
<u>Regional Bus Strategy</u>	Underspend	↓	On Target	↔	0	0	1	0	0	3	0	0	0	0	0	11/11/2024
<u>Transport to Healthcare</u>	On Budget	↔	On Target	↔	0	1	0	1	0	2	0	1	0	0	0	11/4/2024
<u>Regional Freight Strategy</u>	On Budget	↔	On Target	↔	0	2	1	0	0	2	0	0	0	0	0	11/11/2024
<u>RTS Delivery Plan</u>	Risk of Underspend	↓	On Target	↔	5	1	0	1	0	2	0	0	0	0	0	11/11/2024
<u>Rail Strategy</u>	On Budget	↔	On Target	↔	0	0	0	0	0	1	0	0	0	0	0	11/11/2024
<b>Total</b>					<b>8</b>	<b>8</b>	<b>7</b>	<b>11</b>	<b>1</b>	<b>18</b>	<b>2</b>	<b>4</b>	<b>0</b>	<b>0</b>		
<b>People and Place Plan:</b>										9	0	0	0	0		
<u>Local Authority Projects</u>	On Budget	↔	On Target	↔	2	3	1	0	0							11/11/2024
<u>Non-Local Authority Projects</u>	On Budget	↔	On Target	↔	2	3	0	0	0							11/11/2024
<u>SEStran Projects</u>	On Budget	↔	On Target	↔	4	4	0	0	0							11/11/2024
<b>Total</b>					<b>8</b>	<b>10</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>9</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>		

**Project Risk Register**

Risk Number	Project	Order	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	1	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 11/11		In Progress	4/1/2024	11/11/2024	KF
PR002	Thistle Assistance	1	Issue with app software prevents users from 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 requirements	Remote	Moderate	Low Risk	As per planned response/mitigations 11/11		In Progress	4/1/2024	11/11/2024	KF
PR003	Thistle Assistance	1	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 11/11		In Progress	4/1/2024	11/11/2024	KF
PR004	VoyagAR	2	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	Procurement of GoSEStran complete, but future role of VoyagAR not fully clear at this time, so risk remains	Met with Tactran 05/24 to agree procurement approach	In Progress	4/1/2024	11/11/2024	KF
PR005	Real Time Passenger Information	3	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 21/11		In Progress	4/1/2024	11/11/2024	KF
PR006	Real Time Passenger Information	3	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 11/11		In Progress	4/1/2024	11/11/2024	KF
PR007	Real Time Passenger Information	3	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 RTP partners and suppliers to come to agreement	Unlikely	Minor	Low Risk	As per planned response/mitigations 11/11	Initial meeting held between RTPs to agree exploration of joint approach to procurement.	In Progress	4/1/2024	11/11/2024	KF
PR008	GoSEStran	4	Lack of funding to continue with the app to improve the app and continue current offering for 3 years	Probable	Major	High Risk	Ongoing dialogue with TS around future plans for MaaS and outcome of pilot evaluation. Tactran delivering programme and look for funding opportunities. Tactran developing funding plan	Possible	Major	Medium Risk	Continue to check in with Tactran and create action tracker to understand progress	Some additional funding secured from TS and SCSP fund - 01/04 Comms prepared for app 01/07	In Progress	4/1/2024	11/11/2024	RS
PR026	GoSEStran	4	Ad hoc nature of support service through customer service desk could mean responses to customers are delayed resulting in poor customer experience	Possible	Minor	Low Risk	Schedule checks with Tactran to ensure responses are sent within a timely manner	Unlikely	Minor	Low Risk	As per planned response/mitigations 20/06  Request additional support is integrated into new contract with supplier by 11/12		In Progress	6/20/2024	11/11/2024	RS

**Project Risk Register**

Risk Number	Project	Order	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
PR029	GoSEStran	4	Staff capacity to deliver project is limited and could be significantly impacted by unforeseen absence, leading to project delays	Probable	Major	High Risk	See issue PI005	Probable	Major	High Risk	See issue PI005		New	10/7/2024	11/11/2024	RS
PR028	GoSEStran	4	Contract not in place for chosen supplier by December leads to app being withdrawn for a period and consequent loss of users	Probable	Major	High Risk	Ongoing discussions with Tactran on legal support Agreement reached for Anderson Strathern to draft contract.	Possible	Major	Medium Risk	Meeting supplier 21/11 to discuss options		New	11/11/2024	11/11/2024	RS
PR030	GoSEStran	4	Lack of sufficient user research on current app means that future improvements either are not made or do not respond to user needs	Probable	Moderate	Medium Risk	Discuss at inception meeting with supplier Look at starting user research under current contract prior to end of 2024	Possible	Moderate	Medium Risk	Meeting supplier 21/11 to discuss		New	11/11/2024	11/11/2024	RS
PR013	Strategic Network	5	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	Follow up with two outstanding LAs to identify final gaps in mapping data. 18/11		In Progress	4/1/2024	11/11/2024	BHJ
PR027	Strategic Network	5	Delays to design feedback leads to significant delays which mean project cannot be completed by end of financial year when current funding expires	Probable	Major	High Risk	Consultant to lead ongoing dialogue with Falkirk Council including arranging workshops as needed with all relevant parties	Possible	Major	Medium Risk	Meet with Falkirk Council to discuss next steps 21/11		New	11/11/2024	11/11/2024	MM
PR014	EV Delivery	6	Failure to secure funding commitments from local authorities to fund a collaborative exercise	Probable	Major	High 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	Possible	Major	Medium Risk	Risk updated to cover requirement for £330k to fund full procurement exercise Develop detailed budget proposal to be developed by 04/12 MOU to be developed by 04/12 Agree funding pot and appointment of consultant 04/12	Initial £15k contribution per LA secured and spent	In Progress	4/1/2024	11/11/2024	MM



**Project Risk Register**

Risk Number	Project	Order	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
PR015	EV Delivery	6	Compressed timescale required to reach contract start date is very tight, and leads to low quality of work and/or missed deadlines and/or failure to meet CPS switch off date	Probable	Major	High Risk	Seek ongoing consultant support for project management	Probable	Major	High Risk	Work to timetable as per risk PR014 to ensure project progress Write to TS to seek clarity on CPD switch off date Investigate additional mitigations dependant on outcome of the above		In Progress	4/1/2024	11/11/2024	MM
PR016	Regional Bus Strategy	7	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 04/11		In Progress	4/1/2024	11/4/2024	RM
PR017	Regional Bus Strategy	7	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 04/11	Website page created: <a href="https://sestran.gov.uk/projects/regional-bus-strategy/">https://sestran.gov.uk/projects/regional-bus-strategy/</a>	In Progress	4/1/2024	11/4/2024	RM
PR018	Regional Bus Strategy	7	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 03/09		In Progress	4/1/2024	9/3/2024	RM
PR019	Transport to Healthcare	8	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 03/09		In Progress	4/1/2024	9/3/2024	RM
PR020	Transport to Healthcare	8	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 03/09		In Progress	4/1/2024	9/3/2024	RM
PR021	Regional Freight Strategy	9	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 11/11		In Progress	4/1/2024	11/11/2024	KF
PR022	Regional Freight Strategy	9	Lack of capacity in the public sector to further develop and deliver on freight strategy	Possible	Major	Medium Risk	Look to provide training and support as needed	Unlikely	Major	Medium Risk	As per planned 11/11		In Progress	4/1/2024	11/11/2024	KF

**Project Risk Register**

Risk Number	Project	Order	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
PR023	RTS Delivery Plan	10	Lack of engagement from stakeholders	Possible	Major	Medium Risk	Regular meetings and opportunities to collaborate	Unlikely	Major	Medium Risk	As per planned response/mitigations 203/09		In Progress	4/1/2024	9/3/2024	RM
PR024	RTS Delivery Plan	10	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 03/09		In Progress	4/1/2024	9/3/2024	RM
PR025	Rail Strategy	11	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 11/11		In Progress	4/1/2024	11/11/2024	KF

### Project Issue 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	Closed	12/11/2023	11/11/2024	KF
PI002	Transport to Healthcare	Outcome of UK Government funding bid will be delayed until after the election due to the purdah period	Medium	RM working with partners to understand impact of any delays on potential programmes. As this become known further updates will be made to this issue.	When a minor partner but nonetheles with an active role in delivery, confirm with funder and lead partner that all comms will be shared.	Closed	5/22/2024	5/29/2024	RM
PI003	GoSEStran	Appointment of tech supplier/ new contract/ legal support will be delayed due to timescales for procurement. This is expected to result in the Ember contract being extended to Dec to ensure app is continuously live between suppliers.	Medium	Ember contract drafted to allow for 3 month extension till Dec 2024.	Develop clearer timescales when preparing for procuring and ensure additional time is given in the transitional period from one supplier to another.	Closed	6/20/2024	11/11/2024	RS
PI004	GoSEStran	Unexpected staff absence has caused delays in project delivery. Procurement is yet to be concluded with contract preparation to be delivered. There has been limited development work or marketing planned during this time.	Medium	Consultant breif to be drafted by SEStran to secure interim resoruce to limit and further delveiry delays - by 29/11 Budget to be reworked to incorporate consualtnt support as above - by 06/12	tbc	In Progress	11/11/2024	11/21/2024	RS

## Thistle Assistance

Budget Code: 92077  
 Responsible Officer: Sandra Lavergne  
 Manager: Keith Fiskien  
 RTS Objectives: 1, 3, 4  
 Last Updated: 11/6/2024

Programme Status: On Target

Finance Status: On Budget

RTS Actions
<ul style="list-style-type: none"> <li>Deliver improved public transport information in a variety of formats, supported by appropriate wayfinding infrastructure on the transport network</li> </ul>
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
Updates made to existing App - security and useability enhancements
Q3 Progress
New Project Officer and Marketing officer in place working on the project New existing stock of leaflets and cards depleted, new order to be placed for resupply Publication of updated Accessible Travel delivery plan by TS (Oct 2024) with ambition to promote Thistle Assistance Continuity to promote Thistle Assistance on social media
Q4 Progress

Milestones					
Name	Due Date	Revised Date	Completed Date	Status	Last Updated
n/a					

Budget		
	Income	Expenditure
<b>Original Budget</b>	£15,996	£42,000
<b>Current Budget</b>	£15,996	£42,000
<b>Spend to Date</b>	£0	£1,097
<b>Remaining</b>	£15,996	£40,903
<b>Predicted future spend</b>	£15,996	£40,903
<b>Predicted total spend</b>	£15,996	£42,000
<b>Predicted Variance</b>	£0	£0

# VoyagAR

Budget Code: 92089  
 Responsible Officer: Rebecca Smith  
 Manager: Keith Fisken  
 RTS Objectives: 1, 3, 4  
 Last Updated: 11/1/2024

Programme Status: Minor Delay

Finance Status: On Budget

RTS Actions
<ul style="list-style-type: none"> <li>Deliver improved public transport information in a variety of formats, supported by appropriate wayfinding infrastructure on the transport network</li> </ul>
Project Summary
<p>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.</p>
Q1 Progress
<p>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</p>
Q2 Progress
<p>SLA for IMPs partnership signed and includes exploring VoyagAR and its future development.                  Procurement for tech supplier live 10/07/2024 through Innovate UK - open till 05/08/2024. Focus is MaaS apps but VoyagAR and accessibility development forms part of the bid.                  Innovate UK pitch days set up for Sept. 2024 which will determine how suppliers see the app being integrated.</p>
Q3 Progress
<p>The procurement pitches had mixed abilities to integrate VoyagAR into GOSEStran. Accessibility integrations are being added into the contract being prepared to finalise the report. The procurement process, and appointing a supplier, has been delayed due to staff absense and is expected to be complete by December 2024.</p>
Q4 Progress

Milestones					
Name	Due Date	Revised Date	Completed Date	Status	Last Updated
Procurement of supplier complete	9/30/2024	12/2/2024		Delayed	11/1/2024
Go live date for app	1/31/2025	3/31/2025		Delayed	11/1/2024

Budget			
	Income	Expenditure	
<b>Original Budget</b>	£0	£0	£0
<b>Current Budget</b>	£0	£0	£0
<b>Spend to Date</b>	£0	£0	£0
<b>Remaining</b>	£0	£0	£0
<b>Predicted future spend</b>	£0	£0	£0
<b>Predicted total spend</b>	£0	£0	£0
<b>Predicted Variance</b>	£0	£0	£0

## Real Time Passenger Information

Budget Code: 92019  
 Responsible Officer: Rebecca Smith  
 Manager: Keith Fiskin  
 RTS Objectives: 1, 3, 4  
 Last Updated: 11/1/2024

Programme Status: On Target

Finance Status: On Budget

RTS Actions
<ul style="list-style-type: none"> <li>•Deliver improved public transport information in a variety of formats, supported by appropriate wayfinding infrastructure on the transport network</li> <li>•Introduce Real Time Passenger Information for public transport services through mobile applications, stations and stops and across all parts of the region</li> </ul>
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
Lothian bus feed solution is now expected to go live at end of September with full 'disruption' data being available end of September. Testing successful as of 03/09/2024. Speaking with several organisations with offline screens to determine how to progress. Midlothian screen replcement largely complete, West Lothian will comence in September.
Q3 Progress
RTPi screens now show live Lothian feed as of 9th September 2024. Journeo EPI training completed October 2024, including local authority officers, which will allow new staff members to report faults with screens, track the status of screens, add imagery and advertisement to screens, and track performance. SEStran PCs are being monitored and project team are contacting organisation's to resolve any faults or issues.
Q4 Progress

Milestones					
Name	Due Date	Revised Date	Completed Date	Status	Last Updated
Complete review of screen network	9/30/2024		9/30/2024	Complete	11/1/2024
Lothian tracker going live on RTPi screens	7/31/2024	31/09/2024	9/9/2024	Complete - Late	11/1/2024
Review reporting template for PCs	31/11/2024			On Track	11/1/2024

Budget		
	Income	Expenditure
<b>Original Budget</b>	£15,000	£15,000
<b>Current Budget</b>	£15,000	£15,000
<b>Spend to Date</b>	£5,000	£0
<b>Remaining</b>	£10,000	£15,000
<b>Predicted future spend</b>	£10,000	£15,000
<b>Predicted total spend</b>	£15,000	£15,000
<b>Predicted Variance</b>	£0	£0

## Go SEStran

Budget Code: 92086  
 Responsible Officer: Rebecca Smith  
 Manager: Michael Melton  
 RTS Objectives: 1, 3, 4  
 Last Updated: 11/1/2024

**Programme Status:** Minor Delay

**Finance Status:** On Budget

RTS Actions
<ul style="list-style-type: none"> <li>Deliver improved public transport information in a variety of formats, supported by appropriate wayfinding infrastructure on the transport network</li> <li>Deliver a regional MaaS pilot scheme to establish the long-term viability of MaaS in the region</li> </ul>
Project Summary
<p>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.</p>
Q1 Progress
<p>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.</p>
Q2 Progress
<p>SLA for IMPs partnership signed and inception meeting set up for August.                      PID and Contract Strategy signed off by Tactran and SEStran directors.                      Procurement for tech supplier live 10/07/2024 through Innovate UK - open till 05/08/2024.                      Innovate UK pitch days set up for Sept. 2024. 14 suppliers applied with 7 taken forward for pitch days.                      Ember contract extension confirmed through change control notice to ensure app continues running Sept-Dec 2024 whilst procured supplier onboarded.</p>
Q3 Progress
<p>The procurement process, and appointing a supplier, has been delayed due to staff absence and is expected to be complete by December 2024.                      Meetings with stakeholders have been set up to investigate opportunities for the GoSEStran platform to offer more to users. This includes signposting to more payment methods, integrating more features, and targeting specific users groups.                      The remaining Transport Scotland MIF grant funding was finalised and reporting on the 6 month extension has been submitted.</p>
Q4 Progress

Milestones					
Name	Due Date	Revised Date	Completed Date	Status	Last Updated
Report to Board on next steps	9/27/2024		9/27/2024	Complete	11/1/2024
New supplier in place	9/30/2024	12/31/2024		Delayed	11/1/2024
Ember contract extension awarded	7/31/2024	20/08/2024	13/08/2024	Complete - Late	8/26/2024
Funding secured for 2025-27	9/27/2024	12/31/2024		Delayed	8/26/2024
App development plan for GoSEStran	12/20/2024	1/31/2025		Delayed	11/1/2024

Budget		
	Income	Expenditure
<b>Original Budget</b>	£174,750	£174,750
<b>Current Budget</b>	£174,750	£174,750
<b>Spend to Date</b>	£56,000	£22,838
<b>Remaining</b>	£118,750	£151,912
<b>Predicted future spend</b>	£118,750	£151,912
<b>Predicted total spend</b>	£174,750	£174,750
<b>Predicted Variance</b>	£0	£0

## Go Ebike

Budget Code: 92076  
 Responsible Officer: Beth Harley-Jepson  
 Manager: Michael Melton  
 RTS Objectives: 1, 2, 4  
 Last Updated: 11/11/2024

**Programme Status:** On Target

**Finance Status:** On Budget

RTS Actions
7.0 Delivering Safe Active Travel • Expand the provision of bike-sharing initiatives across the region 8.0 Enhancing Access to and Accessibility of Public Transport • Identify locations where implementation of shared mobility solutions could be beneficial and reduce the level of 'forced' car ownership
Project Summary
The Go e-bike project involves supporting access to e-bikes and bike share through a variety of routes. Employer e-bike trials are supported in partnership with West Lothian Bike Library. This allows employers to trial a fleet of e-bikes for 4 weeks to give employers and employees to understand the benefits of e-bikes. Community groups across the region have been provided with fleets of e-bikes. This supports access to e-bikes at a local level. Public access bike share is supported through a trial of Brompton (folding bikes) lockers. These are operating in Midlothian and East Lothian. We are in discussion with Scotrail to add a further locker (owned by Sustrans) at Haymarket.
Q1 Progress
Employer trial was held at St Johns Hospital and Persimmon Homes in West Lothian. Survey data was collated from 23/24 employer trials. Brompton hire lockers were vinyl wrapped ahead of going live.
Q2 Progress
Four e-bikes were relocated from the Scottish Borders due to insufficient use. These were moved to City of Edinburgh Council for a longer term employer trial (April 2025) and to West Lothian Bike Library to supplement their public hire fleet. Discussions ongoing to identify additional employers to take part in further employer trials, staff survey taking place at Western General hospital to identify if there is demand. Skills Development Scotland have started a small scale trial with staff in Edinburgh. Brompton hire lockers went live at Musselburgh QMU and at Sheriffhall Park and Ride. A meeting was held with Scotrail at Haymarket Station to determine a potential location for the Sustrans locker.
Q3 Progress
Go e-bike employer trial taking place with staff from Skills Development Scotland over September and October. Cycle Ride Leader training course provided to Social Bite Village to support the use of the e-bike fleet with staff and residents. Bike maintenance and cargo bike training provided to Porty Community Energy to support volunteers with the e-bikes available to loan. We are awaiting a response from Scotrail on the site risk assessment outcome this is due to be reviewed on the 18th November. Press release issued about the Musselburgh Brompton bike locker, with coverage in several local newspapers.
Q4 Progress

Milestones					
Name	Due Date	Revised Date	Completed Date	Status	Last Updated
Brompton Haymarket locker gets go -ahead from Scotrail	9/30/2024	11/18/2024		Late	11/11/2024
Brompton Haymarket locker installed on site	3/31/2025			On Track	9/2/2024
Two employer trials delivered in partnership with TKH	3/30/2025			On Track	9/2/2024
Existing Brompton lockers small launch event and promotion campaign.	10/28/2024		10/14/2024	Complete	10/31/2024

Budget		
	Income	Expenditure
<b>Original Budget</b>	-£2,638	£27,362
<b>Current Budget</b>	-£2,638	£27,362
<b>Spend to Date</b>	-£2,638	£1,223
<b>Remaining</b>	£0	£26,139
<b>Predicted future spend</b>	£0	£26,139
<b>Predicted total spend</b>	-£2,638	£27,362
<b>Predicted Variance</b>	£0	£0

Budget Notes
Income is negative due to an overpayment on a grant claim from 23/24 that has been repaid in 24/25. No income beyond this correction is budgeted for this project



## Strategic Network

Budget Code: 92082  
 Responsible Officer: Beth Harley-Jepson  
 Manager: Michael Melton  
 RTS Objectives: 1, 2, 4  
 Last Updated: 11/11/2024

**Programme Status:** Minor Delay

**Finance Status:** Risk of Underspend

RTS Actions
<ul style="list-style-type: none"> <li>• 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</li> <li>• Deliver road safety measures that enable people to safely use active travel within the region</li> </ul>
Project Summary
<p>This project is in 2 parts:</p> <ol style="list-style-type: none"> <li>1. 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.</li> <li>2. 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.</li> </ol>
Q1 Progress
<p><u>Falkirk routes:</u> 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).</p> <p><u>Network review:</u> Baseline mapping work included in tender for PPP development support, to begin in early June on schedule</p>
Q2 Progress
<p><u>Falkirk Routes:</u> Procurement complete, but work start is further delayed due to resource constraints at Falkirk Council - kick off meeting expected early September, so delay is now up from 1 month in Q1 to 4 months at present. Still anticipate completion by end 24/25.</p> <p><u>Network review:</u> work continues to gather data, remains on schedule at this time</p>
Q3 Progress
<p><u>Falkirk Routes:</u> Workshop held with Falkirk Council end September to discuss design refinements needed. Still several outstanding issues that require addressed before work can commence to complete design. Further meeting currently being sought to resolve. Risk of delay and/or underspend remains and cannot be further clarified until after this meeting.</p> <p><u>Network review:</u> work continues to gather data, with the majority now received but some remains outstanding - completion date delayed by around 2 months</p>
Q4 Progress

Milestones					
Name	Due Date	Revised Date	Completed Date	Status	Last Updated
Feedback on current design complete	6/30/2024	8/31/2024	9/27/2024	Complete - Late	11/11/2024
Completion of design work	9/30/2024	3/31/2025		Delayed	11/11/2024
Completion of baseline map (via PPP)	11/30/2024	1/31/2025		Delayed	11/11/2024

Budget		
	Income	Expenditure
<b>Original Budget</b>	£42,399	£45,450
<b>Current Budget</b>	£42,399	£45,450
<b>Spend to Date</b>	-£3,051	£0
<b>Remaining</b>	£45,450	£45,450
<b>Predicted future spend</b>	£45,450	£45,450
<b>Predicted total spend</b>	£42,399	£45,450
<b>Predicted Variance</b>	£0	£0

Budget Notes
Income is negative due to an overpayment on an invoice issued by SEStran 23/24 that has been repaid in 24/25. No income beyond this correction is budgeted for this project

## EV Delivery

Budget Code: 92088  
 Responsible Officer: Michael Melton/Rebecca Smith  
 Manager: Brian Butler  
 RTS Objectives: 1, 4  
 Last Updated: 11/8/2024

**Programme Status:** Major Delay

**Finance Status:** On Budget

RTS Actions
<ul style="list-style-type: none"> <li>•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.</li> <li>•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</li> </ul>
Project Summary
<p>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 several different procurement waves across the region with common tender documents. The overall project aim is to pool resource to create efficiencies for all LAs, and to secure an increased competition and better value in the final tender by presenting a bigger market for suppliers.</p>
Q1 Progress
<p>Agreement gained from all LAs (plus Dumfries and Galloway) to jointly develop public EV charging 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 in place from early June.</p>
Q2 Progress
<p>Consultant procurement was completed later than anticipated, which has led to further programme delays, but overall these are minor and with end dates being delayed by around 1 month. Fortnightly working groups meetings are approx. monthly steering groups have taken place over the quarter with the aim of creating a procurement plan and documents that can be used by each LA, whether separately or as part of joint procurement(s).</p>
Q3 Progress
<p>Oversight group met in early October who agreed to proceed with a regional grouping of 8 LAs (minus East Lothian and plus D&amp;G) with a lead authority approach. Documentation defining this agreement will be developed as part of a new piece of consultancy work to support the collaboration. This requires a regional budget pooling together the remaining EVIF funding which is to be approved. Ongoing steering group meetings to progress the project with LA officers.</p>
Q4 Progress

Milestones					
Name	Due Date	Revised Date	Completed Date	Status	Last Updated
Form governance structure	4/30/2024	8/31/2024	4/30/2024	Complete	8/19/2024
Procure PM & consultant support	5/31/2024	6/7/2024	6/19/2024	Complete - Late	8/19/2024
Procurement docs complete	9/30/2024	10/31/2024	10/19/2024	Complete - Late	11/8/2024
Procurement begins (scope tbc)	10/31/2024	2/28/2025		Delayed	11/8/2024
Tender awarded (scope tbc)	5/30/2025	10/31/2025		Delayed	11/8/2024

Budget		
	Income	Expenditure
<b>Original Budget</b>	£0	£35,000
<b>Current Budget</b>	£0	£35,000
<b>Spend to Date</b>	£0	£0
<b>Remaining</b>	£0	£35,000
<b>Predicted future spend</b>	£0	£35,000
<b>Predicted total spend</b>	£0	£35,000
<b>Predicted Variance</b>	£0	£0

## Regional Bus Strategy

Budget Code: 92087  
 Responsible Officer: Rachael Murphy  
 Manager: Keith Fiskien  
 RTS Objectives: 1, 3, 4  
 Last Updated: 11/11/2024

Programme Status: On Target  
 Finance Status: Underspend

RTS Actions
<ul style="list-style-type: none"> <li>•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)</li> <li>•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</li> <li>•Deliver the bus priority interventions funded by Transport Scotland’s Bus Partnership Fund and subsequently identified by the Regional Bus Priority study</li> <li>•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</li> </ul>
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 EQAs drafted Case for Change first draft shared with SEStran Summary shared as part of board papers
Q2 Progress
Increased Budget C4C shown to the board and accepted (ongoing drafting) As the study is so multi-faceted, the decision was signed off by the partnership director to draft the strategy's policies and actions before appraising a shorter list of options that are perceived by our authorities and stakeholders to be realisable. RBS main body in progress
Q3 Progress
Development of draft strategy policies and actions against a number of 'qualities' like service level is underway SEStran staff have read through these, and engagement resources are being developed for LAs The board, a smaller group from our IMF forum and operators will work through the document in Q4
Q4 Progress

Milestones					
Name	Due Date	Revised Date	Completed Date	Status	Last Updated
Case for Change	5/17/2024	5/30/2024	5/30/2024	Complete - Late	8/26/2024
Draft actions and policies	12/31/2024				11/11/2024
Options Appraisal					

Budget		
	Income	Expenditure
<b>Original Budget</b>	£150,000	£225,000
<b>Current Budget</b>	£150,000	£175,000
<b>Spend to Date</b>	£150,000	£57,721
<b>Remaining</b>	£0	£117,279
<b>Predicted future spend</b>	£0	£117,279
<b>Predicted total spend</b>	£150,000	£175,000
<b>Predicted Variance</b>	£0	£0

Budget Notes
Est budget reduced by £50k as it is now thought unlikely that the additional work required can be completed in 24/25 - it is expected a request will be made to carry this funding into 25/26 to allow the work to complete

## Transport to Healthcare

Budget Code: 92062  
 Responsible Officer: Rachael Murphy  
 Manager: Keith Fiskien  
 RTS Objectives: 2  
 Last Updated: 11/4/2024

Programme Status: On Target

Finance Status: On Budget

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 Project with Urban Tide progressing, but election means communicating project is paused *challenge* Want to see more leadership UT in meetings with CPC etc *challenge*
Q2 Progress
Update from CPC on how to talk to potential partners about TtH project with DfT funding Further meeting of TtH group and agreement on desire for 'learning network' for at least next six months
Q3 Progress
Building relationship with PHS and VHS Speaking about our work at PHS conference Keen to move towards decisions about next year's efforts with health boards but concerned that there's not sufficient impetus for a decision.
Q4 Progress

Milestones					
Name	Due Date	Revised Date	Completed Date	Status	Last Updated
First meeting with all boards	5/16/2024		5/16/2024	Complete	8/19/2024
Agreed projects for collaboration	8/31/2024	3/31/2025		Delayed	11/4/2024

Budget		
	Income	Expenditure
<b>Original Budget</b>	£0	£10,000
<b>Current Budget</b>	£0	£5,000
<b>Spend to Date</b>	£0	£0
<b>Remaining</b>	£0	£5,000
<b>Predicted future spend</b>	£0	£5,000
<b>Predicted total spend</b>	£0	£5,000
<b>Predicted Variance</b>	£0	£0

Budget Notes
Est budget reduced by £5k as it is now thought unlikely that this can be spent in full. Balance moved to Rail Strategy work in Newburgh to allow additional comms and marketing.

## Regional Freight Strategy

Budget Code: 92080  
 Responsible Officer: Keith Fisken  
 Manager: Keith Fisken  
 RTS Objectives: 1, 4  
 Last Updated: 11/11/2024

Programme Status: On Target

Finance Status: On Budget

RTS Actions
<ul style="list-style-type: none"> <li>Work with partners to identify, through the further development of the SEStran Freight Strategy, locations where Freight Consolidation Centres could be located</li> <li>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</li> <li>Identify opportunities to implement innovation and automation in the freight and logistics industry in the region, including the delivery of relevant pilot projects</li> <li>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</li> </ul>
Project Summary
<p>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.</p>
Q1 Progress
<p>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</p>
Q2 Progress
<p>EU FUSION - Developing draft for Horizon proposal with partners submission in September                      ACCESS for Goods proposal was rejected by funders, well received but a very competitive fund.</p>
Q3 Progress
<p>SEStran Logistics and Freight forum was held on 21st November with presentations on the regional strategy delivery plan and implications for freight and on further applications for drone use in the Hitrans region.</p>
Q4 Progress

Milestones					
Name	Due Date	Revised Date	Completed Date	Status	Last Updated
Present option to freight forum	5/30/2024		5/30/2024	Complete	8/19/2024
Access for goods funding feedback	7/31/2024		8/8/2024	Complete - Late	8/19/2024
Submit FUSION Proposal	9/6/2024		9/6/2024	Complete	11/11/2024

Budget		
	Income	Expenditure
<b>Original Budget</b>	£0	£10,000
<b>Current Budget</b>	£0	£10,000
<b>Spend to Date</b>	£0	£0
<b>Remaining</b>	£0	£10,000
<b>Predicted future spend</b>	£0	£10,000
<b>Predicted total spend</b>	£0	£10,000
<b>Predicted Variance</b>	£0	£0

## RTS Delivery Plan

Budget Code: 92042  
 Responsible Officer: Rachael Murphy  
 Manager: Keith Fiskien  
 RTS Objectives: 1, 2, 3, 4  
 Last Updated: 11/11/2024

**Programme Status:** On Target

**Finance Status:** Risk of Underspend

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
Matrix work continued, combined with GIS data from PIP Some delay due to summer holidays Commitment to host 1-1 meetings with LAs on their projects 1-1 meetings with RPF projects to gain context. Ewan drafting note.
Q3 Progress
Matrix is with LAs to share projects Discussion of best mapping procedure to consider the projects Discussion of role of Transport Scotland in the group's meetings Milestone on Baselineing of projects not achieved. This is due to the internal decision to meet with all the Regional Prosperity Framework leads individually, in order to fully understand their transport dependencies, which could be fulfilled by projects in the matrix. Doing this ourselves now will offer two obvious benefits: it's an opportunity to build relationships with RPF leads and it could reduce work (and thus cost) undertaken by a consultant in the next stage.
Q4 Progress

Milestones					
Name	Due Date	Revised Date	Completed Date	Status	Last Updated
Project preparation	5/31/2024		3/31/2024	Complete	8/19/2024
Baselining	7/31/2024	11/30/2024		Delayed	11/11/2024
Matrix of projects	11/30/2024			On Track	8/30/2024
Procurement of consultant support	12/31/2024			On Track	8/30/2024
Identify Priority Project Phases	12/31/2024			On Track	8/30/2024
Develop wider RTS Action Plan	6/30/2025			On Track	8/30/2024
Drafting of RTS Delivery Plan Report	11/30/2025			On Track	8/30/2024

Budget		
	Income	Expenditure
<b>Original Budget</b>	£0	£20,000
<b>Current Budget</b>	£0	£20,000
<b>Spend to Date</b>	£0	£0
<b>Remaining</b>	£0	£20,000
<b>Predicted future spend</b>	£0	£20,000
<b>Predicted total spend</b>	£0	£20,000
<b>Predicted Variance</b>	£0	£0

## Rail Strategy

Budget Code: 92047  
 Responsible Officer: Keith Fisken  
 Manager: Keith Fisken  
 RTS Objectives: 1, 3, 4  
 Last Updated: 11/11/2024

Programme Status: On Target

Finance Status: On Budget

RTS Actions
<ul style="list-style-type: none"> <li>Work with key stakeholders (Transport Scotland &amp; Network) rail to develop new rail infrastructure supported by appropriate appraisal and business case development</li> <li>Opportunities should be explored with partners to introduce new services, including more direct links across the region, national boundaries and cross-city connections</li> </ul>
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
Newburgh community stakeholder meeting to support appraisal set up for September Quarterly rail meeting held with stakeholders on 4th September Winchburgh steering group in place to progress station development, will meet monthly
Q3 Progress
The Newburgh stakeholder event was held in Newburgh with great representation from numerous stakeholder group exploring the impact that a station could have on Newburgh and the surrounding area. The final addendum to the appraisal with notes from the meeting will be submitted to Transport Scotland in November for consideration SEStran attended the lates Winchburgh steering group meetings
Q4 Progress

Milestones					
Name	Due Date	Revised Date	Completed Date	Status	Last Updated
n/a					

Budget		
	Income	Expenditure
<b>Original Budget</b>	£0	£2,500
<b>Current Budget</b>	£0	£7,931
<b>Spend to Date</b>	£0	£2,931
<b>Remaining</b>	£0	£5,000
<b>Predicted future spend</b>	£0	£0
<b>Predicted total spend</b>	£0	£2,931
<b>Predicted Variance</b>	£0	£5,000

Budget Notes
Est budget increased by £5k with underspend from Transport to Healthcare to allow additional comms and marketing for Newburgh. Also £431 overspend on budget for Newburgh event covered from Sus Travel Awareness

**People and Place Plan**



People and Place Plan 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	£455,849	£490,450	£455,849	£946,299	£0	£50,000	£50,000
Schools and Young People	Encouraging Active Travel: Young People	Local Authorities	£248,500	£231,650	£480,150	£224,500	£265,850			£0	£0	£224,500	£265,850	£490,350	£-24,000	£34,200	£10,200
Schools and Young People	Access to Bikes: Young People	Local Authorities & Third Parties	£0	£608,795	£608,795	£0	£65,000			£0	£458,795	£0	£523,795	£523,795	£0	£-85,000	£-85,000
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	£24,000	£185,000	£38,130	£10,000	£0	£0	£62,130	£195,000	£257,130	£15,606	£60,000	£75,606
Accessibility and Inclusion	Street Audits and Enabling Facilities	Local Authorities	£0	£500,000	£500,000	£0	£460,800			£0	£0	£0	£460,800	£460,800	£0	£-39,200	£-39,200
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	£592,600	£470,500			£0	£0	£592,600	£470,500	£1,063,100	£26,000	£-15,000	£11,000
Accessibility and Inclusion	Access to Bikes	Local Authorities & Third Parties	£0	£431,016	£431,016	£0	£190,000			£0	£236,016	£0	£426,016	£426,016	£0	£-5,000	£-5,000
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	£25,000	£0	£0	£0	£25,000	£0	£25,000	£-75,000	£0	£-75,000
Capacity and Capability Building	Programme Preparation for 2025/26 onwards	SEStran	£80,000	£0	£80,000	£0	£0	£52,502	£0	£0	£0	£52,502	£0	£52,502	£-27,498	£0	£-27,498
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	£67,498	£50,000	£0	£0	£67,498	£50,000	£117,498	£27,498	£0	£27,498
Capacity and Capability Building	Contingency	n/a	£21,582	£0	£21,582	£0	£0	£75,000	£0	£0	£0	£75,000	£0	£75,000	£53,418	£0	£53,418
			<b>£1,913,954</b>	<b>£3,412,200</b>	<b>£5,326,154</b>	<b>£841,100</b>	<b>£1,637,150</b>	<b>£323,130</b>	<b>£60,000</b>	<b>£749,724</b>	<b>£1,715,050</b>	<b>£1,913,954</b>	<b>£3,412,200</b>	<b>£5,326,154</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>

People and Place Plan 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 24/25 decisions Online tool developed for transparency on where all funding is being spent and results of this	Unlikely	Moderate	Low Risk	Consultation on draft future plan in October 2024 Meetings with LAs to be planned in Jan 25 to develop project proposals for 25/26	Monitoring tool live	In Progress	29/01/24	23/10/24	MM
PPP14	Reduction in revenue funding 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	24/25 programme revised to retain revenue funding in key areas such as communities and walking/wheeling 25/26 plan to be built up from assumed revenue split to mitigate this impact from the start Programme wide 25/26 IIA to be developed along with guidance on how this should be adapted at a project delivery level	Possible	Moderate	Medium Risk	As per planned response/mitigations 23/10/24		In Progress	25/03/24	24/10/24	MM
PPP18	Lack of resource to deliver 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 underspend. Keep reserve list of projects that can be funded if underspend develops	Possible	Moderate	Medium Risk	Continue to develop and add to contingency projects.  Review underspend and available contingency with view to reaward by end of Nov.	Review reserve list of projects by 31/07. Develop proposal for contingency by 31/07.	In Progress	12/04/24	23/10/24	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 LA and third parties distributed between the team to share workload	Unlikely	Moderate	Low Risk	Explore option for recruitment of additional resource to support with community fund in run up to 25/26 (aim to be in post by early Jan 25)	New Comms Officer started in Autumn.	In Progress	12/04/24	23/10/24	MM
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 aware of this need for flexibility Develop plan to allow for inclusion of public transport and integrated mode projects. TS have stated that sustainable transport measures will be included under future funding for PPP.	Probable	Moderate	Medium Risk	Meetings with LAs to be planned in Jan 25 to develop project proposals for 25/26 to include sustainable transport Case studies to be developed on existing projects to demonstrate value of investment	Delivery has been developed incorporating sustainable transport	In Progress	28/05/24	23/10/24	BHJ
PPP26	There is a risk of a cumulative effect of funding confirmation delays and delays to procurement of work being delivered by local authorities that leads to no/limited delivery and/or underspend	Probable	Moderate	Medium Risk	Ongoing discussions with LAs to understand problems early. Flexibility with grant process to move money between projects.	Possible	Moderate	Medium Risk	Consider options for 25/26 by 30/11		In Progress	03/07/24	23/10/24	BHJ
PPP27	There is a risk of mistakes / inaccuracy as we use Excel / Word documents instead of automatic system, which could lead to errors in grant claims, submissions to TS, on funding agreements etc	Probable	Moderate	Medium Risk	One Excel doc to track budget. Implemented budget change tracker. Automated cross checking.	Possible	Minor	Low Risk	Investigate cost benefit of alternative system in Q3		In Progress	03/07/24	23/10/24	MM
PPP28	A lack of capacity within local authorities results in either poor quality, inconsistent, or a lack of monitoring data being collected on projects, which lead to difficulty in demonstrating impact of funded projects to Transport Scotland and more widely	Probable	Moderate	Medium Risk	Continued engagement with LAs to understand what support can be offered in 24/25, but given current position within delivery year impact of this is limited Progress case study work with interested LAs to support what quantitative data can be collected	Probable	Moderate	Medium Risk	Develop plans for additional M&E support for local authorities for 25/26 during Q3		New	23/10/24	23/10/24	MM
PPP29	A lack of clear guidance alongside lack of capacity results in inconsistent monitoring data being collected on all projects, which complicates a programme level evaluation and leads to difficulty in demonstrating impact of funded projects to Transport Scotland and more widely	Probable	Moderate	Medium Risk	Continued engaged with all partners to understand what support can be offered in 24/25, but given current position within delivery year impact of this is limited	Possible	Moderate	Medium Risk	Procure evaluation consultant to support with 24/25 evaluation - by mid Q3 Develop plans for additional M&E support for all projects for 25/26 during Q3		New	23/10/24	23/10/24	MM

People and Place Plan 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
PPP30	Delays to award of 25/26 funding lead to reduced delivery period (and potential to miss summer delivery window) leading to underspend in the programme and/or reduced impact (also see issue ref PPP01 re 24/25)	Highly Probable	Moderate	High Risk	Work to TS timescales to ensure 25/26 plan proposals are submitted on time Take delivery plan and associated grant funding documents to December Board for approval to allow time to run processes prior to 31st March Plan timeline to ensure grant awards can be made in principle by 31st March subject to TS funding confirmation	Highly Probable	Minor	Medium Risk	Develop grant process documents - by 22.11 Develop grant application and award timeline - by 22.11 Discuss options for Board approval of P&P budget in principle in advance of funding outcome - during Q3		New	23/10/24	23/10/24	MM
PPP31	25/26 delivery proposals are not approved by Transport Scotland AO process, leading to no funding for 25/26 delivery	Unlikely	Catastrophic	Medium Risk	Ongoing engagement with TS to ensure alignment and answer any questions Iterative discussions with TS as plans for 25/26 progress	Remote	Catastrophic	Low Risk	As per planned mitigations 23.10		New	23/10/24	23/10/24	MM
PPP32	Community fund - Risk to SEStran reputation where projects are not successful in receiving funding. This risk is amplified by the lack of certainty of funding for 25/26 delivery.	Probable	Moderate	Medium Risk	Develop clear applications guidance and criteria to support applications and when confirmed make budget clear to manage expectations Ensure programme is sufficiently resourced to offer pre application support and guidance where necessary	Possible	Minor	Low Risk	As per planned mitigations 23.10		New	23/10/24	23/10/24	MM
PPP33	Community fund - Delivering the fund requires more or less work than expected, leading to either a lack or resource that impacts on other areas of delivery, or an over resourcing programme leading to lower value for money	Possible	Major	Medium Risk	Seek funding certainty from TS as early as possible to ensure size of fund and therefore resource needed can be identified. Given this dependency, no other mitigations are possible at this time	Possible	Major	Medium Risk	As per planned mitigations 23.10		New	23/10/24	23/10/24	MM
PPP34	Community fund - Challenge of recruiting for resource to help prepare the fund prior to 31st March with no funding certainty, which could lead to delays in launching the fund and/or knock on resource implication to other areas of delivery	Probable	Moderate	Medium Risk	Seek funding certainty from TS as early as possible to ensure resource needed can be identified. Explore shorter term options to recruit, including secondment from partner organisations.	Possible	Moderate	Medium Risk	As per planned mitigations 23.10		New	23/10/24	23/10/24	MM

### People and Place Issues Log

Issue Ref	Description	Severity	Next Steps (date and who)	Lessons Learnt	Status	Date Raised	Last Updated	Owner
PPP01	The funding confirmation from Transport Scotland was received in mid-April rather than mid-late March, which led to a knock on delay to SEStran Board approval for the budget, and subsequent funding awards not being issued until 2nd May, 1 month into the delivery year. This has reduced the delivery year from 12 to 11 months, resulting in impacts to project delivery and spend that require mitigation.	Medium	Discuss with each partner the impact of the funding award delay - complete Update spend profile and project budget based on these discussions - complete Retain flexibility for projects and budget to allow partners to pivot in case of knock on impacts of delays - ongoing Consider how Board approval could be sought in advance in future years - during Q3	tbc	In Progress	4/8/2024	10/24/2024	MM
PPP02	No funding can be accrued or claimed in advance for projects that will not complete by 31st March 2025 (with the exception of projects linked to the school year). This has affected one project - funding awarded to Sustrans for 2 officers to support Falkirk and West Lothian Council develop active travel behaviour change strategies. Given the delay to the funding award, recruitment took place later than expected, and only one post was filled. As these were envisaged as 12-month roles, the viability of the second officer (West Lothian) is now in doubt and may need to be removed from the programme, leading to an underspend of approximately £80k (revenue) in this programme area and potential lack of this project being delivered in West Lothian, with a potential knock on impact of delivery in 25/26.	Medium	Work with Sustrans to see if an internal secondment to the post would be possible - complete (was not possible) Develop contingency plan for use of underspend, to first prioritise delivery in West Lothian - Complete If no officer can be recruited, work with WLC to support development of plans for delivery in 25/26 - Complete Final sign off of budget reallocation - by 30th Nov 24	tbc	In Progress	7/3/2024	10/24/2024	MM
PPP03	Several delivery partners have raised concerns around the length of time taken to make grant payments to them, which has caused them issues with cashflow. At present, it can take 5-6 weeks from claim submission to payment, taking into account time to internally check claims (about 1 week), gain approval for payment within SEStran (2-3 days), and then for CEC to process payments (28 days)	Medium	Work with affected organisations to support claims in advance and/or mid quarter claims during Q2 - complete Review claim process to look for efficiencies and ensure payment timescales are clear - complete Discuss payment timescales with CEC - during Q3	tbc	In Progress	9/2/2024	10/24/2024	MM

## People and Place Plan - Local Authority Projects

Budget Code: 92092, 92093  
 Responsible Officer: Beth Harley-Jepson, Rebecca Smith, Sandra Lavergne  
 Manager: Michael Melton  
 RTS Objectives: 1, 2, 4  
 Last Updated: 11/11/2024

**Programme Status:** On Target

**Finance Status:** On Budget

Project Summary
This area of the PPP covers all grants to Local Authorities. Projects cut across all of the themes of the Plan as set out by Transport Scotland. In total, grants have been awarded to the 8 SEStran Local Authorities to deliver 78 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 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
Reports and grant claims were received at the start of Q1 detailing spend to date and activities completed. Most projects here are running to plan, albeit most were not programmed to begin until Q2. Grant claims were slightly down on expected values, but not significantly so. Work has progressed over the quarter, with updates meetings being scheduled with all LAs towards the end of September.
Q3 Progress
Reports and grant claims were received at the start of Q3 detailing spend to date and activities completed. Overall, project progress has been good and (excluding the exceptions noted below) spend for non-local authority projects remains largely as expected, with a slight underspend across all projects in this area of around £30,000. Spend in this area has been further reduced by are=bout £140,000 due to 2 local authorities not submitting grant claims for Q2 - discussion with them have taken place and this spend is expected to be caught up in Q3 and A4. Progress meetings have generally been positive, and the next round of these will take place in December and January to discuss Q3 progress.
Q4 Progress

Milestones					
Name	Due Date	Revised Date	Completed Date	Status	Last Updated
Project award	4/1/2024	4/30/2024	4/30/2024	Complete - Late	5/28/2024
Inception Meetings	5/31/2024		5/24/2024	Complete	5/28/2024
Q1 Reporting & Claims	7/12/2024		7/9/2024	Complete	8/5/2024
Q2 Reporting & Claims	10/11/2024		10/11/2024	Complete	11/11/2024
Q3 Reporting & Claims	1/17/2025			On Track	11/11/2024
Q4 Reporting & Claims	4/11/2025			On Track	11/11/2024

## People and Place Plan - Non Local Authority Projects

Budget Code: 92092, 92093  
 Responsible Officer: Beth Harley-Jepson, Rebecca Smith, Sandra Lavergne  
 Manager: Michael Melton  
 RTS Objectives: 1, 2, 4  
 Last Updated: 11/11/2024

**Programme Status:** On Target

**Finance Status:** On Budget

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 meetings have also been held with each organisation to discuss reporting requirements. Once project has had its grant award increased by £3,976 due to a complexity around VAT - this has been covered by the overall plan contingency.
Q2 Progress
Reports and grant claims were received at the start of Q2 detailing spend to date and activities completed. Most projects commenced work in Q1, with good progress reported overall. One project has become undeliverable due to recruitment challenges, with alternative options for use of this funding being explored. Grant claims were slightly down on expected values, but not significantly so. Work has progressed over the quarter, with updates meetings being scheduled with all third parties towards the end of September.
Q3 Progress
Reports and grant claims were received at the start of Q3 detailing spend to date and activities completed. Overall, project progress has been good and spend for non-local authority projects remains largely as expected, with a slight underspend across all projects in this area of around £30,000. Progress meetings have generally been positive, and the next round of these will take place in December and January to discuss Q3 progress.
Q4 Progress

Milestones					
Name	Due Date	Revised Date	Completed Date	Status	Last Updated
Project award	4/1/2024	4/30/2024	4/30/2024	Complete - Late	5/28/2024
Inception Meetings	5/31/2024		5/24/2024	Complete	5/28/2024
Q1 Reporting & Claims	7/12/2024		7/9/2024	Complete	8/5/2024
Q2 Reporting & Claims	10/11/2024		10/11/2024	Complete	10/31/2024
Q3 Reporting & Claims	1/17/2025			On Track	11/11/2024
Q4 Reporting & Claims	4/11/2025			On Track	11/11/2024

## People and Place Plan - SEStran Projects

Budget Code: 92092, 92093  
 Responsible Officer: Beth Harley-Jepson, Rebecca Smith, Sandra Lavergne  
 Manager: Michael Melton  
 RTS Objectives: 1, 2, 4  
 Last Updated: 11/11/2024

**Programme Status:** On Target

**Finance Status:** On Budget

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
Progress in Q2 continues to be running to plan. Despite the late award of the programme development tender, this work remains on its original programme to report to the Board in December. A successful knowledge sharing workshop was held on 29th August with all 8 LAs being represented for a discussion on common approaches and areas of focus, as well as focusing on the 25/26 onwards plan development.
Q3 Progress
The focus of this workstream in Q3 has primarily been on completing work on the 25/26 and onwards P&P Delivery Plan and other processes for 25/26 that will require Board approval in December. To this end, a first draft of the Delivery Plan was shared with stakeholders for comment in early October, with responses currently being analysed and updated made as needed. The plan remains on track to be presented to the December Board where a fuller update will be given. Time has also been spent forward planning grant processes for 25/26 to seek Board approval where required in line with the Grant Standing Orders. Collaborative work has also been undertaken with SPT and Tactran on development of a community small grants fund.
Q4 Progress

Milestones					
Name	Due Date	Revised Date	Completed Date	Status	Last Updated
Award monitoring tender	4/26/2024		4/26/2024	Complete	5/28/2024
Award plan development tender	5/31/2024	6/7/2024	6/7/2024	Complete - Late	5/28/2024
Q1 report to TS	7/12/2024		7/12/2024	Complete	8/5/2024
Q2 Knowledge Sharing Event	8/29/2024		8/29/2024	Complete	8/30/2024
Q2 Report to TS	10/14/2024		10/14/2024	Complete	11/11/2024
25/26 Plan consultation complete	10/25/2024		10/25/2024	Complete	11/11/2024
25/26 Plan approved by Board	12/6/2024			On Track	11/11/2024
Q3 Report to TS	1/17/2025			On Track	11/11/2024
Q4 Report to TS	4/15/2025			On Track	11/11/2024
24/25 evaluation report to TS	6/30/2025			On Track	11/11/2024

RTP Active Travel People and Place Programme Reporting

This template should be used by Regional Transport Partnerships to report quarterly on their Active Travel people and Place Programme grant progress. The focus of this report should be on financial management, outcome progress, and risk reporting.

<b>Name of Organisation</b>	<b>SEStran</b>	<b>Name of Programme</b>	Active Travel People and Place Programme
<b>Total Value of Grant</b>	<b>£5,326,154</b>	<b>Reporting period</b>	<b>Q2</b>

**The expected outcomes of the Grant are:** With due regard to (1) Regional Transport Strategies, (2) Local Authority programmes of active travel infrastructure delivery, (3) Community Planning Partnerships and Local Outcomes Improvement Plans (LOIPs), and in line with the national Active Travel Framework, to:

- Increase the proportion of short everyday journeys by walking, wheeling and cycling;
- Increase positive attitudes towards / increase propensity to walking, wheeling and cycling;
- Increase the proportion of journeys to school by walking, cycling and wheeling;
- Increase the frequency of walking, wheeling and cycling for pleasure / exercise;
- Increase positive perceptions of safety of walking, wheeling and cycling;
- Reduce the proportion of people identifying barriers to walking, wheeling and cycling;
- Increase the delivery capacity and capability of the active travel sector to better achieve these outcomes.

**The targets/milestones against which progress in achieving expected outcomes shall be monitored are:** In line with the People and Place Monitoring and Evaluation Framework:

- Quarterly reports including information on:
  - **Section A:** Narrative on overall progress;
  - **Section B:** Financial management;
  - **Section C:** Delivery against expected project outputs;
  - **Section D:** Risk management;
- Programme spend completed by March 2025.
- Final Evaluation Report submitted by end June 2025.



## RTP Active Travel People and Place Programme – Quarterly Report

### Section A. Summary:

Narrative on overall progress over the past quarter

As in quarter 1, the vast majority of the 100 projects funded across the SEStran area are currently on track and on budget. Where there are delays or budget underspends, these are being actively managed, and the full regional programme is on time and on budget. Meetings have been held with all except 1 of our 8 Local Authorities and 10 Delivery Partners at the end of Q2 to ensure good progress on project delivery and to mitigate any potential risks early on.

Claims for Q2 are coming in slightly under the budgeted amount, which is mainly due to no claims being received from Fife and West Lothian Councils (total value of both claims was expected to be around £180k) but this has been offset in part by other claims being above the projected values (about £20k) – see more detail in the financial management. The final Q2 claim will therefore include a small request for funding in advance to cover claims expected mid-quarter (to the value of £150k) meaning the final Q2 claim (subject to final checks) is expected to be £7,294 under the projected value.

Key project progress under the 4 themes (plus access to cycles) has been as follows:

- On **access to cycles**, Cycling Scotland are working to fund 400 bikes aimed at young people across the region, and The Bike Station's Wee Bike Library in Edinburgh has experienced demand almost double their capacity, with 394 loans so far this financial year. Cycling UK have distributed funds to 21 organisations across the region, including 96 bike repairs and 84 people now with access to a safe and appropriate cycle. East Lothian Council now have 1 Brompton Bike available for public hire in Prestonpans, with 3 more to follow in other towns in Q3.
- For **schools and young people**, intensive active travel programmes supported by dedicated members of staff are now underway in 7 high school clusters across the region. With the school holidays now finished and recruitment for new posts complete, the focus of these projects has been on delivery. A highlight of this have been a 'bike-packing' session run in West Lothian under the '#AndSheCycles' programme. On wider school engagement, WOW is now up and running in 55 schools in the region, and local authorities are working on delivering a number of projects directly including school travel plans in Clackmannanshire and installation of bike storage in East Lothian.
- Whilst a smaller element of SEStran's programme, progress in delivery in **workplaces** has been ongoing, with new cycle storage installed or currently being installed at 3 local authority workplaces in the region, several workplaces including the Scottish Legal Aid board are beginning work with TravelKnowHow in Edinburgh, and East Lothian Council have been planning an employer event. Our more intensive workplace project with NHS Fife has seen the delivery of the first ebikes for staff use, as well as the recruitment of 4 volunteer active travel champions to support the project from within NHS Fife.
- Under **accessibility and inclusion**, Cycling UK's Connected Communities hub in Haddington has continued to develop after being established in Q1, with 20 bike loans in the period. Work delivered by Local Authorities has seen a range of successes, from 38 secure cycle parking units being installed in Edinburgh in Q2 and subsidies now in place for users of the cycle lockers (including a 75% reduction in the fee per space in SIMD deciles 1-3), the East Lothian walking Festival and

## RTP Active Travel People and Place Programme – Quarterly Report

Midlothian Outdoor Festival completing successfully, Fife Council launching their [Share with Care](#) campaign and in East Lothian discussions are continuing around delivering active travel prescribing with NHS Lothian. Other highlights of this strand of work have included:

- The Thistle Adaptive Cycles project, which has supported 231 people across two sites in Edinburgh (Craigmillar and Saughton), and has established relationships with the Active Schools Network (ASN) in Edinburgh with four sessions arranged across October and November.
  - The University of Edinburgh, which has seen successful uptake of the UniCycles with 62 out of 70 hired out so far. 40 staff and students have requested and been offered one to one cycle training and, so far, 51 hours of training have been delivered to 17 individuals.
  - The Bike Statin, which ran a successful summer cycle events programme with a total of 98 attendees followed by an autumn programme with a total of 137 attendees.
  - Forth Environment Link rheumatology project with NHS Forth Valley, which progresses with 20 patients currently taking part and 4 being on waiting list.
- In building **capacity and capability**, the embedded behaviour change strategy officer has been progressing with the early stages of writing an ATBC Strategy for Falkirk Council. SEStran held a successful workshop to bring together all local authorities in the region, with all attendees rating the event good or excellent. An [online dashboard](#) is now in place to provide public information on all of the projects being funded, and discussions are ongoing around end of year evaluation. Finally, the first draft of SEStran's future People and Place delivery plan has been completed and issued to stakeholders for feedback.

There have been several common challenges reported across projects over the quarter:

- Local Authority procurement processes have resulted in project delays across several local authorities and project types, but particularly with cycle storage infrastructure.
- Across the range of cycle storage projects, there have been challenges around site selection and the need for more extensive enabling works than was expected.
- Storage of ebikes, particularly in local authority buildings, has not been possible in some areas due to insurance prohibiting this, which is impacting delivery of projects that relied on this. East Lothian Council are seeking external support to identify a technical solution to this that may be replicable across all LAs.
- Whilst recruitment had largely been successful for all projects, the timelines for this and the associated training time for new staff were underestimated in some projects which has led to project delays.

Looking ahead to Q3, some key projects milestones will be Fife Council's purchase of adapted cycles for use at outdoor sessions and across schools, the continued roll #/out of cycle parking at local authority workplaces and schools, delivery of active travel prescriptions in partnership with East Lothian Council and NHS Lothian and a trial of a bike library distribution model in the Falkirk high school cluster. SEStran will also complete work on the future People and Place delivery plan, presenting this to the Partnership board in December. A series of case studies will be prepared focusing on projects across the region, and work will continue to plan future knowledge sharing events.

## RTP Active Travel People and Place Programme – Quarterly Report

### Section B. Financial Management:

#### Part 1: Financial Claim:

Please provide details of any new financial claims made over the last period:

Date of Claim	Ref Number (if applicable)	Capital Claimed	Resource Claimed	Total Claim
22/07/2024				£96,680.44
12/09/2024		£830,388.61	£360,667.89	£1,191,056.50

#### Part 2: Historic Claims:

As a test check and financial audit, please list all claims you have made over the current financial year:

Date of Claim	Ref Number (if applicable)	Capital Claimed	Resource Claimed	Total Claim
14/06/2024		£294,604.53	£37,672	£332,276.53

#### Part 3: Financial Forecasting:

Each month Transport Scotland revises its financial forecast for the year. Please complete the below table with your expected claims that will be made for the coming year. We appreciate this may be high level and will carry a risk of significant change due to the nature of behaviour change programmes

Month	Expected Capital Claim	Expected Revenue Claim	Expected Total Claim	Month	Expected Capital Claim	Expected Revenue Claim	Expected Total Claim
Apr 2024				Oct 2024	£45,552	£114,633	£160,186
May 2024				Nov 2024			
Jun 2024	£294,605	£37,672	£332,277	Dec 2024	£972,648	£467,537	£1,440,185
Jul 2024	£14,732	£78,109	£92,841	Jan 2025	£108,072	£51,949	£160,021
Aug 2024				Feb 2025			
Sep 2024	£830,389	£360,668	£1,191,057	Mar 2025	£974,272	£682,879	£1,657,150

Please provide details of any payment to be accrued or paid beyond 31<sup>st</sup> March 2025:

Estimated £292,438 (£120,508 Rev, £171,930 cap) to be accrued and claimed in early April to account for invoices not received until on/soon after 31<sup>st</sup> March

## RTP Active Travel People and Place Programme – Quarterly Report

### Part 4: Over and Under Spend

Please provide any information on expected underspend or overspend that has developed or is at risk of developing as part of your investment (if possible, break it down by Capital/Revenue). Please also note any mitigation you are taking, and continue to inform your Transport Scotland Grant Manager:

The overall programme is currently running to budget, with no anticipated over or underspend. Within projects, a number of issues have been raised:

- Sustrans have been unsuccessful in recruiting the West Lothian behaviour change officer post – this has resulted in an underspend on this project of around £80k. Plans are in the final stage of approval to reallocate this to support iBike in West Lothian, so there is no wider programme impact
- Grant claims have not been received as anticipated in Q2 from Fife Council and West Lothian Council – for Fife Council this is due to the delay in purchasing adapted bikes which is due to now happen in Q3. Work is ongoing to understand the reasons for WLC not having submitted a claim
- The small programme contingency of around £40k has been allocated to delivery projects over the quarter to ensure it is spent
- Several other projects are reporting small underspends – a reserve project list is helping to reallocate these funds to ensure there is no impact on the overall programme spend

## RTP Active Travel People and Place Programme – Quarterly Report

### Section C. Delivery against expected project outputs:

Please provide examples of progress/delivery against expected project outputs under each of the People and Place themes. As well as successes we are equally interested in areas where there are delivery challenges to highlight or good practice/lessons learned to share.

<b>Active Schools and Young People</b>	
<b>Project Name</b>	<b>Access to Bikes – Young People</b>
<p><b>Outputs delivered to date</b>  <i>(A description of this project’s key achievements, milestones met, progress against objectives, priorities for next quarter)</i></p>	<p><b>Cycling Scotland</b> – FEL supported to purchase bike fleet to distribute to 11 primary schools in Clackmannanshire, expected to complete distribution by December 2024. Six partnership projects under development across the region to distribute over 400 cycles in a range of settings.</p> <p><b>Clackmannanshire Council</b> - Requirement identified for an adaptive bike at Alva Academy. Discussion to be had with Council Wellbeing and Employability department to ascertain need for bikes for job seekers before decision made on adaptive bike purchase.</p> <p><b>Scottish Borders Council</b> - This programme will be delivered over the winter period, with school engagement taking place prior to October break, and the aim of resource acquisition and delivery taking place Nov-Feb.</p> <p><b>The Bike Station - Wee Bike Library</b> - There has been a large demand for the project. So far, they have delivered 394 bikes from their branches in Edinburgh. They have had 690 new sign ups in Edinburgh bringing their total to 1252 customers in Edinburgh since the start of the project in August 2023. They are increasing their data collection across the project to ensure the project is impactful across the community.</p>
<p><b>Delivery challenges / lessons learned</b>  <i>(A description of challenges, difficulties, lessons learned, particularly if these may have relevance nationally or for partners across the programme)</i></p>	<p><b>Cycling Scotland</b> - Cycle parking and storage requests being out of scope has led to some organisations not being supported. Collaboration with organisations already engaged with young people has proved an effective route to getting cycles distributed and working with organisations and delivery partners experienced in bike procurement has streamlined processes.</p> <p><b>The Bike Station - Wee Bike Library</b> - The primary challenge in delivering the project is keeping up with demand with the ratio between customers and the number of bikes provided in Edinburgh being 2:1.</p>

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Project Name	Active Ways to School
<p><b>Outputs delivered to date</b>  <i>(A description of this project's key achievements, milestones met, progress against objectives, priorities for next quarter)</i></p>	<p><b>Paths for All - Secondary School clusters Walking, Wheeling and Cycling programme</b> – A Development Officer for Schools has been working in Lasswade High School since the start of August. Q2 saw the delivery of the in- school assessment and the start of the promotional elements of delivery. An active travel survey has been administered to pupils; it shows that most pupils walk to school, with the bus being the second most popular option followed by being driven to school. Specific barriers that result in pupils being driven to school have been identified and conversations with key stakeholders are ongoing to address them.</p> <p><b>Sustrans – I Bike Schools</b> – In Q2, I Bike Schools has been active in 4 SEStran Local Authorities: East Lothian (12 schools and learning organisations), West Lothian (19 schools and learning organisations), Edinburgh (new colleague onboarding and planning) and the Scottish Borders (also new colleague onboarding and planning). A total of 155 activities were logged across these schools during Q2, with 1,582 pupil attendances.</p> <p>Some key figures:</p> <ul style="list-style-type: none"> <li>• 39 Cycling Skills sessions were held, with 369 pupil attendances and 11 school staff, supported by 7 regular volunteers.</li> <li>• 3 Family Cycle Skills sessions were held, with 25 pupil attendances and 56 other participants including parents and other children.</li> <li>• 3 Bikeability (National Standard) Cycle Training sessions were held, with 37 pupil attendances and 3 regular volunteers.</li> <li>• 23 Scooting Skills sessions were held, with 360 pupil attendances involving 24 school staff, supported by 1 regular volunteer.</li> <li>• 24 Led Rides were held, with 161 pupil attendances.</li> <li>• 13 Dr Bike / Dr Scooter sessions were held, with 113 pupil attendances.</li> <li>• 5 Bike / Scooter Maintenance Sessions were held with 6 pupil attendances.</li> </ul> <p>Activity in Q2 has been predominantly focused on planning and consolidation due to a large proportion of the quarter being taken up with the school summer holiday period. During this time, the I Bike Schools Officers ensured that all fleet equipment was serviced, maintained, and ready to use for the following school year. In addition, the Officers have reviewed all risk assessments and plans and attended training over the summer to provide fresh ideas and inspiration for the next delivery quarter.</p>

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In West Lothian, the School Officer has spent time developing the *And She Cycles* (#ASC) offer, aiming at engaging more girls to find the confidence to cycle. Through this work, the after-school club at Whitburn Academy enjoyed a bike-packing experience, which has had a significant impact on the participants. With direct support from the I Bike Officer, the #ASC West Lothian group has been running weekly sessions, taking the group from non-riders to confident individuals. A teacher who took part in the session said: *“The bike-packing trip was absolutely brilliant! It was challenging for them, but what stars they are, especially considering most of them joined the cycling club last week. What an adventure, 13 miles each way of bike-packing. That's impressive with the terrain, hills, mud, rain, cow pat, wind, no reception, and you don't know where you are. Many had never really been on a bike before or been away from home. I'm super proud of them.”*

In East Lothian, the Officer has been taking stock over the summer, planning and consolidating their plans for the term ahead, and ensuring all equipment is serviced and ready for delivery when the schools return in August. Along with engaging children in active travel across 12 schools, the Officer has identified an opportunity among the parents to encourage more active travel which led to the creation of a group of mothers to encourage them to cycle to school with their children.

**Forth Environment Link - Community Active Travel Programme – Schools** – In Q2, FEL successfully recruited the Falkirk High embedded officer. Both the Alva Academy and Falkirk High Active Travel Hubs were officially launched through a series of assemblies for each year group. These assemblies served to introduce the project and Project officer to both pupils and staff, as well as to gather baseline survey responses. Pupils were encouraged to complete the survey using a QR code during the assembly, a method that proved effective as over 2,000 responses were received across the 8 school hubs. In the Alva and Falkirk responses, several pupils quoted distance and bad weather as their main barriers to walking and cycling. Data will be fully analysed in early Q3. Assemblies were followed by ‘roadshows’, interactive fun day showcasing FEL’s work; they engaged with over 1,000 pupils in Alva and Falkirk High. Bike to School Week took place from the 23rd to the 27th of September 2024. During this week, FEL organised several activities at both schools, including a bike breakfast, a school-wide Strava challenge, and free bike servicing for pupils. Bike lights were given out as prizes for pupils who took part and support cycling as winter approaches.

**Living Streets – WOW programme** – In Q2, Living Streets achieved the target of 55 primary schools registered for WOW in the SEStran area across 6 Local Authorities. The WOW programme officially launched early September 2024 and by the end of Q2, 45 schools were actively engaged (tracking over 10%) on Travel Tracker. Some key figures: 117.81k journeys have been logged, 86% of these journeys on average have been done actively. Living Streets also provided online and in-person support to schools across the region and were involved in a road safety workshop organised by the City of Edinburgh Council Road Safety team.

## RTP Active Travel People and Place Programme – Quarterly Report

<p><b>Delivery challenges / lessons learned</b> <i>(A description of challenges, difficulties, lessons learned, particularly if these may have relevance nationally or for partners across the programme)</i></p>	<p><b>Paths for All</b> – The main lesson would be to start earlier in the year in making contacts in schools.</p> <p><b>Sustrans</b> – Significant decline in demand for virtual lessons, which used to be popular during lockdown. The number of schools signing up will be monitored and feedback sought from attendees to adjust the planning of these sessions.</p>
<p><b>Project Name</b></p> <p><b>Outputs delivered to date</b> <i>(A description of this project’s key achievements, milestones met, progress against objectives, priorities for next quarter)</i></p>	<p><b>Encouraging Active Travel – Young People</b></p> <p><b>Clackmannanshire Council</b> – School Travel Plans are being revised with support from Living Streets. Recommendations and actions being addressed, such as banners for school railings being purchased (by Living Streets). School visits to Redwell, Craigbank and Sunnyside completed to understand issues. Living Streets targeting their WOW campaign in 5 primary schools, with active travel maps with new park and stride options being produced to present to parents. A contract for all cycling parking infrastructure (Young People and Employers combined) is now live on Public Contract Scotland with deadline October 2024.</p> <p><b>Scottish Borders Council</b> – YTD, over 550 pupils (P5 and P6 aged pupils) from 15 primary schools have received cycle safety training; a further 525 pupils across 27 schools are expected to receive training prior to the end of the financial year. P3 Cycle Skills pilot programme has started this academic term, enabling 64 pupils across 3 primary schools to receive core cycling confidence and competence training.</p> <p><b>Midlothian Council</b> - There has been a significant amount of background research and movement this project but not having the officer to drive this forward had created a delay. They have now recruited an officer and are confident of getting these off the ground and having these completed within the next quarter.</p> <p><b>East Lothian Council</b> - Major groundwork and installations took place throughout July and August at 4 x Primary Schools, increasing capacity to allow for storage of a further 70 bikes or scooters. Remedial works are now under way focused on the following:</p> <ul style="list-style-type: none"> <li>• Installing new scooter racks at 3 x Primary Schools</li> <li>• Relocating old cycle racks from Gullane Primary School to East Lothian Council’s Outdoor Learning facilities</li> <li>• Repairing damaged shelter roof panels at 1 x Primary School.</li> </ul>
<p><b>Delivery challenges / lessons learned</b> <i>(A description of challenges, difficulties, lessons learned, particularly if these may have relevance nationally or for partners across the programme)</i></p>	<p><b>Clackmannanshire Council</b> – Identifying sufficient storage space in schools or school playgrounds has been challenging in some locations due to other infrastructure and access issues. As schools are visited the scale of storage issues becomes clearer.</p>



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	<p><b>City of Edinburgh Council - Bike4ever</b> - A new staff member took over the project which required handover time. There has been difficulty releasing staff members to support. However, 12 pupils from Prospect Bank have completed 1 day of cycling training and skills and sessions are organised for Q3.</p> <p><b>Midlothian Council</b> – The procurement side of purchasing large scale materials and resources has increased the project’s lead time extensively. Once suppliers have been set up, they’re confident that purchasing will be significantly easier.</p>
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### Workplaces

Project Name	<u>Active Ways to Work- Large Employer</u>
<p><b>Outputs delivered to date</b> <i>(A description of this project’s key achievements, milestones met, progress against objectives, priorities for next quarter)</i></p>	<p><b>Cycling Scotland</b> – At NHS Fife site, staff champions have been identified to promote the project with Greener Kirkcaldy. Some of the e-bikes have been purchased. Work has progressed to improve cycling facilities at NHS Fife Victoria Hospital with costed proposal agreed.</p>
<p><b>Delivery challenges / lessons learned</b> <i>(A description of challenges, difficulties, lessons learned, particularly if these may have relevance nationally or for partners across the programme)</i></p>	<p><b>Cycling Scotland</b> – Challenges around lack of funding for continuing the Cycling Friendly award support with workplaces.</p>

Project Name	<u>Active Ways to Work – Other Employers</u>
<p><b>Outputs delivered to date</b> <i>(A description of this project’s key achievements, milestones met, progress against objectives, priorities for next quarter)</i></p>	<p><b>Clackmannanshire Council</b> - Planning and Estates department have agreed on a location for new storage at Council HQ (no planning consent required). Sustrans Embedded Officer is now in post and will support Staff Travel Plan review.</p> <p><b>Travel Know How</b> – Within Edinburgh, progress has been made across the projects that commenced in Q1. The four projects have been condensed into three after discussion with City of Edinburgh Council who will now have a larger budget to include additional support. CalCommuter, a workplace commuting calculator, is now being piloted into some of the projects to enable instant carbon and cost information to users completing travel surveys.</p> <p><b>City of Edinburgh Council</b> - Looking at multiple incentives to get staff walking including Step Count Challenge places and investigating bike parking at Waverley Court. They are also liaising with Cargo bike Movement prior to purchasing cargo bikes for staff to ensure the appropriate cycles are bought.</p> <p><b>Midlothian Council</b> - Monthly staff walks are running with between 10 and 15 participants each session. Staff are provided a healthy lunch as an incentive.</p>

## RTP Active Travel People and Place Programme – Quarterly Report

	<p><b>East Lothian Council</b> – A location for new staff cycle storage at ELC Outdoor Learning has been agreed and goods have been procured delivered and installed. New staff cycle storage for ELC site at Meadowmill is now complete and operational, with staff having access to secure, sheltered facilities that can be accessed via a shared PIN code. A Workplace Travel Forum Event is planned for October, with speakers invited, venue booked, and an invite issued.</p>
<p><b>Delivery challenges / lessons learned</b>  <i>(A description of challenges, difficulties, lessons learned, particularly if these may have relevance nationally or for partners across the programme)</i></p>	<p><b>Clackmannanshire Council</b> - There is no baseline data currently for any storage/current cycling levels within the local authority. Currently identifying how to monitor behaviour change associated with capital items.</p> <p><b>Travel Know How</b> - There has been some delays in finalising surveys with employers, however these have been resolved and all surveys are set to go out to employers to collect data for the work. The mix of traditional, more in-depth surveys and piloting a more data-driven model (CalCommuter) will enable comparison and can allow for recommendations for future surveys across workplaces.</p> <p><b>Midlothian Council</b> - Significant research has gone into the cargo bike project with areas and teams identified for use of the bikes. There are logistical issues such as storage and bike batteries, however, a pivot to E-bikes available to staff has been suggested as a way of reducing barriers faced by their staff.</p> <p><b>East Lothian Council</b> - The forum event has been restricted by room availability, and therefore is being run in the same week as another county-wide event aimed at employers. To mitigate risk of low attendance as a result, ELC have decided to open the event out to all of the SEStran region to reach a wider potential audience and use this project to support the aims and objectives of colleagues across the region.</p>

## RTP Active Travel People and Place Programme – Quarterly Report

<b><u>Accessibility and Inclusion</u></b>	
<b>Project Name</b>	<b>Active Travel Hubs</b>
<b>Outputs delivered to date</b> <i>(A description of this project’s key achievements, milestones met, progress against objectives, priorities for next quarter)</i>	<b>CyclingUK</b> - Project is developing positively with a local delivery plan in place and considerable delivery underway, including led rides, cycle training and bike maintenance training (42), cycle loans (20) and events. Loan of e-trike being utilised by outdoor learning and replacing some van trips. Siting for a storage container has been agreed. Several local case studies from cycle loans provided.
<b>Delivery challenges / lessons learned</b> <i>(A description of challenges, difficulties, lessons learned, particularly if these may have relevance nationally or for partners across the programme)</i>	<b>CyclingUK</b> – The challenge of e-bike battery charging has been resolved using a portable charging unit.
<b>Project Name</b>	<b>Access to Bikes</b>
<b>Outputs delivered to date</b> <i>(A description of this project’s key achievements, milestones met, progress against objectives, priorities for next quarter)</i>	<p><b>CyclingUK - Cycle Access Fund</b> - Worked with 21 organisations to distribute £86,812 across cycle repairs, recycled, shared and individual strands. 96 repairs completed, 84 individuals with access to a safe and appropriate cycle.</p> <p><b>Clackmannanshire Council</b> - Follow up meeting with Wellbeing and Employability departments required to understand whether this funding will be required. Potential to reallocate this funding for adaptive bike in Alva Academy to support wider behaviour change funded programmes.</p> <p><b>Scottish Borders Council</b> – Bikes are being provided to service users, Just Cycle expect to meet their 110 bike target by the end of January 2025. Currently identifying direct engagement opportunities through SBC Employability Team and NHS Teams.</p> <p><b>Fife Council</b> – Currently sourcing adapted cycles and looking for suitable storage solutions for the bikes. Once purchased, they will be used at Lochore Meadows, Fife Cycle Park as well as within schools.</p> <p><b>East Lothian Council</b> – Brompton bikes are now in place at Prestonpans Library, Haddington Library, Musselburgh Library, and will soon be in place at Dunbar library. The hub in Prestonpans is now live and has completed a small number of hires. The hubs in Musselburgh, Haddington and Dunbar should go live in Quarter 3.</p>

## RTP Active Travel People and Place Programme – Quarterly Report

<p><b>Delivery challenges / lessons learned</b>  <i>(A description of challenges, difficulties, lessons learned, particularly if these may have relevance nationally or for partners across the programme)</i></p>	<p><b>East Lothian Council</b> – The original bike hire project was planned to use e-Bromptons, but these are currently unavailable for hire via Brompton. ELC had hoped to deploy the ebikes as pool bikes for ELC staff at least until a solution could be found for public hires. However, in September 2024 the Council’s insurance team advised that no ebike batteries could be charged in any council building. This means that even if Brompton were able to make ebikes live on their platform again, ELC would not be able to use any of our hubs to hire them out (as all are in ELC libraries). ELC are currently in the early stages of discussions with Cenex about a project to explore affordable solutions to charging infrastructure that will be more palatable to insurers.</p>
<p><b>Project Name</b></p> <p><b>Outputs delivered to date</b>  <i>(A description of this project’s key achievements, milestones met, progress against objectives, priorities for next quarter)</i></p>	<p><b>Encouraging Active Travel - Communities</b></p> <p><b>Clackmannanshire Council</b> – Contract to deliver Dr Bike in schools and community bike maintenance sessions now live on Public Contract Scotland with tender deadline October 2024.</p> <p><b>Scottish Borders Council</b> – The Walk-It project has been running for over 15 years; the PPP funding has enabled the Council to recruit a Walk-It coordinator, to recruit and manage more volunteers, to set up new Walk It Walks and projects, to run training sessions such as Walk Leader courses, to work closely with Border Wheels on an action plan, etc. A separate Community Event fund &amp; Project grant is now set up and the Community Cycling fund will be managed through the previous full evaluation panel process and combined with the SBC Events funding. EOIs are being sought for projects from local organisations. One project has been fully delivered for the Tour of Britain 2024 activation. This opportunity allowed SBC to lead out all P7 pupils and teachers including two pupils with accessibility support for the start of Stage 1 of Tour of Britain at Kelso in September 2024.</p> <p><b>City of Edinburgh Council</b> – The Thistle Adaptive Cycles project has supported 231 people across two sites (Craigmillar and Saughton), and they have established relationships with the Active Schools Network (ASN) in Edinburgh with four sessions arranged across October and November. On-street secure cycle parking in residential areas has seen 38 units installed in this phase since July 2024. Most hangars have been reduced in price for users by 50% to £3/month, while those in areas of SIMD deciles 1-3 have been reduced by 75% to £1.50/month.</p> <p><b>Midlothian Council</b> – The Midlothian Outdoor Festival at Lasswade High was a very successful day showcasing cycling as well as having bike mechanics present to look over bikes for those who came to the event. The Midlothian App is entering its final step of procurement, but this has caused it to be slightly delayed. Quotes have been produced from several suppliers.</p> <p><b>Fife Council</b> - New campaign, ‘Share with Care – Active Travel’ has been launched - <a href="#">Share with Care - Active Travel   Fife Council</a>. Fife Council are currently developing banners, social media and bus advertising to support the campaign.</p>

## RTP Active Travel People and Place Programme – Quarterly Report

	<p><b>East Lothian Council</b> – Work is progressing to install secure cycle storage at a location in Dunbar in partnership with Dunbar Harbour and Regeneration Trust and a local Architect to develop plans. Planning permission may be required, but can be covered by the grant to fund enabling works. Work continues on the Active Travel in partnership with colleagues from the NHS to integrate walking and cycling initiatives with the existing Exercise Referral Pathway in the primary care system in East Lothian. Cycling UK and GoJauntly were both brought into initial discussions to sketch out options for referrals. Bespoke challenges are currently being developed for the GoJauntly platform. The East Lothian Walking Festival was held 24 Aug – 1 Sep with PPP grant used to support:</p> <ul style="list-style-type: none"> <li>• Promotion and marketing</li> <li>• Providing refreshments for participants</li> <li>• Supporting sustainable travel options</li> <li>• Legacy walks on GoJauntly app</li> </ul> <p>The festival delivered approximately 50 walks/events (not including the Health Walks run by Ageing Well that were integrated into the festival). Ads were placed on the GoJauntly platform and the festival’s social media engagement was very effective in making more and wider connections.</p>
<p><b>Delivery challenges / lessons learned</b>  <i>(A description of challenges, difficulties, lessons learned, particularly if these may have relevance nationally or for partners across the programme)</i></p>	<p><b>Clackmannanshire Council</b> – There is a need to ensure funding amplifies existing delivery in the region by other delivery partners, rather than duplication. Some of the work identified within the tender document will help shape funding for 25/26.</p> <p><b>City of Edinburgh Council</b> - There are issues with the storage of secure on street cycle hangers that have been purchased but not yet installed. The Council are investigating how this will impact the project.</p> <p><b>Midlothian Council</b> – The Active Travel video will potentially not be possible due to a lack of internal resources. This will be looked at more thoroughly in the next quarter to see if it is a possibility within this financial year.</p> <p><b>East Lothian Council</b> - It has proven very hard to tie down appropriate locations for shared cycle storage due to issues such as a lack of space and local objections to new infrastructure. This has led to the Dunbar secure shelter being behind schedule but remains on budget. A significant amount of lead time is clearly needed and ELC intend to take time to develop new processes in 2024-25 to help for next financial year.</p>

## RTP Active Travel People and Place Programme – Quarterly Report

<b>Project Name</b>	<b><u>Street Audits and Enabling Facilities</u></b>
<b>Outputs delivered to date</b> <i>(A description of this project's key achievements, milestones met, progress against objectives, priorities for next quarter)</i>	<p><b>Scottish Borders Council</b> – Due to a significant number of high priority projects across the Local Authority area, the Council has undertaken a review exercise to identify key areas of work. It's been agreed that a focus should be made in Hawick and Jedburgh; both towns have had their respective Place Plans published which include Active Travel and Accessibility. The Council will support the feasibility element as part of this project.</p> <p><b>Midlothian Council</b> - Areas have been identified for tool stations installation. These will be installed at hubs/leisure centres with cycle racks. First installation at Bonnyrigg is being completed over the summer. Audit of road markings needing repainted at schools has been completed and a priority list has been devised – these have been sent to outside company for works to be completed before the end of Q3.</p> <p><b>Fife Council</b> – The design Team appointed to help with School Travel Plan route audits and Way Finder project in Levenmouth area. Some of the audits have been undertaken, feasibility and cost estimates are being developed.</p> <p><b>East Lothian Council</b> - A full audit of Tranent, Prestonpans and Haddington has been completed, with results uploaded to ELC's own system for logging street works. Audits were informed by input from local residents, and are now complete. A review of the logged interventions has taken place, and we are currently working on a suite of designs to improve the centre of Tranent for walking. These designs will be progressed to completion next Financial Year.</p>
<b>Delivery challenges / lessons learned</b> <i>(A description of challenges, difficulties, lessons learned, particularly if these may have relevance nationally or for partners across the programme)</i>	<p><b>Midlothian Council</b> – There's been a lack of in-house resources to deliver the tool station project.</p> <p><b>East Lothian Council</b> - Construction for these works was due to complete by the end of this Financial Year but this will not now be possible, with a focus instead on increased number of audits and on designs only this year to ensure budget is spent in full, with a view to completing the works next FY.</p>
<b>Project Name</b>	<b><u>Existing Active Travel Hubs Communities support</u></b>
<b>Outputs delivered to date</b> <i>(A description of this project's key achievements, milestones met, progress against objectives, priorities for next quarter)</i>	<p><b>University of Edinburgh</b> – The University has recruited a new Active Travel Engagement Officer who has been leading on the work. There has been successful uptake of the UniCycles with 62 out of 70 hired out so far. 40 staff and students have requested and been offered one to one cycle training and, so far, 51 hours of training have been delivered to 17 individuals. Several cycling training sessions have been organised for Q3 and they are planning audits of walking-wheeling routes to support commuting journeys.</p>

## RTP Active Travel People and Place Programme – Quarterly Report

	<p><b>The Bike Station - Kids Bike Life</b> - A successful summer programme was run with a total of 98 attendees followed by an autumn programme with a total of 137 attendees. In the meantime, canvassing was completed with schools in the catchment areas identified. They have several sessions planned and have priorities for Q3 including extending activities in areas where reach has been smaller.</p> <p><b>Forth Environment Link – Community Active Travel Programme</b> – In Q2, FEL further developed plans for embedded community partnerships. They engaged with existing connections such as The Hub in Alloa, Mining Landscapes, Tamfourhill Community Hub and are in discussion with groups in Bonnybridge, Gartmorn and Sauchie. All partnerships will be finalised more formally in Q3. Procurement of all bikes and ebikes has been concluded in Q2. Distribution of the bikes in the Clackmannanshire schools started in Q2 and will continue in Q3. A trial of a bike library distribution model will take place in the Falkirk schools and has been identified as an opportunity for collaboration with Falkirk Council. The rheumatology project progresses with 20 patients currently taking part in the process and 4 being on waiting list. Tailored support will be provided to the patients for the remainder of the project.</p> <p><b>Greener Kirkcaldy – Routes to Change</b> - GK have established an itemised list of changes, improvements and additions for their high street location to progress the change to a focal point for active travel advice and support in the area, with the active travel hub the principal part of the location and Lang Toun Cycles bike shop as a recognisable concession within the unit. Initial baseline assessments have been conducted with partner groups in Glenrothes, Burntisland, Cardenden, Kinghorn and Aberdour to inform what support and activities to deliver in these areas. Engagement with people across Fife with in-person and online events, campaigns and conversations has been going very well. The highlight of this has been participation in the Fife Climate Festival which had multiple events across Fife at the end of September. Priorities for next quarter include developing programmes of winter activities in collaboration with partner organisations to keep momentum going, finalising decisions on what form the mobile active travel hub will take, and finalising decision of what the active travel hub will be called, via conversations with stakeholders.</p>
<p><b>Delivery challenges / lessons learned</b>  <i>(A description of challenges, difficulties, lessons learned, particularly if these may have relevance nationally or for partners across the programme)</i></p>	<p><b>University of Edinburgh</b> - The bikes, which were inherited from the Just Eat Cycle Scheme, were designed to be suitable for a broad range of heights, however, the university are finding that they are generally not suitable for hirers shorter than 5'4". In general, smaller students are finding the bikes are too big and heavy to use safely (34Kg).</p> <p><b>The Bike Station - Kids Bike Life</b> - They have been looking at ways to evaluate with school children as their existing model of survey is not effective. There is a difficulty getting schools engaged in the Niddrie area, but they are reaching out again and contingency planning.</p>

## RTP Active Travel People and Place Programme – Quarterly Report

	<p><b>Forth Environment Link</b> - Balancing recruitment and induction pressures of new school staff has been a challenge this quarter and has had impacts across both teams in terms of capacity.</p> <p><b>Greener Kirkcaldy – Routes to Change</b> - There have been some challenges in maintaining contact with some identified groups due to a combination of staff changes, funding challenges and their voluntary nature. However, where GK have established strong working relationships, the progress and enthusiasm of those groups has been very encouraging. There have also been difficulties in deciding what form the mobile active travel unit should take – with conversations going from deciding if it should be a trailer or van, then deciding if the van should be diesel or electric. With the mobile unit being a significant portion of the capital spend of this project, GK feel that taking time to get this right is worthwhile.</p>
<b>Project Name</b>	<b><u>Regional AT Comms Campaign</u></b>
<p><b>Outputs delivered to date</b>  <i>(A description of this project’s key achievements, milestones met, progress against objectives, priorities for next quarter)</i></p>	<p><b>New SEStran Communications Officer</b>            SEStran has recruited a new Marketing and Comms Officer who will be supporting some of the People and Place Comms work. This will support our aims to raise our profile and develop a clearer picture of available funding across the region.</p> <p><b>Case Study Support for Local Authorities</b>            Additionally, we have offered case study support to local authorities. The rationale behind this was that it would offer capacity at a local authority level to promote the work being carried out. Three local authorities are signed up to produce a video case study in collaboration with SEStran: East Lothian, Edinburgh, and the Scottish Borders. We have met relevant colleagues from their teams and are now scoping out suggested ideas to create a project plan and procure external support for the production of the case studies.</p>
<p><b>Delivery challenges / lessons learned</b>  <i>(A description of challenges, difficulties, lessons learned, particularly if these may have relevance nationally or for partners across the programme)</i></p>	



## RTP Active Travel People and Place Programme – Quarterly Report

<b>Capacity and Capability</b>	
<b>Project Name</b>	<b><u>Behaviour Change Project Officers</u></b>
<b>Outputs delivered to date</b> <i>(A description of this project’s key achievements, milestones met, progress against objectives, priorities for next quarter)</i>	<b>Sustrans</b> – The Behaviour Change Strategy Embedded officer in Falkirk Council has met with key internal stakeholders, has populated a community profile document for the different districts in the Local Authority and included information on target geographies and population segments. Local community Stakeholder mapping is underway. A structure for the overall strategy has been drafted.
<b>Delivery challenges / lessons learned</b> <i>(A description of challenges, difficulties, lessons learned, particularly if these may have relevance nationally or for partners across the programme)</i>	<b>Sustrans</b> - Establishing a good and strong working relationship with Falkirk Council has been critical for the Embedded Officer, but there have been challenges in trying to gain input from outside the core transport team.
<b>Project Name</b>	<b><u>Programme Management for 2024/25</u></b>
<b>Outputs delivered to date</b> <i>(A description of this project’s key achievements, milestones met, progress against objectives, priorities for next quarter)</i>	SEStran’s management of 24/25 delivery is ongoing, with general feedback form partner that the approach taken has been well received. Outside of work captured elsewhere in this report, this has included Q1 grant claim processing, Q2 reporting meetings with each LA and delivery partner, visits to several projects to understand how the funding is being used, organising a Cab Sec visit to several projects, and general day to day project management.
<b>Delivery challenges / lessons learned</b> <i>(A description of challenges, difficulties, lessons learned, particularly if these may have relevance nationally or for partners across the programme)</i>	
<b>Project Name</b>	<b><u>Programme Preparation for 2025/26 onwards</u></b>
<b>Outputs delivered to date</b> <i>(A description of this project’s key achievements, milestones met, progress against objectives, priorities for next quarter)</i>	Over the quarter, the first draft of the future delivery plan has been prepared following 1-1 meeting with each LA, each currently funded organisation plus other potential partners and a workshop session with all LAs. The plan has now been issued to various stakeholders for comment, and will be finalised in mid-November.
<b>Delivery challenges / lessons learned</b> <i>(A description of challenges, difficulties, lessons learned, particularly if these may have relevance nationally or for partners across the programme)</i>	There have been various challenges in this piece of work, including the lack of a clear evidence base, tensions between setting a regional delivery plan and input from local communities/identification of local barriers, requirements to plan without definitive budget and lack of 24/25 monitoring data to inform decision making. These have all been mitigated as best as possible in the delivery plan work.

## RTP Active Travel People and Place Programme – Quarterly Report

<b>Project Name</b>	<b><u>Capability and capacity building development</u></b>
<b>Outputs delivered to date</b> <i>(A description of this project’s key achievements, milestones met, progress against objectives, priorities for next quarter)</i>	<p>In August 2024, SEStran organised its first shared-learning event in Edinburgh, bringing officers from the 8 Local Authorities together to share best practices, network and gain a better understanding of the current projects being delivered in the region as part of the People and Place plan. The event was a good opportunity for attendees to discuss key topics such as monitoring and evaluation, active travel in a rural context or partnership working with community organisations. Presentations were delivered by Local Authorities and another RTP, outlining project successes and best practices. The event was also an opportunity to discuss further the 5-year delivery plan which has been developed in collaboration with Jacobs. Overall, the feedback received has been very positive and leads to believe of a strong appetite among Local Authority officers to take part in similar events / workshops in the future, which we are currently investigating.</p>
<b>Delivery challenges / lessons learned</b> <i>(A description of challenges, difficulties, lessons learned, particularly if these may have relevance nationally or for partners across the programme)</i>	
<b>Project Name</b>	<b><u>Programme level Monitoring &amp; evaluation</u></b>
<b>Outputs delivered to date</b> <i>(A description of this project’s key achievements, milestones met, progress against objectives, priorities for next quarter)</i>	<p><b>SEStran People and Place dashboard</b>  Progress has been made on the online dashboard in collaboration with UrbanTide; it has been populated with the locations of the funded projects across the region. In Q2, <a href="#">the dashboard</a> has been published and is accessible to all. The next step will be to develop the capability for external data entry into the tool which should help assess potential impact of projects.</p> <p><b>Active Travel counters</b>  We’ve sought interest from Local Authorities to purchase and install active travel counters with the aim of monitoring active travel behaviour change interventions or active travel rates more widely. Two Local Authorities have expressed an interest, Clackmannanshire Council and Scottish Borders Council. In the next quarter, we’ll need to assess and decide on the most suitable types of counters, the potential locations and the procurement approach.</p> <p><b>People and Place Programme Evaluation</b>  We’ve recently issued a tender to develop a Programme Evaluation report of the 24/25 People and Place Plan in the SEStran area. It is expected that this consultancy work would include an analysis of SEStran’s grant management role, a Programme Evaluation report, and an audit on project delivery. The deadline for submission is Monday 28<sup>th</sup> October, with an anticipated contract award expected on the w/c Monday 4<sup>th</sup> November.</p>



## **Risk Register**

### **1. INTRODUCTION**

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

### **2. BACKGROUND**

- 2.1 The Performance and Audit Committee, at its meeting in November 2021 approved the [SEStran Risk Management Framework Policy](#). This policy supports the management of the overall risk process within the organisation, including its governance arrangements.
- 2.3 The latest version of the risk register can be found at **Appendix 1** of this report.

### **3. MAIN REPORT**

- 3.1. In previous updates to the Committee, reports have covered the organisation's Strategic Risk Register in its entirety. However, in its final report on the annual audit for 2023/24, Audit Scotland will recommend that the format of future reports is revised to ensure that the report to the Committee focuses on the 3-5 key strategic risks.
- 3.2 As a result, this report focuses on the 3 main current strategic risks, based on the total risk scores shown in the strategic risk register, which is included as an appendix to the report:
- 1.1 Change to Regional Governance
  - 2.5 Sources of Additional Income
  - 2.6 Funding Reductions

#### **3.3 A potential change to transport governance**

Transport Scotland has announced a much needed initiative to review the split of roles and responsibilities and, therefore, funding, between national, regional and local government.

This presents both a risk and an opportunity to the Partnership, and to RTPs in general.

Transport Scotland is in the process of establishing an Officers' Group, which will report to the Cabinet Secretary for Transport. The Group will have members from Transport Scotland, CoSLA, SCOTS and the RTPs. The scope and timescales of the work have still to be confirmed.

The work should build on work previously undertaken but paused in 2023, including a report by Jacob's, and the revised version of 'Develop to Deliver' – a report outlining the potential role that RTPs could play if transport governance is optimised.

### 3.4 **Additional Income**

Overall, the Partnership's income has increased significantly in the year to date due to the introduction of the People and Place Plan which increased the budget by £5.326m. However other sources of governmental income have decreased this year:

- The main block grant reduced by 5% or £39k
- Usual active travel funding of c.£400k ceased
- Ad hoc project funding has been at a much lower level than in previous years

This wider reduction presents risks to the Partnership's ability to undertake work on the various strategies and projects that will be required to facilitate delivery of the Regional Transport Strategy. As a result, there is a pressing requirement to identify and secure alternative funding sources.

Capacity to do this is now in place with the recruitment of a Communications and Marketing Officer. This role will facilitate improved chances of securing funds from sources such as Innovate UK and Horizon Europe.

The Partnership has had some success in the current year, working jointly with UrbanTide to secure Connected Places Rural Accelerator Funding for a project aiming to improve options for travelling to healthcare in rural areas.

However failure to secure additional funding will continue to be a risk in future years, or until a more secure funding mechanism is put in place for RTPs – possibly as part of the review outlined in 3.3.

### 3.5 **Funding reductions**

As outlined in 3.4, usual sources of funding have been at reduced levels this year. This has presented challenges, which have largely been mitigated, in funding the work programme for 2024/25. As a result, the risk for 2024/25 has been downgraded.

However the threat to funding continues, perhaps at a greater level, for 2025/26 given the financial constraints facing the Scottish Government.

Chiefly among these, the block grant, which was reduced by 5% could be further reduced. This follows more than a decade of standstill funding, which has resulted in a drastic reduction in real terms funding.

As a result, a new risk has been introduced for potential funding reduction for 2025/26.

### 3.6 **Other Strategic Risks**

Three other key strategic risks have been downgraded for the current financial year, but will be re-created for 2025/26. These are:

- Budgeted Staff Pay Award
- Budgeted Inflation Level

- Budgeted Changes to the Staff Pension Fund

### 3.7 People and Place Plan

Due to its size and scale, especially in relation to the Partnership's total budget, the People and Place Plan is considered 'strategic'.

However project risks are managed as part of the Project Lifecycle Management framework, which is scrutinised separately by the P&A Committee. As such they are considered outside the remit of this report.

## 4. RECOMMENDATIONS

- 4.1 The Committee are asked to comment on the contents of the report, and;
- 4.2 To note that a final version of the Risk Register will be referred to the Partnership Board for noting;

Brian Butler  
Partnership Director

### Appendix 1: SEStran Risk Register

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

APPENDIX

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				Low	Med					
R001 1.1	Strategic	<b>Regional Governance</b> 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		4	Probable	4	Major	16	High	High <i>Treat (because mitigations are ongoing)</i>	Review at end of Dec 2024  Partnership Director	Low	Med	↓
R001 1.2	Strategic	<b>Regional Governance</b> Lack of clarity on role of non statutory REP/ESES City Region Deal groupings	4	Probable	3	Possible	12	Medium		2	Unlikely	3	Moderate	9	Medium	Medium  Tolerate	Review at end of Dec 2024  Partnership Director	Low	Med	↔
R001 1.3	Strategic	<b>Pandemic / Epidemic:</b> Interruption of normal service/inability to deliver functions. Financial impact of crisis on sources of funding.	3	Possible	4	Major	12	Medium		3	Possible	3	Moderate	9	Medium	Medium <i>An ongoing risk remains for future spikes of Covid-19 or other kinds of disease outbreaks</i>  Tolerate	Review at end of Dec 2024  Partnership Director	Low	Med	↔

<p>RO01 1.4</p>	<p>Strategic</p>	<p>Political/Govt Change There is a risk that a change in government could lead to changes to RTPs/Regional Governance</p>	<p>3</p>	<p>Possible</p>	<p>4</p>	<p>Major</p>	<p>12</p>	<p>Medium</p>	<p>Continued engagement with all political parties and agencies. Ensure dialogue on the Develop to Deliver report is prioritised</p>	<p>3</p>	<p>Possible</p>	<p>3</p>	<p>Moderate</p>	<p>9</p>	<p>Medium</p>	<p>Medium <del>An ongoing risk remains.</del> Tolerate</p>	<p>Review at end of Dec 2024 Partnership Director</p>	<p>Low</p>	<p>Med</p>	
<p>RO02 2.0</p>	<p>Financial</p>	<p>Financial: Significant deviation from budgeted spend</p>	<p>2</p>	<p>Unlikely</p>	<p>3</p>	<p>Moderate</p>	<p>6</p>	<p>Low</p>	<p>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. Transport (Scotland) Act 2019 includes section on RTPs carrying reserves.</p>	<p>1</p>	<p>Remote</p>	<p>2</p>	<p>Minor</p>	<p>2</p>	<p>Low</p>	<p>Low Tolerate</p>	<p>December 2024 Partnership Director</p>	<p>Low</p>	<p>Med</p>	
<p>RO02 2.1</p>	<p>Financial</p>	<p>The approved budget for <del>2023/24</del> 2024/25 makes provision for a pay award of up to 3%.</p>	<p>5</p>	<p>Highly Probable</p>	<p>3</p>	<p>Moderate</p>	<p>15</p>	<p>High</p>	<p>Prudent planning assumption with ongoing monitoring of public sector pay negotiations. Ongoing monitoring and review of all costs and forecasts during <del>2023/24</del> 2024/25 - Costs will be aligned with COSLA pay offer. <del>Actual increase agreed is 3.6% - so impact on budget is £4000.</del></p>	<p>2</p>	<p>Unlikely</p>	<p>3</p>	<p>Moderate</p>	<p>6</p>	<p>Low</p>	<p>Medium Tolerate</p>	<p><del>November 2023</del> December 2024 Partnership Director</p>	<p>Low</p>	<p>Med</p>	






R002 2.2	Financial	Staff recharges--externally funded-projects-The approved budget assumes that £4,000 of staff time can be recharged to Projects-There is a risk this may not be achievable-NEEDS REWRITTEN	3	Possible	3	Moderate	9	Medium	Any shortfall in employee cost recharges will be offset by a corresponding reduction in Projects Budget expenditure.  Other funding sources will continue to be pursued.	3	Possible	3	Moderate	9	Medium	Medium Tolerate	November-2023-December 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	Possible	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 2023/24-2024/25.  Risk revised down because inflation has been around government target over the year to date.	3	Possible	3	Moderate	9	Medium	Medium Tolerate	November-2023-December 2024 Partnership Director	Low Med	↔
R002 2.4	Financial	Delays in payment of external grants results in additional short-term borrowing costs.	3	Possible	3	Moderate	9	Medium	SEStran grant claims for projects are submitted in compliance with grant funding requirements to ensure minimal delay in payment. Ongoing monitoring of cash flow is undertaken to manage exposure to additional short-term borrowing costs.  Grant submission procedures in place, along with financial planning.	3	Possible	3	Moderate	9	Medium	Medium Tolerate	November-2023-December 2024 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	Possible	4	Major	16	High	Revenue budget for 2023/24-2024/25 developed to take account of most likely level of external income-in 2023/24- Budget confirmed for 2023/24  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 End of 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 Actuarial Review of 2020, Partnership contribution rates have been advised until 2023/24. Planning assumptions have been updated and included in the revenue budget 2023/24 and indicative budget for 2024/25 reported to the Partnership Board on 17th March 2023. The outcome of the Triennial Actuarial Review of 2023 will be included in the revenue budget for 2024/25.	4	Probable	3	Moderate	12	Medium	Medium Tolerate	November-December 2024 <del>2023</del>  Partnership Director	Low Med	↔
R002 2.8	Financial	Current staffing levels cannot be maintained due to funding constraints and the Partnership incurs staff release costs	3	Possible	4	Major	12	Medium	The Partnership continues to seek additional sources of funding for activities aligned to the Partnership's objectives to supplement resources. Recruitment control measures in place. Additional resources can be managed through consultancy as required. People and Place Programme has increased financial flexibility.	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 End of 2024  Partnership Director	Low Med	↓

R003 3.0	Reputational	<p><b>Project Management:</b> Project incomplete or of poor quality Late Delivery</p>	3	Possible	4	Major	12	Medium	<p>All project progress reported to the Projects Team monthly- and the P&amp;A Committee quarterly. Management action taken as required..</p>	2	Unlikely	3	Moderate	6	Low	<p>Low Tolerate</p>	<p>Review at end Dec 2024 Programmes Manager</p>	Low	Med	↔
R003 3.1	Reputational	<p><b>Reputation:</b> Regard by the public and stakeholders. Negative or inaccurate media coverage leading to misrepresentation of SEStran position</p>	3	Possible	3	Moderate	9	Medium	<p>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 regularly updated on SEStran work successes and issues.  Agreed approach to media position set out in Standing Orders.</p>	2	Unlikely	3	Moderate	6	Low	<p>Low Tolerate</p>	<p>Review at end of Dec 2024 Partnership Director</p>	Low	Med	↔
R003 3.2	Reputational	<p><b>Project Management:</b> Potential insolvency of 3rd party supplier</p>	3	Possible	4	Major	12	Medium	<p>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 threshold.  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.</p>	2	Unlikely	4	Major	8	Medium	<p>Medium Treat</p>	<p>Review at end of Dec 2024 Partnership Director</p>	Low	Med	↓

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	Review at end of 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	Review at end of 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 likelihood of risk 2.9	2	Unlikely	4	Major	8	Medium	Medium  Treat	March 2025  Partnership Director	Low	Med	↓
R006 6.0	Legal and Regulatory	Statutory Duties: Failure to adhere to duties described in legislation and related documentation	3	Possible	4	Major	12	Medium	<del>Board members regularly updated on SEStran work successes and issues.</del> <del>Ongoing liaison with Transport Scotland and relevant governing bodies.</del> <del>Regular liaison with Auditors.</del> Regular monitoring and programming of statutory duties is undertaken by the Partnership Director, Senior Partnership Manager and Business Manager. Audited by third parties.	2	Unlikely	4	Major	8	Medium	Low Medium  Treat	Review at end Dec 2024  Partnership Director	Low	Low	↔

R007 7.0	Specific Operational	<p><b>People and Place Plan:</b> Funding changes result in programme not continuing regionally beyond 2024-25.</p>	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.	1	Remote	3	Moderate	3	Low	<p><del>Medium Low</del> Tolerate</p>	March 2025 Programme Manager	Low	Med	↔
R008 8.0	System and Technology	<p><b>Digital/IT:</b> Server failure Comms failure Website breach Resulting in loss of service to business operations</p>	3	Possible	4	Major	12	Medium	<p>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.</p> <p>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.</p>	1	Remote	4	Major	4	Low	<p>Low Tolerate</p>	Ongoing Business Manager	Low	Med	↔
R009 9.0	People	<p><b>HR:</b> Non-compliance with employment and/or data privacy laws may result in poor reputation as an employer, difficulty in attracting skilled resource and greater probability of litigation and / or financial penalties</p>	3	Possible	3	Moderate	9	Medium	<p>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</p> <p><del>Retendering for Legal Services- contract to commence shortly- utilising SG Framework Contracts-</del></p>	1	Remote	3	Moderate	3	Low	<p>Low Tolerate</p>	Review at end Dec 2024 Partnership Director	Low	Low	↔

<p>R009 9.1</p>	<p>People</p>	<p>Inadequate measures in place to facilitate staff health, safety and well-being during contingency arrangements or future office arrangements.</p>	<p>3</p>	<p>Possible</p>	<p>4</p>	<p>Major</p>	<p>12</p>	<p>Medium</p>	<p>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&amp;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.</p>	<p>2</p>	<p>Unlikely</p>	<p>3</p>	<p>Moderate</p>	<p>6</p>	<p>Low</p>	<p>Low Tolerate</p>	<p>Review at end Dec 2024 Partnership Director (Subject to SG advice)</p>	<p>Low</p>	<p>Low</p>	
<p>R009 9.2</p>	<p>People</p>	<p>Inadequate measures in place to facilitate staff health, safety and well-being during working from home arrangements.</p>	<p>3</p>	<p>Possible</p>	<p>4</p>	<p>Major</p>	<p>12</p>	<p>Medium</p>	<p>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&amp;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.</p>	<p>2</p>	<p>Unlikely</p>	<p>3</p>	<p>Moderate</p>	<p>6</p>	<p>Low</p>	<p>Low Tolerate</p>	<p>Review at end Dec 2024 Partnership Director (Subject to SG advice)</p>	<p>Low</p>	<p>Low</p>	
<p>R009 9.3</p>	<p>People</p>	<p>Loss of key personnel may lead to inability to deliver strategy and projects.</p>	<p>3</p>	<p>Possible</p>	<p>3</p>	<p>Moderate</p>	<p>9</p>	<p>Medium</p>	<p>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. By 20 Nov 2023.</p>	<p>3</p>	<p>Possible</p>	<p>1</p>	<p>Insignificant</p>	<p>3</p>	<p>Low</p>	<p>Low Tolerate</p>	<p>Review at end Dec 2024 Partnership Director</p>	<p>Low</p>	<p>Low</p>	

<p>R009 9.4</p>	<p>People</p>	<p>Climate Change Staff are unable to access the office more frequently due to increase in adverse weather events.</p>	<p>3</p>	<p>Possible</p>	<p>3</p>	<p>Moderate</p>	<p>9</p>	<p>Medium</p>	<p>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.</p>	<p>3</p>	<p>Possible</p>	<p>2</p>	<p>Minor</p>	<p>6</p>	<p>Low</p>	<p>Low  Tolerate</p>	<p>Review at end Dec 2024  Partnership Director</p>	<p>Low</p>	<p>Low</p>	
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Risk Number	Risk Detail	Risk Category	Gross Risk Assessment			Planned Response/Mitigation	Net Risk Assessment			Risk After Mitigation/Appetite for Risk	Date and Owner					
			Probabilit	Impact	Risk Score		Probabilit	Impact	Risk Score			Low	Med			
			4	3	12		2	2	4			Low	Med			
	Restricted ability to undertake RTS re-write: inadequate senior staff resourcing available due to continued absence of Partnership Director	Strategic	4	3	12	Resolve absence as soon as possible and appoint external resources as required.	2	2	4	Low	Low	Low	Med	June 2019 CLOSED		
	Accommodation: Occupancy Agreement with SS due for renewal February 2020. SS may not renew and alternative premises required at market rates.	Financial	3	3	9	A notice period of 12 months must be served by each party under the current occupancy agreement. Occupancy Agreement renewed until February 2022.	3	3	9	Medium	Medium	Medium	Medium	June 2019 CLOSED		
	ECOMM: Agreement to commit to ECOMM on the basis of being cost neutral. Issues depends on number of delegates attending conference.	Financial	3	3	9	SEStran withdrew offer to host ECOMM due to uncertainty over Brexit and subsequent impact on attendance at the conference.	3	3	9	Medium	Medium	Medium	Medium	June 2019 CLOSED		
	Following the outcome of the EU Referendum, the Partnership is unable to access EU funding.	Financial	Highly Probable	3	15	The Partnership continues to seek alternative funding sources to progress knowledge exchange/transfer.	4	3	12	Medium	Medium	Medium	Medium	June 2021 CLOSED		
	Governance: Succession Planning Business Continuity	Governance	3	3	9	Governance Scheme contains adequate provision to deal with senior officer absence. Staff structure and Business Continuity Plan in place. Senior Partnership Manager appointed.	2	2	4	Low	Low	Low	Low	CLOSED Partnership Director		
	Policy Appraisal: Poor Quality Lack of consultation	Strategic	1	3	3	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	2	2	Low	Low	Low	Low	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	2	6	Regular comms with Transport Scotland at all stages in the development of the RTS.	1	2	2	Low	Low	Low	Low	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	3	9	Ensure that full training and support is provided to the new Board in 2022 to enable strategic decisions to be made. A regular schedule of meetings of the Succession Planning Committee.	2	2	4	Low	Low	Low	Low	Ongoing Partnership Director CLOSED	Low	Med
	Other Funding Sources: Reduced access to EU project funding and lack of replacement funding from UK Government	Financial	Highly Probable	3	15	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.	Highly Probable	3	10	Medium	Medium	Medium	Medium	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.

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**Risk Impact**

Likelihood		Severity		Risk Score	
1	Remote	1	Insignificant	1	Low Risk
2	Unlikely	2	Minor	2	
3	Possible	3	Moderate	3	
4	Probable	4	Major	4	
5	Highly Probable	5	Catastrophic	5	
				6	Medium Risk
				8	
				9	
				10	
				12	
				15	High Risk
				16	
				20	
				25	

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

Impact				
Descriptor	Score	Health and Safety Impact	Impact on Service and Reputation	Financial Impact
Insignificant	1	No injury or no apparent injury	No impact on service or reputation. Complaint unlikely, litigation risk remote.	Loss/costs up to £5000.
Minor	2	Minor injury (First Aid on Site)	Slight impact on service and/or reputation. Complaint possible. Litigation possible.	Loss/costs between £5000 and £50,000.
Moderate	3	Reportable injury	Some service 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 exceptional 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					
	5	10	15	20	25
Catastrophic					
Major	4	8	12	16	20
Moderate	3	6	9	12	15
Minor	2	4	6	8	10
Insignificant	1	2	3	4	5
<b>Likelihood</b>	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.