

**PERFORMANCE & AUDIT COMMITTEE**

**Dean of Guild Courtroom, City Chambers, Edinburgh, EH1 1YJ  
Or Microsoft Teams  
Friday 7<sup>th</sup> June 2024 – 1:00pm**

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AGENDA

	<b>Page Nos.</b>
<b>1. ORDER OF BUSINESS</b>	
<b>2. APOLOGIES</b>	
<b>3. DECLARATIONS OF INTEREST</b>	
<b>4. MINUTES OF THE P&amp;A COMMITTEE</b> Friday 1 <sup>st</sup> March 2024	<b>2</b>
<b>5. UNAUDITED ANNUAL ACCOUNTS 2023/2024 AND TREASURY MANAGEMENT REPORT 2023/24</b> - Reports by Richard Lloyd-Bithell, Treasurer	<b>7</b>
<b>6. INTERNAL AUDIT – Report by Dheeraj Shekhar</b>	<b>59</b>
<b>7. RISK MANAGEMENT – Report by Angela Chambers</b>	<b>75</b>
<b>8. BUSINESS PLAN – Report by Keith Fiskien</b>	<b>92</b>
<b>9. PROJECTS AND STRATEGY PERFORMANCE – Report by Michael Melton</b>	<b>104</b>
<b>10. DATE OF NEXT MEETING</b> <b>The date of the next meeting is Friday 13<sup>th</sup> September 2024</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 1 March 2024  
1.00pm**

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

<b>IN ATTENDANCE:</b>	<u>Name</u>	<u>Organisation Title</u>
	Brian Butler	SEStran
	Cameron Duck	SEStran
	Keith Fisker	SEStran
	Daniel Baigrie	City of Edinburgh Council
	Rachel Murphy	SEStran
	Iain Shaw	City of Edinburgh Council
	Michael Melton	SEStran
	Tarryn Wilson-Jones	SEStran
	Lucy Telling	SEStran
	Nikki Boath	SEStran
	Callum Hay	SEStran

**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 Fiona Law  
(Clackmannanshire Council)

**A3. DECLARATION OF INTERESTS**

None.

#### **A4. MINUTES**

To approve the minute of the Performance and Audit Committee of 17 November 2023 as a correct record.

#### **A5. EXTERNAL AUDIT PLAN 2023-24**

Officers presented the Annual External Audit Plan for the 2023/24 period. It was noted that this was a low-risk audit and where risks were identified there are mitigations in place.

##### **Decision**

- 1) To note the External Audit Plan
- 2) To refer the External Audit Plan to the Partnership Board meeting on 15<sup>th</sup> March 2024

(Reference – report by the Treasurer, submitted)

#### **A6. FINANCE REPORTS**

##### **a) REVENUE BUDGET AND INDICATIVE FINANCIAL PLAN**

Officers presented an update on the development of a revenue budget for 2024/25 and an indicative financial plan for 2025/26. There was an assumption that the core funding of £0.782m from Scottish Government will remain unchanged.

It was noted that the 2023 Actuarial Valuation for Lothian Pension Fund recommended a reduction of 6.3% in employer contribution rates resulting in a £33,000 cost reduction for the Partnership.

A revenue budget with a standstill council requisition of £190,000 had been prepared in consultation with officers of the Partnership and the Partnership's Chief Officers Group.

##### **Decision**

- 1) To note the financial planning assumptions for the Partnership's proposed revenue budget for 2024/25
- 2) To note that the revenue budget is likely to change significantly when Transport Scotland confirms plans for the People and Place Programme.
- 3) To note the financial planning for 2025/26 and future years will be developed throughout 2024 for consideration by the

## Partnership in December 2024

- 4) To 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) To note that the revenue budget for 2024/25 will be presented at the Partnership Board on the 15<sup>th</sup> March 2024.

(Reference – report by the Treasurer, submitted)

### **b) ANNUAL TREASURY MANAGEMENT STRATEGY 2024/25**

Officers presented a report to propose the Treasury Management Strategy for 2024/25. It was recommended that the Partnership maintains its current banking arrangements with the City of Edinburgh Council's group of bank accounts.

It was noted that arrangements were put in place given the existing administration arrangement with the City of Edinburgh Council and the relatively small investment balances the Partnership had. Although any investment return would be small, the Partnership would gain security from its counterparty exposure being to the City of Edinburgh Council.

#### **Decision**

To refer the Strategy to the Partnership Board to approve the continuation of the current arrangement as outlined in the report.

(Reference – report by the Treasurer, submitted)

### **A7. PEOPLE AND PLACE PLAN**

Officers provided a report regarding the People and Place Plan which summarised work carried out to date, future plans and the management of grant award funding in 2024/25. A proposal to use Transport Scotland Funding allocation would focus on the following key themes: schools and young people, workplaces, accessibility and inclusion, capacity and capability building.

#### **Decision**

- 1) To note the content of the report and appendices.
- 2) To note that this report will be presented at the Partnership

Board on the 15<sup>th</sup> of March 2024.

- 3) To agree that a Sub-Committee of the Performance and Audit Committee would meet to scrutinise this project.

(Reference – report by the Programme Manager, submitted)

## **A8. PROJECTS AND STRATEGY PERFORMANCE**

Officers presented the report which gave an overview of the performance of the Partnership's strategy and project workstreams over the previous quarter.

Officers highlighted progressing in relation to new Brompton Go E-Bikes which will be sited at Queen Margaret University and stored securely.

Officers noted the challenges associated with real-time bus trackers across the area and that work with bus operators to resolve issues is ongoing.

### **Decision**

- 1) To note the progress recorded in the past quarter, summarised in the report appendices.
- 2) To agree on the new timeline for an integrated Business Plan and monitoring approach.
- 3) To note that the Grant Standing Orders will be considered by the Partnership's Board.
- 4) To note that the Eligibility and Assessment Process will also be considered by the Partnership's Board.

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

## **A9. DEVELOP TO DELIVER REPORT**

Officers presented the report to inform the Performance and Audit Committee of a policy document prepared by Scotland's seven Regional Transport Partnerships (RTPs) on the opportunities to maximise the role of the partnerships in delivering strategic transport improvements, working with others.

### **Decision**

- 1) To note the Develop to Deliver 2023 Refresh report.
- 2) To note the report will be presented to the 15<sup>th</sup> March 2024 Partnership Board to endorse the principles of collaboration, opportunities for regional coordination and the role of Regional Transport Partnerships in enabling liaison between national and local authorities.
- 3) To note that the report will then be shared with CoSLA, SCOTS and Transport Scotland and used as the basis for discussion about devolving some roles and responsibilities from Transport Scotland to the RTPs, in line with the principles enshrined in the Verity House agreement.

(Reference – report by the Partnership Director, submitted)

**A10. DATE OF NEXT MEETING**

Friday 7 June 2024

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

### **1. Introduction**

- 1.1 This report presents the unaudited Annual Accounts for the year ended 31st March 2024.
- 1.2 The report also provides the annual Treasury Management report for 2023/24.

### **2. Unaudited Annual Accounts 2023/24**

- 2.1 The unaudited Annual Accounts are submitted to the Partnership in accordance with the Local Authority Accounts (Scotland) Regulations 2014. The accounts are subject to audit and the audited Annual Accounts, incorporating the Auditor's report, will be presented to the Performance and Audit Committee and Partnership Board in due course.
- 2.2 The unaudited Annual Accounts are appended at Appendix 1.
- 2.3 The Treasurer's opinion on the effectiveness of the Partnership's system of internal financial control is provided within the Annual Governance Statement on pages 10 to 12. The Treasurer's opinion is informed by the work of Internal Audit and managers in the Partnership.
- 2.4 The Management Commentary is on pages 2 to 8 of the Annual Accounts. This highlights key aspect of financial performance during the year. The unaudited underspend is £249,000. This comprises an underspend of £81,000 on the Core revenue budget and slippage of £168,000 on the Projects budget. Under the Partnership's Reserves Policy, it is planned to carry these balances forward to 2024/25.

### **3. Reserves**

- 3.1 In accordance with the provisions of the Transport Scotland (2019) Act, the Partnership has agreed a Reserves Policy and established an unallocated reserve of £49,000.
- 3.2 Subject to confirmation of the audited outturn position, the Partnership will be asked to approve carry forward of £81,000 on the Core budget underspend. This will increase the unallocated reserve to £130,000.
- 3.3 Slippage of £168,000 on project delivery in 2023/24 will be managed by establishment of an earmarked balance in 2024/25, in accordance with the Partnership's Reserves Policy.

#### 4. Treasury Management report 2023/24

- 4.1 The Partnership has adopted the CIPFA Code of Practice on Treasury Management in the Public Sector. Under the code, an annual report on Treasury Management must be submitted to the Partnership at the end of each financial year.
- 4.2 The Partnership maintains its bank account as part of the City of Edinburgh Council's group of bank accounts. Any cash balance is effectively lent to the Council and is offset by expenditure undertaken by the City of Edinburgh Council on behalf of the Partnership. Interest is given on month end net indebtedness between the Council and the Partnership.
- 4.3 For 2023/24, interest was calculated in accordance with the (withdrawn) Local Authority (Scotland) Accounts Advisory Committee's Guidance Note 2 on Interest on Revenue Balances.

4.4 Net end of month balances for 2023/24 are shown below.

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

- 4.5 Interest is calculated on the average monthly balance. The interest rate applied was 4.876%, giving an interest payment of £5,157.

#### 5 Recommendations

It is recommended that the Performance and Audit Committee notes:

- 5.1 the unaudited Annual Accounts for 2023/24 and refer the Unaudited Accounts to the Partnership Board for review;
- 5.2 the annual Treasury Management report for 2023/24;
- 5.3 the audited Annual Accounts, incorporating the Auditor's report, will be presented to the Performance and Audit Committee and Partnership Board in due course.

**Richard Lloyd-Bithell**

Treasurer

3<sup>rd</sup> June 2024



**Appendix  
Contact**

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

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

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

**Unaudited  
Annual Accounts**

**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 1,609,070 in 2019. The majority of the population is concentrated in the centre of the SEStran area with a large, sparsely populated rural area to the south, particularly the remote rural areas in Scottish Borders and East Lothian. The greatest concentration of population is within the City of Edinburgh which accounts for approximately 33% of the total SEStran region population.

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

The Partnership's Vision Statement is as follows:

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

The 4 key strategy objectives are:

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

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

This work takes various forms including:

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

### 4. Risks and Uncertainties

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

#### Income

The Scottish Government block grant has remained at the same level for over a decade, while Council requisitions have reduced over the same period. European Union funding has ceased entirely (primarily due to the exit of the UK from the EU). Combined, these factors result in a significant real-term impact on income levels which, in turn, could impact the ambition of the Partnership to deliver the RTS. In addition, other sources of funding are not guaranteed and many require annual 'bids' to secure funding. The uncertain nature of this funding means that it is difficult to adopt a long-term planning horizon, which could also impact project delivery. The Partnership mitigates this risk by:

- Proactively seeking additional sources of funding - particularly from a number of funds aimed at innovation and digital innovation
- Monitoring income and expenditure on a monthly basis and adjusting expenditure to ensure that there is no overspend.

# The South East of Scotland Transport Partnership (SESTRAN)

## Management Commentary (*continued*)

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

#### Costs

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

- Monitoring income and expenditure on a monthly basis and adjusting expenditure to ensure that there is no overspend
- Holding an appropriate cash reserve which can be used in the event that the above control is insufficient to prevent an overspend.

#### National approach to transport governance

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

### 5. Results for the Year

The Partnership is required to present its financial performance as a Comprehensive Income and Expenditure Statement. This can be seen on page 16.

To show the net position of the Partnership and to allow comparison with the approved revenue budget, it is necessary to adjust the expenditure shown in the Comprehensive Income and Expenditure Statement to take account of a number of items where the statutory accounting requirements differ from the management accounting practice of the Partnership. These adjustments are detailed in Note 6.

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

- The Partnership had an underspend of £81,000 on the core revenue budget and £168,000 on the projects budget.
- The Core budget provides for the day-to-day running costs of the Partnership and includes employee costs, premises costs and supplies and services. The Partnership incurred net core service expenditure of £0.734m which was £81,000 below budget. The favourable variance arose from staff vacancies during the financial year.
- The Partnership incurred expenditure of £1.759m on revenue projects and received external grants and contributions of £1.611m. Net expenditure was £168,000 under budget, after inclusion of the earmarked reserve brought forward. The main favourable variances on the Projects revenue budget arose on the Sustainable Travel budget (£79,000), Active Travel budget (£51,000) and Bus Strategy Development budget (£40,000).

	Revised Budget £'000	Earmarked Reserves from 22/23 £'000	Total Available Funding £'000	Outturn £'000	Variance from Total Funding £'000
Core Service	815	0	815	739	(81)
Core Service - Interest Received	0	0	0	(5)	
Revenue Projects - Expenditure	923	162	1,085	1,759	(168)
Revenue Projects - Income	(766)	(3)	(769)	(1,611)	
<b>Total Expenditure 2023/24</b>	<b>972</b>	<b>159</b>	<b>1,131</b>	<b>882</b>	<b>(249)</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 South East of Scotland Transport Partnership (SESTRAN)

## Management Commentary (*continued*)

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

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

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

#### Non Financial Results

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

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

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

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

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

#### Development of Strategies

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

#### Go SEStran pilot

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

#### Demand Responsive Transport (DRT)

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

#### Regional Freight Strategy

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

#### Bike sharing

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

# The South East of Scotland Transport Partnership (SESTRAN)

## Management Commentary (*continued*)

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

#### Thistle Assistance and VoyagAR

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

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

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

#### Real-time passenger information

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

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

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

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

#### Additional funding

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

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

### 6. Future Developments

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

#### RTS Delivery Plan

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

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

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



# The South East of Scotland Transport Partnership (SESTRAN)

## Management Commentary (*continued*)

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

#### RTS Delivery Plan (*continued*)

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

#### People and Place Plan

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

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

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

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

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

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

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

#### Regional Bus Strategy

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

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

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

#### Regional Electric Vehicle Charging Infrastructure Procurement

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

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

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

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

# The South East of Scotland Transport Partnership (SESTRAN)

## Management Commentary (*continued*)

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

#### Travel to Healthcare

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

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

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

#### Thistle Assistance VoyagAR

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

#### Funding

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

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

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

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

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

# The South East of Scotland Transport Partnership (SESTRAN)

## STATEMENT OF RESPONSIBILITIES FOR THE ANNUAL ACCOUNTS

### The Partnership's Responsibilities

The Partnership is required:

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

### The Treasurer's Responsibilities

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

In preparing the Annual Accounts, the Treasurer has:

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

The Treasurer has also:

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

I certify that the Annual Accounts give a true and fair view of the financial position of the Partnership at the reporting date and the transactions of the Partnership for the year ended 31st March 2024.

Treasurer: RICHARD LLOYD-BITHELL, CPFA \_\_\_\_\_ Date signed:

# The South East of Scotland Transport Partnership (SESTRAN)

## ANNUAL GOVERNANCE STATEMENT 2023/24

### 1. Scope of Responsibility

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

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

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

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

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

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

### 2. The Partnership's Governance Framework

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

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

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

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

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

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

# The South East of Scotland Transport Partnership (SESTRAN)

## ANNUAL GOVERNANCE STATEMENT 2023/24 (continued)

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

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

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

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

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

### 4. Review of Effectiveness

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

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

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

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

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

# The South East of Scotland Transport Partnership (SESTRAN)

## ANNUAL GOVERNANCE STATEMENT 2023/24 *(continued)*

### 4. Review of Effectiveness *(continued)*

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

### 5. Internal Audit Opinion

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

### 6. Certification

In compliance with accounting practice, the Treasurer has provided the Partnership Director with a statement on the adequacy and effectiveness of the Partnership's internal financial control system for the year ended 31st March 2024. It is the Treasurer's opinion that reasonable assurance can be placed upon the adequacy and effectiveness of the Partnership's internal control system.

7. From this year's review, there is reasonable assurance that the Local Code of Corporate Governance is operating adequately, with overall compliance by the Partnership with its corporate governance arrangements.
8. The Partnership's governance arrangements and systems are confirmed as being operational and current at the date of signing of this Annual Governance Statement.

# The South East of Scotland Transport Partnership (SESTRAN)

## REMUNERATION REPORT

### 1. Audit of Remuneration Report

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

### 2. Remuneration Policy for Senior Employees

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

### 3. Remuneration for Senior Councillors

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

### 4. Management of Remuneration Arrangements

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

### 5. Officers Remuneration

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

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

### 6. Senior Employees Remuneration

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

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

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

### 7. Senior Employees Pension Entitlement

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

Name and Post Title	In-year pension contributions			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		Total Number of Exit Packages by Cost Band	Total Cost of Exit Packages in Each Band	
	Compulsory Redundancies	Other Agreed Departures		£'000	£'000
All Cost Bands	0	0	0	0	0
	0	0	0	0	0

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

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



# The South East of Scotland Transport Partnership (SESTRAN)

## MOVEMENT IN RESERVES STATEMENT

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

### 2022/23 - Previous Year Comparative

	Usable Reserves		Unusable Reserves	Total Partnership Reserves
	General Fund Balance	Total Usable Reserves		
	£'000	£'000	£'000	£'000
<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	86	86	0	86
Other Comprehensive Expenditure and Income	0	0	666	666
<b>Total Comprehensive Expenditure and Income</b>	<b>86</b>	<b>86</b>	<b>666</b>	<b>752</b>
<b>Adjustments between accounting basis &amp; funding basis under regulations (Note 7)</b>	<b>4</b>	<b>4</b>	<b>(4)</b>	<b>0</b>
<b>Increase/Decrease in 2023/24</b>	<b>90</b>	<b>90</b>	<b>662</b>	<b>752</b>
<b>Balance at 31 March 2024 carried forward</b>	<b>298</b>	<b>298</b>	<b>882</b>	<b>1,180</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			2023/24			
Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000	Services	Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000
711	(1)	710	Core	752	0	752
1,356	(1,147)	209	Projects	1,751	(1,611)	140
<b>2,067</b>	<b>(1,148)</b>	<b>919</b>	<b>Cost Of Services</b>	<b>2,503</b>	<b>(1,611)</b>	<b>892</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>2,163</b>	<b>(2,197)</b>	<b>(34)</b>	<b>(Surplus) or Deficit on Provision of Services</b>	<b>2,645</b>	<b>(2,731)</b>	<b>(86)</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	(166)	(166)
0	647	647	Changes in the effect of the asset ceiling	0	(678)	(678)
228	0	228	Other Experience	366	0	366
14	0	14	Return on Assets excluding amounts included in net interest	0	(140)	(140)
<b>242</b>	<b>(895)</b>	<b>(653)</b>	<b>Total Other Comprehensive Income and Expenditure</b>	<b>366</b>	<b>(1,032)</b>	<b>(666)</b>
<b>2,405</b>	<b>(3,092)</b>	<b>(687)</b>	<b>Total Comprehensive Income and Expenditure</b>	<b>3,011</b>	<b>(3,763)</b>	<b>(752)</b>

# The South East of Scotland Transport Partnership (SESTRAN)

## BALANCE SHEET

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

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

The unaudited Annual Accounts were issued on the Xth June 2024.

Treasurer: RICHARD LLOYD-BITHELL, CPFA

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

# The South East of Scotland Transport Partnership (SESTRAN)

## CASH FLOW STATEMENT

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

31 March 2023 £'000	31 March 2023 £'000		31 March 2024 £'000	31 March 2024 £'000
		<b>OPERATING ACTIVITIES</b>		
(782)		Government Grants	(782)	
(190)		Constituent Council Requisitions	(190)	
0		Interest paid/ (received)	2	
(971)		Other receipts from operating activities	(1,867)	
	<b>(1,943)</b>	<b>Cash inflows generated from operating activities</b>		<b>(2,837)</b>
494		Cash paid to and on behalf of employees	585	
1,317		Cash paid to suppliers of goods and services	2,126	
	<b>1,811</b>	<b>Cash outflows generated from operating activities</b>		<b>2,711</b>
	<b>(132)</b>	<b>Net cash flows from operating activities</b>		<b>(126)</b>
		<b>INVESTING ACTIVITIES</b>		
0		Purchase of property, plant and equipment	125	
0		Proceeds from the sale of property, plant and equipment	0	
	<b>0</b>	<b>Net cash flows from investing activities</b>		<b>125</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.

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

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

The critical judgements made in the Annual Accounts are:

- There is high degree of uncertainty about future levels of funding for local government. The Partnership has determined that this uncertainty is not yet sufficient to provide an indication that the Partnership's assets might be impaired as a result of a need to reduce service provision;
- Section 37 confirmations (Virgin Media vs NTL Pension Trustees II Limited ruling) - the Partnership's actuary has made no additional allowance for this initial legal judgement from July 2023 due to:
  - > the ruling only applying to the above-named private sector pension scheme;
  - > the legal judgement is currently being appealed;
  - > it is unknown whether there would be any potential remedy required to public service schemes;
  - > it is unknown what the impact of any potential remedy would be;
  - > it is unknown whether Section 37 certificates exist for prior scheme amendments.
- Local Government Pension Scheme - Guaranteed minimum pension (GMP). The interim solution to avoid inequalities between men and women's benefits following the introduction of the Single State Pension in 2016 resulted in a recalculation of pension liabilities for the estimated impact of GMP indexation changes. The Partnership's actuary has allowed for the impact of full GMP indexation in the calculation of the funding valuation results. The funding valuation results are used as the starting point for the accounting roll-forward calculation. An allowance for full GMP indexation is included in the accounting disclosure;
- GMP equalisation – historical transfers (Further Lloyd's ruling) - the Partnership's actuary has advised that this further ruling is unlikely to have a significant impact on the pension obligations of a typical employer. No allowance has therefore been made for this within the pension obligation calculation;
- Local Government Pension Scheme (LGPS) - McCloud and Sargeant cases. The Partnership's actuary has allowed for the McCloud judgement in the calculation of the latest funding valuation results. The Employer's funding valuation results are used as the starting point for the accounting roll forward calculations and therefore an allowance is included in the accounting disclosure;
- The Goodwin case judgement in respect of deemed discrimination in spousal transfer on death of a member may also result in the potential increasing of the pension liabilities. The actuary has previously carried out some approximate analysis to understand the potential impact of implementing a solution to correct the past underpayment of spouses' benefits. The remedy is still uncertain but the potential impact is estimated to be very small for a typical Fund (c0.1% of obligations). The Partnership's actuary does not believe it is necessary or appropriate to make an adjustment for this;
- The Walker and O'Brien court cases may impact on future LGPS benefits. The Partnership's actuary understands these are unlikely to be significant judgements in terms of impact on the pension obligations of a typical employer. As a result, and until further guidance is released from the relevant governing bodies in the LGPS, no allowance has been made for the potential remedies for these judgements.

# The South East of Scotland Transport Partnership (SESTRAN)

## NOTES TO THE ANNUAL ACCOUNTS

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

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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 X 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	739	12	751
Projects	148	(7)	141
<b>Net Cost of Services</b>	<b>887</b>	<b>5</b>	<b>892</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>(90)</b>	<b>4</b>	<b>(86)</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	56	(47)	3	12
Projects	(7)	0	0	(7)
<b>Net Cost of Services</b>	<b>49</b>	<b>(47)</b>	<b>3</b>	<b>5</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>49</b>	<b>(48)</b>	<b>3</b>	<b>4</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	Projects	Total
2023/24	£'000	£'000	£'000
<b>Expenditure</b>			
Employee expenses	494	0	494
Other service expenses	245	1,759	2,004
<b>Total Expenditure</b>	<b>739</b>	<b>1,759</b>	<b>2,498</b>
<b>Income</b>			
Government grants and other contributions	0	(1,611)	(1,611)
<b>Total Income</b>	<b>0</b>	<b>(1,611)</b>	<b>(1,611)</b>
<b>Net Cost of Services</b>	<b>739</b>	<b>148</b>	<b>887</b>
2022/23	Core	Projects	Total
	£'000	£'000	£'000
<b>Expenditure</b>			
Employee expenses	389	0	389
Other service expenses	211	1,472	1,683
<b>Total Expenditure</b>	<b>600</b>	<b>1,472</b>	<b>2,072</b>
<b>Income</b>			
Government grants and other contributions	(1)	(1,147)	(1,148)
<b>Total Income</b>	<b>(1)</b>	<b>(1,147)</b>	<b>(1,148)</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:

	31st March	31st March
	2024	2023
	£'000	£'000
<b>Expenditure</b>		
Employee expenses	450	442
Other service expenses	1,994	1,567
Depreciation, amortisation and impairment	59	58
Interest payments	142	96
<b>Total Expenditure</b>	<b>2,645</b>	<b>2,163</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	(2,393)	(1,930)
<b>Total Income</b>	<b>(2,731)</b>	<b>(2,197)</b>
<b>(Surplus) or Deficit on the Provision of Services</b>	<b>(86)</b>	<b>(34)</b>

# The South East of Scotland Transport Partnership (SESTRAN)

## NOTES TO THE ANNUAL ACCOUNTS

### 7. ADJUSTMENTS BETWEEN ACCOUNTING BASIS AND FUNDING BASIS UNDER REGULATIONS

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

2023/24	Usable Reserves	Unusable Reserves			
	General Fund Balance	Capital Adjustment Account	Accumulated Absence Account	Pension Reserve	Movement in Unusable Reserve
	£'000	£'000	£'000	£'000	£'000
<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	59	(59)			(59)
<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	(10)	10			10
<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>4</b>	<b>(49)</b>	<b>(3)</b>	<b>48</b>	<b>(4)</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
	<hr/>	<hr/>

### 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)
	<hr/>	<hr/>



# The South East of Scotland Transport Partnership (SESTRAN)

## NOTES TO THE ANNUAL ACCOUNTS

### 11. PROPERTY, PLANT AND EQUIPMENT

#### 11.1 Movements on balances:

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

# The South East of Scotland Transport Partnership (SESTRAN)

## NOTES TO THE ANNUAL ACCOUNTS

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

#### 11.2 Movements on balances:

##### Comparative Movements in 2022/23

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

#### 11.3 Depreciation

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

- Vehicles, plant and equipment: 4 - 5 years

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

#### 11.4 Capital Commitments

As at 31st March 2024, the Partnership had no capital commitments.

# The South East of Scotland Transport Partnership (SESTRAN)

## NOTES TO THE ANNUAL ACCOUNTS

### 12. FINANCIAL INSTRUMENTS

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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

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

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

# The South East of Scotland Transport Partnership (SESTRAN)

## NOTES TO THE ANNUAL ACCOUNTS

### 12. FINANCIAL INSTRUMENTS *(continued)*

#### 12.3 Financial Instruments - Fair Values

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

The fair values calculated are as follows:

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

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

#### 12.4 Income, Expenses, Gains and Losses

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

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

### 13. DEBTORS

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

# The South East of Scotland Transport Partnership (SESTRAN)

## NOTES TO THE ANNUAL ACCOUNTS

### 14. PROVISION FOR BAD DEBTS

	31st March 2024 £'000	31st March 2023 £'000
Cost or Valuation		
Opening Balance	0	0
Provision made during year	0	0
Unused amounts reversed during the year	0	0
Closing Balance	0	0

### 15. CASH AND CASH EQUIVALENTS

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

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

### 16. CREDITORS

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

### 17. USABLE RESERVES

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

# The South East of Scotland Transport Partnership (SESTRAN)

## NOTES TO THE ANNUAL ACCOUNTS

### 18. UNUSABLE RESERVES

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

#### 18.1 Capital Adjustment Account

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

	2023/24 £'000	2022/23 £'000
Balance at 1st April	231	173
Reversal of items related to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:		
• Charges for depreciation and impairment of non-current assets	(59)	(58)
• Charges for revaluation of non-current assets	0	0
	172	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	10	116
	182	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	666	653
Reversals of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement.	(74)	(208)
Employer's pension contributions and direct payments to pensioners payable in the year.	122	135
Balance at 31st March	<u>714</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>2022/23</b>
	<b>£'000</b>	<b>£'000</b>
• Creditors - Related Parties (Revenue Grants)	<u>0</u>	<u>0</u>
• Creditors - Related Parties (Other)		
City of Edinburgh Council	(1)	(1)
Falkirk Council	0	0
Fife Council	0	(5)
Scottish Government	(4)	(2)
	<u>(5)</u>	<u>(8)</u>
• Creditors - Other Parties	<u>(563)</u>	<u>(1,167)</u>
Total Creditors	<u>(568)</u>	<u>(1,175)</u>
<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
	<u>536</u>	<u>723</u>
• Debtors - Other Parties	<u>88</u>	<u>422</u>
Total Debtors	<u>624</u>	<u>1,145</u>

# The South East of Scotland Transport Partnership (SESTRAN)

## NOTES TO THE ANNUAL ACCOUNTS

### 23. LEASES

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#### Operating Leases

From 8th February 2016 the Partnership took occupancy of Area 3D (Bridge) in Victoria Quay, Edinburgh under the terms of a Memorandum of Terms of Occupation (MOTO) with the Scottish Government, which forms part of the Civil Estates Occupancy Agreement (CEOA).

The Partnership signed a new MOTO and is permitted to occupy the space from 8th February 2019 to 7th February 2022 (the Prescribed Term) and so on until ended by either party giving notice under the terms of the CEOA. Both parties will, upon provision of not less than 1 year's prior written notice, have the ability to break this agreement.

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

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

The Partnership's expenditure on lease payments during 2023/24 was £23,000 (2022/23 £23,000)

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

	2023/24 £'000	2022/23 £'000
• Not later than 1 year	18	23
• Over 1 year	0	1
	<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	(140)		14	
Actuarial gains and (losses) arising on changes in financial assumptions	(166)		(1,519)	
Actuarial gains and (losses) arising on changes in demographic assumptions	(48)		(23)	
Restriction in Pension Asset	(678)		647	
Other experience	<u>366</u>		<u>228</u>	
		<u>(666)</u>		<u>(653)</u>
<b>Total post-employment benefits charged to the Comprehensive Income / Expenditure Statement</b>		<u>(592)</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	3,465	2,976
* Restriction in Pension Asset	0	(647)
Present value of funded liabilities	(2,751)	(2,329)
Net asset/(liability) arising from defined benefit obligation	714	0

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

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

#### Reconciliation of Present Value of the Scheme Liabilities

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

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

# The South East of Scotland Transport Partnership (SESTRAN)

## NOTES TO THE ANNUAL ACCOUNTS

### 24. DEFINED BENEFIT PENSION SCHEMES *(continued)*

#### 24.5 Fair Value of Employer Assets

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

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

*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 9.4%

	<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)	3.25%	3.45%
Discount rate	4.85%	4.75%

Estimation of defined benefit obligations is sensitive to the actuarial assumptions set out above. In order to quantify the impact of a change in the financial assumptions used, the Actuary has calculated and compared the value of the scheme liabilities as at 31 March 2024 on varying bases. The approach taken by the Actuary is consistent with that adopted to derive the IAS19 figures.

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



# The South East of Scotland Transport Partnership (SESTRAN)

## NOTES TO THE ANNUAL ACCOUNTS

### 24. DEFINED BENEFIT PENSION SCHEMES *(continued)*

#### 24.7 Analysis of projected amount to be charged to profit or loss for the period to 31 March 2025

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

## **Internal Audit Assurance**

### **1. INTRODUCTION**

- 1.1 The City of Edinburgh Council Internal Audit (IA) team performs one annual review to provide assurance over the controls established to mitigate SEStran's specific key risks.
- 1.2 The purpose of this paper is to provide an update on the outcomes of the 2023/24 SEStran IA review of the Financial Sustainability, progress with the completion of management actions agreed as part of 2022/23 audit, and to request the Committee's recommendations on potential areas for inclusion in the planned 2024/25 audit.

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

#### **Audit Background**

- 2.1 The Partnership's Core budget for the financial year 2023/24 was £815,000 and Projects expenditure was budgeted for £923,000. Core budget was made up of the Scottish Government grant (£625,000) and requisitions from the eight constituent councils (£190,000). The core budget provides for the day-to-day running costs of the Partnership and includes employee costs, premises costs and supplies and services. As at 31 January 2024, it is projected that core annual expenditure will be £68,000 under budget. The 2023/24 net expenditure on projects is also forecast to be £82,000 less than the budget.
- 2.2 The Board's Reserves Policy recommends establishment of an unallocated General Fund Reserve based on a minimum value of 5% core revenue budget (£41,000). As at 1 April 2023, the Partnership had an unallocated General Fund Reserve of £49,000. The policy also recommends that where slippage occurs on core revenue projects, this is retained as an earmarked balance. Slippage of £159,000 was included in the 2023/24 projected budget.
- 2.3 An update on the financial planning process for 2024/25 and indicative figures for 2025/26 was presented to the Partnership Board on 1 December 2023. These plans include an increase to the costs of the Partnership's organisational structure of £43,000. This is a result of the strategic realignment undertaken to support the delivery of the Regional Transport Strategy (RTS). The Partnership will be looking to proactively secure additional funds to ensure delivery of key strands of the RTS and ongoing financial sustainability.

#### **Audit Scope**

- 2.4 The scope of the 2023/24 IA review was to assess the adequacy of design and operating effectiveness of the key controls in place to support the ongoing financial

sustainability of SEStran. The review also followed up on the implementation of management actions raised in the previously completed 2022/23 internal audit review of the Thistle Assistance programme.

### **Audit Outcomes**

- 2.5 The overall assessment of the review was 'Reasonable Assurance' (amber) and confirmed that while there are some moderate weaknesses in the financial management policies and procedures, design and operating effectiveness of controls provide reasonable assurance that SEStran's financial sustainability objectives will be achieved.
- 2.6 Areas for improvement identified in the review include:
- i) financial planning procedures should be documented to include scenario planning, identification of efficiency savings and lessons learned
  - ii) the reserves policy requires review and approval
  - iii) a log of all potential funding opportunities and the actions taken to secure them should be maintained
  - iv) Finance Officer reports on current financial position should also be presented to the Performance and Audit Committee, and
  - v) risk mitigation actions should be routinely monitored to confirm effective implementation.
- 2.7 Several areas of good practice were also identified as part of this review and are included in the Executive Summary section of the detailed report, appended below.
- 2.8 Management has also addressed eight out of ten medium rated IA recommendations raised in the 2022/23 audit of the Thistle Assistance Programme. The remaining two recommendations and associated management actions along with management's status update is provided in Appendix 3 of the detailed report.

## **3. 2024/25 INTERNAL AUDIT REVIEW**

- 3.1 City of Edinburgh Council's 2024/25 Internal Audit annual plan was approved by the Council's Governance, Risk, and Best Value Committee on 19 March 2024. The plan includes one Internal Audit review for SEStran, which is consistent with the level of assurance provided in prior years.
- 3.2 The most significant areas of risk and potential areas for SEStran 2024/25 annual review will be discussed with the management team by November 2024, and the review is likely to be completed between January to March 2025.

## **4. RECOMMENDATIONS**

The Committee is requested to:

- note the progress with completion of management actions, agreed as part of 22/23 audit report
- note outcomes of the 2023/24 IA review of Financial Sustainability, and the associated risks, and

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

**Appendix 1: Internal Audit Report – Financial Sustainability**

**Laura Calder**

Head of Internal Audit, City of Edinburgh Council

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**Key contact:**

Dheeraj Shekhar, Principal Audit Manager, City of Edinburgh Council

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



# South East of Scotland Transport Partnership (SEStran)

## Final Internal Audit Report

### Financial Sustainability

31 May 2024

OO2301

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

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

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

# Executive Summary

Overall  
Assessment

Reasonable  
Assurance

## Overall opinion and summary of findings

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

The following improvement actions were identified during the review:











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

## Areas of good practice identified

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

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

## Audit Assessment

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



# Background and scope

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

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

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

## Scope

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

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

## Alignment to SEStran Risks

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

## Limitations of Scope

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

## Reporting Date

Testing was undertaken between 26 February and 29 March 2024

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

# Findings and Management Action Plan

## Finding 1 – Financial Planning Procedures

Finding Rating	Medium Priority
----------------	-----------------

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

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

Financial plans are developed on the basis of various key assumptions on estimated spend and likely funding sources. SEStran does not currently

undertake any formal scenario planning exercises on these assumptions. Scenario planning exercise would help SEStran to evaluate the resilience of its financial plans for potential spend increase or income reduction.

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

### Risks

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

## Recommendations and Management Action Plan: Financial Planning Procedures

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

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

## Finding 2 – Review of Reserves Policy

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

### Risks

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

## Recommendations and Management Action Plan: Review of Reserves Policy

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

## Finding 3 – Management of Funding Opportunities

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

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

### Risks

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

## Recommendations and Management Action Plan: Management of Funding Opportunities

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

## Finding 4 – Finance Officer Reports

Finding Rating	Low Priority
----------------	--------------

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

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

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

### Risks

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

## Recommendations and Management Action Plan: Finance Officer Reports

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

## Finding 5 –Risk Management Action Tracking

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

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





### Risks

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

## Recommendations and Management Action Plan: Risk Management Action Tracking

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

# Appendix 1 – Control Assessment and Assurance Definitions

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

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

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



## Appendix 2 – Areas of Audit Focus and Control Objectives

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

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

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

## Risk Register

### 1. INTRODUCTION

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

### 2. BACKGROUND

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

### 3. MAIN REPORT

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

#### NEW RISKS

3.1.1 **R001 (1.4) Strategic – Political/Govt Change**

There is a risk that a change in political party and government could result in changes being made to regional governance and RTPs. The net score has been calculated as medium and sits within the risk appetite score of low to medium and will be tolerated. However, mitigating measures will be followed, including regular engagement with political parties and agencies, and the prioritisation of the Develop to Deliver report.

3.1.2 **R007 (7.0) Specific Operational – People and Place Programme**

This risk has been developed to address any changes to funding of the People and Place Programme, resulting in the end of regional administration beyond this financial year. The net score is medium and is within the appetite range and will be tolerated. Mitigations will include regular engagement with Transport Scotland and providing evidence of the efficacy of a regional approach.

3.1.3 **R009 (9.4) People – Climate Change**

As climate change is having more adverse effects on the weather, there is a risk that staff are unable to access the office. Whilst the risk is low, there are a number of mitigating measures in place to minimise the impact. These include keeping policies under regular review and regular staff engagement.

## **KEY UPDATES**

### **3.1.4 R001 (1.1) Strategic - Regional Governance**

The risk has been updated to include planned response details on RTP joint working provisions, including the refreshed Develop to Deliver report, which has now been submitted to Transport Scotland. They have agreed to restart the regional governance review and a group will be set up with representation from RTPs, Cosla and TS.

The risk appetite score for this risk is low to medium. All mitigating actions are being taken to manage the risk but it remains high.

### **3.1.5 R003 (3.1) Reputational - Reputation**

This risk details the consequences of any poor regard or misrepresentation of SEStran by the public or media. It has been updated with more robust mitigating measures.

The net risk score is low with a risk appetite score of low to medium and will be tolerated.

### **3.1.6 R003 (3.2) Reputational – Project Management**

This risks outlines the implications of potential third party supplier insolvency.

The net risk score has been calculated as medium, whilst the risk appetite score is rated as low to medium. Additional actions after mitigation have been included to treat the risk, including the continuing use of framework contracts and a refreshed set of procurement documents which will be presented to the Partnership Board for approval.

## **4. RECOMMENDATIONS**

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

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

Angela Chambers  
**Business Manager**  
1 June 2024

### **Appendix 1: SEStran Risk Register**

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

Risk Number	Risk Category	Risk Detail	Gross Risk Assessment					Planned Response/Mitigation	Net Risk Assessment					Risk After Mitigation	Date and Owner	Risk Appetite		Action Required		
			Probability	Impact	Risk Score	Probability	Impact		Risk Score	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	SG has paused the NTS2 WG review of regional governance arrangements, but RTPs are working together to persuade SG to re-start the review. <del>The joint RTPs are finalising a refreshed Develop to Deliver report which will submitted to SG by the end of the calendar year.</del> The joint RTPs have submitted a refreshed Develop to Deliver report to TS. This report will also be submitted to Cosla. TS have now agreed to restart the review of regional governance and a group will be set up, including RTPs, Cosla and TS.	4	Probable	4	Major	16	High	High Treat (because mitigations are ongoing)	Review at end of Dec 2024  Partnership Director	Low	Med	↓
R001 1.2	Strategic	<b>Regional Governance</b> Lack of clarity on role of non statutory REP/ESES City Region Deal groupings	4	Probable	3	Possible	12	Medium	<del>Joint working group created between SEStran and ESESCRD members to agree working arrangements</del> As a result of the joint working group A Concordat has been agreed between SEStran and the ESESCRD, committing to working together in an open and transparent matter to jointly support land use planning and economic growth across the region.	2	Unlikely	3	Moderate	9	Medium	Medium Tolerate	Review at end of Dec 2024  Partnership Director	Low	Med	↔
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	Adhere to Government restrictions, rules or guidance. Regular communication with Transport Scotland and constituent councils officials to guide any operational changes. Ensure that all staff are trained on the Business Continuity Plan, and that it is reviewed regularly. Maintain current functions that can be delivered within working guidance.  Working from home arrangements now tried, tested and effective.	3	Possible	3	Moderate	9	Medium	Medium An ongoing risk-remains for future spikes of Covid-19 or other kinds of disease outbreaks <del>Working from home arrangements now tried and tested and effective.</del> Tolerate	Review at end of Dec 2024  Partnership Director	Low	Med	↔


<p><b>RO01</b> 1.4</p>	<p><b>Strategic</b></p>	<p><b>Political/Govt Change</b> 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><b>Medium</b> An ongoing risk remains <b>Tolerate</b></p>	<p>Review at end of Dec 2024  Partnership Director</p>	<p>Low</p>	<p>Med</p>	
<p><b>RO02</b> 2.0</p>	<p><b>Financial</b></p>	<p><b>Financial:</b> 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. <del>Transport (Scotland) Act 2019 includes section on RTPs carrying reserves.</del></p>	<p>1</p>	<p>Remote</p>	<p>2</p>	<p>Minor</p>	<p>2</p>	<p>Low</p>	<p><b>Low</b> <del>Transport (Scotland) Act 2019 includes section on RTPs carrying reserves.</del> <b>Tolerate</b></p>	<p>November 2023 Partnership Director</p>	<p>Low</p>	<p>Med</p>	
<p><b>RO02</b> 2.1</p>	<p><b>Financial</b></p>	<p>The approved budget for 2024/25 <del>2023/24</del> 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 2024/25 <del>2023/24</del>. Costs will be aligned with COSLA pay offer.</p>	<p>4</p>	<p>Probable</p>	<p>3</p>	<p>Moderate</p>	<p>12</p>	<p>Medium</p>	<p><b>Medium</b> <del>Ongoing monitoring and review of all costs and forecasts during 2023/24. Costs will be aligned with COSLA pay offer.</del> <b>Tolerate</b></p>	<p>November 2024 Partnership Director</p>	<p>Low</p>	<p>Med</p>	

R002 2.2	Financial	Staff recharges - externally funded projects: The approved budget assumes <del>no that £4,000 of</del> staff time will <del>can</del> be recharged to Projects. <del>There is a risk this may not be achievable.</del>	3	Possible	3	Moderate	9	Medium	<del>Any shortfall in employee cost recharges will be offset by a corresponding reduction in Projects Budget expenditure.</del> Other funding sources will continue to be pursued.	3	Possible	3	Moderate	9	Medium	Medium <del>Other funding sources will continue to be pursued.</del> Tolerate	November 2024 2023 Partnership Director	Low	Med	↔
R002 2.3	Financial	Inflation: There is a risk that the indicative budget does not adequately cover price inflation and increasing demand for services.	4	Probable	4	Major	16	High	When setting the revenue budget, allowance was made for specific known price inflation. Budgets adjusted in line with current cost forecasts.  Ongoing monitoring and review of all costs and forecasts during 2024/25 <del>2023/24</del> .	4	Probable	3	Moderate	12	Medium	Medium <del>Ongoing monitoring and review of all costs and forecasts during 2023/24.</del> Tolerate	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 <del>Grant submission procedures in place, along with financial planning.</del> Tolerate	November 2023 Partnership Director	Low	Med	↔
R002 2.5	Financial	Sources of additional income to the Partnership may become constrained in the current economic climate and/or due to changes in operating arrangements.	4	Probable	4	Major	16	High	Revenue budget for 2024/25 <del>2023/24</del> developed to take account of most likely level of external income in <del>2024/25-2023/24</del> . Budget confirmed for 2024/25 <del>2023/24</del>  Continue to explore alternative funding options Lobby/bid for additional funds	3	Possible	4	Major	12	Medium	Medium <del>Continue to explore alternative funding options</del> <del>Lobby/bid for additional funds</del> Treat	Review at end Dec 2024  Partnership Director	Low	Med	↓

<p><b>R002</b> 2.6</p>	<p>Financial</p>	<p>Funding reductions: Future reductions in core funding from Scottish Government and/or council requisitions. This could result in difficulty in delivering statutory obligations/duties.</p>	<p>3</p>	<p>Possible</p>	<p>4</p>	<p>Major</p>	<p>12</p>	<p>Medium</p>	<p>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</p>	<p>3</p>	<p>Possible</p>	<p>4</p>	<p>Major</p>	<p>12</p>	<p>Medium</p>	<p><b>Medium</b> <del>Manage organisation in accordance with available funding but ability of organisation to deliver RTS objectives will inevitably be dictated by available funding.</del> <del>Engagement/advocating with SG/TS to maintain/increase funding</del> <del>Working with other RTPs to influence SG review of allocation of funding</del> <b>Tolerate</b></p>	<p>June 2024 Partnership Director</p>	<p>Low Med</p>	
<p><b>R002</b> 2.7</p>	<p>Financial</p>	<p>The funding position of the staff pension fund could lead to increases in the employers pension contribution</p>	<p>4</p>	<p>Probable</p>	<p>3</p>	<p>Moderate</p>	<p>12</p>	<p>Medium</p>	<p>Following the Lothian Pension Fund Triennial Actuarial Review of 2023 <del>2020</del>, Partnership contribution rates have been advised until <del>2026/27 2023/24</del>. Planning assumptions have been updated and included in the revenue budget <del>2024/25 2023/24</del> and indicative budget for <del>2025/26 2024/25</del> reported to the Partnership Board on 15th March 2024 <del>17th March 2023</del>. <del>The outcome of the Triennial Actuarial Review of 2023 will be included in the revenue budget for 2024/25.</del></p>	<p>4</p>	<p>Probable</p>	<p>3</p>	<p>Moderate</p>	<p>12</p>	<p>Medium</p>	<p><b>Medium</b> <b>Tolerate</b></p>	<p>November <del>2024</del> <del>2023</del> Partnership Director</p>	<p>Low Med</p>	
<p><b>R002</b> 2.8</p>	<p>Financial</p>	<p>Current staffing levels cannot be maintained due to funding constraints and the Partnership incurs staff release costs</p>	<p>3</p>	<p>Possible</p>	<p>4</p>	<p>Major</p>	<p>12</p>	<p>Medium</p>	<p>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.</p>	<p>2</p>	<p>Unlikely</p>	<p>4</p>	<p>Major</p>	<p>8</p>	<p>Medium</p>	<p><b>Medium</b> <del>Other funding sources will continue to be pursued.</del> <b>Tolerate</b></p>	<p>Review at end of Dec 2024 Partnership Director</p>	<p>Low Med</p>	




<p><b>R002</b> 2.9</p>	<p><b>Financial</b></p>	<p><b>Funding/Grant Awards:</b> 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</p>	<p>4</p>	<p>Probable</p>	<p>3</p>	<p>Moderate</p>	<p>12</p>	<p>Medium</p>	<p>The Partnership will seek to introduce a number of suitable on the shelf schemes</p> <p><del>Regular budget monitoring and reports to the Partnership Board.</del></p>	<p>3</p>	<p>Possible</p>	<p>3</p>	<p>Moderate</p>	<p>9</p>	<p>Medium</p>	<p><b>Medium</b> <del>Regular budget monitoring and reports to the Partnership Board.</del> <b>Treat</b></p>	<p>September 2024 Partnership Director</p>	<p>Low</p>	<p>Med</p>	<p>↓</p>
<p><b>R003</b> 3.0</p>	<p><b>Reputational</b></p>	<p><b>Project Management:</b> Project incomplete or of poor quality Late Delivery</p>	<p>3</p>	<p>Possible</p>	<p>4</p>	<p>Major</p>	<p>12</p>	<p>Medium</p>	<p>All project progress reported to the Projects Team monthly- and the P&amp;A Committee quarterly. Management action taken as required..</p> <p><del>Regular monitoring and management/project team meetings provides all across the organisation with a clear view of progress and expenditure against budget.</del></p> <p>Regular reports presented to the Partnership Board, which have been revised to provide focused monitoring template. Weekly projects staff team meeting to be reinstated with Partnership Director in attendance.</p>	<p>2</p>	<p>Unlikely</p>	<p>3</p>	<p>Moderate</p>	<p>6</p>	<p>Low</p>	<p><b>Low</b> <del>Regular reports presented to the Partnership Board, which have been revised to provide focused monitoring template.</del> <del>Weekly projects staff team meeting to be reinstated with Partnership Director in attendance.</del> <b>Tolerate</b></p>	<p>Review at end Dec 2024 Programmes Manager</p>	<p>Low</p>	<p>Med</p>	<p>↔</p>

<p><b>R003</b> 3.1</p>	<p>Reputational</p>	<p><b>Reputation:</b> Regard by the public and stakeholders. Negative or inaccurate media coverage leading to misrepresentation of SEStran position</p>	<p>3</p>	<p>Possible</p>	<p>3</p>	<p>Moderate</p>	<p>9</p>	<p>Medium</p>	<p>Good relationships with media. Quick response to negative or inaccurate coverage.</p> <p>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</p> <p>Board members regularly updated on SEStran work successes and issues.</p> <p>Agreed approach to media position set out in Standing Orders. Availability of Spokesperson – Senior staff only. No unauthorised media statements.</p>	<p>2</p>	<p>Unlikely</p>	<p>3</p>	<p>Moderate</p>	<p>6</p>	<p>Low</p>	<p>Low</p> <p><del>Partnership staff and Board Members continue to promote and advocate activities via speaking, writing or wider networking</del> Continue to work closely with regional partners</p> <p>Tolerate</p>	<p>Review at end of Dec 2024</p> <p>Partnership Director</p>	<p>Low</p>	<p>Med</p>	
<p><b>R003</b> 3.2</p>	<p>Reputational</p>	<p><b>Project Management:</b> Potential insolvency of 3rd party supplier</p>	<p>3</p>	<p>Possible</p>	<p>4</p>	<p>Major</p>	<p>12</p>	<p>Medium</p>	<p>Improved supplier viability checks before award, renewal or modification of contracts or grants to be introduced by January 2024.</p> <p>Individual risks and mitigations to be developed for any contract or grant over an agreed threshold.</p> <p>Where appropriate, Government frameworks will be utilised.</p> <p>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>	<p>2</p>	<p>Unlikely</p>	<p>4</p>	<p>Major</p>	<p>8</p>	<p>Medium</p>	<p>Medium</p> <p><del>Full review of procurement procedures to be carried out by is nearing completion by Legal Advisers.</del> An updated set of Contract Standing Orders will be presented to the June meeting of the Partnership Board for approval.</p> <p>Legal Advisers to provide staff training on new procedures.</p> <p>Treat</p>	<p>Review at end of Dec 2024</p> <p>Partnership Director</p>	<p>Low</p>	<p>Med</p>	

<p>R005 5.0</p>	<p>External</p>	<p><b>Third party Service Level Agreements:</b> Failure or inadequacy of service</p>	<p>2</p>	<p>Unlikely</p>	<p>2</p>	<p>Minor</p>	<p>4</p>	<p>Low</p>	<p>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</p> <p><i>Cross RTP discussion exploring viability of introducing shared services</i></p>	<p>2</p>	<p>Unlikely</p>	<p>2</p>	<p>Minor</p>	<p>4</p>	<p>Low</p>	<p><b>Low</b> <del>Cross RTP discussion exploring viability of introducing shared services</del> <b>Tolerate</b></p>	<p><del>January May– August 2024</del> Partnership Director</p>	<p>Low</p>	<p>Med</p>	
<p>R005 5.1</p>	<p>External</p>	<p><b>Contract Management:</b> Failure to manage contracts leads to under performance and failure to obtain best value and delivery from contractual relationship.</p>	<p>3</p>	<p>Possible</p>	<p>4</p>	<p>Major</p>	<p>12</p>	<p>Medium</p>	<p>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.</p> <p><i>Business propriety/credit/analytic criteria to be written in to documentation. Contract management process to be included as part of full procurement review.</i></p>	<p>2</p>	<p>Unlikely</p>	<p>3</p>	<p>Moderate</p>	<p>6</p>	<p>Low</p>	<p><b>Low</b> <del>Business propriety/credit/analytic criteria to be written in to documentation. Contract management process to be included as part of full procurement review.</del> <b>Tolerate</b></p>	<p><del>January– September 2024</del> Partnership Director</p>	<p>Low</p>	<p>Med</p>	
<p>R005 5.2</p>	<p>External</p>	<p><b>Grants:</b> Failure to adhere to grant conditions could result in grants being withheld or reclaimed, impacting the SEStran budget</p>	<p>4</p>	<p>Probable</p>	<p>4</p>	<p>Major</p>	<p>16</p>	<p>High</p>	<p>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.</p> <p><i>Also refer to risk 2.9. Successful management of risk 5.2, reduces likelihood of risk 2.9</i></p>	<p>2</p>	<p>Unlikely</p>	<p>4</p>	<p>Major</p>	<p>8</p>	<p>Medium</p>	<p><b>Medium</b> <del>Also refer to risk 2.9. Successful management of risk 5.2, reduces likelihood of risk 2.9</del> <b>Treat</b></p>	<p>March 2024<sup>5</sup> Partnership Director</p>	<p>Low</p>	<p>Med</p>	

<p><b>R006</b> 6.0</p>	<p>Legal and Regulatory</p>	<p><b>Statutory Duties:</b> Failure to adhere to duties described in legislation and related documentation</p>	<p>1</p>	<p>Remote</p>	<p>4</p>	<p>Major</p>	<p>4</p>	<p>Low</p>	<p>Board members regularly updated on SEStran work successes and issues. Ongoing liaison with Transport Scotland and relevant governing bodies. Regular liaison with Auditors.  <b>Regular monitoring and programming of statutory duties is undertaken by the Partnership Director, Senior Partnership Manager and Business Manager. Audited by third parties.</b></p>	<p>1</p>	<p>Remote</p>	<p>2</p>	<p>Minor</p>	<p>2</p>	<p>Low</p>	<p><b>Low</b> <del>Regular monitoring and programming of statutory duties is undertaken by the Partnership Director, Senior Partnership Manager and Business Manager. Audited by third parties.</del> <b>Tolerate</b></p>	<p>Review at end Dec 2024  Partnership Director</p>	<p>Low</p>	<p>Low</p>	
<p><b>R007</b> 7.0</p>	<p>Specific Operational</p>	<p><b>People and Place Plan:</b> Funding changes result in programme not continuing regionally beyond 2024-25.</p>	<p>3</p>	<p>Possible</p>	<p>3</p>	<p>Moderate</p>	<p>9</p>	<p>Medium</p>	<p>Engage regularly with Transport Scotland. Ensure outcomes and outputs from the programme delivery are captured to evidence efficacy of regional approach.</p>	<p>3</p>	<p>Possible</p>	<p>3</p>	<p>Moderate</p>	<p>9</p>	<p>Medium</p>	<p><b>Medium Tolerate</b></p>	<p>March 2025 Programme Manager</p>	<p>Low</p>	<p>Med</p>	
<p><b>R008</b> 8.0</p>	<p>System and Technology</p>	<p><b>Digital/IT:</b> Server failure Comms failure Website breach Resulting in loss of service to business operations</p>	<p>3</p>	<p>Possible</p>	<p>4</p>	<p>Major</p>	<p>12</p>	<p>Medium</p>	<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.  <b>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.</b></p>	<p>1</p>	<p>Remote</p>	<p>4</p>	<p>Major</p>	<p>4</p>	<p>Low</p>	<p><b>Low</b> <del>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.</del> <b>Tolerate</b></p>	<p>Ongoing Business Manager</p>	<p>Low</p>	<p>Med</p>	

<p><b>R009</b> 9.0</p>	<p>People</p>	<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>	<p>3</p>	<p>Possible</p>	<p>3</p>	<p>Moderate</p>	<p>9</p>	<p>Medium</p>	<p>SLA in place until May 2024<sup>5</sup> 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 <b>Retendering for Legal Services contract to commence shortly, utilising SG Framework Contacts.</b></p>	<p>1</p>	<p>Remote</p>	<p>3</p>	<p>Moderate</p>	<p>3</p>	<p>Low</p>	<p><b>Low Tolerate</b></p>	<p>Review at end Dec 2024  Partnership Director</p>	<p>Low</p>	<p>Low</p>	
<p><b>R009</b> 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.  <b>An ongoing risk remains for future pandemics and future widespread disease or other outbreaks. Measures will be adjusted in accordance with government advice.</b></p>	<p>2</p>	<p>Unlikely</p>	<p>3</p>	<p>Moderate</p>	<p>6</p>	<p>Low</p>	<p><b>Low Tolerate</b> <del>An ongoing risk remains for future pandemics and future widespread disease or other outbreaks. Measures will be adjusted in accordance with government advice.</del></p>	<p>Review at end Dec 2024  Partnership Director (Subject to SG advice)</p>	<p>Low</p>	<p>Low</p>	

<p><b>R009</b> 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.</p> <p>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><b>Low</b> <del>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.</del> <b>Tolerate</b></p>	<p>Review at end Dec 2024 Partnership Director (Subject to SG advice)</p>	<p>Low</p>	<p>Low</p>	
<p><b>R009</b> 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.</p> <p>Work programme will be monitored and redistributed as necessary. Recruitment exercise complete and full staff complement in place. <del>by 20 Nov 2023.</del></p>	<p>3</p>	<p>Possible</p>	<p>1</p>	<p>Insignificant</p>	<p>3</p>	<p>Low</p>	<p><b>Low</b> <del>Work programme will be monitored and redistributed as necessary.</del> <del>Recruitment exercise complete and full staff complement in place by 20 Nov 2023.</del> <b>Tolerate</b></p>	<p>Review at end Dec 2024 Partnership Director</p>	<p>Low</p>	<p>Low</p>	
<p><b>R009</b> 9.4</p>	<p>People</p>	<p><b>Climate Change</b> 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. Regular staff wellbeing meetings.</p>	<p>3</p>	<p>Possible</p>	<p>2</p>	<p>Minor</p>	<p>6</p>	<p>Low</p>	<p><b>Low</b> <b>Tolerate</b></p>	<p>Review at end Dec 2024 Partnership Director</p>	<p>Low</p>	<p>Low</p>	

Risk Number	Risk Detail	Risk Category	Gross Risk Assessment			Planned Response/Mitigation	Net Risk Assessment			Risk After Mitigation/Appetite for Risk	Date and Owner									
			Probability	Impact	Risk Score		Probability	Impact	Risk Score			Low	Med							
	Restricted ability to undertake RTS re-write: Inadequate senior staff resourcing available due to continued absence of Partnership Director	Strategic	4	Probable	3	Moderate	12	Medium	Resolve absence as soon as possible and appoint external resources as required.	2	Unlikely	2	Minor	4	Low	Partnership Director appointed May 2019. Funds identified for RTS re-write	June 2019 CLOSED			
	Accommodation: Occupancy Agreement with SG due for renewal February 2019. SG may not renew and alternative premises required at market rates.	Financial	3	Possible	3	Moderate	9	Medium	A notice period of 12 months must be served by each party under the current occupancy agreement. Occupancy Agreement renewed until February 2022.	3	Possible	3	Moderate	9	Medium		June 2019 CLOSED			
	ECOMM: Agreement to commit to ECOMM on the basis of being cost neutral. Income depends on number of delegates attending conference.	Financial	3	Possible	3	Moderate	9	Medium	SEStran withdrew offer to host ECOMM due to uncertainty over Brexit and subsequent impact on attendance at the conference.	3	Possible	2	Minor	6	Low		June 2019 CLOSED			
	Following the outcome of the EU Referendum, the Partnership is unable to access EU funding.	Financial	5	Highly Probable	3	Moderate	15	High	The Partnership continues to seek alternative funding sources to progress knowledge exchange/transfer.	4	Probable	3	Moderate	12	Medium	Medium Tolerate: Adapt expenditure accordingly. Currently involved in 5 EU projects, the completion of which are underwritten by the UK Treasury.	June 2021 CLOSED			
	<b>Governance:</b> Succession Planning Business Continuity	Governance	3	Possible	3	Moderate	9	Medium	Governance Scheme contains adequate provision to deal with senior officer absence. Staff structure and Business Continuity Plan in place. Senior Partnership Manager appointed.	2	Unlikely	2	Minor	4	Low	Low Tolerate	CLOSED Partnership Director			
	<b>Policy Appraisal:</b> Poor Quality Lack of consultation	Strategic	1	Remote	3	Moderate	3	Low	Advised by Government of relevant policy changes and Partnership Director and Officers regularly looking out for further policies and responding accordingly. Consultative forums also enable greater visibility and integration of local policies into regional strategy. Make full use of online consultancy options.	1	Remote	2	Minor	2	Low	Low. Partnership staff also continue to monitor their networks for relevant policy discussions. Draft RTS approved for statutory consultation. Tolerate	CLOSED Partnership Director	Low	Med	↔
	<b>Regional Transport Strategy:</b> Introduction of new RTS. Delay in approval by ministers. Delayed introduction of the new strategy.	Strategic	3	Possible	2	Minor	6	Low	Regular comms with Transport Scotland at all stages in the development of the RTS.	1	Remote	2	Minor	2	Low	Low Tolerate	28 March 2023 Jim Stewart CLOSED	Low	Med	↔
	<b>Newly Appointed Board.</b> Risk of lack of continuity and loss of expertise due to high turnover in members for the new term of office.	Governance	3	Possible	3	Moderate	9	Medium	Ensure that full training and support is provided to the new Board in 2022 to enable strategic decisions to be made. A Regular schedule of meetings of the Succession Planning Committee.	2	Unlikely	2	Minor	4	Low	Low Skills audit will identify future training requirements. Option to appoint Board Observers to supplement areas of expertise. Partnership Director 1:1 meetings with Board Members. Tolerate	Ongoing Partnership Director CLOSED	Low	Med	↔
	<b>Other Funding Sources:</b> Reduced access to EU project funding and lack of replacement funding from UK Government	Financial	5	Highly Probable	3	Moderate	15	High	The Partnership has sought to engage in as many relevant EU projects and funds as it can whilst UK authorities are allowed to access these funds. This should mitigate the short-term impact of any EU Exit negotiated and implemented. The Partnership has a proven track record in securing funding for relevant projects from the UK and other partners. It is anticipated that this will continue. Horizon projects being pursued.	5	Highly Probable	2	Minor	10	Medium	Medium: The risk remains as there is significant uncertainty around the immediate and medium (3-5 year) horizon for access to funds. Other funding applications will be made when available. There has been no confirmation from UK Government on participation in EU funded programmes, like Horizon. Advocate for access to UK replacement funds. Explore further ongoing calls for Horizon programme when available. Treat	CLOSED Partnership Director	Low	Med	↓

## Risk Description and Impacts Table

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

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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	High Risk
				15	
				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	5	10	15	20	25
Major	4	8	12	16	20
Moderate	3	6	9	12	15
Minor	2	4	6	8	10
Insignificant	1	2	3	4	5
<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: <ul style="list-style-type: none"> <li>· setting and achieving an annual balanced revenue budget, in line with legislative requirements</li> <li>· maintaining an unallocated general reserve fund, in line with legislative requirements</li> </ul> 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.

## **SEStran Business Plan 2024 to 2025**

### **1. INTRODUCTION**

- 1.1 The purpose of this report is to update the Committee on the Business Plan for the year April 2024 to March 2025.
- 1.2 It also seeks to gain the Committee's feedback on the Business Plan and to advise of the new structures for displaying the plan and its subsequent reporting.
- 1.3 The previous 3-year business plan format has been adjusted to a 1-year plan to accommodate the new People and Place planning and funding mechanisms.

### **2. BACKGROUND AND CONTEXT**

- 2.1 The Committee set up a short life working group in 2023 with the remit of reviewing the approach to business planning and reporting. P&A members on the group were Cllr Sally Pattle, and non-Councillor members Simon Hindshaw and Doreen Steele.
- 2.2 The focus of the working group was to align strategy, activity and reporting more closely in order to improve future planning and operational effectiveness. It was also anticipated that this would encourage end to end ownership of the project and strategy lifecycle by Committee members.
- 2.3 The group met with officers, with group recommendations and ideas from this meeting developed into two new approaches, the business plan (Appendix 1) and the project and strategy reporting template (Item 9).
- 2.4 Officers accordingly restructured the plan itself and its subsequent reporting, in accordance with the group's feedback. Notable changes are aligning delivery to RTS actions where appropriate and improved budget tracking.

### **3. ACTIVITY FOR THE YEAR 2024/25**

- 3.1 The draft Business Plan for the current year from March 2024 to March 2025 is shown in Appendix 1.
- 3.2 The plan has been divided into separate sections:
  - Strategy – including RTS development and monitoring
  - Projects
  - People & Place Plan
  - Communications
  - Groups – includes forums and working groups (e.g. rail)

- 3.3 The draft budget for the plan period will be presented to the Partnership Board meeting on the 21st June 2024 for approval.
- 3.4 Any underspend that is approved in the final accounts for 2023/24 will be added to the budget for 2024/25 and can be used to deliver Business Plan activity.

**4. FUTURE DEVELOPMENT WORK AND FUNDING**

- 4.1 The Business Plan includes project proposals which have been submitted to potential funders and are awaiting a response. If successful, these will be added to the reporting and monitoring plan. These are detailed in Appendix 1.
- 4.2 The Partnership will continue to explore opportunities for new projects that support delivery of the RTS.

**5. RECOMMENDATIONS**

- 5.1 It is recommended that the Committee:
  - (a) Notes the changes to reporting implemented after consultation with the working group
  - (b) Notes the Draft Business Plan shown in Appendix 1
  - (c) Comments on the Draft Business Plan.

Keith Fisker  
**Senior Partnership Manager**  
 7<sup>th</sup> June 2024

**Appendix 1: Business Plan 2024 - 2025**

Policy Implications	The Business Plan will align with SEStran’s established and emerging policies
Financial Implications	The Business Plan will be subject to formal Board approval of proposed budgets in year 2024 – 25 and subsequent years.
Equalities Implications	No separate EQIA will be carried out as the Business Plan does not propose a change to SEStran’s policies and procedures.
Climate Change Implications	The implications for Climate Change issues will be assessed at project level.

# Business Plan Activity Update

## April 2024 to March 2025



SEStran is the South East of Scotland Transport Partnership, one of seven statutory Regional Transport Partnerships in Scotland established under the Transport (Scotland) Act 2005. SEStran encompasses eight local authorities, City of Edinburgh, Clackmannanshire, East Lothian, Falkirk, Fife, Midlothian, Scottish Borders and West Lothian

### SEStran's Vision

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

### Regional Transport Strategy

The Regional Transport Strategy (RTS), was adopted in March 2023 . The RTS aims to provide a regional framework for managing future travel demand, behaviour, and developing the region's transport system, aligning with the National Transport Strategy 2, National Planning Framework 4, Climate Change (Scotland) Act 2019, and other relevant spatial and economic strategies.

The 2024/25 Business Plan outlines how the partnership will be progressing the aims of the RTS at the tactical and operational level for one 12 month period.

### Regional Transport Strategy Objectives

Strategy Objective 1: Transitioning to a sustainable, post-carbon transport system

Strategy Objective 2: Facilitating healthier travel options

Strategy Objective 3: Transforming public transport connectivity and access across the region

Strategy Objective 4: Supporting safe, sustainable and efficient movement of people and freight across the region

Regional Bus Strategy						
Justification	RTS Actions	RTS Objectives	Project goals	Project actions	Project Outcomes	Budget line
<p>The RTS sees the bus network at the heart of the region's public transport system. Almost half (47%) of residents across the South East of Scotland used a bus service at least once a month in 2019 and patronage is increasing again following a significant reduction caused by the pandemic.</p> <p>Given the diverse range of issues currently impacting the bus sector, the Partnership Board agreed that it is the right time to develop a new Regional Bus Strategy. Through the development of the RTS, significant opportunities were identified to improve the efficiency, performance, affordability and overall sustainability of the bus network across the region.</p>	<p>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)</p>	1,3,4	<p>Understand the perspective of and engage with relevant stakeholders; authorities, operators principally</p>	<p>Working with Systra/ Stantec, we will complete:</p> <ul style="list-style-type: none"> <li>•Work Package 1 Case for Change</li> <li>•Work Package 2 Options Appraisal</li> <li>•Work Package 3 Strategy Development</li> <li>•Work Package 4 Finalise Strategy &amp; Consultation</li> </ul>	<p>We have a clear and well constructed strategy from which to direct our future activity on bus.</p>	92087
	<p>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</p>		<p>Build understanding of challenges and opportunities of current scenario, as well as identifying key options to pursue.</p>			
	<p>Deliver the bus priority interventions funded by Transport Scotland's Bus Partnership Fund and subsequently identified by the Regional Bus Priority study</p>		<p>Build support for the SEStran RBS by clearly setting out the challenges for bus in the region and involving stakeholders in developing solutions to these challenges whilst recognising that some stakeholders may not agree with the final Strategy proposals.</p>			
	<p>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</p>		<p>Engage proactively to ensure that the development of the SEStran RBS is informed by a wide range of stakeholders, including the public, to produce documents that recognise the needs of workers, residents, businesses, and visitors across the region.</p>			
Transport to Health Strategy						
Justification	RTS Actions	RTS Objectives	Project goals	Project actions	Project Outcomes	Budget line
<p>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.</p>	<p>Support the delivery of bus services and infrastructure measures which ensure access to healthcare for all</p>	2	<p>Build collaborative relationships with health boards</p>	<p>Quarterly meetings with health boards to identify opportunities to reduce/ reallocate spend on TTH, and reduce bed blocking</p>	<p>A clearer understanding of the options available, connections to appropriate stakeholders and a readiness to work with Primary Care Directorate and TS as their TTH plan develops.</p>	92062
			<p>Consider innovative solutions to TTH</p>	<p>Small working group with some LA officers on what is working well</p>		
			<p>Highlight best practice in our region</p>	<p>Healthcare and Active Travel</p>		
				<p>Improve our data and understanding of what's happening currently</p>		
<p>Make Tth a theme of the current regional Bus Strategy work</p>	<p>Improve our data and understanding of what's happening currently</p>					
RTS Delivery Plan (with ESESCRD)						
Justification	RTS Actions	RTS Objectives	Project goals	Project actions	Project Outcomes	Budget line
<p>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</p>	<p>Partner councils work with SEStran through the statutory planning processes to implement RTS policies with regards to major developments</p>	ALL	<p>Creating a single source of truth for easier prioritisation of interventions</p>	<p>Consultant Develop Priority Projects (STAG or other methodology)</p>	<p>All concordat partners have an agreed single source of truth, prioritised to allow focussed work from STAG specialist</p>	92042
			<p>Cross referencing RTS actions with local plans to improve SEStran's efficacy</p>	<p>Define delivery of Wider RTS Action Plan</p>		

and actively pursue funding for these.			Short-life working group to agree definitions/ scoring etc	Draft Final Delivery Plan		
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Regional Freight Strategy						
Justification	RTS Actions	RTS Objectives	Project goals	Project actions	Project Outcomes	Budget line
<p>Within the RTS SEStran supports, where appropriate, the development of new or enhanced rail freight services in the region.</p> <p>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.</p> <p>The regional should also support improved road freight services with better driver facilities and alternative fuel provision for HGV and LGV working with industry to transition from ICE power.</p>	Work with partners to identify, through the further development of the SEStran Freight Strategy, locations where Freight Consolidation Centres could be located	1 & 4	Work with partners to progress development of the options outlined in the regional freight study (March 2024)	Engage with stakeholders via appropriate forums and groups.	EU Horizon Bids submitted in September 2024 - Projects would start in December 2024	92080
	Work with partners to identify, through the further development of the SEStran Freight Strategy, locations where gauge clearances should be increased to enable new and enhanced rail freight services to operate in the region		Work with Green Free Port partners to enhance business case development to be submitted in June 2024.	Work with consortium partners on 2 EU Horizon project submission to support the development for trials within the SEStran region.		
	Identify opportunities to implement innovation and automation in the freight and logistics industry in the region, including the delivery of relevant pilot projects		Improve knowledge and skills within the public sector to enhance freight policy development.	Submit project funding proposal with the University of the West of England to develop a tool to enhance public sector planning.		
	Further develop proposals for new rail freight services, including a potential multi-user freight train running from Grangemouth and use of converted passenger trains for freight, as part of the development of the SEStran Freight Strategy					

Regional Rail Strategy						
Justification	RTS Actions	RTS Objectives	Project goals	Project actions	Project Outcomes	Budget line
<p>The rail network (comprising 'conventional' heavy rail and light rail/tram) plays a key role linking up the region, as well as providing connectivity to external locations. The region has benefitted from the construction of the Borders Railway which opened in September 2015. More of the region's towns and settlements could be connected to the existing rail network by the provision of new stations. This is particularly important where significant new developments are proposed, and opportunities should be sought to connect these to the rail network where appropriate.</p>	Work with Transport Scotland and Network Rail to deliver new rail infrastructure in the region, where appraisal and business case development has demonstrated its merits	1,3 & 4	Deliver improved public transport information in a variety of formats.	Work with train operating companies (TOCs) to promote and improve information in and around stations.	<p>Expansion of RTPI information screens in ScotRail stations.</p> <p>Participate in ECMA meetings and contribute to joint research projects.</p> <p>Regular quarterly meetings with stakeholders via the Regional Rail Quarterly and Bi-annual Integrated Mobility Forum.</p> <p>Additional work on Newburgh Station Appraisal submitted to Transport Scotland.</p>	92047
	Undertake appraisal and business case development for an Edinburgh & South-East Scotland Mass Transit system, including BRT, new light rail and tram links within the region, in partnership with ongoing development of STPR2.		Improve rail infrastructure in the region.	Finalise appraisal work for Newburgh station business case.		
	Resist pressures to increase public transport fares and explore opportunities to provide more affordable public transport for those least able to pay for it		Work with TOCs to support reduces ticket prices and integrated ticketing.	Leverage meetings and forums.		
	Opportunities should be explored with partners to introduce new services, including more direct links across the region, national boundaries and cross-city connections		Work with ESESCRD partners and CEC to progress business case development for rail projects via the regional transport delivery plan.	Develop a list of projects with stakeholders that have regional impact.		



Thistle Assistance Programme						
Justification	RTS Actions	RTS objectives	Project goals	Project Actions	Project Outcomes	Cost centre
The Thistle Assistance Programme provides helps to those that have difficulty in using and accessing public transport. SEStran aim to provide a national approach. The programme increases awareness of challenges faced by vulnerable transport users and reduces the cost for transport operators.	Deliver improved public transport information in a variety of formats, supported by appropriate wayfinding infrastructure on the transport network	1,3 & 4	Launch app-based door-to-door journey planner with the aim of making public transport more accessible to all.	Secure new partner and launch the VoyagAR App with support from original developer Sentireal	Key stakeholders engaged and participating.	92077 92078
			Engage with transport operators, third sector stakeholders and public.	Promote transport operator guide for Thistle Assistance.		
			Create awareness of the programme through use of branding, website and social media activity.	Continue to use marketing tool kit to promote.	Co-operation of transport operators. Increased awareness and use amongst transport operators and public.	
				Survey users and feedback into programme.		

Real Time Passenger Information (RTPI)						
Justification	RTS Actions	RTS Objective	Project goals	Project Actions	Project Outcomes	Cost centre
The provision of real-time information contributes to tackling declining bus patronage in the SEStran region, helps makes public transport more accessible and reliable and increases confidence in public transport.	Deliver improved public transport information in a variety of formats, supported by appropriate wayfinding infrastructure on the transport network	1,3 & 4	SEStran will be working with local authorities to expand and develop the new regional real time system.	Secure new locations for screen infrastructure across the region with request funding	Wider distribution and uptake/use of RTPI across the region.	92017 92019
	Introduce Real Time Passenger Information for public transport services through mobile applications, stations and stops and across all parts of the region			Work with operators and local authorities on data input, accuracy and management.	Improved operator data accuracy for system.	
			SEStran will continue to work with local authorities using the NOVUS FX system to manage local services and routes.	Link RTPI to other projects where appropriate.	Run 2 LA training workshops on NOVUS FX with Trapeze (owner).	
				Promote new system with key stakeholders.	3rd parties using system capabilities and API feed e.g. ScotRail	
				Increase use and application of NOVUS FX capabilities with LAs.		

Mobility-as-a-Service (MaaS) - GoSEStran						
Justification	RTS Actions	RTS objective	Project goals	Project Actions	Project Outcomes	Cost centre
The GoSEStran MaaS app is a digital tool which promotes and enables sustainable travel as well as helping improve the viability of shared multi-modal transport opportunities.	Deliver improved public transport information in a variety of formats, supported by appropriate wayfinding infrastructure on the transport network	1,3 & 4	Promote Sustainable Travel	Contribute and attend regional, national and international conferences around MaaS and related projects such as data sharing or smart ticketing to ensure the potential of MaaS is understood.	Attend relevant events and conferences as a guest or speaker.	92086
			Encourage behaviour and modal shifts for climate and air quality.			
	Promote active travel.		Continue the promotion and development of the GoSEStran app and IMPs partnership with RTP partners.	Assess the number of users and number of partners involved on the MaaS platform.		
	Deliver a regional MaaS pilot scheme with a view towards establishing the long-term viability of MaaS in the region		Support National Initiatives: Contribute to MaaS Scotland, Smart Ticketing and Traveline projects to encourage Transport Scotland to take a national role in MaaS.	Attend regular meetings with other partners to discuss MaaS, including MaaS Scotland, Trapeze, Transport Scotland and other RTPs.		

			Improve confidence for those with disabilities/ improve safety for women and girls.	Undertake a joint procurement with Tactran for further development for MaaS with partners and include VoyagAR so that both workstreams are integrated.	Share learnings and knowledge to all stakeholders	
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Strategic Cycle Network						
Justification	RTS Actions	RTS Objective	Project goals	Project Actions	Project Outcome	Cost centre
<p>A robust, revised strategic network can support local authorities to direct some of their resource to delivering sections of the network to support regional connections.</p> <p>A high quality strategy with accompanying business case will be a strong supporting document for local authorities so source additional funding (on a competitive basis) to deliver elements of the network</p>	<p>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</p> <p>Review destinations served by the active travel network to identify gaps and locations where cross-boundary schemes may be required to ensure an integrated, high-quality network exists</p>	1,2 & 4	Build on the success of the Strategic Network to date, and ensure it is fully aligned with the new RTS and the People and Place Programme	Produce a revised strategic cycle network with a specific focus on how the network connects with and supports delivery of the Regional Transport Strategy	Increase in successful funding bids for active travel infrastructure development in the SEStran region.	92076
			Develop the network so that it can become a key tool for local authorities to support their development and funding of active travel routes	Create a GIS map layer of the cycle network that is currently in the design stage, differentiated by type of provision (e.g. off road, segregated, on road etc) and design stage (concept or developed). It is expected that some of this can be compiled from desktop research, but a meeting with each LA will be required.	SEStran and Local Authorities have a better knowledge and understanding of the network of active travel infrastructure in the region, including gaps, cross boundary routes and progress towards delivery.	
			Complete design work on 2 Falkirk routes on behalf of Falkirk Council to the point at which they are ready for construction.	Commission consultant and undertake client duties on behalf of Falkirk Council	Full tender package handed over to Falkirk Council by end September 2024 to allow them to progress a construction tender	

EV Delivery						
Justification	RTS Actions	RTS Objective	Project goals	Project Actions	Project Outcome	Cost centre
Supporting the development of a regional collaboration on public EV charging	<p>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.</p> <p>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</p>	1 & 4	Deliver a regional collaboration to develop a common set of tender documents and a procurement strategy	Facilitate a governance structure to oversee the work with representation of all LAs	An agreed set of tender documents and procurement strategy ready for issue by LAs (in groups/individually)	92088
				Support the procurement of consultants to support this work on behalf of the 9 LAs	Successful procurement of consultants within budget of the project term	
			Facilitate support for future procurements that emerge as a result of the procurement strategy, scope of this to be dependant on the outcome of the procurement strategy.	tbv dependant on outcome of the procurement strategy	tbv dependant on outcome of the procurement strategy	

People and Place Programme						
Justification	RTS Actions	RTS Objective	Project goals	Project Actions	Project Outcome	Cost centre
The People and Place plan presents an opportunity to enable and encourage more people to walk, wheel and cycle more often, which can contribute to many of the objectives of the Regional Transport Strategy.	Promotional and communication campaigns to highlight the benefits of active travel across the region and encourage people to adopt it where possible	1,2 & 4	Deliver increases in walking, wheeling and cycling, by both enabling and encouraging people that don't make these choices to start to do so, and those that do so already to do more	Deliver the 24/25 programme by distributing funding to LAs and third party orgs	Funding allocation from TS is spent in full	92082
	Deliver road safety measures that enable people to safely use active travel within the region		Raise awareness of the benefits of active travel to many other people, making them more likely to change in future	Direct delivery of specific areas of the programme assigned to SEStran	Monitoring shows positive outcomes in line with national, regional and local expectations	
	Expand the provision of bike-sharing initiatives across the region		Work in many of the region's communities, schools, and residential settings, plus build capacity and capability for further change	Monitoring of the programme and reporting to TS	The 25/26 programme is agreed by LAs and TS	
				Development of a 5 year programme in partnership with LAs		

Communications – External Stakeholder Partnership Enhancement								
Justification	RTS Actions	RTS Objectives	Project Objectives	Project goals	Project Actions	Project Outcomes	Evaluation	Cost Centre
Strengthened relationships with stakeholders contribute to a more favourable and widely recognised reputation. Improving the impact that SEStran can have in delivering outcomes. Strong relationships with external stakeholders reduces risks and improves information and resource sharing. ,	SEStran will engage with relevant bodies and stakeholders to develop and implement interventions which reassert public confidence in public transport services	1,2,3,4	By the end of 2024/2025, establish, develop, and execute a communication stakeholder relationship management approach aimed at delivering optimal results tailored to the distinct communication needs of all stakeholders involved within the RTS framework.	Develop a stakeholder engagement communications strategy that actively involves existing partners in ongoing discussions to identify and comprehend their concerns and requirements. This approach empowers them to shape our decision-making processes, ensuring that our outcomes align with their needs.	Establish a stakeholder communication platform to efficiently and regularly share updates with various stakeholder groups.	Establishment of stakeholder communication platform.	Increase in engagement rate among audience across social media platforms. As well as strong anecdotal support.	92079
				Initiate connections with new stakeholders that will assist in achieving RTS objectives. Discuss and action solutions for their concerns, facilitate the flow of information, and enable their input to influence decision-making. Achieve optimal results that cater to the unique requirements of all stakeholders.	Establish a stakeholder communication groups related to RTS/SEStran priority areas to facilitate information sharing and issue coordination in a regular and organised method.	Establishment of communications groups.	Completion and making available the PIP to stakeholders.	
				Development of a RTS Communications Plan linked to wider promotional and profile raising of SEStran and the RTS.	Develop a written communications strategy that details how RTS priorities will be communicated efficiently and regularly.	Wide engagement and distribution of SEStran 2035.		
Communications – Internal Stakeholder Renewal								
Justification	RTS Actions	RTS Objectives	Project Objectives	Project goals	Project actions	Project Outcomes	Cost Centre	Cost Centre
Improved quality engagement of internal stakeholders is important to the accountability, sustainability and integrity of the organisation.	SEStran will engage with relevant bodies and stakeholders to develop and implement interventions which reassert public confidence in public transport services	1,2,3,4	To enhance the quality of engagement with internal stakeholders and strengthen the accountability, sustainability, and integrity of the SEStran.	To reengage internal stakeholders, comprising both councillors and non-councillors, by identifying their perceptions and understanding of SEStran.	Conducting a consultation of Board member's preferences, and perception of SEStran's objectives, priorities, and overall purpose. Strategies may include surveys or interviews, to gather comprehensive feedback.	Completion of consultation	Increase in engagement rate among audience across social media platforms. As well as strong anecdotal support.	92079
				To implement recommendations for the internal stakeholder engagement consultation.	Developing targeted communication strategies based on their recommendations and implementing measures to enhance engagement.	Delivery of consultation recommendations	Completion and making available the PIP to stakeholders.	
				To assess the effectiveness and appropriateness of the internal communications approach and materials.	Review and improve existing communication materials by gathering feedback from internal stakeholders. Address gaps, inconsistencies, and implement systematic changes for enhanced effectiveness. Communicate updates to the internal audience and establish an evaluation system for ongoing refinement.	Review of materials and implementation of recommendation.	Wide engagement and distribution of SEStran 2035.	
Communications – Digital Presence								
Justification	RTS Actions	RTS Objectives	Project Objectives	Project goals	Project actions	Project Outcomes	Cost Centre	Cost Centre
A robust presence on social and digital media channels is advantageous for improved brand recognition and fostering audience engagement. A strong social and digital media presence facilitates effective marketing and promotion, contributes to improved stakeholder relationships, and can play a pivotal role in talent and funding acquisition by showcasing organisational activity.	SEStran will engage with relevant bodies and stakeholders to develop and implement interventions which reassert public confidence in public transport services	1,2,3,4.	To grow, develop and maintain a robust presence on external channels.	To increase awareness of SEStran's purpose, vision, RTS and objectives through consistent, clear and engaging presence on digital platforms including social media.	To create and implement a social media and digital presence plan that is consistent, clear, and adaptable to the evolving landscape, effectively conveying SEStran's vision, objectives, and priorities.	Increase in engagement rate among audience across social media platforms. As well as strong anecdotal support.	Increase in engagement rate among audience across social media platforms. As well as strong anecdotal support.	92079
				To develop and maintain a permeant digital footprint from SEStran and related projects that is agile, authentic, effective and safe.	To conduct a comprehensive website audit and deliver on recommendations.	Completion and making available the PIP to stakeholders.	Completion and making available the PIP to stakeholders.	
				Develop marketing strategies and campaigns where appropriate to advertise projects and services through relevant marketing channels.	To identify opportunities for marketing campaigns where appropriate to advertise projects and services through relevant marketing channels.	Wide engagement and distribution of SEStran 2035.	Wide engagement and distribution of SEStran 2035.	
					Approval and implementation of a communications plan	Approval and implementation of a communications plan		

Forum & Liaison Groups			
Justification	Goals	Actions	Outcome
SEStran Forums facilitate discussion and provide a platform for interested parties to formulate a regional voice in transport-related matters	Bring together interested parties and representative groups, across the following areas:	Organise topical meetings for each forum events twice annually.	Involvement of key stakeholders
	Equalities and Access to Healthcare	Review membership of groups each year to ensure appropriate stakeholders and groups are able to influence and help address transport related issues in the region	
	Integrated Mobility (passenger)		
	Freight and Logistics		

Regional Partnership working			
Justification	Goals	Actions	Outcome
Through active and engaged partnership working, SEStran is able to ensure strategic and regional transport issues are a primary consideration within the development of a wide range of complementary plans and strategies and the development of strategic projects.	Continue to be involved in pressing transport issues and present a regional voice in transport related matters in the South East of Scotland	Continue to be involved in transport related policy developments and respond to relevant consultations	Resource availability
		Organise stakeholder meetings to address various transport related issues	Cooperation from stakeholders
	Continue to lead by example, delivering sustainability and climate change objectives as an organisation and sharing and contributing knowledge and expertise across regional partners.	Provide the Sustainable and Active Travel Fund to help organisations adopt sustainable transport solutions	Involvement of organisations
	Maintain and support effective links to Transport Scotland and across all RTP partnerships in Scotland		

## 2024/25 High Level Budget Summary

(to be finalised)

	2021/22	2022/23	2023/24	2024/25
	£'000	£'000	£'000	£'000
<b>Revised Budget</b>				
Core	663	619	815	862
People & Place	0	0	0	5,326
Projects	809	959	923	325
<b>Expenditure</b>	<b>1,472</b>	<b>1,578</b>	<b>1,738</b>	<b>6,513</b>

Projects	500	606	766	254
Scottish Government	782	782	782	743
People and Place	0	0	0	5,326
Council Requisition	190	190	190	190
<b>Funding</b>	<b>1,472</b>	<b>1,578</b>	<b>1,738</b>	<b>6,513</b>

Includes Scottish Govt 5% reduction for 24/25

The existing reserves and any underspend carried forward from 23/24 are not budgeted for, hence are not showing in above table.  
Core 23/24 budget underspend (per the unaudited accounts) is provisionally £81k

## Glossary

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

Term or abbreviation	Full title and meaning
CT	Community Transport Organisation
CoMoUK	<a href="#">CoMoUK is the name of a Trust that promotes shared and integrated mobility</a>  Demand Responsive Transport is generally used in the context of bus travel and indicates that the bus is responsive to where its passengers want to join and alight from the service. This has traditionally been the preserve of community transport providers, but is increasingly being used elsewhere by commercial bus operators to replace 'fixed-line' bus routes.
DRT	
ESESCRD	Edinburgh & South East Scotland City Region Deal <a href="https://research-and-innovation.ec.europa.eu/funding/funding-opportunities/funding-programmes-and-open-calls/horizon-europe_en">https://research-and-innovation.ec.europa.eu/funding/funding-opportunities/funding-programmes-and-open-calls/horizon-europe_en</a>
EU Horizon	<a href="#">The Consortium of East Coast Main Line Authorities (Councils, Combined Authorities and Regional Transport Partnerships) along the area served by the East Coast Main Rail Line</a>
ECMA	
HGV	Heavy Goods Vehicle
ICE	Internal Combustion Engine
LGV	Light Goods Vehicle
LRDF	<a href="#">Local Rail Development Fund – funding provided by Transport Scotland</a>
MACS	Mobility & Access Committee Scotland
MaaS	integrating journey options, planning, <a href="#">The second National Transport Strategy for Scotland, launched in February 2020</a>
NTS2	
RTPI	Real Time Passenger Information <a href="#">Regional Transport Strategy. SEStran's current RTS is on our website</a>
RTS	
RTP	<a href="#">Regional Transport Partnerships - there are seven established across Scotland</a>
SEStran	<a href="#">SEStran is the South East of Scotland Transport Partnership</a> <a href="#">Scottish Transport Applications and Research Conference</a>
STAR	<a href="#">Second Strategic Transport Projects Review for Scotland, led by Transport Scotland</a>
STPR2	
TOCs	Train Operating Companies

## **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.

### **2 New Monitoring and Reporting Structure**

- 2.1 This report is presented in an updated format from previous iterations. It presents a clear and concise summary of each project currently underway, with a specific focus on budget, programme and risk.
- 2.2 The cover page to the appendix provides this high-level summary for each project, with following pages providing further detail on each project to allow for additional scrutiny where the Committee feels this would be appropriate. Information provided on budget is currently high level, with more detail (including actual budgets per project and current variances to these) planned to be provided to next Committee meeting.
- 2.3 Also presented is a risk register and an issue log for all projects, so that these can be seen overall rather than by project.
- 2.4 The People and Place Plan has been integrated into this report but, given its scale, is it presented with its own risk register and budget. For reporting purposes, the Plan has been broken down into three areas according to who will be spending the funding – Local Authorities, third parties, and SEStran.
- 2.5 Over the next quarter, work will continue to refine this new report structure, and any feedback from the Committee can be incorporated as this progresses.

### **3. KEY ISSUES AND FUNDING**

- 3.1 Overall, all projects are currently running to plan and budget. One project (the Strategic Network) has a minor delay due to delays to funding, which will result in an estimated 4 week delay to the programme.
- 3.2 There are a range of risks across the projects, but following mitigation in place there are no high risks remaining. One key theme within the project risks is around stakeholder engagement in projects, which is planned to be discussed further as part of internal project management meetings to identify any further actions that may be needed in this area.
- 3.3 There are currently 2 issues noted. One surrounds data from Lothian Buses feeding into the RTPi system which has been ongoing since 23/24, with a resolution expected in Q2. Within the past quarter, an issue has arisen around a funding application for



Transport to Healthcare work, the outcome of which has been delayed due to purdah, and the impact of this on the potential programme is currently unknown.

- 3.4 People and Place is currently running to programme and budget. We expect to have a clear quarterly spend profile for all projects funded by mid-June, and from there it will be possible to track progress quarter by quarter. There are also no high risks on People and Place and no issues are currently being managed. There are however 5 medium risks that are being actively managed with the mitigations noted.
- 3.5 Some key progress over the quarter has included funding a joint funding application for and ACCESS to Goods project, the draft case of change for the Bus Strategy has been produced, regional agreement to progress and commit budget to a joint approach to EV public charging infrastructure, and procurement options for VoyagAR and GoSEStran have been progressed jointly with Tactran.

#### 4 RECOMMENDATIONS

4.1 The Committee is asked to:

- a) Comment on any changes they would like to see in future iterations of this report
- b) Review the progress to date and discuss
- c) Note progress recorded in the past quarter, summarised in the attached Appendix

Michael Melton  
**Programme Manager**  
 7<sup>th</sup> June 2024

#### Appendix: SEStran Projects & Strategy Tracker – June 2024

Policy Implications	Outlined project work contributes to the objectives identified within the SEStran Regional Transport Strategy.
Financial Implications	All project work is delivered within confirmed budgets.
Equalities Implications	There are no adverse equalities implications arising from SEStran projects. Several projects actively work to reduce inequalities.
Climate Change Implications	There are no negative climate change implications arising from SEStran projects. Several projects actively work to tackle climate change through the creation of, or support for more sustainable transport options.

**Project Summary**

Project	Budget	Programme Status	Programme				Risks		Issues		
	Finance Status		No of on track milestones	No of completed milestones	No of Delayed Milestones	No of late milestones	No of Medium Risks	No of High Risks	No of Medium Issues	No of High Issues	No of Critical Issues
<a href="#">Thistle Assistance</a>	On Budget	n/a	0	0	0	0	0	0	0	0	0
<a href="#">VoyagAR</a>	n/a	On Target	2	0	0	0	1	0	0	0	0
<a href="#">Real Time Passenger Information</a>	On Budget	On Target	1	0	0	0	2	0	1	0	0
<a href="#">GoSEStran</a>	On Budget	On Target	2	0	0	0	2	0	0	0	0
<a href="#">Strategic Network</a>	On Budget	Minor Delay	1	0	2	0	1	0	0	0	0
<a href="#">EV Delivery</a>	On Budget	On Target	3	0	1	0	2	0	0	0	0
<a href="#">Regional Bus Strategy</a>	On Budget	On Target	3	1	0	0	3	0	0	0	0
<a href="#">Transport to Healthcare</a>	n/a	On Target	1	1	0	0	2	0	1	0	0
<a href="#">Regional Freight Strategy</a>	n/a	On Target	0	1	0	1	2	0	0	0	0
<a href="#">RTS Delivery Plan</a>	n/a	On Target	6	1	0	0	2	0	0	0	0
<a href="#">Rail Strategy</a>	On Budget	n/a	0	0	0	0	1	0	0	0	0
<b>Total</b>			<b>19</b>	<b>4</b>	<b>3</b>	<b>1</b>	<b>18</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>0</b>
<b>People and Place Plan:</b>							5	0	0	0	0
<a href="#">Local Authority Projects</a>	On Budget	On Target	4	2	0	0					
<a href="#">Non-Local Authority Projects</a>	On Budget	On Target	4	2	0	0					
<a href="#">SEStran Projects</a>	On Budget	On Target	7	1	1	0					
<b>Total</b>			<b>15</b>	<b>5</b>	<b>1</b>	<b>0</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Project Risk Register**

Risk Number	Project	Risk Detail	Gross Probability	Gross Impact	Gross Risk Score	Planned Response/Mitigation	Net Probability	Net Impact	Net Risk Score	Actions (inc who and date due)	Completed Actions	Status	Date Raised	Last Updated	Owner
PR001	Thistle Assistance	Use of the app leads to an accident due to lack of training or awareness from transport operators	Unlikely	Major	Medium Risk	Good communication material made available and training provided for operators	Remote	Moderate	Low Risk	As per planned response/mitigations 29/05		In Progress	01/04/2024	29/05/2024	KF
PR002	Thistle Assistance	Issue with app software prevents users 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	Remote	Moderate	Low Risk	As per planned response/mitigations 29/05		In Progress	01/04/2024	29/05/2024	KF
PR003	Thistle Assistance	Data breach for personal data collected as part of card process	Unlikely	Major	Medium Risk	SEStran GDPR policy to be followed at all times and data deleted at regular intervals in line with this, with no personal data retained	Remote	Major	Low Risk	As per planned response/mitigations 29/05		In Progress	01/04/2024	29/05/2024	KF
PR004	VoyagAR	Supplier cannot be found to take over development and launch the app	Possible	Major	Medium Risk	Procurement combined with GoSEStran to increase attractiveness, discussions held with potential suppliers to gauge interest	Unlikely	Major	Medium Risk	As per planned response/mitigations 29/05	Met with Tactran 05/24 to agree procurement approach	In Progress	01/04/2024	29/05/2024	KF
PR005	Real Time Passenger Information	Operator data is inaccurate or drops out, resulting in poor user impression/loss of faith in data accuracy/damage to SEStran reputation	Probable	Major	High Risk	Regular meetings with transport operators to ensure data accuracy	Possible	Major	Medium Risk	As per planned response/mitigations 29/05		In Progress	01/04/2024	29/05/2024	KF
PR006	Real Time Passenger Information	System failure and/or data feed disruption resulting in system becoming unavailable	Possible	Major	Medium Risk	Regular meetings with tech supplier to ensure updates are being made and contingency plans are in place	Possible	Major	Medium Risk	As per planned response/mitigations 29/05		In Progress	01/04/2024	29/05/2024	KF
PR007	Real Time Passenger Information	At contract end, framework contract negotiation fails and/or results in increase in costs impacting ability to delivery additional screens	Possible	Moderate	Medium Risk	Seek negotiation of contract when required working with LA partners and suppliers to come to agreement	Unlikely	Minor	Low Risk	As per planned response/mitigations 29/05		In Progress	01/04/2024	29/05/2024	KF
PR008	GoSEStran	Lack of funding to continue with the app past September	Probable	Major	High Risk	Continue to seek other funding sources in collaboration with Tactran. Ongoing dialogue with TS around future plans for MaaS and outcome of pilot evaluation	Possible	Major	Medium Risk	Put in place outline comms plan in case funding cannot be secured and app has to close - CD/RS by 30/06	Some additional funding secured from TS and SCSP fund - 01/04	In Progress	01/04/2024	29/05/2024	RS
PR009	GoSEStran	Uncertainty over responsibilities and workload between SEStran and Tactran either leading to duplication or effort or tasks being missed	Possible	Moderate	Medium Risk	Regular dialogue with Tactran on joint working at all levels. SLA being developed with Tactran to clearly identify responsibilities.	Unlikely	Moderate	Low Risk				01/04/2024	29/05/2024	RS

Risk Number	Project	Risk Detail	Gross Probability	Gross Impact	Gross Risk Score	Planned Response/Mitigation	Net Probability	Net Impact	Net Risk Score	Actions (inc who and date due)	Completed Actions	Status	Date Raised	Last Updated	Owner
PR010	GoSEStran	Delays to procurement mean a new supplier cannot be in place until after September when the current contract expires, leaving a gap in provision	Possible	Major	Medium Risk	Ongoing discussion with Tactran to identify optimal procurement route	Possible	Major	Medium Risk	Put in place outline comms plan in case funding cannot be secured and app has to close - CD/RS by 30/06	Joint procurement workshop held with Tactran and P&K Council Discussions held with Innovate UK on potential for procurement support		01/04/2024	29/05/2024	RS
PR011	GoSEStran	Challenge to extension of current contract by 6 months by other potential tenderers	Possible	Major	Medium Risk	Take legal advise. Explain to potential suppliers need for extension to current contract to allow funding discussions to conclude. Issue a VEAT notice and advise potential tenders of forthcoming procurement.	Remote	Major	Low Risk	As per planned response/mitigations 29/05	Communication sent to all potential tenderers about extension and future plans - 28/03 VEAT notice published - 28/03	In Progress	01/04/2024	29/05/2024	AF
PR012	Strategic Network	Lack of funding to proceed with work leads to project being paused/cancelled	Probable	Major	High Risk	Seek alternate funding for Falkirk routes elements to ensure these can progress. Deliver mapping work as part of PPP. Continue to seek funding to conclude review of network	Possible	Moderate	Medium Risk	As per planned response/mitigations 29/05	Include mapping work in PPP support tender - 30/04 Funding agreed with Falkirk Council to complete Falkirk route design - 28/05	In Progress	01/04/2024	29/05/2024	MM
PR013	Strategic Network	Lack of data availability makes mapping element longer than expected and/or incomplete	Probable	Moderate	Medium Risk	Ensure early engagement with each LA to access any available mapping data. Seek other partners who may have relevant data	Possible	Minor	Low Risk	As per planned response/mitigations 29/05	Met with Scottish Ramblers re their walking mapping work and potential to work together - 23/05	In Progress	01/04/2024	29/05/2024	BHJ
PR014	EV Delivery	failure to secure funding commitments from local authorities to fund a collaborative exercise	Possible	Major	Medium Risk	Gain understanding of approval processes required by each LA and support getting delegated approval in place as required. Develop clear and costed project scope to support funding decisions	Unlikely	Major	Medium Risk	Finalise procurement of Project Manager to complete the Project Initiation Document	Drafted standard Committee paper that each LA can use to seek relevant approvals Met with senior officer in each LA to discuss plans and seek initial £5k of funding Met with TS to understand level	In Progress	01/04/2024	29/05/2024	MM
PR015	EV Delivery	Compressed timescale required to reach contract start date is very tight, and leads to either low quality of work and/or missed deadlines	Probable	Major	High Risk	Seek early procurement of specialist support to drive forward project	Possible	Major	Medium Risk	Finalise procurement of consultant support with regional agreement - 07/06	Met with CEC to secure agreement to extend scope of their existing commission to cover regional work	In Progress	01/04/2024	29/05/2024	MM
PR016	Regional Bus Strategy	Work produced by the consultant is of low quality and/or delivered behind programme	Possible	Major	Medium Risk	Weekly meetings with consultants to check on progress and work produced to date, staggered payment schedule for invoicing	Unlikely	Major	Medium Risk	As per planned response/mitigations 29/05		In Progress	01/04/2024	29/05/2024	RM
PR017	Regional Bus Strategy	Lack of buy in from stakeholders	Possible	Major	Medium Risk	Regular updates to SEStran Board, website page on bus strategy updated regularly	Unlikely	Major	Medium Risk	As per planned response/mitigations 29/05	Website page created: <a href="https://sestran.gov.uk/projects/regional-bus-strategy/">https://sestran.gov.uk/projects/regional-bus-strategy/</a>	In Progress	01/04/2024	29/05/2024	RM

Risk Number	Project	Risk Detail	Gross Probability	Gross Impact	Gross Risk Score	Planned Response/Mitigation	Net Probability	Net Impact	Net Risk Score	Actions (inc who and date due)	Completed Actions	Status	Date Raised	Last Updated	Owner
PR018	Regional Bus Strategy	Lack of investment at a national level for delivery of outputs of strategy	Probable	Major	High Risk	Continue to support the case for bus investment at relevant meetings with TS	Possible	Major	Medium Risk	As per planned response/mitigations 29/05		In Progress	01/04/2024	29/05/2024	RM
PR019	Transport to Healthcare	Lack of buy in from stakeholders	Possible	Major	Medium Risk	Regular meetings and ongoing opportunities to collaborate	Unlikely	Major	Medium Risk	As per planned response/mitigations 29/05		In Progress	01/04/2024	29/05/2024	RM
PR020	Transport to Healthcare	Lack of strategic direction from Scottish Government	Possible	Major	Medium Risk	Active engagement with policy leads at Scot Gov	Unlikely	Major	Medium Risk	As per planned response/mitigations 29/05		In Progress	01/04/2024	29/05/2024	RM
PR021	Regional Freight Strategy	Lack of buy in from stakeholders	Possible	Major	Medium Risk	Run quarterly Regional Freight & Logistics forum meetings	Unlikely	Major	Medium Risk	As per planned response/mitigations 29/05		In Progress	01/04/2024	29/05/2024	KF
PR022	Regional Freight Strategy	Lack of capacity in the public sector to further develop and deliver on freight strategy	Possible	Major	Medium Risk	Look to provide training and support as needed	Unlikely	Major	Medium Risk	As per planned response/mitigations 29/05		In Progress	01/04/2024	29/05/2024	KF
PR023	RTS Delivery Plan	Lack of engagement from stakeholders	Possible	Major	Medium Risk	Regular meetings and opportunities to collaborate	Unlikely	Major	Medium Risk	As per planned response/mitigations 29/05		In Progress	01/04/2024	29/05/2024	RM
PR024	RTS Delivery Plan	Low data input from partners	Possible	Major	Medium Risk	Seek to minimise requests as much as possible, when making requests give long lead in times	Unlikely	Major	Medium Risk	As per planned response/mitigations 29/05		In Progress	01/04/2024	29/05/2024	RM
PR025	Rail Strategy	Lack of investment at a national level for delivery of outputs of strategy	Probable	Major	High Risk	Continue to support the case for rail investment at relevant meetings with TS	Possible	Major	Medium Risk	As per planned response/mitigations 29/05		In Progress	01/04/2024	29/05/2024	KF

**Project Issues Log**

Issue Ref	Project	Description	Severity	Next Steps (date and who)	Lessons Learnt	Status	Date Raised	Last Updated	Owner
PI001	Real Time Passenger Information	Lothian Buses data integration has been problematic as there is a separate stream of work being undertaken by LB to update their internal systems. The data feed is currently incompatible with the regional system.	Medium	A solution is in place and the target is for real time data will roll out from their fleet from end June 2024. For the regional screen network only, scheduled data will be displayed. The screens will be updated with a message to this effect. KF having regular meetings to discuss and update.	tbc	In Progress	11/12/2023	29/05/2024	KF
PI002	Transport to Healthcare	Outcome of UK Government funding bid will be delayed until after the election due to the purdah period	Medium	RF working with partners to understand impact of any delays on potential programmes. As this become known further updates will be made to this issue.	tbc	New	22/05/2024	29/05/2024	KF

Project Title	<b>Thistle Assistance</b>				
Budget Code	92077				
Responsible Officer	Cameron Duck				
Manager	Keith Fisker				
RTS Objectives	1, 3, 4				
Last Updated	30/05/2024				
<b>RTS Actions</b>					
Deliver improved public transport information in a variety of formats, supported by appropriate wayfinding infrastructure on the transport network					
<b>Project Summary</b>					
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.					
<b>Q1 Progress</b>					
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.					
<b>Q2 Progress</b>					
<b>Q3 Progress</b>					
<b>Q4 Progress</b>					
<b>Finance Status:</b>	<b>On Budget</b>				
<b>Programme Status:</b>	<b>n/a</b>				
<b>Milestones</b>					
Name	Due Date	Revised Date	Completed Date	Status	Last Updated
n/a					30/05/2024

Project Title	<b>VoyagAR</b>				
Budget Code	92078				
Responsible Officer	Keith Fisken/Andrew Ferguson				
Manager	Keith Fisken				
RTS Objectives	1,3 & 4				
Last Updated	30/05/2024				
<b>RTS Actions</b>					
<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>					
<b>Project Summary</b>					
<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>					
<b>Q1 Progress</b>					
<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>					
<b>Q2 Progress</b>					
<b>Q3 Progress</b>					
<b>Q4 Progress</b>					
<b>Finance Status:</b>					
n/a					
<b>Programme Status:</b>					
On Target					
<b>Milestones</b>					
Name	Due Date	Revised Date	Completed Date	Status	Last Updated
Procurement of supplier complete	30/09/2024			On Track	30/05/2024
Go live date for app	31/01/2025			On Track	30/05/2024



Project Title	<b>Real Time Passenger Information</b>				
Budget Code	92017 & 92019				
Responsible Officer	Rebecca Smith				
Manager	Keith Fisker				
RTS Objectives	1, 3, 4				
Last Updated	30/05/2024				
<b>RTS Actions</b>					
<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>					
<b>Project Summary</b>					
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.					
<b>Q1 Progress</b>					
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					
<b>Q2 Progress</b>					
<b>Q3 Progress</b>					
<b>Q4 Progress</b>					
<b>Finance Status:</b>	<b>On Budget</b>				
<b>Programme Status:</b>	<b>On Target</b>				
<b>Milestones</b>					
Name	Due Date	Revised Date	Completed Date	Status	Last Updated
Complete review of screen network	30/09/2024			On Track	30/05/2024

Project Title	<b>GoSEStran</b>				
Budget Code	92086				
Responsible Officer	Rebecca Smith				
Manager	Michael Melton				
RTS Objectives	1, 3, 4				
Last Updated	30/05/2024				
<b>RTS Actions</b>					
<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>					
<b>Project Summary</b>					
<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>					
<b>Q1 Progress</b>					
<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>					
<b>Q2 Progress</b>					
<b>Q3 Progress</b>					
<b>Q4 Progress</b>					
<b>Finance Status:</b>	<b>On Budget</b>				
<b>Programme Status:</b>	<b>On Target</b>				
<b>Milestones</b>					
Name	Due Date	Revised Date	Completed Date	Status	Last Updated
Report to Board on next steps	27/09/2024			On Track	30/05/2024
New supplier in place	30/09/2024			On Track	30/05/2024

Project Title	<b>Strategic Network</b>				
Budget Code	92076				
Responsible Officer	Beth Harley-Jepson				
Manager	Michael Melton				
RTS Objectives	1, 2, 4				
Last Updated	30/05/2024				
<b>RTS Actions</b>					
<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>					
<b>Project Summary</b>					
<p>This project is in 2 parts:</p> <p>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.</p> <p>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.</p>					
<b>Q1 Progress</b>					
<p>Falkirk routes: Funding bid to Sustrans was placed on hold due to lack of funding, alternate funding offered by Falkirk Council via their TS grant, consultant brief completed and quote received, project to start early June (approx. 4 week delay).</p> <p>Network review: Baseline mapping work included in tender for PPP development support, to begin in early June on schedule</p>					
<b>Q2 Progress</b>					
<b>Q3 Progress</b>					
<b>Q4 Progress</b>					
<b>Finance Status:</b>					
<b>On Budget</b>					
<b>Programme Status:</b>					
<b>Minor Delay</b>					
<b>Milestones</b>					
Name	Due Date	Revised Date	Completed Date	Status	Last Updated
Feedback on current design complete	30/06/2024	45485		Delayed	30/05/2024
Completion of design work	30/09/2024	31/10/2024		Delayed	30/05/2024
Completion of baseline mapping (via PPP)	30/11/2024			On Track	30/05/2024

Project Title	<b>EV Delivery</b>				
Budget Code	92088				
Responsible Officer	Michael Melton/Rebecca Smith				
Manager	Brian Butler				
RTS Objectives	1, 4				
Last Updated	30/05/2024				
<b>RTS Actions</b>					
<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>					
<b>Project Summary</b>					
<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 a increased competition and better value in the final tender by presented a bigger market for suppliers.</p>					
<b>Q1 Progress</b>					
<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>					
<b>Q2 Progress</b>					
<b>Q3 Progress</b>					
<b>Q4 Progress</b>					
<b>Finance Status:</b>					
<b>On Budget</b>					
<b>Programme Status:</b>					
<b>On Target</b>					
<b>Milestones</b>					
Name	Due Date	Revised Date	Completed Date	Status	Last Updated
Form governance structure	30/04/2024		30/04/2024	Complete	
Procure PM & consultant support	31/05/2024	07/06/2024		Delayed	
Procurement docs complete	30/09/2024			On Track	
Procurement begins (scope tbc)	31/10/2024			On Track	
Tender awarded (scope tbc)	30/05/2025			On Track	

Project Title	<b>Regional Bus Strategy</b>				
Budget Code	92087				
Responsible Officer	Rachael Murphy				
Manager	Keith Fisker				
RTS Objectives	1,3,4				
Last Updated	23/05/2024				
<b>RTS Actions</b>					
<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>					
<b>Project Summary</b>					
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.					
<b>Q1 Progress</b>					
Consultants procured (Systra + Stantec) Local Authorities and operators engaged Inception documents created EQIAs drafted Case for Change first draft shared with SEStran					
<b>Q2 Progress</b>					
<b>Q3 Progress</b>					
<b>Q4 Progress</b>					
<b>Finance Status:</b>					
<b>Programme Status:</b> <span style="background-color: #d4edda; padding: 2px;">On Target</span>					
<b>Milestones</b>					
Name	Due Date	Revised Date	Completed Date	Status	Last Updated
Case for Change	17/05/2024	45442	30/05/2024	Complete	30/05/2024
Options Appraisal	31/08/2024			On Track	30/05/2024
Draft Strategy Published	31/12/2024			On Track	30/05/2024
Consultation on Strategy	01/02/2025			On Track	30/05/2024

Project Title	<b>Transport to Healthcare</b>				
Budget Code	92062				
Responsible Officer	RCM				
Manager	KF				
RTS Objectives	2				
Last Updated	30/05/2024				
<b>RTS Actions</b>					
<ul style="list-style-type: none"> <li>• Support the delivery of bus services and infrastructure measures which ensure access to healthcare for all</li> </ul>					
<b>Project Summary</b>					
<p>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.</p>					
<b>Q1 Progress</b>					
1-1s with all four health boards, NHS Assure, Scottish Ambulance Service 1st group meeting with these stakeholders					
<b>Q2 Progress</b>					
<b>Q3 Progress</b>					
<b>Q4 Progress</b>					
<b>Finance Status:</b>	n/a				
<b>Programme Status:</b>	On Target				
<b>Milestones</b>					
Name	Due Date	Revised Date	Completed Date	Status	Last Updated
First meeting with all boards	16/05/2024		16/05/2024	Complete	30/05/2024
Agreed projects for collaboration	31/08/2024			On Track	30/05/2024

Project Title	<b>Regional Freight Strategy</b>				
Budget Code	92080				
Responsible Officer	Keith Fisken				
Manager	Keith Fisken				
RTS Objectives	1, 4				
Last Updated	30/05/2024				
<b>RTS Actions</b>					
<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>					
<b>Project Summary</b>					
<p>Within the RTS SEStran supports, where appropriate, the development of new or enhanced rail freight services in the region.</p> <p>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.</p> <p>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>					
<b>Q1 Progress</b>					
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					
<b>Q2 Progress</b>					
<b>Q3 Progress</b>					
<b>Q4 Progress</b>					
<b>Finance Status:</b>	n/a				
<b>Programme Status:</b>	<b>On Target</b>				
<b>Milestones</b>					
Name	Due Date	Revised Date	Completed Date	Status	Last Updated
Present option to freight forum	30/05/2024		30/05/2024	Complete	30/05/2024
Access for goods funding feedback	31/07/2024			Late	30/05/2024

Project Title	<b>RTS Delivery Plan</b>				
Budget Code	92042				
Responsible Officer	Rachael Murphy				
Manager	Keith Fisken				
RTS Objectives	1, 2, 3, 4				
Last Updated	27/05/2024				
<b>RTS Actions</b>					
•Partner councils work with SEStran through the statutory planning processes to implement RTS policies with regards to major developments					
<b>Project Summary</b>					
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.					
<b>Q1 Progress</b>					
PID created, shared with group participants First meeting of group hosted, PID and matrix discussed Matrix editing begun					
<b>Q2 Progress</b>					
<b>Q3 Progress</b>					
<b>Q4 Progress</b>					
<b>Finance Status:</b>	n/a				
<b>Programme Status:</b>	On Target				
<b>Milestones</b>					
Name	Due Date	Revised Date	Completed Date	Status	Last Updated
Project preparation	31/03/2024		31/03/2024	Complete	30/05/2024
Baselining	31/07/2024			On Track	30/05/2024
Matrix of projects	30/11/2024			On Track	30/05/2024
Procurement of consultant support	31/12/2024			On Track	30/05/2024
Identify Priority Projects	30/06/2024			On Track	30/05/2024
Develop wider RTS Action Plan	30/06/2024			On Track	30/05/2024
Drafting of RTS Delivery Plan Report	30/11/2025			On Track	30/05/2024



Project Title	<b>Rail Strategy</b>				
Budget Code	92047				
Responsible Officer	Keith Fisken				
Manager	Keith Fisken				
RTS Objectives	1, 3 & 4				
Last Updated	28/05/2024				
<b>RTS Actions</b>					
Work with key stakeholders (Transport Scotland & Network) rail to develop new rail infrastructure supported by appropriate appraisal and business case development Opportunities should be explored with partners to introduce new services, including more direct links across the region, national boundaries and cross-city connections					
<b>Project Summary</b>					
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.					
<b>Q1 Progress</b>					
Developing response to TS comments on Newburgh appraisal for submission in May ECMA - SEStran participated in an officer group meeting in May					
<b>Q2 Progress</b>					
<b>Q3 Progress</b>					
<b>Q4 Progress</b>					
<b>Finance Status:</b>	<b>On Budget</b>				
<b>Programme Status:</b>	<b>n/a</b>				
<b>Milestones</b>					
Name	Due Date	Revised Date	Completed Date	Status	Last Updated
n/a					30/05/2024

**People and Place Plan**

**People and Place Budget**

Theme	Programme Name	Who delivers	Revenue Budget	Capital Budget	Total Budget	LA Rev Awards	LA Cap Awards	SEStran Rev Awards	SEStran Cap Awards	Third Party Rev Awards	Third Party Cap Awards	Total Rev Award	Total Cap Awards	Total Award	Rev Variance	Cap Variance	Total Variance
Schools and Young People	Active Ways to School	Third party	£490,450	£405,849	£896,299	£0	£0			£490,450	£405,849	£490,450	£405,849	£896,299	£0	£0	£0
Schools and Young People	Encouraging Active Travel: Young People	Local Authorities	£248,500	£231,650	£480,150	£226,500	£220,650			£0	£0	£226,500	£220,650	£447,150	£-22,000	£-11,000	£-33,000
Schools and Young People	Access to Bikes: Young People	Local Authorities & Third Parties	£0	£608,795	£608,795	£0	£150,000			£0	£458,795	£0	£608,795	£608,795	£0	£0	£0
Workplaces	Active Ways to Work: Large Employers	Third party	£25,000	£80,000	£105,000	£0	£0			£25,000	£80,000	£25,000	£80,000	£105,000	£0	£0	£0
Workplaces	Active Ways to Work: Other Employers	Local Authorities	£46,524	£135,000	£181,524	£17,000	£105,000	£20,524	£25,000	£0	£0	£37,524	£130,000	£167,524	£-9,000	£-5,000	£-14,000
Accessibility and Inclusion	Street Audits and Enabling Facilities	Local Authorities	£0	£500,000	£500,000	£0	£491,000			£0	£0	£0	£491,000	£491,000	£0	£-9,000	£-9,000
Accessibility and Inclusion	Active Travel Hubs	Third party	£0	£150,000	£150,000	£0	£0			£0	£150,000	£0	£150,000	£150,000	£0	£0	£0
Accessibility and Inclusion	Existing Active Travel Hubs Communities support	Third party	£100,792	£334,390	£435,182	£0	£0			£104,768	£334,390	£104,768	£334,390	£439,158	£3,976	£0	£3,976
Accessibility and Inclusion	Encouraging Active Travel: Communities	Local Authorities	£566,600	£485,500	£1,052,100	£597,600	£510,500			£0	£0	£597,600	£510,500	£1,108,100	£31,000	£25,000	£56,000
Accessibility and Inclusion	Access to Bikes	Local Authorities & Third Parties	£0	£431,016	£431,016	£0	£195,000			£0	£236,016	£0	£431,016	£431,016	£0	£0	£0
Accessibility and Inclusion	Regional AT Comms Campaign	SEStran	£50,000	£0	£50,000	£0	£0	£50,000	£0	£0	£0	£50,000	£0	£50,000	£0	£0	£0
Capacity and Capability Building	Behaviour Change Project Officers	Third party	£129,506	£0	£129,506	£0	£0			£129,506	£0	£129,506	£0	£129,506	£0	£0	£0
Capacity and Capability Building	Programme Management for 2024/25	SEStran	£100,000	£0	£100,000	£0	£0	£100,000	£0	£0	£0	£100,000	£0	£100,000	£0	£0	£0
Capacity and Capability Building	Programme Preparation for 2025/26 onwards	SEStran	£80,000	£0	£80,000	£0	£0	£80,000	£0	£0	£0	£80,000	£0	£80,000	£0	£0	£0
Capacity and Capability Building	Capability and capacity building development	SEStran	£15,000	£0	£15,000	£0	£0	£15,000	£0	£0	£0	£15,000	£0	£15,000	£0	£0	£0
Capacity and Capability Building	Programme level Monitoring & evaluation	SEStran	£40,000	£50,000	£90,000	£0	£0	£40,000	£50,000	£0	£0	£40,000	£50,000	£90,000	£0	£0	£0
Capacity and Capability Building	Contingency	n/a	£21,582	£0	£21,582	£0	£0	£17,606	£0	£0	£0	£17,606	£0	£17,606	£-3,976	£0	£-3,976
			<b>£1,913,954</b>	<b>£3,412,200</b>	<b>£5,326,154</b>	<b>£841,100</b>	<b>£1,672,150</b>	<b>£323,130</b>	<b>£75,000</b>	<b>£749,724</b>	<b>£1,665,050</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>

Schools and Young People	£738,950	£1,246,294	£1,985,244	£226,500	£370,650	£0	£0	£490,450	£864,644	£716,950	£1,235,294	£1,952,244	£-22,000	£-11,000	£-33,000
Workplaces	£71,524	£215,000	£286,524	£17,000	£105,000	£20,524	£25,000	£25,000	£80,000	£62,524	£210,000	£272,524	£-9,000	£-5,000	£-14,000
Accessibility and Inclusion	£717,392	£1,900,906	£2,618,298	£597,600	£1,196,500	£50,000	£0	£104,768	£720,406	£752,368	£1,916,906	£2,669,274	£34,976	£16,000	£50,976
Capacity & Capability Building	£386,088	£50,000	£436,088	£0	£0	£252,606	£50,000	£129,506	£0	£382,112	£50,000	£432,112	£-3,976	£0	£-3,976

**People and Place Risk Register**

Risk Number	Risk Detail	Gross Probability	Gross Impact	Gross Risk Score	Planned Response/Mitigation	Net Probability	Net Impact	Net Risk Score	Actions (inc who and date due)	Completed Actions	Status	Date Raised	Last Updated	Owner
PPP12	Funding allocation is perceived to be inequitable by some partners	Possible	Moderate	Medium Risk	Careful engagement with LA partners to coordinate activities and help them understand what factors have influenced decisions Online tool being developed for transparency on where all funding is being spent and results of this	Unlikely	Moderate	Low Risk	Monitoring tool to be live by 30/06		In Progress	29/01/24	28/05/24	MM
PPP14	Reduction in revenue funding by TS could lead to an inequitable programme that favours cycling over walking and wheeling and/or lacks capacity to engage with seldom heard groups	Probable	Major	High Risk	Programme revised to retain revenue funding in key areas such as communities and walking/wheeling Jacobs commissioned to carry out EqIA of entire plan	Possible	Moderate	Medium Risk	Promote plan EqIA to projects as a resource to promote equity in project delivery		In Progress	25/03/24	28/05/24	MM
PPP18	Lack of resource to delivery projects within local authorities or third parties leads to slowed/no delivery on specific projects leading to underspend and/or failure to achieve anticipated impact	Probable	Major	High Risk	Grant monitoring process of reporting on anticipated spend in place and regular meetings with partners to understand any resource issues early. Identify projects more likely to Keep reserve list of projects that can be funded if	Possible	Moderate	Medium Risk	Develop reserve list of projects by 30/06		In Progress	12/04/24	28/05/24	MM
PPP19	Lack of resource within SEStran to delivery on grant management, 25/26 plan development, comms, M&E, and capability building work. This could variously lead to ineffective grant management and/or a failure to deliver on elements of the plan	Possible	Major	Medium Risk	Budget set aside in Plan for staff resource based on estimate of time required 2 new Projects Officers in place. Regular PPP updates to wider team. Distribute LA and third parties between the team	Unlikely	Moderate	Low Risk	As per planned mitigations (28/05)		In Progress	12/04/24	28/05/24	MM
PPP20	Need to claim grant funds from TS after partners have submitted a claim to SEStran either leads to delay in payments to partners or negative cashflow for SEStran and subsequent charges	Highly Probable	Moderate	High Risk	Gain claim profile info from each partner on a monthly basis to understand cashflow requirements. Work with TS to find solution for advance payments based on this claim profile Discuss with TS options for payment up front on this claim profile	Possible	Moderate	Medium Risk	Compile initial claim profile from partners and share with TS - by 07/06	Develop financial reporting sheet and share with partners at inception meetings	In Progress	12/04/24	28/05/24	MM
PPP21	Potential for overlap of projects being funded via the CPTF could dilute impact or result in confusion over funding	Possible	Moderate	Medium Risk	Regular contact with CPTF team to understand what is being funded by them in the SEStran region. Seek to show these projects on regional project map for full transparency	Unlikely	Minor	Low Risk	As per planned mitigations (28/05)		New	28/05/24	28/05/24	MM
PPP22	Lack of Local Authority capacity to engage in 25-30 PPP Development workshops leads to lack of input/buy-in/support for the final regional plan	Possible	Moderate	Medium Risk	Engage early with LA contacts Offer options of workshops and 1-1 meetings as appropriate	Unlikely	Moderate	Low Risk	Send out Sept workshop date by 31/05 Raise in inception meeting with consultant - by 7/6		New	28/05/24	28/05/24	BHJ
PPP23	Change in funding priorities/ political agenda impacts the programme development work, potentially resulting in work needing to be redone or no longer needed	Probable	Major	High Risk	Development of 5 year plan to be flexible to changing priorities and ensure consultant is aware of this need for flexibility Develop plan to allow for inclusion of public transport and integrated mode projects	Probable	Moderate	Medium Risk	Raise in inception meeting with consultant - by 7/6		New	28/05/24	28/05/24	BHJ
PPP25	Inability to evidence impact of projects on modal shift results in reduced/no funding from TS in future years	Probable	Major	High Risk	Develop open portal for full transparency on projects funded and their monitoring results. Ongoing engagement with TS Gather case study evidence to supplement quantitative reporting, esp when this may not be available until March 25 or into 25/26	Possible	Moderate	Medium Risk	Monitoring tool to be live by 30/06	Share monitoring framework with each partner and discuss in inception meetings	New	28/05/24	28/05/24	MM

PPP Area	<b>Local Authority Projects</b>				
Last Updated	28/05/2024				
<b>Project Summary</b>					
This area of the PPP covers all grants to Local Authorities. Projects cut across all of the main themes of the Plan as set out by Transport Scotland.					
<b>Q1 Progress</b>					
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.					
<b>Q2 Progress</b>					
<b>Q3 Progress</b>					
<b>Q4 Progress</b>					
<b>Finance Status:</b>	<b>On Budget</b>				
<b>Programme Status:</b>	<b>On Target</b>				
<b>Milestones</b>					
Name	Due Date	Revised Date	Completed Date	Status	Last Updated
Project award	01/04/2024	30/04/2024	30/04/2024	Complete	28/05/2024
Inception Meetings	31/05/2024		24/05/2024	Complete	28/05/2024
Q1 Reporting & Claims	05/07/2024			On Track	28/05/2024
Q2 Reporting & Claims	07/10/2024			On Track	28/05/2024
Q3 Reporting & Claims	10/01/2025			On Track	28/05/2024
Q4 Reporting & Claims	08/04/2025			On Track	28/05/2024

PPP Area	<b>Local Authority Projects</b>				
Last Updated	28/05/2024				
<b>Project Summary</b>					
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					
<b>Q1 Progress</b>					
Awards were made later than expected due to delay in received funding from TS, but all awards are now finalised and funding agreements have been issued. Inception meets have also been held with each organisation to discuss reporting requirements. Once project has had its grant award increased by £3976 due to a complexity around VAT - this has been covered by the overall plan contingency.					
<b>Q2 Progress</b>					
<b>Q3 Progress</b>					
<b>Q4 Progress</b>					
<b>Finance Status:</b>	<b>On Budget</b>				
<b>Programme Status:</b>	<b>On Target</b>				
<b>Milestones</b>					
Name	Due Date	Revised Date	Completed Date	Status	Last Updated
Project award	01/04/2024	30/04/2024	30/04/2024	Complete	28/05/2024
Inception Meetings	31/05/2024		24/05/2024	Complete	28/05/2024
Q1 Reporting & Claims	05/07/2024			On Track	28/05/2024
Q2 Reporting & Claims	07/10/2024			On Track	28/05/2024
Q3 Reporting & Claims	10/01/2025			On Track	28/05/2024
Q4 Reporting & Claims	08/04/2025			On Track	28/05/2024

PPP Area	<b>Local Authority Projects</b>				
Last Updated	28/05/2024				
<b>Project Summary</b>					
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.					
<b>Q1 Progress</b>					
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.					
<b>Q2 Progress</b>					
<b>Q3 Progress</b>					
<b>Q4 Progress</b>					
<b>Finance Status:</b>	<b>On Budget</b>				
<b>Programme Status:</b>	<b>On Target</b>				
<b>Milestones</b>					
Name	Due Date	Revised Date	Completed Date	Status	Last Updated
Award monitoring tender	26/04/2024		26/04/2024	Complete	28/05/2024
Award plan dev tender	31/05/2024	45450		Delayed	28/05/2024
Q1 report to TS	12/07/2024			On Track	
Q2 Knowledge Sharing E	29/08/2024			On Track	28/05/2024
Q2 Report to TS	14/10/2024			On Track	28/05/2024
25/26 Plan approved by	06/12/2024			On Track	28/05/2024
Q3 Report to TS	17/01/2025			On Track	28/05/2024
Q4 Report to TS	15/04/2025			On Track	28/05/2024
24/25 evaluation report to TS	30/06/2025			On Track	28/05/2024