

SESTRANISIT

1. INTRODUCTION

- 1.1 SEStran is working with partner authorities, the Edinburgh and South East Scotland City Region team, Transport Scotland and Network Rail to develop a Programme Strategic Business Case (SBC) for an integrated regional transport network, which has the working title of SEStran.
- 1.2 The SBC will take forward elements of the Regional Transport Strategy Delivery Plan (RTSDP) and recommendations from Transport Scotland's 2nd Strategic Transport Projects Review, principally Recommendation 12, for the South East of Scotland Mass Transit System.
- 1.3 The purpose of this paper is to summarise the key findings from the work completed to date, which is referred to as Stage One of the SBC, and outline plans for completion of the SBC.

2. PROJECT UPDATE (update to end of April)

- 2.1 Stage One will see the completion of the following foundational elements of the core programme-wide business case:
 - **Strategic Context** – setting out the socio-economic context, establishing patterns of demand, focusing on identifying cross-boundary connectivity gaps across the South East of Scotland.
 - **Case for Investment** – Including connectivity analysis and identification of key problems and opportunities.
 - Identification of **Transport Planning Objectives** (TPOs)
 - Agreement on a shared **Vision and Governance** among the SEStran partners.

- 2.2 The summary of findings from Stage One are:

Commuting Patterns:

- ~75% of public transport commuting in the region involves an origin or destination in Edinburgh (of which, around 30% are from other 7 SEStran LAs)
- Public transport commuting in the SEStran area is underrepresented between the SEStran 7
- Of inter SEStran 7 commuting, 94% is by car, 4% by PT

Growth:

- Population projections suggest that the SEStran region is expected to increase by 10% by 2047 (distribution of this varies widely across the region)

- Skills profile required to feed projected GVA growth within the region of 1.5% per annum (2027-2034)

Enhancing Connectivity:

- Some of the areas poorest served by public transport are also where the job growth is expected to arise (SBC, Forth Valley, West Lothian, Fife)
- Anything with a Public Transport:Car travel time ratio of 1-1.5 has a mode share of between 20-50%
- Beyond 1.5-2.0 the mode share drops sharply!

2.3 Agreement of Transport Planning Objectives (TPOs) is a key output from this stage and will enable any future work to identify the infrastructure options which respond directly to the problems evidenced.

2.4 It is anticipated that the Case for Investment report, which will conclude the Stage One work, was circulated to the Steering Group for comment in mid-May and will be presented to the Programme Board following review by SEStran partner authorities.

3. COMPLETION OF THE PROGRAMME SBC

3.1 Based on the evidence presented in the Case for Investment, the completed SBC must:

- Ensure ongoing buy-in from SEStran partners by demonstrating regional benefits and aligning with the system that supports current and future regional ambitions.
- Align with partner Local Authority reporting and decision-making requirements in a programmatic approach.
- Use **appropriate transport models** to identify changing transport needs and identify the distribution of social benefits to demonstrate equitable economic growth.
- Comply with **HM Treasury Green Book** and **Business Case Guidance** across the remaining three cases (Commercial, Financial, Management).

3.2 Network option short-listing will seek to identify, through a process of preliminary appraisal, the suite of options which address these problems, drawing from a comprehensive regional long-list, aligned with the RTSDP and including, but not limited to:

- Tram extensions (North–South, East, BioQuarter/Dalkeith corridors).
- Bus Rapid Transit (BRT) corridors aligned to congested radial/orbital routes.
- Rail enhancements.
- Mobility hubs & integrated ticketing concepts (aligned with RTS).
- First/last-mile connections.
- Phasing options (Quick wins, medium-term, long-term).

3.3 A Network Development Options Report will be produced detailing how connectivity challenges and emerging patterns of demand identified in the Case for Investment are met by a suitable suite of short-listed options. From the emerging Case for Investment, it is likely that these Network options will fall into distinct transport 'niches', likely involving:

- Connectivity between SEStran partner authorities (excluding Edinburgh).
- Connectivity within the Edinburgh 'metro' area, representing the near continuous present and planned urban extent in Edinburgh and the Lothians (say 15km).
- Regional connectivity to the Edinburgh 'metro area'.

These key SEStran transit functions would integrate with connections to neighbouring authorities and to key national and international arrival/departure points.

3.4 The completion of the network development and preliminary appraisal is a crucial gateway point. At the conclusion of this stage a reasonable and potentially deliverable set of options will be identified and mapped, with a notionally complete network. The following, detailed appraisal and modelling stage will quantify benefits and refine options, based on strategic transportation modelling.

3.5 A key interdependency of the detailed appraisal is the availability of a suitable transport model, with which to test options. The models can be used to represent tram/BRT priority, interchanges, service patterns and integrated ticketing. As such an early task will be to establish the appraisal methodology, key indicators and model assumptions, including:

- Develop and agree assumptions including appraisal period, discounting and optimism bias.
- Agree the Reference Case and define the number of scenarios to be tested.
- Agree the number and detail of network options to be appraised.
- Define a set of sensitivity tests based around risk and uncertainty.

At this stage several options are available, but the most suitable model has not been determined.

3.6 A Stakeholder Engagement Plan, in collaboration with SEStran and regional partners, will be produced outlining the key elements of the Programme SBC that we will be engaging on. The purpose of this task is therefore to:

- Raise awareness among the general public and harness support for the proposed scheme.
- Gauge buy in from a range of key stakeholders.
- Feed into the overall assessment of public acceptability within the strategic business case.

- 3.7 The programme-wide SBC must demonstrate that all statutory considerations have been met and that opportunities for SEStran to enhance the environment and progress equality aspirations are fully explored.
- 3.8 Finally, Commercial, Financial and Management cases would be produced outlining high-level cost estimate ranges for both capital (CAPEX) and operational (OPEX) elements of the programme, applying optimism bias, risk and uncertainty ranges to those estimations.

4 FUNDING PROPOSALS

- 4.1 We are currently determining the costs to complete the SBC, which has a target completion date of late Spring 2027. The initial estimate is £500,000 which would cover the tasks outlined in the previous section.
- 4.2 Transport Scotland has indicated that it is supportive of SEStran and is confident of providing additional funding towards the completion of the SBC. This is likely to come via the Bus Infrastructure Fund 2026/27. However, it is unlikely that funding from Transport Scotland will cover the remaining costs in their entirety.
- 4.3 Through the Local Growth Fund, the RTSDP has been allocated capital funding in principle over the next three years. This funding has yet to be confirmed.
- 4.4 Subject to the level of funding received from Transport Scotland and the Local Growth Fund, all local authorities will be required to contribute a portion of the balance. The total amount required and the basis of apportionment across partners have both still to be agreed (e.g. population, area etc). It is possible that these contributions may be 'in kind', but this has yet to be agreed.

5 FUTURE GOVERNANCE STRUCTURE

- 5.1 As we move into the second phase of the SBC, SEStran will take on a greater project management role. The Consultants will be managed by SEStran and, to supplement the weekly Working Group meetings, formal monthly progress meetings will be established to cover programme, budgets and the risk strategy

- 5.2 A Programme Board has been formed, consisting of senior officials (e.g. Head of Service) from the local authority partners, and Transport Scotland. The main remit of the Board is to:
- Approve the output from Stage One of the SEStran Programme Level Strategic Business Case (SBC) to be completed by the end of June 2026.
 - Approve the scope for completing the Programme Level SBC.
 - Confirm the ongoing support of their respective organisation as the programme develops, by ensuring senior officer representation and elected members' buy in.
 - Make applications (or joint applications where appropriate) for external funding to assist the project, with SEStran taking the co-ordination lead.
 - Approve the Programme Level SBC.
- 5.3 The first Programme Board meeting was held on 29th April, and all partners confirmed their support for SEStran. It was also agreed to invite representatives from Scotland's Railways and ESES CRD to join the Board in an advisory capacity, subject to agreement from Clackmannanshire and Falkirk Councils, which were not represented at the meeting.
- 5.4 In addition to the Programme Board, it is proposed that the Steering Group Meetings continue and the Management Team continues to provide regular updates to CRD Directors, the CRD Transport Appraisal Board and the SEStran Partnership Board.

6 RECOMMENDATIONS

- 6.1 It is recommended that the Partnership Board notes progress of the SEStran Programme, and that partner local authorities will be required to make a financial contribution to ensure that the Programme continues to the end of the current financial year.

Stuart Turnbull
Consultant
12 June 2026

Appendix: 3_1 Progress Update

Policy Implications	The implementation of the SEStran RTSDP project, as described in the Project Initiation Document, may influence future policy, especially concerning regional transport governance, prioritisation of mass transit, and the integration of new corridors and strategic sites. As the business case for STPR2 recommendation 12 develops, further policy considerations regarding cross-boundary travel and network integration may emerge
Financial Implications	A grant of £250,000 from the Bus Infrastructure Fund has been secured to support the review and development of the Strategic Business Case, which must be utilised by March 2026. Additional financial requirements will depend on the outcomes of technical work and subsequent programme development as outlined in the Project Initiation Document
Equalities Implications	The project will undergo assessment against equality criteria throughout the appraisal and business case process. The Project Initiation Document methodology ensures that inclusivity and access for all users are considered and that any equality impacts are identified and addressed as the project advances
Climate Change Implications	Climate change impacts will be evaluated as part of the project's appraisal process, in line with the Project Initiation Document. This includes assessing how the proposed mass transit system and related interventions will contribute to climate targets, such as reducing carbon emissions and enhancing sustainability across the region

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2.3 Agreement of Transport Planning Objectives (TPOs) is a key output from this stage and will enable any future work to identify the infrastructure options which respond directly to the problems evidenced. The draft TPOs are as follows:

Ref.	SEStran Objective
TPO1	Provide a step-change in the quality of public transport, so that it positively influences development patterns in the region and drives the long-term spatial strategy
TPO2	Address inequality of opportunity across the region by enabling access to a range of employment education and training opportunities
TPO3	Provide emerging economic growth areas with access to a supply of appropriately skilled labour.
TPO4	Improve cross-boundary public transport connectivity between larger settlements within and beyond our region.
TPO5	Reduce journey times, improve journey time reliability and increase capacity for travel by public transport to, and on, key radial corridors within Edinburgh and the functional urban area ¹
TPO6	Improve the competitiveness of public transport for orbital movements around Edinburgh and the functional urban area.

2.4 STAG is not prescriptive on the need for, or formulation of, a vision. However, there are eight local authority partners within the SEStran region and, as such, the vision stands as a unifying element across a diverse range of transport needs and local priorities. The draft vision for SEStran has been arrived at following stakeholder discussions thought the development of the scope of this study. The draft Vision for SEStran is:

“South East Scotland’s vision is an integrated, accessible and affordable transformative public transport system that delivers both seamless connectivity and supports inclusive economic growth across the South East Scotland.”

2.4 It is anticipated that the Case for Investment report, which will conclude the Stage One work, will be circulated to the Steering Group for comment by mid-June and presented to the Programme Board following review by SEStran partner authorities.

3. NEXT STEPS - AGENDA ITEM 4

3.1 A draft programme for completing the SBC is currently being developed and an update will be presented at the Board Meeting on 11 June. In summary, the key milestones (subject to necessary approval of funding) are outlined below:

- **September 2026** – Initial engagement with Key Stakeholders
- **October to November 2026** – Network Development Workshops with all SEStran Local Authorities
- **November 2026** – SEA Scoping Report and Integrated Impact Assessment Scoping (EqIA, CRWA, FSDA) Report
- **January 2027** – Draft SEStran Network Options Map
- **February – June 2027** – Modelling and Detailed Appraisal of SEStran Options
- **June 2027** – Commercial, Financial and Management Cases
- **April – June 2027** – High-level Stakeholder Engagement on SEStran Programme of interventions
- **June – September 2027** – Circulation and Approval of Programme-Wide Strategic Business Case
- **Autumn 2027** – Finalisation of Programme-Wide Strategic Business Case for SEStran

3.2 One of the outstanding tasks in finalising the programme is the need to integrate the three core components of: technical work, stakeholder engagement and the governance/approval process.

3.3 The purpose of the stakeholder engagement plan is to provide a clear, proportionate and auditable approach to engagement for SEStran as the Strategic Business Case develops. Engagement should help ensure that the programme is shaped by evidence, local knowledge and operational insight rather than being presented as a fixed proposal at too late a stage. It should therefore:

- Provide stakeholders with a clear understanding of the programme scope, the transport problems being addressed and the role of the Strategic Business Case.
- Build trust and alignment between regional partners, local authorities, transport agencies and delivery stakeholders.
- Gather structured evidence on needs, opportunities, constraints, dependencies and likely impacts.
- Support STAG and business case development by capturing stakeholder perspectives on strategic fit, feasibility, accessibility and place-based outcomes.
- Meet consultation and public sector good practice requirements, including transparency, accessibility and equalities considerations.

- Reduce delivery and reputational risk by identifying issues early and maintaining a clear record of engagement, responses and commitments.

3.4 A simple matrix will be developed following the RACI principles, to define who is responsible, accountable, consulted and informed for each major engagement activity. The stakeholder map includes the following core groups:

- National and regional public bodies: SEStran, Transport Scotland, Network Rail, regional transport partnerships where cross-boundary interfaces are relevant (eg Tactran), and other statutory agencies with an interest in transport, climate, planning or equality outcomes.
- Constituent local authorities: City of Edinburgh, Clackmannanshire, East Lothian, Falkirk, Fife, Midlothian, Scottish Borders and West Lothian, including transport, planning, economic development and communications functions.
- Transport operators and infrastructure providers: bus operators, rail operators, asset owners, and other providers with operational or commercial interests in the network.
- Communities and representative groups (if considered appropriate) - community councils, resident associations, passenger groups, accessibility forums, equality organisations, youth representatives and rural interest groups.
- Selected Business, education and anchor institutions: employers, business organisations, colleges, universities, healthcare bodies and major trip generators whose travel patterns and investment plans shape demand.
- Political and civic stakeholders: elected members, board members, MPs, MSPs and other civic leaders with an interest in regional transport outcomes and public accountability.

3.5 On the last bullet point above, our intention is to offer 1-2-1 sessions with each of the respective Transport Convenors, and we would welcome support from the Programme Board in setting these sessions up, and maximising subsequent attendance.

3.6 Aligned to the stakeholder plan we will develop a timeline to incorporate the necessary approval processes for each of the local authority partners at key decision points. These are likely to be around:

- Confirmation of funding requirements.
- Approval of Interim Report (Autumn 2026)
- Approval of SBC (Spring 2027)