

Proposed SEStran position on governance and regionalisation discussions

1. INTRODUCTION

- 1.1 This report seeks an agreed position on the role that SEStran should play to enable and drive delivery of the region's ambitious economic growth targets, and explores how existing legislation can help us to do this at pace, putting transport in the vanguard of public service reform.
- 1.2 Agreement to the recommendations in this report will allow officers to take that position into discussions with the Scottish Government, regional economic partnerships and growth deals, local authorities, and others, reporting back to the Board on a regular basis.

2. BACKGROUND

- 2.1 Transport governance in Scotland i.e. the split of responsibilities between national, regional and local levels, has remained roughly constant since the mid-2000s, following the establishment of Regional Transport Partnerships as statutory bodies under the Transport (Scotland) Act 2005 and the creation of Transport Scotland (TS) as an Executive Agency of the Scottish Government (SG).
- 2.2 There are now several workstreams which are either designed to review this governance, or may impact it as part of a wider initiative:
- **The reintegration of Transport Scotland into the wider Scottish Government** as part of its Public Service Reform (PSR) commitment to eliminate duplication and improve coherence.
 - **The Transport Scotland review of transport governance:** the scope has not yet been announced but this is expected to ensure that transport roles and responsibilities are undertaken according to the principle of subsidiarity. The impact of the TS reintegration into SG on the timing of this review is not yet known.
 - **The Transport Scotland review of Regional Transport Partnerships' funding:** the scope has not yet been announced, but is expected to ensure that the smaller RTPs receive a proportion of Scottish Government funding that recognises that, despite having much smaller populations than the largest RTPs (SPT and SEStran), they have to deal with the same range of transportation challenges and opportunities.
 - **Empowering regional partnerships:** In November 2025, the First Minister outlined proposed legislation aimed at 'empowering regional partnerships to unlock new powers and deliver on local priorities'. The proposed legislation is set to be introduced during

the current parliament and will aim to enhance the strategic capacities and roles of regional partnerships, such as the Edinburgh and South East Scotland City Region, by providing additional devolved competencies over time. The FM specifically mentioned competencies including skills, economic development, and planning, which are essential for driving inclusive economic growth in a way that is both local and strategic. However, transport is a key enabler of economic growth, and there is widespread agreement that it should be included in the conversation.

- **Public service reform:** The Scottish Government has committed to build on the Christie approach to Public Service Reform, around which there is broad consensus. As part of the wider public service reform agenda, SEStran is likely to be expected to strengthen collaboration across geographies and sectors, reduce unnecessary duplication, identify synergies and efficiencies, and support continuous improvement

2.3 The Partnership Board has received a number of updates on the progress of the various discussions outlined in 2.2 over the past 12 months.

2.4 At its meeting on 26 March this year, the Board considered [a report](#) on work that had been undertaken on potential regional governance models and functions, since the previous Board meeting in December 2025..

Noting the report, the Board agreed as follows:

- That the Partnership Director be authorised to engage to the fullest extent possible with the Transport Scotland review of governance.
- That the Partnership Director be authorised to engage to the fullest extent possible with the four growth deals in the SEStran region to pursue alignment on regional governance models for transport and associated functions.
- To note the ongoing inter-regional transport partnership discussions via regional transport partnership leads and chairs forums.
- To note that a future paper on the corporate strategy will introduce proposals for SEStran's position in the governance framework.

2.5 At the Board meeting on 19 June 2026, the Partnership Director, in his update, stressed that there was now a need for urgent decisions, as discussions were likely to gather pace over the summer. In particular, the appointment of consultants by Edinburgh and South East Scotland City Region Deal ('the City Deal') to report on regional governance model options in July 2026, and recent Ministerial announcements on advancing regionalism and re-integrating Transport Scotland into the Scottish Government, present an opportunity for SEStran to have a clear position to aid national and regional discussions.

2.6 In summary, the SG commitment to empower regional partnerships, especially when combined with the governance and PSR reviews, presents a generational opportunity to recognise the importance of transport, in

combination with economic development and land use planning, to driving the economic growth required to deliver the whole range of SG objectives.

3. CURRENT POSITION AND THE NEED FOR SPEED

3.1 The overall context of regionalisation was set out in the March Board report. However, in brief:

- There is a growing shift in policy across sectors at Scottish and UK Government level towards devolution of powers to regional bodies, particularly in the so-called 'city regions' of northern England and southern Scotland.
- In south east Scotland, the main discussions revolve around the Edinburgh and Southeast Scotland City Region, although it should be borne in mind parts of the SEStran region also fall within Growth Deals in the Borders, Falkirk, and Tayside.
- Inevitably a large part of the debate has revolved around relationships between existing bodies, both at different levels (local, regional and national) and across sectors.
- The current Holyrood administration has indicated a willingness to introduce enabling legislation to allow regional partnerships to be formed. There is little detail available yet on what the legislation would look like, and, although it is projected for this parliamentary term, it is unlikely to be brought into force for some time.
- The Scottish Government's public service reform agenda includes a focus on reducing duplication and rationalising public bodies. Public reporting has suggested that the status of Transport Scotland as an executive agency may be reviewed, but the legal and operational implications for RTPs remain to be confirmed.
- In the transport context, there is a history, going back at least 11 years, of support for the concept of more delivery at a regional level, with various working groups having recommended this be taken forward.

3.2 There is a commitment from the Scottish Government to enabling legislation for regional partnerships. However, the exact shape of such legislation is unlikely to be clear for some time.

3.3 The consultants appointed by the City Deal to investigate the possibilities, Metro Dynamics, held a 'Strengthening Regional Partnerships – Place' workshop session on 18 June, which Sustran officers attended. A further meeting, specifically with SEStran officers, took place on 23 June.

3.4 At both meetings, SEStran's position in terms of the March Board report was put forward. However, officers felt that, to put forward a comprehensive proposition for how regional transport could be planned and delivered in South East Scotland in the future, further Board input was essential.

3.5 With that in mind, it is proposed that this time sensitive priority is taken forward in advance of the overall corporate strategy.

4. SESTRAN'S OPERATING MODEL, AND GREATER FLEXIBILITY

4.1 The March Board report discussed the different 'models' of regional transport partnerships:

- SEStran is a 'model 1' partnership. This means its main function is to set in place a regional transport strategy and monitor its implementation. In reality SEStran has always done much more than its core function, as discussed in 4.2.
 - Four of the seven RTPs in Scotland are Model 1 partnerships: SEStran, HITRANS, Nestrans and Tactran;
- 'Model 2' was described in the 2006 Guidance which put forward these models as including 'some transfers of functions from the constituent councils or the Scottish Ministers to RTPs'.
 - There has never been a model 2 partnership.
- 'Model 3' is a much more operational model: SPT in the west of Scotland, which operates the Glasgow Subway and co-ordinates bus services across southwest Scotland, is the prime example of a model 3 partnership. Two smaller RTPs, whose boundaries are contiguous with single councils, are also model 3 authorities, namely ZetTrans and SWestrans.
 - SPT, SWestrans and ZetTrans are model 3 partnerships

4.2 As discussed in the March report, these models are derived from 2006 Guidance which, in itself, reached back to a pre-2005 Act reality where SPT operated as a Passenger Transport Executive and SEStran operated as a voluntary partnership which gave grants to its constituent councils for transport projects of regional significance – the 'model' for model 1 partnerships.

4.3 SEStran's recent and current priority programmes demonstrate how the partnership has developed, supported and delivered regional programmes beyond its core strategic transport role (within the scope of its statutory functions and agreed partnership arrangements) to optimise input, opportunities and regional outcomes across transport, economic development and land use planning.

4.4 Since 2023, SEStran has, amongst other things:

- Developed the Regional Transport Strategy
- Co-ordinated the collaborative procurement of electric vehicle charging infrastructure by all regional partners
- Worked with partners to prioritise 'regional' transport projects and sort them into 6 key themes – mass transit, active travel, freight, interchanges and mobility hubs, data and digital (including co-delivery of the Workforce Mobility Project with the City Region), and decarbonisation

- Established, and is leading, programmes to tackle the highest priority regional transport themes:
 - SEStran (regional mass transit network)
 - Regional Bus Strategy Delivery Plan
 - People and Place (active travel behaviour change)
 - Travel to Healthcare
 - Travel to Employment (tackling transport barriers to eliminating child poverty)
 - Regional Transport Strategy Delivery Plan (mainly incorporating other RTSDP themes not included in the above list of programmes e.g. freight)

4.5 RTPs are already in place and existing powers mean that they can react much more quickly to the current challenges facing regional partnerships, using current legislation. More than that, given the crucial role of transport in delivering infrastructure for other sectoral growth, SEStran can be at the forefront of public service reform, using existing partnership working. Recent examples of RTPs flexibility and ability to react at pace are the People and Place and Transport to Employment programmes, both of which were mobilised from a standing start within a matter of weeks.

4.6 One complication in the SEStran context is that regional boundaries are not aligned. SEStran is composed of 8 local authorities. SESplan, the former regional land use planning body set up in 2006, covered most of 6 authorities but excluded Clackmannanshire and Falkirk, as well as North East Fife. The Edinburgh and South East Scotland City Region Deal follows the same boundaries as SESplan, and it is likely that SESplan's replacement, a Regional Spatial Strategy, will also be limited to the 6 council areas. This does not necessarily mean that SEStran should follow the same boundaries, particularly given:

- The fact that the Forth Green Freeport covers Falkirk, Fife and Edinburgh
- The Scottish Government's policy towards greater partnership between Glasgow and Edinburgh. In that context, Falkirk and Clackmannanshire – which form part of SEStran's boundary with SPT – will be critical for joint projects.

5.0 **2027/8: A VISION FOR AN ENHANCED REGIONAL TRANSPORT PARTNERSHIP**

5.1 An enhanced role for SEStran could start to develop as early as the current financial year. In order to properly drive economic growth, SEStran should be:

- May seek to become the regional coordinating and delivery body for regionally significant roads-related transport functions
- Responsible for the analysis, prioritisation and funding of all regional transport schemes (e.g. projects arising from the SEStran programme)

- Responsible for the co-ordination of all cross-boundary transport schemes (e.g. public transport, roadworks)
- Responsible for managing implementation of cross-boundary or national strategies (e.g. car use reduction)

5.2 Section 14 of the Transport (Scotland) Act 2005 provides a mechanism for SEStran to enter into arrangements with the Scottish Ministers or relevant councils for it to perform specified transport functions. Any such arrangement should clearly define the functions to be performed, the parties' respective responsibilities, decision-making authority, funding, reporting, governance and liability arrangements.

5.3 To a large extent this could involve Scottish Ministers acting through Transport Scotland entering into arrangements with SEStran for the performance of specified transport functions, together with appropriate funding and governance arrangements. This can also be done where appropriate by local councils. Key to the success of this would be the funding made available: multi-year funding announced before the beginning of each financial year.

6. PROPOSALS IN SUMMARY

6.1 The Scottish Government's emerging public service reform programme recognises that many public policy challenges cannot be addressed effectively through traditional organisational silos. Transport illustrates this clearly. Transport influences access to employment, healthcare, education, housing, leisure and community life. Transport does not exist on its own.

6.2 At the same time, many transport challenges are neither purely local nor purely national in nature. Travel-to-work areas, healthcare catchments, regional economies, visitor destinations and freight corridors routinely cross local authority boundaries. Effective solutions often require planning and delivery at a scale that sits between national policy and local implementation.

6.3 RTPs already work very well together at a national level, and have been encouraging TS to undertake a short, focused review of what transport functions can and should be delivered at national, regional and local levels, using the principle of subsidiarity. This would simultaneously unblock many of the current barriers to on the ground delivery and allow RTPs to ensure that transport investments are prioritised according to regional need.

- 6.4 SEStran is well placed to deliver regional transport projects. It is a separate statutory body, distinct from its constituent councils and from regional growth deal structures, while retaining a governance model rooted in local authority membership and regional partnership working. Through a set of straightforward agreements, the Regional Transport Strategy and its agreed Delivery Plan can be made reality. A significant degree of enhanced regional delivery may be capable of being progressed under existing statutory powers and properly documented agreements. However, any proposal to confer new statutory responsibilities, alter existing statutory functions, would require further analysis when the proposals are made.
- 6.5 SEStran has always worked closely with partners to align regional transport with economic development and spatial planning and see the REP as the next opportunity to build on this collective ambition and deliver the positive outcomes. However, don't have to wait for other sectors to catch up. Agreements could be in place in months.

7. RECOMMENDATIONS

- 7.1 Agree the overall approach set out in the report
- 7.2 Delegate to the Partnership Director authority to discuss matters with external partners on the basis set out in this report

Brian Butler
Partnership Director
10th July 2026

Background Papers: The following background papers relied on in the writing of this report:

[Report to 26th March Board A4](#): Regional Governance Update

Policy Implications	Supports delivery of the Regional Transport Strategy
Financial Implications	None at present, although any changes to SEStran's role would require funding to be reviewed and agreed.
Equalities Implications	None related directly to this report.
Climate Change Implications	None related directly to this report.

