PERFORMANCE & AUDIT COMMITTEE

Dean of Guild Courtroom, City Chambers, Edinburgh, EH1 1YJ
Or Microsoft Teams
Friday 20th November 2026 – 1:00pm

AGENDA

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1.	**ORDER OF BUSINESS**	
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3.	**DECLARATIONS OF INTEREST**	
4.	**MINUTES**	
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5.	**FINANCE REPORTS -** Reports by Richard Lloyd-Bithell	
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8.	**DATE OF NEXT MEETING**	
	The proposed date of the next meeting is TBC	

20th November 2026

Secretary to SEStran
Head of Democracy and Governance,
Chief Executive's Office,
The City of Edinburgh Council
Waverley Court 2.1
Edinburgh
EH8 8BG

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ITEM 4(a)

PERFORMANCE AND AUDIT COMMITTEE

Dean of Guild Court Room, City Chambers, Edinburgh
on Friday 11 September 2026
1.00pm

PRESENT:	Name	Organisation Title
	Councillor Russell Imrie (Chair)	Midlothian Council
	Councillor Tom Conn	West Lothian Council
	Councillor Scott Harrison	Clackmannanshire Council
	Councillor Jenny Linehan	Scottish Borders Council

IN ATTENDANCE:	Name	Organisation Title
	Brian Butler	SEStran
	Michael Melton	SEStran
	Ciarra Roddy	SEStran
	Christopher Gardner	Audit Scotland
	Calum Finlayson	Audit Scotland
	Andrew Rose (Clerk)	The City of Edinburgh Council
	Tom Stokes	The City of Edinburgh Council

1. ORDER OF BUSINESS

It was confirmed that there was no change to the order of business.

2. APOLOGIES

Apologies were submitted on behalf of Councillor Glen, Councillor McMillan, Callum Hay, Simon Hindshaw, John Scott and Sally Wyke.

3. DECLARATION OF INTERESTS

There were none.

4. MINUTES

To approve the minute of the Performance and Audit Committee of 5 June 2026.

5. EXTERNAL AUDITOR ANNUAL REPORT 2025-2026

The Committee received a report which summarised the findings of the Independent Auditor's Report for 2025/26 and the findings made in it. The Independent Auditor's Report 2025/26 was attached as Appendix 1 to the report.

Decision

That the proposed Annual Audit Report be noted.

6. FINANCE REPORTS

(a) Audited Annual Accounts 2025/26

The Committee received a report by the Treasurer which presented the Audited Annual Accounts for the year ended 31 March 2026, which was attached as an appendix to the report. The Audited Annual Accounts also contain the Annual Audit Opinion.

Decision

That the Audited Annual Accounts, and the Auditor's Opinion as detailed in the accompanying Audit Certificate, be noted.

(b) Finance Officer's Report

The Committee received a report by the Treasurer providing the first update in 2026/27 of the Partnership's Core and Projects budget, in accordance with the Financial Regulations of the Partnership. The report also presented an analysis of financial performance to the end of July 2026.

Decision

1. That the current forecast underspend on the Core revenue budget of £22,000 be noted.

2. That the latest forecasts for the budgets for the People and Place Programme, the Transport to Employment Programme and the Workforce Mobility project be noted.

3. That the re-alignment of the 2026/27 budget to reflect (a) People and Place Programme - Transport Scotland funding for 2025/26 Q4+1 grants of £416,107, and (b) Transport to Employment Programme - Transport Scotland additional 2026/27 funding of £229,728, be approved.

7. COUNCIL REQUISITIONS

The Committee considered a report by the Partnership Director outlining the portfolio of services which SEStran delivers and how it provides value to stakeholders and partner authorities.

The report commented on the pressures upon the Partnership's budget and available resources and proposed changing the funding mechanism used to determine the level of funding each partner authority would contribute from 2027/28 onwards.

Decision

1. That the proposed methodology for calculating the level of funding to be requested from council partners for the following financial year be endorsed.

2. That it be noted that the Partnership Board will be asked to approve the level of funding to be requested from each council for 2027/28 at its meeting on 25 September.

8. HR POLICIES REPORT

The Committee considered a report by the Business Manager which provided an update on the review of SEStran's employment and governance related policies and seeking approval of the revised Anti-Bribery and Corruption Policy, Anti-Fraud Policy, Public Interest Disclosure (Whistleblowing) Policy and the new Conflict of Interest Policy.

Decision

1. That the outcome of the policy review exercise be noted.

2. That the revised Anti-Bribery and Corruption Policy be approved.

3. That the revised Anti-Fraud Policy be approved.

4. That the Public Interest Disclosure Policy be approved.

5. That the Conflict of Interest Policy be approved.

6. That it be noted that staff awareness and training will be undertaken following these approvals.

9. RISK MANAGEMENT REPORT

The Committee considered a report by the Business Manager providing a quarterly update on SEStran's Corporate Risk Register.

During his presentation, the Partnership Director informed the Committee that the Risk Register was being reviewed and rebuilt.

Decided

1. That it be noted that a revised and updated Risk Register will be presented to the 20 November 2026 Committee meeting.

2. That it be noted that the Corporate Risk register will be presented to the 25 September 2026 Partnership Board for noting.

10. CONTRACTS REGISTER

The Committee considered a report by the Programme Manager presenting the Partnership's Contracts Register for a review in line with a commitment to transparency in procurement, which is considered by the Committee every six months.

Decision

That the Contracts Register, as attached as an appendix to the report, be noted.

11. DELIVERY PROGRAMME PERFORMANCE REPORT

The Committee considered a report by the Programme Manager providing an update of the Partnership's Strategy and Project workstreams for 2026/27, with a focus on Quarter 1.

The Committee discussed the contents of the report, particularly around bus services, their funding and the sustainability of routes.

Decision

That the contents of the report are noted.

12. DATE OF NEXT MEETING

20 November 2026.

SESTran
South East of Scotland Transport Partnership

PROJECT AND STRATEGY DELIVERY OVERSIGHT SUBGROUP

Virtual Meeting via Microsoft Teams on 29th September 2026, 2PM

PRESENT:	Name	Organisation Title
	Simon Hindshaw	Non-Councillor Member
	John Scott	Non-Councillor Member

IN ATTENDANCE:	Name	Organisation Title
	Brian Butler	SEStran
	Michael Melton	SEStran
	Rachael Murphy	SEStran
	Rebecca Smith	SEStran

Action by

1. ORDER OF BUSINESS

Agreed a revised order at the start of the meetings as per these minutes

2. APOLOGIES

Apologies were submitted on behalf of Councillor Tom Conn and Councillor John McMillan

3. DECLARATION OF INTERESTS

None.

4. MINUTES OF THE SUBGROUP – 24 April 2026

Agreed as presented

5 ACTIONS FROM THE LAST MEETINGS

Completed.

6 PROJECT MANAGEMENT INTERNAL AUDIT – Report by Michael Melton

Report was noted and Michael thanked John Scott for his correction via email on the timelines.

7. BUSINESS PLAN 2027/28 – Verbal update by Rachael Murphy and Michael Melton

Rachael and Michael reviewed their proposal for developing the business plan.

21 October: *What Went Well* and *Even Better If* session with the team
Mid-November: PaSDOS feedback through the same workshop format; consider budget preparation

Expected outputs
Bus: Bus Board will set direction, at meeting in January 2027
PPP: Drafting underway; to be shared with PaSDOS in November
TtE: Funding to be confirmed
TtH: FT Officer and OBC development following from this year's funding
SEStransit and RTSDP: Work plans ongoing from this year's activity
Comms and Innovation: Comms plans to compliment six programmes. Innovation funding to monitor upcoming transport trends.

Simon recommended considering the Regional Authority business-planning process and placing regionalism at the centre of all work. The plan should include clear deliverables, such as a transport model.

8. 2025/26 PROJECT CLOSE REPORTS

a) SEStran at Twenty – Report by Rachael Murphy

b) SCOTZED – Report by Rebecca Smith

c) Go Ebike/Regional Bike Share - Report by Michael Melton

Feedback from members:

- Review how similar events should be delivered in future, building on previous work and considering an appropriate frequency. Its purpose should be to maintain awareness of SEStran and demonstrate the role it plays and could play. Future activity should be undertaken when there is a specific message or development to communicate, rather than on a fixed cycle. RM
- Consider how project closure reports should be shared, including whether they could be incorporated into the annual report or included as a Partnership Board B-agenda item. MM

- Ensure that the wider benefits of SEStran's work are clearly identified before commencing individual, one-off projects.
- Complete closure reports at the end of each project, once all related activities have been finalised.

9. DATE OF NEXT MEETING

Michael to follow up with the chair once plans for additional board meeting is known — MM

Indicative Financial Plan 2027/28 to 2029/30

1. INTRODUCTION

1.1 This report provides an update on financial planning being progressed for the 2027/28 revenue budget and an indicative plan for 2028/29 to 2029/30.

2. MAIN REPORT

Scottish Government Budget 2027-28

2.1 The target publication date for the Scottish Government Draft Budget is anticipated to be 3rd December 2026.

2.2 It is anticipated indicative Scottish Government funding to Regional Transport Partnerships (RTPs) for 2027/28 will be advised shortly thereafter.

Financial Planning 2027/28 to 2029/30

2.3 The planning assumptions presented to the Partnership on 13th March 2026 have been updated.

2.4 Financial planning is currently based on no change in the Transport Scotland revenue grant for 2026/27, with a grant of £742,900 included in the financial plan. This assumption is identified as a financial planning risk.

2.5 In 2026/27, the Partnership was awarded funding of £5.115m from Transport Scotland to progress the People and Place Programme (PPP) (which was increased in year to £5.274m to reflect 2026/27 Q4+1 costs). Final confirmation has yet to be received of Programme funding for 2027/28 and beyond, and an indicative position should be known after the Scottish Budget. Until then, Transport Scotland has advised to plan for 2027/28 on the basis of a static funding award of c.£5.115m.

2.6 The financial plan makes provision for a pay award of 3% for each of 2027/28, 2028/29 and 2029/30.

2.7 Lothian Pension Fund are in the process of carrying out a valuation of the Fund as at 31 March 2026. The draft results recommend a reduction in the employer contribution rate from the current rate (26.8%) to 21.6%, with the revised rate anticipated to take effect from April 2027.

2.8 Other budget estimates have been updated to reflect forecast future costs.

2.9 The level of employee costs rechargeable to projects in 2027/28 will be confirmed upon confirmation of project budgets for 2027/28.

2.10 The cost of the RTPI system has been removed from the Core projects budget. It is expected this will be funded from People and Place from 2027/28 onwards.

2.11 An analysis of the indicative Core budget for 2027/28 to 2029/30 is shown in Appendix 1.

2.12 The 2027/28 Projects budget is shown in Appendix 2. Proposed project activity for 2027/28 is being developed, with confirmation awaited of 2027/28 funding for the People and Place Programme. An update of the Projects budget will be reported to the Partnership, following confirmation of Scottish Government funding.

2.13 In 2026/27, the Partnership budgeted for employee costs of £0.255m to be recharged to the Projects budget, Transport to Employment, and People and Place Programme. Work is being progressed to identify an appropriate level of employee recharge for 2027/28 and future years.

2.14 Based on the updated Core budget costs for 2027/28, it is forecast that the indicative budget will require an uplift in council requisitions. A Special Meeting of the Partnership Board is due to be held on the 16th November to discuss this.

2.15 Appendix 3 shows all budgeted expenditure and income since 2019/20.

2.16 In accordance with the provisions of the Transport Scotland (2019) Act, the Partnership has agreed a Reserves Policy and established an unallocated General Fund reserve. Based on 5% of the proposed core budget for 2027/28, an unallocated reserve of £67,000 will be required.

2.17 At 1st April 2026, the Partnership has an unallocated General Fund Reserve of £243,000. Based on the forecast requirement for drawdown of £120,000 during 2026/27, the Partnership's unallocated General Fund Reserve is forecast to be £123,000 at 1st April 2027.

2.18 The Reserves Policy predates the significant growth in externally funded activity managed by SEStran and, when considered against total expenditure, the current reserve equates to around 2.5%. It is the recommendation of the treasurer that no drawdown from the unearmarked reserve is included in financial planning assumptions until additional risks associated with the externally funded activity are fully examined and reflected in an update to the Reserves Policy. An updated Reserves Policy will be presented to the Board in early 2027-28.

2.19 A risk assessment for 2027/28 is included at Appendix 4. Financial scenario planning is included at Appendix 5.

3 NEXT STEPS

3.1 The Partnership's Core and Projects budgets will continue to be developed in order to achieve expenditure within available funding prior to a budget for 2027/28 being presented to the Partnership Board for approval at its meeting in March 2027.

3.2 This work will require ongoing review of Core and Project costs with an assessment of potential funding and an appropriate level of employee recharge

for 2027/28. A risk assessment of the deliverability of potential funding will be undertaken.

3.3 There will be ongoing discussion of funding for 2027/28 with Transport Scotland.

4 RECOMMENDATION

4.1 It is recommended that the Partnership:

4.1.1 Notes the financial planning assumptions for the period 2027/28 to 2029/30;

4.1.2 Notes that financial planning for 2027/28 to 2029/30 will continue to be developed for approval of a revenue budget by the Partnership at its meeting in March 2027;

4.1.3 Notes that the indicative financial plan for 2027/28 to 2029/30 is subject to a number of risks.

5 BACKGROUND READING/EXTERNAL REFERENCES

5.1 Revenue Budget 2026/27 and Indicative Financial Plan 2027/28 – report to South East Scotland Transport Partnership 13th March 2026

Richard Lloyd-Bithell
Treasurer

Appendix

Appendix 1 – Indicative Core Budget 2027/28 to 2029/30

Appendix 2 – Projects – Indicative Activity 2027/28

Appendix 3 – Summary of Revenue Budget 2019/20 – 2026/27

Appendix 4 - Risk Assessment 2027/28

Contact thomas.stokes@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.

Appendix 1
Indicative Core Budget 2026/27 to 2028/29

	Revised Budget	Indicative Budget	Indicative Budget	Indicative Budget
	2026-27	2027-28	2028-29	2029-30
	£'000	£'000	£'000	£'000
Employee Costs				
Salaries	640	677	697	717
National Insurance	86	92	95	98
Pension Fund	171	147	151	156
Training, Conferences & Recruitment	10	10	11	11
Total Employee Costs	**907**	**926**	**954**	**982**
Premises Costs	**25**	**26**	**27**	**28**
Transport	**5**	**5**	**5**	**5**
Supplies and Services				
Comms. & Computing	48	62	64	66
Printing & Office Supplies	7	7	7	8
Insurance	9	9	10	10
Equipment & Miscellaneous	4	4	4	4
Total Supplies and Services	**68**	**82**	**85**	**88**
Governance & Support Services				
Finance, Legal & HR	38	39	40	42
Clerks Fees	12	12	13	13
External Audit Fees	12	12	13	13
Members Expenses	1	1	1	1
Contingency Provision	30	0	0	0
Total Governance & Support Services	**93**	**64**	**67**	**69**
Core Projects				
Regional Bus Action Plan	100	73	73	73
RTPI	20	0	0	0
Podaris	0	45	46	48
Innovation, Research & Partnerships	0	40	40	40
Transport to Health	100	88	88	88
Sustainable Travel	47	10	10	10
Projects Consultancy	20	15	15	15
Comms. & Marketing	25	23	23	23
Electric Bike Scheme	23	0	0	0
Total Core Projects	**335**	**294**	**295**	**297**
Total Expenditure	**1,433**	**1,397**	**1,433**	**1,469**
Project Recharges[1]	**(255)**	**(265)**	**(275)**	**(281)**
Expenditure after Recharge	**1,178**	**1,132**	**1,158**	**1,188**

	Revised Budget	Indicative Budget	Indicative Budget	Indicative Budget
	2026-27	**2027-28**	**2028-29**	**2029-30**
	£'000	**£'000**	**£'000**	**£'000**
Funding:				
Scottish Government Grant	(743)	(743)	(743)	(743)
Council Requisitions	(190)	(364)	(390)	(420)
TfE Funding for Core Projects	(100)	0	0	0
Interest on Revenue Balances	(25)	(25)	(25)	(25)
Total Funding	**(1,058)**	**(1,132)**	**(1,158)**	**(1,188)**
Net Expenditure	**120**	**0**	**0**	**0**
Project Reserve – Brompton Bike Lease	(23)	tbc	tbc	tbc
Project Carry forward	(97)	0	0	0
Total Reserve (Drawdown)/Addition	**(120)**	**0**	**0**	**0**

Note 1: The level of Employee recharges to Projects remains to be confirmed, pending final confirmation of the Projects budget and People and Place funding.

Appendix 2
Indicative Programmes Budget

	Revised Budget	Indicative Budget	Indicative Budget	Indicative Budget
	2026-27	**2027-28**	**2028-29**	**2029-30**
	£'000	**£'000**	**£'000**	**£'000**
People & Place				
Staffing	235	403	417	427
RTPI – System and support	24	102	106	108
Thistle Assistance	40	30	40	40
Project Delivery***	0	4,611	4,590	4,578
Regional Project Delivery	87	0	0	0
Local Authority Delivery Support	485	0	0	0
Regional Priority Investment Fund	2,463	0	0	0
Access to Cycles and Cycle Storage	1,872	0	0	0
Community Grant Fund	365	0	0	0
Contributions – RTPI and Thistle Assistance	(40)	(31)	(38)	(38)
Scottish Government grant	(5,531)	(5,115)	(5,115)	(5,115)
Total People and Place	**0**	**0**	**0**	**0**
Regional Transport Strategy Delivery Plan				
Project Delivery	150	175	175	0
Local Growth Funding	(150	(175)	(175)	0
Total Regional Transport Strategy Delivery Plan	**0**	**0**	**0**	**0**
SEStransit				
Comms. Support	16	16	0	0
Staffing	11	24	0	0
Project Management and Delivery	173	160	0	0
Scottish Government Grant	(200)	(200)	0	0
Total SEStransit	**0**	**0**	**0**	**0**

Appendix 3
Summary of Revenue Budget 2019/20 – 2026/27

	19/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Core	584	581	663	619	774	876	852	843
Projects	690	1,080	809	907	713	275	205	235
People and Place						5,326	6,369	5,570
Transport to Employment								2,817
Workforce Mobility								200
Total Budget	**1,274**	**1,661**	**1,472**	**1,526**	**1,487**	**6,477**	**7,426**	**9,665**
External Funding								
EU Grants	82	142	106	210	26	100	0	0
Other income	220	547	394	344	489	154	124	145
People and Place	0	0	0	0	0	5,326	6,369	5,570
Transport to Employment	0	0	0	0	0	0	0	2,817
Workforce Mobility	0	0	0	0	0	0	0	200
Total External Funding	**302**	**689**	**500**	**554**	**515**	**5,580**	**6,493**	**8,732**
Scottish Government	782	782	782	782	782	743	743	743
Council Requisition	190	190	190	190	190	190	190	190
Total Funding	**1,274**	**1,661**	**1,472**	**1,526**	**1,487**	**6,513**	**7,426**	**9,665**

Risk Assessment 2027/28 **Appendix 4**

Risk Description	Existing Controls
Pay awards The indicative budget makes provision for a pay award of 3% in 2027/28 to reflect current Local Government pay assumptions. An uplift of 1% in pay award in 2027/28 equates to an increase of £9,300.	Alignment with Local Government Pay Policy.
Staff recharges to Projects and People and Place Programme The proposed budget assumes that a level of staff time can be recharged to Projects and to the People and Place Programme. There is a risk this may not be achievable.	The forecast of employee recharges will be reviewed as part of the ongoing budget development. Expenditure commitments will be reviewed in the event of any forecast shortfall in employee recharges.
Inflation There is a risk that the indicative budget does not adequately cover price inflation and increasing demand for services.	Allowance made for specific known price inflation. Budgets adjusted in line with current cost forecasts.
Pension Fund Contributions The value of the Partnership's pension fund was restricted to 'Nil' at 31 March 2026, following proper accounting practice. The actual surplus may lead to a decrease in future employer's pension fund contributions.	Following Lothian Pension Fund's Triennial Actuarial Review in 2026, Partnership employer pension fund contribution rates are expected to reduce to 21.8% until 31 March 2030.
Funding Reductions Reduction in funding from Scottish Government and/or council requisitions. There is a risk that current levels of activity / staffing cannot be maintained due to funding constraints and that the Partnership will incur staff release costs.	Continue to seek to source external funding. Recruitment control and additional sources of external funding for activities aligned to the Partnership's objectives to supplement resources.

Scenario planning

The principal assumptions underpinning the proposed budget are noted in the table below.

	2027/28
Staff pay award (all staff; average provision)	3%
Employee Recharges to Projects and People and Place Programme	Employee costs can be recharged to Projects and People and Place Programme in 2026/27.
Office Rental	Per Scottish Government Memorandum of Terms of Occupation Agreement (MoTO).
Other contractual commitments	Budget estimates updated when cost commitments are known.
Transport Scotland core grant funding	Budget estimate updated when funding advised by Transport Scotland.
People and Place grant funding	Budget estimate updated when funding advised by Scottish Government.

The factors with the largest impact on the Partnership's income and expenditure at 2027/28 estimated values are noted in the table below.

	At 2026/27 levels, every 1% change would result in following change from core assumptions
Transport Scotland core grant funding year-on-year change	£7,430
Staff pay award (all staff; average provision)	9,300
Employee Recharges to Projects and People and Place Programme	£2,550
Office Rental cost (MoTO)	£250
People and Place Programme funding	£55,310

In seeking to manage changes from core assumptions, the Partnership would:

- In the first instance, seek to identify additional project funding opportunities. The Partnership has a consistent track record of leveraging external funding.
- Review the partnership's costs, with the intention of reducing costs to achieve expenditure within the available funding.
- Where appropriate, discuss funding with Transport Scotland, using the Regional Transport Partnerships Chairs Forum, as required.
- Where appropriate, discuss funding with constituent councils.

Finance Officer's Report

1. INTRODUCTION

1.1 This report presents the second update on the financial performance of the Partnership's Core and Projects budgets for 2026/27, in accordance with the Financial Regulations of the Partnership. This report presents an analysis of financial performance to the end of October 2026.

1.2 The Partnership's Core and Projects budgets for 2026/27 were approved by the Partnership on 13th March 2026. The Projects budget was then revised to reflect reduced People and Place Programme (PPP) funding for 2026/27 and was approved on 19th June 2026.

2. CORE BUDGET

2.1 The Core budget provides for the day-to-day running costs of the Partnership and includes employee costs, premises costs and supplies and services. The approved Core budget is £1,053,000. Details of the Core budget are provided in Appendix 1.

2.2 Cumulative expenditure for the seven months to 31st October was £689,000. This is within the Core budget resources available for the period.

2.3 Estimates have been updated to reflect current expenditure commitments.

2.4 It is projected that net expenditure for the year will be £31,000 less than budget, which is mainly due to increased staff recharges to the Projects budget, offset by the cost of employing three Project Officers on a fixed-term basis (£22,000) and by a reduction in planned use of the contingency (£10,000).

People and Place Programme (PPP)

2.5 Transport Scotland funding for 2026/27 was confirmed at £5.115m and is reflected in the revised budget approved by the Partnership Board on 19th June.

2.6 A budget realignment was approved by the Partnership Board on 25th September 2026, which added £416,017 of PPP grant income, and associated expenditure, relating to 2025/26 'Q4+1' costs. Transport Scotland has approved these 'Q4+1' costs to be carried forward to 2026/27 to support funding of projects that are tied to the school term up until 30th June 2026.

2.7 The latest PPP forecasts are detailed in Appendix 2. This also includes a proposed budget realignment which will add £159,225 of PPP grant income, and associated expenditure. The Partnership has been able to secure an additional £159,225 of revenue grant funding from Transport Scotland, due to an underspend within the wider national delivery area.

Transport to Employment Programme

2.8 Transport Scotland funding for 2026/27 was confirmed at £2,587,740 and is reflected in the revised budget approved by the Partnership Board on 19th June.

2.9 A budget realignment was approved by the Partnership Board on 25th September 2026, which reflects additional Transport Scotland funding for 2026/27 of £229,728 to support delivery of the Transport to Employment programme.

2.10 The latest Transport to Employment programme forecasts are detailed in Appendix 2.

Workforce Mobility Project

2.11 The latest Workforce Mobility Project forecasts are detailed in Appendix 2.

RTS Delivery Plan

2.12 The latest RTS Delivery Plan Project forecasts are detailed in Appendix 2. This reflects a proposed budget realignment which will add £150,000 of RTS grant income, and associated expenditure. Multi-year funding of £450,000 through to 2028/29 has been secured from the Local Growth Fund via the Edinburgh and South East Scotland City Deal towards the development of the RTS Delivery Plan. The Partnership will use £150,000 of this funding is to support delivery in 2026/27.

SEStransit

2.13 The latest SEStransit Project forecasts are detailed in Appendix 2. This reflects a proposed budget realignment which will add £200,000 of SEStransit grant income, and associated expenditure. The Bus Infrastructure Fund award for SEStransit in 2026/27 was confirmed by Transport Scotland on 9th October 2026.

2.14 The full grant of £700,000 is being made to The City of Edinburgh Council whereby £500,000 supports the technical delivery led by Stantec, and £200,000 is being passed to the Partnership to support the formation of a Project Management Office to oversee delivery.

Cash Flow

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

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

Date	**Balance due to SEStran(+ve) /due by SEStran (-ve)**
	£
30 April 2026	- 323,680

31 May 2026	+ 449,193
30 June 2026	+ 794,794
31 July 2026	+ 1,110,205
31 August 2026	+ 522,176
30 September 2026	+ 358,722
31 October 2026	+ 369,782

2.17 Interest is charged/paid on the monthly indebtedness between the Council and the Partnership. Interest will be calculated in March 2027.

2.18 The positive cash balance at 31st October 2026 is attributable to funding received from Scottish Government grants – principally the People and Place programme grant.

Reserves

2.19 The Board's Reserves Policy recommends establishment of an unallocated General Fund Reserve based on a minimum value of 5% (£52,000) of the Partnership's core revenue budget. At 1st April 2026, the Partnership has an unallocated General Fund Reserve of £243,000 - 23% of the core budget. This higher figure is being retained to reflect the higher risks associated with the scale of the P&P programme.

2.18 An update of Financial Risks for 2026/27 is included at Appendix 3.

3 RECOMMENDATIONS

It is recommended that the Committee:

3.1 Notes the forecast underspend on the Core revenue budget of £31,000.

3.2 Notes the latest forecasts for the following Project budgets:

- PPP
- Transport to Employment Programme
- Workforce Mobility Project
- RTS Delivery Plan
- SEStransit

3.3 Recommends to the Board the re-alignment of the 2026/27 Projects budget to reflect: -

- PPP - additional 2026/27 funding from Transport Scotland of £159,225
- RTS Delivery Plan – new funding from Transport Scotland of £150,000
- SEStransit – new funding from the UK Government's Local Growth Fund of £200,000

Richard Lloyd-Bithell
Treasurer
November 2026

Appendix	Appendix 1 – Core Budget Statement at 31st October 2026 Appendix 2 – Projects Budget as at 31st October 2026 Appendix 3 - Financial Risks 2026/27
Contact	thomas.stokes@edinburgh.gov.uk

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

Core Budget 2026/27 – as at 31st October 2026 **Appendix 1**

	Annual Budget £'000	Period Budget £'000	Period Actual £'000	Annual Forecast £'000	Forecast Variance £'000
Employee Costs					
Salaries	640	373	405	711	71
National Insurance	86	50	55	101	15
Pension Fund	171	100	110	195	24
Project Recharges	(255)	0	(55)	(387)	(132)
Training, Conferences & Recruitment	10	5	5	10	0
	652	**528**	**520**	**630**	**(22)**
Premises Costs	**25**	**12**	**9**	**25**	**0**
Transport	**5**	**3**	**2**	**5**	**0**
Supplies and Services					
Comms & Computing	48	28	31	48	0
Printing & Office Supplies	7	4	2	7	0
Insurance	9	9	9	9	0
Equipment, Miscellaneous	4	2	4	5	1
	68	**43**	**46**	**69**	**1**
Governance & Support Services					
Finance, Legal & HR	38	0	0	38	0
Clerks Fees	12	0	0	12	0
External Audit Fees	12	0	0	12	0
Members Expenses	1	1	0	1	0
Contingency Provision	30	0	1	20	(10)
	93	**1**	**1**	**83**	**(10)**
Interest	**(25)**	**0**	**0**	**(25)**	**0**
Core Projects					
Regional Bus Action Plan	100	10	10	100	0
RTPI	20	20	20	20	0
Sustainable Travel	47	55	55	50	3
Projects Consultancy	20	15	15	17	(3)
Comms & Marketing	25	11	11	25	0
Electric Bike Scheme	23	0	0	23	0
	235	**111**	**111**	**235**	**0**
Total Gross Expenditure	**1,053**	**698**	**689**	**1,022**	**(31)**
Funding:					
Scottish Govt. Grant	(743)	(543)	(543)	(743)	0
Council Requisitions	(190)	(190)	(190)	(190)	0
Projects Reserve – Electric Bike Lease	(23)	0	0	(23)	0
Projects Reserve – Underspend 25/26	(97)	0	0	(97)	0
Total Funding	**(1,053)**	**(733)**	**(733)**	**(1,053)**	**0**

Appendix 2

People and Place Programme – Revised Budget 2026/27

	Budget	Realign-ment	Revised Budget	Forecast	Variance
	£	£	£	£	£
Staffing	235,315		235,315	189,922	(45,393)
RTPI – System Maintenance	23,500		23,500	35,500	12,000
Thistle Assistance	40,000		40,000	40,000	0
Regional Project Delivery	86,714	20,000	106,714	93,914	(12,800)
Local Authority Delivery Support	484,922		484,922	561,482	76,560
Regional Priority Investment Fund	2,463,278	139,225	2,602,503	2,717,138	114,635
Access to Cycles & Cycle Storage	1,871,947		1,871,947	1,718,302	(153,645)
Community Grant Fund	364,579		364,579	373,222	8,643
Contributions – RTPI and Thistle Assistance	(39,500)		(39,500)	(39,500)	0
Scottish Government Grant	(5,530,755)	(159,225)	(5,689,980)	(5,689,980)	0
	0	**0**	**0**	**0**	**0**

Transport to Employment Programme – Revised Budget 2026/27

	Budget	Realign-ment	Revised Budget	Forecast	Variance
	£	£	£	£	£
Staffing	196,678		196,678	196,678	0
Capacity and Capability	300,209		300,209	346,878	46,669
Working with School Communities	188,676		188,676	276,803	88,127
Transport to Larger Workplaces	830,700		830,700	890,700	60,000
Rural Transport to Work and Further Education	597,000		597,000	580,197	(16,803)
Local Employability Partnership	206,000		206,000	106,000	(100,000)
Transport 2 Healthcare Pilot Projects	320,000		320,000	320,000	0
Contingency	178,205		178,205	100,212	(77,993)
Scottish Government Grant	(2,817,468)		(2,817,468)	(2,817,468)	0
	0	**0**	**0**	**0**	**0**

Workforce Mobility Project – Revised Budget 2026/27

	Budget	Forecast	Variance
	£	£	£
Workforce Mobility Project	200,000	200,000	0
Scottish Government Grant	(200,000)	(200,000)	0
	0	**0**	**0**

RTS Delivery Plan – Revised Budget 2026/27

	Budget Realignment	**Forecast**	**Variance**
	£	**£**	**£**
RTS Delivery Plan Project	150,000	150,000	0
UK Government Grant	(150,000)	(150,000)	0
	0	**0**	**0**

SEStransit – Revised Budget 2026/27

	Budget Realignment	**Forecast**	**Variance**
	£	**£**	**£**
SEStransit Project	200,000	200,000	0
Scottish Government Grant	(200,000)	(200,000)	0
	0	**0**	**0**

Appendix 3

Financial Risks 2026/27

Risk Description	Mitigation and Controls
Inflation There is a risk that the indicative budget does not adequately cover price inflation and increasing demand for services.	Ongoing monitoring and review of all costs and forecasts during 2026/27.
Delays in payment of grant by external funding bodies Resulting in additional short-term borrowing costs.	Grant claims submitted timeously and in line with conditions of grant award.
Pension Fund Contributions A deficit on the staff pension fund could lead to increases in the employer's pension contribution.	Following Lothian Pension Fund's Triennial Actuarial Review in 2023, Partnership employer pension fund contribution rates are now confirmed at 26.8% until 31 March 2027.
Funding Reductions Reduction in funding from Scottish Government and/or council requisitions. There is a risk that current levels of staffing cannot be maintained due to funding constraints and that the Partnership will incur staff release costs.	Scottish Government grant and Council contributions are confirmed for 2026/27. Recruitment control and additional sources of external funding for activities aligned to the Partnership's objectives to supplement resources.

Risk Register

1. INTRODUCTION

1.1 The purpose of this report is to provide the Performance and Audit Committee with a quarterly update on SEStran's corporate 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. KEY NET RISKS

3.1 The Risk Register has been reviewed and updated to reflect the current operating environment and emerging risks. The four highest residual risks relate principally to transport governance reform, political change and financial sustainability. These risks are considered significant because their underlying causes are largely external to SEStran's direct control and have the potential to affect the Partnership's future role, funding arrangements and capacity to deliver its statutory responsibilities and Regional Transport Strategy priorities. The following paragraphs outline the current assessment of each risk, its potential impact and the mitigating actions being taken.

Top Risks

3.2 R001 1.1 – Transport Governance Reform

3.2.1 Scottish Government and Transport Scotland reviews of transport governance arrangements could result in changes to the role, functions and funding of Regional Transport Partnerships, presenting both risks and opportunities for SEStran. The score remains unchanged following mitigation as the direction and outcome of reform are largely dependent on external decisions and wider public service reform. Mitigation includes active engagement with Transport Scotland, Regional Transport Partnership partners and constituent authorities; monitoring Programme for Government proposals; and preparing for potential changes to roles, responsibilities and funding. A report is also being presented to the special meeting of the Partnership Board on 16 November, setting out the current position and recommending continued engagement as the various reviews progress.

R001 1.3 – Political or Government Change

3.2.2 The May 2027 local government elections represent a particular governance risk for SEStran, as changes in elected membership across the constituent councils are expected to lead to changes in the composition of the Partnership Board. This will create a period of transition following the elections while councils confirm their appointments and new members become familiar with SEStran's statutory role, governance arrangements, Regional Transport Strategy and current priorities. Key governance impacts may include the loss of experienced Board members and organisational knowledge, changes in political representation and priorities, delays while appointments are confirmed, and the need to establish effective governance and decision-making arrangements with the new Board. The score remains unchanged following mitigation as election outcomes and subsequent council appointments are outside SEStran's direct control. Mitigation includes engagement with local government politicians in advance of the May 2027 elections, followed by a structured programme of induction and briefing for new and returning Board members after the elections, to support continuity of governance and enable the reconstituted Partnership Board to assume its responsibilities effectively. The risk and associated governance arrangements will be kept under review through the election and transition period.

R002 2.5 – Reductions in Core Funding or Council Requisitions

3.2.3 A reduction in core funding could result in difficulty in delivering statutory obligations and Regional Transport Strategy objectives, with the level of activity ultimately determined by the resources available. Mitigation includes continuing to source and develop external funding; engagement and advocacy with the Scottish Government, Transport Scotland and constituent councils; and working with other Regional Transport Partnerships to influence the Scottish Government review of funding allocations. A report is also being presented at the special meeting of the Partnership Board on 16 November seeking increased local authority contributions to sustain planned activity, recognising that previous COVID-period underspends are no longer available to support this expenditure.

4. RISK REGISTER REVIEW UPDATE

4.1 As previously reported to the last meeting, officers have commenced a review and redesign of the corporate risk register to provide a more structured and consistent approach to risk management. The revised format will strengthen the recording of risk descriptions, gross and residual risk scores, controls, management actions, ownership and review arrangements. Residual risks will also be assessed against SEStran's agreed risk appetite and tolerance to support appropriate management action and escalation.

4.2 The initial review has identified approximately 40 potential risks and risk drivers, which are being rationalised and consolidated into a smaller number of strategic corporate risks. The revised register is intended to reduce duplication, improve clarity and strengthen oversight of significant risks and associated management actions.

4.3 Completion of the redesigned register has taken longer than originally anticipated due to competing workload priorities. Officers have also recently undertaken risk appetite training delivered by the Insurance Services Manager at the City of Edinburgh Council. The learning from this training is being incorporated into the revised approach, particularly in relation to risk appetite, tolerance, capacity and escalation. The resulting risk register will also be reviewed by the Risk Manager at City of Edinburgh Council, who has offered their assistance.

4.4 This additional work will ensure that the revised register provides an appropriate framework for management and Committee oversight. The redesigned corporate risk register will be presented to a future meeting of the Performance and Audit Committee.

5. CONCLUSION

5.1 The Risk Register has been reviewed and updated to reflect the principal strategic, governance and financial risks facing SEStran. The highest residual risks continue to be influenced largely by external factors, with particular attention required in relation to transport governance reform, future funding pressures and the governance transition associated with the May 2027 local government elections. These risks and associated mitigating actions will continue to be monitored and reviewed as circumstances develop.

6. RECOMMENDATIONS

The Committee is asked to:

6.1 Note the current corporate risk position and the key risks highlighted in this report; and

6.2 Note the progress being made to review and redesign the corporate risk register, with a revised register to be presented to a future meeting of the Committee.

6.3 Note that the corporate risk register will be presented to the 4 December 2026 Partnership Board for noting

Angela Chambers
Business Manager

Appendix 1: SEStran Risk Register

Policy Implications	The report supports SEStran's Risk Management Framework. Relevant policies and controls will be reviewed where required in response to identified or emerging risks.

Financial Implications	Financial risks and mitigating controls are detailed in the Corporate Risk Register and will continue to be monitored through established financial arrangements.
Equalities Implications	No direct implications. Equalities impacts will be considered as part of the management of individual risks.
Climate Change Implications	No direct implications. Climate-related considerations will be addressed where relevant through individual risk assessments and mitigation actions.

APPENDIX 1

Risk Number	Risk Category	Risk Detail	Gross Risk Assessment						Planned Response/Mitigation						Risk After Mitigation	Date and Owner	Risk Appetite		Action Required
			Probability		Impact		Risk Score			Probability		Impact		Risk Score						
R001 1.1	**Strategic**	Scottish Government and Transport Scotland reviews of transport governance arrangements, including proposals to reform the structure and responsibilities of national and regional transport bodies, could result in changes to the role, functions and funding of Regional Transport Partnerships. This presents both risks and opportunities for SEStran.	4	Probable	4	Major	16	High	SEStran is actively engaging with Transport Scotland, RTP partners and constituent authorities to influence emerging transport governance reforms and ensure the benefits of regional transport planning and RTS delivery are recognised within future governance arrangements. The Partnership continues to monitor Programme for Government proposals and prepare for potential changes to RTP roles, responsibilities and funding. The TS review will have a high depndency on the separate SG work on giving regional economic partnerships legal status and Public Service Reform aspirations A report is being provided to a Special Partnership Board on 16th November, to set out current position and recommend continued enagagement and future updates as the various reviews progress	4	Probable	4	Major	16	High	**High** **Treat**	Review at end of ~~Sept~~Dec 2026 Partnership Director	Low	Med	⬇
RO01 1.2	**Strategic**	**Pandemic / Epidemic:** 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 consituent 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. Hybrid Working Policy in place.	3	Possible	3	Moderate	9	Medium	**Medium** **Tolerate**	Review ~~at end of Sept 2026~~ Feb 2027 Partnership Director	Low	Med	⬌
RO01 1.3	**Strategic**	**Political/Govt Change** There is a risk that a change in government could lead to changes to RTPs**/**Regional Governance	3	Possible	4	Major	12	Medium	Continued engagement with all political parties and agencies. A SEStran Manifesto was launched at the SEStran Summit on 4 December. A comms plan targetting MSPs before and after the election is being prepared in conjunction with our public affairs advisers. Officers will outreach to local government politicians in advance of the local government elections in May 2027 Following the May 2027 local government elections, a structured induction and briefing programme will be delivered for new and returning Partnership Board members to support continuity of governance and effective transition to the reconstituted Board.	3	Possible	4	Major	12	Medium	**Medium** **Tolerate**	Review at end of ~~Sept 2026~~ Feb 2027 Partnership Director	Low	Med	⬌

R002 2.0	**Financial**	**Financial:** Significant deviation from budgeted spend	2	**Unlikely**	3	**Moderate**	6	**Low**	The Financial Rules do not permit spending (whether revenue or capital) to exceed available budget. Budget and spend is monitored on a monthly basis by SEStran officers, using financial information provided by CEC through the Partnership's Financial Services Service Level Agreement with CEC and supported by qualified accounting staff of CEC. Action is taken by Partnership officers to develop alternative savings measures, including options for development of contingency arrangements, if required and subject to approval by the Partnership. The Partnership's Financial Rules require reporting of financial performances to the Partnership Board on a quarterly basis. Transport (Scotland) Act 2019 includes section on RTPs carrying reserves.	1	**Remote**	2	**Minor**	2	**Low**	**Low** **Tolerate**	Review ~~at end of Sept 2026~~ Feb 2027 Partnership Director	Low	Low	⟷
R002 2.1	**Financial**	Staff recharges - externally funded projects: The approved budget assumes staff time can be recharged to Projects. There is a risk this may not be achievable.	3	**Possible**	3	**Moderate**	9	**Medium**	Any shortfall in employee cost recharges will be offset by a corresponding reduction in Projects Budget expenditure. Other funding sources will continue to be pursued. 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.	3	**Possible**	3	**Moderate**	9	**Medium**	**Medium** **Tolerate**	Review ~~at end of Sept 2026~~ Feb 2027 Partnership Director	Low	Med	⟷
R002 2.2	**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, allowances are made for specific known price inflation. Budgets adjusted in line with current cost forecasts. Ongoing monitoring and review of all costs and forecasts. In preparing estimates for future financial years, the Partnership will review all cost estimates to determine if it will be necessary to make a case to increase council contributions.	3	**Possible**	3	**Moderate**	9	**Medium**	**Medium** **Tolerate**	Review ~~at end of Sept 2026~~ Feb 2027 Partnership Director	Low	Med	⟷
R002 2.3	**Financial**	Delays in payment of external grants results in additional short-term borrowing costs.	3	**Possible**	3	**Moderate**	9		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.	2	**Unlikely**	3	**Moderate**	6	**Low**	**Medium** **Tolerate**	~~Dec 2026~~Feb 2027 Partnership Director	Low	Med	⟷
R002 2.4	**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 developed to take account of most likely level of external income. Continue to explore alternative funding options Lobby/bid for additional funds	3	**Possible**	4	**Major**	12	**Medium**	**Medium** **Treat**	Review ~~at end of Sept 2026~~ Feb 2027 Partnership Director	Low	Med	↓
R002 2.5	**Financial**	Funding reductions: Future reductions in core funding from Scottish Government and/or council requisitions. This could result in difficulty in delivering statutory obligations/duties.	3	**Possible**	4	**Major**	12	**Medium**	The Partnership will continue to source and develop external funding. Manage organisation in accordance with available funding but ability of organisation to deliver RTS objectives will inevitably be dictated by available funding. Engagement/advocating with SG/TS/constituent councils to maintain/increase funding Working with other RTPs to influence SG review of allocation of funding A requisitions report is being presented to a Special Partnership Board on 16th November to set out a request for increased LA contributions to sustain the same level of activity and outcomes as 2026/27 (less than 2025/26), as the previous underspends from the Covid period can no longer cover the activities. We appreciate that	3	**Possible**	4	**Major**	12	**Medium**	**Medium** **Tolerate**	Nov 2026 Partnership Director	Low	Med	⟷

R002 2.6	**Financial**	The funding position of the staff pension fund could lead to increases in the employers pension contribution	2	**Unlikely**	4	**Major**	8	**Medium**	~~Following Lothian Pension Fund's Triennial Actuarial Review in 2023, Partnership employer pension fund contribution rates are now confirmed at 26.8% until 31 March 2027. Financial planning assumptions have been updated and included in the revenue budget approved by the Partnership Board.~~ Following Lothian Pension Fund's 2026 Triennial Actuarial Valuation, SEStran's employer pension contribution rate is expected to reduce from 26.8% to 21.8% from 1 April 2027 for the following three years. The reinstatement of the Contribution Stability Mechanism provides greater certainty over future contribution rates, with rates fixed for three years. The revised contribution rates will be reflected in the Partnership's financial planning and budget assumptions. These will require review in advacne of the next review in 2029.	2	**Unlikely**	3	**Moderate**	6	**Low**	~~**Medium**~~ ~~**Low**~~ **Tolerate**	Review ~~at end of Sept 2026~~ Mar 2029 Partnership Director	Low	Med	⇔
R002 2.7	**Financial**	The Partnership may incur additional staff release costs if current staffing levels cannot be maintained due to funding constraints.	3	**Possible**	4	**Major**	12	**Medium**	The Partnership continues to seek additional sources of funding for activities aligned to the Partnership's objectives to supplement resources. Recruitment control measures in place. Additional resources can be managed through consultancy as required. People and Place Programme has increased financial flexibilty.	2	**Unlikely**	4	**Major**	8	**Medium**	**Medium** **Tolerate**	Review ~~at end of Sept 2026~~ Feb 2027 Partnership Director	Low	Med	⇔
R002 2.8	**Financial**	**Funding/Grant Awards:** The timing of some funding applications and grant awards do not align with the financial year, resulting in an inability to spend allocated funding within prescribed timescales	4	**Probable**	3	**Moderate**	12	**Medium**	As part of the ongoing business planning process the Partnership will continue to develop and introduce where appropriate a number of suitable on the shelf schemes. All potential schemes will be subject to detailed impact assessments to ensure impacts on the Partnership's core activities are minimised or mitigated. Regular budget monitoring and reports to the Partnership Board. Continue to press case through available channels for multi year funding	3	**Possible**	3	**Moderate**	9	**Medium**	**Medium** **Treat**	Review ~~at end of Sept 2026~~ Feb 2027 Partnership Director	Low	Med	⇓
R002 2.9	**Financial**	**Increase in employers on-costs:** Changes to UK Government policy (for example increases in employer National Insurance contributions or other statutory on costs) could lead to higher staffing costs than budgeted, placing pressure on revenue budgets and limiting the Partnership's ability to deliver planned activities.	3	**Possible**	3	**Moderate**	9	**Medium**	Monitor UK Government fiscal announcements and emerging policy changes. Reflect known or anticipated changes in medium term financial planning where possible. Maintain dialogue with constituent councils and finance partners on cost pressures and assumptions. Consider mitigation through budget re profiling or prioritisation if increases materialise.	2	**Unlikely**	3	**Moderate**	6	**Low**	**Low** Review annually or following significant fiscal announcements. **Tolerate**	Review ~~at end of Sept 2026~~ Feb 2027 Partnership Director	Low	Med	⇔

R002 2.10	**Financial**	**Fraud and Serious Organised Crime:** Failure to prevent, detect or respond effectively to fraud, corruption or serious organised crime could result in financial loss, regulatory action, reputational damage and reduced public confidence. This includes fraud involving employees, contractors, suppliers or other third parties and relevant fraud-prevention principles under the Economic Crime and Corporate Transparency Act 2023.	**3**	**Possible**	**4**	**Major**	**12**	**Medium**	**Compliance Requirements:** ~~ECCTA 2023, financial governance requirements, procurement regulations, anti-bribery obligations, whistleblowing legislation and information governance requirements.~~ ECCTA 2023 where applicable; Financial Rules and Standing Orders; procurement requirements; Bribery Act 2010; whistleblowing legislation; conflicts of interest; and information governance requirements. **Key Mitigations:** • Maintain Anti-Fraud, Whistleblowing and financial controls. • Maintain ~~Undertake and periodically review~~ a proportionate fraud and organised crime risk assessment. • Review relevant ECCTA fraud ~~compliance and~~ prevention ~~controls.~~principles~~.~~ • Provide fraud awareness training. • Undertake proportionate supplier due diligence and procurement checks. • Report fraud risks and incidents to the Performance and Audit Committee. • Maintain appropriate cyber security controls.	**2**	**Unlikely**	**4**	**Major**	**8**	**Medium**	**Medium** **Treat**	~~Dec 2026~~ Feb 2027 Partnership Director	Low	Med	⬇
R003 3.0	**Reputational**	**Project Management:** Project incomplete or of poor quality Late Delivery	**3**	**Possible**	**4**	**Major**	**12**	**Medium**	All project progress reported to the Projects Team monthly and the Performance and Audit Committee ~~Project and Strategy Delivery Oversight Subgroup~~ quarterly. ~~Minutes of PaSDOS and the full project report are also taken to P&A Committee quarterly for additional oversight.~~ Management action taken as required.	**2**	**Unlikely**	**3**	**Moderate**	**6**	**Low**	**Low** **Tolerate**	Review at end Jun 2027 ~~Dec 2026~~ Programme Manager	Low	Med	⟷
R003 3.1	**Reputational**	**Reputation:** Regard by the public and stakeholders. Negative or inaccurate media coverage leading to misrepresentation of SEStran position	**3**	**Possible**	**3**	**Moderate**	**9**	**Medium**	Quick response to negative or inaccurate coverage managed by Communications & Marketing Officer, Proactive profile and reputation management via social media, website and press releases. Partnership staff and Board Members continue to promote and advocate activities via speaking, writing or wider networking Continue to work closely with regional partners Board members regulary updated on SEStran work successes and issues. Agreed approach to media position set out in Standing Orders.	**2**	**Unlikely**	**3**	**Moderate**	**6**	**Low**	**Low** **Tolerate**	Review ~~at end of Sept 2026~~ Feb 2027 Partnership Director	Low	Med	⟷
R003 **3.2**	**Reputational**	**Project Management:** Potential insolvency of 3rd party supplier	**3**	**Possible**	**3**	**Major**	**9**	**Medium**	Improved supplier viability checks before award, renewal or modification of contracts or grants now in place. Individual risks and mitigations to be developed for any contract or grant over an agreed threshhold. Where appropriate, Government frameworks will be utilised. Full review of procurement procedures is nearing completion by Legal Advisers. Current date for this to compelte is end of December 2026. Staff training on new procedures to be developed.	**2**	**Unlikely**	**3**	**Moderate**	**6**	**Low**	**Medium** **Treat**	Review at end Jun 2027 ~~Dec 2026~~ Programme Manager	Low	Med	⬇
R005 5.0	**External**	**Third party Service Level Agreements:** Failure or inadequacy of service	**2**	**Unlikely**	**2**	**Minor**	**4**	**Low**	Service Level Agreements in place for Financial Services, HR and Insurance services. Reviewed annually by senior officers. Subject to independent audit scrutiny. Financial Services and Clerking/Secretary SLA to be reviewed.	**2**	**Unlikely**	**2**	**Minor**	**4**	**Low**	**Low** **Tolerate**	Review by end ~~Dec 2026~~ Feb 2027 Business Manager	Low	Med	⟷

R005 5.1	**External**	**Contract Management:** Failure to manage contracts leads to under performance and failure to obtain best value and delivery from contractual relationship.	**3**	**Possible**	**4**	**Major**	**12**	**Medium**	Conditions of contract reviewed, including Contract Standing Orders. This work will shape a new Procurement Strategy and Manual which is being developed by Anderson Strathern. Ensure contract documentation sound and up to date. Ensure contracts are adequately managed. Business propriety/credit/analytic criteria to be written in to documentation. Contract management process to be included as part of full procurement review due to compelte end of December 2026.	**2**	**Unlikely**	**3**	**Moderate**	**6**	**Low**	**Low** **Tolerate**	Review at end Jun 2027 ~~Dec 2026~~ Programme Manager	Low	Med	⟷
R005 5.2	**External**	**Grants:** Failure to adhere to grant conditions could result in grants being withheld or reclaimed, impacting the SEStran budget	**4**	**Probable**	**4**	**Major**	**16**	**High**	Ensure that grant conditions are understood before application is submitted, that relevant team members are briefed on grant conditions, and that adequate controls are in place to ensure that all steps and approvals are documented. Also refer to risk 2.9. Successful management of risk 5.2, reduces likelihood of risk 2.9	**2**	**Unlikely**	**4**	**Major**	**8**	**Medium**	**Medium** **Treat**	Review at end Jun 2027 ~~Dec 2026~~ Programme Manager	Low	Med	↓
R006 6.0	**Legal and Regulatory**	**Statutory Duties:** Failure to adhere to duties described in legislation and related documentation	**3**	**Possible**	**4**	**Major**	**12**	**Medium**	Regular monitoring and programming of statutory duties is undertaken by the Partnership Director, Senior Partnership Manager and Business Manager. Audited by third parties. Officers to carry out a review of compliance with Public Sector Equality Duty. Horizon scanning of consultations which may lead to new statutory responsibilities. Create Register of Statutory Duties, to be kept updated, ensure smooth succession planning	**2**	**Unlikely**	**4**	**Major**	**8**	**Medium**	**Treat**	Review at end ~~Dec 2026~~ Feb 2027 Partnership Director	Low	Low	⟷
R007 7.0	**Specific Operational**	**People and Place Plan:** Funding changes result in programme not continuing regionally beyond 2027/28	**3**	**Possible**	**3**	**Moderate**	**9**	**Medium**	Engage regularly with Transport Scotland. Ensure outcomes and outputs from the programme delivery are captured to evidence efficacy of regional approach. With the budget in late 2027 following the election in early 2026, the impact of this on P&P remains unknown and so likelihood of this has been upgraded to possible despite the mitigations until a clear politcal direction is available.	**3**	**Possible**	**3**	**Moderate**	**9**	**Medium**	**Medium** **Tolerate**	Review at end Mar 2027 ~~Dec 2026~~ Programme Manager	Low	Med	⟷
R008 8.0	**System and Technology**	**Digital/IT:** ~~Server failure~~ ~~Comms failure~~ ~~Website breach~~ ~~Resulting in loss of service to business operations~~ Failure or unavailability of critical systems, communications, websites or third-party IT services could disrupt SEStran operations and prevent delivery of key functions.	**3**	**Possible**	**4**	**Major**	**12**	**Medium**	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. 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.	**1**	**Remote**	**4**	**Major**	**4**	**Low**	**Low** **Tolerate**	Ongoing / review ~~Dec 2026~~ Feb 2027 Business Manager	Low	Med	⟷
R008 8.1	**System and Technology**	**Cyber Security:** Public sector entities are prime targets for cyberattacks and data breaches, which can compromise sensitive information and disrupt services.	**3**	**Possible**	**4**	**Major**	**12**	**Medium**	Annual Cyber Essentials Plus audit and accreditation awarded. In receipt of daily threats and weekly vulnerability emails from the Scottish/National Cyber Security Centre. Regular Staff training and exercises. Monthly in person visit by IT Consultant/Engineer under contracted services provision.	**2**	**Unlikely**	**4**	**Major**	**8**	**Medium**	**Medium** **Treat**	Ongoing / review ~~Dec 2026~~ Feb 2027 Business Manager	Low	Low	↓

R009 9.0	**People**	**HR:** Non-compliance with emloyment and/or data privacy laws may result in poor repuation as an employer, difficulty in attracting skilled resource and greater probability of litigation and / or financial penalties	**3**	**Possible**	**3**	**Moderate**	**9**	**Medium**	SLA in place until May 2027 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 2027	**1**	**Remote**	**3**	**Moderate**	**3**	**Low**	**Low** **Tolerate**	Review March 2027 Partnership Director	Low	Low	⟷
R009 9.1	**People**	Inadequate measures in place to facilitate staff health, safety and well-being during contingency arrangements or future office arrangements.	3	**Possible**	**4**	**Major**	**12**	**Medium**	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&A Committee. Liaise with HR Adviser, SG facilities team. Hybrid Working Policy implemented to facilitate transition arrangements to normal working arrangements. An ongoing risk remains for future pandemics and future widespread disease or other outbreaks. Measures will be adjusted in accordance with government advice.	**2**	**Unlikely**	**3**	**Moderate**	**6**	**Low**	**Low** **Tolerate**	Review at end ~~Dec 2026~~ Feb 2027 Partnership Director	Low	Low	⟷
R009 9.2	**People**	Inadequate measures in place to facilitate staff health, safety and well-being during working from home arrangements.	3	**Possible**	**4**	**Major**	**12**	**Medium**	~~A~~ppropriate 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&A Committee. Business Continuity Plan reviewed. Liaise with HR Adviser. Review transition arrangements to normal working arrangements at appropriate time. Hybrid Working Policy implemented and working well. An ongoing risk remains for future pandemics and future widespread disease or other outbreaks. Measures will be adjusted in accordance with government advice and legislation.	**2**	**Unlikely**	**3**	**Moderate**	**6**	**Low**	**Low** **Tolerate**	Review at end ~~Dec 2026~~ Feb 2027 Partnership Director	Low	Low	⟷
R009 9.3	**People**	~~Loss of key personnel may lead to inability to deliver strategy, projects and/or operations~~ Loss, prolonged absence or unavailability of key personnel, combined with limited capacity and specialist knowledge concentrated in individual roles, could disrupt statutory, financial, governance or project activities.	3	**Possible**	**3**	**Moderate**	**9**	**Medium**	Recruitment Policy in place. Development of existing staff through performance appraisal. Staff training Work programme will be monitored and redistributed as necessary. Succession and resilience planning. Documented procedures and handover records.	**3**	**Possible**	**2**	**Minor**	**6**	**Low**	**Low** **Tolerate**	Review at end ~~Dec 2026~~ June 2027 Partnership Director	Low	Low	⟷
R009 9.4	**People**	**Climate Change** Staff are unable to access the office more frequently due to increase in adverse weather events.	**3**	**Possible**	**3**	**Moderate**	**9**	**Medium**	Home working policy in place and procedures for inability to access the office outlined in the SEStran Business Continuity Plan. Train team in BCP and review regularly.	**3**	**Possible**	**2**	**Minor**	**6**	**Low**	**Low** **Tolerate**	Review at end ~~Dec 2026~~ June 2027 Partnership Director	Low	Low	⟷

Risk Number	Risk Detail	Risk Category	Gross Risk Assessment							Planned Response/Mitigation	Net Risk Assessment							Risk After Mitigation/Appetite for Risk	Date and Owner			
			Probabilit		Impact		Risk Score				Probabilit		Impact		Risk Score							
	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 Agreeement 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 uncertaintity 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			
	Governance: 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			
	Policy Appraisal: 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	⟷
	Regional Transport Strategy: 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	⟷
	Newly Appointed Board. Risk of lack of continuity and loss of expertise due to high turnover in members for the new term of office.	Governance	3	Possible	3	Moderate	9	Medium		Ensure that full training and support is provided to the new Board in 2022 to enable strategic decisons 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	⟷
	Other Funding Sources: 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 (3-5year) 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	↓
	Regional Governance Lack of clarity on role of non statutory REP/ESES City Region Deal groupings	Strategic	4	Probable	3	Possible	12	Medium		A Concordat has been established and is functioning effectively between SEStran and the ESESCRD. This agreement commits both parties to collaborate openly and transparently to support land use planning and economic growth across the region. The benefits of this partnership are already evident, with the regional electric vehicle charging strategy and the RTS Delivery Plan development being two key examples. The Partnership will continue to work with partners and stakeholders at Scottish and UK government levels to promote the benefits of regional partnership delivery. Response to REP consultation (see above) will assist building partnerships at regional level.	2	Unlikely	3	Moderate	9	Medium		**Medium** **Tolerate**	CLOSED Partnership Director	Low	Med	
	The approved budget for 2025/26 makes provision for a pay award of up to 3%.	Financial	5	Highly Probable	3	Moderate	15	High		Prudent planning assumption with ongoing monitoring of public sector pay negotiations. Ongoing monitoring and review of all costs and forecasts during 2025/26. As the 2025/26 pay award of 4% is higher than the 3% budgeted provision, forecasts for 2025/26 have been reviewed to identify measures to mitigate the additional cost of £7,600.	2	Unlikely	3	Moderate	6	Low		**Medium** **Tolerate**	CLOSED ~~December 2025~~ Partnership Director	Low	Med	⟷

Close 1.2

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.

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	
					8	Medium Risk
					9	
					10	
					12	
					15	High Risk
					16	
					20	
					25	

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

Impact				
Descriptor	Score	Health and Safety Impact	Impact on Service and Reputation	Financial Impact
Insignificant	1	No injury or no apparent injury.	No impact on service or reputation. Complaint unlikely, litigation risk remote.	Loss/costs up to £5000.
Minor	2	Minor injury (First Aid on Site)	Slight impact on service and/or reputation. Complaint possible. Litigation possible.	Loss/costs between £5000 and £50,000.
Moderate	3	Reportable injury	Some service distruption. 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 exeptional 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					
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
Likelihood	Remote	Unlikely	Possible	Probable	Highly Probable

Risk Appetite

Risk Rating	Net Risk Assessment	Risk Appetite Response
High	15-25	Unacceptable level of risk exposure which requires action to be taken urgently.
Medium	7-14	Acceptable level of risk but one which requires action and active monitoring to ensure risk exposure is reduced
Low	1-6	Acceptable level of risk based on the operation of normal controls. In some cases, it may be acceptable for no mitigating action to be taken.

Risk Response

There are four categories of risk response:

Terminate: risk avoidance – where the proposed activity is outwith the current risk appetite level;

Treat: risk reduction – where proactive action is taken to reduce the likelihood or impact of an event occurring or limiting the consequences should it occur

Transfer: risk transfer – where the liability for the consequences is transferred to an external organisation in full or part (e.g. insurance cover)

Tolerate: where certain risks are accepted

Risk Appetite Target Scores

Risk Description	From	To	Commentary
Strategic	Low	Medium	SEStran has a low to medium appetite in relation to its strategic risks and aims to ensure effective delivery of its commitments in line with agreed timescales. Strategic delivery is monitored through ongoing reporting processes and governance processes.
Financial	Low	Medium	SEStran has a low to medium appetite in relation to financial risk and may be prepared to accept some risk, subject to: · setting and achieving an annual balanced revenue budget, in line with legislative requirements · maintaining an unallocated general reserve fund, in line with legislative requirements The target appetite score for any significant budget overspend will be low. 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, however any specific cyber risks will have a target score of low.
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.

DELIVERY PROGRAMME PERFORMANCE REPORT

1 INTRODUCTION

1.1 This report updates the Committee on the performance of the Partnership's strategy and project workstreams for 2026/27, focusing on quarter 2.

2 BACKGROUND

2.1 In previous reporting cycles, this report was presented to the Project and Strategy Delivery Oversight Group (PaSDOS) prior to issuing to this Committee. Following the revision to the PaSDOS terms of reference, this report will no longer be reviewed by PaSDOS, and so the P&A Committee will be the principal location for scrutiny of SEStran's delivery programme.

2.2 In light of the above and the move to a programmatic approach for delivery work, the format of this report will be revised for the next quarter – this had been planned for this quarter but other work had to be prioritised. These revisions will focus on a clear dashboard overview for each project, alongside a single overview dashboard. Going forward, this covering report will be reduced as all key information will be included on each dashboard.

2.3 Members should also note that spend to date and budget projections, broken down by programme, are included in the Finance Officer Report elsewhere on this agenda. This paper will therefore focus on delivery against milestones, risks and issues.

3 PEOPLE AND PLACE (P&P)

3.1 Status Update

P&P is currently on budget and programme, with the budget fully allocated, and it is expected that the grant will be spent in full as in 2025/26.

3.2 Milestones

1 milestone is delayed, and all others are either complete or on track. The delayed milestone in relation to the programme evaluation approach is currently being progressed and anticipated to be achieved by the end of Q3, with no impact on the overall programme.

3.3 Risks

The top 3 risks currently identified, along with their current mitigations, are:

Risk: Reduction in revenue funding could lead to an inequitable programme that favours cycling over walking and wheeling and/or lacks capacity to engage with seldom heard groups – rated as a high risk.

Mitigation: The impact of reduced revenue funding is being raised continually with Transport Scotland. Planning for 2027/28 will consider how available revenue funding can be optimised to protect walking and wheeling projects, supported by monitoring the transport modes covered by funded projects.

Risk: Errors being made in payments after they have been authorised and passed to CEC for payment, resulting in overpayment or payments to the wrong account that need to be recovered and/or underpayments that impact fundees' cashflow – rated as a high risk.

Mitigation: Payment errors will be escalated with the CEC finance team to understand their causes, identify preventative measures, and ensure any future errors are prevented or, if they do occur, that they are detected and resolved quickly.

Risk: With the reductions to funding in 2026/27, schools' projects have had completion dates shortened by 3 months i.e. Q4+1 is no longer funded so, in 2026/27, they are funded from Q4+1 of 2025/26 plus 9 months funding from the 2026/27 budget. This risks creating an increased funding gap for 2027/28 if the reduction is continued because, without funding for Q4+1 from this year's funding, schools will require 12 months funding from the 2027/28 budget. This is rated as a medium risk.

Mitigation: The potential 2027/28 funding gap for school projects will be built into programme planning, with delivery organisations made aware of the pressures and the issue continuing to be raised with Transport Scotland.

3.4 Issues

There are two issues logged for the People and Place programme. One relates to the revenue funding reduction that was previously reported to the Board. The second is a medium severity issue around incorrect payments being made – this is as per the risk noted above.

4 REGIONAL BUS ACTION PLAN (RBAP)

4.1 Status Update

The Regional Bus Action Plan is currently on programme. Governance arrangements are in place through the Regional Bus Programme Board, with actions being agreed for Year 1. Thistle Assistance and Real Time Passenger Information remain on budget and on target.

4.2 Milestones

Key Quarter 2 milestones have been achieved, with priority actions for Year 1 agreed with the Bus Board, which will be integrated into the Regional Bus Action Plan being

developed by SYSTRA. Progress has been made on the procurement of Podaris transport planning software, with the platform intended to support planning and analysis across multiple projects. A Bus Board meeting was held early September; it saw significant engagement from stakeholders and discussions focused on SEStransit, the Congestion working group proposal and the paper on Bus Service Improvement Partnerships. Following this, the Bus Board agreed to the creation of a Congestion working group which will take place in early December.

One Thistle Assistance milestone has been delayed and reprogrammed, with all others completed or on track.

One RTPI milestone has been completed, with work underway to complete the rest of the milestones.

4.3 Risks

The top three risks and their mitigations are:

Risk: Changes to services, fares, or access could reduce public trust or disproportionately impact certain groups (e.g. rural, digitally excluded).

Mitigation: Embed Equality Impact Assessments and targeted engagement in all workstreams. Use pilot approach with visible benefits to make the case for supported services. Advocacy and facilitating engagement to ensure action is taken early where services are at risk or new policy will heavily impact the network.

Risk: The respective future roles and responsibilities of SEStran, constituent local authorities, Transport Scotland and other partners under a franchised or more regulated system are not yet clear, creating uncertainty for programme planning and decision-making.

Mitigation: Continue to keep Programme Initiation Documents; Risk, Assumptions, Issues and Dependencies (RAID) log; Comms Plan; and milestones up to date and ensure change control forms are completed where appropriate. Use agile project management processes to ensure we are ready for changes.

Risk: Real Time Passenger Information: Lack of knowledge and resource within the project results in screens being installed poorly or behind schedule.

Mitigation: Procure expert consultant support to ensure the standard for screens across the region improves to:

- Ensure 100% of screens are being tested by the supplier
- Ensure supplier delivers the screens within the financial year and works with local authorities to overcome any blockers
- Support knowledge of screen maintenance to ensure local authorities are better equipped to report defective screens

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4.4 Issues

There are currently two issues logged for the Thistle Assistance project. One issue is related to the app having been removed from the Apple store. Next steps have been agreed internally, and efforts are currently being made to enable the app to be reinstated on the app store. The other issue is about the Thistle Assistance 'contact us' form on the website, which has stopped working, preventing any queries from reaching the Thistle Assistance inbox. The origin of the issue has been identified, and efforts are currently being made with our IT supplier to resolve this issue shortly.

5 TRANSPORT TO HEALTH (TtH)

5.1 Status Update

TtH is currently on budget and on target. The budget is 70% committed and the remainder is expected to be spent in full this financial year.

5.2 Milestones

Quarter 2 saw the completion of one milestone, with a consultant appointed to support capacity and a stakeholder engagement plan agreed to review TPOs. Three milestones are currently delayed with the rest of them being either completed or on track. The delayed milestone in relation to the strategic engagement with the Health Boards has seen its remit changed and due date revised to reflect amended project plans. Although a draft vision is now in place, the associated milestone is delayed pending final internal approval, which should be achieved by mid-November. The third one relates to engagement activities with stakeholders has now a revised date and is now on track to be completed by the end of December 2026.

5.3 Risks

The top 3 risks currently identified, along with their current mitigations, are:

Risk: £2 Bus Fare impacts the bus market such that routes are cut or funding for wider transport interventions is unavailable.

Mitigation: We are actively monitoring and influencing Transport Scotland / Scottish Government as part of the development of the Bus bill.

Risk: Lack of buy-in and commitment from stakeholders at officer and senior level, diminishing quality, collaboration of efforts and limiting progress.

Mitigation: With the consultants appointed, a stakeholder engagement plan has been agreed to maximise value of engagement activities while being mindful of the time commitments required from our partner organisations. Additionally, following the initial letter addressed to each NHS Boards CEO, further internal discussions have led to a revised approach to establish a more formal engagement with them.

This will result in online meetings being held in January 2027 to present the TtH vision, the TPOs and shortlist of interventions.

Risk: Proposed NHS Scotland restructuring may alter Health Board governance arrangements, leadership structures, priorities and decision-making processes during delivery of the Transport to Health programme. This could lead to delays in stakeholder engagement, uncertainty regarding programme ownership, or changes in strategic priorities.

Mitigation: We aim to maintain engagement at multiple organisational levels (executive, strategic and operational), regularly monitor Scottish Government reform developments. We'll review stakeholder mapping regularly and update governance arrangements as required and we'll ensure programme objectives align with national health priorities rather than individual board structures.

5.4 Issues

There are currently no issues recorded for this programme.

6 TRANSPORT TO EMPLOYMENT (TtE)

6.1 Status Update

TtE is currently on budget and programme. There remains approximately £100,000 of budget to be committed, but plans are in place to allocate this funding and it is still expected that the grant will be spent in full.

6.2 Milestones

Most milestones are currently on track or complete with the exception of one milestone in relation to the evaluation framework. This milestone is slightly delayed and expected to be achieved by the end of Q3. This delay is not expected to have a knock-on impact on the programme.

6.3 Risks

The top 3 risks currently identified, along with their current mitigations, are:

Risk: Errors being made in payments after they have been authorised and passed to CEC for payment, resulting in overpayment or payments to the wrong account that need to be recovered and/or underpayments that impact fundees' cashflow – rated as a high risk.

Mitigation: Payment errors will be escalated with the CEC finance team to understand their causes, identify preventative measures, and ensure any future errors are prevented or, if they do occur, that they are detected and resolved quickly.

Risk: TtE is a new work area for SEStran and therefore knowledge of the best solutions may be lacking, which could lead to low quality proposals and/or lack of

faith in SEStran's ability to deliver from those already working in this area – rated as a medium risk

Mitigation: We have sought input from external partners and existing experts in the field, including the Workforce Mobility Programme, Community Planning Partnership partners and Local Employability Partnerships (LEPs). Engagement with these organisations is intended to improve understanding of effective approaches, while further knowledge development opportunities for the SEStran team are being identified during 2026/27.

Risk: Lack of national guidance on evaluation, combined with likely difficulty in evidence in significant shift in child poverty in one year, results in risk of programme not showing significant impact on its core aim – rated as a medium risk

Mitigation: We are maintaining ongoing engagement with Transport Scotland and other Regional Transport Partnerships to agree evaluation requirements and core outcomes. In addition, a specialist consultant has been commissioned to work with SEStran and three other RTPs to develop an evaluation framework and undertake programme evaluation, with the risk to be reviewed when that framework is in place.

6.4 Issues

There are currently no issues recorded for this programme

7 REGIONAL TRANSPORT STRATEGY DELIVERY PLAN (RTSDP)

7.1 Following the confirmation of a multi-year grant award from the Local Growth Fund, work on the RTSDP has restarted during 2026/27 following delays associated with the confirmation of funding and a lack of internal capacity. The programme will build on the prioritisation work already undertaken with regional partners to develop a coherent and investable pipeline of strategic transport interventions across South East Scotland. This will also be aligned with the development of SEStransit and the Regional Bus programme.

7.2 A comprehensive consultancy commission has now been awarded to take forward the next phase of the Delivery Plan. The commission includes reviewing and refining existing project prioritisation, undertaking baseline mapping and gap analysis, reviewing relevant recommendations from the 2nd Strategic Transport Project Review, and identifying future regional investment priorities. This work will provide the evidence base for developing a prioritised and deliverable programme of interventions to 2035 and beyond.

7.3 It is anticipated that from next quarter that the RTSDP will be reported in a similar format to the other programmes above.

8 SEStransit

8.1 Following the delayed confirmation of Bus Infrastructure Funding, SEStransit has belatedly moved into the next phase of developing a Programme-Level Strategic Business Case. The programme is intended to form a coordinated, long-term approach to public transport investment across South East Scotland. It continues to be developed in partnership with local authorities, Transport Scotland and other regional stakeholders, building on completion of the Strategic Context and the evidence developed through the Case for Investment.

8.2 The next phase will focus on identifying, modelling and appraising potential transport interventions to improve regional connectivity. This will include further stakeholder engagement and development of the environmental and impact assessment work alongside the commercial, financial and management cases. The resulting business case will provide the basis for an integrated regional programme of future public transport investment.

8.3 Procurement for additional programme management support has also concluded, providing dedicated capacity to manage the next phase of SEStransit through to December 2027 (subject to funding continuing into 2027/28). This additional resource will strengthen programme governance, coordination, programme controls and management of the substantial technical consultancy work required as the Strategic Business Case progresses. This will also include the formation of a wide Programme Management Office, bringing in additional resource for communications and stakeholder engagement as well as programme administration, all funded by the Bus Infrastructure Fund.

9 CROSS PROGRAMME WORK

9.1 This area of works covers Comms and Marketing, Project Consultancy, and the projects contingency budget.

9.2 Comms and Marketing

This funding has covered the redesign of the SEStran logo (which is now complete) and will also be used to rebuild and redesign the SEStran website to enable our messaging to reach our target audiences in a clear, effective and impactful way (for which work is now underway). There are no specific risks for this area of work. Milestones are all complete or on track, with the procurement for the website completed slightly late, but work will still complete in advance of 31st March 2027. The budget is fully allocated with a small contingency remaining.

9.3 Project Consultancy

This funding has covered seconded roles within the projects team to provide additional capacity and experience. There are no specific milestones or risks associated with this budget. We are predicting a slight underspend based on current commitments, which cancels out the slight overspend noted in 9.4.

9.4 Projects Contingency

This budget is covering a wide range of both unexpected costs that have come up in year related to other delivery areas, as well as providing funding for standalone opportunities that have arisen, such as sponsorship of a Powering Futures Challenge, work looking at land value capture, and support for work on a data strategy. There are no specific milestones or risks associated with this project. The budget is predicting a slight overspend based on current commitments, which is cancelled out by the slight underspend noted in 9.3.

10 RECOMMENDATIONS

10.1 The Committee is asked to note the contents of this report

Michael Melton
Programme Manager
20th November 2026

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.