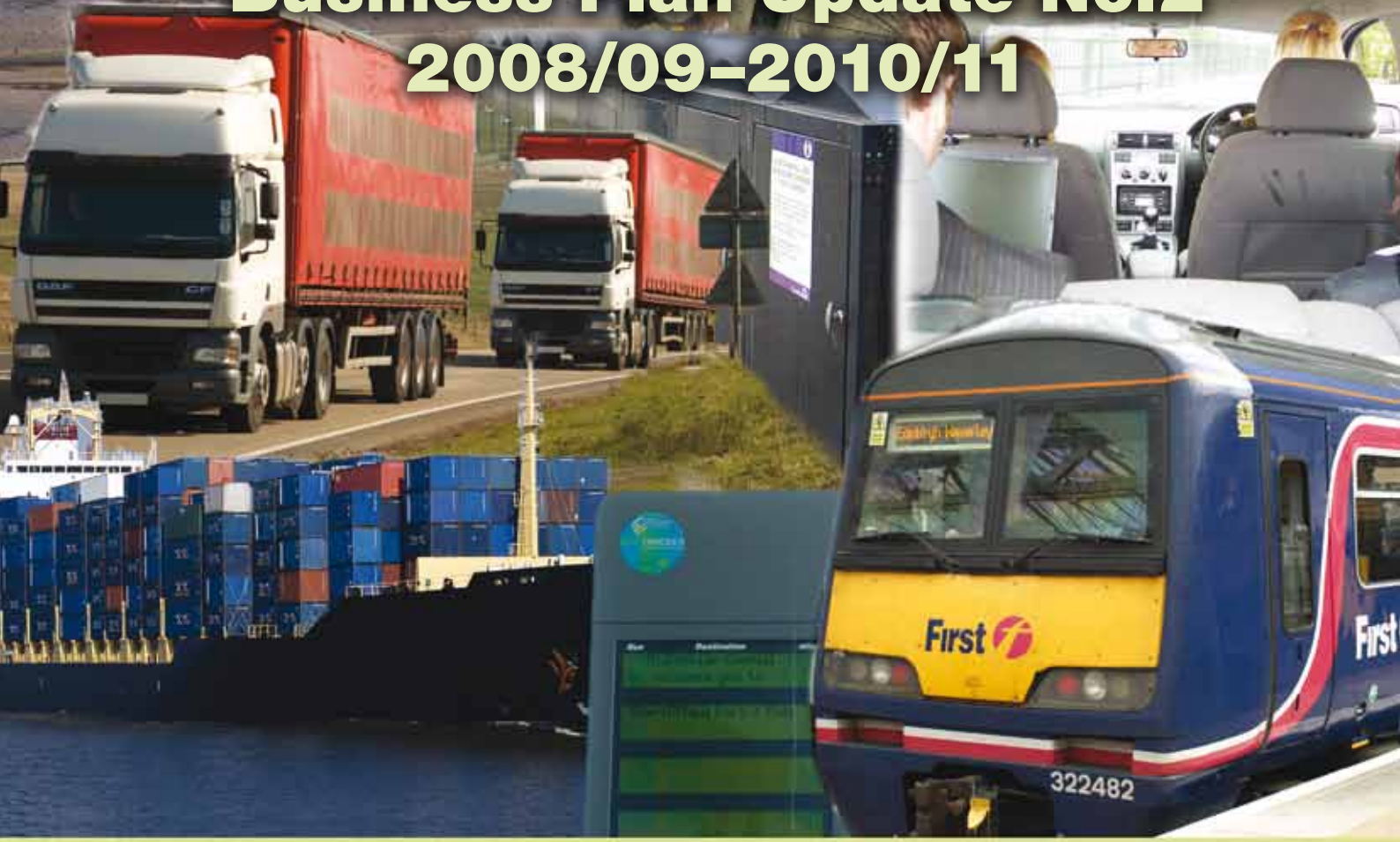


Business Plan Update No.2 2008/09-2010/11



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1. Foreword by Chairman and Partnership Director

This is the second annual update of the Business Plan prepared by the South East of Scotland Transport Partnership covering the three financial years of 2008/9, 2009/10 and 2010/11. It focuses purely on changes that have occurred during the period since the approval of the last update of the Business Plan and as such, is not a complete rewrite. Those areas that have not changed since the approval of the original business plan remain relevant and this should be treated as an addendum to the original document. The Annual Report which will be published later this year looks back on performance over the last year and focuses on monitoring the delivery of the Regional Transport Strategy (RTS). It is therefore a companion document to the Business Plan and when the suite of documents are read together they will provide a comprehensive picture of SEStran's programmes moving forward and our performance against the targets in the RTS.

The revised SEStran Regional Transport Strategy was approved by the SEStran Board on 18th April 2008 and by the Scottish Government on 24th June 2008. This provides the statutory basis for SEStran activities moving forward and partner authorities are required to take account of the content of the RTS when developing their own Local Transport Strategies and Regional and Local Land Use Development Plans. SEStran's co-location with SESplan, the body responsible for the Edinburgh City Region Strategic Development Plan (SDP). Continues to facilitate close working arrangements and SEStran is providing the strategic transport planning input to the SDP. It is a requirement of the RTS that SEStran publish an annual Business Plan identifying how it proposes to implement the RTS and an annual monitoring report identifying progress against the RTS objectives. These are the documents referred to above.

Within the context of the Government's Comprehensive Spending Review published on 14th November 2007 which represented the tightest settlement for transport in recent years, both SEStran and its partner Local Authorities have found it difficult to meet the ambitious aspirations for investment in transport contained in the SEStran RTS. In addition, with the budget for regional transport initiatives being rolled up in the Local Authority settlement and ring fencing removed, the significant challenge to integrated delivery of regional initiatives has required closer working between SEStran and the eight partner Local Authorities to ensure progress on the RTS priorities. The mechanism for that close working has been SEStran's input to the Single Outcome



Russell Imrie, SEStran Chair



Alex Macaulay, SEStran Director

Agreements (SOAs); that partner authorities entered into with the Scottish Government and SEStran will continue to provide active input through the new versions of SOAs as partners in Community Planning Partnerships.

The economic recession that the world has experienced throughout 2009/10 financial year has produced the most severe financial climate for transport investment experienced since the second world war. As a result, capital expenditure for 2010/11 will be severely curtailed as both local and national governments struggle to meet statutory commitments while the country slowly recovers from the recession.

The majority of the remaining Capital Programme will be delivered by the partner Local Authorities with SEStran's primary role being monitoring progress as required by the RTS. The Business Plan does identify Real Time Passenger Information (RTPI) provision throughout the SEStran area as a project best delivered directly by SEStran. To this end, SEStran has been successful in attracting European Structural Funds to provide 40% funding for RTPI in East Lothian and Scottish Borders. This combined with contributions from the Local Authorities concerned and from SEStran has ensured that a significant start has been made to the regional programme. Discussions continue with the other authorities with a view to the submission of further applications to the European structural funds to continue the programme throughout the SEStran area and an application is currently pending for provision in Fife.

The Core Revenue budget for 2009/10 has been subject to a number of pressures. These have included salary increases and the consolidation of staff costs associated with travel planning as a result of withdrawal of direct funding for travel planning by the Scottish Government. In addition the partner authorities have requested a reduction in their requisition level to assist them with meeting the pressures on their own revenue budgets. To accommodate these pressures a proportion of staff costs will be charged to the real time passenger information project, the Dryport project and to sustainable transport reflecting the staff commitment to these projects. In addition, the small contingency identified in previous years' budgets has been removed which will require very careful management of expenditure in the coming year. The net result for the partner authorities is a reduction in requisition level of 4.76%.

The Revenue Projects budget has been subject to a cut of £53,000 through the removal of Scottish Government grant for travel planning. However, in the present economic climate, the fact that the general block grant has not been reduced is to be welcomed. The revenue projects budget in this business plan demonstrates the value of partnership working with Local Authorities and SESPLAN and the importance of seeking new funding sources through Europe. SEStran will continue this approach throughout 2010/11 and beyond in order to continue to provide added value to transport throughout the SEStran area.

The business plan sets out the resources that will be deployed to deliver the capital and revenue programmes and updates the sections covering good governance, powers and functions as necessary. The plan demonstrates clearly that SEStran will continue to assist local authorities in the delivery of regional priorities and to deliver improvements to transport throughout the region directly where that is most appropriate.

The dates for the next review are set out below.

Review Period for Key Governance Documentation

Governance Document	Timetable for Review	Last Review Date	Next Review Due
Standing Orders	Every Second Year	May, 2008	May, 2010
Financial Regulations	Every Second Year	May, 2008	May, 2010
Scheme of Delegation	Yearly	April, 2009	April, 2010
Committee Structure	Eighteen Monthly	December, 2009	June, 2011
HR Policies/Procedures	Yearly	June, 2009	June, 2010
Liaison Group Structures	Eighteen Monthly	December, 2009	June, 2011
Anti-Fraud and Corruption Policy	Every Second Year	December, 2009	December, 2011

6. Funding

Since the removal of direct funding by capital grant from Scottish Government Sustran has continually searched for other sources of finance to enable the delivery of the Regional Transport Strategy. An early success in this task has been participation in the EU Interreg IVB project Dryport which has enabled Sustran to fast track a number of freight and rail studies with 50% of costs funded by the EU. Participation in this project has given Sustran experience of the resources which are required to manage EU projects and presented opportunities for the participation in other EU funded proposals. Sustran has registered interest in several bid proposals that are currently being prepared for EU funded projects to be submitted to the Commission in March 2010 with the announcement of successful proposals being announced in August 2010. The participation of local private sector stakeholders will be crucial to the success of these bids.

The Regional Real Time Information project is finally getting off the ground with match funding provided through the European Regional Development Fund. Successful bids for ERDF have been made to allow delivery of the project in East Lothian and Scottish Borders with a bid for funding in Fife currently being considered by Scottish Government. An unsuccessful bid for further financial support for this project was made to the Town Centre Regeneration Fund. It should be noted that West Lothian Council have set aside £200K for this project and hopefully a source of match funding can be found for these monies to enable delivery of the project within this authority.

Throughout the past year Fife, Edinburgh, West Lothian and Falkirk Councils have shared costs with Sustran on cross border transport studies as have TACTRAN and Dundee Council and this partnership approach will continue to be encouraged and developed in the new financial year. A recent success in this approach has been the financial contributions made by Transport Scotland to the development of a regional transport model and the appraisal of the park and ride proposal south of the Tay Bridge.

The office sharing with SESplan continues to provide a revenue stream to enable the delivery of strategic regional transport planning studies.

Last year's business plan addendum advised of a greater reliance on partnership authorities to deliver capital projects. It is also the case that the SEStran revenue budget is now severely constrained and SEStran is unable to undertake many transport studies to progress potential future schemes unless most of the funding is provided by the relevant local authorities. It is now more likely that such schemes will be taken forward as part of the next SEStran Regional Transport Strategy and would include analysis for the case for projects such as new stations at Newburgh, Grangemouth and High Bonnybridge.

Public Transport Issues

SEStran will work in close liaison with the UK and Scottish Governments, Transport Scotland, Member Local Authorities, neighbouring Transport Partnerships and not least, Transport Operators and relevant national transport organisations such as Network Rail, Traveline and Passenger Focus in order to secure enhancements to passenger transport provision within and to/from the SEStran area.

Key issues that will directly or indirectly involve SEStran will include:

- Rail** Proposals for a UK High Speed Rail Network
The Government's High Level Output Statement informing Network Rail's Control Period 5 (2014-2019)
Scotland RUS review
East Coast Main Line services and Local Services east of Edinburgh
- Bus** Referral of Local Bus Services to Competition Commission
Forth replacement Crossing; Public Transport arrangements
Implementation of Real Time Passenger Information across SEStran Area
Progressing implementation of an Edinburgh Outer Orbital Bus Rapid Transit service
- Ferry** Implementation of Cross Forth Ferry Service(s)

8. Capital Programme 2009/10–2012/13

Project Ref.	Delivery	Project Name	2009/10 £'000	2010/11 £'000	2011/12 £'000	2012/13 £'000	Post 2012/13 £'000	Total £'000
EU C1	SEStran	RTPI East Lothian	75	350	425	275		1,125
EU C2	SEStran	RTPI Borders	75	287	150			512
EU C3	SEStran	RTPI Fife		223	210	235		668
							Total Expenditure	2,305

Funding								
Project Ref.	Source	Project name	2009/10 £'000	2010/11 £'000	2011/12 £'000	2012/13 £'000	Post 2012/13 £'000	Total £'000
EU C1	EU	RTPI East Lothian	30	140	170	70		410
EU C1	SEStran	RTPI East Lothian	45	100	85	108		338
EU C1	East Lothian Council	RTPI East Lothian	0	110	170	97		377
							EUC1 Total	1,125
EU C2	EU		30	112	60		0	202
EU C2	SEStran		45	175	90		0	310
							EUC2 Total	512
EU C3	EU			89	84	94		267
EU C3	Fife/SEStran			134	126	141		401
							EUC3 Total	668
							Total EUC1, EUC2 and EU C3	2,305

Notes

1 EU C3 subject to EU approval by the end of March 2010.

Delivery Mechanisms

SEStran have established three Term Framework contracts for Transport Planning, Travel Planning and Transport Advisor. By establishing these Framework contracts SEStran will have the ability to call on the appropriate technical support without the need for lengthy tendering procedures which will reduce the timescales for project delivery. If capital monies are to be made available to SEStran from whatever source, the Term Framework contracts will be invaluable. In the interim period a range of Transport Studies will be undertaken by the framework consultants financed through the Revenue budget

9. Revenue

Revenue Projects Programme 2010/11

Project Code	Projects	Proposed Budget 2010/11 £'000	Notes
EU1	Dryport	193	
R12	Edinburgh Orbital Bus Project	50	
R15	Park and Choose on South Side of Tay Bridge	5	
R17	Sustainable Travel (Includes Larbert Hospital)	130	
	Cross Forth Hovercraft	5	
R41	Specialist Rail/Bus Advice	25	
R34	Project Management	25	
R35	Park and Ride Strategy (Includes web site development)	40	
R42	Regional Development Plan Input	53	Note 1
R37	RTS Monitoring	5	
	Term Commission Management	10	
	Rosyth Shuttle Bus	6	
	High Speed Rail (Greengauge 21)	10	
	DRT Review	62	
	Lo Pinod Development	20	
	Electronic Freight Routing	20	
	Urban Cycle Networks	100	Note 2
	Equalities Forum actions	20	
	Total Expenditure	779	

	Funding		
	SESPLAN	53	Note 1
	Dryport	96	
	Scottish Government – Revenue Grant	570	
	Lo Pinod EU funding	10	
	Urban Cycle Networks	50	Note 2
	Total Funding	779	

Notes

1 SESplan income recycled to provide support to SESplan on RDP.

2 It is proposed to progress urban cycle network improvements through 50/50 match funding with the relevant local authority.

Core Revenue Budget 2010/11 £000

	Annual Budget 2009/10	Annual Budget 2010/11	Notes
Employee Costs			
Salaries	261	256	Notes 1 & 2
National Insurance	23	22	
Pension Fund	56	53	
Training & Conferences	19	15	
Interviews & Advertising	2	2	
	361	348	
Premises Costs			
Rent	34	34	
Rates	17	19	
Energy, Repairs, Ins., etc.	8	8	
Cleaning	6	6	
	65	67	
Transport			
Staff Travel	8	11	
Supplies and Services			
Marketing	48	48	
Comms & Computing	80	82	
Printing, Stationery & General Office Supplies	18	20	
Insurance	6	6	
Equipment, Furniture & Materials	4	4	
Miscellaneous Expenses	17	6	Note 3
	173	166	
Support Services			
Finance	25	25	
Legal Services/HR	8	8	
	33	33	

Continued.../

9. Revenue

	Annual Budget 2009/10	Annual Budget 2010/11	Notes
Corporate & Democratic			
Clerks' Fees	15	15	
External Audit Fees	10	10	
Members' Allowances and Expenses	3	3	
	28	28	
Total Gross Expenditure	668	653	
Funding:			
Interest	(3)	(3)	
Scottish Govt. Grant	(350)	(350)	
Council Requisitions	(315)	(300)	Note 4
Total Funding	(668)	(653)	

Notes

1 1% pay award April 2010 assumed.

2 Includes recharges to Dryport Project (£24,757) and Regional Real Time Bus Passenger Information System (£20,099) and part consolidation of travel plan staff costs.

3 Budget saving – reduction in Miscellaneous Expenses of £10,000.

4 Indicative requisitions for 2010/11 are shown below:

	Est. Pop June 2008	Requisition 2009/10	Indicative Requisition 2010/11	Decrease from 2009/10
Clackmannanshire	50,480	£10,604	£10,135	£-469
East Lothian	96,100	£20,069	£19,295	£-774
Edinburgh	471,650	£99,466	£94,697	£-4,769
Falkirk	151,570	£32,028	£30,432	£-1,596
Fife	361,890	£76,607	£72,659	£-3,948
Midlothian	80,560	£16,896	£16,175	£-721
Scottish Borders	112,430	£23,679	£22,573	£-1,106
West Lothian	169,510	£35,651	£34,034	£-1,617
	1,494,190	£315,000	£300,000	£-15,000

Marketing and Communications Strategy 2009/10

Budget Commitments Summary

Purpose	2008/09 Commitment	2009/10 Commitment	2010/11 Commitment
Materials	£5,800	£4,000	£4,000
Website	£3,640	£3,640	£3,640
Photography	£1,500	Nil	Nil
Media Training	£1,400	Nil	Nil
Events	£16,000	£16,000	£16,000
Advertising	£3,000	£3,000	£3,000
Publications	£5,400	£3,000	£3,000
Total expenditure committed	£36,740	£29,640	£29,640
Contingency Funds	£3,260	£3,360	£3,360
Tripshare Marketing	£20,000	£15,000	£15,000
Total budget	£60,000	£48,000	£48,000

10. Resources

Establishment

With effect of 31st January 2009, the SEStran offices are currently home to 8 paid employees.

Alex Macaulay	Partnership Director
Alastair Short	Strategy Manager (Part-time)
Lex Harrison	Strategy Manager (Part-time)
Ian Mathie	Programme Manager
Rachael Chambers	Office Manager
Lisa Black	Travel Plan Officer
Andrew Dougal	Communications Officer
Cassie Robertson	Administrator
Jessica Porter	Receptionist

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