

## **SOUTH WEST OF SCOTLAND TRANSPORT PARTNERSHIP**

**Meeting of Friday, 20 September 2019 at 10.30am, Cargen Tower,  
Garroch Business Park, Dumfries, DG2 8PN**

### **Members of the Board**

<b>Andrew Wood</b> (Chair)	- Dumfries and Galloway Council
<b>David Bryson</b> (Vice-Chair)	- NHS Dumfries and Galloway
<b>Richard Brodie</b>	- Dumfries and Galloway Council
<b>John Campbell</b>	- Dumfries and Galloway Council
<b>Adam Wilson</b>	- Dumfries and Galloway Council
<b>David Stitt</b>	- Dumfries and Galloway Council
<b>Alistair McKinnon</b>	- Scottish Enterprise

### **Future Meetings**

**15 November 2019**

**24 January 2020**

**19 June 2020**

**Douglas Kirkpatrick**

Lead Officer, South West of Scotland Transport Partnership

## SOUTH WEST OF SCOTLAND TRANSPORT PARTNERSHIP

Meeting of Friday, 20 September 2019 at 10.30am, Cargen Tower,  
Garroch Business Park, Dumfries, DG2 8PN

1. **SEDERUNT AND APOLOGIES**
2. **DECLARATIONS OF INTEREST**
3. **MINUTES OF MEETING ON 28 JUNE 2019 – FOR APPROVAL**
4. **REVENUE BUDGET MONITORING REPORT 2019/2020 FOR THE PERIOD ENDING 31 AUGUST 2019** – Recommendation - note the forecast outturn for the revenue budget as at 31 August 2019.
5. **REPORT BY EXTERNAL AUDIT ON THE 2018/19 AUDIT OF SOUTH WEST SCOTLAND TRANSPORT PARTNERSHIP** – Recommendations – (i) receive the external auditors' report on the 2018/19 audit as detailed in Appendix 1; (ii) note that no issues have been identified in the course of the audit which have impacted on the fairness of the financial statements submitted for audit; and (iii) note that the audited accounts will be certified by the Treasurer and Grant Thornton after this meeting.
6. **CAPITAL EXPENDITURE PROGRAMME 2019/20 TO 2021/22 - UPDATE -** Recommendations – (i) note the update provided on progress with the Capital Expenditure Programme 2019/20; (ii) agree a virement of £10K is made from the STAG Studies element to the Active Travel Projects element of the programme; (iii) note the advice from Dumfries and Galloway Council that the £150K contribution to the Dumfries and Galloway Royal Infirmary mitigation work is not required this financial year; (iv) agree a virement of £150K from the Active Travel Projects to the Purchase of Accessible Buses element of the programme; and (v) agree that work is undertaken on the 22 possible short paths in the 2-mile category as shown in Appendix 2.
7. **STAG APPRAISALS** – Recommendations – (i) note the final STAG Reports for the Beattock and Moffat, Eastriggs and Thornhill areas; and (ii) agree which of the option(s) presented in paragraph 7.5 are progressed.
8. **RAIL UPDATE** – Recommendations – (i) note and welcome the award of a grant from Transport Scotland's Local Rail Development Fund to complete the Initial Appraisal: Case for Change stage of a multimodal transport appraisal, in line with Scottish Transport Appraisal Guidance (STAG), which will look at transport problems and opportunities in Kirkconnel; (ii) agree that authority to award contracts relating to completion of the Kirkconnel Initial Appraisal: Case for Change be delegated to the Lead Officer in consultation with the Chair and Vice Chair; and (iii) note the announcement of First Trenitalia as the successful bidder to operate the West Coast Partnership, which will start in December 2019.

9. **NATIONAL TRANSPORT STRATEGY – DRAFT FOR CONSULTATION –**  
Recommendations – (i) note the publication of the National Transport Strategy (NTS2) a Draft for Consultation; and (ii) agree the draft SWestrans response to the National Transport Strategy (NTS2) a Draft for Consultation as shown in Appendix 2.
10. **SOUTH WEST SCOTLAND - INITIAL APPRAISAL: CASE FOR CHANGE–**  
Recommendation – agree the draft SWestrans response to the Draft Report ‘South West Scotland Transport Study Initial Appraisal: Case for Change’.
11. **ANY OTHER BUSINESS WHICH THE CHAIRMAN MAY DECIDE IS URGENT DUE TO THE NEED FOR A DECISION**

**It is recommended that Members of the South West of Scotland Transport Partnership Board agree to consider the following item of business in private and exclude the Press, members of the public and Observers from the meeting given the report contains confidential or exempt information in respect of paragraphs 1, 6, 8, 9 and 10 of Schedule 7A of the Local Government (Scotland) Act 1973.**

12. **EXTERNAL BOARD MEMBER – LOCAL ENTERPRISE AGENCY –**  
Recommendation – Members of the Board are asked to consider the recommendations as set out in the report (to be circulated separately to members of the Board only).
13. **LOCAL BUS TENDERS 2020 –** Recommendation – Members of the Board are asked to consider the recommendations as set out in the report (to be circulated separately to members of the Board only).

Douglas Kirkpatrick  
Lead Officer  
South West of Scotland Transport Partnership

Claire Rogerson  
Secretary to the Board  
South West of Scotland Transport Partnership

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## SOUTH WEST OF SCOTLAND TRANSPORT PARTNERSHIP

Meeting of Friday 28 June 2019  
at 10.30am, Cargen Tower, Garroch Business Park, Dumfries, DG2 8PN

### Present

### Members

<b>Andrew Wood</b> (Chairman)	-	Dumfries and Galloway Council
<b>Richard Brodie</b>	-	Dumfries and Galloway Council
<b>John Campbell</b>	-	Dumfries and Galloway Council
<b>Archie Dryburgh</b> (substitute)	-	Dumfries and Galloway Council

### Officials and Advisers

<b>Douglas Kirkpatrick</b>	-	Lead Officer
<b>Claire Rogerson</b>	-	Secretary to the Board
<b>Josef Coombey</b>	-	Policy and Projects Officer
<b>Janet Sutton</b>	-	Finance Officer

### Apologies

<b>David Bryson</b> (Vice-Chairman)	-	NHS Dumfries and Galloway
<b>Alistair McKinnon</b>	-	Scottish Enterprise
<b>Davie Stitt</b>	-	Dumfries and Galloway Council
<b>Adam Wilson</b>	-	Dumfries and Galloway Council

### Observers

<b>June Hay</b>	-	Outdoor Access Forum
<b>Hugh McCreadie</b>	-	Lochside and Woodlands Community Council
<b>Frazer Smith</b>	-	Stagecoach Scotland
<b>Graham Whiteley</b>		

### In Attendance

<b>Alan Smith</b>	-	Stagecoach Scotland
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**1. SEDERUNT AND APOLOGIES**

4 Board Members present and 4 apologies, noting that Archie Dryburgh was attending as a substitute on behalf of Davie Stitt.

**2. DECLARATIONS OF INTEREST**

**NONE** declared

**3. MINUTE OF MEETING OF 10 MAY 2019****Decision**

**APPROVED.**

**4. REVENUE BUDGET OUTTURN REPORT 2018/19****Decision**

The Board **NOTED** that the draft financial outturn for 2018/19 and that a break-even position was achieved.

**5. REVENUE BUDGET MONITORING REPORT 2019/20 FOR THE PERIOD ENDING 31 MAY 2019**

**PROCEDURE** - The Board was advised that the date in the heading of the Appendix to the report should read 31 May 2019 instead of 31 March 2019.

**Decision**

The Board **NOTED** the forecast outturn for the revenue budget as at 31 May 2019.

**6. DRAFT ANNUAL (UNAUDITED) ACCOUNTS 2018/19****Decision**

The Board **NOTED** the unaudited Annual Accounts for the financial year ended 31 March 2019 which would be submitted to the Board's external auditors for review.

**7. CAPITAL EXPENDITURE PROGRAMME 2018/19 OUTTURN REPORT****Decision**

The Board **NOTED** the outturn position on the 2018/19 SWestrans Capital Programme.

## 8. STAG APPRAISALS UPDATE

### Decision

The Board **NOTED** the update on the work towards developing potential rail station re-opening bids.

## 9. RAIL UPDATE

### Decision

The Board:-

9.1 **AGREED** that following the meeting today, two bids would be submitted to the Local Rail Development Fund, one on Kirkconnel rail station access and the other on Lockerbie rail station access; and

9.2 **NOTED** the Dumfries Station Travel Plan for Dumfries rail station as attached at Appendix 2 of the report.

## 10. CALENDAR OF MEETINGS

### Decision

The Board **AGREED** the calendar of meetings for 2019/20 as detailed in the report and as shown below:-

<b>Future meeting date</b>	<b>Start time</b>	<b>Location</b>
20 September 2019	10.30am	Cargen Tower, Garroch Business Park, Dumfries
15 November 2019	10.30am	Cargen Tower, Garroch Business Park, Dumfries
24 January 2020	10.30am	Cargen Tower, Garroch Business Park, Dumfries
20 March 2020	10.30am	Cargen Tower, Garroch Business Park, Dumfries
19 June 2020	10.30am	Cargen Tower, Garroch Business Park, Dumfries
18 September 2020	10.30am	Cargen Tower, Garroch Business Park, Dumfries
20 November 2020	10.30am	Cargen Tower, Garroch Business Park, Dumfries

## 11. REGIONAL PARTNERSHIPS CHAIRS MEETING 6 MARCH 2019

### Decision

The Board **NOTED** the minutes of the Regional Transport Partnerships Chairs' meeting of 6 March 2019.

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## 12. ANY OTHER BUSINESS WHICH THE CHAIRMAN MAY DECIDE IS URGENT DUE TO THE NEED FOR A DECISION

### Decision

The Board **NOTED** that there was one item of urgent business deemed urgent by the Chairman due to the need for a decision. This was “South West Scotland – Initial Appraisal – Case for Change”. This item was considered urgent due to only being published the previous day and being required to be considered before the September 2019 board. It was **AGREED** that this item would be taken at 12 A.

### 12A SOUTH WEST SCOTLAND – INITIAL APPRAISAL:CASE FOR CHANGE

The report was distributed to those present at the meeting.

### Decision

The Board **NOTED**:

12A.1 the publication of the Draft Report “South West Scotland Study Initial Appraisal Case for Change”;

12A.2 that a draft response would be circulated to Board Members to inform the response back on behalf of the Board; and

12A.3 that as a response was required before 23 August 2019, authority would be delegated to the Lead Officer, in consultation with the Chair and Vice-Chair, to agree a response on behalf of the Board, noting that the response would be presented to the 20 September 2019 meeting.

**PROCEDURE** - Members of the South West of Scotland Transport Partnership Board **AGREED** to consider the following items of business in private and exclude the Press, members of the public, observers from the meeting given that the reports contained confidential or exempt information in respect of paragraphs 6,8,9 and 10 of Schedule 7A of the Local Government (Scotland) Act 1973.

The reports were distributed to those present at the meeting.

The meeting was adjourned at 11.36 and reconvened at 11.41 with 4 Board Members present:- Andrew Wood, Richard Brodie, John Campbell and Archie Dryburgh.

## 13. FUTURE TRANSPORT GOVERNANCE

Report summary – This report informed the Board of the recommendations made by the National Transport Strategy Working Group on the Roles and Responsibilities on the potential models for transport Scotland and sought initial views of the Board on the report’s recommendations to feedback to Transport Scotland.

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**Decision**

The Board **NOTED** the report from the National Transport Strategy Working Group on Roles and Responsibilities; and provided views on appropriate feedback to Transport Scotland.

**14. LOCAL BUS TENDERS 2020**

Report summary - This report updated the Board on the replacement of local bus services due to expire in April and August 2020 and sought agreement on a preferred option.

**Decision**

The Board:-

14.1 **NOTED** the update on the replacement of local bus services due to expire in April and August 2020; and

14.2 **AGREED** that the procurement of local bus contracts would be undertaken as set out in option 2 in the report.



## REVENUE BUDGET MONITORING REPORT 2019/2020 FOR THE PERIOD ENDING 31 AUGUST 2019

### 1. Reason for Report

To provide the Board with an update on the Partnership's 2019/20 monitoring and forecast outturn position based on the period ending 31 August 2019.

### 2. Background

The Scottish Government provide revenue funding to SWestrans, with Dumfries and Galloway Council also providing funding. SWestrans requisitions funding from Dumfries and Galloway Council in respect of payments required for public bus service contracts.

### 3. Key Points

3.1 The **Appendix** shows the revenue budget summary for SWestrans. The published expenditure budget for 2019/20 of £4,308,789 was agreed by the Board on 10 March 2019. It is vital to the economic wellbeing of the Partnership and its stakeholders that the financial resources are managed effectively, and expenditure and income is delivered in line with the approved budget.

3.2 This report forms part of the financial governance and stewardship framework, which ensures that the financial position of the Partnership is acknowledged, understood and quantified on a regular basis. It provides assurance to the members of the Board that resources are being managed effectively and allows corrective action to be taken where necessary.

3.3 Board Members will note that based on the financial performance to date, it is forecast that a balanced budget will be delivered.

### 4. Consultations

The Proper Officer has been consulted and is in agreement with its terms.

5. Implications	
<b>Financial</b>	As laid out in the report
<b>Policy</b>	None.
<b>Equalities</b>	None.
<b>Climate Change</b>	None.
<b>Risk Management</b>	None

### 6. Recommendation

Members of the Board are asked to note the forecast outturn for the revenue budget as at 31 August 2019.

Janet Sutton - Report Author Finance Officer Tel: 01387 260105 Date of Report: 2 September 2019 File Ref:	Douglas Kirkpatrick Lead Officer South West of Scotland Transport Partnership Cargen Tower Garroch Business Park Dumfries DG2 8PN
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**APPENDIX** - Monitoring Report 2019/2020 for the period ending 31 August 2019.

**SOUTH WEST OF SCOTLAND TRANSPORT PARTNERSHIP**  
**REVENUE BUDGET MONITORING AS AT 31 August 2019**

	<b>FINAL OUTTURN 2018/19 £</b>	<b>PUBLISHED BUDGET 2019/20 £</b>	<b>BUDGET ADJUSTMENTS 2019/20 £</b>	<b>ADJUSTED BUDGET 2019/20 £</b>	<b>ACTUAL EXPENDITURE TO 31/08/19 £</b>	<b>PROJECTED OUTTURN 2019/20 £</b>	<b>VARIANCE 2019/20 £</b>
<b>EXPENDITURE</b>							
Staff Costs	110,924	110,848		110,848	22,414	110,848	0
Supplies & Services	191	960		960	271	960	0
Transport Costs	0	2,104		2,104	0	2,104	0
Administration Costs	20,647	20,193		20,193	8,065	20,193	0
Payments	4,372,890	4,125,934		4,125,934	1,716,022	4,125,934	0
Central Support	44,992	48,750		48,750	-1	48,750	0
Capital Charges	349,722			0	143,808	0	0
<b>Total Expenditure</b>	<b>4,899,366</b>	<b>4,308,789</b>	<b>0</b>	<b>4,308,789</b>	<b>1,890,579</b>	<b>4,308,789</b>	<b>0</b>
<b>INCOME</b>							
Scottish Government Funding	259,250	259,250		259,250	123,250	259,250	0
D&G Council Funding	100,000	100,000		100,000	0	100,000	0
Other Contributions	4,540,116	3,949,539		3,949,539	0	3,949,539	0
<b>Total Income</b>	<b>4,899,366</b>	<b>4,308,789</b>	<b>0</b>	<b>4,308,789</b>	<b>123,250</b>	<b>4,308,789</b>	<b>0</b>
<b>NET EXPENDITURE</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,767,329</b>	<b>0</b>	<b>0</b>

## REPORT BY EXTERNAL AUDIT ON THE 2018/19 AUDIT OF SOUTH WEST SCOTLAND TRANSPORT PARTNERSHIP

### 1. Reason for Report

The purpose of this report is to present SWestrans audited annual accounts and the external auditors' report on the 2018/19 audit of SWestrans to this Board in line with the requirements of the International Standards on Auditing 260 (ISA 260).

### 2. Background

2.1 The Partnership's external auditors are Grant Thornton UK LLP who were appointed on a five year appointment from 2016/17, this is the third year of the appointment. Grant Thornton have now concluded their audit of the Partnership's Annual Accounts for the year ended 31 March 2019. There are no qualifications in the audit report on the Annual Accounts. It is the opinion of the External Auditor that the financial statements provide a true and fair view of the Partnership's financial position and income and expenditure for the year.

2.2 Grant Thornton are required to present a report to those charged with governance in the Partnership before 30 September 2019. This report covers the external auditors' wider role, extending to areas such as governance & accountability and performance management & improvement. The report is attached at **Appendix 1**

### 3. Key Points

#### The 2018/19 Final Accounts Audit Process

3.1 The main purpose of the external auditors' report to the Board is to highlight any significant matters that have arisen during the course of the audit. There were no key issues highlighted for the Partnership.

3.2 The International Standard on Auditing 580 (ISA 580) requires auditors to obtain assurances from the proper officer on certain issues relating to the annual accounts. A copy of the letter relating to the 2018/19 accounts which will be signed by the Treasurer is provided as **Appendix 2**.

3.3 As previously reported to this Board, the regulations on the publication of the annual accounts changed in 2014/15 and the audited accounts will require to be approved by the Board prior to being signed by the Treasurer. Therefore, again this year the unsigned audited accounts have been included as part of this report, and are attached in **Appendix 3**.

3.4 There have been no significant changes made from the unaudited accounts which were presented to the Board on 28 June 2019. The following notes have been amended:

- The Statement of Responsibilities for the Statement of Accounts (page 6) - to ensure it complies the Local Government Circular 2014/7.
- The Summary of Accounting Policies (page 16) – to reflect the Code of Practice on Local Authority Accounting in United Kingdom 2018/19 (the code) and the Service Reporting Code of Practice 2018/19 (SeRCoP).
- A new note has been added – 7 Expenditure and Funding Analysis (Page 19), to reflect the requirements of the code.

3.5 The final certified annual accounts will be made available to the Board before 31 October 2019, when they will be published on the SWestran's website.

#### 4. Consultation

4.1 The Proper Officer (Finance) has been consulted and is in agreement with the terms of this report.

4.2 The External Auditor is required to audit SWestrans financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland) as required by the Code of Audit Practice approved by the Accounts Commission.

5. Implications	
<b>Financial</b>	The Financial implications are as laid out in the report
<b>Policy</b>	None
<b>Equalities</b>	None
<b>Climate Change</b>	None
<b>Risk Management</b>	None

#### 6. Recommendations

Members of the Board are asked to:

- 6.1 receive the external auditors' report on the 2018/19 audit as detailed in Appendix 1;
- 6.2 note that no issues have been identified in the course of the audit which have impacted on the fairness of the financial statements submitted for audit; and
- 6.3 note that the audited accounts will be certified by the Treasurer and Grant Thornton after this meeting.

Janet Sutton - Report Author Finance Officer Tel: 01387 260105 Date of Report: 13 September 2019 File Ref:	Approved by: Douglas Kirkpatrick Lead Officer South West of Scotland Transport Partnership Militia House English Street Dumfries DG1 2HR
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Appendix 1 – Report to Members and the Controller of Audit on the 2018/19 Audit

Appendix 2 – Letter of Representation

Appendix 3 – Unsigned audited accounts 2018/19



# South West of Scotland Transport Partnership (SWestrans) – DRAFT

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**External Audit Annual Report to the Board and the Controller of Audit for the  
financial year ended 31 March 2019**

September 2019

**Joanne Brown**  
Engagement Leader

**John Boyd**  
Senior Manager



# Our audit at a glance



We have fulfilled our responsibilities per International Standards on Auditing (ISAs) (UK) and the Audit Scotland Code of Audit Practice throughout our work and this final report to the Board and the Controller of Audit concludes our work.



Materiality was set at 2% of gross expenditure within our plan, and was updated to reflect the draft financial statements at £98,000.



Significant audit risks identified in our annual audit plan were: management override of controls and the risk of fraud in expenditure recognition as set out in the Financial Reporting Council's Practice Note 10. Our risk assessment remained unchanged and we did not identify any adjustments in these areas in our work.

## An audit underpinned by quality



We have built on our understanding and relationship with the South West Scotland Transport Partnership (SWestrans) during the year supporting our audit process.



Our work was undertaken in accordance with our agreed timetable. The draft financial statements produced by officers in line with agreed timescales and supported with good supporting working papers. We thank officers for their support and assistance during our work.



A wider scope audit for SWestrans as set out in our plan, was considered not appropriate. However, we have considered your financial sustainability arrangements and and governance statement as part of our audit. We have raised two recommendations around enhancing performance reporting within the Management Commentary within the financial statements and the role of Internal Audit.

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# Introduction

This report is a summary of our findings from our external audit work for the financial year ended 31 March 2019.

Our work has been undertaken in accordance with International Standards of Auditing (ISAs) (UK) and the Audit Scotland Code of Audit Practice 2016.

In accordance with our reporting responsibilities the report is jointly addressed to the Controller of Audit and the SWestrans Board.

Once finalised this report will be made publically available on the Audit Scotland website ([www.audit-scotland.gov.uk](http://www.audit-scotland.gov.uk))

We would like to thank officers for an effective year-end audit process and all their support and assistance in the audit process.

## Structure of this report

As set out in our Audit Plan (March 2019), in accordance with the Audit Scotland Code of Practice, we consider SWestrans as a smaller body. Therefore full wider scope is not appropriate. Our report concludes on our financial statements audit and certain aspects of the SWestrans's arrangements as follows:

Financial statements – Section 2 and Appendix 1

Financial sustainability and governance statement – Section 2

## Our audit work is substantially complete subject to:

- Financial disclosure checks
- Receipt of signed letter of representation
- Final Engagement Lead review
- Subsequent events procedures
- Letter of representation

## Our Opinion

For the financial year ended 31 March 2019 we **[expect to]** issue an **unmodified audit opinion**

- have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the 2018/19 code
- prepared in accordance with the requirements of the Local Government (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003
- Other information in the annual report including Annual Governance Statement
- Other prescribed matters

## Basis of preparation

SWestrans' financial statements are prepared in accordance with the 2018/19 CIPFA Code of Practice on Local Authority Accounting ('the 2018/19 Code'). The 2018/19 Code introduced a number of changes including the adoption of new International Financial Reporting Standards (IFRS): IFRS 9: *Financial Instruments*, and IFRS 15: *Revenue from contracts with customers*. However, the introduction of these standards and other changes within the 2018/19 Code did not have a material impact on the financial statements.

## The audit process

A complete set of financial statements were made available to the public by the 30 June 2019 statutory deadline.

The draft financial statements were supported by working papers and the audit was efficient.

We have no adjusted or unadjusted audit differences to report. We identified a number of disclosure enhancements and these have been reflected in the financial statements (see Appendix 2).





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## Audit approach and materiality

Our audit approach was set out in our annual audit plan presented to the Board in January 2018. As set out in our plan, our materiality calculations were based on the audited 2017/18 financial statements. We subsequently updated our materiality calculation to be based on the draft 2018/19 financial statements. Overall materiality has been set at £98,000 (2% of gross expenditure) and performance materiality is set at £73,500. (75% of materiality). We report to management any audit difference identified over £2,900 (trivial as 5% of materiality).

The draft financial statements and supporting working papers were presented for audit inspection in line with agreed timescales. There were a number of disclosure adjustments required to the draft financial statements. These are detailed in appendix 2.

## Audit opinion

Based on our audit procedures performed [*we expect*] to issue an unqualified audit opinion on the financial statements including:

- give a true and fair view in accordance with applicable law and the 2018/19 Code of Practice on Local Authority Accounting in the United Kingdom 2018/19 (the 2018/19 Code) of the state of the body's affairs as at 31 March 2019 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the 2018/19 code;
- have been prepared in accordance with the requirements of the Local Government (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003;
- the information contained in the Management Commentary is consistent with the financial statements and have been prepared in accordance with statutory guidance issued under the Local Government in Scotland Act 2003; and
- the information given in the Annual Governance Statement has been prepared in accordance with the Delivering good Governance in Local Government Framework (2016).

## Internal control environment

During the year we sought to understand the SWestrans's overall control environment (design) as related to the financial statements. In particular we have:

- Sought to understand procedures and controls around related parties, journal entries and other key entity level controls including understanding of the controls in place at Dumfries and Galloway Council, who administer financial transactions on the SWestrans's behalf.
- Performed procedures around entity level controls and there are no significant matters that we wish to draw to your attention.
- Performed walkthrough procedures on key controls around identified risk areas including revenue, expenditure

No material weaknesses in the accounting and internal control systems were identified based on our work undertaken during the audit which could have an adverse impact on the SWestrans's ability to record, process, summarise and report financial and other relevant data so as to result in a material misstatement in the financial statements. We adopted a substantive based approach to the audit of the financial statements and therefore our review is limited to the design of controls rather than the operating effectiveness of these.

## Identified audit risks and our conclusions

Identified audit risk at planning	Work completed	Our conclusion	
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Risk of fraud in revenue</p>	<p>As set out in International Standards on Auditing 240: <i>The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements</i> (ISA 240), there is a presumed risk that the financial statements may be misstated due to improper recognition of revenue.</p> <p>As noted in our annual audit plan, the SWestrans is grant funded. Given the funding is well forecast and agreed directly to funding confirmation letters and amounts received, it is our opinion that there is a lower risk of misstatement in revenue as there is limited opportunity or incentive for the risk to occur. We therefore rebut the presumed risk around revenue recognition. During our audit we have agreed revenue recognised to third party funding confirmation and are satisfied that these are free from material misstatement.</p>		
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Risk of fraud in expenditure</p>	<p>As set out in Practice Note 10 (revised), which is applicable to public sector entities, there is a presumed risk that operating expenditure may be understated or not treated in the correct period (risk of fraud in expenditure).</p> <p>As payroll expenditure is well forecast and agreeable to underlying payroll systems there is less opportunity for the risk of misstatement in this expenditure stream. We therefore focus on non-pay expenditure. Given financial performance is predominantly measured based on year end outturn position, we consider the risk to be prevalent around the year end. Our risk is around understatement of expenditure and therefore focus our testing on completeness and cut-off of non-pay expenditure.</p>	<ul style="list-style-type: none"> <li>• Developed our understanding of the SWestrans's material expenditure streams including walkthrough of key transactions.</li> <li>• Performed cut-off at year end on post year end transactions and performed procedures to ensure expenditure allocated in appropriate financial year. Our testing included testing of up to two months post year end transactions and bank entries to confirm no unrecorded transactions</li> <li>• Confirmed the completeness of creditors balances through testing for unrecorded liabilities</li> </ul>	<p>From our audit procedures performed we are satisfied that expenditure is free from material misstatement. We are satisfied that transactions have been recognised in the appropriate financial year.</p>
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Management override of controls</p>	<p>As set out in ISA 240, across all entities there is a presumed risk of fraud being perpetrated by management through its ability to manipulate accounting records directly or indirectly and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Override of controls risk is presumed across all financial statement audits.</p>	<ul style="list-style-type: none"> <li>• Developed our understanding of the entity level controls in place at the SWestrans that reduce the risk of management override</li> <li>• Performed review of journal transactions for unusual transactions or balances.</li> <li>• Evaluated key areas of judgement within the financial statements and the basis for these judgements / application of accounting policies. Given the nature of SWestrans accounts there is limited areas of estimation and judgement</li> <li>• Reviewed unusual and/or significant transactions</li> </ul>	<p>We did not identify any significant areas of bias in key judgements by management. The nature of the SWestrans's financial transactions there is limited areas of estimation within the financial statements. We are satisfied through testing performed that there was no indication of inappropriate management override of controls.</p>

## Narrative elements of your annual accounts

In accordance with our responsibilities we have reviewed your narrative aspects of the Annual Accounts. We have considered the consistency of this narrative with our understanding and the financial statements and have set out our observations below.

### Management Commentary

The information contained in the Management Commentary is consistent with the financial statements and have been prepared in accordance with statutory guidance issued under the Local Government in Scotland Act 2003.

The Management Commentary provides users of the accounts with information on SWestrans' financial and non-financial performance during the year and its financial outlook for 2019/20. While the Commentary includes a review of 2018/19 key developments and achievements the focus is predominantly on performance compared to prior year. We recommend the report could be enhanced through greater focus against performance targets to measure outcomes against plans.

*Action plan point 1*

### Overall observations

SWestrans' financial statements continue to be developed to provide the reader of the accounts with an understanding of the organisation's financial and non-financial performance during the year.

### Annual Report and accounts

### Remuneration Report

SWestrans have no employees and Members do not receive remuneration therefore there is no requirement to prepare a remuneration report

### Annual Governance statement

The Annual Governance Statement outlines the SWestrans' scope of responsibility and governance framework in place, including effectiveness of governance arrangements in place.

The statement has been prepared in accordance with the Delivering good Governance in Local Government Framework (2016)

## Key aspects of your financial statements

As set out in our audit plan we consider particular aspects of your financial statements in relation to management judgements including estimates and where management may have particular options or choices in what accounting standards or disclosure requirements to apply. We have summarised where these apply, and our conclusions below.

The SWestrans's accounting policies are in accordance with the CIPFA Code of Practice on Local Authority Accounting and we consider these to be appropriate to the organisation and consistent with those adopted in prior years.

The SWestrans's financial statements are not complex with **limited areas of judgement or estimation**. They provide transparent reporting of income and expenditure throughout the year.

In terms of uncertainties, SWestrans had **no material uncertainties** in the accounts

In relation to the audit risk of fraud in respect of expenditure, we tested SWestrans cut off arrangements in particular (timing of transaction) and identified no issues in accruals or prepayments which would indicate potential fraud. There are **no post balance sheet events or legal uncertainties** at year-end.



## Going concern

SWestrans is funded primarily through requisitions from Dumfries & Galloway Council (£4.29 million and Scottish Government grants (£259,000). SWestrans reported net expenditure for the year of £350,000. This related to depreciation charges on property, plant and equipment. As these costs are charged to the Capital Adjustment Account, the net impact on the general fund was £nil. This was consistent with SWestrans' budget.

As at 31 March 2019, SWestrans' had net assets of £1.474 million relating to property, plant and equipment.

Officers are satisfied that SWestrans will continue to receive funding from Dumfries & Galloway Council and the Scottish Government to meet annual operating obligations as they fall due over at least a period of 12 months from the date of signing the accounts. As a result they are satisfied that the entity continues to represent a going concern. We have obtained confirmation of SWestrans' funding for 2019/20 and concur with Officer's going concern assessment.

# Financial management and governance statement

For smaller bodies we are allowed under the Audit Scotland Code of Practice to not apply the full wider scope audit. In our judgement, taking into account the nature of SWestrans and your income and expenditure streams we feel it is appropriate to treat you as a smaller body under the code. However, we will focus on financial sustainability considering your financial sustainability as well as governance arrangements.

## Key observations



**Financial position & management**

SWestrans reported a breakeven position for the year ended 31 March 2019, with the main expenditure from the subsidies in respect of the local bus network, which totalled £4.9 million. However, through spending controls and active budget management, SWestrans achieved a financial balance.

SWestrans face particular financial challenges in balancing public sector funding constraints alongside increasing pressures. Currently SWestrans, like other transport authorities, faces challenges in planning strategically as it is limited to annual funding settlements and unable to hold reserves.

While we recognise that SWestrans currently receive funding on an annual basis, we would encourage SWestrans to look to develop medium to longer term financial plans. SWestrans has developed a medium term capital plan covering the three year period 2019/20 to 2021/22. However, there is no medium term revenue plan.

*Follow up action plan point 1*

SWestrans delivered a breakeven position against budget for the year ended 31 March 2019. However, Officers recognise that the organisation faces financial challenges over the coming years.



**SWestrans Governance Statement**

SWestrans has an established governance framework in place consisting of policies, procedures and systems of internal control to support the delivery of partnership outcomes. In addition, The Partnership's officers and Board members have continued to participate in the development of local, regional and national initiatives including the review of the National Transport Strategy and the Borders Transport Corridor Appraisal.

Key strategic risks are reported annually to the Partnership and internal audit provide assurance around the adequacy and effectiveness of SWestrans internal control framework. From review of corporate publications, the SWestrans board minutes and papers we have not identified any material concerns around governance arrangements in place.

**Internal Audit**

As set out in our external audit plan we have not placed formal reliance on the work of Dumfries & Galloway Council's Internal Audit Service, the SWestrans's internal audit provider. SWestrans use the financial systems and resources of Dumfries & Galloway Council. The Internal Audit section of Dumfries & Galloway Council has reviewed these systems and has determined that reasonable assurance can be placed upon the adequacy and effectiveness of the systems. While we recognise that the assurance provided by the Council's Internal Audit services provides some assurance to Swestrans around design and operating effectiveness of key financial processes, there is limited assurance over key strategic risks to the organisation. We recommend that SWestrans explore options, including utilising Internal Audit to obtain independent assurance over key areas of strategic risk. Areas could include financial and operational planning and governance arrangements.

*Action Plan Point 2*

SWestrans's annual governance statement has been prepared in accordance with Delivering Good Governance in Local Government Framework (2016).

## Key observations



### Openness and transparency

The SWestrans's Board minutes and papers are published through the SWestrans' website. We found that these are published in a timely manner and readily accessible. We found that Board papers are clear and concise and clearly articulate decisions taken.

SWestrans continues to demonstrate a commitment to openness and transparency in decision making.



### EU Withdrawal

There is considerable uncertainty around the potential impact of EU withdrawal. We have used Audit Scotland's planning guidance to evaluate the SWestrans's readiness for EU withdrawal across workforce (People and Skills); Finance; and Regulations. While the direct impact of Brexit is limited in terms of workforce, finance and regulations, there could be downstream implications on SWestrans, in terms of government transport policy or future levels of Scottish Government funding following EU withdrawal. The organisation continues to monitor political developments and will respond accordingly.

While there is limited direct impacts on the SWestrans from EU withdrawal, Officers recognise the indirect potential implications on the organisation. We are satisfied that the SWestrans is partly prepared to manage these risks with Officers continuing to monitor EU withdrawal developments.

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# Appendices

**Action plan and follow up of 2017/18 recommendations**

**Audit adjustments**

**Independence, fees and fraud responsibilities**

**Communication of audit matters with the Board**

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# Action plan and follow up of 2017/18 recommendations

We have set out below, based on our audit work undertaken in 2018/19, those risks and recommendations we consider are of a higher risk to SWestrans that Officers may wish to consider in the future.

## Recommendation

## Agreed management response

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### Management commentary

The Management Commentary provides users of the accounts with information on the SWestrans's financial and non-financial performance during the year and its financial outlook for 2019/20. While the Commentary includes a review of 2018/19 key developments and achievements, there is an opportunity to further develop the reporting in future years to provide performance against key performance outcomes.

We recommend that officers look to enhance the Management Commentary contained within the financial statements to provide quantifiable measures of performance against key priorities.

**Management response:** We will continue to review and enhance the commentary where appropriate that will look to add value to the document.

**Timescale:** March 2020

**Action Owner:** Douglas Kirkpatrick

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### Internal audit

The Internal Audit section of Dumfries & Galloway Council has reviewed these systems and has determined that reasonable assurance can be placed upon the adequacy and effectiveness of the systems. While we recognise that the assurance provided by the Council's Internal Audit services provides some assurance to SWestrans around design and operating effectiveness of key financial processes, there is limited assurance over key strategic risks to the organisation. We recommend that SWestrans explore options, including utilising Internal Audit to obtain independent assurance over key areas of strategic risk. Areas could include financial and operational planning and governance arrangements.

**Management response:** Options to obtain independent assurance over key areas will be explored.

**Timescale:** 2019/20

**Action Owner:** Douglas Kirkpatrick

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We have also completed follow up of our 2017/18 recommendations and this is reflected below for information.

## Follow up of 2017/18 External Audit Recommendations

## Update as at September 2019

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**Strategic financial planning:** Due to annual funding settlement as well as restrictions on the organisation's ability to hold reserves, SWestrans financial plans are primarily based on an annual basis. Given the financial pressures facing the organisation it is important that medium to longer term financial plans are in place to ensure that SWestrans has a sustainable operating model in place to support service delivery. With the draft Transport Bill, there is potentially opportunity for SWestrans to retain reserves in the future providing an opportunity for more strategic financial planning and investment decisions.

**Management response:** We will continue to track the progress of the Transport Bill and will look at longer term planning and consultation on any potential funding reductions.

**Outstanding:** The 2019/20 budget has been prepared for a single year only. While a medium term capital plan has been developed a medium term revenue budget has not been established. We recommend that SWestrans continue to look to develop more strategic financial plans.

**Management response:** We will review the introduction of a draft financial plan linked to the Councils 3 year plan.

**Timescale:** 2019/20

**Action Owner:** Douglas Kirkpatrick

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# Audit adjustments

## Uncorrected and corrected misstatements

We are pleased to report that there were no corrected or uncorrected misstatements to the financial statements arising during our audit.

## Disclosure misstatements

In accordance with auditing standards we are required to highlight significant disclosure misstatements to allow the Board to evaluate the impact of these matters on the financial statements. The disclosure adjustments made during the course of our audit are detailed below:

Item	Description	Corrected
1	Statement of Responsibilities Statement of responsibilities of both the SWestrans' Board and Treasurer to be updated to comply with the Cipfa Code of Practice on Local Authority Accounting 2018/19	✓
2	Accounting policies Accounting policies to be updated to reflect the 2018/19 Code of Practice on Local Authority Accounting 2018/19	✓
3	Annual Governance Statement Annual Governance Statement disclosures required updating to ensure compliance with Cipfa Code and applicable guidance.	✓

# Fees, independence, fraud arrangements

## External Audit Fee

Service	Fees £
External Auditor Remuneration	8,440
Pooled Costs	820
Contribution to Audit Scotland costs	530
Contribution to Performance Audit and Best Value	0
<b>2018-19 Fee</b>	<b>9,790</b>

The audit fee was calculated in accordance with guidance issued by Audit Scotland and agreed with Management.

The above fee has not changed and our final fee was £9,790

## Fees for other services

Service	Fees £
We can confirm there are no non-audit fees for the 2018/19 financial year	Nil

## Independence and ethics

We confirm that there are no significant facts or matters that impact on our independence as auditors that we are required or wish to draw to your attention.

We have complied with the Auditing Practices Board's Ethical Standards and therefore we confirm that we are independent and are able to express an objective opinion on the financial statements.

We confirm that we have implemented policies and procedures to meet the requirements of the Auditing Practices Board's Ethical Standards.

We are required by auditing and ethical standards to communicate any relationships that may affect the independence and objectivity of the audit team.

We can confirm no independence concerns have been identified.

## Client service

We take our client service seriously and continuously seek your feedback on our external audit service. Should you feel our service falls short of expected standards please contact Joanne Brown, Head of Public Sector Assurance Scotland in the first instance who oversees our portfolio of Audit Scotland work ([joanne.e.brown@uk.gt.com](mailto:joanne.e.brown@uk.gt.com)). Alternatively, should you wish to raise your concerns further please contact Jon Roberts, Partner and Head of Assurance, 30 Finsbury Square, London, EC2A 1AG. If your feedback relates to audit quality and we have not successfully resolved your concerns, your concerns should be reported to Elaine Boyd, Assistant Director, Audit Scotland Quality and Appointments in accordance with the Audit Scotland audit quality complaints process.

## Fraud arrangements

In assessing our audit risks, the audit team was alert to the possibility of fraud at the Authority.

As part of our audit work we are responsible for:

- identifying and assessing the risks of material misstatement of the financial statements due to fraud in particular in relation to management override of controls.
- Leading a discussion with those charged of governance (SWestrans' Board) on their view of fraud. We did this when presenting our audit plan.
- designing and implementing appropriate audit testing to gain assurance over our assessed risks of fraud
- responding appropriately to any fraud or suspected fraud identified during the audit. – None were identified in-year

As auditors we obtain reasonable but not absolute assurance the financial statements as a whole are free from material misstatement, whether due to fraud or error.

We will obtain annual representation from management regarding managements assessment of fraud risk, including internal controls, and any known or suspected fraud or misstatement.

It is **SWestrans'** responsibility to establish arrangements to prevent and detect fraud and other irregularity. This includes:

- developing, promoting and monitoring compliance with standing orders and financial instructions
- developing and implementing strategies to prevent and detect fraud and other irregularity
- receiving and investigating alleged breaches of proper standards of financial conduct or fraud and irregularity.

Throughout the audit we worked with the Authority to review specific areas of fraud risk, including the operation of key financial controls.

We also examined certain policies in place, strategies, standing orders and financial instructions, as relevant to the fraud framework, to ensure that they provide a reasonable framework of internal control.

No suspected frauds or irregularities have been identified by Management and reported in-year.

## Anti-Money Laundering Arrangements

As required under the Money Laundering, Terrorist Financing and Transfer of Funds Regulations 2017 there is an obligation on the Auditor General (as set out in the planning guidance) to inform the National Crime Agency if she knows or suspects that any person has engaged in money laundering or terrorist financing. Should we be informed of any instances of money laundering at SWestrans we will report to the Auditor General as required by Audit Scotland.

# Communication of audit matters with the Board

Our communication plan	Audit Plan	Audit Findings
Respective responsibilities of auditor and management/those charged with governance who for the SWestrans we deem to be the Treasurer	•	
Overview of the planned scope and timing of the audit, including planning assessment of audit risks and wider scope risks	•	
Confirmation of independence and objectivity <b>We are independent of the SWestrans and have not identified any conflicts of interest</b>	•	•
A statement that we have complied with relevant ethical requirements regarding independence. Relationships and other matters which might be thought to bear on independence. Details of non-audit work performed by Grant Thornton UK LLP and network firms, together with fees charged. Details of safeguards applied to threats to independence <b>We have not incurred any non-audit fees during the year and no threats to independence identified</b>	•	•
Significant matters in relation to going concern <b>No significant going concern matters identified</b>	•	•
Views about the qualitative aspects of the SWestrans accounting and financial reporting practices, including accounting policies, accounting estimates and financial statement disclosures <b>Set out in the Financial statements Section</b>		•
Significant findings from the audit <b>No significant findings from our audit</b>		•
Significant matters and issues arising during the audit and written representations that have been sought <b>Letter of representation will be signed by the relevant Officer. This is our standard, unmodified letter of representation.</b>		•
Significant difficulties encountered during the audit <b>No difficulties encountered</b>		•
Significant deficiencies in internal control identified during the audit <b>None identified</b>		•
Significant matters arising in connection with related parties <b>None identified</b>		•
Identification or suspicion of fraud involving management and/or which results in material misstatement of the financial statements <b>None identified. We report identified frauds to Audit Scotland through quarterly fraud returns in line with the Audit Scotland Code. These were all nil returns throughout the year</b>		•
Non-compliance with laws and regulations <b>None noted</b>		•
Unadjusted misstatements and material disclosure omissions <b>None noted. Minor disclosure amendments only and these were not material in nature</b>		•
Expected modifications to the auditor's report, or emphasis of matter <b>None, an unqualified opinion</b>		•

International Standards on Auditing (UK) (ISA) 260, as well as other ISAs, prescribe matters which we are required to communicate with those charged with governance, and which we set out in the table above.

We communicate any adverse or unexpected findings affecting the audit on a timely basis, either informally or via a report to the Treasurer or SWestrans's Board



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Our ref: SWestrans2019/JPB/JEB

Grant Thornton UK LLP  
Level 8  
110 Queen Street  
GLASGOW  
G1 3BX

XX September 2019

Dear Sirs

**South West of Scotland Transport Partnership  
Financial Statements for the year ended 31 March 2019**

This representation letter is provided in connection with the audit of the financial statements of South West of Scotland Transport Partnership (SWestrans) for the year ended 31 March 2019 for the purpose of expressing an opinion as to whether SWestrans' financial statements are presented fairly, in all material respects in accordance with International Financial Reporting Standards and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2018/19 and applicable law.

We confirm that to the best of our knowledge and belief having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

**Financial Statements**

- i. We have fulfilled our responsibilities for the preparation of the SWestrans's financial statements in accordance with International Financial Reporting Standards and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2018/19 ("the Code"); in particular the financial statements are fairly presented in accordance therewith.
- ii. We have complied with the requirements of all statutory directions affecting SWestrans and these matters have been appropriately reflected and disclosed in the financial statements.
- iii. SWestrans has complied with all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance. There has been no non-compliance with requirements of any regulatory authorities that could have a material effect on the financial statements in the event of non-compliance.
- iv. We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud.
- v. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable. We are satisfied that the material judgements used in the preparation of the financial statements are soundly based, in accordance with the Code and adequately disclosed in the financial statements. There are no other material judgements that need to be disclosed.
- vi. Except as disclosed in the financial statements:
  - a. there are no unrecorded liabilities, actual or contingent

- b. none of the assets of SWestrans has been assigned, pledged or mortgaged
  - c. there are no material prior year charges or credits, nor exceptional or non-recurring items requiring separate disclosure.
- vii. We confirm that there are no staff employed by SWestrans or remuneration to Members and therefore no requirement to prepare a remuneration report.
  - viii. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of International Financial Reporting Standards and the Code.
  - ix. All events subsequent to the date of the financial statements and for which International Financial Reporting Standards and the Code require adjustment or disclosure have been adjusted or disclosed.
  - x. We have considered the adjusted misstatements, and misclassification and disclosures changes schedules included in your Audit Findings Report. SWestrans financial statements have been amended for these misstatements, misclassifications and disclosure changes and are free of material misstatements, including omissions.
  - xi. Actual or possible litigation and claims have been accounted for and disclosed in accordance with the requirements of International Financial Reporting Standards.
  - xii. We have no plans or intentions that may materially alter the carrying value or classification of assets and liabilities reflected in the financial statements.
  - xiii. We believe that the SWestrans's financial statements should be prepared on a going concern basis on the grounds that current and future sources of funding or support will be more than adequate for the SWestrans's needs. We believe that no further disclosures relating to the SWestrans's ability to continue as a going concern need to be made in the financial statements.

#### Information Provided

- xiv. We have provided you with:
  - a. access to all information of which we are aware that is relevant to the preparation of SWestrans financial statements such as records, documentation and other matters;
  - b. additional information that you have requested from us for the purpose of your audit; and
  - c. unrestricted access to persons within SWestrans from whom you determined it necessary to obtain audit evidence.
- xv. We have communicated to you all deficiencies in internal control of which management is aware.
- xvi. All transactions have been recorded in the accounting records and are reflected in the financial statements.
- xvii. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- xviii. We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects SWestrans and involves:
  - a. management;
  - b. employees who have significant roles in internal control; or
  - c. others where the fraud could have a material effect on the financial statements.
- xix. We have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the financial statements communicated by employees, former employees, analysts, regulators or others.

- xx. We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements.
- xxi. We have disclosed to you the identity of SWestrans' related parties and all the related party relationships and transactions of which we are aware.
- xxii. We have disclosed to you all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.

**Annual Governance Statement**

- xxiii. We are satisfied that the Annual Governance Statement (AGS) fairly reflects SWestrans' risk assurance and governance framework and we confirm that we are not aware of any significant risks that are not disclosed within the AGS.

**Narrative Report**

- xxiv. The disclosures within the Narrative Report fairly reflect our understanding of SWestrans' financial and operating performance over the period covered by SWestrans' financial statements.

**Approval**

The approval of this letter of representation was minuted by the SWestrans's Board at its meeting on 20 September 2019.

Yours faithfully

Name.....

Position.....

Date.....

**Signed on behalf of SWestrans**

South West of Scotland Transport Partnership Audited Annual Accounts 2018/19



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## Membership of the South West of Scotland Transport Partnership Board

Andrew Wood (Chairman) (Dumfries and Galloway Council)  
David Bryson (Vice –Chairman) (NHS Dumfries and Galloway)  
Richard Brodie (Dumfries and Galloway Council)  
John Campbell (Dumfries and Galloway Council)  
Alistair McKinnon (Scottish Enterprise)  
David Stitt (Dumfries and Galloway Council)  
Adam Wilson (Dumfries and Galloway Council)

The Council members have substitutes being:-

Ian Carruthers  
Archie Dryburgh  
Andrew Giusti  
Sean Marshall  
Ronnie Tait

## Management Commentary

### Introduction

The Management Commentary is intended to assist readers of the annual accounts through providing an insight into the activities and priorities of the organisation and also through providing an analysis of financial performance as reflected in the following statements.

The South West of Scotland Transport Partnership (SWestrans) was set up under the Transport (Scotland) Act 2005 and Dumfries and Galloway Council's public transport functions were transferred to the SWestrans under a Transfer of Functions Order on 7 November 2006.

The Financial Statements following this present the South West of Scotland Transport Partnership's (SWestrans) financial position for the year ended 31 March 2019. These statements have been prepared in accordance with proper accounting practice as set out in the CIPFA/ LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (the Code).

The purpose of these Accounts is to provide clear information about the Transport Partnership's financial position and this foreword is intended to give the reader an easily understandable guide to the most significant matters reported in the Accounts.

### Activities during 2018/19

The South West of Scotland Transport Partnership continued to balance service provision through its revenue budget, and service development through capital budgets during 2018/19. The Partnership's officers and Board members have continued to participate in the development of local, regional and national initiatives including the review of the National Transport Strategy, the Transport (Scotland) Bill 2018 and the second Strategic Transport Projects Review.

The five Councillor Board members for SWestrans were Andrew Wood, John Campbell, Adam Wilson, David Stitt and Richard Brodie. These Councillor Boards members are joined by two external Board members from NHS Dumfries and Galloway (David Bryson) and Scottish Enterprise (Alistair McKinnon). External Board members are appointed for 4 years, with the Scottish Enterprise position due for renewal in December 2018. Scottish Enterprise confirmed they wished Alistair McKinnon to continue as their nomination and the Chairman with support from the Secretary to the Board and Policy Officer undertook the required appraisal prior to submission and receipt of Ministerial approval for this nomination.

## Management Commentary (continued)

The continued provision of the local bus services funded by SWestrans proved extremely challenging for the Board throughout 2018/19 with reports to each of the seven Board meetings. Confidential reports on significant and critical sustainability issues raised by operators on the fragile position of the local bus network were considered at a special Board meeting in April 2018, followed by further reports to the meetings in May 2018, October 2018, January 2019 and March 2019. The fragility of the network will continue to be a focus of the Board for the coming year.

A particular challenge during the first part of 2018/19 was the replacement of the 101/102 local bus service from Dumfries to Edinburgh. At its meetings on 17 April 2018 and 8 May 2018, the Board received reports on the tender exercise for the service and was made aware of concerns on future deliverability due, in the main, to a £100K per year reduction in funding by Scottish Borders Council (previous contribution was £135K per year). This decision by Scottish Borders meant that retaining the current level of service was unaffordable and, following a procurement process, the Board at its meeting in June 2018 reluctantly agreed the best value alternative which provided a reduced level of service. The service provided from August 2018 now finishes earlier in the evening and the number of through journeys between Dumfries and Edinburgh reduced from six to four each day.

The Board received a detailed report to its May 2018 meeting on the position with the two phases (Phase 2 and Phase 3) of the capital project which seeks to improve car parking issues at/around Lockerbie Station, this is a project that is being taken forward in partnership with Dumfries and Galloway Council. Agreement was given, in principle, to develop an option of Phase 3 which would provide a draft layout of 125 spaces at Sydney Place / Bridge Street, noting that the progression of Phase 3 first would alleviate the impact of any progression of Phase 2 in the future. All the options for Phase 2 (current Station car park) are to be the subject of an engagement with the local community before determining which to progress. At its meetings in September and October 2018, the Board were informed of progress being made with the Council and that the Council's Strategic Asset Board had determined to:

- agree the acquisition of the land at Sydney Place for the purpose of providing car parking for Lockerbie Rail Station; and
- agree the acquisition of land at Bridge Street, subject to the successful acquisition of land at Sydney Place, for the purpose of providing car parking for Lockerbie Rail Station.

Work continues on the potential development of new rail stations for Dumfries and Galloway. Updates have provided to the Board throughout 2018/19 on the three STAG 2 Appraisals for the Thornhill, Eastriggs and Beattock areas with all three due to be complete in the early part of 2019/20. These Part 2 Appraisals require a more detailed appraisal of options taken forward from Part 1 and include detailed analysis of an option's performance against:

- Transport Planning Objectives;
- STAG Criteria (Safety; Economy; Integration; and Accessibility and Social Inclusion);
- Cost to Government; and
- Risk and Uncertainty.

The STAG appraisals are multi-model and seek to identify and evidence the transport problems and opportunities within each of the study areas, and the most appropriate opportunities for addressing them through the consideration of all sustainable transport modes. A completed and robust transport appraisal in line with STAG provides evidence for decision-makers to inform transport investment decisions.

SWestrans continued to be a key partner in the development and delivery of the Social Transport Public Social Partnership (PSP) which is seeking to improve the design of transport services delivered on behalf of the regions transport commissioners (SWestrans, Dumfries and Galloway Council, NHS Dumfries and Galloway) and to develop the capacity of the social/community transport sector. Progress reports were presented to the Board at its meetings in June 2018, October 2018 and March 2019. A number of projects were developed and are at an advance stage in 2018/19:

- Out of region health appointments in Annandale and Eskdale;
- Demand Responsive Transport (DRT) for hospital appointments by postcode;
- Community Transport (CT) involvement in low-use local bus routes in Stewartry and in Annandale and Eskdale;

## Management Commentary (continued)

- Low-use bus routes transition to DRT;
- After-school activities access;
- Develop a Health and Social Care Transport Hub; and
- Implementation of a Quality Framework for CT in Dumfries and Galloway similar to the West of Scotland CT Network.

SWestrans continued its initiatives during 2018/19 on:

- the improvement and replacement of bus shelter infrastructure;
- the purchase of fully accessible buses for use by local bus companies operating on contracted journeys; and
- the progression of walking and cycling infrastructure linking communities.

In its wider strategy and policy role SWestrans continues to lobby and respond to a number of consultations across all transport modes and on a wide range of other issues at national and local level. These included responses to consultations on “A Connected Scotland – Tackling Social Isolation and Loneliness and Building Stronger Social Connections”, the use of section 19 and section 22 permits for road passenger transport in Great Britain and a Call for Evidence on the Transport (Scotland) Bill. SWestrans also submitted its 2017/18 Climate Change Duties Report in the required reporting format to the Sustainable Scotland Network.

### Comprehensive Income & Expenditure Statement

SWestrans' Comprehensive Income & Expenditure Statement for the year ended 31 March 2019 is shown on page 8 of these accounts. Income received totalled £4.550Million with Scottish Government grants and requisitions from Dumfries & Galloway Council being the main contributors to this total.

SWestrans' financial results for the year, compared against budget are shown below. This presentation differs from that shown in the Comprehensive Income & Expenditure Statement, which is a more summarised version.

### Budget Performance Statement

	2017/18		2018/19	
	Budget £000	Actual £000	Budget £000	Actual £000
Staff costs	106	106	111	111
Property costs	0	0	0	0
Supplies & services	1	1	0	0
Transport costs	18	18	0	0
Administrative costs	25	25	21	21
Payments to other bodies	4,282	4,282	4,373	4,373
Central Support costs	45	45	45	45
Capital charges	332	332	350	350
<b>Gross Expenditure</b>	<b>4,809</b>	<b>4,809</b>	<b>4,900</b>	<b>4,900</b>
Government Grants	259	259	259	259
Other income	4,550	4,550	4,641	4,641
<b>Gross Income</b>	<b>4,809</b>	<b>4,809</b>	<b>4,900</b>	<b>4,900</b>
<b>Net Expenditure</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

SWestrans achieved a breakeven position for the financial year, the above table includes an accounting adjustment in relation to depreciation charges (£350k). The major item of expenditure which created the main budget pressure was the subsidies in respect of the local bus network, which totalled £4.1 Million. However, through tight spending controls and active budget management, SWestrans achieved a breakeven position.

SWestrans is not allowed to retain any General Fund balances at the year-end so it cannot show a surplus. If SWestrans is in deficit then it can requisition the shortfall from Dumfries & Galloway Council. Therefore, income and expenditure will always net to zero, excluding accounting entry requirements, and the budget has been set to take account of this requirement.

**Balance Sheet**

SWestrans' Balance Sheet is shown on page 11 of the accounts and provides details of SWestrans' assets and liabilities as at 31 March 2019.

**Cash Flow Statement**

The Cash Flow Statement is shown on page 12 of the accounts and shows the changes in the cash & cash equivalents of the Partnership during the course of the year.

**Andrew Wood**  
Chairman

**Douglas Kirkpatrick**  
Lead Officer

**Paul Garrett**  
Treasurer

## Statement of Responsibilities for the Statement of Accounts

### The Transport Partnership's Responsibilities

The Transport Partnership is required:

- Make arrangements for the proper administration of its financial affairs and to Secure that the proper officer of the Transport Partnership has responsibility for the administration of those affairs (section 95 of the Local Government (Scotland) Act 1973). In this Transport Partnership, that officer is the Treasurer (who was also the Section 95 Officer of Dumfries & Galloway Council);
- Manage its affairs, to secure economic, efficient and effective use of resources and safeguard its assets.
- Ensure the Annual Accounts are prepared in accordance with legislation (The Local Authority Accounts (Scotland) Regulations 2014), and so far as is compatible with that legislation, in accordance with proper accounting practices (section 12 of the Local Government in Scotland Act 2003).
- Approve the Statement of Accounts.

### The Treasurer's Responsibilities

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

In preparing this statement of accounts, the Treasurer has:

- Selected suitable accounting policies and applied them consistently
- Made judgements and estimates that were reasonable and prudent
- Complied with legislation
- Complied with the local authority Accounting Code (in so far as it is compatible with legislation)

The Treasurer has also:

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

I certify that the financial statements give a true and fair view of the financial position of the Partnership at the reporting date and the transactions of the partnership for the year ended 31 March 2019.

**Paul Garrett**  
Treasurer

## Annual Governance Statement

1. This statement is given in respect of the statement of accounts of the South West of Scotland Transport Partnership. I acknowledge my responsibility for ensuring that an effective system of internal financial control is maintained and operated in connection with the resources concerned.
2. The system of internal financial control can provide only reasonable and not absolute assurance that transactions are authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected within a timely period.
3. The system of internal financial control is based on a framework of regular management information, financial regulations, administrative procedures (including the segregation of duties), management supervision and a system of delegation and accountability. Development and maintenance of the system is undertaken by the Board of the Transport Partnership. The system currently includes regular financial reports to the Board and management.
4. The Transport Partnership currently uses the financial systems and resources of Dumfries & Galloway Council. The Internal Audit section of Dumfries & Galloway Council has reviewed these systems and has determined that reasonable assurance can be placed upon the adequacy and effectiveness of the systems.
5. My review of the effectiveness of the system has been informed by the work of managers in the Transport Partnership, the work of Internal Audit and reviews by External Audit.
6. In my opinion, based on the above information, reasonable assurance can be placed upon the adequacy and effectiveness of the Transport Partnership's internal financial control system in the year to 31 March 2019.
7. The Transport Partnership's complies with the requirements on the Role of the Chief Financial Officer in Local Government, contained in the Chartered Institute of Public Finance and Accountancy's (CIPFA's) 2010 Statement and the Local Authority (Scotland) Regulations 2014.

**Paul Garrett**  
Treasurer

## **Independent auditor's report to the members of the South West of Scotland Transport Partnership and the Accounts Commission**

### **Report on the audit of the financial statements**

#### **Opinion on financial statements**

We certify that we have audited the financial statements in the annual accounts of South West of Scotland Transport Partnership for the year ended 31 March 2019 under Part VII of the Local Government (Scotland) Act 1973. The financial statements comprise the Comprehensive Income and Expenditure Statement, Movement in Reserves Statement, Balance Sheet, Cash-Flow Statement, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2018/19 (the 2018/19 Code).

In our opinion the accompanying financial statements:

- give a true and fair view in accordance with applicable law and the 2018/19 Code of the state of affairs of the body as at 31 March 2019 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the 2018/19 Code; and
- have been prepared in accordance with the requirements of the Local Government (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003.

#### **Basis for opinion**

We conducted our audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the Code of Audit Practice approved by the Accounts Commission for Scotland. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We were appointed by the Accounts Commission on 31 May 2016. The period of total uninterrupted appointment is three years. We are independent of the body in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to the body. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern basis of accounting**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or



- the Treasurer has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the body's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**Risks of material misstatement**

We have reported in a separate Annual Audit Report, which is available from the [Audit Scotland website](#), the most significant assessed risks of material misstatement that we identified and our conclusions thereon.

**Responsibilities of the Treasurer and South West of Scotland Transport Partnership for the financial statements**

As explained more fully in the Statement of Responsibilities, the Treasurer is responsible for the preparation of financial statements that give a true and fair view in accordance with the financial reporting framework, and for such internal control as the Treasurer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Treasurer is responsible for assessing the body's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless deemed inappropriate.

The South West of Scotland Transport Partnership is responsible for overseeing the financial reporting process.

**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, intentional omissions, misrepresentations, or the override of internal control. The capability of the audit to detect fraud and other irregularities depends on factors such as the skilfulness of the perpetrator, the frequency and extent of manipulation, the degree of collusion involved, the relative size of individual amounts manipulated, and the seniority of those individuals involved. We therefore design and perform audit procedures which respond to the assessed risks of material misstatement due to fraud.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**Other information in the annual accounts**

The Treasurer is responsible for the other information in the annual accounts. The other information comprises the information other than the financial statements, and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon except on matters prescribed by the Accounts Commission to the extent explicitly stated later in this report.

In connection with our audit of the financial statements, our responsibility is to read all the other information in the annual accounts and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Report on other requirements****Opinions on matters prescribed by the Accounts Commission**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Management Commentary for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with statutory guidance issued under the Local Government in Scotland Act 2003; and
- the information given in the Annual Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the Delivering Good Governance in Local Government: Framework (2016).

**Matters on which we are required to report by exception**

We are required by the Accounts Commission to report to you if, in our opinion:

- adequate accounting records have not been kept; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

**Conclusions on wider scope responsibilities**

In addition to our responsibilities for the annual accounts, our conclusions on the wider scope responsibilities specified in the Code of Audit Practice, are set out in our Annual Audit Report.

**Use of our report**

This report is made solely to the parties to whom it is addressed in accordance with Part VII of the Local Government (Scotland) Act 1973 and for no other purpose. In accordance with paragraph 120 of the Code of Audit Practice, we do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

Joanne Brown (for and on behalf of Grant Thornton UK LLP)

110 Queen Street

Glasgow

G1 3BX

September 2019

## Comprehensive Income & Expenditure Statement

This statement shows the accounting costs in the year of providing services in accordance with generally accepted accounting practices.

2017/18				2018/19		
Gross Expenditure £000	Income £000	Net Expenditure £000		Gross Expenditure £000	Income £000	Net Expenditure £000
4,810	(4,478)	332	Roads and Transport Services	4,900	(4,550)	350
<b>4,810</b>	<b>(4,478)</b>	<b>332</b>	<b>Net Cost of Services</b>	<b>4,900</b>	<b>(4,550)</b>	<b>350</b>
		(347)	Taxation & Non Specific Grant Income capital grants & contributions			0
		<b>(15)</b>	<b>(Surplus) or Deficit on the Provision of Services</b>			<b>350</b>
		<b>0</b>	<b>Other Comprehensive Income &amp; Expenditure</b>			<b>0</b>
		<b>(15)</b>	<b>Total Comprehensive Income &amp; Expenditure</b>			<b>350</b>

## Movement in Reserves Statement

This statement shows the movement in the year on the different reserves held by the Transport Partnership, analysed into usable reserves – i.e. those that can be applied to fund expenditure – and unusable reserves. The Surplus or (Deficit) on the Provision of Services line shows the true economic cost of providing the Transport Partnership's services, more details of which are shown in the Comprehensive Income and Expenditure Statement. These are different from the statutory amounts required to be charged to the General Fund Balance.

	Usable Reserves	Unusable Reserves			Total Reserves
	General Fund Balance £000	Capital Adjustment Account £000	Revaluation Reserve £000	Total Unusable Reserves £000	£000
<b>Balance at 31 March 2017</b>	<b>0</b>	<b>(1,774)</b>	<b>(25)</b>	<b>(1,799)</b>	<b>(1,799)</b>
<b>Movements in Reserves during 2017/18</b>					
(Surplus) or Deficit on provision of services	(15)	0	0	0	(15)
<b>Total Comprehensive Income &amp; Expenditure</b>	<b>(15)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(15)</b>
Adjustments between accounting basis & funding basis under regulations					
- charges for depreciation of non-current assets	(332)	332	0	332	0
- capital grants & contributions applied	347	(347)	0	(347)	0
	<b>15</b>	<b>(15)</b>	<b>0</b>	<b>(15)</b>	<b>(0)</b>
<b>Overall Increase in year</b>	<b>0</b>	<b>(15)</b>	<b>0</b>	<b>(15)</b>	<b>(15)</b>
<b>Balance at 31 March 2018 carried forward</b>	<b>0</b>	<b>(1,789)</b>	<b>(25)</b>	<b>(1,814)</b>	<b>(1,814)</b>
<b>Movements in Reserves during 2018/19</b>					
(Surplus) or Deficit on provision of services	350	0	0	0	350
<b>Total Comprehensive Income &amp; Expenditure</b>	<b>350</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>350</b>
Adjustments between accounting basis & funding basis under regulations					
- charges for depreciation of non-current assets	(350)	350	0	350	0
- capital grants & contributions applied	0	0	0	0	0
	<b>0</b>	<b>350</b>	<b>0</b>	<b>350</b>	<b>350</b>
<b>Overall Increase in year</b>	<b>0</b>	<b>350</b>	<b>0</b>	<b>350</b>	<b>350</b>
<b>Balance at 31 March 2019 carried forward</b>	<b>0</b>	<b>(1,439)</b>	<b>(25)</b>	<b>(1,464)</b>	<b>(1,464)</b>

## Balance Sheet

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Partnership. The net assets of the Partnership (assets less liabilities) are matched by reserves held by the Partnership. Reserves are reported in two categories. The first category of reserves are usable reserves which can be used to help fund services. The second category of reserves is those that the Partnership is not able to use to provide services. This category of reserves includes those that hold unrealised gains and losses where the amounts would only become available to provide services if the assets were sold, and reserves that hold timing differences shown in the Movement in Reserves Statement line “adjustments between the accounting basis and funding basis under regulations”.

<b>31 March 2018 £000</b>		<b>31 March 2019 £000</b>	<b>Note</b>
1,814	Property, Plant & Equipment	1,464	8
<b>1,814</b>	<b>Long Term Assets</b>	<b>1,464</b>	
	Short Term Debtors		
37	- Central Government bodies	30	
173	- Other entities & individuals	160	
<b>210</b>	<b>Current Assets</b>	<b>190</b>	
	Short Term Creditors		
(210)	- Other entities & individuals	(190)	
<b>(210)</b>	<b>Current Liabilities</b>	<b>(190)</b>	
<b>1,814</b>	<b>Net Assets</b>	<b>1,464</b>	
1,814	Unusable Reserves	1,464	10
<b>1,814</b>	<b>Total Reserves</b>	<b>1,464</b>	

The Unaudited Accounts were issued on 27 September 2019.

**Paul Garrett**  
Treasurer

## Cash Flow Statement

The Cash Flow Statement shows the changes in cash and cash equivalents of the Transport Partnership during the reporting period. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Transport Partnership are funded by way of grant income or from recipients of services provided by the Transport Partnership.

<b>2017/18</b> <b>£000</b>		<b>2018/19</b> <b>£000</b>
(15)	Net (surplus) or deficit on the provision of services	350
(332)	Adjustment to net (surplus) on the provision of services for non-cash movements	(350)
<b>(347)</b>	<b>Net cash flow from or used in operating activities</b>	<b>0</b>
	Investing activities	
347	- Purchase of property, plant & equipment	0
<b>0</b>	<b>Net (increase) or decrease in cash and cash equivalents</b>	<b>0</b>
0	Cash and cash equivalents at the beginning of the period	0
<b>0</b>	<b>Cash and cash equivalents at the end of the reporting period</b>	<b>0</b>

## Notes to the Accounts

### 1. Summary of Significant Accounting Policies

#### a) General Principles

The Annual Accounts summarise the Partnership's transactions for the 2018/19 financial year and its financial position at the year end of 31 March 2019. The Partnership is required to prepare an annual Statement of Accounts by the Local Authority Accounts (Scotland) Regulations 2014, and these are required under section 12 of the Local Government in Scotland Act 2003 to be prepared in accordance with proper accounting practice. These practices are the Code of Practice on Local Authority Accounting in the United Kingdom 2018/19 (SeRCOP), supported by International Financial Reporting Standards (IFRS). They are designed to provide a 'true and fair view' of the financial performance and position of the Transport Partnership.

The accounting convention adopted in the Annual Accounts is principally historic cost, modified by the revaluation of certain categories of non-current assets and financial instruments.

#### b) Accruals of Income & Expenditure

Activity is accounted for in the year it takes place, not simply when cash payments are made or received. In particular:

- suppliers' invoices paid in the two weeks following the year-end have been analysed and included together with specific accruals in respect of further material items provided the goods and services were received in 2018/19,
- all known specific and material sums payable to the Partnership have been included. Revenue for the sale of goods or the provision of services is recognised when it is determined that the service has been provided,
- supplies are recorded as expenditure when they are consumed. When there is a gap between the date supplies are received and their consumption, they are carried as inventories on the Balance Sheet,
- where income and expenditure has been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where it is doubtful that debts will be settled, the balance of debtors is written down and a charge is made to revenue for the income which will not be collected.

#### c) Cash & Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in three months or less from the date of acquisition and that are readily convertible to known amounts of cash with an insignificant risk of changes in value.

#### d) Changes in Accounting Policies and Prior Period Adjustments

Changes in accounting policies are only made when required by proper accounting practice or the change provides more reliable or relevant information about the effects of transactions, other events and conditions on the Partnership's financial position or financial performance. Where a change is made it is applied retrospectively (unless otherwise stated) by adjusting opening balances and comparative amounts for the prior periods as if the new policy had always been applied.

Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

#### e) Charges to Revenue for Non-Current Assets

The Partnership is charged with the following amounts to record the real cost of holding non-current assets during the year:

- depreciation attributable to the assets used by the Partnership,
- revaluation and impairment losses on assets used by the Partnership where there are no accumulated gains in the Revaluation Reserve against which the losses can be written off.



## Notes to the Accounts (continued)

### f) Events After the Balance Sheet Date

Events after the Balance Sheet date are those events which occur between the end of the reporting period and the date when the Statement of Accounts is authorised for issue. The Statement of Accounts is adjusted for events which provide evidence of conditions that existed at the end of the reporting period. The Statement of Accounts is not adjusted for events which are indicative of conditions which arose after the end of the reporting period. However, where such events would have a material effect, a disclosure is made in the Notes to the Accounts of the nature of the event and the estimated financial effect.

Events taking place after the date of authorisation for issue are not reflected in the Statement of Accounts.

### g) Exceptional Items

When items of income and expenditure are material, their nature and amount is disclosed separately either on the face of the Comprehensive Income and Expenditure Statement or in the Notes to the Accounts, depending on how significant the items are to an understanding of the Partnership's financial performance.

### h) Grants & Contributions

Whether paid on account, by instalments or in arrears, government grants and third party contributions & donations are recognised as due to the Partnership when there is a reasonable assurance that:

- the Partnership will comply with the conditions attached to the payments, and
- the grants or contributions will be received.

Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as grants in advance. Where conditions are satisfied, the grant or contribution is credited to the relevant service line (revenue grants) or Taxation & Non Specific Grant Income (capital grants) in the Comprehensive Income & Expenditure Statement.

Where capital grants are credited to the Comprehensive Income & Expenditure Statement, they are reversed out of the General Fund balance in the Movement in Reserves Statement. Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital Grants Unapplied Account. Amounts in the Capital Grant Unapplied Account are transferred to the Capital Adjustment Account once they have been applied.

### i) Leases

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the asset from the lessor to the lessee. All other leases are classified as operating leases.

#### The Partnership as Lessor

##### *Operating leases*

The Partnership has entered into leases relating to the operational use of vehicles, which are accounted for as operating leases. Where the Partnership grants an operating lease over a vehicle the asset is retained on the Balance Sheet.

### j) Overheads and Support Services

The costs of Central Support departments, such as Financial Services, Legal Services and accommodation, are procured from Dumfries & Galloway Council. The cost of these is based on services provided to SWestrans during the year.

### k) Property, Plant & Equipment

Assets which have a physical substance and are held for use in the provision of services, for rental to others or for administrative purposes and that are expected to be used during more than one financial year are classified as Property, Plant & Equipment.

**Notes to the Accounts (continued)**Recognition

Expenditure on the acquisition, creation or enhancement of Property, Plant & Equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits associated with the asset will flow to the Partnership and the cost of the item can be reliably measured. Expenditure that does not add to an asset's potential to deliver future economic benefits or service potential is charged as an expense when it is incurred.

Measurement

Assets are carried on the Balance Sheet at fair value, determined as the amount that would be paid for the assets in its existing use.

Revaluation

All assets are formally revalued at least once every five years and the revised amount is then included in the Balance Sheet. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. Where decreases in the value are identified these are accounted for by:

- writing down any balances on the Revaluation Reserve for that asset up to the accumulated gain,
- where there is no or insufficient balance on the Revaluation Reserve, the loss is charged against the relevant service line in the Comprehensive Income & Expenditure Statement.

Impairment

Assets are reviewed at each year end as to whether there is an indication that an asset may be impaired. Where indications exist, the recoverable amount of the asset is estimated and where this is less than the carrying amount, an impairment loss is recognised. Impairment losses are accounted for by:

- writing down any balances on the Revaluation Reserve for that asset up to the accumulated gain,
- where there is no or insufficient balance on the Revaluation Reserve, the impairment loss is charged against the relevant service line in the Comprehensive Income & Expenditure Statement.

Depreciation

Depreciation is provided on all Property, Plant & Equipment, on a straight line basis over the expected life of the asset. Where an item of Property, Plant & Equipment has major components whose lives are different and whose costs are significant in relation to the total cost of the item, the components are depreciated separately.

Revaluation gains are also depreciated, with an amount equal to the difference between current value depreciation charged on assets and the depreciation that would have been chargeable on their historical cost being transferred each year from the Revaluation Reserve to the Capital Adjustment Account.

**l) Reserves**

Reserves are categorised under accounting regulations into two broad categories:

- usable reserves, which are available to support services,
- unusable reserves, which are required to facilitate accounting requirements.

SWestrans is statutorily unable to hold balances on its usable reserves at the year end.

**m) VAT**

Income and expenditure excludes any amounts related to VAT, as all VAT collected is payable to HM Revenues & Customs (HMRC) and all VAT paid is recoverable from it.

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**2. Remuneration Report**

SWestrans does not employ any staff; therefore, a Remuneration Report is not required for 2018/19.

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## Notes to the Accounts (continued)

### 3. Accounting Standards Issued & Not Yet Adopted

The Code requires the disclosure of information relating to the impact of an accounting change that will be required by a new standard that has been issued but not yet adopted.

IFRS 16 leases has been issued to come into effect on 1 January 2019. Following the consultation on this standard CIPFA have deferred its adoption into the 2020/21 edition of the Accounting Code.

There are no other accounting standards issued and not yet adopted that will have a material impact on the 2019/20 Annual Accounts.

### 4. Critical Judgements in Applying Accounting Policies

In applying the Accounting Policies in note 1, the Partnership has had to make certain judgements about complex transactions or those involving uncertainty about future events. The critical judgements made in the Statement of Accounts are:

- all leases involving the Partnership as lessor have been reviewed and it has been determined that the Partnership is not party to any finance leases.

---

### 5. Assumptions Made About the Future and Other Major Sources of Estimation Uncertainty

The Statement of Accounts contains estimated figures that are based on assumptions made by the Partnership about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.

There were no items in the Balance Sheet at 31 March 2019 for which there is a significant risk of material adjustment in the forthcoming financial year.

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### 6. Events After the Balance Sheet Date

The unaudited Statement of Accounts were issued by the Treasurer on 28 June 2019. Events taking place after this date are not reflected in the financial statements or notes. There have been no material or non-material events since the date of the Balance Sheet, which have required the figures in the financial statements and notes to be adjusted.

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### 7. Expenditure and Funding Analysis

The objective of the Expenditure and Funding Analysis is to demonstrate to council tax payers how the funding available to the Transport Authority (i.e. government grants, council tax and business rates) for the year has been used in providing services in comparison with those resources consumed or earned by partnership in accordance with generally accepted accounting practices. The Expenditure and Funding Analysis also shows how this expenditure is allocated for decision making purposes. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

## South West of Scotland Transport Partnership Audited Annual Accounts 2018/19

	2017/18 Net Expenditure Chargeable to the General Fund £000	2017/18 Adjustments between the Funding and Accounting Basis £000	2017/18 Expenditure in the Comprehensive Income & Expenditure Statement £000
<b>SWestrans</b>	<b>0</b>	<b>332</b>	<b>332</b>
<b>Net Costs of Services</b>	<b>0</b>	<b>332</b>	<b>332</b>
<b>Other Operating Income &amp; Expenditure</b>	<b>0</b>	<b>0</b>	<b>0</b>
Taxation & Non-Specific Grant Income	0	(347)	(347)
<b>(Surplus)/Deficit on the Provision of Services</b>	<b>0</b>	<b>(15)</b>	<b>(15)</b>

	2018/19 Net Expenditure Chargeable to the General Fund £000	2018/19 Adjustments between the Funding and Accounting Basis £000	2018/19 Expenditure in the Comprehensive Income & Expenditure Statement £000
<b>SWestrans</b>	<b>0</b>	<b>350</b>	<b>350</b>
<b>Net Costs of Services</b>	<b>0</b>	<b>350</b>	<b>350</b>
<b>Other Operating Income &amp; Expenditure</b>	<b>0</b>	<b>0</b>	<b>0</b>
Taxation & Non-Specific Grant Income	0	0	0
<b>(Surplus)/Deficit on the Provision of Services</b>	<b>0</b>	<b>350</b>	<b>350</b>

**8. Property, Plant & Equipment**

The following table contains details on the movements on the Property, Plant & Equipment assets contained in the Balance Sheet.

	2017/18 Vehicles £000	2018/19 Vehicles £000
<b>Cost or Valuation</b>		
<b>At 1 April</b>	<b>3,128</b>	<b>3,475</b>
Additions	347	0
<b>At 31 March</b>	<b>3,475</b>	<b>3,475</b>
<b>Accumulated Depreciation at 1 April</b>	<b>(1,329)</b>	<b>(1,661)</b>
Charge for year	(332)	(350)
<b>Accumulated Depreciation at 31 March</b>	<b>(1,661)</b>	<b>(2,011)</b>
<b>Net Book Value at 31 March</b>	<b>1,814</b>	<b>1,464</b>

**Depreciation**

Depreciation has been provided for on non-current assets with a finite useful life, which can be determined at the time of acquisition or revaluation. The depreciation methods and useful lives used within each category of non-current assets have been determined on an individual asset basis in line with the Royal Institute of Chartered Surveyors (RICS) recommended practice. Vehicles are depreciated on a straight-line basis over up to 12 years.

**9. Usable Reserves**

Movements in the Transport Partnership's usable reserves are detailed in the Movement in Reserves Statement, the Partnership do not hold any usable reserves.

**10. Unusable Reserves****Capital Adjustment Account**

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

	2017/18 £000	2018/19 £000
<b>Balance at 1 April</b>	(1,774)	(1,789)
Depreciation of non-current assets	332	350
Capital grants & contributions credited to the Comprehensive Income & Expenditure Statement	(347)	(0)
<b>Balance at 31 March</b>	<u>(1,789)</u>	<u>(1,439)</u>

**Revaluation Reserve**

The Revaluation Reserve contains the gains made by the Council arising from increases in the value of its Property, Plant & Equipment. The balance is reduced when assets with accumulated gains are:

- revalued downwards or impaired and the gains are lost,
- used in the provision of services and the gains are consumed through depreciation,
- disposed of and the gains are realised.

	2017/18 £000	2018/19 £000
<b>Balance at 1 April</b>	(25)	(25)
<b>Balance at 31 March</b>	<u>(25)</u>	<u>(25)</u>

**10. Payments to Members**

No payments were made to Members of the SWestrans Board during 2018/19 or 2017/18.

**11. Audit Fees**

The external audit fee payable for 2018/19 was £9,790 (£9,500 in 2017/18).

## Notes to the Accounts (continued)

### 12. Grant Income

The Partnership credited the following grants and contributions to the Comprehensive Income & Expenditure Statement:

	2017/18 £000	2018/19 £000
<b>Credited to Taxation and Non Specific Grant Income</b>		
Capital grants & contributions	(347)	(0)
<b>Total</b>	<b>(347)</b>	<b>(0)</b>
<b>Credited to Services</b>		
Scottish Government grants	(259)	(259)
Dumfries & Galloway Council service funding	(3,618)	(3,728)
<b>Total</b>	<b>(3,877)</b>	<b>(3,987)</b>

### 13. Related Parties

The Transport Partnership is required to disclose material transactions with related bodies – bodies or individuals that have the potential to control or influence the Transport Partnership or to be controlled and influenced by the Transport Partnership.

#### Central Government

Central Government is responsible for providing the statutory framework, within which the Transport Partnership operates, provides some of its funding in the form of grants and prescribes the terms of many of the transactions that the Transport Partnership has with other parties. Details of Central Government Grants received are contained in Note 12 (grant income).

#### Other Public Bodies

Dumfries & Galloway Council is responsible for providing the funding for the day-to-day operation of the Transport Partnership under the Transport (Scotland) Act 2005. In 2018/19, the Council provided £100k (£100k in 2017/18) as match funding to a Scottish Government grant for core running costs, a capital grant of £233K (£117k 2017/18) and a further £3.395 Million (£3.401 Million in 2017/18) was requisitioned by the Transport Partnership to cover the operating costs for 2018/19. SWestrans does not employ its own staff and during 2018/19 Dumfries & Galloway Council charged SWestrans £167k (£167k in 2017/18) in respect of staff support, supplies and other support services.

### 14. Leases

#### Partnership as Lessor

SWestrans purchased 0 buses in 2018/19 (3 buses in 2017/18) and the buses are leased to private bus operators as part of specific route tenders. No income is received from these operating leases.

## CAPITAL EXPENDITURE PROGRAMME 2019/20 TO 2021/22 – UPDATE

### 1. Reason for Report

To provide an update to the Board on the Capital Programme for 2019/20 to 2021/22.

### 2. Background

2.1 At its meeting on 8 March 2019, the Board agreed the Capital Programme for 2019/20 – 2021/22 as shown in Table 1. **Appendix 1** shows monitoring of the 2019/20 spend to 30 June 2019.

<b><u>SWestrans Capital Programme 2019/20 – 2021/22</u></b>	<b>Total Budget Allocated 2019/20</b>	<b>Total Budget Allocated 2020/21</b>	<b>Total Budget Allocated 2021/22</b>	<b>Total</b>
	£	£	£	£
Purchase of Accessible Buses	240,000	240,000	300,000	780,000
Bus Infrastructure	50,000	50,000	100,000	200,000
Rail Station Parking	550,000	300,000	0	850,000
Active Travel Projects	456,000	210,000	400,000	1,066,000
<b>TOTAL</b>	<b>1,296,000</b>	<b>800,000</b>	<b>800,000</b>	<b>2,896,000</b>

Table 1 – SWestrans agreed Capital Programme 2019/20 – 2021/22

2.2 The funding allocation for 2019/20 includes the reprofiling of funding (£246K) from 2018/19 and carry forward of rail station parking funding (£250K) as reported to the Board at its meeting on 18 January 2019. Following the closure of the 2018/19 budget the allocations have been amended to match the outturn position. This is shown in Table 2 below:

<b><u>SWestrans Capital Programme 2019/20 – 2021/22</u></b>	<b>Total Budget Allocated 2019/20</b>	<b>Total Budget Allocated 2020/21</b>	<b>Total Budget Allocated 2021/22</b>	<b>Total</b>
	£	£	£	£
Purchase of Accessible Buses	240,000	240,000	300,000	780,000
Bus Infrastructure	70,000	50,000	100,000	220,000
Rail Station Parking	554,000	300,000	0	854,000
STAG Studies	10,000	0	0	10,000
Active Travel Projects	371,000	210,000	400,000	981,000
<b>TOTAL</b>	<b>1,245,000</b>	<b>800,000</b>	<b>800,000</b>	<b>2,845,000</b>

Table 2 – SWestrans amended Capital Programme 2019/20 – 2021/22

### 3. Key Points

3.1 Each of the elements of the Capital Programme for 2019/20 is discussed briefly in paragraphs 3.2 to 3.12.

#### Purchase of Accessible Buses

3.2 There are 2 buses on order which are currently nearing build completion. They will be delivered in October 2019 and are expected to cost a total of some £180K leaving a balance of £60K to be allocated.

#### Bus Infrastructure

3.3 Spend continues on this element the programme which includes at-stop infrastructure and the purchase of Electronic Ticket Machines by operators through grant funding made available by SWestrans. It is anticipated that the budget available (£70K) will be met by the end of the financial year.

#### Rail Station Parking

3.4 Full planning permission is progressing for the first element of the phase 3 site (Sydney Place/Bridge Street). Once planning permission is granted and the land purchase complete, work will commence on the phase 3 site to enable consideration and development of phase 2 works (existing railway station car parks).

#### STAG Studies

3.5 There is no planned spend on STAG Studies this financial year and it is recommended that a virement of £10K is made to the Active Travel Projects element of the programme.

#### Active Travel Projects

3.6 As previously reported, £150K of funding was earmarked for the SWestrans contribution to the Dumfries and Galloway Royal Infirmary (DGRI) mitigation works and it was anticipated that it would be spent this financial year. Dumfries and Galloway Council has advised that the SWestrans element of the overall funding will now not be required in 2019/20 but will be required in 2020/21.

3.7 Therefore, to lessen the possible slippage of this £150K, it is recommended that spend could be brought forward on the purchase of accessible buses to this year with a compensatory reduction in 2020/21 to fund the DGRI mitigation works.

3.8 Allocating this £150K to the remaining unallocated £60K within the bus purchase element, as indicated in paragraph 3.3, would enable the purchase of 2 new 29/31 seat low-floor Euro 6 vehicles to replace existing leased buses that have reached the end of their lifespan.

3.9 The Board are asked to note the advice from Dumfries and Galloway Council that the £150K contribution to the DGRI mitigation work is not required this financial year and agree to the virement of £150K to the Purchase of Accessible Buses.

3.10 At its meeting in June 2019, the Board was advised that £129K grant funding for the delivery of active travel measures, under the 5 headings below, has been made available from the Scottish Government in 2019/20 which requires 100% match funding from SWestrans (total spend requirement is shown in brackets):



- Dumfries Learning Town (£60K)
- Remove Barriers to Active Travel (£78K)
- Signage Programme (£60K)
- Cycle parking at Interchanges (£20K)
- Disabled Programme (£40K)

3.11 The following works have been identified, in partnership with Dumfries and Galloway Council, to meet the criteria of the grant funding and work has commenced on their delivery:

- Dumfries Learning Town – Path works on the link from Dumfries High School to Dumfries Academy/the Bridge and signage across all locations identified in the Dumfries Learning Town Active Travel Strategy.
- Remove Barriers to Active Travel / Disabled Programme – Minor footway works to improve active travel accessibility in Moffat, Thornhill, Lockerbie, Annan, Gretna, Kirkcudbright, Dalbeattie, Castle Douglas and Stranraer.
- Cycle Parking at Interchanges – Covered cycle parking at three locations in Dumfries.
- Signage programme – minor signage upgrades and signing of the link from Dumfries to Mabie.

3.12 As shown in the amended funding allocation (Table 2), the proposed virements of £150K and £10K and the match funding contribution of £129K to the works identified in paragraph 3.11 leave some £102K unallocated. Following discussion with Dumfries and Galloway Council it is intended to utilise this funding to provide the following improvements to improve and enable active travel opportunities:

- New shared path link in Dumfries between Heston Avenue and Waverley Road.
- Minor footway works to improve active travel accessibility in Dunscore, Minnigaff and Garlieston.

#### 4. Short path links

4.1 The Board agreed, at its meeting in June 2018, that officers work on the development of short path links of 2, 3 and 5 miles between communities. Works over such distances require significant investigation across multiple agencies, land search and initial high-level design to estimate likely cost.

4.2 It is advised that the work required to assess and develop the current 133 possible paths, which are included as **Appendix 2**, is not currently manageable and requires a mechanism to enable officers to bring realistic options to the Board for consideration.

4.3 As an indication, 1 mile of full-standard shared path infrastructure would cost in the region of £250K to £350K. There are 22 possible path links within the 2-mile category, 36 within the 3-mile category and 75 within the 5-mile category.

4.4 It is suggested that the focus of this work should be on the 22 possible paths within the 2-mile category. If the Board agree, work will be undertaken on these possible paths and a paper will be brought the Board on the options available this financial year prior to moving onto the 3-mile batch.

<b>5. Implications</b>	
<b>Financial</b>	It is intended to bring regular reports to the Board on the progress with the capital programme during 2019/20.
<b>Policy</b>	No change in policy. This work fulfils SWestrans policy objectives.
<b>Equalities</b>	Provision of good quality infrastructure will enhance travel choice and experience for those with protected characteristics.
<b>Climate Change</b>	Provision of good quality infrastructure that enhances opportunity for increased uptake of active and sustainable travel will have a positive impact on climate change objectives.
<b>Risk Management</b>	Progression of the Capital Programme relates to two known risks: R02 – Public image. R04 – Capital Funding.

<b>6. Recommendations</b>
Members of the Board are asked to:
6.1 note the update provided on progress with the Capital Expenditure Programme 2019/20;
6.2 agree a virement of £10K is made from the STAG Studies element to the Active Travel Projects element of the programme;
6.3 note the advice from Dumfries and Galloway Council that the £150K contribution to the Dumfries and Galloway Royal Infirmary mitigation work is not required this financial year;
6.4 agree a virement of £150K from the Active Travel Projects to the Purchase of Accessible Buses element of the programme; and
6.5 agree that work is undertaken on the 22 possible short paths in the 2-mile category as shown in Appendix 2.

Douglas Kirkpatrick - Report Author Tel: 01387 260136	Approved by: Douglas Kirkpatrick Lead Officer South West of Scotland Transport Partnership Cargen Tower Garroch Business Park Dumfries DG2 8PN
Date of Report: 10 September 2019 File Ref: SW2/meetings/2019	

Appendix 1 – Capital Programme spend to 30 June 2019

Appendix 2 – Short Path Opportunities

		Total Revised Budget Allocated 2019/20	Actual Gross Spend 30/06/19	Actual Income 30/06/19	Actual Net Spend 30/06/19	Forecast Net Spend 31/03/20	Variance 2019/20	(Slippage to) / Acceleration from 2020/21	Proposed Budget Allocation 2020/21	Proposed Budget Allocation 2021/22			
<b>SWestrans Monitoring Capital Programme 2019/20</b>													
Purchase of Accessible Buses		240,000	0		0	240,000	0	0	240,000	300,000			
Bus Infrastructure (including shelters, PUDOs and RTI)		70,000	37,116		37,116	70,000	0	0	50,000	100,000			
Rail Station Parking		554,000	2,850		2,850	554,000	0	0	300,000	0			
STAG Studies re. potential rail station openings		10,000	0		0	10,000	0	0	0	0			
Active Travel Projects		371,000	0		0	371,000	0	0	210,000	400,000			
<b>TOTAL</b>		<b>1,245,000</b>	<b>39,966</b>	<b>0</b>	<b>39,966</b>	<b>1,245,000</b>	<b>0</b>	<b>0</b>	<b>800,000</b>	<b>800,000</b>			
<b>2019/20 Funding Summary</b>													
Swestrans Allocation as per Full Council 28 February 2019		1,296,000											
Add Slippage 2018/19		34,000											
Less Acceleration from 2019/20		-85,000											
<b>Total Allocation 2019/20</b>		<b>1,245,000</b>											
<b>Annex to Appendix - Individual Projects greater than £250k</b>													
	Previous Years Net Expenditure	Total Revised Budget Allocated 2019/20	Actual Gross Spend 30/06/19	Actual Income 30/06/19	Actual Net Spend 30/06/19	Forecast Net Spend 31/03/20	Variance 2019/20	(Slippage to) / Acceleration from 2020/21	Project Up date	Proposed Budget Allocation 2020/21	Proposed Budget Allocation 2021/22	Total Project Budget	Total Project Forecast Spend
Rail Station Parking	46,374	554,000	2,850	0	2,850	554,000	0	0		300,000	749,626	1,650,000	1,650,000
It should be noted that the total project budget is £1.65 Million with £0.9 Million being funded from the Swestrans Asset Class and £0.75 Million being funded from the Infrastructure Asset Class.													

## Short Path Opportunities

Attractor Settlements	Satellite Settlements		
	2 miles	3 miles	5 miles
Annan	Newbie	Powfoot Brydekirk Creca Dornock Eastriggs	Cummertrees Ecclefechan Eaglesfield Kirtlebridge K. Fleming
Castle Douglas	Rhonehouse	Gelston Bridge of Dee Glenlochar Clarebrand	Dalbeattie Palnackie Crossmichael Old Bridge of Urr Hargate Haugh of Urr
Dalbeattie		Palnackie	Kippford Colvend Rockcliffe Sandyhills Gelston Rhonehouse Castle Douglas Clareband Hardgate Haugh of Urr Kirkgunzeon
Dumfries	Kingholm Quay Islesteps Cargenbridge	Terregles Newbridge Holywood Locharbriggs Heathhall	Kelton Glencaple Lochanhead Lochfoot Kirkton Duncow Amisfield Tinwald Torthorwald Collin Greenlea Racks
Eastriggs	Dornock	Annan Creca K. Fleming Rigg	Newbie Brydekirk Eaglesfield Kirtlebridge Springfield Gretna Green Gretna

Attractor Settlements	Satellite Settlements		
	2 miles	3 miles	5 miles
Gretna	Rigg Springfield Gretna Green		Eastriggs K. Fleming Chapelknowe Longtown
Kirkconnel/Kelloholm		Crawick Sanquhar	Mennock
Kirkcudbright	Tongland	Twynholm	Brighthouse Borgue Ringford Dundrennan
Langholm			Hollows Claygate Bentpath
Lochmaben	Heck	Hightae Templand Millhousebridge Greenhill	Lockerbie Torthorwald Amisfield Shieldhill Parkgate Nethermill Sibbaldbie
Lockerbie		Kettleholm Heck Greenhill Hightae	Ecclefechan Dalton Lochmaben Templand Millhousebridge Sibbaldbie Bankshill
Moffat	Beattock		
Newton Stewart	Minnigaff Blackcraig	Palnure Penninghame	Glentroll
Sanquhar	Mennock Crawick	Kelloholm	Kirkconnel
Stranraer		Lochans Castle Kennedy	Stoneykirk Portpatrick Leswalt Cairnryan
Thornhill	Keir Mill Penpont Carronbridge Gatelawbridge Greenhead Cample	Closeburn	Park Tynron

## STAG APPRAISALS

### 1. Reason for Report

To advise on the outcomes of the Scottish Transport Appraisal Guidance (STAG) studies and to seek a decision on potential rail station re-opening applications to Transport Scotland.

### 2. Background

2.1 SWestrans and Dumfries and Galloway Council have aspirations for the re-opening of the following stations:

- Thornhill
- Eastriggs
- Dunragit/Glenluce
- Beattock

2.2 At its meeting on 22 September 2017, the Board agreed to progress with Scottish Transport Appraisal Guidance (STAG) Part 2 (now referred to as the 'Detailed Options Appraisal') studies for the Thornhill, Eastriggs and Beattock areas. Peter Brett Associates (PBA) were commissioned to undertake this work.

2.3 At its meeting on 10 November 2017, the Board agreed to receive updates on the STAG 2 progress at each Board meeting.

2.4 At its meeting on 10 May 2019, the Board received a briefing paper outlining the potential options available to progress this work once the studies were complete.

2.5 PBA have completed three STAG Detailed Options Appraisals, and the Sustainable Transport Options Reports for each of the study areas were signed off on Thursday 22 August 2019.

2.6 The reports were sent to Board Members and the station action groups on Monday 26 August 2019 and are available on the SWestrans website:

<http://www.swestrans.org.uk/9726>

### 3. STAG Reports

3.1 STAG appraisals are multi-modal and seek to identify and evidence the transport problems and opportunities within each of the study areas, and the most appropriate opportunities for addressing them through the consideration of all sustainable transport modes.

3.2 The conclusions from each of the appraisals are included as **Appendix 1** – Beattock; **Appendix 2** – Eastriggs and **Appendix 3** – Thornhill. Each summarises the Problems and Opportunities, the Transport Planning Objectives, and the Options and Appraisal Findings for the study areas.

3.3 It is not the role of Detailed Options Appraisals to make recommendations on what, if any, transport options should be pursued but to provide evidence and assessment on these transport options so that the promoters and decision-makers can make an informed decision.

3.4 The options from each of the appraisals are provided below. It should be noted that not all of the study areas have the same Transport Planning Objectives, which the transport options are trying to achieve. A number of possible sustainable transport options identified at the pre-appraisal (case for change) stage of STAG have been either reworked or removed as part of the appraisal process.

#### Beattock and Moffat

- Option 1a/b: Adjustment of Service 380 bus times to reduce interchange time at Lockerbie Railway Station with additional direct instances of the service and extended service operating hours later into the evening;
- Option 3: Increase direct buses to Edinburgh; and
- Option 6: Re-open Beattock Railway Station.

#### Eastriggs

- Option 1a: RailBus to Lockerbie Station: dedicated bus from Eastriggs which integrates with train arrival and departure times at Lockerbie Railway Station;
- Option 3: Later running, increased Sunday services and express services between Eastriggs, Carlisle and Dumfries; and
- Option 6: Re-open Eastriggs Railway Station.

#### Thornhill

- Option 1a: RailBus to Lockerbie Station: dedicated bus from Thornhill which integrates with train arrival and departure times at Lockerbie Railway Station;
- Option 3: Earlier and later (and Sunday) services between Thornhill, Moniaive and Dumfries; and
- Option 6: Re-open Thornhill Railway Station.

3.5 Options relating to changes and improvements to the local bus network are the responsibility of SWestrans as a Model III Regional Transport Partnership. Due to existing budget constraints, and pressure on the immediate future available budget, any additional costs relating to bus provision would have to be recovered from elsewhere on the subsidised network. Therefore, consideration of the bus options has identified that it would negatively affect service provision elsewhere on the network and cannot be progressed at this time.

3.6 The option of rail station re-openings remains as an option for all three areas. It is also worth considering that Transport Scotland has stated that any investment in rail interventions (services or infrastructure) will only occur where they clearly represent the optimum value for money solution in terms of economic, social and environmental outcomes.

#### 4. Rail Station re-openings

4.1 As set out in paragraph 2.1, SWestrans and Dumfries and Galloway Council have aspirations for the re-opening of a number of stations.

4.2 Dumfries and Galloway Council currently have a commitment to invest in key infrastructure as part of their priority to build the local economy. This includes a commitment to 'campaign for a train station at Beattock' and to 'work with Transport Scotland and Network Rail on the prospects of stations at Thornhill and Eastriggs'.

4.3 In March 2018, Transport Scotland published their 'Rail Enhancements & Capital Investment Strategy'. It sets out a new approach to planning and funding rail projects, moving from the traditional 5-year railway industry planning cycle to a 'pipeline-based approach'. It aims to tackle the cost increases and programme delays affecting projects and coincided with the change to grant-funded arrangements (from 2019). It is available at: <https://www.transport.gov.scot/public-transport/rail/rail-policy-and-strategy/#>

4.4 An overview of both the 'Pre-pipeline' and 'Pipeline' process in relation to STAG and Transport Scotland's Guidance on the Development of Business Cases and Network Rail's GRIP (Governance for Rail Investment Projects) processes is outlined in the diagram attached as **Appendix 4** to this report.

4.5 As the diagram shows, 'Promoters' (in this case SWestrans) are required to use STAG where Government funding support or approval is sought. A completed and robust transport appraisal in line with STAG provides evidence for decision-makers to inform transport investment decisions.

4.6 A commitment to complete STAG appraisals for each area is made within the Regional Transport Strategy and its accompanying Delivery Plan in 2008 (last revised 2010). Whilst the STAG process is multi-modal and is objective-led rather than solution-led, this commitment was in relation to understanding if there was a case for rail station re-openings. This commitment has now been achieved.

4.7 STAG informs the Strategic Business Case, which will give the promoter robust evidence to enable a decision to be made either to proceed to make an application for consideration into the rail pipeline process (to secure government funding and pursue further development of the proposition) or not to proceed. Only rail-related projects will progress through the rail pipeline.

#### 5. Strategic Business Case

5.1 The findings from the Detailed Options Appraisals, which incorporate all the appraisal findings from each of the previous STAG stages, are required to inform a Strategic Business Case (SBC) for each area.

5.2 A SBC is needed to provide a rationale for intervention and provide enough evidence for a scheme/project to proceed to development. It should detail the need for intervention and propose a variety of options with which to deal with the issue(s), in the context of Government objectives.



5.3 Where a rail station has been identified as a viable transport solution, and this is supported and approved by the Promotor, the appraisal (Strategic Business Case) can be submitted to Transport Scotland for review and decision. As the Promoter, the SWestrans Board will need to determine if it identifies each of the station re-openings as having a SBC, and if so, which study/studies it wishes to submit.

5.4 Given the nature of the STAG process, schemes with a completed STAG will have demonstrated a sufficient level of detail to provide the SBC. It is SWestrans officers current understanding that a separate SBC does not need to be produced and that a robust completed STAG appraisal suffices.

5.5 If an application is made, Transport Scotland will consider in detail and either accept or reject the SBC. At this stage the options available to Transport Scotland are to accept and 'Progress to Pipeline', to accept and 'Hold in suspension', or to 'Reject'.

5.6 If rejected it will be for the promoter (SWestrans) to decide whether to revise the SBC.

5.7 The SBC is only the first stage of three stages to be undertaken before an investment project is agreed (Outline Business Case and Final Business Case). These would be undertaken by Transport Scotland, who would be the Promotor, if the project progresses to those stages.

## 6. The South West Scotland Transport Study

6.1 Transport Scotland are leading on a STAG Initial Appraisal: Case for Change for the South West Scotland Transport, called the South West Scotland Transport Study (SWSTS).

6.2 As discussed as a separate agenda item, the SWSTS Draft Final Report is currently in a period of consultation.

6.3 The report identifies that there is a case for change and a short list of interventions have been recommended for progression towards Preliminary Appraisal. These will be developed as the Strategic Transport Project Review (STPR2) process moves forward.

6.4 Within the 'Recommended Option Packaging for Further Appraisal' are two packages relating to the aspiration of station re-openings:

### New Rail Stations on the Glasgow South Western Line

New rail stations on the Glasgow South Western Line, such as Cumnock, **Thornhill**, **Eastriggs**, Pinwherry, **Dunragit** and South of Ayr.

### New Rail Stations on the West Coast Main Line

New station at **Beattock**

6.5 SWestrans has undertaken full STAG appraisal work relating to station re-openings recommended above on three of the four Dumfries and Galloway stations identified. It has also undertaken a 'Case for Change' Appraisal for Dunragit.

6.6 The recently published Transport Scotland document ‘Scotland’s Railway (Control Period 6: 2019 – 2024)’ states that:

‘There are a number of area/regional multi-modal studies underway including the South West Scotland Transport Study, the Levenmouth Sustainable Transport Study and the Borders Corridor Transport Study. If a viable rail option emerges, once the appraisals have been completed, Transport Scotland will consider this for potential funding or support through the pipeline processes outlined in the Strategy [Rail Enhancements & Capital Investment Strategy]’.

6.7 Since the publication of the ‘Scotland’s Railway’ document:

- The reopening of the link to Levenmouth and the rail network is to be taken forward to the next stage of development alongside new bus and active travel provision. The project will now go forward to the detailed design phase with initial estimates of construction and preparation costs of around £70 million. An additional £5 million to a Levenmouth Blueprint fund has been committed to be available to partners to maximise the benefits of the Scottish Government investment in the area.
- Up to £5 million of funding will be made available by both the Scottish Government and UK Government (combined £10m) through the Borderlands Inclusive Growth Deal to progress the evidence base, options appraisal and feasibility work on Carlisle to Tweedbank rail options.

## 7. Considerations

7.1 A submission to the Scottish Government for funding or approval for a rail station re-opening must use STAG, have made a ‘Case for Change’ and provide a ‘Detailed Options Appraisal’.

7.2 Each of the three study areas have a ‘Case for Change’. This is evidenced in the individual appraisals themselves. Transport Scotland’s SWSTS work includes a ‘Case for Change’ for transport interventions which contains rail station re-openings.

7.3 The three final STAG reports provide the Detailed Options Appraisal for each area and can be submitted as three separate SBC’s to Transport Scotland for funding consideration through their pipeline process.

7.4 The pipeline process must consider each SBC submitted by promoters on its own merit. There is no restriction on the number of rail projects that can be submitted for funding and approval.

7.5 Given the information provided in this paper and in each of the STAG reports, the Board are asked to consider which of the following options it wishes to pursue:

- 1) Submit no, some, or all three final STAG reports to Transport Scotland (TS) for assessment to get on the investment ‘pipeline’ (it should be noted that recent TS documents suggest that no major transport infrastructure investment decisions will be made prior to the Strategic Transport Projects Review (STPR2) being concluded).

- 2) Submit Dunragit 'Case for Change', to TS as part of progression of the SWSTS recommendations.
- 3) Pass the 'promoter' status that SWestrans currently has on any of the three reports to the Station Action Groups with a view to them submitting to TS, either with or without SWestrans support.

<b>8. Implications</b>	
<b>Financial</b>	No financial implications at this stage.
<b>Policy</b>	No change in policy. This work fulfils SWestrans and Dumfries and Galloway Council policy objectives.
<b>Equalities</b>	Opportunities to enhance travel choice and experience for those with protected characteristics will emerge from the study findings.
<b>Climate Change</b>	Opportunities for modal shift will emerge from study findings.
<b>Risk Management</b>	Continuation and completion of STAG 2 studies relates to two known risks: R02 – Public image R05 – Failure to progress RTS Delivery Plan

### 9. Recommendations

Members of the Board are asked to:

- 9.1 note the final STAG Reports for the Beattock and Moffat, Eastriggs and Thornhill areas;
- 9.2 agree which of the option(s) presented in paragraph 7.5 are progressed.

Report Author: Josef Coombey SWestrans Policy & Projects Officer	Approved by: Douglas Kirkpatrick SWestrans Lead Officer South West of Scotland Transport Partnership Cargen Tower Garroch Business Park Dumfries DG2 8PN
Date of Report: 12 September 2019 File Ref: SW2/Meetings/2019	

Appendix 1 – Beattock and Moffat STAG

Appendix 2 – Eastriggs STAG

Appendix 3 – Thornhill STAG

Appendix 4 – Pipeline process

## 7 Conclusions

### 7.1 Introduction

- 7.1.1 This study has identified and evidenced the transport problems and opportunities for Moffat and Beattock, developed a set of Transport Planning Objectives to express the outcomes sought for the study, and generated and appraised a number of transport options to provide solution(s) to meet the objectives and alleviate the problems.

### 7.2 Problems and Opportunities Summary

- 7.2.1 Moffat and Beattock are rural communities, which while connected reasonably well by public transport to Glasgow, Dumfries and Lockerbie, suffers from a lack of strategic public transport connectivity further afield (Edinburgh, Carlisle and beyond) in terms of a lack of direct routes, long journey times and poor service frequency. Although connectivity to Glasgow is good, the journey time by public transport is long compared to equivalent travel times by car. This is especially pertinent to those without access to a car (those who cannot afford or prefer not to buy or run a vehicle) and those unable to drive (the young, the elderly and those less able), especially as the location of Moffat and Beattock means both are within what could be considered an acceptable commute time to the two major Scottish cities as well as Carlisle. In addition, the lack of strategic public transport accessibility results in a high reliance on the private car in the study area by those who do have access to a car but would prefer to use public transport.

- 7.2.2 This lack of strategic connectivity is felt across the community and particularly in terms of:

- Limiting visitors to the area, and thereby impacting on local tourist related businesses and reducing the areas ability to realise the full potential of the area's tourist offering. This is a key concern as Moffat is very much a 'tourist' town;
- Constrained access to higher and further education, particularly in terms of the need for young people to leave the area to further their education after secondary school;
- Constrained access to social activities for all, but again particularly for young people who must rely on others for transport to / from the area which is reducing their opportunities to gain independence;
- Making it difficult to access healthcare, particularly at the major health centres in Edinburgh and Glasgow; and
- Making the area a less attractive proposition for in-migration, to support the long term sustainability of the community.

- 7.2.3 For the strategic and also local buses that do serve the area, the limited operating hours of bus services to Lockerbie curtail the ability of the local community to return back to the study area from trains after 18:00 and access the rail network before midday on a Sunday, limiting employment opportunities requiring shift or weekend working and the ability of the community to participate in social opportunities further afield. In addition, the hours of operation limit the ability of those in the study area to access social, retail and education services and facilities in Lockerbie itself.

- 7.2.4 While access to the rail network can be gained at Lockerbie to join the West Coast Main Line, poor integration between the bus and rail networks (in terms of the integration of timetables), means the rail network is not easily accessible. Long interchange times create extended journey times, with analysis presented in this report highlighting the poor connectivity to and from Moffat and Beattock.

- 7.2.5 It is important to note that Carlisle is a key economic, retail and social centre, being closer to Beattock and Moffat than Glasgow. Public transport access to Carlisle requires interchange in Lockerbie, either to an onwards bus connection or to rail. In this regard, residents of Beattock and Moffat are at a significant disadvantage compared to those in Lockerbie who have direct access to the rail network. When considering journey times to Glasgow and Edinburgh, it is important to note that journey times from Lockerbie are far quicker even though the town is geographically further away from both cities than Moffat and Beattock.
- 7.2.6 An important issue when considering public transport across not just study area, but also more widely across the region, is the fragile nature of existing bus operations, with many local services reliant on subsidy. Budget cuts mean the level of available subsidy has been reducing year on year over the last 5 years. This is undermining people's faith in the bus network and future dependence on services.
- 7.2.7 It is clear that a key benefit of improved connectivity to and from the study area will be in reducing the feelings of remoteness of the community and enabling local people to feel connected to, and part of a wider Scotland. This is especially important in terms of the long term sustainability of the community, and the retention of the economically active population and younger people in the area, while ensuring equality of access for all to the wider opportunities. It is worth noting that Moffat Academy has a reducing student roll, highlighting the reducing numbers of people, and especially younger people, in the area, and the potential future difficulties arising for long term community sustainability.
- 7.2.8 The town of Moffat has a strong tourist offering with many local businesses in the industry. It is strongly felt that improved connectivity to and from the study area has the potential to boost tourism to the area, supporting and sustaining local businesses and the local economy. Improved strategic access was felt to be key to increasing visitor numbers, especially through enabling ease of access for international visitors, with improved connectivity allowing for effective tourist day trips to the area from the major cities.
- 7.2.9 As such, the Transport Planning Objectives for the study were set to reflect the above. These are:
- **TPO 1:** Enable an effective day trip by public transport to key education, retail and social opportunities in Glasgow, Edinburgh and Carlisle
  - **TPO 2:** Provide public transport connectivity which enables travel to and from the area across the day and across the week
  - **TPO 3:** Increase the inbound public transport catchment to support local businesses through increased visitors to the area

### 7.3 Options and Appraisal Findings

- 7.3.1 Seven options were initially developed with three options taken forward to the end of the appraisal:
- **Option 1a/b:** Adjustment of Service 380 bus times to reduce interchange time at Lockerbie Railway Station with additional direct instances of the service, and extended service operating hours later into the evening
  - **Option 3:** Increase direct buses to Edinburgh
  - **Option 6:** Re-open Beattock Railway Station
- 7.3.2 The appraisal of the options has highlighted some key points. It is not the purpose of this report to recommend one option over another, but to present the key appraisal findings for all options.

- 7.3.3 It is clear that there is limited subsidy available to subsidise further bus services in the area, and additional services, such as those proposed in Options 1a/b and 3 may have to come at the expense of subsidised services elsewhere.
- 7.3.4 Option 1a/b has the potential to enable improved access to Edinburgh and Carlisle reducing the journey time differential between public transport and the private car, and offering additional connectivity to and from the area from earlier and later running trains at Lockerbie. The improved connectivity to the West Coast Main Line offers increased opportunities for the community to access locations further afield as well as providing ease of access into the area, promoting local tourism, supporting local businesses and also enabling a wider catchment area for local employers. The option would also help alleviate the current pressure on parking at Lockerbie station.
- 7.3.5 It should be noted that the option is unlikely to be heavily utilised and unless substantially more demand for the service could be generated, would require significant support from the public purse to operate. Given the likely low passenger numbers, a much reduced 'on-demand' taxi-bus type offering is likely to be more proportionate than a schedule service bus.
- 7.3.6 The key benefits of Option 3 are focussed on reducing the time constraints on access to and from Edinburgh, enabling better access across the day and at weekends. This has specific advantages in terms offering flexibility of access both into and out of Moffat and Beattock, but does not reduce the access time to Edinburgh, which remains long and substantially longer than the car.
- 7.3.7 It is clear that there is strong local support for the reopening of a railway station in Beattock, with public engagement over the course of the study strongly emphasising the desire of the local community for this.
- 7.3.8 The case for Option 6, the reopening of the station in Beattock, is highly unlikely to 'stack up' from an economic perspective and is unlikely to produce a BCR of greater than one. Engagement with the current train operators on the line highlighted a lack of desire to alter existing service patterns given current rail markets served and capacity issues on the line. As such, it is important to note that the notional timetable developed for this option assumed alternating stops between Lockerbie and Beattock and as such there was a service reduction at Lockerbie, generating negative overall revenue figures. In the longer term, a ScotRail-based service may provide an alternative solution.
- 7.3.9 The case for a new station at Beattock, like in many other rural locations, will be heavily focussed on the connectivity and accessibility benefits such an intervention could bring. The case for such an intervention must therefore be considered in terms of the wider social benefits to the local community and ensuring the community has equality of access. There was strong public support for the opening of the station over other options.
- 7.3.10 The analysis undertaken has highlighted the much improved strategic connectivity of the area that could be achieved if the station were reopened including the key benefit of accessing Glasgow, Edinburgh and Carlisle, which would now all be within acceptable commuter time, with access times faster than by car. The improved access would offer greater retail and social opportunities for younger people. Journey times to key strategic centres would also be more closely aligned to those available from Lockerbie, allowing for equality of access from Moffat and Beattock. A key benefit would also be the increased accessibility of the study area to the wider area, allowing visitors ease of access and supporting the local tourism industry.
- 7.3.11 It is noted that the railway station in Beattock would be located approximately 4.5km from Moffat and in order to enable ease of access, the station would require a connecting bus or 'taxi-bus' type link. In addition, an improved shared-use walking and cycle path to the station would be required with appropriate lighting.
- 7.3.12 Cognisance must also be taken of the potential impact on existing bus services in the area if the railway station were to reopen. As a result of the station reopening there may be a reduction

in services operating between the study area and Lockerbie (Service 380), Edinburgh (Service 101) and Glasgow (Service X74). Smaller communities served by these buses may experience a reduction in bus service if the railway station were reinstated and this impacted significantly on bus patronage and hence overall bus operation viability. This would be detrimental to the connectivity of these communities.

- 7.3.13 It is also important to note the financial penalty of undertaking trips by rail for those who are entitled to concessionary bus passes and the financial burden reduced bus operations may place on those even within Beattock and Moffat (for whom the station is easily accessible but not easily *financially* accessible).
- 7.3.14 The *Dumfries and Galloway 2014 Local Development Plan* sets out an allocation of 265 housing units in Moffat as well as some mixed use allocation. A new railway station offering direct commutable access to Edinburgh, Glasgow and Carlisle is likely to make these dwellings more attractive to potential home-buyers, helping facilitate this housing development and further supporting the longer term sustainability of the community
- 7.3.15 A further longer term potential opportunity for rail access was identified in the form of calls by a new Stirling – Carlisle service (as per Scotland Route Study *Opportunity to Travel by 2043*). Given the timescales until such a service may have potential, this longer term option was not considered at Part 2 Appraisal but could however be revisited at an appropriate future date.

## 7.4 Summary

Overall, all options offer a number of key benefits, with Options 1a/b and 6 offering greater strategic connectivity potential than Option 3, but with an attached heavier financial requirement. While Option 1a/b provides improved connectivity to Edinburgh and Carlisle, Option 6 significantly improves direct public transport connectivity to Glasgow, Edinburgh and Carlisle enabling much quicker and improved access to jobs, social opportunities and healthcare in these major employment, social and retail centres.

## 7 Conclusions

### 7.1 Introduction

7.1.1 This study has identified and evidenced the transport problems and opportunities for Eastriggs and the surrounding area, developed a set of Transport Planning Objectives to express the outcomes sought for the study, and generated and appraised a number of transport options to provide solution(s) to meet the objectives and alleviate the problems.

### 7.2 Problems and Opportunities Summary

7.2.1 Eastriggs is a rural community, which while connected reasonably well to Dumfries and Carlisle by bus, suffers from a lack of strategic public transport connectivity further afield in terms of a lack of direct routes and long journey times. This is especially pertinent given the recent job losses in the area now requiring people to travel further afield for work. In addition, the accessibility to and from the area impacts more significantly on those without access to a car (those who cannot afford, or prefer not to buy or run a vehicle) and those unable to drive (the young, the elderly and those less able). The current lack of strategic public transport accessibility results in a high reliance on the private car in the study area by those who do have access to a car but could and would use public transport if it provided the necessary connectivity.

7.2.2 This lack of strategic connectivity is felt across the community and particularly in terms of:

- Constrained access to employment;
- Constrained access to higher education, particularly in terms of the need of young people to leave the area to further their education after secondary school;
- Constrained access to social activities, for all.
- Making it difficult to access healthcare given the lack of a local GP in Eastriggs; and
- Making the area a less attractive proposition for in-migration.

7.2.3 The much reduced Sunday bus service operating hours curtail the ability of the local community to access employment opportunities (e.g. those requiring weekend working), and participate in social opportunities.

7.2.4 While access to the rail network can be gained at Annan and Gretna Green railway stations to join the GSWL, or at Lockerbie or Carlisle to join the WCML, poor integration between the bus and rail networks, in terms of both the integration of timetables and a lack of physical integration between bus stops with rail stations, means the rail network is not easily accessible.

7.2.5 Long interchange times create extended journey times, with analysis presented in this report highlighting the reduced connectivity to and from Eastriggs compared to the nearby similar rural communities at Annan and Gretna Green which benefit from stations. The requirement to interchange, particularly in Gretna Green, requires a 10-15 minute walk from the town centre to the station, presenting difficulty for anyone with mobility issues. Connections by public transport to Lockerbie with no direct connections and bus to bus interchange required in Annan, Gretna Green or Dumfries. Those without access to a car are significantly disadvantaged in this regard.

7.2.6 It is important to note that Carlisle is a key economic, retail and social centre for the area. Public transport access to Carlisle is by bus with a journey time far in excess of that by car and in excess of the public transport time from the neighbouring communities of Annan and Gretna Green. In this regard, those resident in Eastriggs are at a significant disadvantage compared to Annan, further geographically from Carlisle, but much closer in terms of access time.



- 7.2.7 It is clear from the identification of problems and through the engagement exercises undertaken, that the community requires stronger strategic connectivity to access employment and further / higher education. There is potential for active travel connections to provide connections to the strategic transport network and also form part of the tourist offering of the area.
- 7.2.8 An important issue when considering public transport across not just the study area, but also more widely across the region, is the fragile nature of existing bus operations, with many local services reliant on local government subsidy. Budget cuts means the level of available subsidy has been reducing year on year over the last 5 years. This is undermining people's faith in the bus network and future dependence on services.
- 7.2.9 It is clear that a key benefit of improved connectivity to and from the study area will be in reducing the feelings of remoteness of the community and enabling local people to feel connected and part of a wider Scotland. This is especially important in terms of the long term sustainability of the community, and the retention of the economically active population and younger people in the area, while ensuring equality of access for all to the wider opportunities.
- 7.2.10 As such, the Transport Planning Objectives for the study were set to reflect the above:
- **TPO 1:** Reduce public transport journey times to improve access to key, commutable employment and educational centres from Eastriggs
  - **TPO 2:** Provide public transport connectivity which enables travel to and from the area across the day and across the week

### 7.3 Options and Appraisal Findings

- 7.3.1 Seven options were initially developed with three options taken forward to the end of the appraisal. These were:
- **Option 1a:** RailBus to Lockerbie station: dedicated bus from Eastriggs which integrates with train arrival and departure times at Lockerbie Railway Station.
  - **Option 3:** Later running, increased Sunday services and express services between Eastriggs, Carlisle & Dumfries
  - **Option 6:** Re-open Eastriggs Railway Station
- 7.3.2 The appraisal of the options has highlighted some key points. It is not the purpose of this report to recommend one option over another, but to present the key appraisal findings for all options.
- 7.3.3 It is recognised that there is limited subsidy available to subsidise further bus services in the area, and that any new services, such as those proposed in Options 1a and 3 may have to come at the expense of subsidised services elsewhere.
- 7.3.4 Option 1a has the potential to enable improved access to Edinburgh and Glasgow, reducing the journey time differential between: public transport and the private car; and also the differential in public transport journey times from Eastriggs and those from neighbouring Annan and Gretna Green. The additional connectivity to the WCML offers increased opportunities for the community to access locations further afield as well as providing ease of access into the area from the north. The option would also help alleviate the current pressure on parking at Lockerbie station.
- 7.3.5 It should be noted that Option 1a is unlikely to be heavily used and unless substantially more demand for the service could be generated, would require significant support from the public purse to operate. Given the likely low passenger numbers, a much reduced 'on-demand' taxi-bus type offering is likely to be more proportionate than a schedule service bus.

- 7.3.6 The key benefits of Option 3 are focussed on reducing the time constraints on access to and from the area, enabling better access on a Sunday. This has specific advantages in terms of employment and social access from Eastriggs, especially in terms of shift and weekend working.
- 7.3.7 It is clear that there is strong local support for the reopening of a railway station in Eastriggs, with public engagement over the course of the study strongly emphasising the desire of the local community for this. While the case for Option 6, the reopening the station in Eastriggs, is highly unlikely to 'stack up' from an economic perspective, the case for such an intervention, like in many other rural locations, will be heavily focussed on the connectivity and accessibility benefits such an intervention could bring to the community. The case for intervention cannot perhaps be judged in the same way as other rail schemes and must be considered in terms of the wider social benefits to the local community and ensuring the community has equality of access. There was a very strong public preference for the opening over the station over other options.
- 7.3.8 The analysis undertaken has highlighted the much improved connectivity of the area that could be achieved if the station were reopened including the key benefit of significantly increasing access to jobs. In addition, the improved access to Carlisle offers greater retail and social opportunities for younger people. Journey times to key strategic centres would also be more closely aligned to those available from Annan and Gretna Green, allowing for quality of access from Eastriggs.
- 7.3.9 Cognisance must also be taken of the potential impact on existing bus services in the area if the rail station were to reopen. Smaller communities served by local buses i.e. Dornock may experience a reduction in bus service if the rail station were reinstated and this impacted significantly on bus patronage and hence commercial bus operation viability. This would be detrimental to the connectivity of this smaller communities. It is also important to note the financial penalty of undertaking trips by rail for those who are entitled to concessionary bus passes and the financial burden reduced bus operations may place on those even within Eastriggs (for whom the station / rail network is easily accessible but not easily *financially* accessible).

## 7.4 Summary

- 7.4.1 Overall, all options offer a number of key benefits, with Options 1a and 6 offering greater strategic connectivity potential than Option 3, but with an attached heavier financial requirement. While Option 1a provides improved connectivity to Edinburgh, Option 6 significantly improves direct public transport connectivity to Dumfries and Carlisle enabling much quicker access to jobs, social opportunities and healthcare in these major employment, social and retail centres.

## 7 Conclusions

### 7.1 Introduction

7.1.1 This study has identified and evidenced the transport problems and opportunities for Thornhill and the surrounding area, developed a set of Transport Planning Objectives to express the outcomes sought for the study, and generated and appraised a number of transport options to provide solution(s) to meet the objectives and alleviate the problems.

### 7.2 Problems and Opportunities Summary

7.2.1 Thornhill is a rural community, which while connected reasonably well to Dumfries, suffers from a lack of strategic public transport connectivity further afield in terms of a lack of direct routes, long journey times and poor service frequency. This is especially pertinent to those without access to a car (those who cannot afford or prefer not to buy or run a vehicle) and those unable to drive (the young, the elderly and those less able). In addition, the lack of strategic public transport accessibility results in a high reliance on the private car in the study area by those who do have access to a car but would prefer to use public transport.

7.2.2 This lack of strategic connectivity is felt across the community and particularly in terms of:

- Constrained access to higher education, particularly in terms of the need of young people to leave the area to further their education after secondary school;
- Constrained access to social activities for all, but again particularly for young people who must rely on others for transport to / from the area which is reducing their opportunities to gain independence;
- Making it difficult to access healthcare, particularly at the major health centres in Ayr and Glasgow;
- Limiting visitors to the area, and thereby impacting on local tourist related businesses and reducing the areas ability to realise the full potential of the area's tourist offering; and
- Making the area a less attractive proposition for in-migration.

7.2.3 For strategic and also local buses that do serve the area, the limited operating hours of services curtail the ability of the local community to access employment opportunities (e.g. those requiring shift or weekend working) and participate in social opportunities.

7.2.4 While access to the rail network can be gained at Dumfries and Sanquhar to join the Glasgow South West Line, poor integration between the bus and rail networks, in terms of both the integration of timetables and a lack of physical integration between bus stops with rail stations, means the rail network is not easily accessible. Long interchange times create extended journey times, with analysis presented in this report, highlighting the reduced connectivity to and from Thornhill compared to the nearby similar rural community at Sanquhar. The requirement to interchange, particularly in Dumfries, requires a 10-15-minute walk across the town centre, presenting difficulty for anyone with mobility issues.

7.2.5 Lockerbie Station on the West Coast Main Line is also favoured by local people to take advantage of the much faster trains to Edinburgh and Glasgow. Connections by public transport to Lockerbie are however poor by public transport with no direct accessibility and bus to bus interchange required in Dumfries. Those without access to a car are significantly disadvantaged in this regard. The West Coast Mainline also provides more regular access to trains, with large gaps in the timetable on the Glasgow South West Line, when there are no services over large parts of the day, including: northbound between around 09:30 and 12:00 and between around

16:30 and 19:00; and southbound before 08:30 and between around 14:30 and 17:30. This restricts use of the rail network.

- 7.2.6 It is important to note that Carlisle is seen by many in the area as a key economic, retail and social centre, being much closer to Thornhill than Glasgow. Public transport access to Carlisle requires interchange in Dumfries, either to an onwards bus connection or to rail. In this regard, those resident in Thornhill are at a significant disadvantage compared to the neighbouring village of Sanquhar, further geographically from Carlisle, but much closer in terms of access time.
- 7.2.7 It is clear from the identification of problems and through the engagement exercises undertaken, that the community requires stronger strategic connectivity and it is recognised that active travel cannot be readily utilised to undertake such longer distance trips. However, there is potential for active travel to provide connections to the strategic transport network and also form part of the tourist offering of the area.
- 7.2.8 An important issue when considering public transport across not just the study area, but also more widely across the region, is the fragile nature of existing bus operations, with many local services reliant on local government subsidy. Budget cuts means the level of available subsidy has been reducing year on year over the last 5 years. This is undermining people's faith in the bus network and future dependence on services.
- 7.2.9 It is clear that a key benefit of improved connectivity to and from the study area will be in reducing the feelings of remoteness of the community and enabling local people to feel connected and part of a wider Scotland. This is especially important in terms of the long term sustainability of the community, and the retention of the economically active population and younger people in the area, while ensuring equality of access for all to the wider opportunities.
- 7.2.10 As such, the Transport Planning Objectives for the study were set to reflect the above:
- **TPO 1:** Enable an effective day trip by public transport to key education, retail and social opportunities in Glasgow, Ayr, Edinburgh and Carlisle
  - **TPO 2:** Provide public transport connectivity which enables travel to and from the area across the day and across the week
  - **TPO 3:** Increase the inbound public transport catchment to support education, tourism and local businesses

### 7.3 Options and Appraisal Findings

- 7.3.1 Seven options were initially developed with three options taken forward to the end of the appraisal. These are:
- **Option 1a:** RailBus to Lockerbie Station: dedicated bus from Thornhill which integrates with train arrival and departure times at Lockerbie Railway Station.
  - **Option 3:** Earlier & later (and Sunday) services between Thornhill, Moniaive & Dumfries
  - **Option 6:** Re-open Thornhill Railway Station
- 7.3.2 The appraisal of the options has highlighted some key points. It is not the purpose of this report to recommend one option over another, but to present the key appraisal findings for all options.
- 7.3.3 It is clear that there is limited subsidy available to subsidise further bus services in the area, and that any new services, such as those proposed in Options 1a and 3 may have to come at the expense of subsidised services elsewhere.

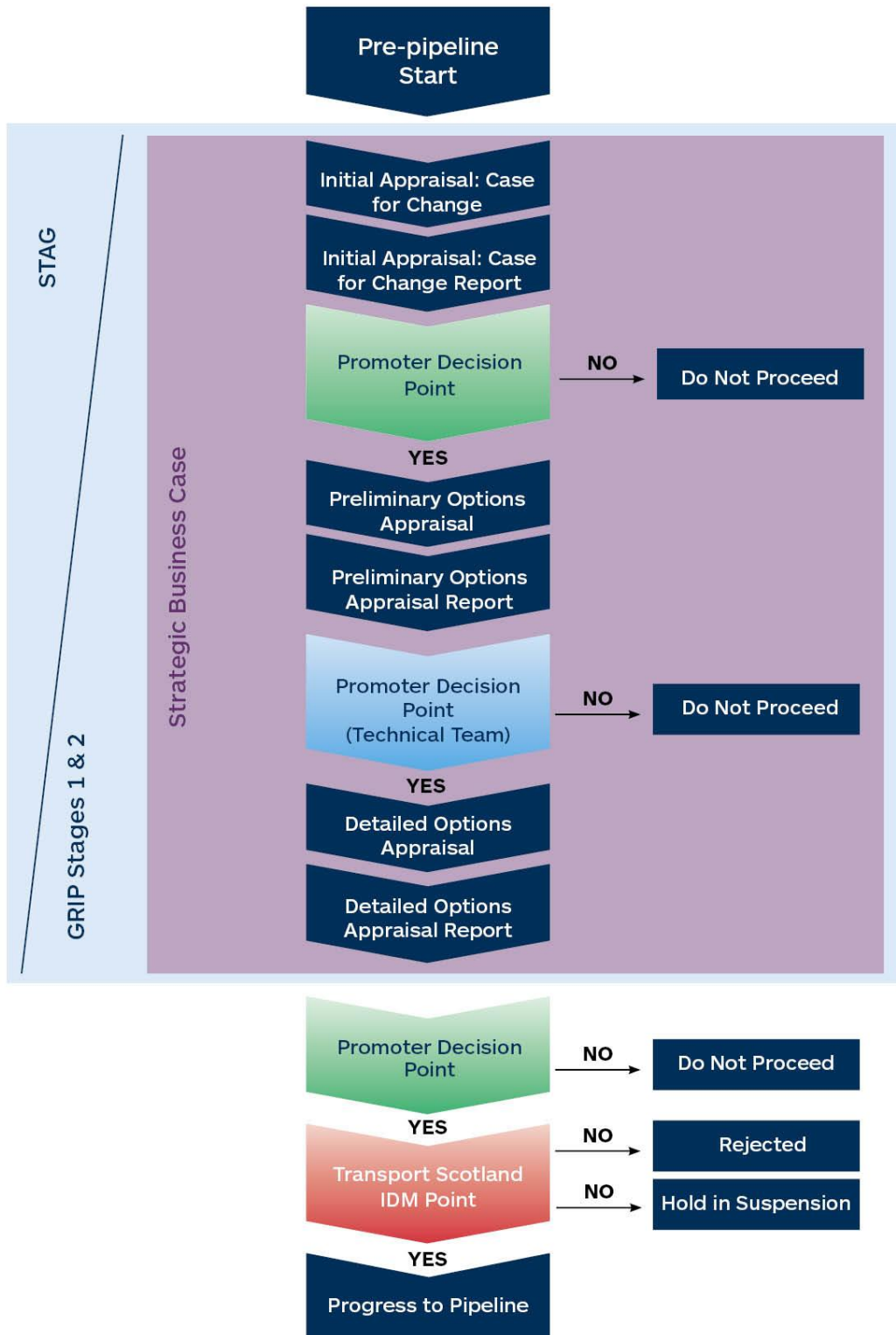
- 7.3.4 Option 1a has the potential to enable much improved access to Edinburgh, reducing the journey time differential between public transport and the private car; and also, public transport journey times between Thornhill and those from neighbouring Sanquhar. The additional connectivity to the West Coast Main Line offers increased opportunities for the community to access locations further afield as well as providing ease of access into the area, promoting local tourism, supporting local businesses and also enabling a wider catchment area for local employers. The option would also help alleviate the current pressure on parking at Lockerbie Station.
- 7.3.5 It should be noted that the option is unlikely to be heavily utilised and unless substantially more demand for the service could be generated, would require significant support from the public purse to operate. Given the likely low passenger numbers, a much reduced 'on-demand' taxi-bus type offering is likely to be more proportionate than a schedule service bus.
- 7.3.6 The key benefits of Option 3 are focussed on reducing the time constraints on access to and from the area, enabling better access later on in the evening and at weekends. This has specific advantages in terms of employment and social access both into and out of Thornhill.
- 7.3.7 It is clear that there is strong local support for the re-opening of a railway station in Thornhill, with public engagement over the course of the study strongly emphasising the desire of the local community for this. While the case for Option 6, the re-opening the station in Thornhill, is highly unlikely to 'stack up' from an economic perspective (unless the station build cost could be substantially reduced from the current estimate), the case for such an intervention, like in many other rural locations, will be heavily focussed on the connectivity and accessibility benefits such an intervention could bring. The case for intervention cannot perhaps be judged in the same way as urban rail schemes and must be considered in terms of the wider social benefits to the local community and ensuring the community has equality of access. There was a very strong public preference for the opening of the station over other options.
- 7.3.8 The analysis undertaken has highlighted the much improved strategic connectivity of the area that could be achieved if the station were re-opened including the key benefit in terms of accessing Carlisle, which would then be within acceptable commuter time. In addition, the improved access to Carlisle offers greater retail and social opportunities for younger people. Journey times to key strategic centres would also be more closely aligned to those available from Sanquhar, allowing for quality of access from Thornhill. A key benefit would also be the increased accessibility of Thornhill to the wider area, allowing visitors ease of access and supporting the local tourism industry. Access to the area would also be possible over an extended period of the day as rail services operate over a longer time period.
- 7.3.9 It is noted that the rail station would be located approximately 1.5km outside of Thornhill and that in order to provide suitable access, the station would require a connecting bus or 'taxi-bus' type link. In addition, an improved shared-use walking and cycle path to the station would be required with appropriate lighting.
- 7.3.10 Cognisance must also be taken of the potential impact on existing bus services in the area if the rail station were to re-open. Smaller communities served by local buses may experience a reduction in bus service if the rail station were reinstated, and this impacted significantly on bus patronage, and hence overall bus operation viability. This would be detrimental to the connectivity of these smaller communities. It is also important to note the financial penalty of undertaking trips by rail for those who are entitled to concessionary bus passes and the financial burden reduced bus operations may place on those even within Thornhill (for whom the rail network is easily accessible but not easily *financially* accessible).

## 7.4 Summary

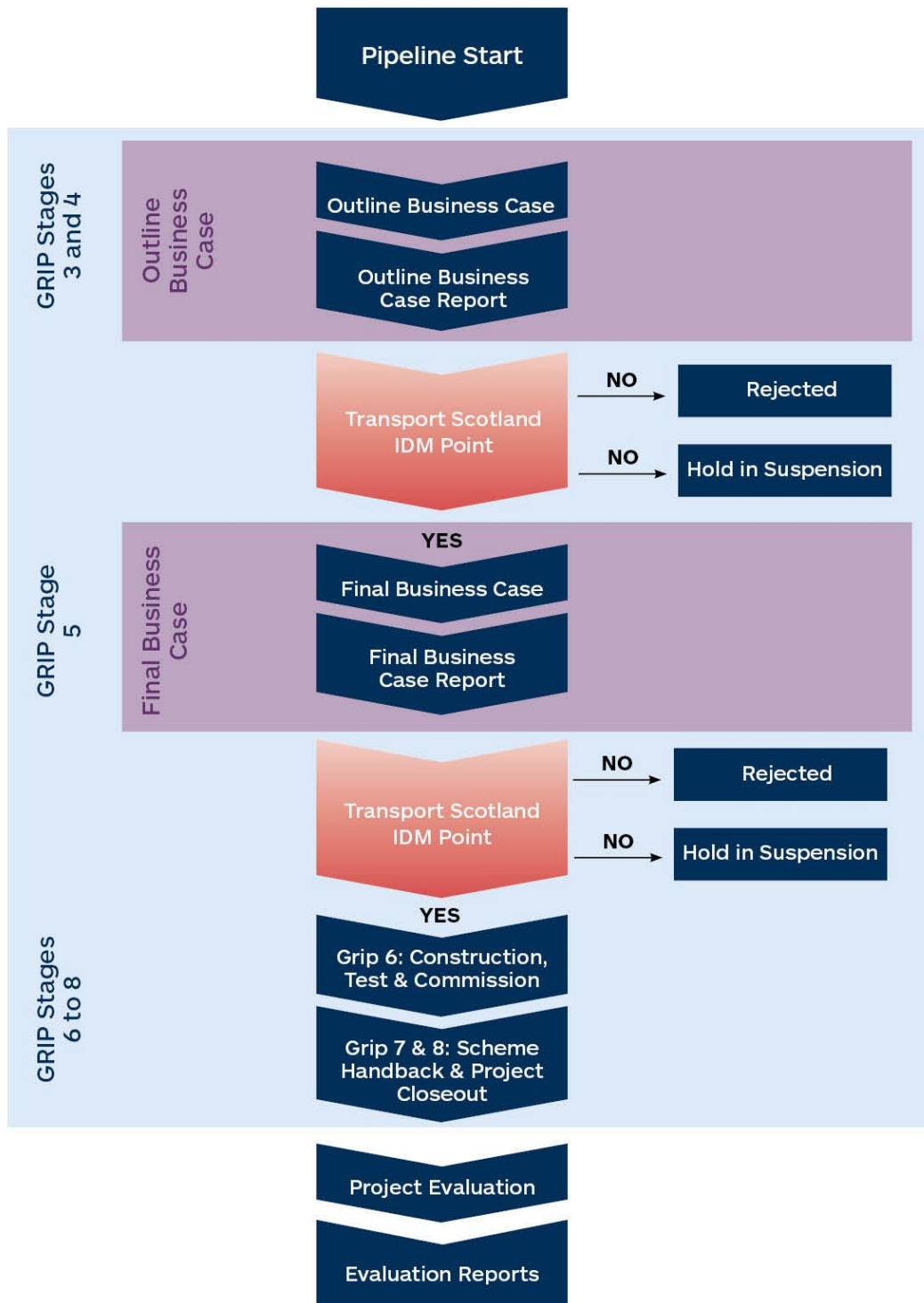
- 7.4.1 Overall, all options offer a number of key benefits, with Options 1a and especially Option 6 offering greater strategic connectivity potential than Option 3, but with an attached heavier financial requirement. While Option 1a provides improved connectivity to Edinburgh, Option 6 significantly improves direct public transport connectivity to Glasgow and Carlisle enabling much

quicker access to jobs, social opportunities and healthcare in these major employment, social and retail centres.

**DIAGRAM ONE**



**DIAGRAM TWO**





## RAIL UPDATE

### 1. Reason for Report

To update Members of the Board on the following rail developments:

- Local Rail Development Fund
- West Coast Partnership Franchise

### 2. Background

The region is served by three railway lines:

- The Glasgow and Southwestern Line (GSWL) which runs down the Stranraer Line which connects the far west of the region into the Central Belt network at Ayr, and with services on to Kilmarnock.
- The Glasgow and Southwestern Line (GSWL) which runs down the Nith Valley. Stations in Dumfries and Galloway include Kirkconnel, Sanquhar, Dumfries, Annan, and Gretna.
- The West Coast Main Line (WCML) passing through the east of the region, with a station at Lockerbie.

### 3. Local Rail Development Fund

3.1 Transport Scotland's Local Rail Development Fund (LRDF) is a £2 million fund which enables local promoters, such as Regional Transport Partnerships and others, to appraise and potentially bring forward proposals aimed at tackling local rail connectivity issues.

3.2 The Board received an update on the LRDF at its meeting on 10 May 2019 and on 28 June 2019 agreed that two bids would be submitted to the fund, one for Kirkconnel rail station access and the other on Lockerbie rail station access. These were submitted on 28 June 2019.

3.3 The application for access to Lockerbie was unsuccessful as the panel decided the proposal did not fulfil the criteria of being a unique proposal. The South West Scotland Transport Study contains a recommendation for a package of measures to enhance rail services on the West Coast Main Line, such as increased services operating from and improved access to rail services at Lockerbie, including increased park and ride provision. These options will be taken forward for further consideration within the second Strategic Transport Projects Review.

3.4 The Kirkconnel Station application was successful in being awarded a grant of up to £30,000. The SWestrans application did not include match funding.

3.5 The Grant is made to enable SWestrans to complete the Initial Appraisal Case for Change stage of a multimodal transport appraisal, in line with Scottish Transport Appraisal Guidance (STAG), which will look at transport problems and opportunities in Kirkconnel.

3.6 The grant letter includes the conditions of the award and the timescales for completion (the grant is payable over the financial years 01/04/2019 to 31/03/2021).

Payment can only be made once the recipient has accepted the conditions and signed the grant letter. The grant letter sets out that SWestrans must fully inform Scottish Ministers of progress with the transport appraisal in the form of quarterly reports in addition to a completed Initial Appraisal Case for Change report, which Transport Scotland will review.

3.7 SWestrans officers will meet with Transport Scotland at the outset of the study to receive advice on the application and STAG process.

3.8 The Board is asked to note and welcome the award of the Local Rail Development Fund grant to complete the Initial Appraisal Case for Change appraisal, in line with Scottish Transport Appraisal Guidance (STAG), which will look at transport problems and opportunities in Kirkconnel.

#### Procurement

3.9 SWestrans is an associate member of Scotland Excel, the centre of procurement expertise for Scotland's local government sector. The intention is to use Scotland Excel's Lot 2 'Engineering and Technical Consultancy' Framework to procure consultants to undertake appraisal work for each of the two projects. Options for procurement considered through Scotland Excel are either by mini-competition or by direct quotation.

3.10 The aim is to undertake a procurement exercise following a meeting with Transport Scotland and complete procurement of consultancy support by end of 2019 and commence the transport appraisals as soon as possible thereafter.

3.11 In order to enable this work to be progressed timeously the Board are asked to agree that authority to award contracts relating to this appraisal be delegated to the Lead Officer in consultation with the Chair and Vice Chair.

#### **4. West Coast Partnership**

4.1 The UK Government announced First Trenitalia (a consortium of FirstGroup and Trenitalia) as the successful bidder to operate the West Coast Partnership on 14 August 2019. The contract will start in December this year, replacing the present franchise run by Virgin and Stagecoach.

4.2 The new contract is designed to fit with the direction of the Williams Review and to facilitate the implementation of Williams' recommendations. There has been a move away from the previous franchising system to tackle issues already highlighted by the Williams Review, with the use of a forecast revenue mechanism (FRM) to avoid a repeat of the issues that affected the previous East Coast Main Line. This mechanism will be supported by a new annual review process, to ensure partnership working is effective, collaborative and continually improving.

4.3 From December 2022, passengers will benefit from 263 extra train services every week, with Motherwell set to become a major calling point for most West Coast

Partnership services. Subject to approval from the Office of Rail and Road, 2 trains per hour will run between Liverpool and London.

4.4 First Trenitalia will also oversee the introduction of new environmentally-friendly trains, entirely replacing the diesel-only fleet and reducing CO2 emissions by 61%. It will also invest £117 million in a major refurbishment of the current Pendolino fleet. They will also oversee the introduction of:

- More flexible and convenient smart ticketing options
- Free wifi and high quality mobile connectivity on board services
- Improved delay repay compensation for all passengers
- £32 million of investment into developing and delivering infrastructure capacity and capability improvements
- 10 new secure cycle storage facilities; improved bus facilities; 900 new car parking spaces, and 100 new Electric Vehicle charging points
- New ticket machines at stations, removal of the administration fee and enabling on-the-day changes to both advance tickets and seat reservations
- New initiatives to increase diversity, inclusion and skills retention in the rail industry

4.5 The deal includes operating the first phase of HS2 between London and Birmingham from 2026 until 2031, although that will depend on the results of current investigations into costs. Officially for now, First Trenitalia is being described as the 'shadow operator', and if HS2 goes ahead as planned, the route would be operated as a management contract within the West Coast Partnership.

4.6 The stated benefits for Lockerbie station, the only station in the region served by the West Coast Partnership, include that new trains will replace Super Voyagers and all Pendolinos will be fully refurbished.

4.7 Officers and the SWestrans Chair met with a representative from First Trenitalia on 12 September 2019 to discuss the West Coast Partnership agreement and the impact and opportunities relating to Lockerbie station and Carlisle station. A verbal update will be given to the Board.

<b>5. Implications</b>	
<b>Financial</b>	No financial implications
<b>Policy</b>	This work fulfils SWestrans policy objectives.
<b>Equalities</b>	Opportunities to improve and enhance travel choice and experience for those with protected characteristics will emerge from the appraisal work.
<b>Climate Change</b>	Opportunities for modal shift will emerge from the appraisal work.
<b>Risk Management</b>	This work relates to one known risk: R02 – Public image

**6. Recommendations**

Members of the Board are asked to:

- 6.1 note and welcome the award of a grant from Transport Scotland's Local Rail Development Fund to complete the Initial Appraisal: Case for Change stage of a multimodal transport appraisal, in line with Scottish Transport Appraisal Guidance (STAG), which will look at transport problems and opportunities in Kirkconnel;
- 6.2 agree that authority to award contracts relating to completion of the Kirkconnel Initial Appraisal: Case for Change be delegated to the Lead Officer in consultation with the Chair and Vice Chair; and
- 6.3 note the announcement of First Trenitalia as the successful bidder to operate the West Coast Partnership, which will start in December 2019.

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Date of Report: 11 September 2019  
File Ref: SW2/Meetings/2019

Approved by: Douglas Kirkpatrick  
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## NATIONAL TRANSPORT STRATEGY – DRAFT FOR CONSULTATION

### 1. Reason for Report

- 1.1 To inform the Board of the publication of the National Transport Strategy (NTS2) a Draft for Consultation and its content.
- 1.2 To agree a response to the consultation.

### 2. Background

The National Transport Strategy (NTS2) a Draft Strategy for Consultation was issued by the Scottish Government on 31 July 2019. The Government have asked for views on the proposed draft NTS2 by 23 October 2019 which can be accessed through the link <https://www.transport.gov.scot/media/45149/national-transport-strategy-draft-for-consultation-july-2019.pdf>

### 3. Key Points – Vision, Priorities and Outcomes

- 3.1 The vision for transport in Scotland is given below:

“We will have a sustainable, inclusive and accessible transport system, helping deliver a healthier, fairer and more prosperous Scotland for communities, businesses and visitors.”

3.2 The vision is underpinned by four Priorities, each with three associated Outcomes. The vision will be the basis upon which Scottish Government take major strategic decisions and evaluate the success of transport policies going forward. All four Priorities are interlinked to deliver the vision. They are listed below with their associated outcomes:

1. **Promotes equality:**
  - Will provide fair access to services we need;
  - Will be easy to use for all; and
  - Will be affordable for all.
2. **Takes climate action:**
  - Will adapt to the effects of climate change;
  - Will help deliver our net-zero target; and
  - Will promote greener, cleaner choices.
3. **Helps our economy prosper:**
  - Will get us where we need to get to;
  - Will be reliable; and
  - Will use beneficial innovation.
4. **Improves our health and wellbeing:**
  - Will be safe and secure for all;
  - Will enable us to make healthy travel choices; and
  - Will help make our communities great places to live

#### 4. Key Points – Challenges, Policies and Enablers

4.1 The draft NTS2 acknowledges that Scotland's transport system continues to face a number of challenges: many people encounter problems when trying to access the services they need; businesses still face congestion and delays when reaching their customers; and vehicles continue to emit greenhouse gases and pollute the places we live and work.

4.2 NTS2 identifies a number of challenges that the strategy needs to address, and these are listed below:

- Poverty and child poverty
- Social isolation
- Gender inequalities
- The changing transport needs of young people
- Ageing population
- Disabled people
- Scotland's regional differences
- Global climate emergency
- Technological advances
- Air quality
- Decline in bus use
- Productivity
- Labour markets
- Fair work and skilled workforce
- Trade and connectivity
- Freight
- Tourism
- Digital and energy
- Spatial planning
- Reliability and demand management
- Safety and security
- Health and active travel
- Information & integration
- Resilience

4.3 There is significant discussion and links to evidence within the draft NTS2, to support these main issues associated with the challenges and their inclusion as factors to influence the strategy.

4.4 To meet these challenges, the draft NTS2 proceeds to identify 14 high-level policy statements of intent aimed at achieving the vision and outcomes. Further detail is provided through a series of enablers which represent mechanisms for delivering the high-level policies. 38 enablers are identified, and the full list of policies and enablers is included as **Appendix 1**.

4.5 The Policies and Enablers were tested, using a Scenario Planning Tool, to understand how they perform under different plausible futures. These futures include

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a range of different scenarios, such as where the economy is weak or strong, where society is less or more equal, where the environment has or has not addressed the effects of climate change, or where we have a healthy or unhealthy population that takes high or low levels of active travel. The aim is to understand how effective policies are under different futures and how flexible the policies can be changed as the future changes.

## 5. Key Points – Transport Governance

5.1 The draft Strategy includes a section on Transport Governance which is the democracy, decision-making and delivery, discussed at a very strategic level on how transport is delivered in Scotland. This work was undertaken by a Roles and Responsibilities Working Group as part of NTS2. The following key challenges were identified and need to be addressed:

- financial constraints limiting investment at a regional and/or local level;
- lack of support for all transport modes;
- limited resource capability and skills;
- difficulties working across boundaries and responsiveness to local needs;
- disconnect between long-term goals and short-term action;
- mixed local accountability, overall leadership and influence;
- complex governance arrangements;
- lack of ongoing maintenance of assets;
- inconsistent and/or unclear accountability;
- disconnect with Planning, Economic and Health agendas;
- lack of clarity on roles and responsibilities, particularly for the public; and
- responsiveness to the conflicting pressures of business/public sector.

5.2 The Roles and Responsibilities Working Group made three broad recommendations to the Scottish Ministers:

1. The case for change has been made and that the current arrangements are no longer sustainable;
2. Our future transport governance arrangements should be on the basis of some form of regional model allowing for variations in approach between different geographic regions; and
3. Governance is a complex issue, and further work needs to be done to develop a model for future transport governance in Scotland that is capable of being implemented.

5.3 Scottish Ministers agreed with the recommendations made by the Group and propose that further collaborative work to look at implementable models will follow on from this consultation to ensure we successfully achieve better outcomes for our citizens, communities, and businesses.

5.4 From a transport perspective, a regional approach to governance provides an effective means of addressing cross-boundary issues and reflecting travel to work catchments. Moreover, a strong regional approach to transport together with alignment with economic, planning, marine planning, and housing objectives supports approaches to place-shaping.

## 6. Key Points – Delivering the Strategy

6.1 NTS2 identifies what action Scottish Government will take. In order to deliver the Strategy, it will take immediate action in three key areas: Increasing Accountability; Strengthening Evidence; and Managing Demand.

6.2 It is proposed to establish a Transport Strategy Delivery Board and Transport Citizens' Panels to increase accountability.

6.3 In terms of managing demand it is proposed to embed the Sustainable Travel Hierarchy in decision making, promoting walking, wheeling, cycling, public transport and shared transport options in preference to single occupancy private car use. In doing so Transport Scotland will review and update the Scottish Transport Appraisal Guidance (STAG) and investment decision-making processes.

## 7. Key Points – Consultation

7.1 NTS2 is a crucial piece of national policy and the above summary seeks to provide the Board with the key information within the Strategy to enable them to make informed comment on the draft SWestrans response to the consultation.

7.2 Officers have developed a draft SWestrans response which is included in full as **Appendix 2**. The Board is asked to discuss and agree this draft response to the consultation, which will be submitted by the deadline of 23 October 2019.

## 8. Implications

<b>Financial</b>	There are no direct financial implications.
<b>Policy</b>	NTS2 will have significant impact on the refresh of the SWestrans RTS which will be required to align our regional delivery to the national vision, policies and outcomes.
<b>Equalities</b>	Any policy change may have equalities implications which will be monitored as the NTS2 progresses
<b>Climate Change</b>	A key priority for NTS2 is to take climate action which will adapt to the effects of climate change, help deliver a net-zero target and will promote greener, cleaner choices.
<b>Risk Management</b>	The Risk Register will be updated as required to mitigate any risk to SWestrans as NTS2 progresses.

## 9. Recommendations

Members of the Board are asked to:

- 9.1 note the publication of the National Transport Strategy (NTS2) a Draft for Consultation; and
- 9.2 agree the draft SWestrans response to the National Transport Strategy (NTS2) a Draft for Consultation as shown in Appendix 2.

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Date of Report: 06 September 2019 File Ref: SW2/meetings/2019	

Appendix 1 – NTS2 Policies and Enablers

Appendix 2 – Draft SWestrans Consultation Response



Policy	Enabler
Continue to improve the reliability, safety and resilience of our transport system	Increase safety of the transport system and meet casualty reduction targets
	Increase resilience of Scotland's transport system from disruption and promote a culture of shared responsibility
	Implement measures that will improve perceived and actual security of Scotland's transport system
	Increase the use of asset management across the transport system
Embed the implications for transport in spatial planning and land use decision making	Ensure greater integration between transport, spatial planning, and how land is used
	Ensure that transport assets and services adopt the Place Principle
	Ensure the transport system is embedded in regional decision making
Integrate policies and infrastructure investment across the transport, energy and digital system	Ensure that local, national and regional policies offer an integrated approach across all aspects of infrastructure investment including the transport, digital, and energy system
Provide a transport system which enables businesses to be competitive domestically, within the UK and internationally	Optimise accessibility and connectivity within business-business and business-consumer markets by all modes of transport
	Ensure gateways to and from domestic and international markets are resilient and integrated into the wider transport networks to encourage people to live, study, visit and invest in Scotland
	Support measures to improve sustainable surface access to Scotland's airports and sea ports
Provide a high-quality transport system that integrates Scotland and	Ensure that infrastructure hubs and links form an accessible integrated system that improves the end-to-end journey for people and freight

<b>Policy</b>	<b>Enabler</b>
recognises our different geographic needs	Minimise the connectivity and cost disadvantages faced by island communities and those in remote and rural areas
	Safeguard the provision of lifeline transport services and connections
Improve the quality and availability of information to enable better transport choices	Support improvements and innovations that enable all to make informed travel choices
	Support seamless journeys providing the necessary infrastructure, information and interchange facilities to connect all modes of transport
	Ensure that appropriate real-time information is provided to allow all transport users to respond to extreme weather and incidents
Embrace transport innovation that positively impacts on our society, environment and economy	Support Scotland to become a market leader in the development and early adoption of beneficial transport innovations
Improve and enable the efficient movement of people and goods on our transport system	Ensure the Scottish transport system efficiently manages needs of people and freight
	Promote the use of space-efficient transport
Provide a transport system that is equally accessible for all*  * all includes everyone across Scotland but particularly those with protected characteristics of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation and people living in poverty.	Ensure transport in Scotland is accessible for all
	Identify and remove barriers to public transport connectivity and accessibility within Scotland
	Reduce the negative impacts which transport has on the safety, health and wellbeing of people
	Continue to support the implementation of the recommendations from, and the development of, Scotland's Accessible Travel Framework

<b>Policy</b>	<b>Enabler</b>
Improve access to healthcare, employment, education and training opportunities to generate inclusive sustainable economic growth	Ensure sustainable labour market accessibility to employment locations
	Ensure sustainable access to education and training facilities
	Improve sustainable access to healthcare facilities for staff, patients and visitors
Support the transport industry in meeting current and future employment and skills needs	To meet the changing employment and skills demands of the transport industry and upskill workers
	Support initiatives that promote the attraction and retention of an appropriately skilled workforce across the transport sector
Provide a transport system which promotes and facilitates travel choices which help to improve people's health and wellbeing	Promote and facilitate active travel choices across mainland Scotland and islands
	Integrate active travel options with public transport services
	Support transport's role in improving people's health and wellbeing
Reduce the transport sector's emissions to support our national objectives on air quality and climate change	Facilitate a shift to more sustainable modes of transport for people and commercial transport
	Reduce emissions generated by the transport system to improve air quality
	Reduce emissions generated by the transport system to mitigate climate change
	Support management of demand to encourage more sustainable transport choices
Plan our transport system to cope with the effects of climate change	Increase resilience of Scotland's transport system to climate change related disruption
	Ensure the transport system adapts to the projected climate change impacts

## **SWestrans Draft Response to the National Transport Strategy NTS2 Draft for Consultation**

The supporting text from the questionnaire along with each question and the proposed draft response to each question is given below.

### **Section A: The Vision and Outcomes Framework**

**Vision:** We will have a sustainable, inclusive and accessible transport system, helping deliver a healthier, fairer and more prosperous Scotland for communities, businesses and visitors.

#### **Four Priorities each with 3 Outcomes**

##### **Promotes equality**

Will provide fair access to services we need  
Will be easy to use for all  
Will be affordable for all

##### **Takes climate action**

Will adapt to the effects of climate change  
Will help deliver our net-zero target  
Will promote greener, cleaner choices

##### **Helps our economy prosper**

Will get us where we need to get to  
Will be reliable, efficient and high quality  
Will use beneficial innovation

##### **Improves our health and wellbeing**

Will be safe and secure for all  
Will enable us to make healthy travel choices  
Will help make our communities great places to live

#### **1. Is the Vision that is set out for the National Transport Strategy the right Vision for transport policy over the next 20 years?**

Yes  
No

The vision is set at the appropriate high level for a strategic and national strategy.

**2a. Are the Priorities and Outcomes that the Strategy is trying to achieve the right Priorities and Outcomes for transport policy over the next 20 years?**

Yes

No

The priorities and outcomes are suitably aspirational and set at an appropriate level for a national strategy. They reference and reflect other key national strategies, policies and initiatives.

The priorities and outcomes should take account of the need to upgrade and improve the resilience and the efficiency of existing infrastructure and delivery mechanisms.

SWestrans welcomes the clear statements within the strategy that the transport system will not exclude anyone and will target action to deliver for those needing most help. It is critical that the transport network in rural areas is the target of such action to ensure it can be environmentally and operationally sustainable or it will continue to remain disconnected, excluded from the benefits/opportunities available in urban areas and will not contribute to achieving national outcomes.

**2b. Are some of these Priorities and Outcomes more important than others or are they equally important?**

The priorities and outcomes are understandably interconnected and therefore one is no more important than the others. However, there may be value in ranking the priorities to remove the opportunity for conflicts between them and ensure a clear and consistent focus for delivery of the strategy. Any such ranking should be undertaken at a national level in consultation with those tasked with implementing the strategy at regional and local levels. This would reduce the opportunity for 'local' resistance to necessary measures to achieve the strategy's objectives due to lack of 'buy-in' to national policy.

**3. Are the Challenges the Strategy highlights in Chapter 3 the key Challenges for transport, or are there others the Strategy should focus on?**

The challenges identified in the strategy are the key challenges and highlight the cross-sector importance of transport services and infrastructure in delivering against a number of societal issues/needs such as tackling poverty, isolation, inequalities and providing access to employment and health.

Prioritising sustainable transport by fully embedding the sustainable travel hierarchy into capital investment and revenue budget provision at national, regional and local levels is the most appropriate way to addressing these key challenges.

## **Section B: The Policies to Deliver the NTS**

Through the process to develop the National Transport Strategy, 14 policies have been identified that will deliver its Vision and Outcomes and address the Challenges. These are listed below:

- Plan our transport system to cope with the effects of climate change;
- Continue to improve the reliability, safety and resilience of our transport system;
- Embed the implications for transport in spatial planning and land-use decision making;
- Integrate policies and infrastructure investment across the transport, energy and digital system;
- Provide a transport system which enables businesses to be competitive domestically, within the UK and internationally;
- Provide a high-quality transport system that integrates Scotland and recognises our different geographic needs;
- Improve the quality and availability of information to enable better transport choices;
- Embrace transport innovation that positively impacts on our society, environment and economy;
- Improve and enable the efficient movement of people and goods on our transport system;
- Provide a transport system that is equally accessible for all;
- Improve access to healthcare, employment, education and training opportunities to generate inclusive sustainable economic growth;
- Support the transport industry in meeting current and future employment and skills needs;
- Provide a transport system which promotes and facilitates travel choices which help to improve people's health and wellbeing;
- Reduce the transport sector's emissions to support our national objectives on air quality and climate change

### **4a. Are these the right policies to deliver Priorities and Outcomes of the National Transport Strategy**

Yes. The policies are set at a sufficiently high level and they reflect the priorities and outcomes identified.

### **4b. Are some of these policies more important than others or are they equally important?**

Similar to our response to Q2b, the policies and their enablers are, as expected, interconnected and equally important.

However, their implementation will only be successful if there is a strong, focussed and robust Delivery Plan to drive forward their progress. Such a framework to ensure delivery requires to be in place to enable consistent approaches across the country. Some policies and their enablers are aspirational and as such will require clear detail on how these are proposed to be implemented, funded and measured to ensure success.

## **Section C: Transport governance – democracy, decision-making and delivery**

### **5a. Are there specific decisions about transport in Scotland that are best taken at the national level (e.g. by Transport Scotland or the Scottish Government), at a regional (e.g. by Regional Transport Partnerships), or at a local level (e.g. by Local Authorities)?**

The “Roles and Responsibilities Working group” and has determined there is a case for change in transport governance and that this change should be on the basis of some form of regional model.

SWestrans welcome the regional focus of any new model believing that developing and delivering national/regional transport strategies, particularly where they are aligned to planning and economic strategies, is a model that is most likely to succeed in delivering sustainable travel and development in the long term.

SWestrans look forward to working with partners in creating a flexible framework that delivers for people and communities. RTPs remain open and flexible bodies, ready and able to change to meet new demands. However, consideration will be necessary on the resourcing of any changes to transport governance.

SWestrans has a good track record in delivering regional partnership working, multi-modal, cross-boundary transport projects and initiatives across our region. SWestrans believe that RTPs effectively reflect the diversity of Scotland and continue to present an opportunity for joint working between and across the public and private sector. For rural services in particular, regional delivery could enhance the potential to increase local accountability for services that are currently delivered across a number of modes from the centre.

### **5b. Should local communities be involved in making decisions about transport in Scotland? If so, how should they be involved, and on which specific issues should they be involved in making decisions on?**

There is a role for local communities to play in some aspects of transport decision making. The level of engagement and input will depend on the specific issue under consideration. More work will be required to be undertaken by the transport sector to engage fully and effectively with communities.

## Section D: The Strategy as a whole

### 6. Does the National Transport Strategy address the needs of transport users across Scotland, including citizens and businesses located in different parts of the country?

Yes

No

Yes, at a high level it sets the context to address the needs across modes and in all areas of the country.

However, delivering the priorities and outcomes within the strategy will require equitable and correct investment decisions (at the correct times) across all areas but particularly in rural Scotland.

For example, in addressing the current risk to bus services the recently announced capital funding within the Programme for Government, although welcomed and of assistance, will not ensure the sustainability of these networks. Without identifying a revenue funding mechanism for rural bus services in line with the sustainable travel hierarchy these essential services may not be available and will lead to rural citizens being excluded from access to our transport system.

## Section E: Looking Ahead

### 7a. What aspects of the transport system work well at the moment?

The additional and continuing funding available for Active Travel has enabled a step-change to commence in both infrastructure and behaviour change.

There is good partnership working between SWestrans and the small number of local bus operators in our region.

The development and delivery of the Dumfries and Galloway Community Transport Public Social Partnership is encouraging new and innovative thinking around needs-based transport delivery.

### 7b. What practical actions would you like to see the National Transport Strategy take to encourage and promote these?

If the desired outcomes from NTS2 are to be delivered there needs to be an explicit and sustained promotion of the policies included within the strategy with clear guidance (and funding) to all levels of government on delivery expectations.

Where existing aspects of the transport system currently work well, these should be recognised, highlighted and fully supported.

Appropriate support should be focussed to areas where the transport system is failing or needs investment in line with the Sustainable Travel Hierarchy.

As stated previously, a robust Delivery Plan is necessary to ensure that the outcomes can be delivered without inappropriate resistance.



**8a. What aspects of the transport system do not work well at the moment?**

- A lack of integrated ticketing;
- Commercially driven private sector bus provision;
- A complicated rail management and operation structure;
- Unreliable rail travel;
- Rural transport provision/disparity with cities;
- Too much road freight;
- Substantial modal shift and behaviour change interventions not effective;
- The impact of congestion in cities and other key national routes with inadequate public transport priority to offset this congestion;
- The current model of funding active travel schemes through a bidding process introduces a further level of complexity to project delivery especially for cross boundary projects; and
- The lack of equity of access for rural areas through the STAG process.

**8b. What practical actions would you like to see the National Transport Strategy take to improve these?**

Produce a Delivery Plan immediately following the publication of the final NTS2 to maintain the momentum and to support the strategy.

SWestrans believes that we must act immediately in delivering the net zero carbon target. Saving the fragile public transport networks that support this ambition will be key to this and requires urgent intervention.

SWestrans does not believe a Delivery Plan can wait for the outputs and completion of the STPR2 and Infrastructure Commission processes. Any Delivery Plan should provide both capital and revenue mechanisms to achieve delivery consistent with the published strategy.

**9. Chapter 6 of the Strategy sets out immediate actions the Scottish Government will take in three key areas: Increasing Accountability; Strengthening Evidence; and Managing Demand. Is there anything you would like to say about these actions?**

A Transport Strategy Delivery Board and Transport Citizens' Panels will assist in driving the direction of the strategy at a national level and should allow for effective monitoring. This will be further assisted by plans to strengthen the evidence base which is an important step to measure and monitor progress. Collecting and managing appropriate data will be key in providing evidence for the provision and development of future initiatives. This task should be undertaken at a national level with regional (and local) subsets available.

Achieving the aims of the strategy and embedding the sustainable travel hierarchy into all future projects and service delivery will depend on clear lines of accountability with appropriate funding mechanisms available at regional and local levels.

**10. Is there anything else you would like to say about the National Transport Strategy?**

The success of the strategy will very much depend on unequivocal and strong national leadership that enables and supports regional delivery of the priorities and outcomes.

**Section F: Strategic Environmental Assessment (SEA)**

**Download the SEA Environmental report. (user\_uploads/environmental-report-290720191008f.pdf)**

**11. What are your views on the accuracy and scope of the information used to describe the SEA environmental baseline set out in the Environmental Report?**

The scope and information presented in the document is extensive and identifies the key environmental issues that are relevant to the development and implementation of the NTS. In particular, the evidence supports the emphasis of the strategy on the priorities of “Takes climate action” and “Improves our health and wellbeing”.

**12. What are your views on the predicted environmental effects as set out in the Environmental Report?**

The environmental impacts will depend on the detail of each local scheme and will vary scheme by scheme. However, it is considered on balance that the predicted environmental impacts set out in the report are a reasonable assessment of the likely impacts of implementing the strategy.

**13. What are your views on the proposals for mitigation and monitoring of the environmental effects set out in the Environmental Report?**

The use of EIA, HRA, and via site controls and Environmental Management Plans is an appropriate approach to manage the direct environmental impacts of the transport interventions.

**14. Is there anything else you would like to say about the Environmental Report?**

No

## SOUTH WEST SCOTLAND - INITIAL APPRAISAL: CASE FOR CHANGE

### 1. Reason for Report

To seek agreement to a consultation response to the South West Scotland Transport Study Initial Appraisal: Case for Change.

### 2. Background

2.1 The Draft Report 'South West Scotland Transport Study Initial Appraisal: Case for Change' was published on 27 June 2019 and can be accessed through the link <https://www.transport.gov.scot/publication/draft-report-initial-appraisal-case-for-change-south-west-scotland-transport-study/>

2.2 This Draft Report is a consultation draft which had an initial closing date for feedback of 23 August 2019. This date was extended to 20 September 2019.

### 3. Key Points

3.1 The South West Scotland Transport Study Initial Appraisal: Case for Change and accompanying documents is a significant piece of work feeding into both the Strategic Transport Projects Review 2 (STPR2) and SWestrans' new Regional Transport Strategy.

3.2 The study has identified the key transport problems and opportunities in the study area. Evidence-based problems have formed the basis for the development of Transport Planning Objectives (TPOs) and the generation, sifting and development of a wide range of interventions across all modes in the study area, which have subsequently been appraised and packaged.

#### Study Findings

3.3 Based on detailed data analysis and an extensive public and stakeholder engagement programme, a number of problems have been identified around the key themes of:

- Average Journey Times
- Mobility
- Journey Time Reliability
- Connectivity
- Environmental Impact
- Cost
- Safety

3.4 The multi-modal problems identified through these exercises have subsequently been mapped against the themes and used to help inform the development of TPOs for the study:

- TPO1: Reduce journey times across the strategic transport network in the study area to the ports at Cairnryan.
- TPO2: Reduce accident rates and the severity of accidents on the trunk road network in the South West of Scotland.
- TPO3: Improve the resilience of the Strategic Transport Network across the South West of Scotland.

- TPO4: Improve journey quality across the road, public transport and active travel networks in the South West of Scotland.
- TPO5: Improve connectivity (across all modes) for communities in the South West of Scotland to key economic, education, health and cultural centres including Glasgow, Edinburgh, Ayr, Kilmarnock and Carlisle.

3.5 Following the development of the TPOs, and a process of option sifting and packaging, 23 multi-modal option packages across the study area were identified for further appraisal through the STPR2 process. The options recommended for taking forward for further assessment as part of STPR2 are presented below:

1. Improved transport integration at main hubs - Package of measures to improve integration of transport at main transport hubs and interchanges (e.g. Stranraer, Dumfries and Lockerbie), including improved integration of bus and rail times, improved cycle connectivity to rail stations and ticket integration.
2. Development of the Strategic Active Travel Network - Package of measures to develop the Strategic Active Travel Network in the South West of Scotland to better connect communities to key destinations, including cycle paths parallel to trunk roads and improvements to the National Cycle Network.
3. New Rail Stations on the Glasgow South Western Line - New rail stations on the Glasgow South Western Line, such as at Cumnock, Thornhill, Eastriggs, Pinwherry, Dunragit and South of Ayr.
4. Enhanced Rail Services on the Glasgow South Western Line - Package of measures to enhance rail services on the Glasgow South Western Line, such as rail service, rolling stock and infrastructure improvements and Stranraer Station relocation.
5. New Rail Stations on the West Coast Main Line - New station at Beattock.
6. Enhanced Rail Services on the West Coast Main Line - Package of measures to enhance rail services on the West Coast Main Line, such as increased services operating from and improved access to rail services at Lockerbie, including increased park and ride provision.
7. New Rail Link between Dumfries and Stranraer - Development of a rail link between Dumfries and Stranraer.
8. New Rail Link between Stranraer and Cairnryan - Development of a rail link between Stranraer and Cairnryan.
9. New Rail link between the Glasgow South Western Line and the West Coast Main Line - Development of a rail link between the Glasgow South Western Line and the West Coast Main Line.
10. Enhanced Rail Freight Capacity - Enhancement of rail freight capacity, such as freight hubs at Girvan and Barrhill.
11. Development of the Timber Transport Network - Package of measures to support the transport of timber freight by road, rail and sea in the South West of Scotland.
12. Development of Enhanced Diversionary Routes and Route Planning - Package of measures and improvements to the secondary road network which performs a strategic function when the trunk road network is closed to increase resilience of the transport network.
13. Development of Enhanced Service, Rest Areas and Laybys - Package of measures to deliver improved rest provision for all road users in the South West

of Scotland, such as truck/lorry stops and rest facilities on the A75 and A77 and enhanced laybys for buses on main routes.

14. HGV Speed Limit Increase - HGV speed limit increase to 50mph on the trunk road network in the South West of Scotland.
15. A75 Capacity Enhancements Development of capacity enhancement measures on the A75, such as partial dualling, town/village bypasses and improved overtaking opportunities.
16. A75 Safety Measures - Implementation of targeted measures, such as improvements to road geometry, bends and junction improvements to improve safety on the A75. Package will also include consideration of safety camera deployments through the Scottish Safety Camera Programme annual site prioritisation exercise.
17. A77 Capacity Enhancements - Development of capacity enhancement measures on the A77, such as partial dualling, town/village bypasses and improved overtaking opportunities.
18. A77 Safety Measures - Implementation of targeted measures, such as improvements to road geometry, bends and localised junction improvements to improve safety on the A77. Package will also include consideration of safety camera deployments through the Scottish Safety Camera Programme annual site prioritisation exercise.
19. A76 Capacity Enhancements - Development of capacity enhancement measures on the A76, such as improved overtaking opportunities and town/village bypasses.
20. A76 Safety Measures - Implementation of targeted measures, such as route improvements to enhance road geometry, bends and junction improvements to improve safety on the A76.
21. Road Capacity Enhancements between Dumfries and the A74(M) - Development of road capacity enhancements between Dumfries and the A74(M), such as partial dualling which would improve overtaking opportunities, and/or bypasses. Package also potentially includes considering the possibility to re-classify the status of the A701 and A709 roads.
22. Road Safety Measures between Dumfries and the A74(M) - Implementation of targeted measures between Dumfries and the A74(M), such as road geometry, bends, junction improvements and measures to address pinch points.
23. Junction Improvements (M6) - Improvements to the M6 for North to West movements (i.e. coming off the A74(M) north to the A75).

3.6 The next steps are a Preliminary Options Appraisal which would be to undertake a qualitative appraisal of the recommended options from the Initial Appraisal. This will be considered through the STPR2 process and would include an assessment of:

- The likely impacts of the options against the Transport Planning Objectives developed for STPR2;
- The likely impacts of the options against STAG criteria [i.e. Environment, Safety, Economy, Integration, and Accessibility and Social Inclusion];
- Options appraisal against established policy directives; and
- Feasibility, affordability and public acceptability of options.

#### 4. Consultation response

4.1 Officers have developed a draft SWestrans response which is included in full as the **Appendix**.

4.2 The draft response agrees that the 23 multi-modal option packages are consistent with the problems identified and the TPOs developed for the study. However, argues that the lack of any bus specific package(s) and the limited active travel options is not acceptable to SWestrans or consistent with the stated focus of STPR2. It clearly states that SWestrans would not wish to see any of the 23 packages reduced but the lack of any bus package is evident given the number of bus concerns raised throughout the study and asks for this to be reconsidered.

4.3 The draft response also re-emphasises that the South West requires significant investment in our transportation infrastructure and transport service delivery to ensure equity for the region. Therefore, STPR2 must prioritise rural needs and interventions which are important to achieving the dual objectives of an inclusive growth and a low carbon economy. Otherwise, there is a risk that any funded interventions will continue to focus on the city regions

4.4 The Board is asked to discuss and agree the draft response to the consultation, which will be submitted immediately after the Board to meet the deadline of 20 September 2019.

#### 5. Implications

<b>Financial</b>	There are no direct financial implications.
<b>Policy</b>	STPR2 will inform the refresh of the SWestrans RTS which will be required to align our regional delivery to the national vision, policies and outcomes.
<b>Equalities</b>	There are no direct equalities implications.
<b>Climate Change</b>	Any major infrastructure investment will require to consider how it impacts on climate action, how it adapts to the effects of climate change, how it helps deliver a net-zero target and how it will promote greener, cleaner choices.
<b>Risk Management</b>	The Risk Register will be updated as required to mitigate any risk to SWestrans as STPR2 progresses.

#### 6. Recommendation

Members of the Board are asked to agree the draft SWestrans response to the Draft Report 'South West Scotland Transport Study Initial Appraisal: Case for Change'.

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File Ref: SW2/Meetings/2019

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Appendix – Draft SWestrans Consultation Response

**Appendix - South West Scotland Transport Study Initial Appraisal: Case for Change Feedback Survey**

**1. Are you responding as an organisation or a member of the public?**

- Member of the Public  
 Organisation

**2. Please provide the name of the organisation you represent in the box below?**

South West Scotland Transport Partnership

**3. Did your organisation participate in the stakeholder engagement activities undertaken in 2018 to inform the South West Scotland Transport Study (e.g. stakeholder workshops, telephone interview, email correspondence etc.)?**

- Yes  
 No

**4. Have you reviewed the 'South West Scotland Transport Study Initial Appraisal – Draft Report'?**

- Yes  
 No

**5. How effectively have the strategic transport problems and opportunities been captured?**

- Very well  
 Well  
 Poorly  
 Very poorly

**6. Are there any strategic problems and / or opportunities which you feel were not effectively captured in the report?**

- Yes  
 No

**7. Please describe the strategic problems and / or opportunities which you feel were not effectively captured in the report in the space below.**

**How well do the five Transport Planning Objectives (TPOs) below capture what needs to be done to improve strategic transport in the South West of Scotland?**

**8. TPO 1: Reduce journey times across the strategic transport network in the study area to the ports at Cairnryan.**

- Very well  
 Well  
 Poorly  
 Very poorly

**9. TPO 2: Reduce accident rates and the severity of accidents on the trunk road network in the South West of Scotland.**

- Very well  
 Well  
 Poorly  
 Very poorly

**10. TPO 3: Improve the resilience of the strategic transport network across the South West of Scotland.**

- Very well  
 Well  
 Poorly  
 Very poorly



**11. TPO 4: Improve journey quality across the road, public transport and active travel networks in the South West of Scotland.**

- Very well
- Well
- Poorly
- Very poorly

**12. TPO 5: Improve connectivity (across all modes) for communities in the South West of Scotland to key economic, health and cultural centres, including Glasgow, Edinburgh, Ayr, Kilmarnock, and Carlisle.**

- Very well
- Well
- Poorly
- Very Poorly

**13. Do you have any other comments on the TPOs for this study?**

**The following section seeks to understand your views on the strategic transport options outlined.**

**14. How well do you think the strategic transport options address the transport problems, opportunities, and objectives for strategic transport connections for the study?**

- Very well
- Well
- Poorly
- Very poorly

## 15. Do you have any other comments on the transport options in the draft report?

Yes, see below

The 23 multi-modal option packages are consistent with the problems identified and the TPOs developed for the study.

However, SWestrans would argue that the lack of any bus specific package(s) and the limited active travel options are not acceptable or consistent with the stated focus of STPR2 which, unlike STPR1, is to include full consideration of bus and active travel. In particular, the strategic nature of bus services in a region which has limited alternative transport options should be reflected in option packages for consideration in the STPR2 process.

Whilst we would not wish to see any of the 23 packages reduced, the lack of any bus package is evident and is not consistent with the Sustainable Travel Hierarchy or indeed the number of bus concerns raised throughout the study. It would appear that the 32 bus/community transport problems raised were sifted out as 'local' and we would contend that this should be reconsidered and bus specific package(s) added.

For context, the Borders Transport Corridors – Pre-Appraisal which was undertaken using the same STAG process as the South West Scotland Transport Study had similar problems to be addressed and identified 21 options which included 2 bus specific packages.

## 16. How well do you feel the study has engaged with stakeholders?

- Very well
- Well
- Poorly
- Very poorly

## 17. What worked well and what could have been improved in the stakeholder engagement?

see below

The study engaged very well with stakeholders, particularly the public engagement element. However, as a member of the Working Group we feel that the level of engagement dropped-off at the sifting of options phase and we did not have an opportunity to feed into the final draft report prior to publication.

**18. Overall, has the study met your organisation's expectations?**

- Yes, it has fully met my organisation's expectations
- It has met some of my organisation's expectations
- No, it has not met my organisation's expectations

**19. Please provide any other comments on the study or the Draft Final Report?**

In developing the next steps of appraisal through the Preliminary Options stage to determine which of the 23 strategic transport options continue to be viable will require significant local and regional input from stakeholders such as SWestrans.

The study has clearly identified that the South West requires significant investment in our transportation infrastructure and transport service delivery to ensure equity for the region. Therefore, STPR2 must prioritise rural needs and interventions which are important to achieving the dual objectives of inclusive growth and a low carbon economy. Otherwise, there is a risk that any funded interventions will continue to focus on the city regions

Rural areas such as the South West have seen very little investment in all modes. Our trunk roads are perceived by users to be poor, slow and a barrier to economic growth. Journey times on the A75 and A77 to the ports of Cairnryan are significantly longer than those to competing ports in England and of significant concern to the port operators. Rail infrastructure particularly on the GSWL is restricted by single line sections, speed restrictions, the lack of electrification and equitable access due to lack of stations. The rolling stock is 30-year old diesel units and although refurbished not conducive to either a low carbon future or inclusive growth.

Bus services, particularly in rural areas, are extremely fragile due to low population density. Tight operational margins have resulted in vehicle quality and service delivery issues. In Dumfries and Galloway, the bus network is close to the point of failure. Although not "infrastructure" bus service delivery must be an essential output from STPR2 to achieve both inclusive economic growth and the net zero carbon target.