

SOUTH WEST OF SCOTLAND TRANSPORT PARTNERSHIP

**Meeting of Friday, 25 June 2021 at 10.30am, Remote Meeting via
Microsoft Teams**

Members of the Board

Andrew Wood (Chair)	- Dumfries and Galloway Council
John Campbell (Vice Chair)	- Dumfries and Galloway Council
David Bryson	- NHS Dumfries and Galloway
Richard Brodie	- Dumfries and Galloway Council
Adam Wilson	- Dumfries and Galloway Council
Ronnie Tait	- Dumfries and Galloway Council
Karen Jackson	- South of Scotland Enterprise

Future Meetings

24 September 2021

26 November 2021

Douglas Kirkpatrick

Lead Officer, South West of Scotland Transport Partnership

SOUTH WEST OF SCOTLAND TRANSPORT PARTNERSHIP

Meeting of Friday, 25 June 2021 at 10.30am, Remote Meeting via
Microsoft Teams

1. **SEDERUNT AND APOLOGIES**
2. **DECLARATIONS OF INTEREST**
3. **MINUTES OF MEETING ON 26 MARCH 2021 – FOR APPROVAL**
4. **TRANSPENNINE EXPRESS UPDATE** – Recommendations – (i) receive the presentation from Lucja Majewski Kent and Graham Meiklejohn of TransPennine Express; and (ii) seek further detail on issues raised from the presentation.
5. **REVENUE BUDGET OUTTURN REPORT 2020/21** – Recommendation - note the draft financial outturn for 2020/21 and that a break-even position was achieved.
6. **REVENUE BUDGET MONITORING REPORT 2021/22 FOR THE PERIOD ENDING 31 MAY 2021** – Recommendation - note the forecast outturn for the revenue budget as at 31 May 2021.
7. **DRAFT ANNUAL (UNAUDITED) ACCOUNTS 2020/21** – Recommendation - note the unaudited Annual Accounts for the financial year ended 31 March 2021 which will be submitted to the Board's external auditors for review.
8. **CAPITAL EXPENDITURE PROGRAMME 2020/21 OUTTURN REPORT** - Recommendation - note the outturn position on the 2020/21 SWestrans Capital Programme.
9. **CAPITAL EXPENDITURE PROGRAMME 2021/22 - 2023/24 UPDATE**– Recommendations – (i) note the update provided on progress with the Capital Expenditure Programme 2021/22; (ii) agree the draft submission to Dumfries and Galloway Council's Asset Class Review as shown in Appendix 1; and (iii) review the previous decision in relation to the proposed merger of the SWestrans Asset Class with the Council's Fleet Asset Class and determine a position to be intimated to Dumfries and Galloway Council.
10. **CALENDAR OF MEETINGS** – Recommendation - agree the calendar of meetings for 2022 as detailed in Table 1.
11. **OBSERVERS** – Recommendation – consider and agree the appointment of Observers for 4 years as detailed in Table 1.
12. **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 6 and 9 of Schedule 7A of the Local Government (Scotland) Act 1973

- 13 LOCAL BUS SUSTAINABILITY-** 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

SOUTH WEST OF SCOTLAND TRANSPORT PARTNERSHIP

Meeting of Friday 26 March 2021
at 10.30am at Remote Meeting via Microsoft Teams

Present

Members

Andrew Wood (Chair)	-	Dumfries and Galloway Council
John Campbell (Vice-Chair)	-	Dumfries and Galloway Council
Richard Brodie	-	Dumfries and Galloway Council
David Bryson	-	NHS Dumfries and Galloway
Davie Stitt (substitute)	-	Dumfries and Galloway Council
Ronnie Tait	-	Dumfries and Galloway Council

Officials

Douglas Kirkpatrick	-	Lead Officer
Tracey Sonko	-	For Secretary to the Board
Josef Coombey	-	Policy and Projects Officer
Kirsty Dunsmore	-	Policy and Projects Officer
Janet Sutton	-	Finance Officer

Apologies

Karen Jackson	-	South of Scotland Enterprise
Adam Wilson	-	Dumfries and Galloway Council

Observers

June Hay	-	Outdoor Access Forum
Graham Whiteley		

In Attendance

Caroline Buck	-	Keir, Penpont and Tynron Development Trust
Irene Haining	-	Keir, Penpont and Tynron Development Trust
Graham Dunn		
Alan Smith	-	Stagecoach West Scotland

1. SEDERUNT AND APOLOGIES

5 Board Members present including 1 substitute, 1 apology and 1 Member not present at the start of the meeting.

2. DECLARATIONS OF INTEREST

Decision

Andrew Wood declared an interest in item 6 by virtue of the fact that he was a Dumfries and Galloway Councillor for the Ward which includes the request for a funding commitment for the Penpont to Thornhill Active Travel path and determined that his interest was such that he would take part in the discussions but not the decision.

MEMBER – David Bryson entered the meeting – 6 Board Members present

3. MINUTES OF MEETING ON 29 JANUARY 2021

Decision

APPROVED.

4. EXTERNAL AUDIT PLAN 2020/21

Decision

The Board **NOTED** the external audit plan for 2020/21 in the Appendix to the report.

5. DRAFT REVENUE EXPENDITURE BUDGET 2021/22

Decision

The Board **AGREED** the draft revenue budget for 2021/22 as set out in Table 1.

6. DRAFT CAPITAL EXPENDITURE PROGRAMME 2021/22 – 2023/24

Decision

The Board :-

6.1 **AGREED** the draft Capital Programme for 2021/22 to 2023/24 outlined in Table 1;

6.2 **CONSIDERED** future years funding needs and **AGREED** an increase in our core annual capital allocation from £800K to £1.8M from 2022/23 was to be intimated to Dumfries and Galloway Council;

6.3 **CONSIDERED** the information in section 4 of the report and **AGREED** the level of funding to be committed to Keir, Penpont and Tynron Development Trust;

6.4 **REVIEWED** the limits at the 'Delegated Authority to Lead Officer, SWestrans' section of Appendix 1 to the report and **AGREED** that they were appropriate; and

6.5 **CONSIDERED** the proposal to merge Asset Classes, as highlighted in section 6 of the report, and **AGREED** the position to be intimated to Dumfries and Galloway Council was that the board were not comfortable with this proposal which would require an annual bid for funding and that stable core funding in line with the decision at 6.2 would be the preferred option with an opportunity to bid for additional funding as necessary.

7. EQUALITIES REPORTING

Decision

The Board:-

NOTED

7.1 SWestrans duties under the Equality Act 2010 and the Equality Act 2012 (Scotland) Specific Duties Regulations;

7.2 the SWestrans Equalities Mainstreaming Report 2021 as shown at Appendix 1 to the report; and

7.3 **REVIEWED** and **AGREED** the draft SWestrans Equality Outcomes for 2021-2025 as shown in Appendix 2 to the report.

8. SWESTRANS ANNUAL REPORT 2019/20

Decision

The Board **AGREED** the SWestrans Annual Report for 2019/20 as attached at the Appendix to the report with the addition to include information on actions taken on youth transport issues prior to submission to Scottish Ministers.

9. REGIONAL TRANSPORT STRATEGY

Decision

The Board:

9.1 **NOTED** the progress to develop a new Regional Transport Strategy; and

9.2 **AGREED** that a formal request for funding assistance be submitted to Dumfries and Galloway Council.

10. STRATEGIC TRANSPORT UPDATE**Decision**

The Board :-

NOTED

- 10.1 the publication of the Union Connectivity Review Interim Report;
- 10.2 the publication of the Levelling Up Fund Prospectus;
- 10.3 the publication of the Strategic Transport Projects Review 2 Phase 1 report;
and
- 10.4 **CONSIDERED** and **AGREED** the draft response, attached as the appendix to the report, to the consultation comments form for the Strategic Transport Projects Review 2 Phase 1 Report.

11. ANY OTHER BUSINESS WHICH THE CHAIRMAN MAY DECIDE IS URGENT DUE TO THE NEED FOR A DECISION**Decision**

NOTED that there was no items of business deemed urgent by the Chairman due to the need for a decision.

TRANSPENNINE EXPRESS UPDATE

1. Reason for Report

To provide further detail of the TransPennine Express franchise for 2016-2023.

2. Background

2.1 First TransPennine Express Ltd (TPE) was appointed as the franchisee for the TransPennine Express franchise for 2016-2023, commencing 1 April 2016.

2.2 On 20 May 2021, the Department for Transport announced that FirstGroup had been directly awarded a new National Rail Contract (NRC) to operate TransPennine Express until May 2023, with an option to extend that contract to May 2025. The NRC came into effect on 30 May 2021.

2.3 The NRC outlined that it will provide a new foundation on which TransPennine Express will serve the major towns and cities across the North of England and into Scotland, putting train services at the heart of post-pandemic recovery, connecting people, places and local economies.

2.4 In their commitments statement TPE has outlined what they will deliver under the NRC, including:

- working collaboratively with industry partners to restore customer numbers post-pandemic.
- delivering plans to upgrade services, including the introduction of flexible commuter tickets and continuing to roll out electronic and mobile ticketing, smartcards and improved apps.
- developing a decarbonisation policy and roadmap towards achieving net zero emissions by 2050 in accordance with FirstGroup's commitment to do so.

2.5 It was also announced on 20 May 2021 that Matthew Golton would be joining TransPennine Express on 1 June 2021 as Managing Director, taking over from Interim Managing Director Liz Collins.

3. Discussion

Lucja Majewski Kent and Graham Meiklejohn, Regional Development Managers for TPE will be in attendance to deliver a presentation to the Board. Members will have an opportunity to comment on pertinent issues.

4. Implications	
Financial	None.
Policy	None.
Equalities	None.
Climate Change	None.
Risk Management	None.

<p>5. Recommendations</p> <p>Members of the Board are asked to:</p> <p>5.1 receive the presentation from Lucja Majewski Kent and Graham Meiklejohn of TransPennine Express; and</p> <p>5.2 seek further detail on issues raised from the presentation.</p>

<p>Report Author – Kirsty Dunsmore</p> <p>Date of Report: 04 June 2021</p> <p>File Ref: SW2/Meetings/2021</p>	<p>Approved by: Douglas Kirkpatrick</p> <p>Lead Officer</p> <p>South West of Scotland Transport Partnership</p> <p>Cargen Tower</p> <p>Garroch Business Park</p> <p>Dumfries DG2 8PN</p>
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REVENUE BUDGET OUTTURN REPORT 2020/21

1. Reason for Report

This report provides Members of the Board with information on the monitoring of the revenue budget for the year ending 31 March 2021.

2. Background

The Scottish Government provide revenue funding to SWestrans with Dumfries and Galloway Council match funding the core costs. SWestrans also 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 detailed financial summary for SWestrans for 2020/21.
- 3.2 The expenditure for 2020/21 was £4,501,443. This was funded by:
- Grants from the Scottish Government totalling £259,250 for core costs and the progression of the Regional Transport Strategy;
 - Dumfries and Galloway Council also contributed £100,000 to the core running costs, £263,723 towards depreciation of assets and £3,472,565 in respect of payments made to Bus Contractors and £5,320 capital grant, and
 - Other contributions totalling £400,585 which included Dumfries and Galloway College (£77,380), Strathclyde Passenger Transport (£207,173), Scottish Borders Council (£40,400), NHS Dumfries and Galloway (£70,000) and Barony College (£5,632).
- 3.3 SWestrans achieved a break-even budget position at the end of the financial year.

4. Consultations

The Proper Officer has been consulted and is agreement with the terms of this Report.

5. Implications	
Financial	As laid out in the report
Policy	No policy implications from this report
Equalities	No equalities implications from this report
Climate Change	No climate change implications from this report
Risk Management	The monitoring relates to the known risks R04 – Capital funding R06 – Overspending R07 – Revenue funding R12 – Third Party liabilities R14 – Withdrawal of DGC Governance support R15 – Cyber crime

6. Recommendation

Members of the Board are asked to note the draft financial outturn for 2020/21 and that a break-even position was achieved.

Janet Sutton - Report Author
Tel: 01387 260105

Date of Report: 3 June 2021
File Ref: SW2/meetings/2020

Douglas Kirkpatrick
Lead Officer
South West of Scotland Transport Partnership
Cargen Tower
Garroch Business Park
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APPENDIX - Revenue Budget Monitoring as at 31 March 2021.

SOUTH WEST OF SCOTLAND TRANSPORT PARTNERSHIP
REVENUE BUDGET MONITORING AS AT 31 March 2021

	FINAL OUTTURN 2019/20 £	PUBLISHED BUDGET 2020/21 £	BUDGET ADJUSTMENTS 2020/21 £	ADJUSTED BUDGET 2020/21 £	ACTUAL EXPENDITURE TO 31/03/21 £	PROJECTED OUTTURN 2020/21 £	VARIANCE 2020/21 £
EXPENDITURE							
Staff Costs	95,797	110,848	6,432	117,280	117,280	117,280	0
Supplies & Services	872	960	-960	0	0	0	0
Transport Costs	0	2,104	-2,104	0	0	0	0
Administration Costs	18,604	20,193	-6,131	14,062	14,062	14,062	0
Payments	4,123,997	4,125,934	-64,555	4,061,379	4,061,379	4,061,379	0
Central Support	44,945	48,750	-3,751	44,999	44,999	44,999	0
Capital Charges	323,681		263,723	263,723	263,723	263,723	0
Total Expenditure	4,607,896	4,308,789	192,654	4,501,443	4,501,443	4,501,443	0
INCOME							
Scottish Government Funding	259,250	259,250		259,250	259,250	259,250	0
D&G Council Funding	117,818	100,000		100,000	100,000	100,000	0
Other Contributions	4,230,828	3,949,539	192,654	4,142,193	4,142,193	4,142,193	0
Total Income	4,607,896	4,308,789	192,654	4,501,443	4,501,443	4,501,443	0
NET EXPENDITURE	0	0	0	0	0	0	0

REVENUE BUDGET MONITORING REPORT 2021/2022 FOR THE PERIOD ENDING 31 May 2021

1. Reason for Report

To provide the Board with an update on the Partnership's 2021/22 monitoring and forecast outturn position based on the period ending 31 May 2021.

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 2021/22 of £4,308,789 was agreed by the Board on 26 March 2021. 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	
Financial	As laid out in the report
Policy	No policy implications from this report
Equalities	No equalities implications from this report
Climate Change	No climate change implications from this report
Risk Management	The monitoring relates to the known risks R04 – Capital funding R06 – Overspending R07 – Revenue funding R12 – Third Party liabilities R14 – Withdrawal of DGC Governance support R15 – Cyber crime

6. Recommendation

Members of the Board are asked to note the forecast outturn for the revenue budget as at 31 May 2021.

Janet Sutton - Report Author
Finance Officer
Tel: 01387 260105
Date of Report: 4 June 2021
File Ref:

Douglas Kirkpatrick
Lead Officer
South West of Scotland Transport Partnership
Cargen Tower
Garroch Business Park, Dumfries DG2 8PN

APPENDIX - Monitoring Report 2021/22 for the period ending 31 May 2021.

SOUTH WEST OF SCOTLAND TRANSPORT PARTNERSHIP
REVENUE BUDGET MONITORING AS AT 31 May 2021

	FINAL OUTTURN 2020/21 £	PUBLISHED BUDGET 2021/22 £	BUDGET ADJUSTMENTS 2021/22 £	ADJUSTED BUDGET 2021/22 £	ACTUAL EXPENDITURE TO 31/03/21 £	PROJECTED OUTTURN 2021/22 £	VARIANCE 2021/22 £
EXPENDITURE							
Staff Costs	117,280	110,848		110,848	0	110,848	0
Supplies & Services	0	960		960	0	960	0
Administration Costs	14,062	20,193		20,193	-150	20,193	0
Payments	4,061,379	4,128,038		4,128,038	722,186	4,128,038	0
Central Support	44,999	48,750		48,750	-3,262	48,750	0
Capital Charges	263,723			0	44,075	0	0
Total Expenditure	4,501,443	4,308,789	0	4,308,789	762,849	4,308,789	0
INCOME							
Scottish Government Funding	259,250	259,250		259,250	58,650	259,250	0
D&G Council Funding	100,000	100,000		100,000	0	100,000	0
Other Contributions	4,142,193	3,949,539		3,949,539	0	3,949,539	0
Total Income	4,501,443	4,308,789	0	4,308,789	58,650	4,308,789	0
NET EXPENDITURE	0	0	0	0	704,199	0	0

DRAFT ANNUAL (UNAUDITED) ACCOUNTS 2020/21

1. Reason for Report

The purpose of this report is to ensure compliance with the Local Authority Accounts (Scotland) Regulations 2014, which state that the Proper Officer shall ensure that the draft accounts are submitted to the Board by no later than the 30 June following the relevant financial year-end.

2. Key Points

2.1 A parallel paper is presented to the Board on this agenda that reports the Board's financial performance. These accounts present the financial performance in a different format, which is to comply with International Financial Reporting Standards and proper accounting Practice.

2.2 The Local Authority Accounts (Scotland) Regulations 2014, state that the Proper Officer shall ensure that the unaudited accounts are submitted to the Board by no later than the 30 June following the relevant financial year-end.

2.3 SWestrans unaudited Annual Accounts for the financial year 2020/21 are being presented to this meeting to ensure compliance with the above requirements. The accounts will then be submitted to Grant Thornton, the Boards External Auditors, prior to the statutory deadline of 30 June 2021.

2.4 Following the submission of the unaudited accounts, the working papers supporting the accounts will also be provided to the Board's external auditors, who will then undertake the statutory audit of the accounts starting from 30 June 2021.

2.5 To comply with the Local Authority Accounts (Scotland) Regulations 2014, the unaudited accounts will be made available for public inspection for a 3-week period from 1 July to 21 July 2021.

2.6 During this period members of the public will be entitled to review the accounts and to request access to supporting backup documentation.

2.7 At the 24 September 2021 meeting of the Board, Grant Thornton will provide a report on the audit of the accounts. The external auditors report will highlight issues arising from the audit ranging from detailed technical accounting issues to commentary on wider aspects of the Board's affairs including governance and performance management issues. The report will include an Action Plan covering any areas for improvement.

2.8 Following that Board meeting, Grant Thornton will finalise their report for presentation to the Controller of Audit prior to the statutory deadline of 30 September 2021. The Partnerships annual accounts will then be signed by the Proper Officer and Grant Thornton and posted on the SWestrans website before 31 October 2021.

3. Consultations

3.1 The Proper Officer has been consulted as part of the preparation of this report and agrees with its terms.

3.2 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.

4. Implications	
Financial	The fee which has been agreed for the SWestrans 2020/21 audit.
Policy	No policy implications from this report
Equalities	No equalities implications from this report
Climate Change	No climate change implications from this report
Risk Management	The annual accounts relate to the known risks R04 – Capital funding R06 – Overspending R07 – Revenue funding R10 – Procurement R11 – Contract disputes R12 – Third Party liabilities R14 – Withdrawal of DGC Governance support R15 – Cyber crime

5. Recommendation

Members of the Board are asked to note the unaudited Annual Accounts for the financial year ended 31 March 2021 which will be submitted to the Board's external auditors for review.

Janet Sutton - Report Author Finance Officer Tel: 01387 260105 Date of Report: 3 June 2021 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 – Unaudited Annual Accounts for the financial year ended 31 March 2021.



Annual Accounts
Unaudited

2020/2021

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Membership of the South West of Scotland Transport Partnership Board

Andrew Wood (Chairman) (Dumfries and Galloway Council)
David Bryson (NHS Dumfries and Galloway)
Richard Brodie (Dumfries and Galloway Council)
John Campbell (Vice-Chairman) (Dumfries and Galloway Council)
Karen Jackson (South of Scotland Enterprise) – from 23 October 2020
Vacancy (Scottish Enterprise) – to 22 October 2020
Ronnie Tait (Dumfries and Galloway Council)
Adam Wilson (Dumfries and Galloway Council)

The Council members have substitutes being:-

Ian Carruthers (Dumfries and Galloway Council)
Katie Hagmann (Dumfries and Galloway Council)
Jim McColm (Dumfries and Galloway Council)
Davie Stitt (Dumfries and Galloway Council)
Vacancy (Dumfries and Galloway Council)

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 2021. 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 2020/21

The South West of Scotland Transport Partnership continued to balance service provision through its revenue budget, and service development through capital budgets during 2020/21. The Partnership's officers and Board members have continued to participate in the development of local, regional and national initiatives including the National Transport Strategy, the Transport (Scotland) Act 2019 and the second Strategic Transport Projects Review (STPR2).

There were a no changes to the five Councillor members on the SWestrans Board in 2020/21 who are joined by two external members to complete the Board. At the September 2020 meeting, the Board approved the appointment of Karen Jackson to the Board on behalf of South of Scotland Enterprise and at its June 2020 meeting David Bryson was confirmed as the NHS Dumfries and Galloway representative for his third four-year term. David had been Vice-Chair for his first two terms but as a third term cannot be served in the position, the Board confirmed Councillor John Campbell as the new Vice-Chair.

The Covid-19 pandemic impacted directly on Board meetings with the planned meetings in March 2020 and May 2020 cancelled as officers and members dealt with the initial phase of response to the virus. The 2020 meetings in June, September and November along with the 2021 meetings in January and March were held remotely on Microsoft Teams to comply with virus suppression requirements.

Management Commentary (Continued)

Over the last year the world has faced the unprecedented rigours of the Covid 19 pandemic, which in common with many industry sectors, has devastated bus services. In Dumfries and Galloway this was clearly illustrated by comparing the passenger figures in September 2020, with level 1 restrictions in place, to the usage figures across the network during the same period in 2019:

Type	2019	2020	%Difference
Supported	1,375,920	704,392	-49%
Commercial	3,378,782	1,519,668	-55%
Total	4,754,702	2,224,060	

Analysis of the SWestrans supported service information showed the 49% passenger decline was based on a reduction of Adults (44%), Children (41%) and Concessions (55%).

The Scottish Government agreed to provide bus operators with additional financial assistance to maintain essential services. This was intended to offset the impact that reduced demand was having on the viability of local services for key workers and to protect the industry for the future. Concessionary travel reimbursement and Bus Service Operator Grant payments have been maintained at the levels forecasted prior to the impact of Covid-19. Operators continue to receive additional payments matching the difference between actual payments and those previously forecasted. In 2020/21, funding of some £144M was provided and a further £61.4M has been made available to cover the period up to 27 June 2021. This level of funding is highly unlikely to be sustainable and when this support is reduced or ceases there is a significant risk to bus services across the region which were already fragile. This was and continues to be closely monitored by officers and the Board received a number of papers throughout the year on the future sustainability of the local bus network in the region.

Delivery of the capital programme was challenging through the year as most construction was stopped for the majority of the period due to the impact of the pandemic. However, land purchase for Phase 3 car parking at Lockerbie Station was concluded and construction work to create the 45 space car park started (completion due in 2021). SWestrans agreed contribution to the Dumfries and Galloway Royal Infirmary active travel mitigation works was passed to Dumfries and Galloway Council with works expected to conclude in 2021. Two 29 seat low floor buses were purchased and are in operation on supported local bus services operated by Stagecoach West Scotland.

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. The PSP has trialled transport solutions to needs identified through pilot projects, and the progress in 2020/21 in delivering on the PSP has resulted in:

- Ongoing delivery of the 517 Borge to Kirkcudbright local bus service.
- A report was prepared on the Health Transport Pilot Project progress. It highlighted that from March 2018 to March 2020 a total of 1,110 patients used the volunteer car schemes operated by Annandale Community Transport Service (ACTS) and Galloway Community Transport (GCT) with 75% of patients over the age of 65. Volunteer drivers provided a total of 4,442 volunteer hours driving over 107,000 miles which is the equivalent to a cost of £44,220 of paid work. The report recommended that it was vital to continue with the project, that it was important that it is expanded to other areas and highlighted that it will be a key delivery partner for the transport hub.
- The continuation of the two Health Transport volunteer car schemes operated ACTS and GCT. Although it is operating at reduced capacity due to COVID-19 both services are still meeting a vital need at this time.
- A Short-Life Working Group (SLWG) has been established to take forward the NHS Dumfries and Galloway transport hub. The SLWG comprises of staff from NHS Dumfries and Galloway, Dumfries and Galloway Council and SWestrans and oversees the development and implementation of the hub. The pilot phase of the hub will see NHS Dumfries and Galloway working in partnership with NHS Lanarkshire, who have been operating a transport hub since April 2019. This partnership is the most cost-effective solution and provides sufficient flexibility to prove the concept locally and to

Management Commentary (Continued)

develop and expand it should the evaluation demonstrate the need. It is anticipated that the hub will be operational by March 2021.

- The establishment of the Community Transport Network. The Network will provide an opportunity for the Community Transport Sector in Dumfries and Galloway to work in partnership to assist in bringing co-ordination, enhanced quality and better use of resources within the sector. 12 Community Transport Operators have been invited to become part of the Network. The first meeting of the Network took place in December 2020 and will meet quarterly and will feed into the PSP Steering Group.
- The development of a Dumfries and Galloway Community Transport Umbrella Organisation. This new Organisation will be developed as a social enterprise. Its overall vision will be for increased and enhanced social, health and community transport services across Dumfries and Galloway, which are more frequently used by people isolated through location or circumstance, in order to improve their quality of life; and to widen the social and economic impact of community transport in these same communities. One of the key objectives will be to integrate the community transport sector to deliver transport solutions across the South West of Scotland and in partnership with Network Members, deliver transport solutions to local communities throughout Dumfries and Galloway. A business plan and operational model is currently being developed.

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.

- The Strategic Transport Projects Review Phase 1 was published on 3 February 2021 and resulted in 20 interventions being recommended, against 8 themes, with each component important in addressing the complex transport needs of our nation. Many of these will rely heavily on Transport Scotland and partners such as SWestrans to take forward to “lock in” the benefits and travel behaviours of individuals and provide a step change in investment which supports the priorities and outcomes of the National Transport Strategy. SWestrans agreed a response to the consultation on the Phase 1 report.
- SWestrans also contributed to consultations on the Draft Infrastructure and Investment Plan for Scotland 2021-22 to 2025-26; Free bus travel for people resident in Scotland aged under 19, and the HS2 Phase 2b Western Leg Design Refinement – Annandale Depot.
- SWestrans officers, with input from Board members, responded to the Call for Evidence for the Union Connectivity Review.

SWestrans submitted its 2019/20 Climate Change Duties Report in the required reporting format to the Sustainable Scotland Network and developed and agreed a new set of equality outcomes for the period 2021-2025. These draft outcomes are:

- EO1: Everyone will be able to easily access and understand the local bus service information they need.
- EO2: Public transport services are more flexible to meet the identified travel needs of those who need them most.
- EO3: Access and affordability issues are reduced through new transport solutions developed with partners.
- EO4: Our work is informed by a greater understanding of the transport and travel needs, barriers faced and experiences of people with protected characteristics.

Management Commentary (continued)

Budget Performance Statement

The table below provides a summary outturn statement which outlines expenditure against budget for SWestrans.

	Budget £000	2020/21	
		Actual £000	Variance
Staff costs	117	117	0
Supplies & services	0	0	0
Administrative costs	14	14	0
Payments to other bodies	4,062	4,062	0
Central Support costs	45	45	0
Gross Expenditure	4,238	4,238	0
Government Grants	259	259	0
Other income	3,979	3,979	0
Gross Income	4,238	4,238	0
Net Expenditure	0	0	0

SWestrans achieved a breakeven position for the financial year. 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' received income totalling £4.238 Million with Scottish Government grants and requisitions from Dumfries & Galloway Council being the main contributors to this total.

On 15 November 2019 a new Transport (Scotland) Act 2019 received Royal Assent, this act included a provision in the order (section 122) that would allow a partnership to carry funds over from one financial year to the next and therefore enable a General Fund reserve to be held. The Commencement Order for this Act was agreed at Scottish Parliament in March 2020 and became effective for the 2019/20 Financial Year. Although SWestrans did not make a surplus in 2020/21 if they succeed in doing so in future years it now has the ability to create a General Fund balance at the end of that financial year.

Comprehensive Income & Expenditure Statement

SWestrans' Comprehensive Income & Expenditure Statement for the year ended 31 March 2021 is shown on page 9 of these accounts.

Movement in Reserves Statement

The Movement in Reserves Statement is shown on page 10 of the accounts and 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.

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 2021.

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.

I confirm that these Unaudited Annual Accounts were approved for signature by the Transport Partnership at its meeting on 25 June 2021 and signed

Andrew Wood
Chairman

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 2021.

Paul Garrett
Treasurer

Annual Governance Statement

This statement is given in respect of the statement of accounts of the South West of Scotland Transport Partnership. The South West of Scotland Transport Partnership is responsible for ensuring that an effective system of internal financial control is maintained and operated in connection with the resources concerned. The South West of Scotland Transport Partnership is committed to openness and acting in the public interest. It works with key partners to support engagement with stakeholders and wider community, ensuring accountability and encouraging open consultation.

The South West of Scotland Transport Partnership continued to balance service provision through its revenue budget, and service development through capital budgets during 2019/20. The Partnership's officers and Board members have continued to participate in the development of local, regional and national initiatives including the National Transport Strategy, the Transport (Scotland) Act 2019 and the second Strategic Transport Projects Review (STPR2).

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.

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. This includes consideration of the effectiveness of decision-making framework and information and data provided to the board to support decision making. In line with the Dumfries and Galloway members training arrangements, where required training will be provided to members of the Board. The system currently includes regular financial reports to the Board and management.

The South West of Scotland Transport Partnership Board monitor the performance of services and related projects to ensure that they are delivered in accordance with defined outcomes and they represent best use of resources and value for money.

The Transport Partnership currently uses the financial systems and resources of Dumfries & Galloway Council. This includes effective counter fraud and anti-corruption arrangements as developed and maintained by the 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.

The 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.

In our 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 2021.

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.

In response to the COVID19 Pandemic, the Board operated virtually and remains confident sound governance continues to operate during the period of disruption and is fully committed to maintaining the system to deliver this.

We are therefore satisfied that the Transport Partnership has in place appropriate arrangements for the governance of its affairs and that reasonable assurance can be placed on the adequacy and effectiveness of the Partnership's corporate governance systems in the year to 31 March 2021.

Andrew Wood
Chairman

Douglas Kirkpatrick
Lead officer

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

To be updated for the audited accounts

Comprehensive Income & Expenditure Statement

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

2019/20			2020/21			
Gross Expenditure	Income	Net Expenditure		Gross Expenditure	Income	Net Expenditure
£000	£000	£000		£000	£000	£000
4,608	(4,284)	324	Roads and Transport Services	4,501	(4,238)	263
4,608	(4,284)	324	Net Cost of Services	4,501	(4,238)	263
		136	(Gains) & losses on sale of non-current assets			0
		(190)	Capital grants & contributions			(285)
		270	(Surplus) or Deficit on the Provision of Services			(22)
		0	Other Comprehensive Income & Expenditure			0
		270	Total Comprehensive Income & Expenditure			(22)

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 movement in reserves statement shows how the movements in year of the Partnership's reserves are broken down between gains and losses incurred in accordance with generally accepted accounting practices and the statutory adjustments required to return to the amounts chargeable to the General Fund. The net increase/decrease line shows the statutory general fund balance in the year following those adjustments.

	Usable Reserves	Unusable Reserves			Total Reserves
	General Fund Balance £000	Capital Adjustment Account £000	Revaluation Reserve £000	Total Unusable Reserves £000	£000
Balance at 31 March 2019	0	(1,439)	(25)	(1,464)	(1,464)
Movements in Reserves during 2019/20					
Surplus or (Deficit) on provision of services	270	0	0	0	270
Total Comprehensive Income & Expenditure	270	0	0	0	270
Adjustments between accounting basis & funding basis under regulations					
- charges for depreciation of non-current assets	(324)	324	0	324	0
- capital grants & contributions applied	190	(190)	0	(190)	0
- Gains & losses on disposal of non-current assets	(136)	136	0	136	0
	(270)	270	0	270	270
Overall Increase/Decrease in year	0	270	0	270	270
Balance at 31 March 2020 carried forward	0	(1,169)	(25)	(1,194)	(1,194)
Movements in Reserves during 2020/21					
Surplus or (Deficit) on provision of services	(22)	0	0	0	(22)
Total Comprehensive Income & Expenditure	(22)	0	0	0	(22)
Adjustments between accounting basis & funding basis under regulations					
- charges for depreciation of non-current assets	(263)	263	0	263	0
- capital grants & contributions applied	0	0	0	0	0
- Gains & losses on disposal of non-current assets	285	(285)	0	(285)	0
	22	(22)	0	(22)	0
Overall Increase/Decrease in year	0	(22)	0	(22)	(22)
Balance at 31 March 2021 carried forward	0	(1,191)	(25)	(1,216)	(1,216)

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”.

31 March 2020 £000		31 March 2021 £000	Note
1,194	Property, Plant & Equipment	1,216	8
1,194	Long Term Assets	1,216	
	Short Term Debtors		
6	- Central Government bodies	7	
134	- Other entities & individuals	121	
140	Current Assets	128	
	Short Term Creditors		
(140)	- Other entities & individuals	(128)	
(140)	Current Liabilities	(128)	
1,194	Net Assets	1,216	
1,194	Unusable Reserves	1,216	10
1,194	Total Reserves	1,216	

The Unaudited Accounts were issued on 25 June 2021.

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.

2019/20 £000		2020/21 £000
270	Net (surplus) or deficit on the provision of services	(22)
(460)	Adjustment to net (surplus) on the provision of services for non-cash movements	(263)
(190)	Net cash flow from or used in operating activities	(285)
	Investing activities	
190	- Purchase of property, plant & equipment	285
0	Net (increase) or decrease in cash and cash equivalents	0
0	Cash and cash equivalents at the beginning of the period	0
0	Cash and cash equivalents at the end of the reporting period	0

Notes to the Accounts

1. Summary of Significant Accounting Policies

a) General Principles

The Annual Accounts summarise the Council's transactions for the 2020/21 financial year and its financial position at the year end of 31 March 2021. The Council 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 2020/21 (the Code) and the Service Reporting Code of Practice 2020/21 (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 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.

The accounts are prepared on a going concern basis.

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 2020/21,
- 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 depreciated historical cost as a proxy for current value of assets as the useful economic life of the assets are considered a realistic reflection of the life of the asset and the depreciation method used is a realistic reflection of the consumption of that asset class.

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. Vehicles are held at depreciated historic cost as a proxy for current value and not subject to revaluation. These assets are depreciated over their useful economic lives.

l) Reserves

Reserves are created by appropriating amounts out of the General Fund balance in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is included in the appropriate service in that year so as to be included in the Comprehensive Income & Expenditure Statement. The reserve is then appropriated back into the General Fund balance in the Movement in Reserves Statement so that there is no net charge against the Council Tax for the expenditure.

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.

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.

2. Remuneration Report

SWestrans does not employ any staff; therefore, a Remuneration Report is not required for 2020/21.

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. The Code requires implementation from 1 April 2021, therefore there is no impact on the 2020/21 financial statements. This applies to the adoption of the following new or amended standards within the 2020/21 Code:

- Definition of a Business: Amendments to IFRS3 Business Combinations;
- Interest Rate Benchmark Reform: Amendments to IFRS 9, IAS 39 and IFRS 7; and
- Interest Rate Benchmark Reform - Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16

There are no other accounting standards issued and not yet adopted that will have a material impact on the 2020/21 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. There are no critical judgements to disclose.

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 2021 for which there is a significant risk of material adjustment in the forthcoming financial year.

6. Events After the Balance Sheet Date

The unaudited Statement of Accounts were issued by the Treasurer on 25 June 2021. 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. SWestrans continued to pay operators as normal following the COVID 19 pandemic with staff and the Board working remotely. The impact on local bus contracts has and continues to be closely monitored.

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.

Notes to the Accounts (continued)

	2019/20 Net Expenditure Chargeable to the General Fund £000	2019/20 Adjustments between the Funding and Accounting Basis £000	2019/20 Expenditure in the Comprehensive Income & Expenditure Statement £000
SWestrans	0	324	324
Net Costs of Services	0	324	324
Other Operating Income & Expenditure	0	136	136
Taxation & Non-Specific Grant Income	0	(190)	(190)
(Surplus)/Deficit on the Provision of Services	0	270	270

	2020/21 Net Expenditure Chargeable to the General Fund £000	2020/21 Adjustments between the Funding and Accounting Basis £000	2020/21 Expenditure in the Comprehensive Income & Expenditure Statement £000
SWestrans	0	263	263
Net Costs of Services	0	263	263
(Gains) & losses on disposal of non-current assets	0	0	0
Capital grants & contributions	0	(285)	(285)
(Surplus)/Deficit on the Provision of Services	0	22	22

8. Property, Plant & Equipment

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

	2019/20 Vehicles £000	2020/21 Vehicles £000
Cost or Valuation		
At 1 April	3,475	3,206
Additions	190	285
Disposals	(459)	0
At 31 March	3,206	3,491
Accumulated Depreciation at 1 April	(2,011)	(2,012)
Charge for year	(324)	(263)
Write Back on Disposal	323	0
Accumulated Depreciation at 31 March	(2,012)	(2,275)
Net Book Value at 31 March	1,194	1,216

Notes to the Accounts (continued)

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 does 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.

	2019/20 £000	2020/21 £000
Balance at 1 April	(1,439)	(1,169)
Assets Disposed of during the year	136	0
Depreciation of non-current assets	324	263
Capital grants & contributions credited to the Comprehensive Income & Expenditure Statement	(190)	(285)
Balance at 31 March	(1,169)	(1,191)

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.

	2019/20 £000	2020/21 £000
Balance at 1 April	(25)	(25)
Balance at 31 March	(25)	(25)

11. Payments to Members

No payments were made to Members of the SWestrans Board during 2020/21 or 2019/20.

12. Audit Fees

The external audit fee payable for 2020/21 was £10,240 (£10,000 in 2019/20)

Notes to the Accounts (continued)

13. Grant Income

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

	2019/20 £000	2020/21 £000
Credited to Taxation and Non Specific Grant Income		
Capital grants & contributions	(190)	(285)
Total	(190)	(285)
Credited to Services		
Scottish Government grants	(259)	(259)
Dumfries & Galloway Council service funding	(3,516)	(3,578)
Total	(3,775)	(3,837)

14. 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 13 (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 2020/21, the Council provided £100k (£100k in 2019/20) as match funding to a Scottish Government grant for core running costs, a capital grant of £285K (£190k 2019/20) and a further £3.573 Million (£3.416 Million in 2019/20) was requisitioned by the Transport Partnership to cover the operating costs for 2020/21. SWestrans does not employ its own staff and during 2020/21 Dumfries & Galloway Council charged SWestrans £163k (£142k in 2019/20) in respect of staff support, supplies and other support services. NHS Dumfries and Galloway contribute £70k (£70k in 2019/20) to a specific bus contract. At the year end £39k (£71k in 2019/20) was outstanding for payments to Dumfries and Galloway Council.

15. Leases

Partnership as Lessor

SWestrans purchased 2 buses in 2020/21 (2 buses in 2019/20) and 34 (33 in 2019/20) buses are leased to private bus operators as part of specific route tenders. No income is received from these operating leases.

Notes to the Accounts (continued)

16. Financial Instrument Balances

The following categories of financial instruments are carried in the Balance Sheet. These are all current:

	Current – Amortised cost		Current – Fair Value	
	2019/20 £000	2020/21 £000	2019/20 £000	2020/21 £000
Financial Liabilities				
Short term creditors (current)	(140)	(128)	(140)	(128)
	Current- Amortised cost		Current – Fair value	
	2019/20 £000	2020/21 £000	2019/20 £000	2020/21 £000
Financial assets				
Short term debtors (current)	(140)	(128)	(140)	(128)

There were no gains and losses recognised in the comprehensive Income and Expenditure Statement in relation to financial instruments during 2020/21 (2019/20:£nil).

Financial Liabilities

A financial liability is an obligation to transfer economic benefits controlled by the Transport Partnership and can be represented by a contractual obligation to deliver cash or financial assets or an obligation to exchange financial assets and liabilities with another entity that is potentially unfavourable to the Transport Partnership. The Transport Partnership Financial liabilities were short term creditors held at amortised cost.

Financial assets

A financial asset is a right to future economic benefits controlled by the Transport Partnership that is represented by cash, equity instruments or a contractual right to receive cash or other financial assets or a right to exchange financial assets and liabilities with another entity that is potentially favourable to the Board. The financial assets held by the Transport Partnership during the year are accounted at amortised cost and comprise short term receivables.

Financial instruments classified at amortised cost are carried in the Balance Sheet at amortised cost. Their fair values have been estimated by calculating the net present value of the remaining contractual cash flows at 31st March 2021. The fair value of short-term instruments, including trade payables and receivables, is taken to be the invoiced or billed amount.

Nature and Extent of Risks Arising from Financial Instruments

All Treasury Management is carried out on the Partnership's behalf by Dumfries and Galloway Council. The Council, on behalf of the Transport Partnership, has overall risk management procedures that focus on the unpredictability of financial markets, and implementing restrictions to minimise these risks.

Market risk - the possibility that financial loss might arise for the Transport Partnership as a result of changes in such measures as interest rate movements is considered immaterial because the finances of the Transport Authority are such that during the year there was no interest payable or receivable.

Credit risk - the possibility that other parties might fail to pay amounts due to the Transport Partnership is considered insignificant on the basis debt payable to the Transport Partnership is due from other public bodies.

Liquidity risk – the risk that the Transport Partnership might not have funds available to meet its commitments to make payments is considered immaterial given its statutory responsibility to have a balanced budget and that constituent authorities have to fund the Transport Partnership's activities

Price and foreign exchange risk - the possibility that fluctuations in equity prices or fluctuations in exchange rates has a significant impact on the value of financial instruments held is considered immaterial because of the nature of financial instruments held. Are neither in shares or denominated in foreign currencies.

CAPITAL EXPENDITURE PROGRAMME 2020/21 OUTTURN REPORT

1. Reason for Report

To advise the Board of the outturn on the 2020/21 SWestrans Capital Programme.

2. Background

2.1 At its meeting on 27 February 2020, Dumfries and Galloway Council agreed a capital balanced budget for 2020/21 to 2022/23 within an indicative 10-year Capital Investment Strategy. The agreed funding allocation for Swestrans is £1,154k for 2020/21 and £800k per annum for 2021/22 and 2022/23.

2.2 The funding allocation for 2020/21 included slippage of £354k as reported to the Board on 24 January 2020. At the financial year end further slippage of £287k was reported resulting in a revised budget of £1,441k for 2020/21.

2.3 At its meeting on 19 June 2020, the Board agreed the capital programme as shown in Table 1 below:

<u>SWestrans Capital Programme 2020/21 – 2022/23</u>	Total Budget Allocated 2020/21	Total Budget Allocated 2021/22	Total Budget Allocated 2022/23	Total
	£	£	£	£
Purchase of Accessible Buses	293,875	240,000	300,000	833,875
Bus Infrastructure	48,163	50,000	100,000	198,163
Rail Station Parking	805,856	300,000	0	1,105,856
Active Travel Projects	292,938	210,000	400,000	902,938
TOTAL	1,440,832	800,000	800,000	3,040,832

Table 1 – SWestrans amended Capital Programme 2020/21 – 2022/23

2.4 At the meeting of 18 September 2020, the Board agreed to vire £150k from Active Travel Projects to Dumfries and Galloway Council as SWestrans contribution to DGRI mitigation works. This resulted in a revised budget of £1.291 Million.

2.5 At its meeting on 29 January 2021, the Board were informed that there was a likelihood of a minimum slippage into 2021/22 of some £250k on the Rail Station Parking element of the programme.

3. Key Points

3.1 The outturn position for the financial year 2020/21 which achieved a total net spend of £793,114 is shown at the **Appendix**, and a summary is shown in Table 2 below:

<u>SWestrans Capital Programme 2020/21</u>	Total Budget Allocated 2020/21	Net Expenditure 2020/21
Purchase of Accessible Buses	293,875	290,666
Bus Infrastructure	48,163	28,983
Rail Station Parking	805,856	385,327
Active Travel Projects	142,938	88,138
TOTAL	1,290,832	793,114

Table 2 – SWestrans Capital Programme 2020/21 outturn.

3.2 A short commentary on each element of the programme is given in the succeeding paragraphs.

3.3 Purchase of Accessible Buses – spend of £290,666. Two buses were delivered in February 2021 and are in-service on routes provided on SWestrans behalf by Stagecoach West Scotland.

3.4 Bus Infrastructure – spend of £28,983. Spend on this element the programme included at-stop infrastructure and the purchase of Electronic Ticket Machines by operators through grant funding made available by SWestrans.

3.5 Rail Station Parking – spend of £385,327. The Board at its meetings throughout 2020/21 were updated on the stages required to progress parking options at Lockerbie Station. The majority of spend was for the agreed acquisition of land at Sydney Place.

3.6 Active Travel Projects – net spend of £88,138. A number of walking/cycling infrastructure opportunities to improve functional active travel were progressed.

3.7 A total spend of some £127,804 was achieved with £39,666 reclaimed as grant from the Scottish Government, this is summarised in Table 3 below. The Government has allowed accruals totalling some £18k for the completion of cycle parking (Whitesands) and works at Hidden Corner (Moffat).

Active Travel Scheme	Gross Expenditure 2020/21
Disabled Programme	£18,040
Remove Barriers to Active Travel	£21,626
Total	£39,666

Table 3 – Active Travel Scheme Grant Funding outturn 2020/21

4. Implications	
Financial	Total net spend of £793,114 was achieved against a budget of £1,291k with slippage to 2021/22 of £497,718.
Policy	None.
Equalities	None.
Climate Change	None.
Risk Management	None.

5. Consultation

The Proper Officer (Finance) has been consulted and their comments incorporated.

6. Recommendation

Members of the Board are asked to note the outturn position on the 2020/21 SWestrans Capital Programme.

Douglas Kirkpatrick – Report Author Tel:01387 260136 Date of Report: 1 June 2021 File Ref: SW2/Meetings/2021	Douglas Kirkpatrick Lead Officer South West of Scotland Transport Partnership Cargen Tower Garroch Business Park Dumfries DG2 8PN
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Appendix – Capital Programme Outturn 2020/21

<u>SWestrans Monitoring Capital Programme 2020/21</u>	Total Revised Budget Allocated 2020/21	Actual Gross Spend 31/03/21	Actual Income 31/03/21	Actual Net Spend 31/03/21	Variance 2020/21	(Slippage to) / Acceleration from 2021/22
Purchase of Accessible Buses	293,875	290,666	0	290,666	-3,209	-3,209
Bus Infrastructure (including shelters, PUDOs and RTI)	48,163	28,983	0	28,983	-19,180	-19,180
Rail Station Parking	805,856	385,327	0	385,327	-420,529	-420,529
Active Travel Projects	142,938	127,804	-39,666	88,138	-54,800	-54,800
TOTAL	1,290,832	832,780	-39,666	793,114	-497,718	-497,718

2020/21 Funding Summary

Swestrans Allocation as per Full Council 27 February 2020	800,000
Add Slippage 2019/20	640,832
Less Budget Virement to Infrastructure (DGRI Mitigation Works)	-150,000

Total Allocation 2020/21 **1,290,832**

Annex to Appendix - Individual Projects greater than £250k

	Total Revised Budget Allocated 2020/21	Actual Gross Spend 31/03/21	Actual Income 31/03/21	Actual Net Spend 31/03/21	Variance 2020/21	(Slippage to) / Acceleration from 2021/22
Rail Station Parking	805,856	385,327	0	385,327	-420,529	-420,529

CAPITAL EXPENDITURE PROGRAMME 2021/22 – 2023/24 UPDATE

1. Reason for Report

This report provides the Board with an update on the Capital Programme and an update on the review of Capital funding by Dumfries and Galloway Council.

2. Background

2.1 At its meeting on 4 March 2021, Dumfries and Galloway Council agreed a balanced budget. At this meeting there were no changes to the Swestrans Capital Funding identified. The capital budget for 2021/22 to 2023/24 is within an indicative 10 year Capital Investment Strategy. The draft funding allocation for SWestrans was £800K for 2021/22, 2022/23 and 2023/24.

2.2 At its meeting on 26 March 2021, the Board agreed the draft capital programme for 2021/22 to 2023/24 is detailed in Table 1:

<u>SWestrans Capital Programme 2021/22 – 2023/24</u>	Total Budget Allocated 2021/22	Total Budget Allocated 2022/23	Total Budget Allocated 2023/24	Total
	£	£	£	£
Local Bus Network	270,000	270,000	400,000	940,000
Rail Station Parking	300,000	300,000	0	600,000
Active Travel Network	230,000	230,000	400,000	860,000
TOTAL	800,000	800,000	800,000	2,400,000

Table 1 – SWestrans Capital Programme 2021/22 – 2023/24

2.3 Following the closure of the 2020/21 budget the allocations have been amended to match the outturn position. This is shown in Table 2 below:

<u>SWestrans Capital Programme 2021/22 – 2023/24</u>	Total Budget Allocated 2021/22	Total Budget Allocated 2022/23	Total Budget Allocated 2023/24	Total
	£	£	£	£
Local Bus Network	292,389	270,000	400,000	962,389
Rail Station Parking	470,529	300,000	0	770,529
Active Travel Network	284,800	230,000	400,000	914,800
TOTAL	1,047,718	800,000	800,000	2,647,718

Table 2 – SWestrans amended Capital Programme 2021/22 – 2023/24

2.4 At its meeting on 26 March 2021, the Board considered an initial summary of our estimated future core capital spending needs and the Dumfries and Galloway Council's proposed merger of the SWestrans asset class into a combined Transport asset class with the Council's Fleet asset class. The Board agreed that the positions to be intimated to Dumfries and Galloway Council was that an increase in core

capital funding from £800k to £1.8M per year would be preferable and that the Board were not comfortable with the proposed merger of the asset classes.

3. Key Points – Capital Programme

3.1 The amended capital programme for 2021/22 to 2023/24 is detailed in Table 2 and each of the elements of the Capital Programme for 2021/22 is discussed briefly in paragraphs 3.2 to 3.4.

3.2 Local Bus Network – work is underway in partnership with the Council to identify the most suitable vehicle(s) to replace and then undertake an appropriate procurement to enable the vehicle(s) to be in place this financial year. It is likely that the funding available will allow the purchase of either 1 Ultra Low Emission low floor bus or 2 low floor low emission buses to replace an existing leased bus asset(s). Work continues on the agreed bus shelter renewal/replacement programme and associated works.

3.3 Rail Station Parking - Design development work has progressed for the Lockerbie Railway Station Car Park projects and it is intended that Phase 2, a rationalisation of the existing car park outside the station, together with Phase 3 involving the provision of additional parking to the east of the railway will both be delivered during 2021/22. Land required for Phase 3 has been acquired and an adjacent site acquisition for a potential Phase 4 is being investigated. Feasibility work to scope out the options for a footbridge link from the east side of the railway line into the station will similarly be progressed. These works are being delivered in partnership with Dumfries and Galloway Council with 50% shared financial contributions over the next 3 years. A revised programme has been provided by the Council's Engineering Design team for the Phase 3 build at Sydney Place and is show below:

Programme Element	Timeline as at May 2021
Termination of Services	Complete
Demolition	September 2021
Car Park Design (includes Phase 4 combined design)	September 2021
Drainage/Public Utilities/SEPA	May 2021
Contract Preparation	September 2021
Procurement	September 2021
Construction	November 2021 to January 2022

Table 3 – Phase 3 Sydney Place, Programme of Works

3.4 Active Travel Network - As anticipated the Scottish Government confirmed grant funding of £301k for 2021/22 which requires match funding of £129k from SWestrans. In partnership with the Council, work is ongoing to refresh the Active Travel Strategy and produce an aligned Delivery Plan for town/area based active travel interventions. This includes combining funding, coordinating, assessing, developing and prioritising a long list of active travel projects from those identified within the active travel audits already undertaken within the 16 major centres of population within our region, existing Capital programmes and community requests. It is intended to bring the outcome of this work and detailed information on short path links between communities to the next Board meeting in September 2021.

4. Key Points – Review of Capital Funding

4.1 Dumfries and Galloway Council at its meeting of 4 March 2021 agreed an updated 10 year Capital Investment Strategy, covering the period 2021/22 – 2023/24, setting the strategic direction for the development of the Council's Capital Investment programmes. As part of agreeing the updated strategy, Members also agreed to undertake a short-term review of the strategy, and in particular the approach to funding asset classes.

4.2 The approach and timetable for this Review of Asset Classes, which is due to conclude in August 2021 and includes the SWestrans asset class, was agreed by the Finance, Procurement and Transformation Committee at its meeting of 13 April 2021 and further developed through a Member Seminar held on 21 April 2021. The key objectives of this review can be summarised as follows:

- Determination of funding allocations that effectively support the maintenance and development of key asset classes;
- Allocation of capital funding to areas of highest priority linked to the Council's agreed objectives/priorities with a greater focus on supporting the Council's agreed Climate Change Commitment;
- Support the reduction/rationalisation/optimisation of the Council's property and asset estate; and
- Support investment in spend to save proposals to reduce future running costs.

4.3 There are currently 8 asset classes within the Council's Capital Investment Strategy with the SWestrans asset class at £800k per year reporting to this Board.

4.4 In addition to providing information to support Member consideration of the required annual funding level for asset classes, the Asset Class Review process will also provide information to support consideration of the allocation of funding totalling £5.6 Million that is being carried forward from 2020/21 due to slippage resulting from the impact of Covid-19 restrictions. This amount is over and above the approved asset class funding allocations for 2021/22 reflected in the agreed Capital Investment Strategy.

Process & Timetable for Review of Asset Class Funding Levels

4.5 In order to support Council consideration of the appropriate/required level of annual investment in each of the asset classes, it has been agreed that information in relation to each of the asset classes will be prepared covering the following areas:

- Summary of the type of assets and investment covered by each asset class;
- Current annual funding levels;
- Summary of How Budgets are Allocated to Programmes/Projects (eg. scoring system, condition surveys, emergency works);
- Review of Recent Spend (eg. key projects/programmes undertaken);
- Review of Projected 2020/21 Slippage (including reasons) and assessment of risk of further issues/delays (eg. through ongoing Covid-19 restrictions);
- Level of Approved Commitments Versus Current Approved Allocations;
- Current 3 Year Programme Based on Approved Allocations;
- Assessment of Required Annual Funding Level going Forward (taking into account current asset condition/needs and linking to the Council's agreed priorities including the Climate Change Commitment).

4.6 The Council has provided a template to complete for submission to meet this requirement and **Appendix 1** to this report provides the draft submission for the SWestrans Asset Class. The Board are asked to agree this submission to Dumfries and Galloway Council.

Asset Class Structure

4.7 In addition to considering funding allocations, the review is also considering potential changes to the structure of asset classes including the proposed merger of the SWestrans asset class with the Council's Fleet asset class.

4.8 As indicated in paragraph 2.4, the Board's lack of comfort on this proposal and in particular the anticipated need to bid annually for funding was intimated to Dumfries and Galloway Council following the March Board meeting. Following this, a meeting with the SWestrans Chair and Vice Chair, the Chair and Vice Chair of the Council's Finance, Procurement and Transformation Committee and senior officers from both organisations was arranged to discuss the proposed merger and the concerns raised.

4.9 The meeting was particularly helpful and constructive and provided a fuller understanding of the proposal to merge the asset classes and the opportunities this merger would bring to better align our future Capital Programme with that of the Council particularly in relation to vehicles and active travel. It was agreed that the Board would benefit from a similar update and a short session was arranged with the Council's Head of Finance and Procurement prior to today's Board meeting.

4.10 The Board are asked to review the previous decision in relation to the proposed merger and determine a position to be intimated to Dumfries and Galloway Council.

5. Implications	
Financial	Regular reports will be brought to the Board on the progress with the capital programme during 2021/22.
Policy	No change in policy. This work fulfils SWestrans policy objectives.
Equalities	Provision of good quality infrastructure will enhance travel choice and experience for those with protected characteristics.
Climate Change	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.
Risk Management	Progression of the Capital Programme relates to two known risks: R02 – Public image. R04 – Capital Funding.

6. Recommendations

Members of the Board are asked to:

- 6.1 note the update provided on progress with the Capital Expenditure Programme 2021/22;
- 6.2 agree the draft submission to Dumfries and Galloway Council's Asset Class Review as shown in Appendix 1; and
- 6.3 review the previous decision in relation to the proposed merger of the SWestrans Asset Class with the Council's Fleet Asset Class and determine a position to be intimated to Dumfries and Galloway Council.

Douglas Kirkpatrick - Report Author
Tel: 01387 260136

Date of Report: 2 June 2021
File Ref: SW2/meetings/2021

Approved by: Douglas Kirkpatrick
Lead Officer
South West of Scotland Transport Partnership
Cargen Tower
Garroch Business Park
Dumfries DG2 8PN

Appendix 1 – SWestrans Asset Class Review Template

CAPITAL INVESTMENT STRATEGY

Asset Class Review 2021/22 – 2023/24

Asset Class/Programme	SWestrans
Programme Responsible Officer	Douglas Kirkpatrick
Programme Lead Officer	Douglas Kirkpatrick
Treasury & Capital Team - Finance Contact	Alan Milligan

Summary of How Budgets are Allocated to Programmes / Projects (Eg. scoring system, condition surveys, emergency works)

There are currently four areas of capital expenditure:

- Purchase of Accessible Buses
- Bus Infrastructure – Shelters, ETMs etc
- Rail Station Infrastructure – Joint project with Council (SWestrans lead)
- Active Travel Projects

The SWestrans Board determines individual allocations across these areas annually and receives reports on capital expenditure at each Board meeting. Any changes are agreed by the Board.

Allocations to the 4 categories are determined by the £800k budget and split on the following priority basis:

1. Rail Station Infrastructure – multi year spend commitment to deliver 4 phases of parking at Lockerbie Station to be complete by 2022/23, usually £300k per year.
2. Active Travel Projects – required level of match funding to draw down Scottish Government Grant (Regional Active Travel Fund) usually £129k allocated (draws down £301K) plus additional monies for local initiatives usually £71k.
3. Purchase of accessible buses – by number of bus assets to be replaced and the estimated cost for the size/type of vehicle(s), usually 1 or 2 buses at some £250k.
4. Bus Infrastructure – ongoing new/replacement programmes, usually at some £50k.

There is a scoring-criteria for the bus shelter programme and a framework of active travel project assessment both are agreed by the Board.

Review of Recent Spend – Levels and Nature of Spend

Spend for previous financial years is shown below, the underspend each year has been mainly attributed to the delay in purchasing the land at Lockerbie. This is now complete and the project can move at pace from 2021/22:

<u>SWestrans Capital Programme</u>	2017/18 Actual £000	2018/19 Actual £000	2019/20 Actual £000	2020/21 Actual £000
Purchase of Accessible Buses	284	230	186	291
Bus Infrastructure	277	30	72	29
Rail Station Parking	45	46	48	385
STAG Studies re. potential rail station openings	121	10	0	0
Active Travel Projects	115	284	298	88
TOTAL	842	601	604	793

<u>Funding Reconciliation</u>	2017/18 Actual £000	2018/19 Actual £000	2019/20 Actual £000	2020/21 Actual £000
Base Allocation	800	800	800	800
Net (Slippage)/Acceleration	42	(199)	(196)	143
Re-profiling	0	0	0	0
Budget Virements – Other Asset Classes	0	0	0	(150)
TOTAL	842	601	604	793

Review of 2020/21 Slippage (including reasons)

<u>SWestrans Capital Programme 2020/21</u>	Total Budget Allocated (£)	Slippage (£)
Purchase of Accessible Buses	293,875	3,209
Bus Infrastructure	48,163	19,180
Rail Station Parking	805,856	420,579
Active Travel Projects	142,938	54,800
TOTAL	1,290,832	497,718

Purchase of Accessible Buses (£3k) – residual slippage following final spend on vehicles.

Bus infrastructure (£19k) – due to procurement delay in getting a new bus shelter supplier.

Rail Station Parking (£421k) – no construction elements able to be undertaken in 2020/21.

Active Travel Projects (£55k) – lack of staff resource available to take forward schemes.

Level of Approved Commitments Versus Current Approved Allocations

The phases of rail station parking at Lockerbie are being jointly funded, with 50% shared financial contributions, by SWestrans and Dumfries and Galloway Council. SWestrans has met all costs to date with the Council agreeing its contribution from 2021/22 at Communities Committee (6/4/21).

The proposed removal of £250k of the total £421k slippage from Rail Station Parking in 2020/21 is not accounted for in the current total scheme costs. Therefore, its removal may need additional allocation in the final year of the project.

Programme Based on Approved Allocations

The SWestrans Board considered its Capital Programme for 2021/22 to 2023/24 at its meeting on 26 March 2021. The agreed programme including the carry forward of slippage is shown below:

<u>SWestrans Capital Programme</u> <u>2021/22 – 2023/24</u>	Total Budget Allocated 2021/22 £000	Total Budget Allocated 2022/23 £000	Total Budget Allocated 2023/24 £000
Local Bus Network	292	270	400
Rail Station Parking	471	300	0
Active Travel Network	285	230	400
TOTAL	1,048	800	800

<u>Funding Reconciliation</u>	2021/22 Budget £000	2022/23 Budget £000	2023/24 Budget £000
Base Allocation	800	800	800
Slippage from 2020/21	248	0	0
TOTAL	1,048	800	800

Assessment of Risk of Further Issues/Delays (eg. through on going Covid restrictions)

Delivery of the SWestrans capital programme currently relies on the staff resource available within Dumfries and Galloway Council to take forward schemes. This has been and continues to be the main risk to full spend being achieved. If resolved, the programme should not be subject to any delay.

However, if not resolved then there will continue to be a potential for slippage on the Rail Station Parking and Active Travel Network elements of the capital programme.

Assessment of Required Annual Funding Level going Forward – Bids (Using SBAR Template)

Situation: Our region has adopted some of the most ambitious climate change targets in Scotland and all Community Planning Partners (inc. SWestrans) will need to identify and coordinate appropriate capital investment opportunities and programmes to achieve these aspirations.

Background: Following a number of recent national updates to plans/strategies including the Climate Change Plan, National Transport Strategy, Strategic Transport Projects Review and the National Planning Framework there is now a significant focus on interventions for transport and connectivity.

All future investment decisions will be assessed against their contributions to supporting these plans/strategies and how they impact against the wider climate change targets. Embedding the Sustainable Travel Hierarchy and Sustainable Investment Hierarchy in decision making will be necessary to promote walking, wheeling, cycling, public transport and shared transport options in preference to single occupancy private car use for the movement of people.

SWestrans has through its capital programme provided significant investment in accessible buses, bus infrastructure and active travel infrastructure all of which sit high on the Sustainable Investment Hierarchy and support active and sustainable transport across the region.

Assessment (including linkage to the Council's agreed priorities and Climate Change Commitment):

- Build the local economy.
- Be an inclusive council.
- Protect our most vulnerable people.
- Urgently respond to climate change and transition to a carbon neutral region.

SWestrans currently have 29 buses leased to operators to deliver our supported bus network. A summary of the vehicles including their registration year and estimated replacement year is shown below:

- 2010 – 5 buses (replacement due 22/23)
- 2011 – 2 buses (replacement due 23/24)
- 2012 – 5 buses (replacement due 24/25)
- 2013 – 3 buses (replacement due 25/26)
- 2015 – 7 buses (replacement due 27/28)
- 2017 – 3 buses (replacement due 29/30)
- 2019 – 2 buses (replacement due 31/32)
- 2020 – 2 buses (replacement due 32/33)

The timetable for the public sector vehicle fleet within the Climate Change Plan update is shown below:

- By 2024: the majority of new buses are zero emissions.
- By 2025: the need for any new petrol and diesel light commercial vehicles in public bodies phased out; and the delivery of the first Active Freeways; segregated active travel routes on main travel corridors.
- By 2030: the need for new petrol and diesel cars and vans phased out; conditions created to phase out the need for all new petrol and diesel vehicles in Scotland's public sector fleet; and car kilometres reduced by 20%.

This creates significant challenges for SWestrans and its Community Planning Partners to achieve a replacement of these bus assets to meet this timetable. Particularly as the current annual capital allocation is £800k and one full sized ultra-low emission bus costs in the region of £300k. A high-level initial assessment would suggest a replacement programme of some 4 buses per year to be replaced each year from 2022 at an estimated cost of £1.2M per year.

The need for significant investment in both the SWestrans bus fleet and Dumfries and Galloway Council's general fleet to meet decarbonisation targets will need to be coordinated and aligned to ensure assets are fit for purpose at the relevant time. Therefore, the replacement profile for SWestrans buses above fits with the developing 10 year proposals within the vehicle/fleet Asset Class.

The other key area of SWestrans capital delivery is active travel and its ability to bring significant investment through matching its capital budget allocation against national funding schemes. A 30% match brings 70% funding to our region and the benefit of this approach is shown clearly in the recent scheme development undertaken by Kier, Penpont and Tynron Development Trust (KPT) where a £0.5M local investment would elicit £1.3M external funding.

However, we are constrained financially and strategically in meeting the regions active travel ambitions for linking communities by the relatively low level of funding we are able to allocate at this time across all partners. The KPT work has indicated the likely level of support such links would cost and there are a number of other such links in development. Therefore, an appropriate increase in annual spend on active travel is also considered to be an essential element to meet the regions climate change targets. An appropriate enhancement would be to raise this to £600k per year.

To meet the decarbonisation targets of travel, complementary work will also require significant investment by all Community Planning Partners to ensure that the appropriate EV infrastructure and active travel links are in place. SWestrans is well positioned to assist with the development and delivery of this infrastructure and as a separately constituted Transport Authority could be utilised as a vehicle to attract additional match-funding.

Recommendations (including proposed/required funding level):

Taking cognisance of the future challenges identified above it is recommended that:

- 1) the SWestrans core annual capital allocation is increased from £800k to £1.8M from 2022/23; and
- 2) consideration of future capital allocations to SWestrans increased to maximise the match-funding availability for EV, sustainable and active travel infrastructure.

CALENDAR OF MEETINGS

1. Reason for Report

This report provides the Board with meeting dates for approval.

2. Background

2.1 The Board last approved its schedule of meetings on 20 November 2020 with the meeting scheduled for 26 November 2021 being the last of those agreed dates. The Board also agreed for meetings to be held on the fourth Friday of the month.

2.2 A review of the frequency of meeting in 2018 indicated that these met the business needs of the board, particularly when considering the deadlines for statutory matters requiring Board agreement.

3. Key Points

3.1 The proposed dates for 2022 are listed below for the consideration of the Board.

2022
28 January 2022
25 March 2022
24 June 2022
23 September 2022
25 November 2022

Table 1 – Calendar of meetings 2022

3.3 It is proposed that the meetings continue to start at 10.30am. The location of the Board meetings due to COVID-19 regulations is currently via MS Teams, rather than Dumfries, however this will be reviewed as restrictions allow.

4. Implications	
Financial	None.
Policy	None.
Equalities	None
Climate Change	None
Risk Management	None.

5. Recommendation

Members of the Board are asked to agree the calendar of meetings for 2022 as detailed in Table 1.

Report Author: Claire Rogerson Secretary to the board	Approved by: Douglas Kirkpatrick Lead Officer South West of Scotland Transport Partnership Cargen Tower Garroch Business Park Dumfries DG2 8PN
Date of Report: 13 May 2021 File Ref:	

OBSERVERS

1. Reason for Report

This report asks the Board to consider the appointment of the Observers to the Board.

2. Background

2.1 The Transport (Scotland) Act 2005 provides for Observers to the Regional Transport Partnership. Observers being persons that may participate in the proceedings of the partnership but may not hold office in it or participate in its decisions. In accordance with the legislation each Partnership may appoint such numbers of Observers as they consider appropriate to the Partnership.

2.2 The guidance on Membership of Regional Transport Partnerships (RTP) provides further information on the role of Observers referring to them as advisers, and that the RTP should consider appointing individuals who can make a valuable contribution.

2.3 There is a clear difference in legal and formal status between Board Members and Observers. Observers do not carry any responsibility and are likely to be drawn from either specific interest groups or to bring a particular knowledge or expertise. They may therefore not be expected to participate in all discussions or all meetings, only those for which their particular knowledge or interest is relevant. It is for the RTP to specify in Standing Orders the roles and rights of Observers at Board meetings.

2.4 Standing order 24 of SWestrans Standing Orders provides the following detail:

- An Observer may only address a meeting of the Transport Partnership on the invitation of the Chairperson.
- An Observer may not vote on any matter.
- An Observer may not attend any part of meeting of the Transport Partnership from which the press and the public are excluded.

2.5 In accordance with the legislation, official guidance and as reflected in the SWestrans' Guidance for Observers, the Board when appointing observers to the Board should consider the following:

- Will the proposed individual have a useful input and make a valuable contribution?
- Does the individual represent a specific interest group?
- Does the individual bring a particular knowledge or expertise?

2.6 Observers are appointed for 4 years and were last agreed by the Board in 2017.

3. Key Points

3.1 A review has been undertaken to seek confirmation, from those Observers who had participated in Board meetings, if they wished to be considered for re-appointment.

3.2 Table1 below provides the necessary information for the Board to consider the appointment of Observers:

	Observer Appointments	Supporting Information
1	<p>Christopher Bradberry Craig</p> <p>Comment - Reappointment – 2nd term</p>	<p>Does the individual represent a specific interest group? Thornhill Station Action Group.</p> <p>Will the proposed individual have a useful input and make a valuable contribution? During his first term as an observer he has taken the opportunity to engage with the Board and contribute at meetings.</p> <p>Does the individual bring a particular knowledge or expertise? Knowledge of STAG appraisal process through his work with the Thornhill Station Action Group</p>
2	<p>Rhian Davies</p> <p>Comment – Reappointment – 2nd term</p>	<p>Does the individual represent a specific interest group? Sustrans.</p> <p>Will the proposed individual have a useful input and make a valuable contribution? As Active Travel Officer I discuss with NHS and DGC employees their travel options at many sites across the region. This includes in Dumfries, Castle Douglas, Dalbeattie and Stranraer. Together we identify and address barriers to active and sustainable travel for work and to work. I can act as a link between this major workforce and the SWestrans Board, providing feedback on travel behaviour, including barriers and initiatives to address these.</p> <p>Does the individual bring a particular knowledge or expertise? I have seven years experience in behavioural change programmes which seek to increase active and sustainable travel. Six of these have been spent in Dumfries, so I have excellent background knowledge of travel facilities and infrastructure in the area, as well as an awareness of social and behavioural patterns across Dumfries town. I also draw on experience from my time as Project Officer for Living Streets, based in Durham County Council.</p>

	Observer Appointments	Supporting Information
3	<p>June Hay</p> <p>Comment – Reappointment – 3rd term</p>	<p>Does the individual represent a specific interest group? Outdoor Access Forum.</p> <p>Will the proposed individual have a useful input and make a valuable contribution? I believe I make a valuable contribution as both a regular user of buses in the region having experience similar to much of D & G travelling public and also as someone with a keen interest in sustainable travel, walking and cycling, as a member of the Regional Outdoor Access Forum.</p> <p>Does the individual bring a particular knowledge or expertise? I believe I make a valuable contribution as both a regular user of buses in the region having experience similar to much of D & G travelling public and also as someone with a keen interest in sustainable travel, walking and cycling, as a member of the Regional Outdoor Access Forum.</p>
4	<p>Hugh McCreadie</p> <p>Comment – Reappointment – 3rd term</p>	<p>Does the individual represent a specific interest group? No.</p> <p>Will the proposed individual have a useful input and make a valuable contribution? Regular board attendee for many years before COVID-19 pandemic.</p> <p>Does the individual bring a particular knowledge or expertise? Chair of Lochside and Woodlands Community Council.</p>
5	<p>Fraser Smith</p> <p>Comment – Reappointment – 2nd term</p>	<p>Does the individual represent a specific interest group? Stagecoach West Scotland.</p> <p>Will the proposed individual have a useful input and make a valuable contribution? Extensive knowledge of bus operations and wider transport requirements in the SWestrans area.</p>

	Observer Appointments	Supporting Information
		<p>Does the individual bring a particular knowledge or expertise?</p> <ul style="list-style-type: none"> • Has 12 years' experience in the bus industry with experience across a number of different industries in the 15 years prior to that. • 5 years with Stagecoach West Scotland - current role Business Development Director. • Has held a number of Commercial Management and Director roles in the bus industry including with STG Cumbria and North Lancs which has given him previous experience of services in the SWestrans area, and with Scottish Citylink where he dealt with a number of councils including Western Isles, Highland, Argyll & Bute, Perth & Kinross, Stirling, Aberdeen City, Dundee, Fife, City of Edinburgh and West Lothian and also with SPT and HITRANS. • Has attended numerous cross modal transport forums including Ferry Users Groups, Local Transport Forums and have contacts at and working relationships with Calmac and Scotrail. • A member of the Chartered Institute of Logistics and holds an International CPC qualification.
6	<p>Emma Watson</p> <p>Comment – New appointment – replacing Audrey Laidlaw and Frazer Durie</p>	<p>Does the individual represent a specific interest group? Network Rail.</p> <p>Will the proposed individual have a useful input and make a valuable contribution? Network Rail representatives have experience of the strategic and long term planning of railways in the SWestrans area.</p> <p>Does the individual bring a particular knowledge or expertise? Yes, knowledge of the rail network and future plans in the SWestrans area.</p>
7	<p>Graham Whiteley</p> <p>Comment – Reappointment – 3rd term</p>	<p>Does the individual represent a specific interest group? No.</p> <p>Will the proposed individual have a useful input and make a valuable contribution? I believe I can continue to make a valuable, professional contribution to the discussions at the</p>

	Observer Appointments	Supporting Information
		<p>Board meetings, and will strive to attend as many meetings as reasonably practicable.</p> <p>Does the individual bring a particular knowledge or expertise?</p> <p>I had 35 years' experience in transport and public transport planning in local government, including working for Dumfries & Galloway and Cumbria County Councils, latterly at management level. I have detailed knowledge of all forms of public passenger transport and maintain an active interest in developments in this field, especially in Scotland. I continue to make contributions to national and local consultation exercises in the field of passenger transport.</p>

Table 1 – Observer appointments

3.3 It is perhaps worth noting that SWestrans Board meetings have been accustomed to being inclusive, and regular attendees who are not Observers are provided the opportunity to contribute to the meeting by the Chair.

4. Implications	
Financial	None.
Policy	None.
Equalities	None
Climate Change	None
Risk Management	None.

5. Recommendation

Members of the Board are asked to consider and agree the appointment of Observers for 4 years as detailed in Table 1.

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