

SOUTH WEST OF SCOTLAND TRANSPORT PARTNERSHIP

**Meeting of Friday, 26 November 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

28 January 2022

25 March 2022

Douglas Kirkpatrick

Lead Officer, South West of Scotland Transport Partnership

SOUTH WEST OF SCOTLAND TRANSPORT PARTNERSHIP

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

1. **SEDERUNT AND APOLOGIES**
2. **DECLARATIONS OF INTEREST**
3. **MINUTES OF MEETING ON 24 SEPTEMBER 2021 – FOR APPROVAL**
4. **REVENUE BUDGET MONITORING REPORT 2021/22 FOR THE PERIOD ENDING 31 OCTOBER 2021** – Recommendation - note the forecast outturn for the revenue budget as at 31 October 2021.
5. **REPORT BY EXTERNAL AUDIT ON THE 2020/21 AUDIT OF SOUTH WEST SCOTLAND TRANSPORT PARTNERSHIP** – Recommendations – (i) receive the external auditors' report on the 2020/21 audit as detailed at Appendix 1; (ii) approve the Letter of Representation to be certified by the Treasurer and appended to the audit report as detailed at Appendix 2; (iii) approve the audited accounts which will be certified by the Treasurer and Grant Thornton (prior to 30 November 2021) as detailed at Appendix 3; and (iv) note that the certified accounts will be made available to all Members before 30 November 2021, when they will be available on SWestrans website as detailed in paragraph 3.4.
6. **CAPITAL EXPENDITURE PROGRAMME 2021/22 - 2023/24 UPDATE**– Recommendations – (i) note the update provided on progress with the Capital Expenditure Programme 2021/22; (ii) note the merger of the SWestrans Asset Class with the Council's Fleet Asset Class to create a combined Transport Asset Class; and (iii) note and welcome the additional funding available to the Transport Asset Class across the next 3 to 5 years.
7. **SHORT PATHS BETWEEN COMMUNITIES** – Recommendation - note the progress to develop proposals on short path links between communities and that further development work will be undertaken on these links with Dumfries and Galloway Council.
8. **CLIMATE CHANGE DUTIES – REPORTING 2020/21**- Recommendations - (i) note the summary provided of the information for inclusion in the 2020/21 Climate Change Duties Report for SWestrans; and (ii) agree to submit the 2020/21 Climate Change Duties Report for SWestrans by the deadline 30 November 2021.
9. **LOCAL BUS SERVICES UPDATE** - Recommendations - (i) agree the proposed tender timeline for replacing local bus contracts as presented in Table 1; (ii) note the introduction of free bus travel for eligible residents under the age of 22 from 31 January 2022; and (iii) note the update provided in section 5 of the report on the current local bus network position.

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

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 24 September 2021
at 10.30am at Remote Meeting via Microsoft Teams

Present

Members

Andrew Wood (Chairman)	-	Dumfries and Galloway Council
John Campbell (Vice-Chairman)	-	Dumfries and Galloway Council
Richard Brodie	-	Dumfries and Galloway Council
David Bryson	-	NHS Dumfries band Galloway
Ronnie Tait	-	Dumfries and Galloway Council
Adam Wilson	-	Dumfries and Galloway Council

Officials

Douglas Kirkpatrick	-	Lead Officer
Claire Rogerson	-	Secretary to the Board
Josef Coombey	-	Policy and Projects Officer
Janet Sutton	-	Finance Officer
Kirsty Dunsmore	-	Policy and Projects Officer

Apologies

Karen Jackson	-	South of Scotland Enterprise
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1. SEDERUNT AND APOLOGIES

6 Board Members present and 1 apology.

2. DECLARATIONS OF INTEREST

Decision

NONE declared

3. MINUTES OF MEETING ON 25 JUNE 2021

Decision

APPROVED subject to an amendment at item 5 for the decision to read

“**NOTED** the draft financial outturn for 2020/21 and that a break even position was achieved.”

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

Decision

4.1 The Board **AGREED** that there was one item of business deemed urgent by the Chairman due to the need for a decision this being:- Bus turning Southernness which would be taken as item 4A. The item was deemed urgent due to time constraints detailed in the report.

PROCEDURE – As the report contained exempt information in respect of paragraphs 6 and 8 of schedule 7A of the Local Government (Scotland) Act 1973 the Board were advised to exclude the public for consideration of this item. and item 5 which contained confidential or exempt information in respect of paragraphs 1 and 6 of Schedule 7A of the Local Government (Scotland) Act 1973.

PROCEDURE – The Board **AGREED** to consider the following items of business in private and exclude the Press, members of the public and Observers from the meeting given the report contains confidential or exempt information in respect of paragraphs 1,.6, and 8, of Schedule 7A of the Local Government (Scotland) Act 1973.

4A – BUS TURNING SOUTHERNESS

Summary of Report – This report informed the Board of an operational bus turning issue at Southernness and sought agreement to the Heads of Terms with Southernness Golf Club and progression to a formal Minute of Agreement.

Decision

The Board:-

4A.1 **NOTED** the operational bus turning issue at Southernness; and

4A.2 **AGREED** the Head of Terms as shown in Appendix 2 of the report. with Southernness Golf Club and the progression of a formal Minute of Agreement.

5. RESOURCING SWESTRANS

Summary of Report – The report sought agreement that SWestrans be the Lead Community Planning Partner for the development and delivery of the new Public Transport Model. The report asked the Board to consider and recommend to Dumfries and Galloway Council a proposed staffing structure that would enable SWestrans to deliver the new Public Transport Model and function as an effective and resilient organisation.

Decision

The Board **AGREED**

5.1 to SWestrans being the lead Community Planning Partner for the development and delivery of the new Public Transport Model, subject to the identified staff resource being provided; and

5.2 the staff resource requirements of SWestrans as indicated in paragraph 4.19 of the report are submitted to Dumfries and Galloway Council for consideration.

REVENUE BUDGET MONITORING REPORT 2021/2022 FOR THE PERIOD ENDING 31 OCTOBER 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 October 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 October 2021.

Janet Sutton - Report Author Finance Officer Tel: 01387 260105 Date of Report: 8 November 2021	Douglas Kirkpatrick Lead Officer South West of Scotland Transport Partnership Cargen Tower Garroch Business Park, Dumfries DG2 8PN
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APPENDIX - Monitoring Report 2021/22 for the period ending 31 October 2021.

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

	FINAL OUTTURN 2020/21 £	PUBLISHED BUDGET 2021/22 £	BUDGET ADJUSTMENTS 2021/22 £	ADJUSTED BUDGET 2021/22 £	ACTUAL EXPENDITURE TO 31/10/21 £	PROJECTED OUTTURN 2021/22 £	VARIANCE 2021/22 £
EXPENDITURE							
Staff Costs	117,280	110,848		110,848	18,362	110,848	0
Supplies & Services	0	960		960	0	960	0
Administration Costs	14,062	20,193		20,193	6,510	20,193	0
Payments	4,061,379	4,128,038		4,128,038	2,554,159	4,128,038	0
Central Support	44,999	48,750		48,750	-278	48,750	0
Capital Charges	263,723			0	154,264	0	0
Total Expenditure	4,501,443	4,308,789	0	4,308,789	2,733,017	4,308,789	0
INCOME							
Scottish Government Funding	259,250	259,250		259,250	181,050	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	181,050	4,308,789	0
NET EXPENDITURE	0	0	0	0	2,551,967	0	0

REPORT BY EXTERNAL AUDIT ON THE 2020/21 AUDIT OF SOUTH WEST SCOTLAND TRANSPORT PARTNERSHIP

1. Reason for Report

The purpose of this report is to present SWestrans audited annual accounts and the external auditors' report on the 2020/21 audit of the SWestrans to this Board in line with the requirements of the International Standards on Auditing 260 (ISA 260).

2. Background

2.1 The Partnership's external auditors are Grant Thornton UK LLP who were appointed on a five year appointment from 2016/17 to 2020/21. On 13 October 2020, the Auditor General for Scotland and the Accounts Commission for Scotland confirmed that this appointment would be extended for one further year to cover the period 2021/22 due to the significant disruption that COVID 19 has had on public sector bodies and the auditors of the public sector.

2.2 Due to restrictions associated with COVID 19, the audit of SWestrans Annual Accounts had been undertaken remotely for both 2019/20 and 2020/21. This approach has been more resource intensive for both Grant Thornton and Officers. In recognition of these increased demands, that statutory deadline for preparing and auditing the 2020/21 Annual Accounts was extended (with the date for "signing off" the Accounts extended from 31 September to 30 November, and publication extended to 30 November).

2.3 Grant Thornton have now almost concluded their audit of the Partnership's Annual Accounts for the year ended 31 March 2021. There are no qualifications in the audit report on the Annual Accounts. It is the opinion of the External Auditor that the financial statements provide a true and fair view of the Partnership's financial position and income and expenditure for the year.

2.4 Grant Thornton are required to present a report to those charged with governance in the Partnership before 30 November 2021. This report covers the external auditors' wider role, extending to areas such as governance & accountability and performance management & improvement. The report is attached at **Appendix 1**.

3. Key Points - The 2020/21 Final Accounts Audit Process

3.1 The main purpose of the external auditors' report to the Board is to highlight any significant matters that have arisen during the course of the audit, extending to areas such as governance and accountability and performance management & improvement. There were no key issues highlighted for the Partnership.

3.2 The International Standard on Auditing 580 (ISA 580) requires auditors to obtain assurances from the proper officer on certain issues relating to the annual accounts. A copy of the letter relating to the 2020/21 accounts as **Appendix 2**. Board members are asked to approve this statement which will be signed by the Treasurer following this meeting.

3.3 As previously reported to this board, the regulations on the publication of the annual accounts changed in 2014/15 and the audited accounts will require to be approved by the Board prior to being signed by the Treasurer. Therefore, again this

year the unsigned audited accounts have been included as part of this report and are attached in **Appendix 3**.

3.4 There have been no significant changes made from the unaudited accounts which were presented to the Board on 25 June 2021. The final certified annual accounts will be made available to the Board before 30 November 2020, when they will be published on the SWestran's website.

4. Consultation

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

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

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

6. Recommendations

Members of the Board are asked to:

- 6.1 receive the external auditors' report on the 2020/21 audit as detailed at **Appendix 1**;
- 6.2 approve the Letter of Representation to be certified by the Treasurer and appended to the audit report as detailed at **Appendix 2**;
- 6.3 approve the audited accounts which will be certified by the Treasurer and Grant Thornton (prior to 30 November 2021) as detailed at **Appendix 3**; and
- 6.4 note that the certified accounts will be made available to all Members before 30 November 2021, when they will be available on SWestrans website as detailed in paragraph 3.4.

Janet Sutton - Report Author Finance Officer Tel: 01387 260105 Date of Report: 19 November 2021 File Ref:	Approved by: Douglas Kirkpatrick Lead Officer South West of Scotland Transport Partnership Cargen Tower Garroch Business Park Dumfries DG2 8PN
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Appendix 1 – Report to Members and the Controller of Audit on the 2020/21 Audit

Appendix 2 – Letter of Representation

Appendix 3 – Unsigned audited accounts 2020/21

South West of Scotland Transport Partnership

Financial year ended 31 March 2021

Audit Report to Members of the South West of Scotland Transport Partnership and the Controller of Audit

Draft External Audit Report – Board Meeting 26 November 2021



Contents



Your key Grant Thornton team members are:

John Boyd

Audit Director

T 0141 223 0899

E john.p.boyd@uk.gt.com

Sumiya Beg

Audit In-Charge

T 0131 223 0885

E Sumiya.beg@uk.gt.com

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The contents of this report relate only to the matters which have come to our attention, which we believe need to be reported to you as part of our external audit process. It is not a comprehensive record of all the relevant matters, which may be subject to change, and in particular we cannot be held responsible to you for reporting all of the risks which may affect the South West of Scotland Transport Partnership or all weaknesses in your internal controls. This report has been prepared solely for your benefit and Audit Scotland (under the Audit Scotland Code of Practice 2016). We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

Key messages

This is our [DRAFT] report to South West of Scotland Transport Partnership ('SWestrans') and the Controller of Audit and concludes our audit on the financial year ended 31 March 2021. We [plan to issue] an unmodified audit opinion on the annual report and accounts. We thank Officers for all their assistance during the audit process.

03 Other audit matters

Our final report summarises a number of other audit matters, including:

- We have concluded that the South West of Scotland Transport Partnership ('SWestrans') meets the definition of a going concern, reflecting on FRC Practice Note 10 considerations.
- We set out our roles and responsibilities on fraud. During the course of our work we did not identify fraud and/or material error.

There were a number of disclosure adjustments. These are detailed in Appendix 1 and not considered material to the accounts.

01 Materiality

We re-calculated our materiality based on the unaudited annual report and accounts. The benchmark of 2% of operating expenditure remained the same. This resulted in:

- Materiality of £90,020 and a performance materiality (75% of materiality) of £67,515.
- All audit adjustments above £4,500 were reported to management and captured in this report.

04 Wider Scope Audit

In accordance with the Code we determined that SWestrans meet the definition of a smaller body. This is based on SWestrans' income and expenditure transactions and balances held being relatively smaller than other public bodies and the financial statements are considered less complex.

In accordance with the Code we have concluded in this report on your governance statement and SWestrans' financial sustainability arrangements. During our audit we did not identify any further areas of wider scope risk.

02 Financial statement audit risks

At planning, in accordance with the ISAs (UK) and FRC Practice Note 10 we have identified the following significant financial statement audit risks:

- Management override of controls (ISA UK 240)
- Risk of fraud in expenditure recognition around the year end (FRC PN10)

We have no matters to bring to your attention arising from our work over these significant audit risks.

05 Our Audit Fee

Our audit fee, set out in our audit plan, of £10,240 was our final audit fee. There were no non-audit services (fees) during the year and we did not need to vary our agreed fee.

Introduction

Scope of our audit work

This report is a summary of our findings from our external audit work for the financial year ended 31 March 2021 at SWestrans. The scope of our audit was set out in our External Audit Plan communicated to SWestrans in April 2021.

The main elements of our audit work in 2020/21 have been:

- An audit of SWestrans' annual report and accounts for the financial year ended 31 March 2021; and
- Consideration financial sustainability and the Governance Statement, as required under the smaller body classification, within the Audit Scotland Code of Practice (2016).

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

This report is addressed to the Accountable Officer and the Auditor General for Scotland and will be published on Audit Scotland's website www.audit-scotland.gov.uk in due course.

Status of the audit as at 26 November 2021

Our audit work is substantially complete. As at 16 November 2021 the final audit procedures were outstanding:

- Subsequent events procedures;
- Management's going concern assessment;
- Outstanding Income/Expenditure transactions; and
- Final engagement leader quality review.

Responsibilities

SWestrans is responsible for preparing an annual report and accounts which show a true and fair view and prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom.

The audit of the financial statements does not relieve Officers or SWestrans of your responsibilities. It is the responsibility of the Partnership to ensure that proper arrangements are in place for the conduct of its business, and that public money is safeguarded and properly accounted for. We will consider how SWestrans is fulfilling these responsibilities.

The recommendations or risks identified in this report are only those that have come to our attention during our normal audit work and may not be all that exist. Communication in this report of matters arising from the audit or of risks or weaknesses does not absolve management from its responsibility to address the issues raised and to maintain an adequate system of control.

Adding value through our audit work

We aim to add value to SWestrans throughout our audit work. In delivering our audit we use a dedicated public sector audit team. This ensures our team have a comprehensive understanding of SWestrans and the wider public sector to focus on key areas of risk relevant to your financial statements.

As a result of the social distancing and travel restrictions implemented in response to the Covid-19 pandemic our audit work was delivered remotely. We continue to share recommended practices with management, where relevant, and contribute to wider discussions at SWestrans during the year.

Audit of the annual report and accounts

Key messages and judgements

We **[plan to issue]** an **unmodified** audit opinion on the annual report and accounts.

There were no adjustments to the primary financial statements. We raised a number of minor disclosure adjustments. We do not consider these to be material. Further details are provided in **Appendix 1**.

We would like to thank Officers for all their assistance during the year.

Our audit opinion

For the financial year ended 31 March 2021 we **[plan to issue]** an **unmodified opinion** on the annual report and accounts. As reported in the independent auditor's report:

- the financial statements give a true and fair view and were properly prepared in accordance with applicable law and the Code of Practice on Local Authority Accounting in the United Kingdom 2020/21 (the 2020/21 Code)
- have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the 2020/21 Code
- have been prepared in accordance with the requirements of the Local Government (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003.
- the information given in the Management Commentary, Annual Governance Statement and the Governance Compliance Statement for the financial year is consistent with the financial statements and have been prepared with statutory guidance issued under the Local Government in Scotland Act 2003; and, Delivering Good Governance in Local Government: Framework (2016).

The audit process

As a result of the social distancing measures introduced in response to Covid-19 our audit work has been undertaken remotely with audits taking longer to complete throughout the year. Consequently, we agreed with Officers to undertake our detailed fieldwork throughout September and October to finalise for SWestrans in November 2021. We received a good set of draft financial statements from Officers. There were no audit adjustments to the primary financial statements. We identified a number of disclosure adjustments in respect of the draft financial statements. A full listing of disclosure misstatements is detailed in **Appendix 1**. We do not consider these to be material to the financial statements.

Materiality

The concept of materiality is fundamental to the preparation of the financial statements and the audit process and applies not only to the monetary misstatements but also to disclosure requirements and adherence to acceptable accounting practice and applicable law. We updated our audit materiality to reflect the 2020/21 draft financial statements. It is set at £90,020 representing 2% of net operating expenditure. Performance materiality was set at £69,120, representing 75% of our calculated materiality. We report to management any difference identified over £4,500 (Being 5% of materiality).

Responding to significant financial statement risks

Significant risks are defined by ISAs (UK) as risks that, in the judgement of the auditor, require special audit consideration. In identifying risks, audit teams consider the nature of the risk, the potential magnitude of misstatement, and its likelihood. Significant risks are those risks that have a higher risk of material misstatement.

This section provides commentary on the significant audit risks communicated in the Audit Plan.

Risks identified in our Audit Plan	Commentary
<p>Management override of controls</p> <p>As set out in ISA 240 there is a presumed risk that management override of controls is present in all entities. This risk area includes the potential for management to use their judgement to influence the financial statements as well as the potential to override SWestrans' controls for specific transactions.</p> <p>We consider those key judgements that are most susceptible to significant audit risk of management override are those over the valuation of investments. These are areas where management has the potential to influence the financial statements through estimate and judgement. This includes manual journals as well as critical judgements or estimates.</p>	<ul style="list-style-type: none"> • We considered the design of controls in place over key accounting estimates and judgements through performance of walkthrough procedures. • We reviewed accounting estimates for management bias / indication of fraud that could result in material misstatement. This included review of estimates as at 31 March 2021. <p>Journals testing including:</p> <ul style="list-style-type: none"> • Assessment of the design of controls in place over journal entries, including journal preparation, authorisation and processing onto the financial ledger; • Risk assessment of the journals population to identify large or unusual journal entries, such as those that are not incurred in the normal course of business, or those entries that may be indicative of fraud or error that could result in material misstatement. We tested these journals to ensure they are appropriate and suitably recorded in the financial ledger; • Target testing of transactions around the financial year end, reviewing large journals and those which appear unusual to understand the rationale for the transaction. <p>Conclusion [subject to completion of final audit procedures and quality review]</p> <p>Through our audit procedures performed we found that there was no evidence of management override in our testing of transactions tested. We did not identify indication of fraud or inappropriate management bias in accounting estimates that could result in a material misstatement.</p>

Risks identified in our Audit Plan

Risk of fraud in expenditure recognition (cut-off)

Operating expenditure is understated or not treated in the correct period (risk of fraud in expenditure). As payroll expenditure is well forecast and agreeable to underlying payroll systems, there is less opportunity for the risk of misstatement in this expenditure stream. We therefore focus on material non-pay expenditure streams. We consider the risk to be particularly prevalent around the year end and therefore focus our testing on cut-off of these expenditure streams and the completeness of expenditure.

Our testing includes a specific focus on year end cut-off arrangements, where it may be advantageous for management to show an enhanced/different financial position in the context of reporting in-year to Scottish Government and the need to achieve the financial targets set.

Commentary

- We performed walkthroughs of the controls and procedures over non-pay expenditure streams;
- Substantive testing of expenditure throughout the year to confirm its occurrence and accuracy of recording with a heightened risk around the year-end where we consider greatest incentive / opportunity for material misstatement;
- Focused substantive testing of non-pay expenditure recognised post year end to identify if there is any potential understatement to address the risk of cut-off; and
- Review of accruals and payables, where material, around the year end to consider if there is any indication of understatement or overstatement of balances held through consideration of accounting estimates.

Conclusion [subject to completion of final audit procedures and quality review]

Through our audit procedures performed we did not identify any exceptions in our year end cut-off testing of expenditure. We did not identify any exceptions in the completeness and accuracy of accruals or payables balances at year end.

We did not identify any further areas of significant risk through the course of our audit work.

Significant estimates and judgements

SWestrans' annual report and accounts contain limited areas of estimation and judgement. The only area of estimation in the accounts relates to depreciation. Depreciation is charged over the expected useful economic life of the assets and our audit testing did not identify any indication of management bias or error in the calculation of depreciation. We are satisfied this does not represent an area of significant estimation or judgement.

Internal control environment

In accordance with ISA requirements we have developed an understanding of the control environment in place within SWestrans. We did this through a walkthrough of key controls within SWestrans including expenditure, income, and journals. Dumfries and Galloway Council provide administration services, including key financial processing on behalf of SWestrans, and our walkthroughs considered the controls in place at the Council. We have separately raised recommendations to the Council in relation to enhancing controls around journals approval processes. These should enhance the control environment around journals processing. However, from our testing over SWestrans journals we have not identified any inappropriate or unauthorised journals and we identified no material weaknesses from this work which would have caused us to alter the planned approach as documented in our plan. We identified

Detecting Irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to SWestrans and determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the reporting frameworks; International Financial Reporting Standards and the CIPFA Code of Practice on Local Authority Accounting 2020/21 (the 2020/21 Code).
- We enquired of Officers and the SWestrans' Board, concerning SWestrans' policies and procedures relating to the identification, evaluation and compliance with laws and regulations; the detection and response to the risks of fraud; and the establishment of internal controls to mitigate risks related to fraud or non-compliance with laws and regulations.
- We enquired of Officers (Management) and SWestrans, whether they were aware of any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud.
- We assessed the susceptibility of SWestrans' financial statements to material misstatement, including how fraud might occur, by evaluating management's incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risk of management override of controls. We determined that the principal risks were in relation to journal entries that altered SWestrans' financial performance for the year and potential management bias in determining accounting estimates. Our audit procedures involved are documented within our response to the significant risk of management override of controls on Page 6.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. However, detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as those irregularities that result from fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.
- The team communications in respect of potential non-compliance with relevant laws and regulations, included the potential for fraud in expenditure recognition and significant accounting estimates.
- In assessing the potential risks of material misstatement, we obtained an understanding of:
 - SWestrans' operations, including the nature of its operating revenue and expenditure and its services and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement.
 - SWestrans' control environment, including the policies and procedures implemented to ensure compliance with the requirements of the financial reporting framework.

Other key elements of the financial statements

As part of our audit there were other key areas of focus during the course of our audit. Whilst not considered a significant risk, these are areas of focus either in accordance with the Audit Scotland Code of Audit Practice or ISAs or through due to their complexity or importance to the user of the accounts.

Issue	Commentary
Matters in relation to fraud and irregularity	It is SWestrans' responsibility to establish arrangements to prevent and detect fraud and other irregularity. As auditors, we obtain reasonable assurance that the financial statements as a whole are free from material misstatement, whether due to fraud or error. We obtain annual representation from management regarding managements assessment of fraud risk, including internal controls, and any known or suspected fraud or misstatement. We have not been made aware of any other incidents in the period and no other issues have been identified during the course of our audit procedures.
Accounting practices	We have evaluated the appropriateness of SWestrans' accounting policies, accounting estimates and financial statement disclosures. Disclosures and accounting policies are in line with the 2020/21 Code and we have no matters to report.
Matters in relation to related parties	We are not aware of any related parties or related party transactions which have not been disclosed.
Matters in relation to laws and regulations	You have not made us aware of any significant incidences of non-compliance with relevant laws and regulations and we have not identified any incidences from our audit work.
Opinion on other aspects of the annual report and accounts	The information given in the Management Commentary is consistent with the financial statements and that report has been prepared in accordance with statutory guidance issued under the Local Government in Scotland Act 2003. We carry out work to satisfy ourselves that disclosures made in your Annual Governance Statement are consistent with the financial statements and that the report is prepared in accordance with the Delivering Good Governance in Local Government: Framework (2016).

Issue	Commentary
Matters on which we report by exception	We are required by the Auditor General for Scotland to report to you if, in our opinion: adequate accounting records have not been kept; or the financial statements are not in agreement with the accounting records; or we have not received all the information and explanations we require for our audit there has been a failure to achieve a prescribed financial objective. We have nothing to report in respect of these matters.
Annual Governance statement	The governance statement outlines the governance framework in place at SWestrans. The Annual Governance Statement is consistent with the financial statements and the report is prepared in accordance with the Delivering Good Governance in Local Government: Framework (2016). We identified opportunities to enhance the disclosures in the Annual Governance statement, particularly around the assurances over internal control from Internal Audit and opportunities for improvement and these have been reflected in the updated disclosure (Appendix 1). There were no further matters arising from our review of the governance statement that we want to draw attention to.
Written representations	A letter of representation has been requested from the Executive Chief Officer, Resources and Finance, including specific representations, which is included in SWestrans' papers. Specific representations have been requested from officers in line with prior years and confirms as auditors all records have been made available to us.
Going concern	<p>In performing our work on going concern, we have had reference to Statement of Recommended Practice – Practice Note 10: Audit of financial statements of public sector bodies in the United Kingdom (Revised 2020). The Financial Reporting Council recognises that for particular sectors, it may be necessary to clarify how auditing standards are applied to an entity in a manner that is relevant and provides useful information to the users of financial statements in that sector. Practice Note 10 provides that clarification for audits of public sector bodies.</p> <p>Practice Note 10 states that if the financial reporting framework provides for the adoption of the going concern basis of accounting on the basis of the anticipated continuation of the provision of a service in the future, the auditor applies the continued provision of service approach set out in Practice Note 10. The financial reporting framework adopted by SWestrans meets this criteria, and so we have applied the continued provision of service approach. In accordance with Audit Scotland guidance: Going concern in the public sector, we have therefore considered Officer's assessment of the appropriateness of the going concern basis of accounting and conclude that:</p> <ul style="list-style-type: none"> • a material uncertainty related to going concern has not been identified • Officer's (Management's) use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Wider scope audit – Smaller body

As set out in our Audit Plan, SWestrans meets the definition of a smaller body in accordance with the Audit Scotland Code of Practice (2016). Therefore, as auditors we are required to include in our annual report commentary on arrangements as they relate to financial sustainability and the Annual Governance Statement. Our work on the Annual Governance Statement, and conclusions are set out on page 12 of this report. Below we have captured our commentary and conclusions on financial sustainability and other matters of interest during the year.

Wider scope dimension	Wider scope risk identified in our audit plan	Wider scope audit response and findings	Grant Thornton conclusion
Governance arrangements (Audit Scotland planning guidance consideration)	No significant risks identified within our audit planning.	<p>Governance</p> <p>As a result of the outbreak of Covid-19, SWestrans meeting in March and May 2020 was cancelled. However, key business, was covered through subsequent meetings. As a result of the travel restrictions and social distancing measures introduced as a result of Covid-19, the Dumfries and Galloway Council, as administering authority, have implemented remote working and governance arrangements during the year, including remote meetings of SWestrans.</p> <p>Dumfries and Galloway Council provide administration services, including financial management arrangements, on behalf of SWestrans. Officers and the Partnership Board take assurances from the Council's Internal Audit service around the effectiveness of Internal Control environment. However, there is no formal reporting arrangement in place to provide independent assurance from Internal Audit to SWestrans. As noted in Appendix 1, we raised presentational changes to the Annual Governance statement to reflect the governance arrangements in place during the year, including the impact of Covid-19 on the organisation as well as opportunities for enhancing assurances over internal controls.</p>	<p>We did not identify any significant concerns around SWestrans' governance arrangements. We are satisfied that the updated Governance Statement reflects the arrangements in place during the year.</p> <p>We found that there is an opportunity for enhancing assurance arrangements over the systems of internal control at SWestrans. While the Partnership Board takes assurance from the Council's internal controls through the work of Internal Audit, there is no formal reporting or assurances from Internal Audit over the internal controls at the Partnership.</p>

Action Plan follow up – 2.

Wider scope dimension	Wider scope risk identified in our audit plan	Wider scope audit response and findings	Grant Thornton conclusion
Financial Sustainability, (as applicable to a smaller body)	No significant risks identified within our audit planning.	<p>For the year ended 31 March 2021, SWestrans reported total comprehensive income for the year of £22,000 (2019/20: expenditure £270,000). During the year, SWestrans delivered an overall breakeven position against budget. SWestrans' main area of expenditure is in subsidise in respect of the local bus network. During 2020/21 this expenditure totalled £4.1 million. This has been funded primarily through funding from Scottish Government Grants and Dumfries and Galloway Council.</p> <p>SWestrans recognise the financial pressures facing the organisation as it looks to subsidise transport services across the region within the financial resources available. The impact of Covid-19 is expected to have ongoing implications for service providers and one SWestrans' recognise. However, as the constituent authorities have a statutory obligation to funding the Transport Partnership's activities the Partnership Board is satisfied that it will continue to receive sufficient funding to deliver services in the region.</p> <p>The Transport (Scotland) Act 2019, provides the SWestrans with the statutory authority to generate a surplus and therefore a General Fund Balance to support future spend. However, for 2020/21 no surplus has been generated and there are no immediate plans to generate reserves. However, over the longer term, SWestrans may identify opportunities to generate reserves to support strategic investment in the region. In March 2021, SWestrans approved a three year capital programme from 2021-2024 covering the strategic capital investment over the coming years. However, the revenue budget continues to be set for a single year, reflecting the annual funding settlement from constituent authorities and the Scottish Government. SWestrans' should look to develop medium to longer term financial plans to support the organisation take a strategic approach to addressing the financial pressures facing the organisation. Action plan follow up - 3</p>	<p>Through our audit procedures we have not identified any significant risks in relation to SWestrans' financial sustainability.</p> <p>For 2020/21 SWestrans' have delivered a breakeven position, operating within resources available. Over the longer term SWestrans continue to be funded through constituent authority funding and while recognising financial pressures facing the organisation, have no underlying concerns around sustainability.</p>

Appendices

1. Audit Adjustments

We are required to report all non trivial misstatements to those charged with governance, whether or not the accounts have been adjusted by management. We are pleased to report that there were no uncorrected misstatements to the primary financial statements. We are pleased to report we did not identify any misstatements to the primary financial statements.

[subject to finalisation of audit procedures]

Misclassification and disclosure changes

The table below provides details of substantive misclassification and disclosure changes identified during the audit which have been made in the final set of financial statements. [subject to finalisation of audit procedures]

Disclosure	Auditor recommendations	Adjusted?
Annual Report	There is an opportunity to enhance the current management commentary to provide a greater focus on SWestrans' strategic objectives and progress towards the delivery of these.	✓
Statement of Cash Flows	The presentation could benefit from a note to the financial statements to support the disclosure of non-cash movements throughout the year.	✓
Management Commentary	There is an opportunity to enhance the disclosure on financial performance to link between budget outturn against performance reported in the CIES.	No – Officers are satisfied that the Management commentary reflects the overall outturn position. Audit are satisfied this is not material to the Annual Accounts and that the actual performance reported is consistent with the financial statements
Accounting policies	Accounting policies do not explicitly refer to IFRS 15 and there is an opportunity to enhance the disclosures to cover the different revenue streams including	No – Officers are satisfied that the disclosure provides sufficient understanding of SWestrans' accounting policies on income recognition. Audit are satisfied that the accounting policy is not misleading and that the policies followed by Management are in accordance with the Code.

Disclosure	Auditor recommendations	Adjusted?
Accounting standards issued	Updating disclosure of IFRS 16 to note that this accounting standard has been issued but not yet adopted by the Code.	✓
Key Management Personnel	The Annual Accounts should include disclosures in accordance with the Code and IAS 24 around Key Management Personnel.	Partly – Management have updated the disclosures to reflect the role of the Lead Officer and recharge of costs (50%) of payroll costs. However, this does not include the entity’s share of employee benefit obligations including pension benefits. While we are satisfied the disclosure material to the accounts, there is an opportunity to enhance the disclosure in line with the requirements of the Code.
Annual Governance statement	<p>The Annual governance statement should be updated to disclose the impact of Covid-19 on the organisation’s governance arrangements during the year.</p> <p>The Governance Statement should be updated to confirm the overall governance arrangements in place during the year. This should include; the role of the Treasurer, risk management arrangements; and improvements identified in the systems of governance, including the role of Internal Audit.</p>	Partly – Officers have updated disclosures to enhance governance arrangements in place at SWestrans in accordance with the Delivering Good Governance in Local Government: Framework (2016). However, there is an opportunity to further develop the Governance Statement disclosures to enable the reader a clearer understanding of the systems of internal control and assurances in place during the year.

There were minor presentational (rounding / formatting) changes recommended to Management. These are not considered material to the accounts.

2. Follow up of 2019/20 recommendations

We are pleased to report there were no audit recommendations arising from our audit work in the current year. We set out below our follow up of our 2019/20 recommendation and this is reflected below for information.

1. Management commentary (original recommendation 2018/19)

The Management Commentary provides users of the accounts with information on the SWestrans' financial and non-financial performance during the year and its financial outlook for 2019/20. While the Commentary includes a review of 2018/19 key developments and achievements, there is an opportunity to further develop the reporting in future years to provide performance against key performance outcomes. We recommend that officers look to enhance the Management Commentary contained within the financial statements to provide quantifiable measures of performance against key priorities.

Initial management response: We will continue to review and enhance the commentary where appropriate that will look to add value to the document

Follow up: **Closed:** Officers have reviewed the Management commentary for 2020/21 to provide the reader of the accounts commentary on financial and non financial performance during the year. This has included impact of Covid-19 on the organisation. While Officers' recognise this is an area that can continue to be refined and enhanced the commentary provides a balanced overview of performance in the year.

2. Internal Audit(original recommendation 2018/19)

The Internal Audit section of Dumfries & Galloway Council has reviewed these systems and has determined that reasonable assurance can be placed upon the adequacy and effectiveness of the systems. While we recognise that the assurance provided by the Council's Internal Audit services provides some assurance to SWestrans around design and operating effectiveness of key financial processes, there is limited assurance over key strategic risks to the organisation. We recommend that SWestrans explore options, including utilising Internal Audit to obtain independent assurance over key areas of strategic risk. Areas could include financial and operational planning and governance arrangements. During 2019/20 while some assurance to SWestrans around design and operating effectiveness of key financial processes, there is limited assurance over key strategic risks to the organisation. There is an opportunity for SWestrans to obtain independent internal audit assurance over governance, risk management and internal controls relevant to SWestrans.

Initial management response: Options to obtain independent assurance continue to be explored

Follow up: **Outstanding**

While the Transport Partnership take some assurance from the controls in operation at Dumfries and Galloway Council, there is no formal independent internal audit assurance over governance, risk management and internal controls.

Responsible Officer: Lead Officer

Implementation Date: 2021/22 financial year end

3. Strategic Financial Planning (original recommendation 2018/19)

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

The provisions within the act would enable SWestrans to building reserves in futures years. This would enable SWestrans to work with its strategic partner to look to generate reserves that would provide greater financial autonomy in future years to make strategic investments in year funded through reserves. SWestrans' has an approved budget for 2019/20. While there is a longer term view for capital investment (3 year plan), SWestrans' should look to develop medium to longer term financial plans to support the organisation take a strategic approach to addressing the financial pressures facing the organisation

Initial management response: We will review the introduction of a draft financial plan linked to the Council's 3 year plan.

Follow up: **Outstanding:**

In March 2021, SWestrans approved a three year capital programme from 2021-2024 covering the strategic capital investment over the coming years. However, the revenue budget continues to be set for a single year, reflecting the annual funding settlement from constituent authorities and the Scottish Government. SWestrans' should look to develop medium to longer term financial plans to support the organisation take a strategic approach to addressing the financial pressures facing the organisation

Responsible Officer: Lead Officer

Implementation Date: 2021/22

3. Audit fees and independence

External Audit Fee

Service	Fees £
External Auditor Remuneration	8,900
Pooled Costs	850
Contribution to Audit Scotland costs	-
Contribution to Performance Audit and Best Value	490
2020/21 Fee	10,240

Fees for other services

Service	Fees £
We confirm that for 2020/21 we did not receive any fees for non-audit services	Nil

Independence and ethics

- We confirm that there are no significant facts or matters that impact on our independence as auditors that we are required or wish to draw to your attention.
- We have complied with the Financial Reporting Council's Ethical Standards and therefore we confirm that we are independent and are able to express an objective opinion on the financial statements.
- We confirm that we have implemented policies and procedures to meet the requirements of the Financial Reporting Council's Ethical Standard and we as a firm, and each covered person, confirm that we are independent and are able to express an objective opinion on the financial statements.
- We are required by auditing and ethical standards to communicate any relationships that may affect the independence and objectivity of the audit team.
- We can confirm no independence concerns have been identified.

Client service

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

Transparency

Grant Thornton publishes an annual Transparency Report, which sets out details of the action we have taken over the past year to improve audit quality as well as the results of internal and external quality inspections. For more details see [Transparency report 2020 \(grantthornton.co.uk\)](https://www.grantthornton.co.uk/transparency-report-2020)

4. Communication of audit matters

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

Our communication plan	Audit Plan	Audit Findings
Respective responsibilities of auditor and management/those charged with governance	•	
Overview of the planned scope and timing of the audit, including planning assessment of audit risks and wider scope risks	•	
Confirmation of independence and objectivity	•	•
A statement that we have complied with relevant ethical requirements regarding independence. Relationships and other matters which might be thought to bear on independence. Details of non-audit work performed by Grant Thornton UK LLP and network firms, together with fees charged. Details of safeguards applied to threats to independence	•	•
Significant matters in relation to going concern	•	•
Views about the qualitative aspects of SWestrans' accounting and financial reporting practices, including accounting policies, accounting estimates and financial statement disclosures		•
Significant findings from the audit		•
Significant matters and issues arising during the audit and written representations that have been sought		•
Significant difficulties encountered during the audit		•
Significant deficiencies in internal control identified during the audit		•
Significant matters arising in connection with related parties		•
Identification or suspicion of fraud involving management and/or which results in material misstatement of the financial statements		•
Non-compliance with laws and regulations		•
Unadjusted misstatements and material disclosure omissions		•
Expected modifications to the auditor's report, or emphasis of matter		•



[LETTER TO BE WRITTEN ON CLIENT HEADED PAPER]

Grant Thornton UK LLP
110 Queen Street
Glasgow
G1 3BX

[Date] – {TO BE DATED SAME DATE AS DATE OF AUDIT OPINION}

Dear John

**South West of Scotland Transport Partnership
Financial Statements for the year ended 31 March 2021**

This representation letter is provided in connection with the audit of the financial statements of South West of Scotland Transport Partnership ('the Partnership') for the year ended 31 March 2021 for the purpose of expressing an opinion as to whether the Council financial statements are presented fairly, in all material respects in accordance with International Financial Reporting Standards, and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2020/21 and applicable law.

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

Financial Statements

- i. We have fulfilled our responsibilities for the preparation of the Partnership's financial statements in accordance with International Financial Reporting Standards and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2020/21 ("the Code"); in particular the financial statements are fairly presented in accordance therewith.
- ii. We have complied with the requirements of all statutory directions affecting the Partnership and these matters have been appropriately reflected and disclosed in the financial statements.
- iii. The Partnership has complied with all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance. There has been no non-compliance with requirements of any regulatory authorities that could have a material effect on the financial statements in the event of non-compliance.
- iv. We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud.
- v. There are no significant accounting estimates or judgements in the preparation of the financial statements. Assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable. Such accounting estimates include depreciation of property, plant and equipment. We are satisfied that the material judgements used in the preparation of the financial statements are soundly based, in accordance with the Code and adequately disclosed in the financial statements. We understand our responsibilities includes identifying and considering alternative, methods, assumptions or source data that would be equally valid under the financial reporting framework, and why these alternatives were rejected in favour of the estimate used. We are satisfied that the methods, the data and the significant assumptions used by us in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement or disclosure that is reasonable in accordance with the Code and adequately disclosed in the financial statements
- vi. Except as disclosed in the financial statements:

- a. there are no unrecorded liabilities, actual or contingent
 - b. none of the assets of the Partnership has been assigned, pledged or mortgaged
 - c. there are no material prior year charges or credits, nor exceptional or non-recurring items requiring separate disclosure.
- vii. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of International Financial Reporting Standards and the Code.
- viii. All events subsequent to the date of the financial statements and for which International Financial Reporting Standards and the Code require adjustment or disclosure have been adjusted or disclosed.
- ix. We have considered the adjusted misstatements, and misclassification and disclosures changes schedules included in your Audit Findings Report. The South West of Scotland Transport Partnership's financial statements have been amended for these misstatements, misclassifications and disclosure changes and are free of material misstatements, including omissions.
- x. The financial statements are free of material misstatements, including omissions.
- xi. Actual or possible litigation and claims have been accounted for and disclosed in accordance with the requirements of International Financial Reporting Standards.
- xii. We have no plans or intentions that may materially alter the carrying value or classification of assets and liabilities reflected in the financial statements.
- xiii. We have updated our going concern assessment. We continue to believe that the Partnership's financial statements should be prepared on a going concern basis and have not identified any material uncertainties related to going concern on the grounds that :
 - a. the nature of the Partnership means that, notwithstanding any intention to cease its operations in their current form, it will continue to be appropriate to adopt the going concern basis of accounting because, in such an event, services it performs can be expected to continue to be delivered by related public authorities and preparing the financial statements on a going concern basis will still provide a faithful representation of the items in the financial statements
 - b. the financial reporting framework permits the entry to prepare its financial statements on the basis of the presumption set out under a) above; and
 - c. the Partnership's system of internal control has not identified any events or conditions relevant to going concern.

We believe that no further disclosures relating to the Partnership's ability to continue as a going concern need to be made in the financial statements.

Information Provided

- xiv. We have provided you with:
 - a. access to all information of which we are aware that is relevant to the preparation of the Partnership's financial statements such as records, documentation and other matters;
 - b. additional information that you have requested from us for the purpose of your audit; and
 - c. access to persons within the Partnership via remote arrangements, in compliance with the nationally specified social distancing requirements established by the government in response to the Covid-19 pandemic. from whom you determined it necessary to obtain audit evidence.
- xv. We have communicated to you all deficiencies in internal control of which management is aware.
- xvi. All transactions have been recorded in the accounting records and are reflected in the financial statements.
- xvii. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- xviii. We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the Partnership and involves:
 - a. management;
 - b. employees who have significant roles in internal control; or
 - c. others where the fraud could have a material effect on the financial statements.
- xix. We have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the financial statements communicated by employees, former employees, analysts, regulators or others.
- xx. We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements.
- xxi. We have disclosed to you the identity of the Partnership's related parties and all the related party relationships and transactions of which we are aware.
- xxii. We have disclosed to you all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.

Annual Governance Statement

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

Remuneration report

- xxiv. We are satisfied that there is no requirement to prepare a remuneration report as South West of Scotland Transport Partnership does not have any employees and members do not receive remuneration for their role on the Partnership Board.

Narrative Report

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

Approval

The approval of this letter of representation was minuted by the South West of Scotland Transport Partnership Board at its meeting on [ENTER DATE].

Yours faithfully

Name.....

Position.....

Date.....

Name.....

Position.....

Date.....

Signed on behalf of the Partnership



Annual Accounts

2020/2021

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Management Commentary

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)

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 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 trialed 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.

Exemption from preparing a remuneration report

The board members who sit on SWestrans Board do not receive any additional remuneration from that received for the remuneration for being a Councillor with Dumfries and Galloway Council. SWestrans does not directly employ any staff but uses staff time of direct employees of Dumfries and Galloway Council.

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 26 November 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. In discharging this responsibility, the South West of Scotland Transport Partnership has established governance arrangements including a members Code of Conduct.

The lead officer has been appointed to:

- oversee the implementation and monitor the operation of the Governance Arrangements in place; and
- review the operation of the governance arrangements in practice.

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).

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 Partnership Board have oversight of the risks and issues facing the organisation.

Review of effectiveness

South West of Scotland Transport Partnership has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. 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.

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.

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.

Significant Governance Issues

In considering governance arrangements we report below on the progress on significant governance issues during the year and actions planned for the coming year:-

- Internal Audit assurance – The partnership use financial and operational systems and resources provided by Dumfries and Galloway Council. In considering the systems of internal control, the Partnership considers the findings of the Council's Internal Audit service. However, there is an

opportunity to enhance the level of oversight and assurance of systems of internal control, risk management and governance arrangement through having specific Internal audit assurance to the Partnership. Over the coming year the Partnership will look at developing independent assurance arrangements from Internal Audit.

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.

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.

Conclusion

While we have identified opportunities for improving and developing governance arrangements, we are 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 and that the actions identified in the Statement to will address the issues identified and highlighted in this Statement reflect the Partnership's commitment to continuous improvement and will further enhance our corporate governance and internal control arrangements.

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

Reporting on the audit of the financial statements

Opinion on financial statements

We certify that we have audited the financial statements in the annual accounts of South West of Scotland Transport Partnership for the year ended 31 March 2021 under Part VII of the Local Government (Scotland) Act 1973. The financial statements comprise the body such as the Comprehensive Income & Expenditure Statement, Movement in Reserves Statement, Balance Sheet, Cash Flow Statement, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2020/21 (the 2020/21 Code).

In our opinion the accompanying financial statements:

- give a true and fair view in accordance with applicable law and the 2020/21 Code of the state of affairs of the body as at 31 March 2021 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the 2020/21 Code; and
- have been prepared in accordance with the requirements of the Local Government (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003.

Basis for opinion

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

Conclusions relating to going concern basis of accounting

We have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the body's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

Risks of material misstatement

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

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

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

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

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

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities outlined above to detect material misstatements in respect of irregularities, including fraud. Procedures include:

- obtaining an understanding of the applicable legal and regulatory framework and how the body is complying with that framework;

- identifying which laws and regulations are significant in the context of the body;
- assessing the susceptibility of the financial statements to material misstatement, including how fraud might occur; and
- considering whether the audit team collectively has the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations.

The extent to which our procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the body's controls, and the nature, timing and extent of the audit procedures performed.

Irregularities that result from fraud are inherently more difficult to detect than irregularities that result from error as fraud may involve collusion, intentional omissions, misrepresentations, or the override of internal control. The capability of the audit to detect fraud and other irregularities depends on factors such as the skilfulness of the perpetrator, the frequency and extent of manipulation, the degree of collusion involved, the relative size of individual amounts manipulated, and the seniority of those individuals involved.

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

Reporting on other requirements

Statutory other information

The Treasurer is responsible for the statutory other information in the annual accounts. The statutory other information comprises the Management Commentary, Annual Governance Statement and the Statement of Responsibilities

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

Our opinion on the financial statements does not cover the statutory other information and we do not express any form of assurance conclusion thereon except on the Management Commentary and Annual Governance Statement to the extent explicitly stated in the following opinions prescribed by the Accounts Commission.

Opinions prescribed by the Accounts Commission on Management Commentary and Annual Governance Statement

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

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

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit

We have nothing to report in respect of these matters.

Conclusions on wider scope responsibilities

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

Use of our report

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

John Boyd, (for and on behalf of Grant Thornton UK LLP)

110 Queen Street

Glasgow

G1 3BX

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 Accounts were issued on 29 November 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) 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 at cost, 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.

Notes to the Accounts (continued)

2. 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.

There are no other accounting standards issued and not yet adopted that will have a material impact on the 2020/21 Annual Accounts

IFRS 16 has not yet been adopted by the Code and is expected to be adopted in April 2022.

While officers are unable to quantify the impact of the new standards at this stage these are not expected to have a material impact on the financial statements.

3. 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.

4. 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.

5. 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.

6. 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

7. 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. Vehicles are depreciated on a straight-line basis over up to 12 years.

8. 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.

9. 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)

10. Payments to Members

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

11. Audit Fees

The external audit fee payable for 2020/21 was £10,240 (£10,000 in 2019/20). There were no fees paid for non-audit services.

Notes to the Accounts (continued)

12. 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)

13. Related Parties

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

Central Government

Central Government is responsible for providing the statutory framework, within which the Transport Partnership operates, provides some of its funding in the form of grants and prescribes the terms of many of the transactions that the Transport Partnership has with other parties. Details of Central Government Grants received are contained in Note 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 and £82k (£4k in 2019/20) in relation to sums held in the Dumfries and Galloway Council Loans Fund.

14. 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)

15. Key Management Personnel

SWestrans do not directly employ any staff and Dumfries and Galloway Council recharge SWestrans for staff and operational support during the year. Included within this recharge is an estimate of the share of the Lead Officer's time on SWestrans activities. Their remuneration for short term benefits is set below (Note share of pension movements is unavailable):

	2019/20 £000	2020/21 £000
SWestrans' charge of wages and salaries	40	42

16. Financial Instrument Balances

Financial instruments are contracts which create a financial asset in one entity and a financial liability in another. They are recognised at fair value or amortised cost, or where no reliable measurement exists, measured at cost. The following categories of financial instruments are carried in the Balance Sheet. These are all current:

	Current – Amortised cost	
	2019/20 £000	2020/21 £000
Financial Liabilities		
Short term creditors (current)	(140)	(128)
	Current- Amortised cost	
	2019/20 £000	2020/21 £000
Financial assets		
Short term debtors (current)	(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 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 25 June 2021, the Board agreed the capital programme for 2021/22 to 2023/24 as 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	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 1 – SWestrans amended Capital Programme 2021/22 – 2023/24

2.2 **Appendix 1** shows monitoring of the 2020/21 spend to 30 September 2021 and it is currently forecast that there will be spend of £647,718 this financial year.

2.3 At its meeting on 25 June 2021, the Board considered a 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 a submission to Dumfries and Galloway Council's Asset Class Review and agreed a position to be intimated to Dumfries and Galloway Council that withdrew previous concerns on the proposed merger and indicated support noting that the Board looked forward to working closely with Dumfries and Galloway Council on aligned vehicle replacement and active travel measures.

3. Key Points – Capital Programme

3.1 The capital programme for 2021/22 to 2023/24 is detailed in Table 1 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 – procurement for 2 low floor low emission buses to replace an existing leased bus asset(s) has been undertaken with the vehicles due for delivery in March 2022. Work continues on the agreed bus shelter renewal/replacement programme and associated works with 8 shelters currently in progress.

3.3 Rail Station Parking – Design and demolition elements for the site are underway and a revised programme provided by the Council's Engineering Design team indicates full construction will now be from March 2022 until June 2022 (previously November 2021 to January 2022). There are a number of factors that have led to this delay in the original programme with particular challenges around the procurement of a contractor for the demolition works and the need to deal with land contamination. Therefore, a level of slippage estimated at £400k is now likely. A revised programme for the Phase 3 build at Sydney Place is provided in Table 2 below:

Programme Element	Timeline as at November 2021
Termination of Services	Complete
Demolition	In progress
Car Park Design	March 2022
Drainage/Public Utilities/SEPA	February 2022
Contract Preparation	February 2022
Procurement	January 2022 to March 2022
Construction	March 2022 to June 2022

Table 2 – Phase 3 Sydney Place, Programme of Works

3.4 Active Travel Network – as indicated at the June meeting, we are working in partnership with the Council, 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. As part of this work a high-level assessment of potential short path links between communities is the subject of a parallel report to this meeting.

4. Key Points – Review of Asset Class Funding

4.1 The Finance, Procurement and Transformation Committee (FPT) of Dumfries and Galloway Council at its meeting on 31 August 2021 considered an item on proposals relating to the short-term review of asset class funding taking into account the submissions made for individual asset classes through the relevant Service Committees and the SWestrans Board.

4.2 FPT agreed the merger of the previously separate Fleet/Vehicles and SWestrans asset classes into a combined Transport asset class. This merger allows the Council's Communities Committee to consider the proportion of available funding to be invested across both the Council's own fleet and the SWestrans capital programme taking into account the investment needs and priorities across both programmes. The Council will work closely with the SWestrans Board on aligning vehicle replacement and active travel measures and officers will also work closely together to ensure that Board Members have a clear understanding of investment needs and priorities for both the Council and SWestrans when considering the allocation of funding within the combined Transport asset class programme. This will

also allow levels of progress/slippage against previously considered plans to be taken into account as part of this assessment.

4.3 FPT also agreed additional investment of £5M across the next 3 to 5 years for the merged Transport asset class. This agreement was based on a proposal developed through close joint working between the Council's Transport Manager and the SWestrans Lead Officer with the support of the Council's Finance and Procurement team.

4.4 The proposal for this additional investment was premised on increasing investment in active travel and enabling significant progress to be made in a shift towards more efficient, compliant, safe and environmentally sustainable vehicle fleets. The SWestrans elements of this additional funding its impact are summarised below:

SWestrans Buses (£640k) - The additional investment of £640k to SWestrans for bus replacement would be split across the 3-years from 23/24 to 25/26 and this along with monies already committed by SWestrans would allow the replacement of 18 buses by 2025/26 initially with Euro6 'near to zero emission' buses transitioning to 'zero emission' buses and the replacement programme to be on a stable 10-year footing by 2027/28. The additional funding would enable the replacement of an additional 8 SWestrans vehicles as below:

- 2 buses in 2023/24 (total replaced 4 – estimated at £560k)
- 3 buses in 2024/25 (total replaced 6 – estimated at £840k)
- 3 buses in 2025/26 (total replaced 6 – estimated at £840k)

Active Travel Measures (£800k) - Active travel expenditure has the ability to bring significant investment through matching with national funding streams up to 70%. Therefore, the proposed additional active travel funding of £800k would be added to the monies committed by SWestrans to give a total 5 year budget of some £2,115M that could potentially see an overall investment of £7M, as below:

- 21/22 – budget (£285k), maximum match (£665k) – Total £0.95M
- 22/23 – budget (£430k), maximum match (£1M) – Total £1.43M
- 23/24 – budget (£600k), maximum match (£1.4M) – Total £2.00M
- 24/25 – budget (£400k), maximum match (£931k) – Total £1.31M
- 25/26 – budget (£400k), maximum match (£931k) – Total £1.31M

Our region has strategic ambitions to link communities with safe and segregated active travel infrastructure with path development concentrated on a 2 mile (walking) and 5 mile (cycling) link from 'satellite' settlements to the 16 main 'attractor' towns in the region identified in the Active Travel Strategy. These 'attractor' towns are Dumfries; Stranraer; Annan; Castle Douglas; Lockerbie; Dalbeattie; Newton Stewart; Kirkcudbright; Langholm; Sanquhar; Gretna; Moffat; Kirkconnel/Kelloholm; Lochmaben; Eastriggs and Thornhill.

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 note the merger of the SWestrans Asset Class with the Council's Fleet Asset Class to create a combined Transport Asset Class; and
6.3 note and welcome the additional funding available to the Transport Asset Class across the next 3 to 5 years.

Douglas Kirkpatrick - Report Author Tel: 01387 260136	Approved by: Douglas Kirkpatrick Lead Officer South West of Scotland Transport Partnership Cargen Tower Garroch Business Park Dumfries DG2 8PN
Date of Report: 9 November 2021 File Ref: SW2/meetings/2021	

Appendix 1 – Capital Programme spend to 30 September 2021

<u>SWestrans Monitoring Capital Programme 2021/22</u>	Total Revised Budget Allocated 21/22	Actual Gross Spend Ledger 30/09/21	Actual Income Ledger 30/09/21	Actual Net Spend Ledger 30/09/21	Forecast Net Spend 31/03/22	Variance 2021/22	(Slippage to) / Acceleration from 2022/23	Proposed Budget Allocation 2022/23	Proposed Budget Allocation 2023/24
Local Bus Network	292,389	5,506		5,506	292,389	0	0	270,000	400,000
Rail Station Parking	470,529	6,270		6,270	70,529	-400,000	400,000	700,000	0
Active Travel Projects	284,800	95,375	-17,985	77,390	284,800	0	0	230,000	400,000
TOTAL	1,047,718	107,151	-17,985	89,166	647,718	-400,000	400,000	1,200,000	800,000

2021/22 Funding Summary

Swestrans Allocation as per Full Council 4

March 2021

800,000

Add Slippage 2020/21

247,718

Total Allocation 2021/22**1,047,718**

SHORT PATHS BETWEEN COMMUNITIES

1. Reason for Report

To update the Board on proposals to develop path links between communities to encourage functional walking/cycling.

2. Background

2.1 During discussions on the Active Travel element of the Capital Expenditure Programme at its meetings in 2018, the Board indicated a desire for officers to develop proposals on short paths between communities to encourage and support functional walking/cycling. A paper was presented on the initial development of possible short path links (2 miles walking; 5 miles cycling) to the June 2018 meeting which highlighted the 16 trip attractor settlements across the region and identified the satellite settlements within 5 miles.

2.2 The Scottish Government has announced its intention to increase the proportion its budget spent on active travel initiatives to at least £320m or 10% of the total transport budget by 2024/25.

2.3 The Scottish Government has published its updated Climate Change Plan which sets out the measures it will take to meet Scotland's 2030 climate targets. The updated Climate Change Plan includes a raft of new policies aimed at reducing emissions from transport, including an aspirational new commitment to reduce car kilometres driven by 20% by 2030 in order to address the 'over-reliance on cars'. The document also outlines the proposed measures to give people an alternative to car driving and to make sustainable transport and active travel an 'instinctive first choice', which also aligns with the sustainable travel hierarchy, as defined in the Transport Scotland's 'National Transport Strategy' (NTS2).

2.4 Sustrans are currently consulting on their 30 year plan for strategic development of the National Cycle Network (NCN) and how this will align with regional and local routes, plans and aspirations.

3. Key Points – Short Paths

3.1 The current Dumfries and Galloway Active Travel Strategy promotes opportunities for easy, safe and accessible day to day functional walking and cycling, particularly for short journeys (walking - under 2 miles; cycling - under 5 miles), that will enable residents and visitors to get to and from work, school, shops, health facilities, leisure, sport and recreational activities. This focus on improving the opportunity for and uptake of functional travel across our region assists in enhancing health and wellbeing outcomes, in turn encouraging and enabling all residents to keep active. A new Active Travel Strategy is in development and is due to be complete, in conjunction with a Delivery Plan, early in 2022.

3.2 Short path development has been concentrated on links to/from the 16 towns and settlements in the region, identified in the Active Travel Strategy, where the above trip attractors are generally available. These towns are Dumfries; Stranraer; Annan;

Castle Douglas; Lockerbie; Dalbeattie; Newton Stewart; Kirkcudbright; Langholm; Sanquhar; Gretna; Moffat; Kirkconnel/Kelloholm; Lochmaben; Eastriggs and Thornhill. The 16 attractor settlements with 84 identified satellite settlements create a high number of possible links and alternative options within these links.

3.3 Overall, some 97 path options to the attractor settlements have been identified and given an initial prioritisation based on a high-level non-engineering assessment of existing infrastructure, opportunities and constraints on the links with each scored on Feasibility, Value for Money (cost/population) and Strategic Fit.

3.4 The initial list has been filtered to remove duplication and lower scoring links between settlements and provides 64 path prioritised options for development. These are shown in **Appendix 1**.

3.5 It should be noted that this is an initial prioritisation and that more detailed assessments of each link will be required to establish other important factors such as potential usage, need/ demand, public safety, deliverability and financial justification/ cost prior to any further development and/or bids for funding.

3.6 However, it is intended that this list will be used as a framework to develop a programme of Strategic Active Travel links between communities in partnership with Dumfries and Galloway Council and will inform the Delivery Plan of the new Active Travel Strategy. Alignment with the work being undertaken by Sustrans on the NCN will be key and all opportunities to achieve such alignment will be taken forward in partnership.

3.7 The Board is asked to note the progress to develop proposals on short path links between communities and that further development work will be undertaken on these links with Dumfries and Galloway Council.

4. Implications	
Financial	None.
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	None.

5. Recommendations

Members of the Board are asked to note the progress to develop proposals on short path links between communities and that further development work will be undertaken on these links with Dumfries and Galloway Council.

Report Author: Douglas Kirkpatrick
Tel: 01387 260136

Date of Report: 9 November 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 – Community Path Links.

Community Path Links					
Attractor	Satellites	Dist (km)	Est. Cost (£)	Score	Rank
Annan	Dornock, Eastriggs	3	1,000,000	121	1
Sanquhar	Kelloholm, Kirkconnel	2	1,000,000	117	2
Lockerbie	Lochmaben	4.5	2,250,000	114	3
Moffat	Beattock	1	250,000	112	4
Gretna	Rigg, Eastriggs	5.5	2,625,000	111	5
Annan	Newbie	1	250,000	111	5
Stranraer	Castle Kennedy	2	500,000	107	7
Annan	Creca, Kirtlebridge, Eaglesfield, Ecclefechan	10	5,000,000	105	8
Dumfries	Hollywood	1	250,000	101	9
Dumfries	Lochfoot	1	500,000	99	10
Castle Douglas	Crossmichael	5	1,500,000	98	11
Thornhill	Penpont	3	1,500,000	95	12
Gretna	Gretna Green, Springfield, Kirkpatrick Fleming	4	2,000,000	95	12
Castle Douglas	Rhonehouse, Bridge of Dee	3	1,500,000	93	14
Annan	Brydekirk	4	1,500,000	91	15
Stranraer	Leswalt	3.5	1,725,000	89	16
Lockerbie	Ecclefechan	7.5	3,750,000	87	17
Annan	Powfoot, Cummertrees	3	1,500,000	87	17
Sanquhar	Crawick	1	500,000	85	19
Lochmaben	Hightae	3.5	1,750,000	80	20
Dumfries	Kirkton	3	1,500,000	80	20
Dalbeattie	Kippford	3.5	1,750,000	80	20
Thornhill	Closeburn	3	1,500,000	78	23
Thornhill	Greenhead	1.5	625,000	76	24
Dumfries	Terregles	2.5	1,250,000	76	24
Lockerbie	Greenhill, Hightae	5	2,500,000	72	26
Lochmaben	Torthorwald	6	3,000,000	72	26
Dumfries	Kelton, Glencaple	5	2,500,000	72	26
Dumfries	Tinwald, Amisfield	2.5	2,250,000	70	29
Kirkcudbright	Twynholm	4.5	2,250,000	68	30
Dumfries	Torthorwald	6	3,000,000	68	31
Dalbeattie	Haugh of Urr/Hardgate	4.5	2,250,000	68	31
Annan	Creca, Kirtlebridge, Kirkpatrick Fleming	10	5,000,000	66	33
Dumfries	Duncow	5	2,500,000	62	34
Castle Douglas	Glenlochar	4	1,250,000	60	35
Castle Douglas	Haugh of Urr/Hardgate	5	2,500,000	60	35
Dumfries	Collin, Greenlea	6.5	3,250,000	58	37
Stranraer	Stoneykirk	5	2,500,000	55	38
Lochmaben	Templand	3	1,500,000	55	38
Dalbeattie	Palnackie	5	2,500,000	55	38
Castle Douglas	Gelston	3	1,500,000	55	38
Thornhill	Gatelawbridge	2.5	1,125,000	51	42
Thornhill	Cample	2.5	1,250,000	48	43
Newton Stewart	Palnure	1.5	750,000	48	43
Lockerbie	Millhousebridge, Templand	6.5	3,250,000	48	43
Castle Douglas	Clarebrand, Old Bridge of Urr	4.5	2,250,000	46	46
Lockerbie	Greenhill, Hightae, Dalton	10.5	5,250,000	45	47
Thornhill	Keir Mill	3	1,500,000	44	48
Dumfries	Islesteps	1.5	750,000	44	48
Kirkcudbright	Ringford	8	2,500,000	39	50
Lochmaben	Templand, Millhousebridge	3.5	1,750,000	38	51
Lochmaben	Heck, Greenhill	4	2,000,000	38	51
Lochmaben	Shieldhill	5.5	2,750,000	37	53
Sanquhar	Mennock	2	1,000,000	36	54
Dalbeattie	Kirkgunzeon	6.5	3,250,000	32	55
Lockerbie	Kettleholm	3.5	1,750,000	27	56
Lockerbie	Heck	3.5	1,750,000	27	56
Lockerbie	Sibbaldbie	3.5	1,750,000	27	56
Dalbeattie	Colvend	7	3,500,000	27	56
Langholm	Hollows	8	4,000,000	20	60
Newton Stewart	Penninghame	4.5	2,250,000	18	61
Langholm	Bentpath	8	4,000,000	15	62
Lockerbie	Bankshill	6.5	3,250,000	11	63
Langholm	Claygate	8	4,000,000	10	64

CLIMATE CHANGE DUTIES – REPORTING 2020/21

1. Reason for Report

To agree the submission of the 2020/21 Climate Change Duties Report.

2. Background

2.1 At its meeting on 13 March 2013, the Board agreed a Climate Change Strategy for SWestrans.

2.2 The Climate Change (Scotland) Act 2009 places a duty on public bodies to contribute to climate change mitigation and adaptation.

2.3 The Climate Change (Duties of Public Bodies: Reporting Requirements) (Scotland) Order 2015 requires public bodies to prepare and submit a report on compliance with climate change duties.

3. Key Points

3.1 Mandatory reports have been required since November 2017. This required reporting is intended to assist public bodies to monitor progress and activity on climate change duties and inform the future direction of the organisation's climate change strategy.

3.2 The Climate Change Duties Report has previously been submitted to the Sustainable Scotland Network who collated and assessed the submissions of all public bodies across Scotland to produce an annual Climate Change Public Sector report.

3.3 SWestrans has submitted reports since 2015/16.

3.4 The majority of SWestrans business which has an impact on climate change relates to the procurement of socially necessary local bus services. Prior to each procurement round SWestrans optimises the proposed network to ensure that the total mileage undertaken is reduced, where possible, whilst meeting its objectives of increasing uptake of sustainable travel by all residents of Dumfries and Galloway.

3.5 Since 2020, the Scottish Government has managed the reporting submissions. This year's report is required to be submitted by the 30 November 2021 submission deadline.

3.6 A brief summary of the key points within the submission are given below:

- SWestrans has no fixed assets which contribute to climate change.
- Staff undertaking activities on SWestrans behalf are employed by Dumfries and Galloway Council and therefore, the normal day to day influence on emissions for the management and delivery of SWestrans business will be included in the Council's report.

- SWestrans has a direct control and influence on emissions in its policy setting, its delivery of projects and its procurement and delivery of the local bus network.
- The only measurable emission source under SWestrans direct control is for the total passenger km procured to deliver the local bus network. In 2019/20 this total was 5,777,167 km with the 2020/21 total decreasing to 5,057,266 km. This decrease is due, in the main, to reduced bus services during the Covid-19 pandemic.

4. Implications	
Financial	None.
Policy	No change in policy. This work fulfils SWestrans policy objectives.
Equalities	None.
Climate Change	The Climate Change implications are set out in the report.
Risk Management	Climate change objectives relate to a number of known risks: R02 – Public Image R04 – Capital Funding R05 – RTS Delivery R07 – Revenue Funding

<p>5. Recommendations</p> <p>Members of the Board are asked to:</p> <p>5.1 note the summary provided of the information for inclusion in the 2020/21 Climate Change Duties Report for SWestrans; and</p> <p>5.2 agree to submit the 2020/21 Climate Change Duties Report for SWestrans by the deadline 30 November 2021.</p>

<p>Report Author: Kirsty Dunsmore Tel: 07734 073391</p> <p>Date of Report: 29 October 2021 File Ref: SW2/2021/Meetings</p>	<p>Approved by: Douglas Kirkpatrick Lead Officer South West of Scotland Transport Partnership Cargen Tower Garroch Business Park Dumfries DG2 8PN</p>
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LOCAL BUS SERVICES UPDATE

1. Reason for Report

To inform the Board of current and forthcoming changes that impact on the local bus network.

2. Background

2.1 At its meeting on 13 December 2019, the Board agreed the award of 39 local bus contracts covering 49 routes at an annual gross cost of £3,624,685 all contracts had an end date of 8 August 2021 with an option to extend for 1 year.

2.2 At its meeting on 25 June 2021, the Board agreed that all current local bus contracts due to terminate on 8 August 2021 would be extended to 7 August 2022 noting that there may be a requirement for a Board decision on their replacements prior to the local government elections in May 2022.

2.3 In February 2020, the Scottish Government committed to extend free bus travel to all young people in Scotland aged under 19. Work was paused due to the COVID-19 pandemic but restarted with a public consultation launched in October 2020. Following the consultation, the Scottish Government committed to launch free bus travel for under-19s as soon as practicable in the financial year 2021-22 and laid a draft Scottish Statutory Instrument (SSI) to create a new young persons' bus concession scheme on 21 January 2021. In March 2021, the Scottish Government agreed to extend the new scheme to include 19-21 year olds and committed to make as much progress towards this as possible during 2021-22.

2.4 The Scottish Government has agreed to provide bus operators with additional financial assistance to maintain essential services. This is intended to offset the impact that Covid-19 has had on reduced demand, 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 CV19. Operators continue to receive additional payments matching the difference between actual payments and those previously forecasted levels. This arrangement is in place until 31 March 2022 and is being kept under review.

2.5 The local bus network is currently meeting passenger demand and although there continues to be some journey reductions on both supported and commercial routes it is operating close to pre-covid services levels.

3. Key Points – Local Bus Contracts

3.1 As indicated in paragraph 2.2, all current local bus contracts are due to terminate in August 2022 and with the forthcoming local government election next year it is necessary to seek replacement contracts and award these prior to the end of the current tenure of this Board.

3.2 Therefore, to achieve this the proposed timeline shown in Table 1 below has been developed:

Action	Date
Tender Timeline - SWestrans Board	26 November 2021
BSIP Working Group Discussions with operators/Community Transport operators	December 2021
2022 Network - SWestrans Board	28 January 2021
Tenders out	31 January 2022
Tenders Back	18 February 2022
Tender Analysis	Feb-22/Mar-22
Tender Award - SWestrans Board	25 March 2022
Contracts Start date	08 August 2022

Table 1 – Proposed Tender Timeline

3.2 As per normal practice it is intended that the tenders will be sought on a like-for-like replacement basis to provide a level of stability as we transition to the agreed new public transport model by April 2024.

3.3 However, there is a significant level of uncertainty within the industry and with future funding support available both locally and nationally. Therefore, alternative timetable options will be developed through discussions at meetings of Bus Service Improvement Partnership (BSIP) Working Group which will start in December 2021. The outcomes of these discussions will be reported to the Board at its meeting in January 2022 prior to tenders being issued.

3.4 The Board are asked to agree the proposed tender timeline for replacing local bus contracts as presented in Table 1.

4. Key Points – Under 22s Free Bus Travel

4.1 All residents in Scotland under the age of 22 will be eligible for free bus travel from 31 January 2022. The Scottish Government has confirmed the timetable for the roll out of the scheme, delivered in partnership with the Improvement Service, the National Entitlement Card Programme Office and Young Scot.

4.2 Approximately 930,000 young people will join the third of Scotland's population who already benefit from free bus travel through the Older and Disabled Persons Free Bus scheme.

4.3 Officers will update the Board with any further information on the roll out of the Under 22s Free Bus Travel Scheme as and when provided from the Scottish Government.

4.4 The Board are asked to note the introduction of free bus travel for eligible residents under the age of 22 from 31 January 2022.

5. Key Points – Current network position

5.1 As indicated in paragraph 2.5, the local bus network in our region is currently

meeting passenger demand although there continues to be some journey reductions on both supported and commercial routes.

5.2 Build back of services across the network has been carefully managed to ensure journeys provided meet the majority of passenger needs within the limited driver resource available. Passenger numbers vary across services and routes but are generally 60-70% of what they were pre-Covid.

5.3 The main challenge for operators is the driver shortage they are currently experiencing and the daily impact this is having on service delivery. Operators have advised that reinstatement of any further journeys would not be possible at this time without the removal of existing journeys elsewhere in the network.

5.4 The additional funding provided by Scottish Government continues to be essential for operators to enable the provision of current service levels. It will also remain critical that operators are supported over the coming period to ensure their future sustainability.

5.5 We continue to receive a small number of requests to reinstate journeys across both supported and commercial services.

5.6 If a request relates to services supported by SWestrans discussions are held with the operator and if possible, within the constraints highlighted above, actioned. Recent changes to meet needs highlighted by passengers have been achieved on the 4 supported services below:

- 236 Dumfries to Thornhill
- 372 Dumfries to Sandyhills
- 385 Annan to Dalton to Dumfries
- 520 Castle Douglas to Dalmellington

5.7 If a request relates to commercial services we liaise with operators and feedback any response received. Recently Annandale South Councillors highlighted concerns raised by Langholm and Canonbie residents on the continued reduced frequency of the daytime journeys on local bus service X95 Galashiels to Carlisle. Our partners in Scottish Borders Council confirmed that Borders Buses would be maintaining the current 2-hour frequency for the foreseeable future as passenger numbers are still around 55 – 60% with numbers south of Hawick particularly low.

6. Implications	
Financial	There are no negative financial implications at this stage.
Policy	SWestrans has a statutory duty to determine the policy and provision of socially necessary bus services within the budget it has available. This extension complies with SWestrans policy.
Equalities	Local bus service provision provides positive advantages for bus users with protected

	characteristics
Climate Change	Bus service provision can have a positive impact on climate change objectives
Risk Management	Local bus provision relates to a number of known risks: R02 – Public Image R05 – RTS Delivery R07 – Revenue Funding R08 – Bus Contracts Prices R13 – Lack of Bus Operators and Drivers

7. Recommendations

Members of the Board are asked to:

- 7.1 agree the proposed tender timeline for replacing local bus contracts as presented in Table 1;
- 7.2 note the introduction of free bus travel for eligible residents under the age of 22 from 31 January 2022; and
- 7.3 note the update provided in section 5 of the report on the current local bus network position.

Report Author: Douglas Kirkpatrick
Tel: 01387 260136

Date of Report: 11 November 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