

SOUTH WEST OF SCOTLAND TRANSPORT PARTNERSHIP

**Meeting of Friday, 27 October 2023 at 10.30am,
Council Hall, Council Offices, English Street, Dumfries, DG1 2DD
and via Microsoft Teams**

Members of the Board

John Campbell (Chair)	- Dumfries and Galloway Council
Karen Jackson (Vice Chair)	- South of Scotland Enterprise
David Bryson	- NHS Dumfries and Galloway
Jim Dempster	- Dumfries and Galloway Council
Willie Scobie	- Dumfries and Galloway Council
Keith Walters	- Dumfries and Galloway Council
Andrew Wood	- Dumfries and Galloway Council

Future Meetings 24 November 2023

Douglas Kirkpatrick

Lead Officer, South West of Scotland Transport Partnership

SOUTH WEST OF SCOTLAND TRANSPORT PARTNERSHIP

**Meeting of Friday, 27 October 2023 at 10.30am
Council Hall, Council Offices, English Street, Dumfries, DG1 2DD and
via Microsoft Teams**

1. **SEDERUNT AND APOLOGIES**
2. **DECLARATIONS OF INTEREST**
3. **MINUTES OF MEETING ON 30 JUNE 2023 – FOR APPROVAL**
4. **REPORT BY EXTERNAL AUDIT ON THE 2022/23 AUDIT OF SOUTH WEST SCOTLAND TRANSPORT PARTNERSHIP** – Recommendations – (i) receive the external auditors' report on the 2022/23 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 Audit Scotland as detailed at Appendix 3; and (iv) note that the certified accounts will be made available to all Members and they will be available on the SWestrans website as detailed in paragraph 3.4.
5. **REVENUE BUDGET MONITORING REPORT 2023/2024 FOR THE PERIOD ENDING 30 SEPTEMBER 2023** – Recommendation – note the forecast outturn for the revenue budget as at 30 September 2023.
6. **CAPITAL EXPENDITURE PROGRAMME 2023/24 – 2025/26 UPDATE** - Recommendations – (i) note the update on the Capital Programme for 2023/24 to 2025/26 as outlined in the report; and (ii) agree the recruitment to the vacant Policy and Project Officer post on the basis outlined in paragraph 3.9.
7. **REGIONAL TRANSPORT STRATEGY 2023 TO 2042** – Recommendation - review and agree the suggested response to the feedback received on the SWestrans Regional Transport Strategy 2023 to 2042 at the Appendix.
8. **RAIL UPDATE** – Recommendations – (i) note the update on the ScotRail off-peak all day fares trial; (ii) note the update on Ayr Station closure; and (iii) note the update on the Avanti West Coast contract.
9. **STANDING ORDERS REVIEW** – Recommendations – (i) note that no amendments are required to Standing Orders at this time; and (ii) note that a review of the Procurement Standing Orders will be undertaken and report back to the Board.
10. **CALENDAR OF MEETINGS** – Recommendation – agree the Calendar of Meetings for 2024 as set out at paragraph 2.2.
11. **ANY OTHER BUSINESS WHICH THE CHAIR 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

Meeting of Friday 30 June 2023
 at 10.30am at Dumfries and Galloway Council Headquarters, English Street,
 Dumfries and via Microsoft Teams

Present

Members

John Campbell (Chair)	-	Dumfries and Galloway Council
Karen Jackson (Vice-Chair)	-	South of Scotland Enterprise
David Bryson	-	NHS Dumfries and Galloway
Jim Dempster	-	Dumfries and Galloway Council
Willie Scobie	-	Dumfries and Galloway Council
Keith Walters	-	Dumfries and Galloway Council

Officials

Douglas Kirkpatrick	-	Lead Officer
Claire Rogerson	-	Secretary to the Board
Kirsty Dunsmore	-	Policy and Projects Officer
Janet Sutton	-	Finance Officer
Grant Coltart	-	SWeststrans
Linda Richardson	-	SWeststrans
Jason Bentley	-	SWeststrans

Apologies

Andrew Wood	-	Dumfries and Galloway Council
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Observers

Frazer Smith	-	Stagecoach
Graham Whiteley		

In Attendance

Peter Lindsay	-	Audit Scotland
Ciaran O'Brien	-	Audit Scotland
Franca Bruno	-	Beattock Station Action Group
Caroline Burke	-	Keir, Penpont and Tynron Development Trust
Ron McLean	-	Beattock Station Action Group

1. SEDERUNT AND APOLOGIES

4 Board Members present and 1 apology.

John Campbell, Karen Jackson and Willie Scobie attended at Dumfries and Galloway Council Headquarters,

Keith Walters attended via MS Teams.

2 Board Members not present at the start of the meeting.

PROCEDURE – The Secretary confirmed those observers who were present at the meeting. It was noted that apologies were received from Hugh McCreadie.

PROCEDURE - The Secretary advised the Board that Rhian Davies had stood down as an Observer to the Board on 22 June 2023.

2. DECLARATIONS OF INTEREST

NONE declared.

3. MINUTES OF MEETING ON 31 MARCH 2023

Decision

APPROVED.

4. REGIONAL TRANSPORT STRATEGY 2023 TO 2042

BOARD MEMBERS – David Bryson and Jim Dempster joined the meeting via MS Teams – 6 Board Members present.

Decision

AGREED the SWestrans Regional Transport Strategy 2023 to 2042 at Appendix 1 of the report for submission to Scottish Ministers for approval; and **FURTHER AGREED** that a seminar would be arranged on the Regional Transport Strategy Delivery Plan.

5. STAG UPDATE

The Chair expressed his extreme disappointment that none of the 3 rail stations were going to be considered for progression or investment and that it was Transport Scotland's view that further work would not fundamentally change this outcome.

VOTE

5.1 **MOTION** proposed by **JIM DEMPSTER** and seconded by **WILLIE SCOBIE** to agree to cease progress in work relating to the re-opening of the rail stations at Beattock, Eastriggs and Thornhill unless there was a fundamental shift in the attitude of Transport Scotland.

5.2 **AMENDMENT** proposed by **JOHN CAMPBELL** and seconded by **KAREN JACKSON** (1) to consider the feedback from Transport Scotland and provide guidance on further action for officers to pursue in relation to the re-opening of the rail stations at Beattock, Eastriggs and Thornhill, (2) agree that clarification is sought from Transport Scotland regarding feedback on the Business Cases (STAGs), and (3) agree that the Chair will raise the matter when he meets with the Transport Minister with the other Regional Transport Partnership Chairs.

5.3 On a vote undertaken by roll call Board Members voted as follows:-

5.4 **Motion** – 2 votes being: Jim Dempster and Willie Scobie

5.5 **Amendment** – 4 votes being:- John Campbell, Karen Jackson, David Bryson and Keith Walters.

Decision

-

The Board :-

5.6 **CONSIDERED** the feedback from Transport Scotland and provided guidance on any further action it wishes officers to pursue in relation to the re-opening of rail stations at Beattock, Eastriggs and Thornhill;

AGREED

5.7 that clarification is sought from Transport Scotland regarding feedback on the Business Cases (STAGs), and

5.8 that the Chair would raise the matter when he meets with the Transport Minister with the other Regional Transport Partnership Chairs.

BOARD MEMBER – Jim Dempster left the meeting – 5 Board Members present.

6. REVENUE BUDGET OUTTURN REPORT 2022/23**Decision**

The Board **NOTED** the draft financial outturn for 2022/23 and that a break-even position was achieved.

7. REVENUE BUDGET MONITORING REPORT 2023/2024 FOR THE PERIOD ENDING 31 MAY 2023**Decision**

The Board **NOTED** the forecast outturn for the revenue budget as at 31 May 2023.

8. CAPITAL EXPENDITURE PROGRAMME 2022/23 OUTTURN REPORT**Decision**

The Board **NOTED** the outturn position on the 2022/23 SWestrans Capital Programme.

9. DRAFT CAPITAL EXPENDITURE PROGRAMME 2023/24 – 2025/26**Decision**

The Board **AGREED** the draft Capital Programme for 2023/24 to 2025/26 outlined in Table 1 of the report.

10. DRAFT ANNUAL (UNAUDITED) ACCOUNTS 2022/23**Decision**

The Board **NOTED** the unaudited Annual Accounts for the financial year ended 31 March 2023 which would be submitted to the Board's external auditors for review.

11. CALENDAR OF MEETINGS**Decision**

AGREED a change to the Calendar of Meetings to accommodate the presentation of the audited accounts by end of October 2023; and **FURTHER AGREED** that there would be a session for the Board on the Regional Transport Delivery Plan on 29 September 2023.

12. RAIL UPDATE

Decision

The Board **NOTED** :-

12.1 the update on Carstairs junction improvement;

12.2 the update on TransPennine Express; and

12.3 the update on the line closure between Kilmarnock and Glasgow.

13. EXTERNAL AUDIT PLAN 2022/23

BOARD MEMBER – Jim Dempster rejoined the meeting – 6 Board Members present.

Decision

The Board **NOTED** and commented on the external audit plan for 2022/23 in the Appendix of the report.

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

Decision

The Board **NOTED** that there was no item of urgent business deemed urgent by the Chair due to the need for a decision.

PROCEDURE – The Board **AGREED** to consider this item in private and adopt a resolution to exclude the press, members of the public and observers from the meeting in terms of paragraphs 6,8 and 9 of Schedule 7A of the Local Government (Scotland) Act 1973.

15. LOCAL BUS CONTRACTS

Summary of Report – This report provided an update to the Board following the sustainability issues reported to the Board in March 2023. The report advised the Board of the work being undertaken in partnership with Dumfries and Galloway Council and sought agreement of the Board on the way forward for the coming year.

BOARD MEMBER – Jim Dempster left the meeting – 5 Board Members present.

Decision

The Board **AGREED** the extension of all current local bus contracts due to terminate in August 2023 for a one-year period and to advise Dumfries and Galloway Council of the decision.

REPORT BY EXTERNAL AUDIT ON THE 2022/23 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 2022/23 audit of SWestrans to this Board in line with the requirements of the International Standards on Auditing 260 (ISA 260).

2. Background

2.1 The Partnership's external auditors are Audit Scotland who were appointed on a five year appointment from 2022/23 to 2026/27. This is the first year Audit Scotland has audited SWestrans accounts.

2.2 Audit Scotland have now concluded their audit of the Partnership's Annual Accounts for the year ended 31 March 2023. 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.

2.3 Audit Scotland are required to present a report to those charged with governance, covering 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 2022/23 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 2022/23 accounts is at **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 30 June 2023. The final certified annual accounts will be made available to the Board and they will be published on the SWestrans 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 2022/23 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 Audit Scotland as detailed at **Appendix 3**; and
- 6.4 note that the certified accounts will be made available to all Members and they will be available on the SWestrans website as detailed in paragraph 3.4.

Janet Sutton - Report Author
Finance Officer
Tel: 01387 260105
Date of Report: 19 October 2023
File Ref:

Approved by: Douglas Kirkpatrick
Lead Officer
South West of Scotland Transport Partnership
Cargen Tower
Garroch Business Park
Dumfries
DG1 8PN

Appendices – 3

Appendix 1 – Report to Members and the Controller of Audit on the 2022/23 Audit

Appendix 2 – Letter of Representation

Appendix 3 – Unsigned audited accounts 2022/23

South West of Scotland Transport Partnership

Proposed 2022/23 Annual Audit Report



 AUDIT SCOTLAND

Prepared for the Members of the South West of Scotland Transport Partnership and the
Controller of Audit

October 2023

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Key messages

2022/23 annual accounts

- 1 Audit opinions on the annual accounts are unmodified. The financial statements show a true and fair view and were prepared in accordance with the financial reporting framework.

Wider scope

- 2 The South West of Scotland Transport Partnership (SWestrans) demonstrates good financial management and operated within its revised budget for 2022/23.
- 3 SWestrans has no medium or long-term financial plan and needs to develop a strategic approach to planning.
- 4 SWestrans has appropriate arrangements in place to secure Best Value.

Introduction

1. This report summarises the findings from the 2022/23 annual audit of the South West of Scotland Transport Partnership (SWestrans). The scope of the audit was set out in an Annual Audit Plan presented to the 30 June 2023 Board meeting. This Annual Audit Report comprises:

- significant matters arising from an audit of SWestrans' annual accounts
- conclusions on wider scope areas that frame public audit as set out in the [Code of Audit Practice 2021](#), which for less complex bodies includes conclusions on financial sustainability and Best Value.

2. This report is addressed to the Members of SWestrans and the Controller of Audit and will be published on Audit Scotland's website www.audit-scotland.gov.uk in due course.

Audit appointment from 2022/23

3. I, Peter Lindsay, have been appointed by the Accounts Commission as auditor of SWestrans for the period from 2022/23 until 2026/27. The 2022/23 financial year was the first of my five-year appointment. My appointment coincides with the new [Code of Audit Practice](#) (the Code) which was introduced for financial years commencing on or after 1 April 2022.

4. My team and I would like to thank board members and other staff, particularly those in finance, for their cooperation and assistance in this year and we look forward to working together constructively over the course of the five-year appointment.

Responsibilities and reporting

5. SWestrans has primary responsibility for ensuring the proper financial stewardship of public funds. This includes preparing annual accounts that are in accordance with proper accounting practices. SWestrans is also responsible for compliance with legislation putting arrangements in place for governance and propriety.

6. The responsibilities of an independent auditor appointed by the Accounts Commission are established by the Local Government in Scotland Act 1973, the [Code of Audit Practice 2021](#) and supplementary guidance and International Standards on Auditing in the UK.

7. The weaknesses or risks identified in this report are only those which have come to our attention during our normal audit work and may not be all that exist. Communicating these does not absolve management from its responsibility to address the issues we raise and to maintain adequate systems of control.

8. This report contains an agreed action plan at [Appendix 1](#) setting out specific recommendations, responsible officers, and dates for implementation.

Auditor Independence

9. We can confirm that we comply with the Financial Reporting Council's Ethical Standard. We can also confirm that we have not undertaken any non-audit related services and therefore the 2022/23 audit fee of £11,850 as set out in our 2022/23 Annual Audit Plan remains unchanged. We are not aware of any relationships that could compromise our objectivity and independence.

10. We add value to SWestrans by:

- identifying and providing insight on significant risks, and making clear and relevant recommendations
- sharing intelligence and good practice identified.

Part 1. Audit of 2022/23 annual accounts

Public bodies are required to prepare annual report and accounts comprising financial statements and other related reports. These are principal means of accounting for the stewardship public funds.

Main judgements

Audit opinions on the annual accounts are unmodified. The financial statements show a true and fair view and were prepared in accordance with the financial reporting framework.

Audit opinions on the annual accounts are unmodified

11. The Board approved the annual accounts for SWestrans for the year ended 31 March 2023 on 27 October 2023. As reported in the independent auditor's report, in my opinion as the appointed auditor:

- the financial statements give a true and fair view and were properly prepared in accordance with the financial reporting framework.
- the audited part of the management commentary and the annual governance statement were all consistent with the financial statements and properly prepared in accordance with the applicable requirements.

Overall materiality was assessed on receipt of the annual accounts as £96,000

12. Broadly, the concept of materiality is applied by auditors to determine whether misstatements identified during the audit could reasonably be expected to influence the economic decisions of users of the accounts, and hence impact their opinion set out in the independent auditor's report. Auditors set a monetary threshold when considering materiality, although some issues may be considered material by their nature. It is ultimately a matter of the auditor's professional judgement.

13. Our initial assessment of materiality was carried out during the risk assessment and planning phase of the audit. This was reviewed and revised on receipt of the unaudited annual accounts and is summarised in [Exhibit 1](#) overleaf.

Exhibit 1

Materiality values

Materiality level	Amount
Overall materiality	£96,000
Performance materiality	£62,000
Reporting threshold	£5,000

Source: Audit Scotland

14. The overall materiality threshold was set with reference to gross expenditure, which we judged as the figure most relevant to the users of the financial statements.

15. Performance materiality is used by auditors when undertaking work on individual areas of the financial statements. It is a lower materiality threshold, set to reduce the probability of aggregated misstatements exceeding overall materiality. Performance materiality was set at 65 per cent of overall materiality, reflecting the fact that no significant issues or unadjusted errors were identified in the prior year audit impacting our audit approach and no significant history of errors being communicated to us by the former audit team.

16. It is our responsibility to request that all misstatements, other than those below our reporting threshold, are corrected, although the final decision on making the correction lies with those charged with governance.

Significant findings and key audit matters

17. Under International Standard on Auditing (UK) 260, we communicate significant findings from the audit to the board including our view about the qualitative aspects of the body's accounting practices.

18. The Code of Audit Practice also requires all audits to communicate key audit matters within the annual audit report under International Standard on Auditing (UK) 701. These are matters that we judged to be of most significance in our audit of the financial statements.

19. The significant findings and key audit matters are summarised in [Exhibit 2](#) overleaf.

Exhibit 2

Significant findings and key audit matters from the audit of the annual accounts

Issue	Resolution
<p>1. Depreciation of vehicles</p> <p>During our audit testing of non-current assets, we identified that three vehicles acquired during the year were added to the Fixed Asset Management (FAM) system later than they were available for use, resulting in an undercharge to depreciation of £0.020 million.</p> <p>In addition, testing of the eight vehicles that were “relifed” at 31 March 2023 identified that depreciation was incorrectly charged based on the year-end net book value (NBV), resulting in an overcharge to depreciation of £0.006 million.</p>	<p>The late additions were due to a delay in finance staff receiving information from the fleet department as well as the limitations of the FAM system itself, which does not allow back posting into a closed accounting period.</p> <p>Depreciation on relifed assets was calculated by the system due to depreciation being run after the assets were revalued. The order in which year-end capital accounting procedures are carried out will be considered in the preparation of the 2023/24 accounts.</p> <p>The net impact of correcting these misstatements would be to increase expenditure and reduce net assets by £0.014 million and is set out in Appendix 2.</p> <p>Management has chosen not to revise the annual accounts for these misstatements. We are satisfied that the value of the misstatements is below our performance materiality.</p> <p>We have made a recommendation in relation to implementing a suitable process to address this issue in future.</p> <p>Recommendation 1 (Refer Appendix 1, action plan)</p>

Source: Audit Scotland

Our audit work responded to the risks of material misstatement we identified in the annual accounts

20. We have obtained audit assurances over the identified significant risks of material misstatement to the annual accounts. [Exhibit 3](#) overleaf sets out the significant risks of material misstatement to the annual accounts we identified in our 2022/23 Annual Audit Plan. It also summarises the further audit procedures we performed during the year to obtain assurances over these risks and the conclusions from the work completed.

Exhibit 3

Identified significant risks of material misstatement in the annual accounts

Audit risk	Assurance procedure	Results and conclusions
<p>1. Management override of controls</p> <p>As stated in ISA (UK) 240 (The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements), management is in a unique position to perpetrate fraud because of their ability to override controls that otherwise appear to be operating effectively</p>	<p>We assessed the design and implementation of controls over journal entry processing.</p> <p>We made inquiries of individuals involved in the financial reporting process about inappropriate or unusual activity relating to the processing of journal entries and other adjustments.</p> <p>We tested journals at the year-end with a focus on significant risk areas.</p> <p>We evaluated significant transactions outside the normal course of business.</p> <p>We assessed any changes to the methods and underlying assumptions used to prepare accounting estimates compared to the prior year.</p> <p>We carried out substantive testing of income and expenditure transactions around the year-end to confirm that they were accounted for in the correct financial year.</p> <p>We carried out focussed testing of accounting accruals and prepayments.</p>	<p>Results: We did not identify any incidents of management override of controls through our audit testing.</p> <p>Conclusion: There was no evidence of management override of controls from the work performed.</p>

Source: Audit Scotland

There were two non-material misstatements identified within the financial statements

21. We identified two non-material misstatements within the financial statements (refer [Exhibit 2](#)) which were not corrected by management in the audited accounts. We considered the size, nature and circumstances leading to the uncorrected misstatements, individually and in aggregate, and concluded that

these were not material. Further details of the uncorrected misstatements are included in [Appendix 2](#).

The unaudited annual accounts were received in line with the agreed timetable

22. The unaudited annual accounts were received in line with our agreed audit timetable on 30 June 2023. We thank officers for their cooperation, assistance and for meeting the deadline.

Prior year recommendations

23. There were no recommendations made by the previous external auditor (Grant Thornton) that required our follow up.

Part 2. Wider Scope

For less complex bodies wider-scope audit work considers the financial sustainability of the body and the services that it delivers over the medium to longer term, and the arrangements for securing Best Value.

Conclusion

SWestrans demonstrates good financial management and operated within its revised budget for 2022/23.

SWestrans has no medium or long-term financial plan and needs to develop a strategic approach to planning.

SWestrans has appropriate arrangements in place to secure Best Value.

SWestrans demonstrates good financial management and operated within its revised budget for 2022/23

24. SWestrans reported a breakeven position after receiving additional funding of £0.067 million from Dumfries and Galloway Council to support payments under the fuel cost sharing agreement to bus service operators entered into due to the inflationary increase of fuel during 2022/23.

25. The SWestrans Board maintains oversight of financial performance through scrutiny of the budget monitoring reports presented regularly to Board meetings.

SWestrans does not have a medium or long-term financial plan

26. To date, SWestrans has been limited in its ability to prepare medium or long-term financial plans by the annual funding settlement arrangements in place with its parent, Dumfries and Galloway Council (the Council). This arrangement restricts SWestrans ability to strategically plan solutions to financial sustainability challenges or to build up reserves.

27. SWestrans does however manage the rolling 3-year capital expenditure programme that operates in partnership between SWestrans and the Council, which provides medium-term planning of the use of resources to be spent on the local bus network, active travel network, and development of Lockerbie rail station parking facilities.

Recommendation 2

SWestrans and the Council should explore funding arrangements that would facilitate the medium-term financial planning of SWestrans expenditure on supported bus services.

SWestrans faces significant challenges to the sustainable delivery of supported bus services

28. During 2022/23, SWestrans faced significant challenges in relation to the sustainable delivery of supported bus services in Dumfries and Galloway. SWestrans supports a total of 57 socially necessary bus services in the area, which are delivered through contracts awarded to local bus operators. Of these services, 55 were awarded 1-year contracts commencing August 2022 with the option to extend for an additional year. Since the contracts were awarded, increased operational costs, low passenger numbers, and a shortage of drivers has caused delivery challenges and highlighted the increasing financial sustainability challenges in the current local bus network provision. It was agreed by the SWestrans Board at the 27 January 2023 meeting that these contracts will end in August 2023, with work commencing on procurement of replacement contracts within a prioritisation framework.

29. SWestrans and its partners, Scottish Borders Council (SBC) and Strathclyde Partnership for Transport (SPT) also faced significant challenges replacing a contract for the 101/102 Dumfries to Edinburgh bus service, which provides a crucial link for communities in Dumfries and Galloway, South Lanarkshire, Scottish Borders, and Midlothian to Edinburgh. Tender bids received by SWestrans for a like-for-like replacement service returned an 86 per cent price increase above the previous price of £272,417 per annum, which was deemed unaffordable by all partners. However, in order to retain service on this route a short-term contract was awarded at this price for a period of 20 weeks plus a possible additional 13 weeks.

30. SPT agreed to be the lead partner in seeking to procure an affordable replacement on a 5-year basis from March 2023. A replacement contract which offers similar levels of service was awarded on a 3-year term at a cost of £385,000 per annum.

31. The SWestrans board were advised in June 2022 of the withdrawal of the commercial bus service 502 Castle Douglas to Dumfries. As no other commercial bus operators wished to take on the service, SWestrans issued a procurement for this service which required SWestrans to request a budget enhancement of £97,000 (prorated to £63,500 for the remainder of 2022/23) from Dumfries and Galloway Council to support the provision of this service.

Effective governance arrangements are in place

32. SWestrans reviews its Standing Orders on an annual basis with the most recent version approved by the Board in September 2022. Effective governance is also supported by the body's procurement standing orders and the governance framework in place at Dumfries and Galloway Council.

33. The Annual Governance Statement contained within the 2022/23 Annual Accounts was evaluated and found to be prepared in line with the Local Authority Accounts (Scotland) Regulations 2014 and the CIPFA/SOLACE framework 'Delivering Good Governance in Local Government'.

SWestrans has appropriate arrangements in place for securing Best Value

34. SWestrans demonstrates its commitment to best value through consideration of the needs of local communities, the sustainability of services, and equality issues, as well as the option of partnership working where available, when deciding on the effective use of resources available to the Transport Partnership. However, faced with the increasing costs of providing services and changes to passenger demographics, needs, and usage, SWestrans may find it increasingly difficult to secure a sustainable bus network provision that meets user needs within available resources.

Climate change arrangements

35. The Scottish Parliament has set a legally binding target of becoming net zero by 2045 and has interim targets including a 75 per cent reduction in greenhouse gas emissions by 2030. The public sector in Scotland has a key role to play in ensuring these targets are met and in adapting to the impacts of climate change.

36. SWestrans current Climate Change Strategy was approved by the Board in March 2013 and does not set out quantified targets for reducing its greenhouse gas emissions. The SWestrans Regional Transport Strategy (RTS) 2023-2042 has been developed and submitted to the Scottish Government for approval. The RTS has been developed in line with the Sustainable Transport Hierarchy set out by the National Transport Strategy (NTS) 2 with five out of six of its objectives in line with the NTS "Takes Climate Action" priority.

37. As a subsidiary of Dumfries and Galloway Council which utilises Council staff and infrastructure, the only measurable emission source under SWestrans direct control is the total passenger km procured to deliver the supported bus services. SWestrans monitors and reports on this measure to the Scottish Government under the requirements of the Climate Change (Duties of Public Bodies: Reporting Requirements) (Scotland) Order 2015. In 2021/22, this total decreased to 5,008,848 km from 5,057,266 km in 2020/21.

38. The Climate Change Duties – Reporting 2021/22 paper that was considered at the 25 November 2022 board meeting advises that SWestrans will set climate targets and establish a clear delivery plan of how emissions will be reduced and ultimately reach net zero by 2045 in line with Scottish Government targets as part of the new RTS. As targets have not been included in the RTS, it is recommended that SWestrans include targets and plans for achieving these in the delivery plan that is to be developed to support the RTS.

Recommendation 3

SWestrans should ensure that clear climate targets for reducing emissions and reaching net zero by 2045 are developed as part of the RTS delivery plan.

Appendix 1. Action plan 2022/23

2022/23 recommendations

Issue/risk	Recommendation	Agreed management action/timing
<p>1. Depreciation</p> <p>Our audit testing of accounting entries for vehicles identified that, due to delays in receiving information from another department and features of the FAM system, depreciation entries for the year were not accurately calculated.</p> <p>There is a risk that the value of vehicles disclosed in the accounts is misstated.</p>	<p>SWestrans should ensure that internal processes are in place for the timely receipt of information from the Fleet Department, and that year-end processes take account of the features of the FAM system.</p> <p>Exhibit 2</p>	<p>Fleet will ensure information is passed to the Finance Team for timely input into FAM. Adjustments for any vehicles needing revalued/re-lifed will be undertaken after depreciation is calculated.</p> <p>Transport and Operations Manager/Finance Officer Capital</p> <p>March 2024</p>
<p>2. Financial planning</p> <p>SWestrans' ability to plan in the medium to long-term is restricted by the annual funding settlement arrangements in place with Dumfries and Galloway Council.</p> <p>There is a risk that SWestrans is not able to effectively plan for and manage risks related to financial sustainability.</p>	<p>SWestrans and the Council should explore funding arrangements that would facilitate the medium-term financial planning of SWestrans expenditure on supported bus services.</p> <p>Paragraph 26.</p>	<p>It is recognised that medium term financial planning would significantly improve financial sustainability in relation to supported bus services and officers will work closely with the Council's Senior Leadership Team to develop medium to long term budget plans, however, this may take some time to fully implement due to the annual funding settlement in place with Dumfries and Galloway Council.</p> <p>Lead Officer/Dumfries and Galloway Senior Leadership Team</p> <p>March 2025</p>

Issue/risk	Recommendation	Agreed management action/timing
<p>3. Climate change targets</p> <p>SWestrans has a duty to set and report on targets for reducing emissions targets as part of Scotland's move to net zero by 2045. The objectives and priorities of the RTS 2023-2042 align with national priorities to take action on climate change.</p>	<p>SWestrans should ensure that clear climate targets for reducing emissions and reaching net zero by 2045 are developed as part of the RTS delivery plan.</p> <p>Paragraph 38.</p>	<p>Appropriate emission targets will be set through the RTS delivery plan to ensure we meet our duties in respect of reaching net zero by 2045.</p> <p>Lead Officer</p> <p>March 2024</p>

Appendix 2. Summary of uncorrected misstatements

We report all uncorrected misstatements in the annual report and accounts that are individually greater than our reporting threshold of £5,000.

The table below summarises uncorrected misstatements that were noted during our audit testing and were not corrected in the financial statements. Cumulatively these errors are below our performance materiality level as explained in [Exhibit 1](#). We are satisfied that these errors do not have a material impact on the financial statements.

Narrative	Account areas	Comprehensive Income and Expenditure Statement		Balance Sheet	
		Dr £000	Cr £000	Dr £000	Cr £000
Accounting Misstatements					
1. Depreciation – under charge on additions	Depreciation – Charge for year				20
	Expenditure	20			
2. Depreciation – over charge on revaluations	Depreciation – Charge for year			6	
	Expenditure		6		
Overall impact		20	6	6	20

South West of Scotland Transport Partnership

Proposed 2022/23 Annual Audit Report

Audit Scotland's published material is available for download on the website in a number of formats. For information on our accessibility principles, please visit:

www.audit-scotland.gov.uk/accessibility



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Peter Lindsay, Senior Audit Manager
Audit Scotland
4th Floor, South Suite
The Athenaeum Building
8 Nelson Mandela Place
Glasgow
G2 1BT

27 October 2023

Dear Peter

South West of Scotland Transport Partnership Annual Accounts 2022/23

1. This representation letter is provided in connection with your audit of the annual accounts of South West of Scotland Transport Partnership for the year ended 31 March 2023 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view in accordance with the financial reporting framework, and for expressing other opinions on the remuneration report, management commentary and annual governance statement.
2. I confirm to the best of my knowledge and belief and having made appropriate enquiries of the South West of Scotland Transport Partnership Board, the following representations given to you in connection with your audit of South West of Scotland Transport Partnership's annual accounts for the year ended 31 March 2023.

General

3. South West of Scotland Transport Partnership and I have fulfilled our statutory responsibilities for the preparation of the 2022/23 annual accounts. All the accounting records, documentation and other matters which I am aware are relevant to the preparation of the annual accounts have been made available to you for the purposes of your audit. All transactions undertaken by South West of Scotland Transport Partnership have been recorded in the accounting records and are properly reflected in the financial statements.
4. I confirm that the effects of uncorrected misstatements are immaterial, individually and in aggregate, to the financial statements as a whole. I am not aware of any uncorrected misstatements other than those reported by you.

Financial Reporting Framework

5. The annual accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2022/23 (2022/23 accounting code) and the requirements of the Local Government (Scotland) Act 1973, the Local

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Government in Scotland Act 2003 and The Local Authority Accounts (Scotland) Regulations 2014.

6. In accordance with the 2014 regulations, I have ensured that the financial statements give a true and fair view of the financial position of South West of Scotland Transport Partnership at 31 March 2023 and the transactions for 2022/23.

Accounting Policies & Estimates

7. All significant accounting policies applied are as shown in the notes to the financial statements. The accounting policies are determined by the 2022/23 accounting code, where applicable. Where the code does not specifically apply I have used judgement in developing and applying an accounting policy that results in information that is relevant and reliable. All accounting policies applied are appropriate to South West of Scotland Transport Partnership's circumstances and have been consistently applied.

8. The significant assumptions used in making accounting estimates are reasonable and properly reflected in the financial statements. Judgements used in making estimates have been based on the latest available, reliable information. Estimates have been revised where there are changes in the circumstances on which the original estimate was based or as a result of new information or experience.

Going Concern Basis of Accounting

9. I have assessed South West of Scotland Transport Partnership's ability to continue to use the going concern basis of accounting and have concluded that it is appropriate. I am not aware of any material uncertainties that may cast significant doubt on South West of Scotland Transport Partnership's ability to continue as a going concern.

Assets

10. I carried out an assessment at 31 March 2023 as to whether there is any indication that an asset may be impaired and have recognised any impairment losses identified.

11. I have provided you with all information of which I am aware regarding any valuation exercises carried out after 31 March 2023.

12. There are no plans or intentions that are likely to affect the carrying value or classification of the assets recognised within the financial statements.

13. Owned assets are free from any lien, encumbrance or charge except as disclosed in the financial statements.

Liabilities

14. All liabilities at 31 March 2023 of which I am aware have been recognised in the annual accounts.

15. There are no plans or intentions that are likely to affect the carrying value or classification of the liabilities recognised in the financial statements.

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Fraud

16. I have provided you with all information in relation to

- my assessment of the risk that the financial statements may be materially misstated as a result of fraud
- any allegations of fraud or suspected fraud affecting the financial statements
- fraud or suspected fraud that I am aware of involving management, employees who have a significant role in internal control, or others that could have a material effect on the financial statements.

Laws and Regulations

17. I 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.

Related Party Transactions

18. All material transactions with related parties have been appropriately accounted for and disclosed in the financial statements in accordance with the 2022/23 accounting code. I have made available to you the identity of all South West of Scotland Transport Partnership's related parties and all the related party relationships and transactions of which I am aware.

Management commentary

19. I confirm that the Management Commentary has been prepared in accordance with the statutory guidance and the information is consistent with the financial statements.

Corporate Governance

20. I confirm that South West of Scotland Transport Partnership has undertaken a review of the system of internal control during 2022/23 to establish the extent to which it complies with proper practices set out in the Delivering Good Governance in Local Government: Framework 2016. I have disclosed to you all deficiencies in internal control identified from this review or of which I am otherwise aware.

21. I confirm that the Annual Governance Statement has been prepared in accordance with the Delivering Good Governance in Local Government: Framework 2016 and the information is consistent with the financial statements. There have been no changes in the corporate governance arrangements or issues identified, since 31 March 2023, which require to be reflected.

Events Subsequent to the Date of the Balance Sheet

22. All events subsequent to 31 March 2023 for which the 2022/23 accounting code requires adjustment or disclosure have been adjusted or disclosed.

Yours sincerely

Treasurer

South West Scotland
Transport Partnership

SWestrans.org.uk

Annual Accounts 2022–23

Audited



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Management Commentary

Membership of the South West of Scotland Transport Partnership Board

John Campbell (Chair) (Dumfries and Galloway Council) from 24 May 2022
 Karen Jackson (Vice-chair) (South of Scotland Enterprise) from 24 May 2022
 David Bryson (NHS Dumfries and Galloway)
 Jim Dempster (Dumfries and Galloway Council) from 24 May 2022
 Willie Scobie (Dumfries and Galloway Council) from 16 March 2023
 Keith Walters (Dumfries and Galloway Council) from 24 May 2022
 Andrew Wood (Dumfries and Galloway Council) from 24 May 2022

The Council members have substitutes being: -

Richard Brodie (Dumfries and Galloway Council)
 Ben Dashper (Dumfries and Galloway Council)
 Andrew Giusti (Dumfries and Galloway Council)
 Ivor Hyslop (Dumfries and Galloway Council)
 Sean Marshall (Dumfries and Galloway Council)

Andrew Wood (Chair) (Dumfries and Galloway Council) until 24 May 2022
 John Campbell (Vice-Chair) (Dumfries and Galloway Council) until 24 May 2022
 Richard Brodie (Dumfries and Galloway Council) until 24 May 2022
 Karen Jackson (South of Scotland Enterprise) until 24 May 2022
 Ronnie Tait (Dumfries and Galloway Council) until 24 May 2022
 Adam Wilson (Dumfries and Galloway Council) until 24 May 2022

Maureen Johnstone (Dumfries and Galloway Council) 24 May 2022 – 16 March 2023
 Ian Carruthers (Dumfries and Galloway Council) until 16 March 2023

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 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 2023. 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 2022/23

SWestrans continued to balance service provision and service development through its revenue and capital budgets during 2022/23. The Partnership's officers and Board members have continued to participate in the development of local, regional and national initiatives including the Regional Transport Strategy and the second Strategic Transport Projects Review (STPR2).

Following the Local Government elections in May 2022, Dumfries and Galloway Council considered appointments to the SWestrans Board being 5 Board Members and 5 substitutes. The Council were asked to give consideration to gender balance when agreeing nominations as guidance issued by the Scottish

Management Commentary Continued

Government to Board Members of Public Bodies outlines a clear aim of achieving a 50:50 gender balance on all public body boards.

Staff numbers available to SWestrans increased, following confirmation of reoccurring funding from Dumfries and Galloway Council, from 2 staff members to 5 with the posts of Team Leader (Planning and Operations), Public Transport Officer and Public Transport Assistant filled in October/November 2022, these staff are Employed by Dumfries and Galloway Council not Swestrans.

All Board meetings in 2022/23 were held as hybrid meetings with in-person participation at the Council Hall and remote access available through Microsoft Teams. At its meeting in September 2022, the Board considered the options concerning Board meeting arrangements and agreed the continuation of hybrid meetings and that they would be recorded and livestreamed online.

The impact of the Covid-19 pandemic on bus usage across the region continued to be evidenced. Detailed passenger usage for 2019, 2020, 2021 and 2022 was collated with operators providing high-level usage numbers on their commercial journeys. This enabled a comparison to be made across the 4 years with 2019 showing the pre-Covid usage. A summary of the usage figures (annualised) is provided below:

Type	2019	2020	2021	2022
Supported	1,375,920	704,392	1,030,633	1,409,161
Commercial	3,378,782	1,519,668	1,554,462	1,754,974
Totals	4,754,702	2,224,060	2,585,095	3,164,135

For the overall network, passenger usage is currently some 33% below pre-Covid numbers with a continuing build back from the 2020 usage which was 53% below pre-Covid usage. Analysis of the 2022 supported service passenger data against pre-Covid levels shows Adults are some 27% lower, Under 22's are 95% higher and Concessions 37% lower.

All residents in Scotland under the age of 22 became eligible for free bus travel from 31 January 2022. Latest figures show that some 38% of those eligible for the Under 22 Free Bus Scheme in Dumfries and Galloway have joined the Scheme. Whilst some of those passengers previously categorised as Adults (16+) now fall into the Under 22 category it is clear that the Under 22 Scheme is generating significant increases in travel for that age group.

The Board and partner authorities Strathclyde Partnership for Transport (SPT) and Scottish Borders Council faced significant challenges around the replacement of the 101/2 Dumfries to Edinburgh local bus service with these challenges being the subject of discussion at most Board meetings in 2022/23. SPT agreed to be the lead partner in securing a replacement service with the Board agreeing the SWestrans contribution for continued provision at its meeting in January 2023. The new 3-year contract operated by Houstons Coaches commenced on 1 April 2023.

The sustainability and delivery of the supported local bus network continued to be the most challenging aspect of the Board's work during 2022/23. There are 57 socially necessary local bus services supported by SWestrans which were all, with the exception of 101/102 Dumfries to Edinburgh and 502 Castle Douglas to Dumfries, awarded to commence in August 2022 on a 1-year contract (plus a possible 1-year extension). The tender prices for these contracts were submitted prior to the conflict in Ukraine and the subsequent global inflation increases which further exacerbated their sustainability with ongoing operating cost volatility (fuel, maintenance, wages), low passenger numbers and the national shortage of qualified drivers being particularly challenging. In addition, the additional government support to bus operators through the NSG Plus scheme at 79.4p/km and was reduced to 50.4p/km in August 2022 and then ended in April 2023. The base NSG rate of 14.4p/km remains unchanged.

The Board received Local bus Update reports to each of its meetings in 2022/23 focussed on a review of all current supported local bus services, possible efficiencies and developing delivery options to meet the identified challenges. In January 2023 the Board agreed that all local bus contracts with an end date of 6

Management Commentary Continued

August 2023 terminate on that date and agreed the proposed tender timeline for replacing local bus contracts.

At its meeting in March 2023, the Board received a detailed analysis of all current supported local bus services presented as a prioritised framework based on the Board's agreed travel need factors and actual need evidenced through demand. This prioritised framework will assist the Board in its decision-making. The Board agreed a procurement that would seek prices for all existing supported local bus services on a like for like basis and on the alternative specifications highlighted in the paper.

Delivery of the capital programme continued to be challenging through the year with work undertaken on Phase 2 and Phase 3 of car parking at Lockerbie Station, the purchase of low floor buses, the bus shelter programme and active travel interventions.

The development of our new Regional Transport Strategy (RTS) which will set the policy and direction for SWestrans for the period from 2022 to 2042 continued throughout 2022/23. It had been expected that the RTS process would take some 16 months and be concluded in January 2023. However, the process is now expected to conclude in June 2023.

The September 2022 Board received a comprehensive draft RTS for consideration which was approved and agreed for public consultation. The consultation was open to the general public, partners, and stakeholders, with the draft RTS document, supporting documents (including the EqIA and SEA), and consultation questionnaire made available through the SWestrans website with paper copies and other formats or languages available on request. The consultation ran from 3 October 2022 until 6 January 2023 (further extended to 13 January 2023). At its March 2023 meeting, the Board received a detailed update on responses received to the draft RTS consultation, the changes being made to take account of the responses received and noted that the final RTS would be brought to the Board meeting in June 2023, after which it would be submitted to Scottish Ministers for approval.

Budget Performance Statement

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

	Budget £000	2022/23	
		Actual £000	Variance
Staff costs	139	139	0
Administrative costs	31	31	0
Payments to other bodies	4,233	4,300	67
Central Support costs	44	44	0
Gross Expenditure	4,447	4,514	67
Government Grants	259	259	0
Other income	4,188	4,255	67
Gross Income	4,447	4,514	67
Net Expenditure	0	0	0

The budget performance statement does not include depreciation / capital charges, which were not reflected in the original budget.

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 £4.17 Million.

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Due to the high cost of fuel during 22/23, Dumfries and Galloway Council agreed to enter into a cost sharing mechanism with providers to support the inflationary increase on fuel. As such, Dumfries and Galloway Council provided additional funding of £0.067m to providers in line with the arrangements set out within the cost sharing scheme. To address other pressures during the year, tight spending controls and active budget management was exercised which resulted in SWestrans achieving a breakeven position.

SWestrans' received income totalling £4.514 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 2022/23 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 2023 is shown on page 12 of these accounts.

Movement in Reserves Statement

The Movement in Reserves Statement is shown on page 13 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 14 of the accounts and provides details of SWestrans' assets and liabilities as at 31 March 2023.

Cash Flow Statement

The Cash Flow Statement is shown on page 15 of the accounts and shows the changes in the cash & cash equivalents of the Partnership during the course of the year.

John Campbell
Chair

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 to:

- 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 is 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 Annual Accounts.

I confirm that the audited Annual Accounts were approved for signature by the Transport Partnership at its meeting on 27 October 2023 and signed on its behalf.

John Campbell
Chair

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 these Annual 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 Transport Partnership at the reporting date and the transactions of the transport partnership for the year ended 31 March 2023.

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 2022/23. 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 2023.

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

South West of Scotland Transport Partnership Audited Annual Accounts 2022/23

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.

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 2023 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.

John Campbell
Chair

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

I certify that I have audited the financial statements in the annual accounts of South West of Scotland Transport Partnership for the year ended 31 March 2023 under Part VII of the Local Government (Scotland) Act 1973. The financial statements comprise the Comprehensive Income and Expenditure Statement, Movement in Reserves Statement, Balance Sheet, Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards, as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2022/23 (the 2022/23 Code).

In my opinion the accompanying financial statements:

- give a true and fair view of the state of affairs of South West of Scotland Transport Partnership as at 31 March 2023 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards, as interpreted and adapted by the 2022/23 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

I conducted my 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. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I was appointed by the Accounts Commission on 2 December 2022. My period of appointment is five years, covering 2022/23 to 2026/27 I am independent of South West of Scotland Transport Partnership in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to South West of Scotland Transport Partnership. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern basis of accounting

I 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 I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on South West of Scotland Transport Partnership'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.

These conclusions are not intended to, nor do they, provide assurance on South West of Scotland Transport Partnership's current or future financial sustainability. However, I report on South West of Scotland Transport Partnership's arrangements for financial sustainability in a separate Annual Audit Report available from the [Audit Scotland website](#).

Risks of material misstatement

I report in my Annual Audit Report the most significant assessed risks of material misstatement that I identified and my 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 South West of Scotland Transport Partnership'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 there is an intention to discontinue South West of Scotland Transport Partnership's operations.

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

My 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 my 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 decisions of users taken on the basis of these financial statements.

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

- using my understanding of the local government sector to identify that the Local Government (Scotland) Act 1973, The Local Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003 are significant in the context of South West of Scotland Transport Partnership;
- inquiring of the Treasurer as to other laws or regulations that may be expected to have a fundamental effect on the operations of South West of Scotland Transport Partnership;
- inquiring of the Treasurer concerning South West of Scotland Transport Partnership's policies and procedures regarding compliance with the applicable legal and regulatory framework;
- discussions among my audit team on 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 my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of South West of Scotland Transport Partnership'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 my auditor's report.

Reporting on other requirements

Opinion prescribed by the Accounts Commission on the audited parts of the Remuneration Report

I have audited the parts of the Remuneration Report described as audited. In my opinion, the audited parts of the Remuneration Report have been properly prepared in accordance with The Local Authority Accounts (Scotland) Regulations 2014.

Other information

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

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

My opinion on the financial statements does not cover the other information and I 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 the Management Commentary and Annual Governance Statement

In my 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 I am required to report by exception

I am required by the Accounts Commission to report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the financial statements and the audited part of the Remuneration Report are not in agreement with the accounting records; or
- I have not received all the information and explanations I require for my audit.

I have nothing to report in respect of these matters.

Conclusions on wider scope responsibilities

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

Use of my 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 108 of the Code of Audit Practice, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

Peter Lindsay
Senior Audit Manager
Audit Scotland
4th Floor, South Suite
The Athenaeum Building
8 Nelson Mandela Place
Glasgow, G2 1BT

Comprehensive Income & Expenditure Statement

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

2021/22			2022/23			
Gross Expenditure	Income	Net Expenditure		Gross Expenditure	Income	Net Expenditure
£000	£000	£000		£000	£000	£000
4,491	(4,226)	265	Roads and Transport Services	4,781	(4,515)	266
4,491	(4,226)	265	Net Cost of Services	4,781	(4,515)	266
		0	(Gains) & losses on sale of non-current assets			0
		0	Capital grants & contributions			(506)
		265	(Surplus) or Deficit on the Provision of Services			(240)
		0	Other Comprehensive Income & Expenditure			(89)
		265	Total Comprehensive Income & Expenditure			(329)

The notes on pages 16 to 24 form part of the accounts.

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 2021	0	(1,191)	(25)	(1,216)	(1,216)
Movements in Reserves during 2021/22					
Surplus or (Deficit) on provision of services	265	0	0	0	265
Total Comprehensive Income & Expenditure	265	0	0	0	265
Adjustments between accounting basis & funding basis under regulations					
- charges for depreciation of non-current assets	(265)	265	0	265	0
- capital grants & contributions applied	0	0	0	0	0
- Gains & losses on disposal of non-current assets	0	(25)	25	0	0
	(265)	240	25	265	0
Overall Increase/Decrease in year	0	240	25	265	265
Balance at 31 March 2022 carried forward	0	(951)	0	(951)	(951)
Movements in Reserves during 2022/23					
Surplus or (Deficit) on provision of services	(240)	0	0	0	(240)
Other Comprehensive Income & Expenditure	0	0	(89)	(89)	(89)
Total Comprehensive Income & Expenditure	(240)	0	(89)	(89)	(329)
Adjustments to usable reserves permitted by accounting standards	(6)	0	6	6	0
Adjustments between accounting basis & funding basis under regulations					
- charges for depreciation of non-current assets	(260)	260	0	260	0
- impairment of non-current assets	0	0	0	0	0
- capital grants & contributions applied	506	(506)	0	(506)	0
- Gains & losses on disposal of non-current assets	0	0	0	0	0
	240	(246)	6	(240)	0
Overall Increase/Decrease in year	0	(246)	(83)	(329)	(329)
Balance at 31 March 2023 carried forward	0	(1,197)	(83)	(1,280)	(1,280)

The notes on pages 16 to 24 form part of the accounts.

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 2022 £000		31 March 2023 £000	Note
951	Property, Plant & Equipment	1,280	7
951	Long Term Assets	1,280	
	Short Term Debtors		
17	- Central Government bodies	45	
109	- Other entities & individuals	102	16
126	Current Assets	147	
	Short Term Creditors		
(126)	- Other entities & individuals	(147)	16
(126)	Current Liabilities	(147)	
951	Net Assets	1,280	
951	Unusable Reserves	1,280	9
951	Total Reserves	1,280	

The unaudited accounts were issued on 30 June 2023 and the audited accounts were authorised for issue on 27 October 2023.

The notes on pages 16 to 24 form part of the accounts.

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.

2021/22 £000		2022/23 £000
265	Net (surplus) or deficit on the provision of services	(240)
(265)	Adjustment to net (surplus) on the provision of services for non-cash movements	(266)
0	Net cash flow from or used in operating activities	(506)
	Investing activities	
0	- Purchase of property, plant & equipment	506
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

The notes on pages 16 to 24 form part of the accounts.

Notes to the Accounts

1. Summary of Significant Accounting Policies

a) General Principles

The Annual Accounts summarise the Council's transactions for the 2022/23 financial year and its financial position at the year end of 31 March 2023. 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 2022/23 (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 2022/23,
- 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 2023, therefore there is no impact on the 2022/23 financial statements. This applies to the adoption of the following new or amended standards within the 2022/23 Code:

- Property Plant and Equipment; Proceeds Before Intended Use (Amendments to IAS 16).

The implementation of IFRS 16 for Leases Accounting, which should have been adopted with effect from 1 April 2022, has now been deferred until 1 April 2024. The Transport Partnership has opted to defer implementation until 1 April 2024 (in line with the Local Authority).

There are no other accounting standards issued and not yet adopted that will have a material impact on the 2022/23 Annual Accounts. 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 2023 for which there is a significant risk of material adjustment in the forthcoming financial year.

5. Events After the Balance Sheet Date

The Audited Statement of Accounts were issued by the Treasurer on 27 October 2023. 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.

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)

	2021/22 Net Expenditure Chargeable to the General Fund £000	2021/22 Adjustments between the Funding and Accounting Basis £000	2021/22 Expenditure in the Comprehensive Income & Expenditure Statement £000
SWestrans	0	265	265
Net Costs of Services	0	265	265
Capital grants & contributions	0	0	0
(Surplus)/Deficit on the Provision of Services	0	265	265

	2022/23 Net Expenditure Chargeable to the General Fund £000	2022/23 Adjustments between the Funding and Accounting Basis £000	2022/23 Expenditure in the Comprehensive Income & Expenditure Statement £000
SWestrans	0	266	266
Net Costs of Services	0	266	266
Other Comprehensive Income and Expenditure	0	(89)	(89)
Capital grants & contributions	0	(506)	(506)
(Surplus)/Deficit on the Provision of Services	0	(329)	(329)

7. Property, Plant & Equipment

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

	2021/22 Vehicles £000	2022/23 Vehicles £000
Cost or Valuation		
At 1 April	3,491	3,425
Additions	0	506
Revaluations	0	(697)
Disposals	(66)	0
At 31 March	3,425	3,234
Accumulated Depreciation at 1 April	(2,275)	(2,474)
Charge for year	(265)	(266)
Write Back on Disposal	66	0
Write back on Revaluation	0	786
Accumulated Depreciation at 31 March	(2,474)	(1,954)
Net Book Value at 31 March	951	1,280

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.

	2021/22 £000	2022/23 £000
Balance at 1 April	(1,191)	(951)
Assets Disposed of during the year	(25)	0
Depreciation of non-current assets	265	260
Capital grants & contributions credited to the Comprehensive Income & Expenditure Statement	0	(506)
Balance at 31 March	(951)	(1,197)

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.

	2021/22 £000	2022/23 £000
Balance at 1 April	(25)	0
Assets Disposed of during the year	25	0
Upward Revaluations of assets	0	(89)
Difference between fair value depreciation and historical cost depreciation	0	6
Balance at 31 March	0	(83)

10. Payments to Members

No payments were made to Members of the SWestrans Board during 2022/23 or 2021/22.

Notes to the Accounts (continued)

11. Audit Fees

The external audit fee payable for 2022/23 was £11,850 (£10,530 in 2021/22). There were no fees paid for non-audit services.

12. Grant Income

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

	2021/22 £000	2022/23 £000
Credited to Taxation and Non-Specific Grant Income		
Capital grants & contributions	0	(506)
Total	0	(506)
Credited to Services		
Scottish Government grants	(259)	(259)
Dumfries & Galloway Council service funding	(3,548)	(3,756)
Total	(3,807)	(4,015)

13. Related Parties

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

Central Government

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

Other Public Bodies

Dumfries & Galloway Council is responsible for providing the funding for the day-to-day operation of the Transport Partnership under the Transport (Scotland) Act 2005. In 2022/23, the Council provided £100k (£100k in 2021/22) as match funding to a Scottish Government grant for core running costs, a capital grant of £506K (£0k 2021/22) and a further £3.706 Million (£3.491 Million in 2021/22) was requisitioned by the Transport Partnership to cover the operating costs for 2022/23. SWestrans does not employ its own staff and during 2022/23 Dumfries & Galloway Council charged SWestrans £183k (£131k in 2021/22) in respect of staff support, supplies and other support services, see note 15 Key Management Personnel for further details. NHS Dumfries and Galloway contributed £70k (£70k in 2021/22) to a specific bus contract. At the year-end £10k (£46k in 2021/22) was outstanding for payments to Dumfries and Galloway Council and £137k (£80k in 2021/22) in relation to sums held in the Dumfries and Galloway Council Loans Fund.

14. Leases

Partnership as Lessor

SWestrans purchased 5 buses in 2022/23 (0 buses in 2021/22) and 34 (30 in 2021/22) 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):

	2021/22 £000	2022/23 £000
SWestrans' charge of wages and salaries	43	46

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	
	2021/22 £000	2022/23 £000
Financial Liabilities		
Short term creditors (current)	(126)	(147)
	Current- Amortised cost	
	2021/22 £000	2022/23 £000
Financial assets		
Short term debtors (current)	109	102

There were no gains and losses recognised in the comprehensive Income and Expenditure Statement in relation to financial instruments during 2022/23 (2021/22: £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 2023. 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.

REVENUE BUDGET MONITORING REPORT 2023/2024 FOR THE PERIOD ENDING 30 SEPTEMBER 2023

1. Reason for Report

To provide the Board with an update on the Partnership's 2023/24 monitoring and forecast outturn position based on the period ending 30 September 2023.

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 2023/24 of £4,447,289 was agreed by the Board on 31 March 2023. 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 30 September 2023.

Janet Sutton - Report Author Finance Officer Tel: 01387 260105 Date of Report: 3 October 2023 File Ref:	Douglas Kirkpatrick Lead Officer South West of Scotland Transport Partnership Cargen Tower Garroch Business Park, Dumfries DG2 8PN
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APPENDIX - Monitoring Report 2023/24 for the period ending 30 September 2023.

SOUTH WEST OF SCOTLAND TRANSPORT PARTNERSHIP
REVENUE BUDGET MONITORING AS AT 30 September 2023

	FINAL OUTTURN 2022/23 £	PUBLISHED BUDGET 2023/24 £	BUDGET ADJUSTMENTS 2023/24 £	ADJUSTED BUDGET 2023/24 £	ACTUAL EXPENDITURE TO 30/09/23 £	PROJECTED OUTTURN 2023/24 £	VARIANCE 2023/24 £
EXPENDITURE							
Staff Costs	138,745	249,348		249,348	46,867	249,348	0
Transport Costs	0	0		0	0	0	0
Administration Costs	30,854	21,153		21,153	6,318	21,153	0
Payments	4,301,098	4,128,038		4,128,038	1,926,555	4,128,038	0
Central Support	44,071	48,750		48,750	0	48,750	0
Capital Charges	265,903			0	166,558	0	0
Total Expenditure	4,780,671	4,447,289	0	4,447,289	2,146,298	4,447,289	0
INCOME							
Scottish Government Funding	259,250	259,250		259,250	130,050	259,250	0
D&G Council Funding	100,000	100,000		100,000	0	100,000	0
Other Contributions	4,421,421	4,088,039		4,088,039	0	4,088,039	0
Total Income	4,780,671	4,447,289	0	4,447,289	130,050	4,447,289	0
NET EXPENDITURE	0	0	0	0	2,016,248	0	0

CAPITAL EXPENDITURE PROGRAMME 2023/24 – 2025/26 UPDATE

1. Reason for Report

This report provides the Board with an update on the agreed Capital Programme for 2023/24 to 2025/26.

2. Background

2.1 At its meeting on 28 February 2023, Dumfries and Galloway Council agreed a balanced budget. At this meeting there were no changes to the SWestrans Capital Funding identified.

2.2 The Board, at its meeting on 23 September 2022 were provided with the draft design of Lockerbie Rail Station Parking Phase 2 and agreed that public and stakeholder engagement on the design would be undertaken.

2.3 At its meeting on 6 June 2023, Dumfries and Galloway Council's Communities Committee received and agreed an updated 3 year budget plan (2023/24 – 2025/26) for the Transport Asset Class which includes the capital allocation for SWestrans. This updated budget plan was reported to the Board on 30 June 2023.

2.4 At its meeting on 30 June 2023, the Board agreed its Capital Programme as detailed in Table 1 below:

<u>SWestrans Capital Programme 2023/24 – 2025/26</u>	Total Budget Allocated 2023/24	Total Budget Allocated 2024/25	Total Budget Allocated 2025/26	Total
	£	£	£	£
Local Bus Network	1,126,000	0	840,000	1,966,000
Rail Station Parking	557,000	0	0	557,000
Active Travel Network	854,000	400,000	400,000	1,654,000
TOTAL	2,537,000	400,000	1,240,000	4,177,000

Table 1 – SWestrans Capital Programme 2023/24 – 2025/26

3. Key Points – Capital Programme 2023/24 to 2025/26

3.1 Each of the elements of the Capital Programme for 2023/24 is discussed briefly below and we anticipate, at this stage, that full expenditure will be achieved in this financial year. **Appendix 1** shows monitoring of the 2023/24 spend to 30 September 2023.

3.2 A recent Best Value audit of the Council conducted by Audit Scotland raised an improvement action with regards to the lack of non-financial monitoring of the Capital Programme. A review is currently being undertaken to standardise the approach to Capital Programme monitoring and reporting. An initial outcome of this review is to implement a project tracker for inclusion in all capital monitoring reports going forward. As the capital allocation for SWestrans sits within the Council's

Transport Asset Class a project tracker for our elements within this Asset Class is included as **Appendix 2** to this report.

Local Bus Network

3.3 The purchase of Ultra Low Emission low floor buses to replace existing leased bus assets is being led by Dumfries and Galloway Council with procurement close to completion. It is expected that up to 6 low floor buses will be delivered by March 2024. The agreed bus shelter renewal/replacement programme and associated works continue.

Rail Station Parking

3.4 Work on both phases of parking at Lockerbie Station continues, with an engagement event on the design for Phase 2 (Reconfiguration of existing parking) held in Lockerbie over 2 days in August 2023 and an accompanying online survey.

3.5 The tenders for the construction of Phase 3 (new provision at Sydney Place) have been analysed and a tender award authorised. It is expected that construction will be complete by March 2024 and full spend achieved.

Active Travel

3.6 At its meeting on 30 June 2023, the Board were advised that the submission to the 2023/24 Regional Active Travel Fund (RATF) was successful and that projects totalling £1M (£600k SWestrans/ £400k RATF) were in progress. A summary of this element of the overall active travel funding is provided in the **Appendix 3**.

3.7 Funding for active travel will increase significantly next year with Transport Scotland committing £320m or 10% of its total capital budget in 2024/25 onwards. Whilst the distribution of this increased funding is yet to be confirmed it is expected that Dumfries and Galloway/SWestrans will have the potential to access significantly more funding than we currently receive to deliver active travel schemes.

3.8 Officers are currently managing and delivering several live active travel projects from the funding we have available this year, some in partnership with the Council's Active Travel Team, and with 2 of the larger interventions (Dumfries and Community Path Links) in the very early stages. Experience since April has shown that each of these projects requires a substantial investment of time not just on project management but on the delivery aspects such as public engagement, attending Community Councils, liaison with Place Plan teams, project workshops, community walkabouts and other community events. This pressure on staff resource will only be exacerbated with the increase in funding from 2024/25.

3.9 We currently have a vacant Policy and Project Officer post and subject to the Board's agreement it would be our intention to seek to recruit to this post with it being fully funded from the active travel capital budget. If successful this would alleviate some of the current existing pressure on staff, improve our delivery of active travel schemes and provide a more stable base to take advantage of the increase in funding from 2024/25. Therefore, the Board are asked to agree the recruitment to the vacant Policy and Project Officer post on this basis.

4. Implications	
Financial	Regular reports will be brought to the Board on the progress with the capital programme during 2023/24.
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.
Risk Management	Progression of the Capital Programme relates to two known risks: R02 – Public image. R04 – Capital Funding.









5. Recommendations
Members of the Board are asked to:
5.1 note the update on the Capital Programme for 2023/24 to 2025/26 as outlined in the report; and
5.2 agree the recruitment to the vacant Policy and Project Officer post on the basis outlined in paragraph 3.9.

Grant Coltart / Douglas Kirkpatrick - Report Authors 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: 06 Oct 2023 File Ref: SW2/meetings/2023	

Appendix 1 - Capital Programme spend to 30 September 2023

Appendix 2 - Regional Active Travel Fund Programme 2023/24

<u>SWestrans Capital Programme 2023/24</u>	Total Budget Allocated 2023/24	Gross Spend to 30/09/23	Actual Net Spend 30/09/23	Forecast Spend to 31/03/24	Variance 2023/24	(Slippage to) / Acceleration from 2024/25	Indicative Budget 2024/25	Indicative Budget 2025/26
Local Bus Network (SWestrans)	1,126,000	56,532	56,532	1,126,000	0	0	0	840,000
Rail Station Parking (SWestrans)	557,000	654	654	557,000	0	0	0	0
Active Travel Projects (Swestrans)	854,000	112,066	112,066	854,000	0	0	400,000	400,000
TOTAL	2,537,000	169,252	169,252	2,537,000	0	0	400,000	1,240,000

Project Name	Programme					Costs		Brief Project update
	Current Stage	% Complete	Target Completion Date	Projected Completion Date	Programme RAG 	Costs to date as % of total available budget	Cost to completion RAG 	
Local Bus Network	Project underway	50%	Mar-24	Mar-24		5%		Procurement of buses close to completion. Bus shelter renewal/replacement programme and associated works continue. Majority of project costs are in vehicle purchase.
Rail Station Parking	Project underway	50%	Mar-24	Mar-24		1%		Construction of Phase 3 due to start soon. Majority of total project costs are construction.
Active Travel Projects	Project underway	50%	Mar-24	Mar-24		13%		Projects totalling £1M (£600k SWestrans/£400k RATF) in progress.

Regional Active Travel Fund Programme 2023/24

Town (est. Cost)	Action	Progress
Dumfries (£300k)	<p>Assess, develop and design a programme of appropriate active travel interventions at junctions/roundabouts across Dumfries town centre.</p> <p>Develop a Multi Modal Transport Model for Dumfries that will be used to identify/assess transport opportunities for LDP3 and other programmes. A separate audit of the model will be carried out by Transport Scotland to ensure accuracy.</p>	<p>Contract Awarded</p> <p>Due to be complete in Mar 2024</p>
Dumfries (£200k)	<p>Develop designs and deliver improvements for active travel access on Irish Street and at the Terregles Street/King Street junction.</p>	<p>Contract Awarded</p> <p>Due to be complete in Mar 2024</p>
Stranraer (£100k)	<p>Develop active travel interventions including the review of the potential contra-flow cycle permeability of one-way streets and a preferred gateway route for pedestrians and cyclists into town from Marina/harbour area to connect with existing facilities and tourism interests.</p>	<p>Feasibility/Concept Stage 0-2 complete.</p> <p>Public / Stakeholder meeting in Nov 2023 to discuss next steps</p>
Castle Douglas (£50k)	<p>Develop active travel interventions including the assessment of King Street/Market Street/Oakwell Road Roundabout to realign, improve pedestrian crossing and cycle provision.</p>	<p>Feasibility/Concept Stage 0-2 complete.</p> <p>Report to be circulated to Public / Stakeholders to discuss next steps</p>
Newton Stewart (£50k)	<p>Develop active travel interventions including a review of links on Goods Lane/Queen Street/Albert Street/Victoria Street</p>	<p>Feasibility/Concept Stage 0-2 being carried out and will complete by Dec 2023.</p>
Region (£300k)	<p>Develop the prioritised community path links, agreed by the SWestrans Board at its meeting in November 2021, which connect satellite communities to their nearest town and which will provide high quality, safer and more convenient routes to enable a switch from travel by car.</p>	<p>Contract awarded starting Oct 2023.</p> <p>Feasibility/Concept Stage 0-2 will be completed by Mar 2024</p>

REGIONAL TRANSPORT STRATEGY 2023 TO 2042

1. Reason for Report

To advise the Board of feedback received on our submitted Regional Transport Strategy 2023 to 2042 and seek agreement to a response.

2. Background

2.1 SWestrans Regional Transport Strategy (RTS) was agreed by the SWestrans Board on 25 April 2008 after an extensive consultation exercise and approved by Scottish Ministers in June 2008. The RTS Delivery Plan was agreed by the Board on 27 March 2009. The RTS covers the period up to 2023.

2.2 The Board, at its meeting on 30 June agreed the SWestrans Regional Transport Strategy 2023 to 2042 for submission to Scottish Ministers for approval.

3. Key Points

3.1 Feedback on the submitted RTS covering comments from each of the policy leads in Transport Scotland was received on 28 September 2023 with a consensus that the RTS was received positively and had good clear links with overarching strategic direction and national objectives.

3.2 The approval process for the RTS requires consideration and response to each of the feedback points raised highlighting any changes being made to the strategy before sending the updated RTS for approval. Once this has been received, the policy leads will have a final opportunity to seek clarification before ministerial approval is sought.

3.3 Officers working with colleagues at Stantec have reviewed the feedback in detail and, where appropriate, have provided a suggested response or change. This is summarised in the **Appendix** and the Board are asked to review and agree the suggested response to the feedback received on the RTS.

4. Implications

Financial	The RTS development is being accommodated within revenue funding across financial years 2021/22 to 2023/24.
Policy	Policy implications are included within the report.
Equalities	An Equalities Impact Assessment is a critical element of the RTS.
Climate Change	A SEA is a critical element of the RTS. Climate issues are a focus of the RTS.
Risk Management	The need for a current RTS and Delivery Plan relates to a number of known risks: R03 – Strategic Direction R04 – Capital Funding R05 – RTS Delivery R07 – Revenue Funding

5. Recommendation

Members of the Board are asked to review and agree the suggested response to the feedback received on the SWestrans Regional Transport Strategy 2023 to 2042 at the **Appendix**.

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Date of Report: 19 October 2023
File Ref: SW2/Meetings/2023

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Appendix – Draft Response to Feedback on the SWestrans Regional Transport Strategy 2023 to 2042

Subject	Page	Paragraph	Relates to RTS Priority	Comment	Response
Active Travel				<p>The strategy has clear links to the key national strategic objectives as articulated in NPF4, NTS2 etc. and it is also easy to make connections to the three missions of the recent policy prospectus.</p> <p>The structure of the document is a helpful indicator of where SWESTRANS are on their journey and also reflects the sustainable transport and investment hierarchies</p> <p>Whilst the actions are perhaps understandably 'soft' actions given the high level nature of a strategy document, the detail of the delivery plan will determine whether this is all achievable.</p> <p>The report in general seems clear on its priorities</p> <p>Very pleased to see strong themes of connectivity and integration – change can't be delivered by one mode alone</p> <p>The focus on place and enhancing access helpfully places walking, wheeling and cycling front and centre.</p> <p>There is little mention in the strategy in regards to capacity building for the delivery of active travel interventions. This will be critical to successful delivery of the outcomes and so explicitly mentioning this (perhaps under 'Delivery' at s15) could be a helpful hook to inform the Delivery Plan.</p>	<p>This will be picked up in the Delivery Plan and capacity will be increased as funding allows.</p>

Subject	Page	Paragraph	Relates to RTS Priority	Comment	Response
Rail		9.1.7		Sanquhar station, notes that there isn't step free access, but that's the case for all stations as almost all trains in Scotland require a ramp for step free access.	Text "but no step free access to trains" removed so text now reads "Sanquhar: Ramps to both platforms"
		9.1.9		"Removal of unnecessary street furniture within and on approaches to stations" What is the point of this? Is this in relation to access/ accessibility for all users?	Yes, this is relation to access and accessibility.
		10.1.15		What is meant by a local service, very vague and not evidenced as required?	This is referring to a stopping service which would serve new stations - text has been updated.
		10.1.18		Case for stations have not been made (relates to Beattock, Eastriggs, Thornhill)	Following text added "While it is recognised that the case for these improvements has not been recognised by Transport Scotland, the re-opening of these stations remains an ambition of SWestrans. "
		10.1.20		Was not recommended to be progressed as part of STPR2 (relates to Dumfries to Stranraer Railway)	Following text added "While it is recognised that reinstating this railway was not specifically included in STPR2 (which covers the period to 2032), it has been retained in this strategy as a longer term proposition".
		11.1.5		It's class 156 rolling stock	Text updated

Subject	Page	Paragraph	Relates to RTS Priority	Comment	Response
Rail		11.1.10		In the Decarbonisation action plan, Electrification is proposed between Ayr and Girvan. It is planned an interim solution will be in place by 2035, until full electrification is rolled out in due course. It is planned Girvan to Stranraer will remain permanently an alternative decarbonisation solution (it is a requirement the plan is reviewed every three years, and this is ongoing as we speak).	Updated text on this to say "Currently, the railway lines to Dumfries and Stranraer are not electrified requiring diesel rolling stock for operation. Figure 11.1 shows Transport Scotland's plan for decarbonising the rail network as articulated in the Rail Services Decarbonisation Action Plan . This document sets out the plan to electrify the line between Carlisle and Kilmarnock and notes that alternative traction will be used as a transition on the line from Ayr to Girvan until full electrification while alternative traction will run permanently from Girvan to Stranraer"
			37	This sounds very committed to without justification of demand for improved services. (relates to service improvement at poorly serve stations)	Text edited to "the development of business cases for improvements to rail services at stations where provision is poor should be taken forward in close coordination with key stakeholders including ScotRail and Transport Scotland
			38	Is there any evidence for this being required? (relates to a local service on the WCML)	Text edited to "Opportunities should be investigated to run a local service on the West Coast Main Line between Carlisle and Edinburgh / Glasgow through the development of a business case"
			40	Not mentioned before being noted here. Is there a requirement and need for this? (relates to quadruple track on WCML)	Text edited so not reads "improve the capacity on the West Coast Main Line" rather than quadruple track the West Coast Main Line"
			41	Not sure this is needed as it is an operational decision for ScotRail. (relates to local train crews)	Acknowledged that this is a ScotRail decision but it was identified as a problem through the Case for Change

Subject	Page	Paragraph	Relates to RTS Priority	Comment	Response
Rail			42	Case not been made for stations in STAG reports (relates to Beattock, Eastriggs, Thornhill)	Following text added "While it is recognised that the case for these improvements has not been recognised by Transport Scotland, the re-opening of these stations remains an ambition of SWestrans. "
Climate Change / Low Carbon				<p>It is recognised the limitations set out in the draft RTS on the rural nature of Swestrans region, however there is concern that there is no target for car use reduction or metric to assess whether they have been successful in achieving their commitment to reduce car use.</p> <p>It would be useful for the Strategy to reflect alignment with national policy by showing that, as part of its approach to growing the public charging network, consideration has been made to the Vision for Scotland's Public Electric Vehicle Charging Network. This covers a number of areas including attraction of private Charge Point Operator investment to grow the network. The Strategy could also benefit from reference to £60m EV Infrastructure Fund that aligns with the Vision and the role of local authorities in facilitating new models of delivering the public charging network in partnership with the private Charge Point Operators.</p>	<p>Specific objectives will be developed in the RTS Delivery Plan reflecting the Route Map and as further guidance emerges</p> <p>See response below to comment on para 2.2.20</p>
Electric Vehicles / Alternative Fuels		1.2.3		The wording of the first bullet needs to be tweaked slightly. It currently says that by 2030 "our roads will contain no new petrol and diesel cars and vans". Could this be amended to something along the lines of "the need for new petrol and diesel cars and vans will have been phased out"?	Text updated.

Subject	Page	Paragraph	Relates to RTS Priority	Comment	Response
Electric Vehicles / Alternative Fuels		2.2.20		<p>This paragraph highlights the suggestion that there may be up to 300,000 chargers required by 2030, and that this would equate to 450 per 100,000 population (the SWestrans region currently has 76.2 per 100,000). However other than this, references to EV charging infrastructure are fairly minimal e.g. “investigation and delivery, as appropriate” of EV charging points. I appreciate that private car use is much further down the transport hierarchy, but there’s no real indication of how the number of charge points might be increased, or a mention of incorporating charging into transport interchanges/mobility hubs to enable private car use where required (e.g. to travel to a train station) but encouraging public transport use at the same time.</p> <p>There’s no reference to the EV Vision.</p>	<p>Added text "The Scottish Government produced a Draft Vision for Scotland’s Public Electric Vehicle Charging Network in January 2022 . This document notes that attracting private sector investment will be key to growing the EV charging network. Following the publication of the Draft Vision, the Scottish Government established the Electric Vehicle Infrastructure Fund (EVIF). This aims to expand the EV charging network with £30 million of funding from the Scottish Government and the intention of a further £30m drawn from the private sector. The initial phase of EVIF is providing local authorities with funding to support the development of public electric vehicle charging Strategies and Infrastructure Expansion Plans. The strategies and plans will help local authorities to identify future public charging needs, investment requirements and approaches to delivery and will be used to determine the level of public capital funding provided from the EVIF fund.</p> <p>10.8.1 Refers to Mobility hubs and EVs as follows "Alongside this, a network of mobility hubs will be developed across Dumfries and Galloway. Introducing new or improved intermodal facilities allows people to seamlessly move across the region using a variety of transport modes. Mobility hubs bring together public transport stops for buses and trains with a range of other modes and facilities, such as bike sharing, car clubs, e-scooters, EV charging points"</p> <p>See response above to comment on para 2.2.20</p>

Subject	Page	Paragraph	Relates to RTS Priority	Comment	Response
Electric Vehicles / Alternative Fuels		8.1.3		<p>There's a reference to 'grants/loans for electric/hybrid vehicles'. I understand this is a long term document, and our funding is primarily annual and therefore might not be mentioned, but is SWestrans aware of the funding schemes available through EST (e.g the used EV loans; domestic charge point scheme and e-bike loans)</p> <p>The Strategy covers 2023 – 2042, by which time no diesel HGVs will be sold in the UK and an entirely new energy infrastructure for recharging and/ or hydrogen refuelling will have to be in place (note that new HGVs under 26T will not be sold after 2035 and no new diesel HGVs at all will be sold after 2040 in the UK). The strategy flags that "There is significant car and HGV demand on the A75 and A77 linked to the ports at Cairnryan and Loch Ryan" and that "commercial vehicles comprise up to 35% of vehicles on strategic roads within Dumfries and Galloway", so would expect to see some recognition of the need to plan for the appropriate energy infrastructure to meet the needs of HGVs. Reference is made to this as a potential need at 8.1.13, but it does not feature as a priority at Section 8.2 (although reference is made to "commercial vehicles"). Suggest that given the high volume of HGV freight traffic passing through the area, this strategy is very light on what will be required to implement zero emission HGVs during the period of the document.</p>	<p>Noted</p> <p>Added additional text at 8.1.3 and in Priority 19 around commercial vehicles</p>

Subject	Page	Paragraph	Relates to RTS Priority	Comment	Response
Electric Vehicles / Alternative Fuels				Reference should be made to HGV charging and refuelling in the priorities section at 8.2. This would be in line with STPR2 and other national policy to 2042, eg the Climate Change Plan.	Text amended to include reference to commercial vehicle charging at bullet a) and at bullet f) for alternative fuels for commercial vehicles.
Strategic Road Network	16	2.2.16	-	<p>Extract from RTS - "There is significant car and HGV demand on the A75 and A77 linked to the ports at Cairnryan and Loch Ryan. Neither of these routes are dual carriageway and as a result both have relatively low average speeds with long and unreliable journey times due in part to the reduced speed and platooning of HGVs"</p> <p>With regard to the text "neither of these routes are dual carriageway", we consider this implies the dualling of either/both routes are potential options for improvement. Transport Scotland has responsibility for improvements to the Trunk Road Network. The appraisal of options as part of STPR2 and the SWSTS, in line with STAG, has not recommended the full dualling of either route, or any other trunk road route in Scotland.</p> <p>We suggest the following wording, which is more in line with paragraphs 2.2.17 and 2.2.18:</p> <p>"The A75 and A77 are predominantly single carriageway roads linking to the ports at Cairnryan and Loch Ryan. There is significant car and HGV demand and as a result both have relatively low average speeds with long and unreliable journey times due in part to the reduced speed and platooning of HGVs"</p>	Text updated as requested

Subject	Page	Paragraph	Relates to RTS Priority	Comment	Response
Reducing the Negative Impact of Transport on Our Communities		8.1.1 / 8.1.2	18, 57, 59	<p>“...bypasses could also benefit other communities on the A75, A76 and A77 including Dumfries.” With the exception of Springholm and Crocketford, STPR2 does not specifically identify the bypassing of any other settlements on these routes. However, STPR2 Recommendation 40 does recommend that safety, resilience and reliability improvements are made on the A75 and A77 strategic road corridors, in turn supporting placemaking opportunities. This would include, but is not limited to, improving junctions, enhancing overtaking opportunities at appropriate locations and widening or realigning carriageways.</p> <p>Recommendation 37 recommends the delivery of measures to reduce the adverse effects of trunk road traffic on people walking, wheeling and cycling in those communities that have a trunk road passing through them – for example, by reducing traffic speed, improving the width and quality of paths, and upgrading road crossing facilities. Measures would be tailored to local circumstances and informed by detailed feasibility studies. Transport Scotland would work with local authorities and communities to deliver interventions on those parts of the network that it controls to enable an increase in inclusive, sustainable travel. Transport Scotland are working with the UK Government to secure the funding for a feasibility study of potential bypasses around Springholm and Crocketford.</p>	Added text "While it is recognised that these improvements were not specifically included in STPR2 (which covers the period to 2032), they have been retained in this strategy as a longer term proposition"

Subject	Page	Paragraph	Relates to RTS Priority	Comment	Response
Rail Network	65	10.1.18	42	Observation – contains references to the business cases for the reopening of Beattock, Eastriggs and Thornhill. Transport Scotland has provided feedback on the information presented within the three business cases. The RTS text (including Priority 42) should be updated to reflect the outcome of Transport Scotland’s review.	Added text "While it is recognised that the case for these improvements has not been recognised by Transport Scotland, the re-opening of these stations remains an ambition of Swestrans"
		10.1.19	43	Consideration of the relocation of Stranraer Railway station forms part of STPR2 Recommendation 40. We are pleased to share such priorities that encourage greater use of public transport and support wider town regeneration.	
		10.1.20 / 10.1.22	40, 44	The reopening of the Castle Douglas to Dumfries Railway was considered as part of the STPR2 appraisal process however was not recommended as a priority for future investment by Scottish Ministers. We recommend the RTS is updated to reflect the outcome of STPR2 in this instance.	

Subject	Page	Paragraph	Relates to RTS Priority	Comment	Response
Rail Network				<p>Improvements to the West Coast Main Line (WCML) were considered as part of the STPR2 appraisal process. STPR2 Recommendation 45 (High speed and cross-border rail enhancements) recommends that Transport Scotland continues to work closely with the UK Government to take forward a programme of on-line and off-line infrastructure upgrades targeted at longer-distance cross-border routes. Whilst STPR2 does not specifically mention the quadruple tracking of the WCML, improvements to cross-border rail, including the potential development of High Speed Rail, may present options for the re-examination of existing services on the WCML.</p> <p>The proposed extension to Borders Railway was considered within STPR2, work undertaken did not provide evidence to enable this to be included as a recommendation. However, work is being progressed to further consider an extension through the Borderlands Inclusive Growth Deal which includes a commitment of £5 million from the Scottish Government to fund business case development and feasibility work on extending the Borders Railway.</p>	

Subject	Page	Paragraph	Relates to RTS Priority	Comment	Response
Supporting Safe, Effective, and Resilient Connections to Loch Ryan and Other Key Regional, National and International Locations		12.1.5	58	STPR2 Recommendation 44 recommends that Transport Scotland supports industry partners in carrying out an updated market study for rail freight growth in Scotland. This would include a review of rail freight terminals and hubs to confirm how to meet long-term requirements to shift freight from road to rail. We are pleased to share priorities that would improve the sustainability and competitiveness of Scotland's supply chain.	

RAIL UPDATE

1. Reason for Report

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

- ScotRail off-peak all day fares trial
- Ayr Station closure
- Avanti West Coast contract

2. Background

The region is served by three railway lines:

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

3. ScotRail off-peak all day fares trial

3.1 A six-month trial, from 2 October 2023 to 31 March 2024, has been launched by ScotRail which will introduce cheaper and simpler fares on their services. The Scottish Government funded project has been set up to encourage people to travel by rail instead of car and allows passengers to travel all day on off-peak fares.

3.2 The trial aims to make public transport more accessible and affordable, as it has been recognised that the rail fare structure can seem complicated and is often a barrier for passengers. The trial will make rail fares simpler, and often cheaper. For example, all returns on the Dumfries to Glasgow route reduce to £22.10 during the trial. Prior to the trial a return using the peak 0647 journey from Dumfries was £39.

3.3 One of the most significant impacts of the pandemic was to radically change the commuter market, with a significant drop in the number of people travelling during the traditional peak times. That market is only 70 per cent of what it was before the pandemic. It is expected that the trial will encourage more people to use ScotRail services, with cheaper fares early in the day attracting more people to consider travelling by rail.

3.4 ScotRail expects that some trains will be busier and will be monitoring services daily. The rail operator will be communicating with passengers throughout the trial to let them know the best way to make their journey. The project, which is a first of its kind in the UK rail industry, aims to support the Scottish Government's ambition to achieve net zero, providing more people with the opportunity to use trains as their primary form of transport.

3.5 The trial will come to an end and peak fares will be restored from 1 April 2024. ScotRail will then review the impact of the trial with the Scottish Government and update passengers on the long-term plans for fares.

4. Ayr Station closure

4.1 As a consequence of the fire at the old Station Hotel in Ayr at the end of September, Ayr Station is currently closed and therefore no trains can operate to or from Ayr. It is anticipated the station could be closed for over a month with services between Ayr and Girvan being withdrawn and a bus replacement service being provided.

4.2 There are currently two trains on the track south of Ayr which are being used to provide a service between Stranraer and Girvan, with a connecting bus at Girvan to Ayr. However, once the trains have reached a certain mileage, maintenance will need to be undertaken that can only be carried out at a depot. To increase the time until the trains need to visit a depot, they are only operating some of the journeys with the others covered by replacements buses.

4.3 On Mondays to Saturdays the trains are providing the following journeys:

- 07:04 from Stranraer to Girvan, arriving 07:56
- 12:03 from Girvan to Stranraer, arriving 12:57
- 13:05 from Stranraer to Girvan, arriving 13:57
- 18:04 from Girvan to Stranraer, arriving 18:58

A similar level of service is being provided on Sundays:

- 10:41 from Stranraer to Girvan
- 13:40 from Girvan to Stranraer
- 14:44 from Stranraer to Girvan
- 08:37 from Girvan to Stranraer

5. Avanti West Coast contract

5.1 The Department for Transport (DfT) has awarded Avanti West Coast a new long-term National Rail Contract which began on 15 October 2023. Avanti West Coast's new contract will have a core term of 3 years and a maximum possible term of 9 years.

5.2 It is anticipated the long-term contract will enable Avanti to deliver improved services for passengers, after cancellations by the operator have reduced to 1.1% over the past year. The long-term contract should allow the operator to plan ahead by preparing advance timetables and rolling out new train fleets.

5.3 The long-term contract award comes after the DfT placed Avanti West Coast on 2 consecutive short-term, 6-month contracts and ordered them to develop a recovery plan aimed at addressing poor performance. The recovery plan prioritised training new drivers, reducing reliance on rest day working and getting tickets on sale earlier.

5.4 Avanti West Coast operate services to/from Manchester and Glasgow via Lockerbie. Any further updates on the impact of the long-term contract on services at Lockerbie will be reported to the Board.

6. Implications	
Financial	No financial implications associated with this report.
Policy	No change in SWestrans policy.

Equalities	A reduction in rail services associated with poor performance will have a negative impact on equity of access and may disproportionately impact those with protected characteristics if mitigation measures not fully compliant.
Climate Change	Decrease in travel choice due to poor public transport performance may result in modal shift to private vehicles and negatively impact on climate change aims
Risk Management	This work relates to one known risk: R02 – Public image R05 – Failure to progress RTS Delivery Plan

7. Recommendations

Members of the Board are asked to note the update on:

- 7.1 the ScotRail off-peak all day fares trial;
- 7.2 Ayr Station closure; and
- 7.3 the Avanti West Coast contract.

Report Author: Kirsty Dunsmore Tel: 07734073391 Date of Report: 10 October 2023 File Ref: SW2/meetings/2023	Approved by: Douglas Kirkpatrick Lead Officer South West of Scotland Transport Partnership Cargen Tower, Garroch Business Park, Dumfries, DG2 8PN
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STANDING ORDERS REVIEW

1. Reason for Report

1.1 The Board agreed on 25 November 2022 that the Secretary would undertake a review of Standing Orders.

1.2 At the time the report was written, it was anticipated that a report would be brought back to the March 2023 Board meeting. However, the Secretary had significant capacity issues at the start of this year, which resulted in a delay to this work being undertaken.

2. Background

Standing Order 26.3 provides for the Transport Partnership to at least once every year review the Standing Orders to determine whether any alteration should be considered.

3. Key Points

3.1 Standing Orders are available to view online at swestrans.org.uk

3.2 Standing Orders provide the procedures by which the SWestrans Board operates, and Board meetings are conducted. They were last updated at the September 2022 meeting to allow for the live streaming of Board meetings. These arrangements have been operating well.

3.3 There have been no issues identified over the last year that would signify that a change to SWestrans Standing Orders would be required.

3.4 As part of the review process in preparation for this report Board Members were consulted on the need for any amendments and have advised the Secretary they are content with Standing Orders as they currently stand.

3.5 No amendments to the Standing Orders are proposed.

3.6 The Board are further advised that SWestrans Procurement Standing Orders are required to be updated to reflect updates to legislation and local priorities. Support for this review is provided to SWestrans by Dumfries and Galloway Council's procurement team and it is anticipated that this review will be completed by the end of this financial year. A report will be presented to the Board when the review is concluded.

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

5. Recommendations

Members of the Board are asked to note:

- 5.1 that no amendments are required to Standing Orders at this time; and
- 5.2 that a review of the Procurement Standing Orders will be undertaken and report back to the Board.

Claire Rogerson - Report Author	Claire Rogerson Secretary to the Board The South West of Scotland Transport Partnership English Street Dumfries DG1 2DD
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CALENDAR OF MEETINGS

1. Reason for Report

This report asks the Board to agree the calendar of meetings for 2024.

2. Considerations

2.1 The schedule and frequency of meetings have been reviewed and it is considered that the current pattern of meetings services the business needs of the Board.

2.2 The next scheduled meeting of the Board is at 10.30am on Friday 24 November 2023. It is proposed that the current schedule is extended for 2024 as below.

- 2 February 2024
- 22 March 2024
- 28 June 2024
- 27 September 2024
- 29 November 2024

2.3 These proposed dates have been shared with our colleagues at Dumfries and Galloway Council who deal with the “Council Diary”, and it is confirmed that there are no clashes.

2.4 Board meetings will continue to start at 10.30am at Dumfries and Galloway Council Offices, English Street, Dumfries with attendance also facilitated via MS Teams.

2.5 The Lead Officer and the Finance Officer have been consulted and agree with the terms of the report.

3. Recommendation

Members of the Board are asked to agree the Calendar of Meetings for 2024 as set out at paragraph 2.2.

Report Author- Claire Rogerson
Date of Report: 10 October
2023

File Ref: SW2/meetings/2023

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