



**TAYSIDE AND CENTRAL SCOTLAND
TRANSPORT PARTNERSHIP**

**ANNUAL ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2017**

AUDITED

TAYSIDE AND CENTRAL SCOTLAND TRANSPORT PARTNERSHIP

ANNUAL ACCOUNTS 2016/17

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TAYSIDE AND CENTRAL SCOTLAND TRANSPORT PARTNERSHIP

MANAGEMENT COMMENTARY

1. STRATEGIC CONTEXT AND OBJECTIVES

Tayside & Central Scotland Transport Partnership (Tactran) is the statutory Regional Transport Partnership covering Angus, Dundee City, Perth & Kinross and Stirling Councils. Established under the Transport (Scotland) Act 2005 Tactran's main purpose is to prepare and coordinate the delivery of the statutory Regional Transport Strategy and to oversee and contribute to effective strategic transport planning and delivery at a regional level.

The original Regional Transport Strategy 2008 – 2023, approved by Scottish Ministers in June 2008, set out a Vision and Objectives for ensuring that transport infrastructure and networks meet the mobility and accessibility needs of people and businesses throughout the region over a 10 – 15 year period. In accordance with revised Ministerial direction given in 2008 the Regional Transport Strategy (RTS) is a “high level” strategy.

During 2015/16 the Partnership completed a refresh of the RTS following extensive consultation with partner Councils, Community Planning partners, Development Planning Authorities and other key stakeholders. This process included alignment of the RTS2 planning timescale with that for the second TAYplan Strategic Development Plan, which covers much of the Tactran region. The Regional Transport Strategy 2015 – 2036 Refresh was approved by Ministers in July 2015.

Implementation of the Strategy is guided by a supporting RTS Delivery Plan which identifies the key interventions and measures that are required nationally, regionally and locally to ensure effective delivery of the Strategy and realisation of the RTS overarching Vision and Objectives. The RTS Delivery Plan provides a strategic framework for determining Capital and Revenue programmes to support RTS delivery working in collaboration with partner Councils, Scottish Government, Transport Scotland and other delivery stakeholders.

Following approval of the RTS 2015 – 2036 Refresh a comprehensive review and updating of the RTS Delivery Plan was completed during 2016/17. This involved a process of engagement and consultations with partner Councils and other key stakeholders. The review of the Delivery Plan incorporated revised and new national, regional and local policies and strategies and included alignment with, and embedding of, priority interventions identified within all relevant national and local strategies including Single Outcome Agreements, Strategic Development Plans and Local Development Plan Action Programmes. The updated RTS Delivery Plan 2016-2021 was approved in June 2016.

Progress on delivery of the RTS is monitored and reported through the approved RTS Monitoring Framework. This consists of 16 defined indicators which are reported on within the Partnership's Annual Reports, supplemented by periodic reporting on progress against Strategic Actions identified within the RTS. The original 23 Strategic Actions identified in the RTS 2008 - 2023 have been reviewed and updated within the approved RTS 2015 – 2036 Refresh.

Regional Transport Partnerships (RTPs) are statutory Community Planning Agencies and Tactran is committed to playing a full and constructive partner role in actively supporting Community Planning and the achievement of national and local outcomes, as demonstrated by alignment of the RTS and its delivery priorities with the Single Outcome Agreements (SOAs) covering constituent Council areas. Tactran is a formal signatory to the 4 existing multi-agency SOAs and is committed to supporting the development and implementation of new Locality Outcome Improvement Plans (LOIPs) which will replace these during 2017.

The review and updating of both the RTS and RTS Delivery Plan very specifically included alignment with supporting Community Planning objectives and priorities identified within SOAs. Ongoing development and implementation of the RTS and Delivery Plan during 2017/18 will include ensuring continuing support for, and alignment with, the new LOIPs which are to be developed under the Community Empowerment (Scotland) Act 2015 during 2017.

RTPs are also statutory Key Agencies in the Development Planning process. Tactran works closely with the 7 relevant Strategic and Local Development Planning Authorities within the region (TAYplan, Angus, Dundee City, Perth & Kinross and Stirling Councils, the Cairngorms National Park and the Loch Lomond and the Trossachs National Park) to ensure effective and appropriate alignment of strategic transportation and land use policy, plans and delivery.

RTPs are identified as “key players” in supporting achievement of national carbon reduction and other environmental objectives under the Climate Change (Scotland) Act 2009 (CCA). A key element and focus of the RTS is to inform, support and enable partner Councils, CPPs, other public sector agencies, businesses and communities to contribute to CCA and wider environmental, health and wellbeing objectives and targets through more sustainable approaches to transport, mobility and connectivity. From November 2015 the Partnership, along with other specified public bodies, has been required to comply with statutory annual Public Sector Climate Change Reporting requirements. At its meeting on 13 September 2016 the Partnership approved a Climate Change Adaptation Policy Statement in support of its Public Sector Climate Change reporting duty.

Review of 2016/17 Developments and Achievements

Each year the Partnership approves an annual RTS Revenue Programme which sets out the Partnership’s key development and delivery priorities for the financial year concerned.

During 2016/17 the approved RTS Revenue Programme, amounting to £283,997 supported a wide range of regional, local and national priorities including:-

- Ongoing development, monitoring and refresh of the RTS - £10,694
- Review and development of options and requirements for a Regional Transport Model - £8,729
- Maintenance and development of the regional multi-modal travel information portal www.GoToo.com - £3,000
- Appointment of an Active Travel Officer in partnership with Sustrans to promote and increase Active Travel behaviour and infrastructure - £34,482
- Contribution towards a programme of Active Travel Audits in key settlements across region - £49,618
- Contribution to the appointment of a Regional Cycle Training & Development Officer jointly with Cycling Scotland to increase public awareness, confidence and participation in cycling across all ages - £17,589
- Contribution towards the development of national cycle monitoring capacity and capability in Tactran region - £10,174
- Ongoing maintenance and development of the regional Tactran Liftshare and Travelknowhow travel planning websites plus providing Sustainable Travel Grants and other support to enable a range of public and private sector organisations’ development and implementation of workplace Travel Plans in support of Climate Change Act objectives - £42,784
- Working with Transport Scotland and all other RTPs to develop Travelknowhow into a nationally available Travel Plan resource with grant funding provided by Transport Scotland - £32,734
- Year 3 contribution to significant improvement in bus services between Dundee – Forfar – Brechin – Stracathro Hospital – Edzell - £5,000
- Maintenance and development of the Thistle Card assistance card and an associated “app” to assist disabled bus users across region - £1,800
- Contribution towards 2016 Scottish National Bus Passenger Survey in Partnership with Transport Focus, other RTPs and Transport Scotland - £15,000
- Continued support for development of locally relevant Health and Transport Action Plans through Community Planning Partnerships under auspices of the Regional Health & Transport Framework - £9,300
- Membership of the East Coast Mainline Authorities (ECMA) consortium - £3,500
- Contribution towards passenger surveys at Stirling Station in partnership with Stirling Council - £2,420
- Coordinating passenger surveys at rail stations between Perth and Stirling on behalf of Strathallan CRP, utilising Transport Scotland grant funding - £9,161
- Maintaining annual support for the 2016 Safe Drive/Stay Alive road safety education programme for young drivers, which is a community safety priority for CPPs in Angus, Dundee, Perth & Kinross and Stirling - £12,000
- Contribution to study the potential for development of Montrose Port - £3,000

- Contribution towards Stirling & Tayside Timber Transport Group appointment of a Timber Transport Officer - £2,000

In addition to the above projects, the Active Travel partnership entered into with Sustrans secured an allocation of at least £100,000 per annum from the national Community Links programme to support the development and provision of Active Travel infrastructure across the region. This funding is available to match-fund up to 50% of the cost of projects by bidding to the Partnership's Active Travel Grant Scheme. Owing to the success of the scheme an increased allocation of £111,948 of Community Links grant funding was secured in 2016/17.

During 2016/17 the Active Travel Grant scheme supported:-

- Tyndrum Community Cycle Path funding to Loch Lomond & Trossachs Countryside Trust - £30,000
- Auchterarder Community Shared-use Path Design funding to Perth & Kinross Countryside Trust - £9,998
- Loch Tayside Way feasibility study funding to Perth & Kinross Countryside Trust - £15,000
- Inveralmond Industrial Estate shared use path and link with NCN 77 funding to Perth & Kinross Council - £6,950
- Strathmore Cycle Network feasibility and development funding to Forward Coupar Angus - £10,000
- Blackford Cycle Paths feasibility and development funding to Blackford Community Council - £15,000
- Active Travel Audits Programme in key settlements in partnership with Councils - £25,000

A significant proportion of Tactran staff time and resource is committed to supporting general Community Planning engagement and development in all four partner Council areas and working with Development Planning Authorities, including supporting and commenting on the ongoing review and updating of the TAYplan Strategic Development Plan and Local Development Plans. The Partnership Board receives regular reports on officer engagement in the various Development Planning processes and also comments formally at the key Main Issues Report and Proposed Plan stages for each Development Plan within the region and also on any related Supplementary Guidance.

During 2016/17 the Partnership responded formally to a number of Development Planning and other relevant consultations:-

- Angus Proposed Local Development Plan Supplementary Guidance
- Stirling Local Development Plan 2 Proposed Plan
- Stirling Council Local Transport Strategy Main Issues Report and Draft Active Travel Policy

During 2016/17 considerable work has been undertaken on supporting the development of a City Deal for the Tay Cities region, covering Angus, Dundee, Perth & Kinross and North East Fife. A City Deal has also been developed for Stirling and Clackmannanshire. The emerging City Deals represent a significant new focus and opportunity to bring forward delivery of a number of key strategic connectivity priorities identified within the RTS and RTS Delivery Plan, in support of achieving the sustainable economic growth aspirations identified within City Deals and Regional Economic Strategies.

Further information on the Partnership's activity, the Regional Transport Strategy and our related RTS programme work can be obtained by visiting our website www.tactran.gov.uk.

2. FUTURE DEVELOPMENTS

In publishing the National Transport Strategy Refresh in January 2016 the Scottish Government acknowledged and indicated the need for a more fundamental review of the National Transport Strategy (NTS) and Strategic Transport Projects Review (STPR) to be potentially undertaken in alignment with updating of the National Planning Framework (NPF4). In publishing its Programme for Government in September 2016 the Scottish Government reaffirmed its commitment to reviewing the NTS, followed by a full review and updating of the STPR, and to bringing forward a new Transport Bill which will include measures to improve bus services, better regulate road works and promote responsible parking. It has also been confirmed that this review of the NTS will include a review of future transport governance roles, responsibilities and arrangements.

A comprehensive process for reviewing the NTS commenced in early 2016 and will continue over an extended period until publication of a revised NTS during the first half of 2019. The review and updating of

the NTS and STPR will, in turn, require further review and updating of the RTS and RTS Delivery Plan in order to ensure full alignment in accordance with statutory requirements.

The Programme for Government also contained commitments to review the planning system, following publication of the Independent Review of Planning in 2016, and to publishing an updated Climate Change Plan. Proposals emerging from these Government commitments are likely to impact directly and/or indirectly on the role, purpose and priorities of Tactran, and RTPs generally, as statutory Development Planning and Climate Change public sector bodies.

Community Planning Partnerships will be reviewing and replacing existing Single Outcome Agreements with Locality Outcome Improvement Plans (LOIPs), as required under the Community Empowerment (Scotland) Act 2015, by September 2017. Continuing to engage proactively in, and supporting, the process of replacing SOAs with LOIPs, including ensuring continuing alignment with priorities identified in the RTS and associated RTS Delivery Plan, will form another key focus during 2017/18.

As outlined above, a considerable and increasing focus and priority during 2016/17 has been supporting the development of a City Deal for the Tay Cities region, covering Angus, Dundee, Perth & Kinross and North East Fife, with a separate City Deal being developed for Stirling and Clackmannanshire. Continuing to support the work on developing and implementing the connectivity, inclusion and other elements of City Deals will remain a significant focus moving forward into 2017/18 and beyond.

As a result of planned and unplanned staff turnover the Partnership reviewed its staffing requirements during 2016. A revised management structure was approved in March 2016 and in June 2016 further revisions to the staffing structure were approved. These are designed to ensure that Tactran is well positioned and appropriately resourced to continue to deliver its statutory role and responsibilities moving forward, whilst adapting to planned and anticipated internal and external changes, including reviews of the NTS and STPR, review of the national planning framework, implementation of the Community Empowerment Act 2015, emerging City Deals and acceleration of the public sector shared/collaborative services agenda. Implementation of the revised staffing structure will be progressed having regard to emerging collaborative working opportunities through City Deals and in line with Government expectations to see accelerated progress on this agenda, which RTPs are ideally positioned to support.

3. PRINCIPAL RISKS AND UNCERTAINTIES

Tactran has an approved Risk Management Policy and Risk Register which set out the key strategic and operational risks for the Partnership and associated management controls. The main areas of identified risk are in relation to RTS development and delivery; management and operation of the Partnership; and financial support and management.

The Risk Register is reviewed by Board members not less than annually, normally at the March quarterly Partnership meeting, to take account of any new or altered risks identified during the previous financial year and looking forward into the future financial year(s).

The principal strategic risk facing the Partnership, as identified through successive Risk Register reviews and Annual Audits, continues to be in relation to securing the necessary commitment and funding to support delivery of the RTS. The Partnership and its officers continue to seek and explore opportunities for leveraging external and match delivery funding through engagement with partner Councils, Community Planning Partners, Transport Scotland, Government and EU programmes, other RTPs and transport agencies and providers.

Since 2014/15 Tactran has partnered with sustainable transport charity Sustrans, which secures additional funding of at least £100,000 per annum, to support implementation of the RTS. A further allocation of £100,000 grant funding for 2017/18 has been confirmed. During 2016/17 a further strategic alliance has been entered into with Cycling Scotland, under which the two bodies are jointly funding a Regional Cycle Training & Development Officer post, who works with partner Councils and a range of wider stakeholders to promote and implement active travel elements of the RTS, including through various nationally, regionally and locally funded schemes and programmes.

As outlined above, new delivery opportunities are emerging in the form of City Deals covering the Tay Cities region (Angus, Dundee City, Perth & Kinross and North East Fife) and Stirling City region (Stirling and Clackmannanshire). Moving forward it is expected that City Deals will provide a new focus and opportunity to lever national, regional and local funding for the delivery of key Strategic Connectivity and other elements of the RTS, with Tactran positioned to play a key role in supporting the development and implementation of City Deals and related connectivity proposals.

4. FINANCIAL PERFORMANCE

This section is presented as a commentary on the overall financial position of Tactran as shown within the Annual Accounts for the year ended 31 March 2017. It contains explanations of the major influences on the Partnership's income, expenditure and cash flow in line with the Statement of Accounting Policies which sets out the basis upon which the financial statements have been prepared and explains the accounting treatment of both general and specific items.

At its meeting on 8 December 2015, the Tayside and Central Scotland Transport Partnership Board approved the 2016/17 Core Revenue Budget of £430,965 of which £325,715 was met by Grant in Aid funding from the Scottish Government, miscellaneous other income of £2,230 and £103,020 was requisitioned from the four constituent Councils, using a Scottish Government allocation methodology based on 95% population and 5% area, as follows:

Angus Council	22.9%	£23,595
Dundee City Council	28.4%	£29,265
Perth and Kinross Council	30.3%	£31,210
Stirling Council	18.4%	£18,950
Total Council Requisitions	100.0%	£103,020

The Scottish Government also provided additional Grant in Aid revenue funding for the financial year 2016/17 for the Regional Transport Strategy of £197,035 and £17,054 of budgeted income from constituent Councils was brought forward from 2015/16 to fund key RTS priorities.

This resulted in a gross revenue budget for 2016/17 of £645,054.

During 2016/17, the Partnership Board received regular revenue monitoring reports to ensure members were fully appraised as to the projected outturn position.

The Partnership's final position for 2016/17 excluding accounting adjustments relating to pensions (£40,000) was a surplus of £67,003. Following Partnership Board approval this surplus has been designated as deferred income and carried forward to 2017/18.

	Budget £,000	Actual £,000	Variance £,000
Employee Costs	321	284	(37)
Property Costs	27	25	(2)
Supplies & Services less prepayment	16	15	(1)
Transport	5	6	1
Third Party	276	413	137
Total Expenditure	645	743	98
Scottish Government Grant	523	523	0
Council Requisitions	103	103	0
Deferred Income	17	(50)	(67)
Other Income	2	167	165
Total Income	645	743	98

For 2016/17, the main factors underlying each of the variances are as follows:

The over spend in third party costs of £137,000 was mainly related to expenditure of £87,000 on the Active Travel projects which was offset by additional income of £100,000 received from Sustrans of which £13,000 was classed as a prepayment. An over spend of £41,000 on Travel Planning offset against additional income and an over spend on Buses Strategy offset against £10k additional income.

The partnership also had an under spend on staff costs due to maternity leave, early retirements and turnover. These vacancies have been left unfilled and generated a saving in staff costs of £55,000 with £18,000 being transferred to support the Regional Transport Strategy.

As a result of the under spend on staff costs and £20,000 being received for Active Travel Audits from Dundee, Angus and Perth and Kinross Council, the Partnership did not require the full requisitions due from the four constituent authorities. At the Partnership meeting of 14 March 2017 it was agreed that this amount would be used by the Partnership to support the 2017/18 RTS Revenue Budget. The final amount of deferred income totals £67,003.

The total deficit on the Comprehensive Income and Expenditure Statement was £253,000 which reflects, International Accounting Standard 19 (Retirement Benefits) ("IAS 19"), the entries required in respect of pension costs and accumulated absences.

5. ANNUAL GOVERNANCE STATEMENT

This statement sets out the framework within which governance and control is managed and reviewed. The main components of the system are listed, together with any significant weaknesses that have been identified and the remedial action taken.

6. STATEMENT OF RESPONSIBILITIES FOR THE ANNUAL ACCOUNTS

This statement sets out the main financial responsibilities of the Partnership and the Treasurer.

7. GENERAL FUND

The Partnership has, under the Transport (Scotland) Act 2005, no powers to hold a balance on the General Fund. Any under spends are therefore treated as creditors repayable to the funder or amounts received in advance from the funding source.

8. CAPITAL EXPENDITURE

During 2016/17, the Partnership did not incur any direct capital expenditure.

9. PENSION LIABILITY

Under International Accounting Standard (IAS) 19 (Retirement Benefits), the Partnership is required to include in the Annual Accounts amounts relating to the assets, liabilities, income and expenditure of the pension schemes for its employees. Based on information provided by Local Government Pension Scheme Actuaries, it has been estimated that the Partnership had a net pension liability of £669,000 as at 31 March 2017. The estimated net pension liability at 31 March 2016 was £416,000.

The pension liability represents the best estimate of the current value of the pension benefits that will have to be funded by the Partnership through its constituent Councils. The liability relates to benefits earned in the Local Government Pension Scheme by existing or previous employees up to 31 March 2017.

These benefits are expressed in current value terms rather than the cash amount that will actually be paid out. This allows for the 'time value of money', whereby the value of cash received now is regarded as higher than cash received in, for example, ten years time, since the money received now could be invested and would earn interest or returns during the ten years. In order to adjust the pension liability cash flows for the time value of money a discount factor based on a corporate bond rate is used.

Triennial valuations of the Fund are carried out with the last valuation having taken place at 31 March 2014 and resulting in a reduction in employer's contributions from 18% to 17% of pensionable pay from 1 April 2015.

10. GOING CONCERN

The Balance Sheet at 31 March 2017 shows net liabilities of £677,000. This net liability position reflects the inclusion of net pension liabilities of £669,000 falling due in future years and arising from the application of IAS 19 (Retirement Benefits) and £8,000 for the application of the short term employee benefits accrual. It is appropriate to adopt a going concern basis for the preparation of the financial statements as the constituent authorities have a legal obligation under the Transport (Scotland) Act 2005 to provide the Partnership with funding to meet all liabilities as they fall due.

11. PRIOR PERIOD ADJUSTMENTS

There are no prior period adjustments.

12. POST BALANCE SHEET EVENTS

No significant events occurred between the Balance Sheet date and the date the Treasurer signed the accounts that would have a material impact on the 2016/17 Annual Accounts.

13. THE FINANCIAL STATEMENTS

Expenditure and Funding Analysis

The Expenditure and Funding Analysis shows how the funding available to the Partnership in the form of partner contributions has been used in providing services. This is compared to the cost of services on an accounting basis.

Movement in Reserves Statement

This statement shows the movement in the year on different Reserves held by the Partnership. This is analysed into 'Usable Reserves' (i.e. those that can be applied to fund expenditure) and 'Unusable Reserves'. The Partnership does not have statutory powers to operate a Usable Reserve.

Comprehensive Income and Expenditure Statement

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

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 the Reserves held by the Partnership.

Cash Flow Statement

This statement shows the changes in cash and cash equivalents of the Partnership during the reporting period. The statement shows how the Partnership generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities.

Notes to the Core Financial Statements

These notes are intended to provide the reader with further information which is not separately detailed in the core financial statements.

14. REMUNERATION REPORT

The Local Authority Accounts (Scotland) Amendment Regulations 2011 require Regional Transport Partnerships to include a Remuneration Report in the Financial Statements. The Remuneration Report discloses information for each senior employee.

Partnership Board members receive no remuneration in relation to their appointment to the Partnership. Board members may claim reasonable expenses incurred in relation to their participation in Partnership business. Expenses for Councillor Members are borne by the constituent Councils. Expenses paid to non-Councillor members are reported in Note 7: Members Allowances.

15. ACKNOWLEDGEMENTS

During the 2016/17 financial year the Partnership's financial position has undertaken regular scrutiny and strict budgetary control. We would wish to place on record our appreciation of the excellent work carried out by the Partnership's officers, supported by the officers of Perth and Kinross Council in the financial management of the Partnership and in the preparation of the 2016/17 Annual Accounts.

Brian Gordon
Chair of Partnership Board
Tactran
12 September 2017

Scott Walker
Treasurer
Tactran
12 September 2017

Eric Guthrie
Partnership Director
Tactran
12 September 2017

TAYSIDE AND CENTRAL SCOTLAND TRANSPORT PARTNERSHIP

MEMBERS AND OFFICIALS 2016/17

Tayside and Central Scotland Transport Partnership (Tactran) is a statutory body established under the Transport (Scotland) Act 2005. The Tactran region covers the Angus, Dundee City, Perth & Kinross and Stirling Council areas.

Tactran works with its partner Councils, Community Planning Partnerships, Development Planning Authorities, Scottish Government, Transport Scotland, transport providers and other key stakeholders to develop and enhance Scotland's transport infrastructure and services in support of promoting sustainable economic growth, social inclusion and environmental sustainability.

PARTNERSHIP BOARD MEMBERSHIP

Membership of the Partnership is prescribed by the Regional Transport Partnerships (Establishment, Membership and Constitution) (Scotland) Order 2005. The Partnership Board consists of 10 Councillors who are nominated by partner Councils – 3 per Council from Dundee City and Perth & Kinross and 2 per Council from Angus and Stirling – plus 5 non-Councillor members.

Board membership during 2016/17 was:-

Councillor Members

Angus Council

Councillor Lynne Devine (from June 2016)
Councillor Mairi Evans (until June 2016)
Councillor Ronnie Proctor

Dundee City Council

Councillor Bill Campbell
Councillor Will Dawson (Chair)
Councillor Brian Gordon

Perth & Kinross Council

Councillor Mike Barnacle
Councillor John Kellas
Councillor Alan Livingstone

Stirling Council

Councillor Danny Gibson
Councillor Alycia Hayes

The above Councillor appointments extend until the Local Government elections in May 2017.

Non-Councillor Members

Non-Councillor appointments are made by the Partnership, subject to the consent of Scottish Ministers. Legislation permits the Partnership to appoint either 4 or 5 such members and the Partnership has agreed to appoint the maximum of 5 non-Councillor members. The non-Councillor members during 2016/17 were:-

Mr Mark Craske – Mark is Travel Manager for NHS Forth Valley and Chair of the Health Facilities Scotland Transport and Travel Planning Advisory Group. He was appointed as health sector representative on the Partnership Board with effect from April 2013.

Ms Trudi Craggs – Trudi was appointed to the Partnership Board in December 2014. She has extensive experience working as a leading transport lawyer in Scotland and advising on the development, planning and implementation of a number of major road, rail and general transport strategies and projects.

Mr James (Doug) Fleming – Doug was appointed to the Partnership Board in February 2009 and was appointed Deputy Chair of the Partnership in June 2012. He has over 45 years' experience in the transport industry including Managing Director level experience with Travel Dundee and the Stagecoach Group.

Mr Gavin Roser – Gavin was appointed to the Partnership Board in March 2007. He has over 40 years' senior transport experience in road, rail and shipping companies and is a Director of Pantrak Transportation Limited and Secretary General to the European Freight and Logistics Leaders Forum.

Mr David Scotney – David was appointed to the Partnership Board in September 2010. He has over 30 years' experience of working in transportation policy development and planning in local government, in transport consultancy and in academia.

Non-Councillor member appointments are ordinarily for a period of 2 years, with extension subject to agreement by the Partnership Board. During 2016/17 the Partnership agreed to extend the terms of appointment of Trudi Craggs and David Scotney for a further 2 years until 30 September 2018. The current terms of appointment of Mark Craske, Doug Fleming and Gavin Roser extend until 30 September 2017.

Advisors

Regional Transport Partnerships may appoint such number of observers or advisors as they consider appropriate.

Key officials from each of the partner Councils attend and are available to advise Partnership Board meetings. Reflecting the key strategic relationships between regional transportation and land use planning, the Board has appointed the TAYplan Strategic Development Plan Manager as an advisor to the Partnership. Complementing the Active Travel partnership with Sustrans the Infrastructure Partnership Manager, Sustrans, has also been appointed as an advisor.

PARTNERSHIP STAFF

Partnership Director

Eric Guthrie was appointed Partnership Director in July 2006. He has nearly 40 years' experience working in local authority transportation policy, planning and delivery and previous experience of working in the bus industry. As the Partnership's Chief Officer, he is responsible for ensuring that the Partnership meets all of its statutory obligations and duties and for managing the Partnership and its resources.

Senior Partnership Manager

Niall Gardiner was appointed as Projects Manager in October 2007. He has 30 years' experience working in transportation planning and engineering. Niall was promoted to the position of Senior Partnership Manager as part of a staff re-structuring in July 2016. He is responsible for managing the development and implementation of Regional Transport Strategy delivery programmes, in liaison with partner Councils, Community Planning Partnerships, Development Planning Authorities and other delivery stakeholders.

Strategy Manager

Michael Cairns was appointed Strategy Manager in November 2007. He has 38 years' experience working in transportation planning and engineering and was responsible for managing development and monitoring of the Regional Transport Strategy, in liaison with partner Councils, Health Boards, Community Planning Partnerships, Development Planning Authorities and other strategic stakeholders. Michael retired in March 2017.

Travel Plan Officer

Merry Scott was appointed Travel Plan Officer in January 2007. She has over 15 years' experience in travel planning and sustainable transport promotion and delivery. Merry was responsible for developing and implementing the Regional Travel Plan Strategy and sustainable transport initiatives working with partner Councils, Health Boards, Scottish Government and other public and private sector agencies. Merry left Tactran in November 2016 to work in private consultancy.

Active Travel Officer

Under the ongoing partnership arrangement with Sustrans, Nina Gillespie was appointed Active Travel Officer in January 2016. Nina is responsible for promoting the development and delivery of walking and cycling measures and infrastructure, including delivery of an associated regional Active Travel Capital Programme, working with partner Councils, Health Boards and other partners.

Cycle Training & Development Officer

Under the new partnership arrangement with Cycling Scotland, Marianne Scott was appointed Cycle Training & Development Officer in June 2016. Marianne is responsible for supporting the promotion and development of cycle training to encourage people of all ages, from nursery/primary school age through to adulthood, to cycle more easily and safely, in accordance with RTS and national active travel aims and objectives.

Office Manager / Personal Assistant (PA) to Director

Ashley Roger was appointed Office Manager / Personal Assistant to the Director in January 2007. She has over 20 years office management / PA experience in the private and public sectors. Ashley is responsible for overseeing all aspects of office management and related administrative support to the Partnership's staff and members and providing PA support to the Partnership Director.

Administration Assistant

Muriel Muirhead was appointed Administration Assistant in September 2008. She has previous administrative and clerical experience in the private and public sectors. Muriel is responsible for providing all aspects of clerical and administrative support to the Partnership's staff and members under the general direction of the Office Manager/PA to Director.

PROPER OFFICERS

In accordance with statutory requirements the Partnership has appointed three Proper Officers who provide specialist corporate governance, financial and legal support and advice to the Partnership Board and Partnership Director. These are:-

Partnership Secretary

Gillian Taylor is Head of Democratic Services with Perth & Kinross Council and is the Proper Officer for all matters relating to Partnership governance, meetings and proceedings, and for ethical standards.

Partnership Treasurer

Scott Walker is Chief Accountant with Perth & Kinross Council and is the Proper Officer for all matters relating to financial probity, treasury management and reporting.

Partnership Legal Adviser

Lisa Simpson is Head of Legal and Governance Services with Perth & Kinross Council and is the Proper Officer for all matters of a legal nature, including Execution of Deeds, and representing the Partnership in any legal or tribunal proceedings.

Further information on Tactran's membership and officer team can be found on the Partnership's website – www.tactran.gov.uk

TAYSIDE AND CENTRAL SCOTLAND TRANSPORT PARTNERSHIP

ANNUAL GOVERNANCE STATEMENT 2016/17

1. Scope of Responsibility

Tactran's aim is to develop a transportation system for the region covering the Angus, Dundee City, Perth & Kinross and Stirling Council areas, as outlined in the Partnership's updated Regional Transport Strategy 2015-2036 Refresh.

The Partnership is responsible for ensuring that its business is conducted in accordance with the law and appropriate standards, that public money is safeguarded and properly accounted for and used economically, efficiently, effectively and ethically. The Partnership also has a duty to make arrangements to secure continuous improvement in the way its functions are carried out.

In discharging these overall responsibilities, Elected Members and Senior Officers are responsible for implementing proper arrangements for the governance of the Partnership's affairs, and facilitating the effective exercise of its functions, including arrangements for management of risk.

The Partnership has approved and adopted a set of governance documents which is consistent with appropriate corporate governance and relevant guidance. These documents are reviewed every 2-3 years with the last review taking place in November 2016 and approved by the Partnership Board on 6 December 2016.

This statement explains how the Partnership delivers good governance and reviews the effectiveness of these arrangements.

2. The Partnership's Governance Framework

The governance framework comprises the systems, processes, culture and values by which the Partnership is directed and controlled and its activities through which it accounts to, engages with and influences the community. It enables the Partnership to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services. The framework reflects the arrangements in place to meet the six supporting principles of effective corporate governance.

- Focusing on the purpose of the Partnership and on outcomes for the community, and creating and implementing a vision for the local area;
- Members and officers working together to achieve a common purpose with clearly defined functions and roles;
- Promoting values for the Partnership and demonstrating the values of good governance through upholding high standards of conduct and behaviour;
- Taking informed and transparent decisions which are subject to effective scrutiny and managing risk;
- Developing the capacity and capability of members and officers to be effective;
- Engaging with local people and other stakeholders to ensure robust public accountability.

A significant part of the governance framework is the system of internal control which is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Partnership's policies, aims and objectives. These risks are reported to the Partnership annually. This will enable the Partnership to manage its key risks efficiently, effectively, economically and ethically. While the system of internal control is designed to manage risk at a reasonable level it cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable, and not absolute, assurance of effectiveness.

Within the overall control arrangements the system of internal financial control is intended to ensure that assets are safeguarded, transactions are authorised and properly recorded, and material errors or irregularities are either prevented or would be detected within a timely period. It is based on a framework of regular management information, financial regulations, administrative procedures and management supervision.

The system of internal financial control can provide only reasonable and not absolute assurance that assets are safeguarded, 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 Partnership has previously agreed that regular internal audit scrutiny is not necessary for the scale of the Partnership but they will provide advice and guidance as and when required.

No specific governance improvement areas have been identified for 2016/17.

3. Determining the Partnership's purpose, its vision for the region and intended Outcomes for the Community

The Partnership aims to develop a transportation system for the region covering the Angus, Dundee City, Perth & Kinross and Stirling Council areas, which will enable business to function effectively and provide everyone living in the region with improved access to health care, education, public services and employment opportunities. The vision for achieving this is outlined in the Regional Transport Strategy 2015 – 2036 Refresh.

The Annual Revenue Programme details the projects the Partnership is involved in and an update is reported to the Partnership Board on a quarterly basis. These projects link to the aims of the strategy and the Annual Report provides a report of performance against objectives, targets and performance indicators as outlined in the Regional Transport Strategy.

4. Review of Effectiveness

The Partnership, which uses some of Perth & Kinross Council's financial control systems, has put in place arrangements detailed within the Partnership's Governance documents.

The review of the effectiveness of its governance framework is informed by:

- The operation and monitoring of controls by the Partnership Director, Proper Officers and managers;
- The External Auditors in its Annual Audit Report; and
- Other inspection agencies comments and reports.

Through the year Members and Officers have responsibility for the development and maintenance of the governance environment. These review mechanisms include:

- The Partnership Board provides strategic leadership, determines policy aims and objectives and takes executive decisions not delegated to officers. It provides governance accountability for the Partnership's performance.
- The Annual Audit Report is considered by the Partnership Board.
- The Risk Management System requires that risks are reviewed regularly by officers and annually by the Partnership Board. This ensures that actions are taken to effectively manage the Partnership's identified risks.
- The Legal Officer is responsible to the Partnership for ensuring that agreed procedures are followed and that all applicable statutes and regulations are complied with.

The Partnership's financial management arrangements conform to the governance arrangements of CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2010) as set out in the Application Note to Delivering Good Governance in Local Government.

5. Certification

In compliance with accounting practice, the Treasurer has provided the Partnership Director with a statement on the adequacy and effectiveness of the Partnership's internal financial control system for the year ended 31 March 2017. It is the Treasurer's opinion that reasonable assurance can be placed upon the adequacy and effectiveness of the Partnership's internal control system.

From this year's review there is evidence that the governance arrangements are operating effectively with overall compliance by the Partnership in all significant areas of corporate governance.

Brian Gordon
Chair of Partnership Board
Tactran
12 September 2017

Eric Guthrie
Partnership Director
Tactran
12 September 2017

TAYSIDE AND CENTRAL SCOTLAND TRANSPORT PARTNERSHIP

STATEMENT OF RESPONSIBILITIES FOR THE ANNUAL ACCOUNTS

The Partnership's responsibilities

The Partnership is required to:

- Make arrangements for the proper administration of its financial affairs and to ensure that a designated officer has the responsibility for the administration of those affairs. For Tactran that officer is the Treasurer;
- Manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.

The Treasurer's responsibilities

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

In preparing the Annual Accounts, the Treasurer has:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were reasonable and prudent;
- complied with the Code of Practice.

The Treasurer has also:

- kept proper accounting records which were up to date;
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

The Annual Accounts present a true and fair view of the financial position of the Partnership at the accounting date and its income and expenditure for the year ended 31 March 2017.

Brian Gordon
Chair of Partnership Board
Tactran
12 September 2017

Scott Walker CPFA
Treasurer
Tactran
12 September 2017

TAYSIDE AND CENTRAL SCOTLAND TRANSPORT PARTNERSHIP

INDEPENDENT AUDITORS REPORT

Independent auditor's report to the members of Tayside and Central Scotland Transport Partnership and the Accounts Commission of Scotland

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

Report on the audit of the financial statements

Opinion on financial statements

We certify that we have audited the financial statements in the annual accounts of Tayside and Central Scotland Transport Partnership for the year ended 31 March 2017 under Part VII of the Local Government (Scotland) Act 1973. The financial statements comprise the Movement in Reserves Statements, Comprehensive Income and Expenditure Statement, Balance Sheet, Cash-Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2016/17 (the 2016/17 Code).

In our opinion the accompanying financial statements:

- give a true and fair view in accordance with applicable law and the 2016/17 Code of the state of affairs of Tayside and Central Scotland Transport Partnership as at 31 March 2017 and of its deficit on the provision of services for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the 2016/17 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 of opinion

We conducted our audit in accordance with applicable law and International Standards on Auditing in the UK and Ireland (ISAs (UK&I)). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the partnership in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standards for Auditors, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Treasurer 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.

Auditor's responsibilities for the audit of the financial statements

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable legal requirements and ISAs (UK&I) as required by the Code of Audit Practice approved by the Accounts Commission. Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors. An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the circumstances of the partnership and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Treasurer and the overall presentation of the financial statements.

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

In connection with our audit of the financial statements in accordance with ISAs (UK&I), our responsibility is to read all the financial and non-financial information in the annual accounts to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Report on other requirements

Opinions on other prescribed matters

We are required by the Accounts Commission to express an opinion on the following matters.

In our opinion, the auditable part of the Remuneration Report has been properly prepared in accordance with The Local Authority Accounts (Scotland) Regulations 2014.

In our opinion, based on the work undertaken in the course of the audit the information given in the Management Commentary for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with statutory guidance issued under the Local Government in Scotland Act 2003.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept; or
- the financial statements and the auditable part of the Remuneration Report are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit; or
- there has been a failure to achieve a prescribed financial objective. We

have nothing to report in respect of these matters.

Andy Shaw, for and on behalf of KPMG LLP

Saltire Court
20 Castle Terrace
Edinburgh
EH1 2EG

TAYSIDE AND CENTRAL SCOTLAND TRANSPORT PARTNERSHIP

EXPENDITURE & FUNDING ANALYSIS

For the year ended 31 March 2017

Net expenditure	2015/16			Net expenditure	2016/17		
	Adjustment between accounting & funding basis (note 3)	Net expenditure in the Comprehensive Income and Expenditure Statement			Adjustment between accounting & funding basis (note 3)	Net expenditure in the Comprehensive Income and Expenditure Statement	
61	39	100	Highways & Transport Services	15	25	40	
36	0	36	Corporate & Democratic Services	38	0	38	
97	39	136	Cost of Services	53	25	78	
0	14	14	Financing and Investment Income and Expenditure	0	15	15	
(97)	0	(97)	Constituent Council Requisitions	(53)	0	(53)	
0	53	53	(SURPLUS)/ DEFICIT ON PROVISION OF SERVICES	0	40	40	
0	(95)	(95)	Remeasurements of the net defined benefit liability/(asset)	0	213	213	
0	(42)	(42)	TOTAL COMPREHENSIVE INCOME AND EXPENDITURE	0	253	253	

TAYSIDE AND CENTRAL SCOTLAND TRANSPORT PARTNERSHIP

MOVEMENT IN RESERVES STATEMENT

For the year ended 31 March 2017

	General Fund Balance	Total Usable Reserves	Accumulated Absences Unusable Reserves	Pensions Reserve Unusable Reserves	Total Tactran Reserves
	£,000	£,000	£,000	£,000	£,000
Balance at 31 March 2015	0	0	(8)	(458)	(466)
<u>Movement in reserves during 2015/16</u>					
Deficit on provision of services	(53)	(53)	0	0	(53)
Other Comprehensive Expenditure and Income	0	0	0	95	95
Total Comprehensive Expenditure and Income	(53)	(53)	0	95	42
Adjustments between accounting basis & funding basis under regulations (note 4)	53	53	0	(53)	0
Increase in 2015/16	0	0	0	42	42
Balance at 31 March 2016 carried forward	0	0	(8)	(416)	(424)
<u>Movement in reserves during 2016/17</u>					
Deficit on provision of services	(40)	(40)	0	0	(40)
Other Comprehensive Expenditure and Income	0	0	0	(213)	(213)
Total Comprehensive Expenditure and Income	(40)	(40)	0	(213)	(253)
Adjustments between accounting basis & funding basis under regulations (note 4)	40	40	0	(40)	0
Decrease in 2016/17	0	0	0	(253)	(253)
Balance at 31 March 2017 carried forward	0	0	(8)	(669)	(677)

TAYSIDE AND CENTRAL SCOTLAND TRANSPORT PARTNERSHIP

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

For the Year Ending 31 March 2017

2015/16			2016/17			
<i>Gross Exp £000</i>	<i>Gross Income £000</i>	<i>Net (Income) / Exp £000</i>	Note	Gross Exp £000	Gross Inco me £000	Net (Income) /Exp £000
SERVICES						
729	(629)	100		730	(690)	40
36	0	36		38	0	38
COST OF SERVICES						
765	(629)	136		768	(690)	78
14	0	14	9	15	0	15
0	(97)	(97)		0	(53)	(53)
14	(97)	(83)		15	(53)	(38)
DEFICIT ON PROVISION OF SERVICES						
		53				40
		(95)				213
		(42)				253
TOTAL COMPREHENSIVE INCOME AND EXPENDITURE						

TAYSIDE AND CENTRAL SCOTLAND TRANSPORT PARTNERSHIP

BALANCE SHEET

Year ending 31 March 2017

<i>As at</i> 31 March 2016 £000 £000		Notes	As at 31 March 2017 £000 £000
38	Short Term Debtors	13	92
46	Cash and Cash Equivalents	16	26
	84 Current Assets		118
(92)	Short Term Creditors	14	(126)
	(92) Current Liabilities		(126)
(416)	Other Long Term Liabilities	9	(669)
(424)	Net Liabilities		(677)
	Financed by Fund Balances and Unusable Reserves:		
(416)	Pensions Reserve	5	(669)
(8)	Accumulated Absence	5	(8)
(424)			(677)

The Unaudited Annual Accounts were issued on the 13 June 2017 and the Audited Annual Accounts were issued on 12 September 2017.

Scott Walker CPFA
Treasurer
Tactran
12 September 2017

TAYSIDE AND CENTRAL SCOTLAND TRANSPORT PARTNERSHIP

CASH FLOW STATEMENT

Year ending 31 March 2017

<i>2015/16</i> <i>£000</i>		Notes	2016/17 £000
(53)	Net deficit on provision of service		(40)
19	Adjustments to net surplus or (deficit) on the provision of services for non-cash movements		20
(34)	Net Increase/(decrease) in cash and cash equivalents		(20)
80	Cash and cash equivalents at the beginning of the reporting period	6	46
46	Cash and cash equivalents at the end of the reporting period		26

TAYSIDE AND CENTRAL SCOTLAND TRANSPORT PARTNERSHIP

REMUNERATION REPORT

(i) Remuneration Policy for Senior Employees

The Partnership Board determines initial remuneration for senior employees with reference to the level of responsibility of the post.

The Partnership does not operate a Remuneration Committee.

Annual inflationary increases are based on those agreed by the Scottish Joint Negotiating Committee for Chief Officials of Local Authorities (Scotland).

(ii) Remuneration for Senior Councillors

Under current legislation Councillor Members of the Partnership are not entitled to receive any remuneration from Tactran. Remuneration would be made directly from their constituent authorities and this information would be disclosed within each constituent authority's remuneration report. Expenses paid to Board members are detailed in note 7 to the financial statements.

(iii) Officers Remuneration

The Partnership has three Proper Officers who undertake tasks within their specialised areas, who earn in excess of £50,000 (Partnership Secretary, Treasurer and Legal Adviser), however all Proper Officers are employed and paid by Perth & Kinross Council and are not included within the Remuneration report. The Partnership is recharged a total of £9,000 by Perth and Kinross Council for these individual officers.

The number of employees whose remuneration, excluding employer's pension contributions, was £50,000 or more in bands of £5,000 was:

<i>Number of Employees 2015/16</i>	Salary Banding	Number of Employees 2016/17
1	£80,000 - £84,999	0
0	£65,000 - £69,999	1
0	£50,000 - £54,999	1

(iv) Senior Employees Remuneration

Name and Post Title	Salary, Fees and Allowance	Total Remuneration 2016/17	Total Remuneration 2015/16
Eric Guthrie Partnership Director	£67,384	£67,384	£81,694
	£67,384	£67,384	£81,694

The senior employee in the above table has overall chief executive officer responsibility and accountability for the strategic direction and management of the Partnership, to the extent that the person has powers and authority to direct and control the major activities of the Partnership, including activities involving the expenditure of money. He is also responsible for ensuring that the Partnership fulfils its statutory duties and obligations in line with priorities set by the Partnership Board during the year to which the Report relates, whether solely or collectively with other persons.

(v) Senior Employees Pension Entitlement

The pension entitlement of the Partnership senior employee is as follows:

Name and Post Title	In year pension contributions		Accrued pension benefits			
	2015/16 £000	2016/17 £000		As at 31 March 2016 £000	As at 31 March 2017 £000	Difference from 31 March 2016 £000
Eric Guthrie Partnership Director	14	11	Pension	41	33	(8)
			Lump Sum	92	197	105
	14	11				

(vi) The number of Exit packages with Total Cost per band and Total Cost of Compulsory and Other Redundancies

(a) Exit package cost band (including special payments)	(b) Number of compulsory redundancies		(c) Number of other departures agreed		(d) Total number of exit packages by cost band (b) + (c)		(e) Total cost of exit packages in each band	
	2016/17	2015/16	2016/17	2015/16	2016/17	2015/16	2016/17 £'000	2015/16 £'000
£0 – £20,000	0	0	2	0	2	0	0	0
Total	0	0	2	0	2	0	0	0

All exit packages included in table (vi) above have been subject to a report approved by the Partnership Board. Exit packages were agreed under the Local Government Pension Scheme Rule of 85 and therefore have no costs attached to them.

(vii) Audit Review

All information disclosed within the tables is audited by the Partnership's appointed External Auditors. The other sections of the Remuneration Report are reviewed by External Auditors to ensure that they are consistent with the financial statements.

Eric Guthrie
Partnership Director
Tactran
12 September 2017

Brian Gordon
Chairperson
Tactran
12 September 2017

TAYSIDE AND CENTRAL SCOTLAND TRANSPORT PARTNERSHIP

NOTES TO THE CORE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

GENERAL PRINCIPLES

The Annual Accounts summarise the Partnerships transactions for 2016/17 and its position at 31 March 2017. The Partnership is required to prepare Annual Accounts by the Transport (Scotland) Act 2005, section 3 and section 12 of the Local Government in Scotland Act 2003 requires they be prepared in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2016/17, supported by International Financial Reporting Standards (IFRS).

The accounting convention adopted in the Annual Accounts is principally historical cost, modified by the revaluation of certain categories of financial instruments.

ACCRUALS OF INCOME AND EXPENDITURE

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

CASH AND 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.

In the Cash Flow Statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Partnership's cash management.

EMPLOYEE BENEFITS

Benefits Payable During Employment

Short-term employee benefits, such as wages and salaries, paid annual leave, paid sick leave and any non-monetary benefits for current employees are recognised as an expense in the year in which employees render service to the Partnership. An accrual is made against services in the Surplus or Deficit on the Provision of Services for the cost of holiday entitlements and other forms of leave earned by employees but not taken before the year-end and which employees can carry forward into the next financial year. The accrual is made at the remuneration rates applicable in the following financial year. Any accrual made is required under statute to be reversed from the General Fund Balance by crediting the Accumulating Compensated Absences Adjustment Account in the Movement in Reserves Statement.

The Local Government Pension Scheme

The Local Government Scheme is accounted for as a defined benefits scheme up to 31 March 2015. From 1 April 2015 the scheme changed to a career average scheme:

- The liabilities of Tayside Pension Fund attributable to the Partnership are included in the Balance Sheet on an actuarial basis using the projected unit method – i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates etc, and projections of projected earnings for current employees,
- The assets of Tayside Pension Fund attributable to the Partnership are included in the Balance Sheet at their fair value –
 - quoted securities – current bid price,
 - unquoted securities – professional estimate,

- unitised securities – current bid price,
- property – market value,
- The change in the net pensions liability is analysed into seven components:
 - current service cost – the increase in liabilities as a result of years of service earned this year – allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked;
 - past service cost – the increase in liabilities arising from current year decisions whose effect relates to years of service earned in earlier years – debited to the Surplus/Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Non Distributed Costs;
 - interest cost – the expected increase in the present value of liabilities during the year as they move one year closer to being paid – debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement;
 - expected return on assets – the annual investment return on the fund assets attributable to the Authority, based on an average of the expected long-term return – credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement;
 - gains/losses on settlements and curtailments – the result of actions to relieve the Partnership of liabilities or events that reduce the expected future service or accrual of benefits of employees – debited/credited to the Surplus/Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Non Distributed Costs;
 - actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – debited to the Pensions Reserve;
 - contributions paid to Tayside Pension fund – cash paid as employer’s contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

In relation to retirement benefits, statutory provisions require the General Fund balance to be charged with the amount payable by the Partnership to the Pension Fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, this means that there are appropriations to and from the Pensions Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end. The negative balance that arises on the Pensions Reserve thereby measures the beneficial impact on the General Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

Discretionary Benefits

The Partnership also has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to any member of staff are accrued in the year of the decision to make the award and accounted for using the same policies as are applied to the Local Government Pension Scheme.

EVENTS AFTER THE REPORTING PERIOD

Events after the reporting period are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Annual Accounts are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the end of the reporting period – the Annual Accounts are adjusted to reflect such events;
- those that are indicative of conditions that arose after the reporting period – the Annual Accounts are not adjusted to reflect such events, but where a category of events would have a material effect disclosure is made in the notes of the nature of the events and their estimated financial effect.

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

GOVERNMENT GRANTS AND CONTRIBUTIONS

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

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

Amounts recognised as due to the Partnership are not credited to the Comprehensive Income and Expenditure Account until conditions attaching to the grant or contribution have been satisfied. Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset acquired using the grant or contribution are required to be consumed by the recipient as specified or future economic benefits or service potential must be returned to the transferor.

Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as creditors. When conditions are satisfied, the grant or contribution is credited to the relevant service line (attributable revenue grants/contributions) in the Comprehensive Income and Expenditure Statement.

FINANCIAL INSTRUMENTS

In the Notes to the Financial Statements, financial instruments are required to be shown at fair value. Fair value is defined as the amount for which an asset could be exchanged or a liability settled, assuming that the transaction was negotiated between parties knowledgeable about the market in which they are dealing and willing to buy/sell at an appropriate price, with no other motive in their negotiations other than to secure a fair price.

LEASES

Operating Leases

Rentals paid under operating leases are charged to the Comprehensive Income and Expenditure Statement as an expense of the services benefitting from use of the leased property, plant or equipment. Charges are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (e.g. there is a rent-free period at the commencement of the lease).

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 charged to the appropriate service in that year to score against the Surplus/Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement. The Reserve is then appropriated back into the General Fund Balance in the Movement in Reserves Statement.

Certain Reserves are kept to manage the accounting processes for retirement benefits and accumulated absences do not represent usable resources for the Partnership – these Reserves are explained in note 4.

VAT

VAT payable is included as an expense only to the extent that it is not recoverable from Her Majesty's Revenue and Customs. VAT receivable is excluded from income.

2. ASSUMPTIONS MADE ABOUT THE FUTURE AND OTHER MAJOR SOURCES OF ESTIMATION UNCERTAINTY

The Annual Accounts contain 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.

The items in the Partnerships Balance Sheet at 31 March 2017 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

Pensions Liability

Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide the Partnership with expert advice about the assumptions to be applied.

The effects on the net pension's liability of changes in individual assumptions can be measured. For instance, a 0.1% increase in the discount rate assumption would result in a decrease in the pension liability of £84,539 (£74,522 for 2015/16).

However, the assumptions interact in complex ways. During 2016/17, the Partnership's actuaries advised that the net pension's liability had increased by £253,000 (2015/16 pension liability reduced by £42,000) due to an updating of the assumptions.

3. ADJUSTMENTS BETWEEN ACCOUNTING AND FUNDING

	2015/16 £000	2016/17 £000
Pension adjustment	53	40
Re-measurement of net defined benefit liability/(asset)	(95)	213
Accumulated Absence	0	0
Total Adjustments	(42)	253

4. MOVEMENT IN RESERVES STATEMENT – ADJUSTMENTS BETWEEN ACCOUNTING BASIS AND FUNDING BASIS UNDER REGULATIONS

This note details the adjustments that are made to the Comprehensive Income and Expenditure Statement recognised by the Partnership in the year in accordance with proper accounting practice to the resources that are specified by statutory provisions as being available to the Partnership to meet future capital and revenue expenditure.

The Partnership holds no Usable Reserves.

	Movement in Unusable Reserves	Movement in Unusable Reserves
	2015/16 £000	2016/17 £000
Adjustments involving the Pensions Reserve:		
Reversal of items relating to post employment benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement	(97)	(80)
Employer's pensions contributions and direct payments to pensioners payable in the year	44	40

Adjustment involving the Accumulating Compensated Absences Adjustment Account

Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements

	0	0
Total Adjustments	(53)	(40)

5. BALANCE SHEET – UNUSABLE RESERVES

31 March 2016		31 March 2017
£000		£000
(416)	Pensions Reserve	(669)
(8)	Accumulating Compensated Absences Adjustment Account	(8)
(424)	Total Unusable Reserves	(677)

Pensions Reserve

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post employment benefits and for funding benefits in accordance with statutory provisions. The Partnership accounts for post employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the Partnership makes employer's contributions to pension's funds or eventually pays any pensions for which it is directly responsible. The debit balance on the Pensions Reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the Partnership has set aside to meet them. The statutory requirement on constituent Councils to meet the net cost of the Partnership will ensure that funding will have been set aside by the time the benefits come to be paid.

2015/16		2016/17
£000		£000
(458)	Balance at 1 April	(416)
95	Other Comprehensive Income	(213)
(97)	Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement	(80)
44	Employer's pensions contributions and direct payments to pensioners payable in the year	40
(416)	Balance as at 31 March	(669)

Accumulating Compensated Absences Adjustment Account

The Accumulating Compensated Absences Adjustment Account absorbs the differences that would otherwise arise on the General Fund Balance from accruing for compensated absences earned but not taken in the year. Statutory arrangements require that the impact on the General Fund Balance is neutralised by transfers to or from the Account.

2015/16 £000		2016/17 £000
(8)	Balance at 1 April	(8)
0	Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	0
<u>(8)</u>	Balance at 31 March	<u>(8)</u>

6. CASH FLOW STATEMENT – CASH AND CASH EQUIVALENTS

The balance of Cash and Cash Equivalents is made up of the following elements:

31 March 2016 £000		31 March 2017 £000
46	Bank current accounts	26
<u>46</u>	Balance at 31 March	<u>26</u>

7. MEMBERS ALLOWANCES

The Partnership paid the following amounts to members during the year.

	2015/16 £000	2016/17 £000
Expenses	1	2
	<u>1</u>	<u>2</u>

8. EXTERNAL AUDIT COSTS

The external auditor of the Partnership are appointed by the Accounts Commission for Scotland for a period of 5 years. The total fee payable to KPMG LLP in respect of the 2016/17 financial year for external audit services undertaken in accordance with the Code of Audit Practice is £9,818 (2015/16 £9,860). During 2016/17 the external auditor did not provide any other services to the Partnership other than the duties undertaken in accordance with the Code of Audit Practice.

9. PENSION SCHEMES

Participation in pension schemes

As part of the terms and conditions of employment of its officers Partnership makes contributions towards the cost of post employment benefits. Although these benefits will not actually be payable until

employees retire, the Partnership has a commitment to make the payments and this needs to be disclosed at the time that employees earn their future entitlement.

The Partnership participates in the Local Government Pension Scheme, administered locally by Dundee City Council which is a funded defined benefit final salary scheme meaning that the Partnership and employees pay contributions into a fund, calculated at a level intended to balance the pension's liabilities with investment assets.

Transactions relating to post employment benefits

The costs of retirement benefits are recognised in the reported cost of services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge which requires to be made is based on the cash payable in the year, so the real cost of post employment/retirement benefits is reversed out of the General Fund via the Movement in Reserves Statement. The following transactions have been made in the Comprehensive Income and Expenditure Statement and the General Fund Balance via the Movement in Reserves Statement during the year:

	Local Government Pension Scheme £000 2015/16	Local Government Pension Scheme £000 2016/17
Costs of Services		
Service Cost	83	65
Financial and Investment Income and Expenditure		
Net Interest on defined liability	14	15
Total Post Employment Benefit Charged to the surplus or Deficit on the Provision of Services	97	80
Remeasurements	95	(213)
Total Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement	192	(133)
Movement in Reserves Statement		
Reversal of net charges made to the surplus or deficit for the provision of services for post-employment benefits in accordance with the code	(53)	(40)
Employers contributions payable to scheme	44	40

Assets and liabilities in relation to post employment benefits

Reconciliation of present value of the scheme liabilities (defined benefit obligation):

	Funded liabilities Local Government Pension Scheme 2015/16 £000	Funded liabilities Local Government Pension Scheme 2016/17 £000
Opening Balance at 1 April	2,304	2,308
Current Service Costs	83	65
Interest Cost	76	80
Contributions by scheme participants	20	17
Change in assumptions	(175)	552
Estimated benefits paid net of transfer	0	(321)
Closing balance at 31 March	2,308	2,701

	Assets	Assets
	2015/16	2016/17
	£000	£000
Opening Balance at 1 April	1,846	1,893
Interest on assets	62	65
Return on assets (less interest)	(79)	339
Estimated benefits paid net of transfer	0	(321)
Employer contributions	44	40
Contributions by scheme participants	20	17
Administration Expenses	0	(1)
Closing balance at 31 March	1,893	2,032

The expected return on scheme assets is determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at the Balance Sheet date. Expected returns on equity investments reflect long-term real rates of return experienced in the respective markets.

The annual gain on scheme assets in the year was £404,665 (2015/16: loss of (£17,565)).

Scheme History

	2013/14	2014/15	2015/16	2016/17
	£	£	£	£
Present Value of Liabilities				
Local Government scheme	(2,507,866)	(2,303,974)	(2,308,430)	(2,701,267)
Fair Value of Assets in Local Government Pension Scheme	1,682,062	1,846,170	1,892,580	2,032,294
Deficit of the Scheme	(825,804)	(457,804)	(415,850)	(668,973)

The liabilities show the underlying commitments that the Partnership has in the long term to pay post employment (retirement) benefits. The total liability of £668,973 has a substantial impact on the net worth of Tactran as recorded in the Balance Sheet, resulting in a negative overall balance of £677,000. However, statutory arrangements which require the pensions funding deficit to be met by constituent Councils, mean that the financial position of the Partnership remains healthy:

- The deficit on the local government scheme will be made good by increased contributions over the remaining working life of employees (i.e. before payments fall due), as assessed by the scheme actuary.
- Funding is only required to be raised to cover discretionary benefits when the pensions are actually paid.

Basis for estimating Assets and Liabilities

Liabilities have been assessed on an actuarial basis using the projected unit credit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels, etc. Both the Local Government Pension Scheme and discretionary benefits liabilities have been assessed by Barnett Waddingham, an independent firm of actuaries, estimates for the Fund being based on the latest full valuation of the scheme as at 31 March 2017.

The principal assumptions used by the actuary have been:

	2013/14	2014/15	2015/16	2016/17
Expected Return	7%	14%	(1%)	23%
Longevity at 65 for current pensioners:				
Retiring Today: Males	21.0	21.2	21.3	21.4
Females	23.3	23.2	23.3	23.5
Retiring in 20 Years: Males	23.2	23.4	23.5	23.7
Females	25.6	25.5	25.6	25.8
Rate of inflation	3.7%	3.2%	3.3%	3.6%
Rate of increase in salaries	5.1%	4.2%	4.2%	3.7%
Rate of increase in pensions	2.9%	2.4%	2.4%	2.7%
Rate for discounting scheme liabilities	4.6%	3.3%	3.7%	2.7%

Discretionary Benefits

The Discretionary Benefits arrangements have no assets to cover its liabilities. The Local Government Pension Scheme assets consist of the following categories, by proportion of the total assets.

	31 March 2016	31 March 2017
Equities	69%	72%
Gilts	5%	0%
Other Bonds	13%	16%
Property	12%	10%
Cash	1%	2%
Total	<u>100%</u>	<u>100%</u>

The actuary advised that gains and losses are estimated for each year but only calculated on an actual basis every 3 years.

The total contributions expected to be made to the Local Government Pension Scheme by the Partnership in the year to 31 March 2018 is £39,369.

10. TRANSACTIONS WITH RELATED PARTIES

The four constituent Councils are related parties of Tactran, in terms of the Accounting Code of Practice, as councillors from each authority area serve as Board members of the Partnership. During 2016/17, the Partnership entered into a number of transactions with the constituent Councils and these are detailed as follows:

2015/16			2016/17	
Income From £	Payments To £		Income From £	Payments To £
Angus Council				
(22,218)	0	Tactran Requisition	(12,157)	0
0	0	Other Income	(8,000)	0
0	20,000	Third Party Payments	0	5,000
<u>(22,218)</u>	<u>20,000</u>		<u>(20,157)</u>	<u>5,000</u>
Dundee City Council				
(27,557)	0	Tactran Requisition	(15,079)	0
0	0	Other Income	(6,000)	0
0	3	Supplies and Services	0	0
0	49,926	Third Party Payments	0	978
<u>(27,557)</u>	<u>49,929</u>		<u>(21,079)</u>	<u>978</u>
Perth & Kinross Council				
(29,388)	0	Tactran Requisition	(16,075)	0
(83)	0	Interest Receivable	(122)	0
0	0	Other Income	(8,288)	0
0	2,540	Supplies and Services	0	1,133
0	29,053	Third Party Payments	0	16,672
0	25,000	Central Support Services	0	25,000
0	5,700	Property Costs	0	5,746
0	3,485	Transport Costs	0	2,504
<u>(29,471)</u>	<u>65,778</u>		<u>(24,485)</u>	<u>51,055</u>
Stirling Council				
(17,843)	0	Tactran Requisition	(9,759)	0
0	35,000	Third Party Payments	0	12,269
<u>(17,843)</u>	<u>35,000</u>		<u>(9,759)</u>	<u>12,269</u>

11. BALANCES WITH RELATED PARTIES

The four constituent Councils are related parties of Tactran, in terms of the Accounting Code of Practice, as both Tactran and the Councils are subject to common control by Central Government. The following balances existed between the Partnership and its related parties as at 31 March 2017.

2015/16		2016/17
Amount Due To/(From)		Amount Due To/(From)
Received In Advance		Received In Advance
From		From
£		£
	Angus Council	
5,329	Tactran Requisition	9,445
0	Other Income	(8,000)
<u>5,329</u>		<u>1,445</u>
	Dundee City Council	
6,608	Tactran Requisition	11,713
480	Supplies and Services	495
<u>7,088</u>		<u>12,208</u>
	Perth & Kinross Council	
(50)	Interest (Receivable)/Payable	(82)
(752)	Tactran Requisition	12,499
0	Other Income	(6,058)
26,102	Staff Cost	19,258
1,878	Supplies and Services	0
<u>27,178</u>		<u>25,617</u>
	Stirling Council	
4,281	Tactran Requisition	7,591
4,500	Staff Cost	0
<u>8,781</u>		<u>7,591</u>

12. FINANCE AND OPERATING LEASES

Partnership as Lessee

The Partnership held no assets on finance lease during 2016/17 (2015/16: None) and accordingly there were no finance lease rentals paid to lessors during 2016/17 (2015/16: None). The Partnership occupies office premises in Perth on an operating lease which commenced in November 2006. The lease was originally for a period of six years which was renewed in November 2012. A further 6 year extension to the lease was agreed in November 2015 with an increase in annual rent from £12,000 to £13,490.

13. DEBTORS

2015/16		2016/17
£000		£000
	<u>Current (Due within 1 year)</u>	
22	Central Government	26
0	Angus Council	14
0	Dundee City Council	7
8	Perth and Kinross Council	14
0	Stirling Council	5
8	Other Entities and Individuals	26
<u>38</u>		<u>92</u>

14. CREDITORS

<i>2015/16</i> <i>£ 000</i>		<i>2016/17</i> <i>£000</i>
5	Angus Council	15
7	Dundee City Council	19
35	Perth and Kinross Council	38
9	Stirling Council	12
36	Other Entities and Individuals	42
<u>92</u>		<u>126</u>

15. GRANT INCOME

The Partnership received the following grants and contributions:

	<i>2015/16</i> <i>£000</i>	<i>2016/17</i> <i>£000</i>
Scottish Government	523	523
Constituent Authorities	97	53
	<u>620</u>	<u>576</u>

16. FINANCIAL INSTRUMENT BALANCES

Accounting regulations require that the “financial instruments” shown on the balance sheet be further analysed into various defined categories.

Financial liabilities and financial assets represented by loans and receivables are carried in the Balance Sheet at amortised cost. Their fair value can be assessed by calculating the present value of the cash flows that will take place over the remaining term of the instruments, using the following assumptions:

- the fair value of trade and other receivables is taken to be the invoiced or billed amount.

The fair value of an instrument is determined by calculating the Net Present Value (NPV) of future cash flows, which provides an estimate of the value of payments in the future in today's terms.

Fair value of Financial Assets carried at Amortised cost (Less than 12 months)

	<i>31 March 2016</i>		<i>31 March 2017</i>	
	<i>Carrying</i> <i>Amount</i> <i>£000</i>	<i>Fair</i> <i>Value</i> <i>£000</i>	<i>Carrying</i> <i>Amount</i> <i>£000</i>	<i>Fair</i> <i>Value</i> <i>£000</i>
Cash	46	46	26	26
	<u>46</u>	<u>46</u>	<u>26</u>	<u>26</u>

Nature and extent of risks arising from Financial Instruments

The Partnership's activities expose it to a variety of financial risks:

- (i) credit risk – the possibility that other parties might fail to pay amounts due to the Partnership;
- (ii) liquidity risk – the possibility that the Partnership might not have funds available to meet its commitments to make payments;
- (iii) market risk – the possibility that financial loss might arise for the Partnership as a result of changes in such measures as interest rates.

Credit Risk

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to the Partnership's customers. The Partnership places deposits with the Royal Bank of Scotland and Perth and Kinross Council.

The following analysis summarises the Partnership's potential maximum exposure to credit risk, based on past experience and current market conditions. No credit limits were exceeded during the financial year and the Partnership expects full repayment on the due date of deposits placed with its counterparties.

	Amounts at 31 March 2017 £000	Historical experience of default %	Historical experience adjusted for market conditions as at 31 March 2017 %	Estimated maximum exposure to default and uncollectability £000
Deposits with banks and other financial institutions	26	0	0	0
Customers	92	0	0	0
Total	118	0	0	0

Debtors

The Partnership does not generally allow credit for customers, such that no amount of the balance is past its due date for payment. The level of debtors can be analysed by age as follows:

	31 March 2017 £000
Less than three months	92
Total	92

Liquidity Risk

The Partnership has deposits with both The Royal Bank of Scotland and Perth and Kinross Council, both of which are on-call with immediate access. Therefore, there is no significant risk that the Partnership will be unable to raise finance from these sources to meet its commitments under financial instruments.

17. AUTHORISATION OF ACCOUNTS

The Unaudited Annual Accounts were issued on the 13 June 2017 and the Audited Annual Accounts were authorised for issue on 12 September 2017.