



**TAYSIDE AND CENTRAL SCOTLAND
TRANSPORT PARTNERSHIP**

**ANNUAL ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2020**

UNAUDITED

TAYSIDE AND CENTRAL SCOTLAND TRANSPORT PARTNERSHIP
ANNUAL ACCOUNTS 2019/20

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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 (RTP) 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 Plan and Local Development Plan Action Programmes. The updated RTS Delivery Plan 2016-2021 was approved in June 2016.

RTPs are statutory Community Planning agencies and partners. The Partnership was a formal signatory to the 4 Single Outcome Agreements (SOAs) for the Angus, Dundee City, Perth & Kinross and Stirling Community Planning Partnership areas which pre-dated the Community Empowerment (Scotland) Act 2015. During 2017/18 the Partnership contributed proactively to the development of the new Local Outcomes Improvement Plans (LOIPs) which have replaced the previous SOAs under the 2015 Act. At its meeting on 12 December 2017 the Partnership endorsed the 4 partner Council area LOIPs. In formally endorsing the LOIPs the Partnership also agreed, in principle, to contribute to Participatory Budgeting in each CPP area, subject to further consideration of the detailed resource implications. Throughout 2018/19 and 2019/20 Tactran continued to actively participate in the Community Planning Partnerships in all 4 partner Council areas.

As outlined above, RTS Refresh policies were comprehensively mapped and aligned to support SOA priorities alongside related SOA Action Plans and the updated RTS Delivery Plan was aligned with the emerging LOIP priorities. This was to ensure that the Partnership's own activity and delivery priorities moving forward continue to support and contribute to achievement of defined National and Local Outcomes, including those relating to inclusive, sustainable economic growth.

Regional 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 travel, 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.

The Partnership’s second mandatory Public Sector Climate Change Report for 2016/17, incorporating revisions to address further feedback received from SSN (Sustainable Scotland Network) on the 2015/16 Report, was submitted in November 2017. Tactran has incorporated SSN feedback each year and has submitted annual Climate Change Reports to SSN in November 2017, 2018 and 2019.

The Equalities Act 2010 sets out a General Equality Duty and requires specified public bodies, including RTPs, to publish and periodically update and report on progress in meeting equalities duties and obligations under the 2010 Act and related Equality Act 2010 (Specific Duties) (Scotland) Regulations 2012. Public bodies are required to publish 2-yearly a Mainstreaming Report, which sets out progress the authority has made to make the Equality Duty integral to the exercise of all its functions, and an Equality Outcomes Report setting out the results the authority aims to achieve in order to further the elimination of discrimination, the advancement of equality of opportunity and/or the fostering of good relations. The Partnership submitted its updated Mainstreaming Report and Equality Outcomes Report in April 2019.

Review of 2019/20 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 2019/20 the approved RTS Revenue Programme, amounting to £167,577 was supplemented by external grant income to provide a total resource of £455,346 to support a wide range of regional, local and national priorities including:-

- Ongoing development, monitoring and refresh of the RTS and promotion of Tactran through a Digital Marketing Strategy - £11,861
- Promoting enhancements to Strategic Connectivity, including development of Regional Transport Model and a Tay Cities Aviation Study - £68,124
- Promoting and addressing relationships between Health and Transport, including continued contribution towards the costs of the Safe Drive Stay Alive road safety campaign in all 4 partner Council/CPP areas - £12,000
- Promotion and development of Active Travel opportunities, infrastructure and training, including funding the continued appointment of a Regional Cycle Training & Development Officer in partnership with Cycling Scotland and the completion of a programme of multi-modal monitoring in the region, in partnership with Paths for All - £37,678
- Maintenance and development of the regional Tactran Liftshare website and national Travelknowhow Scotland travel planning website, including funding the development of a Travelknowhow Scotland App (Right Track) and piloting its use - £198,413

- Maintenance and promotion of the Thistle Assistance Card scheme on bus services - £2,600
- Membership of East Coast Mainline Authorities (ECMA); continued development of Stirling Strategic Park & Ride Study and Bridge of Earn/South Perth Transport Appraisal and commencement of Tay Cities Park & Choose Strategy, all funded by Transport Scotland's Local Rail Development Fund - £51,289
- Contribution towards the Stirling & Tayside Timber Transport Group's continued appointment of a Timber Transport Officer; development of regional Lorry Route mapping for haulage companies and businesses with HGV/LGV fleet and sponsorship of a seminar on extreme weather resilience for the freight industry with the Scottish Business Resilience Centre - £6,488
- Development of successful Mobility as a Service (MaaS) proposal securing £550,112 funding from Transport Scotland's MaaS investment Fund and commencement of the project; ongoing promotion of Get on the Go social media campaign - £34,969
- Finalising the Regional Electric Vehicle Strategy and the development of the associated Delivery Plan to support the reduction in transport carbon emissions - £10,000

In addition to the above projects, the Active Travel partnership entered into with Sustrans secured a further annual funding allocation of £100,000 per annum from the national Places for Everyone programme to support the development and provision of Active Travel infrastructure across the region. This funding is available to match-fund the cost of projects by bidding to the Partnership's Active Travel Grant Scheme. Due to a delay in one of the projects, a total allocation of £85,000 of Places for Everyone grant funding was allocated in 2019/20.

During 2019/20 the Active Travel Grant scheme supported:-

- Angus Council – All abilities access routes to Health Centres - £42,000
- Dundee City Council – Secure cycle parking for students - £16,000
- Dundee City Council/NHS Tayside – signage and wayfinding at Ninewells Hospital - £7,000
- Perth & Kinross Council – Green Routes to health facilities - £20,000

Transport Scotland also provided an additional grant to Tactran for Active Travel projects in the region of £233,300. This fund provided 100% funding to the following projects:

- Dundee City Council – Active Travel Audit Development - £5,300
- Dundee City Council – North East Campus access improvements - £30,000
- Dundee City Council – Ninewells Hospital footway upgrade - £30,000
- Dundee City Council – Wayfinding information signage at Dundee city centre - £43,000
- Perth & Kinross Council – Auchterarder Community School shared use path - £35,000
- Perth & Kinross Council – Aberargie Path Ph1, NCN Bridge of Earn to Newburgh - £90,000

Further financial support through a Transport Scotland grant for Regional Active Travel Development Fund was provided in two tranches of £133,400 each, giving a total of £266,800 available in 2019/20. This fund is available for 100% funding by bidding to take forward sections of Tactran Regional Walking & Cycling Network and to further develop Tactran Active Travel Audits. A further £46,600 was provided by Sustran for a joint project, taking the total funding available in 2019/20 to £313,400.

In 2019/20 the Regional Active Travel Development Fund scheme supported:

- Tactran/Sustran - Walking & Cycling Feasibility Study – £180,000
- Perth & Kinross Council - Aberargie Path Ph 2, NCN Bridge of Earn to Newburgh - £40,000
- Stirling Council – Stirling to Plean Active travel Route - £40,000
- Angus Council – Arbroath to Friockheim Feasibility - £15,000
- Dundee City Council – Active Travel Audit Development - £38,400

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. In addition,

work continued on aligning the RTS Delivery Plan with emerging Community Planning Action Plans/Programmes particularly via Locality Plans.

The Partnership also continued to work with and support Development Planning Authorities, including supporting and commenting on the ongoing review and updating of Strategic 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 2019/20 the Partnership responded formally to a number of Development Planning and other relevant consultations:-

- Stirling Council Supplementary Guidance on Transport and Access for New Developments;
- Perth & Kinross Council Supplementary Guidance on Developer Contributions and Green and Blue Infrastructure; and
- Perth & Kinross Council Local Development Plan 2: Draft Delivery Programme.

Work continued on supporting the development of the Tay Cities Deal, covering Angus, Dundee, Perth & Kinross and North East Fife and the Stirling and Clackmannanshire City Region Deal. The 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.

The Stirling and Clackmannanshire City Region Deal was formally signed on 26 February 2020, sealing a collective commitment to a £214m investment package, including a £7m commitment by Scottish Government to bring forward strategic active travel projects.

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. STRATEGIC DEVELOPMENTS

In publishing its Programme for Government in September 2018 the Scottish Government reaffirmed its commitment to reviewing the National Transport Strategy (NTS) followed by a full review and updating of the Strategic Transport Projects Review (STPR), and to implement a Transport Bill which will include measures to improve bus services, better regulate road works, promote responsible parking and advance Low Emissions Zones.

The Transport (Scotland) Act received Royal Assent on 15 November 2019 and sets out a framework for National Transport Strategy; Low Emission Zones; Bus Services; Ticketing Arrangements and Schemes; Travel concession schemes as applied to community transport; Pavement parking and double parking; workplace parking; recovery of unpaid parking charges; road works and Regional Transport Partnerships finance, which permits RTPs to establish reserve funds. Work will continue during 2020/21 on developing the associated regulations.

Following consultation and review throughout 2019, the NTS was published on 5 February 2020 and sets out the priorities and outcomes for Scotland's transport system over the next 20 years. Work has now commenced on development of a Delivery Plan for the NTS.

The Partnership has supported Transport Scotland in the development of the Regional Transport Working Groups (RTWGs) that provide the medium for consultation on the Strategic Transport Projects Review (STPR2) proposals to improve strategic transport connectivity nationally and regionally. This support continued through 2019/20 with stakeholder consultation events including for Board members undertaken. At the end of February STPR Case for Change reports were issued including National Case for Change; Tay Cities Case for Change and Forth Valley Case for Change. The STPR will continue to be developed through 2020/21, with Tactran providing the secretariat for the Tay Cities RTWG.

STPR is expected to be progressed in alignment with a new Planning Act, Transport Act and updating of the National Planning Framework (NPF4). Inputting to and influencing these major policy developments over the next few years will be a key priority for the Partnership during 2020/21 and beyond.

In 2019/20 Tactran continued to be proactive in support of the two City Region Deals covering the Tactran area: the Stirling/Clackmannanshire and Tay Cities Region Deals. Tactran provided technical and financial support for the Tay Cities Regional Transport Model. Similarly, officers have been supporting project development in the Stirling/Clacks City Deal.

Due to the success of the Partnership in drawing in external funding amounting to c £920,000, the resources available to support the implementation of the RTS Delivery Plan in 2019/20 was enhanced significantly. Significant external funding will continue in 2020/21, with approximately £1.296m external funding already secured to take forward the MaaS project and three Local Rail Development Fund STAG appraisals as well as other initiatives. We will retain our strategic alliance with Sustrans and continue to develop the strategic alliance with Cycling Scotland.

The Partnership and its officers continued to engage proactively in the development of transport and other related policy nationally, regionally and locally. Consultations and publications responded to and commented on during 2019/20 included:-

- The newly installed Infrastructure Commission for Scotland issued an 'Initial Call for Evidence and Contributions' requesting responses by 3 May 2019;
- The Williams Rail Review issued a call for evidence requesting responses by 31 May 2019.
- On 17 December 2018, Department of Transport issued consultation on 'Aviation 2050 – the future of aviation', requesting responses by 20 June 2019;
- On 10 May 2019, the Scottish Government's Rural Economy and Connectivity Committee invited oral and written submissions on the proposed workplace parking levy amendments to the Transport (Scotland) Bill by 22 May 2019.
- The National Transport Strategy (NTS2), a Draft Strategy for Consultation, was issued by Scottish Government on 31 July 2019, requesting responses by 23 October 2019.
- The Scottish Government published the consultation document 'The role of Public Sector Bodies in tackling climate change' on 11 September 2019, asking for responses to be submitted by 4 December 2019.
- The Loch Lomond & The Trossachs National Park Authority published their Active Park, Healthy People: Outdoor Recreation Delivery Plan for consultation on the 16 January 2020 with comments to be received by 31 January 2020.
- Transport Scotland published the consultation document 'Scotland's Low Emission Zones: Consultation on Regulations and Guidance' on 13 December 2019, asking for responses to be submitted by 24 February 2020.
- NHS Tayside issued to Community Planning Partnerships a Draft Public Health Strategy with comments to be received by 28 February 2020.
- Transport Scotland published Strategic Transport Project Review: Case for Change reports for consultation on 27 February 2020 with a deadline for responses of 30 April 2020.

Tactran continues to collaborate and coordinate with the other RTPs on strategic policy development and delivery at a regional and national level through participation in the RTP Chairs Forum and the RTP Lead Officers Group.

In 2019/20 the Partnership's officers continued to contribute to national policy and professional development through active engagement in the following professional bodies and associations:-

- Society of Chief Officers of Transportation in Scotland (SCOTS)
- Association of Transport Coordinating Officers (ATCO)
- ACT Travelwise

The impact of the Covid-19 outbreak brings risk and uncertainty globally and predicting the impact for the national and local economy is extremely uncertain. In the early stages of this crisis Tactran employees were asked to work from home and a strategy to engage our forum members, partners and governance groups online was implemented. A review of our work programme was undertaken to ensure that workstreams to help manage the current crisis and the transition from lockdown were progressed.

Tactran continues to engage and advise as we move into the transition recovery period and is liaising with Transport Scotland, other RTPs, our constituent Councils, NHS and public transport operators and organisations such as Sustrans, Freight Transport Association and ScotRail to assist in providing a coherent and co-ordinated approach to planning the necessary transport initiatives to aid the route map out of lockdown and to support economic recovery. Transport solutions are likely to become a greater focus for national, regional and local government and the Partnership will continue to progress innovative solutions for the delivery of sustainable transport services, in partnership with constituent Councils and other public sector bodies, which will fully support the enabling services that are crucial to the functioning of the local, regional and national economy.

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. The last review took place at the March 2020 Board meeting. This review took into account 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 minimum allocation of £100,000 grant funding for 2020/21 has been confirmed. During 2019/20 Tactran submitted a successful proposal for development of a Regional Active Travel Development Fund to support the development of projects and measures capable of leveraging in delivery funding through the national Community Links, Smarter Choices Smarter Places and other relevant funding sources.

Tactran utilised further external funding of approximately £288,000 in 2019/20 to take forward a number of initiatives and projects that contribute to the development of the RTS and has secured a further £1,000,000 external funding to progress several projects in 2020/21.

As outlined above, 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 both City Deals will provide a 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 both City Deals and related connectivity proposals. In supporting the delivery of the City Deal programmes, Tactran will support the risk management procedures adopted by the respective Joint Committees.

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 2020. 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.

The Transport (Scotland) Act 2019 makes changes to the Transport (Scotland) Act 2005, including provisions which permit RTP's to create Reserves for the carry forward of unused funding between financial years, in particular the funding received from constituent Councils. Previously, underspend was treated as a liability and included within the year-end Creditors balance as the provisions within the original Transport (Scotland) Act 2005 did not permit Tactran and other RTP's to create a useable Reserve. Section 122 of the Transport (Scotland) Act 2019 came into force on the 19 March 2020 and results in presentational changes to the Annual Accounts. The changes impact upon the primary statements (the Comprehensive Income & Expenditure Statement; Movement in Reserves Statement; Balance Sheet; and Cash Flow Statement) and certain notes to the accounts for which additional narrative is included.

The Comprehensive Income & Expenditure recognises all income received in the 2019/20 financial year in line with the terms and conditions of funding. Total income was previously reduced by the amount of surplus for the financial year.

The Movement in Reserves Statement recognises the £20k surplus for 2019/20. Any surplus in previous years was included in the year-end Creditors balance in the Balance Sheet.

The Balance Sheet includes a General Fund Reserve to recognise the 2019/20 surplus. A surplus in previous years was included within the year-end Creditors balance due to the possibility of having to repay unused balances to the funding body.

The Cash Flow Statement includes changes in Creditor balances between the financial years. The surplus for 2018/19 is included in the year-end Creditors balance, no surplus is included in the 2019/20 year-end Creditors balance as it is recognised in the General Fund Reserve.

The 2018/19 Annual Accounts do not require restatement as the impact of the 2019 Act is prospective from 19 March 2020.

At its meeting on 19 March 2019, the Tayside and Central Scotland Transport Partnership Board approved the Draft 2019/20 Core Revenue Budget of £489,397 of which £384,147 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 Grant in Aid revenue funding for financial year 2019/20 for the Regional Transport Strategy (RTS) was £138,603.

At its meeting on 18 June 2019 the Tayside and Central Scotland Transport Partnership Board approved the final accounts for 2018/19. The total income carry forward to 2019/20 was confirmed as £28,974 which was allocated to the RTS budget to fund key priorities. This resulted in a total 2019/20 Regional Transport Strategy budget of £167,577.

Overall Tactran's gross revenue budget for 2019/20 was £656,974.

During 2019/20, the Partnership Board received regular revenue monitoring reports to ensure members were fully appraised of the projected outturn position.

The Partnership's final position for 2019/20 excluding accounting adjustments relating to pensions and accumulated absences (£62,747) was a surplus of £20,225 and this balance has been transferred to reserves for use in future periods.

	Budget £'000	Actual £'000	Variance £'000
Employee Costs	404	394	(10)
Property Costs	20	21	1
Supplies & Services	15	16	1
Transport	6	5	(1)
Third Party	212	1,120	908
Total Expenditure	657	1,556	899
Scottish Government Grant	523	1,136	613
Council Requisitions	103	103	0
Deferred Income	29	29	0
Other Income	2	308	306
Total Income	657	1,576	919

The table above summarises the 2019/20 Budget approved by the Partnership Board and provides the actual income and expenditure for the year ended 31 March 2020. The net £20,225 underspend comprises a £3,337 overspend on the Core Revenue Budget and an underspend of £23,562 on projects within the Regional Transport Strategy programme. The overspend on Core Revenue is mainly due to an increase in IT costs, an increase in the audit fee, consultancy costs to offset staff savings from parental leave and one-off costs for voluntary severance delivering future savings.

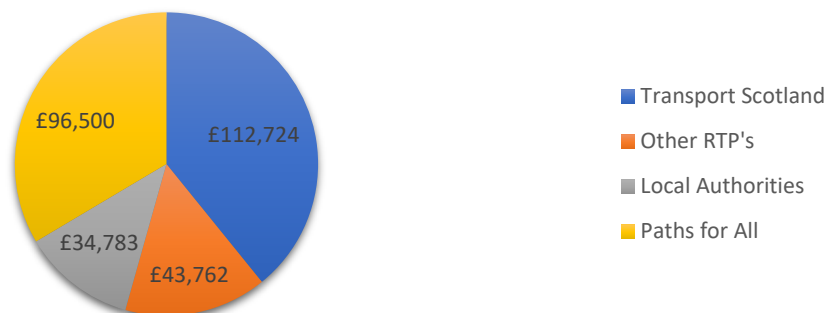
The overspend on third party costs of £908,000 is due to expenditure related to the additional funding received during 2019/20 for Active Travel Grants and Regional Transport Strategy (RTS) projects.

The increase in the Scottish Government Grant of £613,000 relates to the income received from Transport Scotland for the Regional Active Travel Development Fund (£266,800), Additional Active Travel Grant (£233,300) and funding towards the RTS Programme (£112,724). Funding within the RTS Programme is as follows: Local Rail Development Funding for the Stirling South Park & Ride study (£23,889), Bridge of Earn transport appraisal (£24,400) and the national Travelknowhow Maintenance and Promotion project (£64,435).

The £306,000 variance in Other Income includes additional £85,000 grant from Sustrans for Active Travel Grants and £46,600 from Sustran towards the Regional Active Travel Development Fund; and there are a number of other contributions totalling £175,045 towards projects included within the RTS programme.

The total £287,769 external funding towards projects within the RTS Programme is summarised below:-

RTS Programme - External Contributions



A summary of additional income and total expenditure for the Regional Transport Strategy and Active Travel Grant is provided below and further information is provided within the Review of 2019/20 Developments and Achievements:-

Regional Transport Strategy	Budget	Income	Gross Budget	Actual Expenditure	Variance to Gross Budget
Development of RTS	£9,500	£0	£9,500	£11,861	£2,361
Strategic Connectivity	£53,000	£24,283	£77,283	£68,124	(£9,159)
Health and Transport	£12,000	£0	£12,000	£12,000	£0
Active Travel	£21,500	£20,000	£41,500	£37,678	(£3,822)
Travel Planning	£16,500	£182,967	£199,467	£198,413	(£1,054)
Buses Strategy	£1,000	£1,730	£2,730	£2,600	(£130)
Park & Ride	£8,000	£0	£8,000	£0	(£8,000)
Rail	£3,000	£48,289	£51,289	£51,289	£0
Freight	£10,000	£0	£10,000	£6,488	(£3,512)
Travel Information	£15,500	£10,500	£26,000	£34,969	£8,969
Climate change	£10,000	£0	£10,000	£10,000	£0
Contingency	£7,577	£0	£7,577	£0	(£7,577)
Sub-Total	£167,577	£287,769	£455,346	£433,422	(£21,924)
Active Travel Grant	£0	£631,700	£631,700	£630,062	(£1,638)
Total	£167,577	£919,469	£1,087,046	£1,063,484	(£23,562)

The total deficit on the Comprehensive Income and Expenditure Statement was £41,000 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

Following Royal Assent of the Transport (Scotland) Act 2019 the Partnership is provided with the power to hold General Fund Reserves. Any surplus is therefore transferred to reserves in the year they are created and can be drawn upon for use in future years. The details of Tactran reserves are provided within the Movement in Reserves Statement on page 19.

8. CAPITAL EXPENDITURE

During 2019/20, 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 £205,700 as at 31 March 2020. The estimated net pension liability at 31 March 2019 was £226,873.

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 2020.

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 2017 resulting in the employer's contributions remaining at 17% of pensionable pay from 1 April 2019. The next actuarial valuation if the fund will be dated 31 March 2020 and will set the contributions from 1 April 2021 to 31 March 2024.

10. GOING CONCERN

The Balance Sheet at 31 March 2020 shows net liabilities of £192,000. This net liability position reflects the inclusion of net pension liabilities of £206,000 falling due in future years and arising from the application of IAS 19 (Retirement Benefits) and £6,000 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 2019/20 Annual Accounts.

13. THE FINANCIAL STATEMENTS

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'.

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 9: Members Allowances.

15. ACKNOWLEDGEMENTS

During the 2019/20 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 & Kinross Council in the financial management of the Partnership and in the preparation of the 2019/20 Annual Accounts.

Richard McCreedy
Chair of Partnership Board
Tactran

Scott Walker
Treasurer
Tactran

Mark Speed
Partnership Director
Tactran

TAYSIDE AND CENTRAL SCOTLAND TRANSPORT PARTNERSHIP

MEMBERS AND OFFICIALS 2019/20

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 2019/20 was:-

Councillor Members

Angus Council

Councillor Mark McDonald
Provost Ronnie Proctor

Dundee City Council

Councillor Will Dawson (until June 2019)
Councillor Mark Flynn (from September 2019)
Councillor Richard McCready (Chair from June 2019)
Councillor Lynne Short (until June 2019)
Councillor Alan Ross (from September 2019)

Perth & Kinross Council

Councillor Alasdair Bailey
Councillor David Illingworth
Councillor Andrew Parrott

Stirling Council

Councillor Danny Gibson
Councillor Jim Thomson

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 2019/20 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. Mark resigned from the role with effect from 31 March 2020.

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. Trudi resigned from the role with effect from 30 September 2019.

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. David resigned from the role with effect from 31 March 2020.

Mr Bob Benson – Bob was appointed to the Partnership Board in November 2017. Bob has extensive public appointments experience and during his time with the Mobility and Access Committee for Scotland and Scottish Fire and Rescue Service and in other capacities he has advised on and contributed significantly to addressing the needs of disabled and other users within the transport and connectivity sectors. Bob resigned from the role with effect from 31 December 2019.

Ms Heather Anderson – Heather was appointed in September 2019. Heather is committed to Climate Change, the application of the principles of sustainability to transport and has project/programme management skills in managing national programmes.

Mr Paul Cronin – Paul was appointed in September 2019. Paul has technical knowledge of design and delivery of active travel schemes, strategic knowledge of the commitment to active travel across the UK including Scotland and project/programme management skills in supporting the delivery of Tactran's expanded programme of active travel projects.

Mr Bryan Doyle – Bryan was appointed in March 2020. Bryan is an Electrical Engineer and a Project Manager for SSEN. He has participated in the 2050 Young Leaders' Programme on Climate Change. With the advent of EV and low carbon transport, Bryan's knowledge of the regional landscape and the emerging field of low carbon technologies he is an admirable addition to the Tactran Board.

Non-Councillor member appointments are ordinarily for a period of 2 years, with extension subject to agreement by the Partnership Board.

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

Tom Flanagan was appointed Partnership Director in July 2018. Tom holds a Doctorate in Civil Engineering, specialising in Traffic & Transportation, and has accumulated extensive experience directing and working within local authority departments for economic development, planning and environment services. Tom retired from this post in March 2020 and was succeeded by Mark Speed.

Mark Speed was appointed Partnership Director from April 2020. As the Partnership's Chief Officer, Mark is responsible for ensuring that the Partnership meets 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. Niall 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. Niall 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.

Senior Strategy Officer

Jonathan Padmore took up the post of Senior Strategy Officer in January 2018. Jonathan joined from Stirling Council and has 25 years' experience working in transport planning roles for Stirling Council, St. Helen's and Sefton Metropolitan Borough Council's in Merseyside, Norfolk County Council and Aberdeen City Council.

Strategy Officer (Strategic Connectivity)

Niall Moran joined Tactran in December 2017 from Perth & Kinross Council where he was a Transport Planning Officer within the Council's Strategy and Policy team. Niall has also worked for the Council's Public Transport Unit that coordinates and manages the local bus network and home to school transport services.

Strategy Officer (Sustainable Transport)

Graeme Brown started in the post of Strategy Officer for Sustainable Transport in January 2018. Graeme joined the team after a short period with the National Entitlement Card Programme helping develop smart and integrated ticketing initiatives. Graeme previously held the position as the Partnerships Manager for Sustrans helping develop active travel programmes and projects across Scotland.

Cycle Training & Development Officer

Under the 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. Ashley 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. Muriel 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 under the general direction of the Office Manager/PA to Director. Muriel retired from the Partnership in March 2020.

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

Scott Hendry is the Team Leader within Committee Services for 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 2019/20

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, 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 were reviewed during November 2016 and approved by the Partnership Board on 6 December 2016. The Financial Regulations included within the governance documents were reviewed during 2019/20 and revision to signing limits and procurement guidance were approved by the Partnership Board on 18 June 2019.

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 2019/20.

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 Advisor 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 2020. 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.

Richard McCready
Chair of Partnership Board
Tactran

Mark Speed
Partnership Director
Tactran

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 2020.

Richard McCready
Chair of Partnership Board
Tactran

Scott Walker CPFA
Treasurer
Tactran

TAYSIDE AND CENTRAL SCOTLAND TRANSPORT PARTNERSHIP

MOVEMENT IN RESERVES STATEMENT

For the year ended 31 March 2020

	General Fund Balance	Total Usable Reserves	Accumulated Absences Unusable Reserves (see Note 7)	Pensions Reserve Unusable Reserves (see Note 7)	Total Tactran Reserves
	£'000	£'000	£'000	£'000	£'000
Balance at 31 March 2018	0	0	(6)	(168)	(174)
<u>Movement in reserves during 2018/19</u>					
Deficit on provision of services	(59)	(59)	0	0	(59)
Other Comprehensive Expenditure and Income	0	0	0	1	1
Total Comprehensive Expenditure and Income	(59)	(59)	0	1	(58)
Adjustments between accounting basis & funding basis under regulations (note 3)	59	59	0	(60)	(1)
Decrease in 2018/19	0	0	0	(59)	(59)
Balance at 31 March 2019 carried forward	0	0	(6)	(227)	(233)
<u>Movement in reserves during 2019/20</u>					
Deficit on provision of services	(43)	(43)	0	0	(43)
Other Comprehensive Expenditure and Income	0	0	0	84	84
Total Comprehensive Expenditure and Income	(43)	(43)	0	84	41
Adjustments between accounting basis & funding basis under regulations (note 3)	63	63	0	(63)	0
Increase in 2019/20	20	20	0	21	41
Balance at 31 March 2020 carried forward	20	20	(6)	(206)	(192)

TAYSIDE AND CENTRAL SCOTLAND TRANSPORT PARTNERSHIP

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

For the year ending 31 March 2020

2018/19			2019/20			
<i>Gross Exp £'000</i>	<i>Gross Income £'000</i>	<i>Net (Income) /Exp £'000</i>	Note	Gross Exp £'000	Gross Income £'000	Net (Income) /Exp £'000
SERVICES						
1,218	(1,010)	208		1,567	(1,445)	122
45	0	45		48	0	48
1,263	(1,010)	253		1,615	(1,445)	170
COST OF SERVICES						
4	0	4	11	5	0	5
0	(208)	(208)		0	(132)	(132)
4	(208)	(204)		5	(132)	(127)
DEFICIT ON PROVISION OF SERVICES						
		49				43
		(1)				(84)
TOTAL COMPREHENSIVE INCOME AND EXPENDITURE						
		(48)				41

TAYSIDE AND CENTRAL SCOTLAND TRANSPORT PARTNERSHIP

BALANCE SHEET

Year Ending 31 March 2020

<i>As at</i> 31 March 2019 £'000 £'000		Notes	<i>As at</i> 31 March 2020 £'000 £'000
108	Short Term Debtors	15	116
<u>14</u>	Cash and Cash Equivalents	18	<u>102</u>
122	Current Assets		218
<u>(128)</u>	Short Term Creditors	16	<u>(204)</u>
(6)	Current (Liabilities)/Assets		14
(227)	Other Long Term Liabilities	11	(206)
<u>(233)</u>	Net Liabilities		<u>(192)</u>
Financed by Fund Balances and Unusable Reserves:			
0	General Fund Reserve	6	20
(227)	Pensions Reserve	7	(206)
(6)	Accumulated Absence	7	(6)
<u>(233)</u>			<u>(192)</u>

The Unaudited Annual Accounts were issued on the 16 June 2020.

Scott Walker CPFA
Treasurer
Tactran

TAYSIDE AND CENTRAL SCOTLAND TRANSPORT PARTNERSHIP

CASH FLOW STATEMENT

Year Ending 31 March 2020

2018/19 £'000	Notes	2019/20 £'000
(59)	Net deficit on provision of service	(43)
	Adjustments to net surplus on the provision of services for non-cash movements:-	
(68)	Debtors increased by	(8)
(63)	Creditors (decreased)/increased by	76
59	Pension adjustments	63
0	Employee accrual	0
(131)	Net (decrease)/increase in cash and cash equivalents	88
145	Cash and cash equivalents at the beginning of the reporting period	14
14	Cash and cash equivalents at the end of the reporting period	102
	8	

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 9 to the financial statements.

(iii) Officers Remuneration

The Partnership has two Proper Officers who undertake tasks within their specialised areas, who earn in excess of £50,000 (Treasurer and Legal Adviser), however both 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 & 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 2018/19</i>	Salary Banding	Number of Employees 2019/20
0	£80,000 - £84,999	1
1	£65,000 - £69,999	0
0	£60,000 - £64,999	1
1	£55,000 - £59,999	0

(iv) Senior Employees Remuneration

Name and Post Title	Salary, Fees and Allowance	Total Remuneration 2019/20	Total Remuneration 2018/19	Total Remuneration 2018/19 (FTE)
Eric Guthrie Partnership Director	nil	nil	£16,987	£21,234
Tom Flanagan Partnership Director	£83,020	£83,020	£60,451	£60,451
	£83,020	£83,020	£77,438	£81,685

The senior employees in the above table had overall chief executive officer responsibility and accountability for the strategic direction and management of the Partnership, to the extent that the persons have powers and authority to direct and control the major activities of the Partnership, including activities involving the expenditure of money. The Partnership Director 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		
	2018/19 £'000	2019/20 £'000		As at 31 March 2019 £'000	As at 31 March 2020 £'000	Difference from 31 March 2019 £'000
Eric Guthrie Partnership Director	3	0	Pension Lump Sum	0 0	0 0	0 0
Tom Flanagan Partnership Director	10	11	Pension Lump Sum	1 0	0 0	1 0
	13	11				

(vi) 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.

Mark Speed
Partnership Director
Tactran

Richard McCready
Chair of Partnership Board
Tactran

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 2019/20 and its position at 31 March 2020. 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 2019/20 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 Partnership 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 7.

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 2020 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 £94,664 (£96,365 for 2018/19).

However, the assumptions interact in complex ways. During 2019/20, the Partnership's actuaries advised that the net pension's liability had decreased by £21,173 (2018/19 pension liability had increased by £59,018) due to an updating of the assumptions.

3. ADJUSTMENTS BETWEEN ACCOUNTING AND FUNDING

	2018/19 £'000	2019/20 £'000
Pension adjustment	60	63
Re-measurement of net defined benefit liability/(asset)	(1)	(84)
Accumulated Absence	(0)	(0)
Total Adjustments	59	(21)

4. EXPENDITURE AND FUNDING ANALYSIS – 2019/20

Services	Gross expenditure £'000	Adjustment between accounting & funding basis (note 3) £'000	Gross income £'000	Net income/ expenditure £'000
Highways & Transport Services	1,509	58	(1,445)	122
Corporate & Democratic Services	48	0	0	48
Cost of Services	1,557	58	(1,445)	170
Financing and Investment Income and Expenditure	0	5	0	5
Constituent Council Requisitions	0	0	(132)	(132)
(SURPLUS)/ DEFICIT ON PROVISION OF SERVICES	1,557	63	(1,577)	43
Remeasurements of the net defined benefit liability/(asset)	0	(84)	0	(84)
TOTAL COMPREHENSIVE INCOME AND EXPENDITURE	1,557	(21)	(1,577)	(41)

EXPENDITURE AND FUNDING ANALYSIS – 2018/19

Services	Gross expenditure £'000	Adjustment between accounting & funding basis (note 3) £'000	Gross income £'000	Net income/ expenditure £'000
Highways & Transport Services	1,173	56	(1,010)	219
Corporate & Democratic Services	45	0	0	45
Cost of Services	1,218	56	(1,010)	264
Financing and Investment Income and Expenditure	0	4	0	4
Constituent Council Requisitions	0	0	(208)	(208)
(SURPLUS)/ DEFICIT ON PROVISION OF SERVICES	1,218	60	(1,218)	60
Remeasurements of the net defined benefit liability/(asset)	0	(1)	0	(1)
TOTAL COMPREHENSIVE INCOME AND EXPENDITURE	1,218	59	(1,218)	59

5. 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.

	<i>Movement in Unusable Reserves</i>	Movement in Unusable Reserves
	<i>2018/19 £'000</i>	2019/20 £'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	(108)	(117)
Employer's pensions contributions and direct payments to pensioners payable in the year	48	54
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	(60)	(63)

6. BALANCE SHEET – USABLE RESERVES

Movements in the Partnership's Usable Reserves are detailed in the Movement in Reserves Statement and Note 5.

7. BALANCE SHEET – UNUSABLE RESERVES

<i>31 March 2019 £'000</i>		<i>31 March 2020 £'000</i>
(227)	Pensions Reserve	(206)
(6)	Accumulating Compensated Absences Adjustment Account	(6)
(233)	Total Unusable Reserves	(212)

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.

2018/19		2019/20
£'000		£'000
(168)	Balance at 1 April	(227)
1	Other Comprehensive Income	84
(108)	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	(117)
48	Employer's pensions contributions and direct payments to pensioners payable in the year	54
(227)	Balance as at 31 March	(206)

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.

2018/19		2019/20
£'000		£'000
(6)	Balance at 1 April	(6)
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
(6)	Balance at 31 March	(6)

8. CASH FLOW STATEMENT – CASH AND CASH EQUIVALENTS

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

31 March 2019		31 March 2020
£'000		£'000
14	Bank current accounts	102
14	Balance at 31 March	102

9. MEMBERS ALLOWANCES

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

	2018/19 £'000	2019/20 £'000
Expenses	1	1
	<hr/> 1	<hr/> 1

10. EXTERNAL AUDIT COSTS

The external auditor of the Partnership is appointed by the Accounts Commission for Scotland for a period of 5 years. The total fee payable to KPMG LLP in respect of the 2019/20 financial year for external audit services undertaken in accordance with the Code of Audit Practice is £11,647 (2018/19 £9,790). During 2019/20 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.

11. 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 scheme providing benefits based on career average earnings. 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 2018/19	Local Government Pension Scheme £'000 2019/20
Costs of Services		
Service Cost	104	112
Financial and Investment Income and Expenditure		
Net Interest on defined liability	4	5
Total Post Employment Benefit Charged to the Surplus or Deficit on the Provision of Services	108	117
Remeasurements	1	84
Total Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement	109	201
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	(60)	(63)
Employers contributions payable to scheme	48	54

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 2018/19 £'000	Funded liabilities Local Government Pension Scheme 2019/20 £'000
Opening Balance at 1 April	2,448	2,611
Current Service Costs	92	111
Past Service Costs	11	0
Interest Cost	62	68
Contributions by scheme participants	21	24
Change in assumptions	48	(289)
Estimated benefits paid net of transfer	(71)	395
Closing balance at 31 March	2,611	2,920
	Assets	Assets
	2018/19 £'000	2019/20 £'000
Opening Balance at 1 April	2,281	2,385
Interest on assets	58	63
Return on assets (less interest)	48	(205)
Actuarial gains	0	0
Estimated benefits paid net of transfer	(71)	395
Employer contributions	49	54
Contributions by scheme participants	21	23
Administration Expenses	(1)	(1)
Closing balance at 31 March	2,385	2,714

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 £142,396 (2018/19: gain of £106,745).

Scheme History

	2016/17	2017/18	2018/19	2019/20
	£	£	£	£
Present Value of Liabilities				
Local Government scheme	(2,701,267)	(2,448,476)	(2,611,231)	(2,919,456)
Fair Value of Assets in Local Government Pension Scheme	2,032,294	2,280,621	2,384,358	2,713,756
Deficit of the Scheme	(668,973)	(167,855)	(226,873)	(205,700)

The liabilities show the underlying commitments that the Partnership has in the long term to pay post employment (retirement) benefits. The total liability of £205,700 has an impact on the net worth of Tactran as recorded in the Balance Sheet, resulting in a negative overall balance of £192,000. 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 2020.

The principal assumptions used by the actuary have been:

	2016/17	2017/18	2018/19	2019/20
Expected Return	23%	5%	5%	(5%)
Longevity at 65 for current pensioners:				
Retiring Today: Males	21.4	20.3	19.6	19.7
Females	23.5	22.2	21.6	21.7
Retiring in 20 Years: Males	23.7	22.1	21.3	21.4
Females	25.8	24.1	23.4	23.5
Rate of inflation (RPI)	3.6%	-	-	-
Rate of inflation (CPI)	2.7%	2.3%	2.4%	1.9%
Rate of increase in salaries	3.7%	3.3%	3.4%	2.9%
Rate of increase in pensions	2.7%	2.3%	2.4%	1.9%
Rate for discounting scheme liabilities	2.7%	2.5%	2.4%	2.4%

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 2019	31 March 2020
Equities	70%	66%
Gilts	5%	1%
Other Bonds	11%	18%
Property	11%	12%
Cash	3%	3%
Total	<hr/> <i>100%</i>	<hr/> <i>100%</i>

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 2021 is £52,166.

12. TRANSACTIONS WITH RELATED PARTIES

The four constituent Councils are related parties of Tacran, in terms of the Accounting Code of Practice, as councillors from each authority area serve as Board members of the Partnership. During 2019/20, the Partnership entered into a number of transactions with the constituent Councils and these are detailed as follows:

2018/19			2019/20	
Income From £	Payments To £		Income From £	Payments To £
Angus Council				
(47,621)	0	Tacran Requisition	(30,230)	0
(23,500)	0	Other Income	(3,500)	0
0	0	Third Party Payments	0	57,000
<u>(71,121)</u>	<u>0</u>		<u>(33,730)</u>	<u>57,000</u>
Dundee City Council				
(59,061)	0	Tacran Requisition	(37,494)	0
(23,500)	0	Other Income	(10,500)	0
0	155,264	Third Party Payments	0	170,950
<u>(82,561)</u>	<u>155,264</u>		<u>(47,994)</u>	<u>170,950</u>
Perth & Kinross Council				
(63,000)	0	Tacran Requisition	(39,989)	0
(219)	0	Interest Receivable	(134)	0
(25,730)	0	Other Income	(6,230)	0
0	2,877	Supplies and Services	0	4,841
0	68,686	Third Party Payments	0	186,000
0	33,250	Central Support Services	0	33,250
0	72	Property Costs	0	80
0	0	Transport Costs	0	0
<u>(88,949)</u>	<u>104,885</u>		<u>(46,353)</u>	<u>224,171</u>
Stirling Council				
(38,255)	0	Tacran Requisition	(24,281)	0
0	55,000	Third Party Payments	0	40,000
<u>(38,255)</u>	<u>55,000</u>		<u>(24,281)</u>	<u>40,000</u>

The requisition income for 2019/20 represents the £103,020 due from constituent Councils, plus the £28,974 requisition underspend carried forward from 2018/19.

13. 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 2020.

2018/19		2019/20
Amount Due		Amount Due
To/(From)		To/(From)
Received In		Received In
Advance From		Advance From
£		£
	Angus Council	
6,635	Tactran Requisition	0
<u>0</u>	RTS	<u>4,938</u>
<u>6,635</u>		<u>4,938</u>
	Dundee City Council	
913	Tactran Requisition	0
500	Supplies and Services	600
<u>0</u>	RTS	<u>66,338</u>
<u>1,413</u>		<u>66,938</u>
	Perth & Kinross Council	
(118)	Interest (Receivable)/Payable	(52)
8,779	Tactran Requisition	0
673	RTS	4,938
43,966	Staff Cost	29,218
<u>8,644</u>	Supplies and Services	<u>12,180</u>
<u>61,944</u>		<u>46,284</u>
	Stirling Council	
<u>5,331</u>	Tactran Requisition	<u>0</u>
<u>5,331</u>		<u>0</u>

14. FINANCE AND OPERATING LEASES

Partnership as Lessee

The Partnership held no assets on finance lease during 2019/20 (2018/19: None) and accordingly there were no finance lease rentals paid to lessors during 2019/20 (2018/19: 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.

The future minimum lease payments due in future years are:-

	2018/19	2019/20
	£	£
Not later than one year	13,490	13,490
Later than one year and not later than five years	22,483	8,993
	<u>35,973</u>	<u>22,483</u>

15. DEBTORS

2018/19 £'000		2019/20 £'000
	<u>Current (Due within 1 year)</u>	
0	Angus Council	5
25	Central Government	24
7	Dundee City Council	5
0	Perth and Kinross Council	5
76	Other Entities and Individuals	77
<u>108</u>		<u>116</u>

16. CREDITORS

2018/19 £'000		2019/20 £'000
7	Angus Council	0
9	Dundee City Council	66
62	Perth and Kinross Council	41
5	Stirling Council	0
45	Other Entities and Individuals	97
<u>128</u>		<u>204</u>

17. GRANT INCOME

The Partnership recognised the following grants and contributions in respect of its Core and RTS Programme:

	2018/19 £'000	2019/20 £'000
Scottish Government	523	523
Constituent Authorities	103	103
	<u>626</u>	<u>626</u>

Additional funding received during the year to augment the RTS and Capital Programmes is disclosed within Section 4 – Financial Performance.

18. 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)

	31 March 2019		31 March 2020	
	Carrying Amount £'000	Fair Value £'000	Carrying Amount £'000	Fair Value £'000
Cash	14	14	102	102
	<u>14</u>	<u>14</u>	<u>102</u>	<u>102</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 2020 £000	Historical experience of default %	Historical experience adjusted for market conditions as at 31 March 2020 %	Estimated maximum exposure to default and uncollectability £000
Deposits with banks and other financial institutions	102	0	0	0
Customers	0	0	0	0
Total	102	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 2020 £000
Less than three months	116
Total	<u><u>116</u></u>

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.

19. AUTHORISATION OF ACCOUNTS

The Unaudited Annual Accounts were authorised for issue on 16 June 2020.