

TAYSIDE AND CENTRAL SCOTLAND TRANSPORT PARTNERSHIP**14 JUNE 2022****DRAFT UNAUDITED ANNUAL ACCOUNTS FOR 2021/22****JOINT REPORT BY DIRECTOR AND TREASURER**

This report presents the Draft Unaudited Annual Accounts for 2021/22.

1 RECOMMENDATIONS

1.1 The Partnership is asked to:

- (i) approve the contents of the Draft Unaudited Annual Accounts for 2021/22;
- (ii) authorise the Treasurer to sign the Annual Accounts for submission to the Controller of Audit by 30 June 2022;

2 BACKGROUND

2.1 Regional Transport Partnerships (RTP's) are required to submit their Unaudited Annual Accounts for 2021/22 to the Controller of Audit by 30 June 2022, with Audited Annual Accounts to be submitted by 30 September 2022.

3 DISCUSSION

3.1 Following approval by the Partnership, the Unaudited Annual Accounts for 2021/22 will be signed and submitted to the Controller of Audit and the External Auditors, KPMG by 30 June 2022.

3.2 The Unaudited Annual Accounts will then be available for public inspection online between 1 July and 21 July 2022 (inclusive) with any objections being sent to the external auditors.

3.3 It is anticipated that the audit of the Annual Accounts for 2021/22 by KPMG will be undertaken in August 2022.

3.4 It is further anticipated that External Audit's Report on the 2021/22 audit will be discussed at the meeting of the Partnership on 13 September 2022.

3.5 The Unaudited Accounts are attached at Appendix 1 to this report. The balance sheet provides the net assets of the Partnership as at 31 March 2022.

- 3.6 Included within the balance sheet is a pension liability of £48,330. 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, including the pension liability.
- 3.7 Also included within the balance sheet is general fund reserves. Tactran recorded a deficit of £2,653 in 2021/22, which when combined with the opening usable reserves of £102,356, results in a total usable reserves balance of £99,703 at 31 March 2022. The 2022/23 Budget and Monitoring Report to be considered at this meeting includes details of the use of the reserves for the 2022/23 Core and RTS Budgets.

4 CONSULTATIONS

- 4.1 There has been no consultation in the preparation of this report.

5 RESOURCE IMPLICATIONS

- 5.1 There are no direct resource implications arising from this report.

6 EQUALITIES IMPLICATIONS

- 6.1 This report has been screened for any policy implications in respect of Equality Impact Assessment and no major issues have been identified.

Mark Speed
Director

Scott Walker
Treasurer

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NOTE

No background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 (and not containing confidential or exempt information) were relied on to a material extent in preparing this Report.



**TAYSIDE AND CENTRAL SCOTLAND
TRANSPORT PARTNERSHIP**

**ANNUAL ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2022**

UNAUDITED

TAYSIDE AND CENTRAL SCOTLAND TRANSPORT PARTNERSHIP
ANNUAL ACCOUNTS 2021/22

CONTENTS

THE ACCOUNTING STATEMENTS:

	Page
MANAGEMENT COMMENTARY	2
MEMBERS AND OFFICIALS 2021/22	14
ANNUAL GOVERNANCE STATEMENT 2021/22	17
STATEMENT OF RESPONSIBILITIES FOR THE ANNUAL ACCOUNTS	20
MOVEMENT IN RESERVES STATEMENT	21
COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT	22
BALANCE SHEET	23
CASHFLOW STATEMENT	24
REMUNERATION REPORT	25
NOTES TO THE CORE FINANCIAL STATEMENTS	27

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.

At its meeting on 15 September 2020 the Partnership agreed to commence work on producing a new Regional Transport Strategy for the Tactran region. Work continued on producing a new RTS throughout 2021/22. A draft Main Issues Report was developed in Spring 2021 with public and stakeholder engagement undertaken during Summer 2021. In parallel, a Strategic Environmental Assessment and Impact Assessments commenced. By the end of 2021/22 a draft set of objectives and outcomes for the RTS had been approved by the Partnership and the process of identifying options and alternative scenarios was well underway, with public consultation proposed during Summer 2022. The aim being to have a final strategy in place by Summer 2023.

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 (CPP) 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. Tactran continues 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 relevant Development Planning Authorities within the region (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 continues to submit Public Sector Climate Change Report annually with the latest report submitted in November 2021.

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 2021.

Review of 2021/22 Developments and Achievements

In the early stages of the Covid-19 pandemic 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 crisis throughout its various phases were progressed.

Tactran continued to engage and advise on Covid-19 transport measures throughout 2021/22 and continues to liaise 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. At the end of 2021/22 the move from covid-19 restrictions, such as mask wearing on public transport, being a legal requirement to government advice was announced to take affect from mid-April 2022 and Tactran will continue to liaise with the appropriate partners and stakeholders to ensure a smooth transition into the new normal.

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 2021/22 the approved RTS Revenue Programme, amounting to £234,230, was supplemented by £421,180 external grant income to provide a total resource of £655,410 to support a wide range of regional, local and national priorities including:

- Ongoing development, monitoring and renewal of the RTS, promotion of Tactran and renewal of Tactran website £39,436
- Promoting enhancements to Strategic Connectivity, including completion of Regional Transport Model - £7,707
- 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 monitoring of Spaces for People active travel initiatives and attitudinal surveys - £219,847
- Maintenance and development of regional Tactran Liftshare website and the national Travelknowhow Scotland travel planning toolkit - £64,691
- Maintenance and promotion of the Thistle Assistance website, app and card scheme - £2,274
- Membership of East Coast Mainline Authorities (ECMA); continued development of Stirling Strategic Park & Ride Study, Bridge of Earn/South Perth Transport Appraisal and Tay Cities Park & Choose Strategy, all funded by Transport Scotland's Local Rail Development Fund - £85,475
- Contribution towards the Stirling & Tayside Timber Transport Group's continued appointment of a Timber Transport Officer and support to Freight Quality Partnership- £2,350
- Development and progression of the Mobility as a Service (MaaS) Enable project and ongoing promotion of Get on the Go social media campaign - £182,720
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In addition to the above projects, the Active Travel partnership entered into with Sustrans secured a further annual funding allocation of £100,000 from the national Places for Everyone programme to support the development and provision of Active Travel infrastructure across the region. Transport Scotland also provided a grant of £358,400 to Tactran for regional active travel projects. These funds were available to partner organisations by bidding for projects that fit at least one of the following criteria:

- take forward the recommendations of the 13 active travel audits previously undertaken at key settlements across Angus, Dundee, Perth & Kinross and Stirling Council areas;
- develop and implement key routes within the Tactran Regional Walking and Cycling Network (TRWCN);
- develop and implement access to key services within the Tactran Region

During 2021/22 the following Active Travel project were supported:-

- Angus Council – cycle/walking counters in Active Travel Audit areas (£35,000)
- Angus Council – Sidlaw Path Network community engagement/design (£30,000)
- Dundee City Council – Coupar Angus Road community engagement/design (£40,000)
- Perth & Kinross Council – Fairies Road, Perth path design and construction (£32,500)
- Perth & Kinross Council – Broich Road, Crieff path design and construction (£30,900)
- Stirling Council – Dunblane to Bridge of Allan and Alloa to Stirling Business Case development (£40,000)
- Stirling Council – Strategic Cycle GIS tool (£25,000)
- Angus Council – extension of cycle/counters in Active Travel Audit areas (£35,000)

- Angus Council – Access to health centres, building on previous work which installed drop kerbs. (£40,000)
- Perth & Kinross Council - Primrose Crescent, Perth: Construction of 2.5m path linking lady's cycle path, Gillespie crescent and Tulloch primary school. Relating back to previous travel audits. (£30,000)
- Fithie Burn Cycle / Foot Bridge Replacement on Dundee Green Circular Cycle Route, next to Michelin Scotland Innovation Parc (MSIP). (£120,000)

A significant proportion of Tactran staff time and resource is committed to supporting general Community Planning engagement and development in all four partner Council areas. 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 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.

The Tay Cities Deal was formally signed on 17 December 2020. The Scottish and UK Governments have pledged £300 million which will help to lever a further £400 million of investment to create a smarter and fairer city region with over 6,000 new job opportunities. The investment package includes transport projects for Dundee Airport, Perth Rail and Bus Station and Low Carbon Transport in Perth.

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 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. Strategic Development Plans are to be replaced by Regional Spatial Strategies (RSS) and Tactran continues to engage proactively with the various Development Planning Authorities and Tactran officers have been involved in providing input and helping shape the interim Regional Spatial Strategies (iRSS) for Forth Valley and Tay Cities. The Draft National Planning Framework 4 (NPF4) was laid before parliament on 10 November 2021 and alongside parliamentary scrutiny further consultation was undertaken, with Tactran providing a response by the 31 March 2022 deadline. Further involvement to the NPF4 is anticipated through ongoing participation with the steering groups for the two RSS covering the Tactran region.

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 has continued during 2021/22 on developing the associated regulations, however, this has been delayed due to Covid pandemic resource commitments.

Following consultation and review throughout 2019, the second National Transport Strategy (NTS2) was published on 5 February 2020 and sets out the priorities and outcomes for Scotland's transport system over the next 20 years. Transport Scotland published the accompanying NTS2 Delivery Plan on 17 December 2020, covering the period up to end of March 2022. The Delivery Plan sets out the actions the Scottish Government is taking to assist in delivering the four priorities for Scotland's transport system as set out in the National Transport Strategy: reduces inequalities; takes climate action; helps deliver inclusive economic growth; and improves our health and wellbeing, whilst also assisting in a fair and green recovery from the pandemic. The document also sets out measures the Government is committed to taking forward: Increasing Accountability; Strengthening Evidence and Managing Demand. The document also commits to publishing annual Delivery Plans and monitoring and evaluation reports from 2022 onward. This will be overseen by a Delivery Group that includes representation from the RTPs.

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 2021/22.

On 20 January 2022 Transport Scotland published a draft STPR2 for consultation, with Tactran providing a regional response in addition to influencing the recommendations through the two RTWGs.

Following the publication of a finalised STPR2, Transport Scotland intend to develop an associated delivery plan. Tactran will aim to assist in developing the delivery plan through the two RTWG's, with Tactran providing the secretariat for the Tay Cities RTWG.

STPR is expected to be progressed in alignment with the 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 2022/23 and beyond.

In 2021/22 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 supported project development in the two City Region Deals and provided technical and financial support for the Tay Cities Regional Transport Model.

Due to the success of the Partnership in securing external funding for the delivery of projects in partnership with the funding bodies, the resources available to support the implementation of the RTS Delivery Plan in 2021/22 was enhanced significantly by approximately £421,000. Significant external funding will continue in 2022/23, with approximately £331,000 external funding already secured to take forward the ENABLE MaaS project and complete the three Local Rail Development Fund Strategic Transport Guidance (STAG) appraisals as well as other initiatives. We will retain our strategic alliance with Sustrans, seek to increase active travel funding for the region from Transport Scotland 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 2021/22 included:

- Dundee City Council's consultation on proposal to make a Low Emission Zone Scheme which was issued on 9 June 2021 with responses requested by 9 August 2021;
- LNER and Cross Country published consultation on East Coast Main Line May 2022 Timetable on 11 June 2021 with a deadline for responses of 5 August 2021;
- Cairngorms National Park Authority Local Development Plan Draft Action Programme consultation which was responded to on 27 July 2021;

- ScotRail's May 2022 timetable 'Fit for the Future' consultation launched on 20 August 2021 with responses required by 1 October 2021;
- Transport Scotland published Membership of the National Smart Ticketing Advisory Board, for consultation on 2 August 2021, requesting responses by 4 October 2021;
- National Transport Strategy (NTS2) Delivery Plan Impact Assessments consultation by Transport Scotland issued on 3rd November 2021, with responses required by 5 January 2022;
- Transport Scotland published consultation on discussion document to inform the development of an Aviation Strategy on 18 October 2021, with responses to be returned by 21 January 2022;
- Transport Scotland published consultation on a draft Second Strategic Transport Projects Review (STPR2) on 20 January 2022 seeking responses by 15 April 2022;
- Fife Council published a new Fife Local Transport Strategy Main Issues consultation on 27 January 2022, with responses to be submitted by 7 March 2022.
- Transport Scotland and CoSLA published consultation on A route map to achieve a 20 percent reduction in car kilometres by 2030 on 13 January 2022, with responses to be submitted by 6 April 2022;
- On 10 November 2021, the Scottish Government laid the draft Fourth National Planning Framework (Draft NPF4) in the Scottish Parliament. Alongside Parliamentary scrutiny of the draft, a public consultation to invite comments on the content of the draft is being undertaken, with responses to be submitted by 31 March 2022.
- On 17 December 2021, the Scottish Government published draft Local Development Planning – regulations and guidance for consultation, with responses to be submitted by 31 March 2022.
- The Scottish Government published consultation on Public Sector Equality Duty in Scotland the on 13 December 2021, with responses to be submitted by 11 April 2022.
- ScotRail ticket office consultation published on 12 January 2022 seeking responses by 2 February 2022

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 2021/22 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)

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 reviews, collaboration & governance; RTS development and delivery; management and operation of the Partnership; and financial support and management.

Covid-19 has resulted in organisations adapting to the new restrictions required to control the pandemic. Tactran immediately moved its business online and this remained throughout most of 2021/22, with a gradual return to the office on a hybrid basis commencing in March 2022 with measures undertaken to ensure the safe return of employees to the office environment. Risks are inherent and Tactran has taken and will continue to implement measures to mitigate these risks. Special attention has been taken in the development of the Regional Transport Strategy to

ensure the longer impact of travel patterns following Covid-19 are understood and reflected in the document.

The Risk Register is reviewed by Board members not less than annually. The last review took place at the March 2022 Board meeting. This review considered 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, 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. During 2021/22 Tactran successfully secured £358,400 from Transport Scotland for Active Travel projects.

Tactran utilised further external funding of approximately £421,000 in 2021/22 to take forward a number of initiatives and projects that contribute to the development of the RTS. In addition, Tactran has secured a further £331,000 external funding to progress the RTS in 2022/23.

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 2022. 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 Comprehensive Income & Expenditure recognises all income received in the 2021/22 financial year in line with the terms and conditions of funding.

The Movement in Reserves Statement recognises the £2k deficit for 2021/22 (£82k surplus in 2020/21).

The Balance Sheet includes a General Fund Reserve to recognise the cumulative surpluses and deficits including the deficit for 2021/22. Also included are Unusable Reserves for Pension and Accumulated Absences movements.

The Cash Flow Statement includes changes in Debtor and Creditor balances between the financial years and shows the cash position of the Partnership at the year end.

At its meeting on 16 March 2021, the Tayside and Central Scotland Transport Partnership Board approved the Draft 2021/22 Core Revenue Budget of £499,728; of which £392,308 was met by Grant in Aid funding from the Scottish Government, £103,020 was requisitioned from the four constituent Councils, and £4,400 from Reserves. Constituent Council requisitions utilise a Scottish Government allocation methodology based on 95% population and 5% area, as follows:

Angus Council	22.9%	£23,595
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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 draft Scottish Government Grant in Aid revenue funding for financial year 2021/22 for the Regional Transport Strategy (RTS) was £130,442.

At its meeting on 15 June 2021 the Tayside and Central Scotland Transport Partnership Board approved the final accounts for 2020/21. The final surplus transferred to reserves was confirmed as £102,356 with £21,486 allocated to Core reserves and £80,870 allocated to RTS reserves. All RTS reserves and £4,400 of Core reserves were budgeted for use in 2021/22.

The Core budget for 2021/22 was updated at the meeting of the Board on 14 September 2021 due to in-year savings resulting in a revised Core Revenue Budget of £476,810. It was agreed to transfer £22,918 of Scottish Government Grant in Aid funding from the Core resulting in a final RTS budget allocation of £234,230, including the use of reserves.

Overall Tactran's gross revenue budget for 2021/22 was £711,040.

During 2021/22, 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 2021/22 excluding accounting adjustments relating to pensions and accumulated absences (£86,632) was a deficit of £2,652 and this balance has been transferred to reserves for use in future periods.

	Budget £'000	Actual £'000	Variance £'000
Employee Costs	383	364	(19)
Property Costs	20	18	(2)
Supplies & Services	17	12	(5)
Transport	5	0	(5)
Third Party	286	1,114	828
Total Expenditure	711	1,508	797
Scottish Government Grant	523	1,012	489
Council Requisitions	103	103	0
Other Income	0	391	391
Total Income	626	1,506	880

The table above summarises the 2021/22 Budget approved by the Partnership Board and provides the actual income and expenditure for the year ended 31 March 2022. The budgeted expenditure assumed that £85,270 of reserves brought forward from 2020/21 would be utilised in the year. The overall £2,652 deficit comprises a £27,309 underspend on the Core Revenue Budget and an overspend of £29,961 on projects within the Regional Transport Strategy programme.

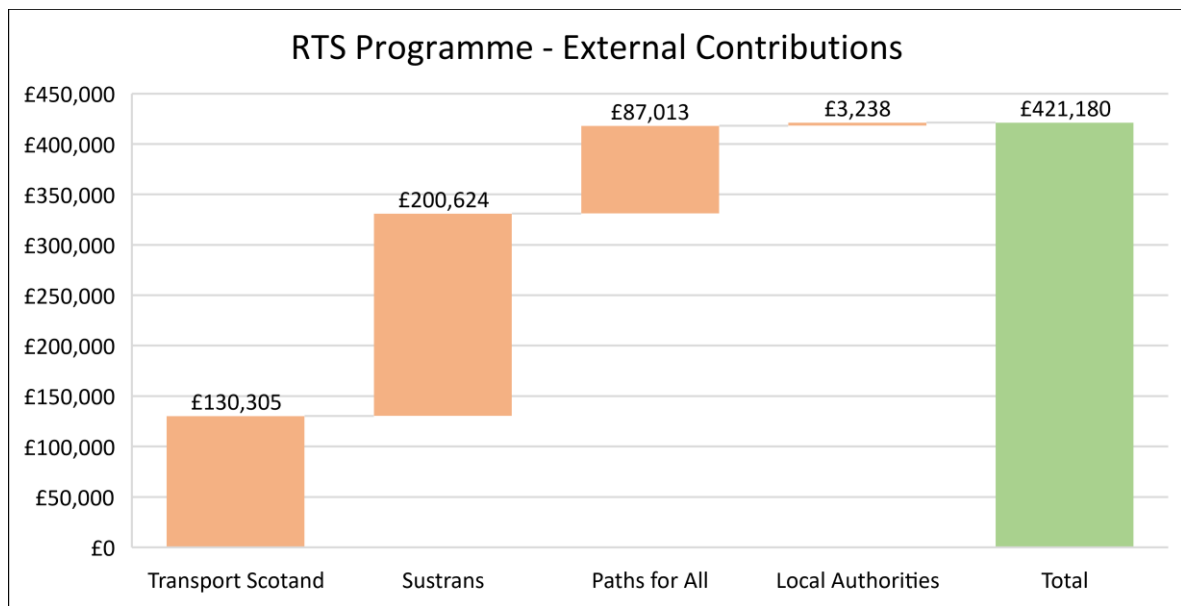
The underspend on Core Revenue of £27,309 is supplemented by unused reserves brought forward of £4,400 resulting in a variance against budget of £31,709. This is mainly due to the underspend on Staff Costs of £19,000. The underspend on Staff Costs is due to the majority of relocation allowance costs being rephased to 2022/23; salary savings from the acceptance of the Local Government pay offer and a reduced number of training/conference opportunities as a result of Covid-19. Further savings in year resulted from continued home working as a result of Covid-19 with underspend in Property (£2,000); Supplies & Services (£5,000) and Transport Costs (£5,000).

The overspend on third party costs of £828,000 is due increased expenditure related to the funding received during 2021/22 for Regional Active Travel Development Fund (£358,400), Active Travel Grants (£100,000) and Regional Transport Strategy (RTS) projects (£370,000).

The additional Scottish Government Grant of £489,000 relates to the income received from Transport Scotland for the Regional Active Travel Development Fund (£358,400) and funding towards the RTS Programme (£130,305). Funding within the RTS Programme is as follows: Mobility as a Service (MaaS) (£34,000), Local Rail Development Funding for the Stirling South Park & Ride study (£49,000), Bridge of Earn transport appraisal (£26,000); and Tay Cities Park and Ride Study (£7,000) and the national Travelknowhow Maintenance and Promotion project (£14,000).

The £391,000 variance in Other Income mainly relates to additional grants from Sustrans - £201,000 for Spaces for People and £100,000 for Active Travel Grants. There are a number of other contributions totalling £90,000 towards projects included within the RTS programme.

The total external funding towards projects within the RTS Programme is summarised below:-



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 2021/22 Developments and Achievements:-

Regional Transport Strategy	Budget	Income	Gross Budget	Actual Expenditure	Variance to Gross Budget
Development of RTS	£73,000	£0	£73,000	£39,436	(£33,564)
Strategic Connectivity	£4,500	£3,238	£7,738	£7,707	(£31)
Health and Transport	£12,000	£0	£12,000	£0	(£12,000)
Active Travel	£19,000	£200,624	£219,624	£219,847	£223
Travel Planning	£9,500	£55,575	£65,075	£64,691	(£384)
Buses Strategy	£2,750	£0	£2,750	£2,274	(£476)
Park & Ride	£0	£0	£0	£0	£0
Rail	£3,000	£82,475	£85,475	£85,475	£0
Freight	£5,000	£0	£5,000	£2,350	(£2,650)
Travel Information	£94,500	£79,268	£173,768	£182,721	£8,953
Climate change	£5,000	£0	£5,000	£0	(£5,000)
Contingency	£5,980	£0	£5,980	£0	(£5,980)
Sub-Total	£234,230	£421,180	£655,410	£604,501	(£50,909)
Active Travel Grant	£0	£458,400	£458,400	£458,400	£0
Total	£234,230	£879,580	£1,113,810	£1,062,901	(£50,909)

The total surplus on the Comprehensive Income and Expenditure Statement was £217,000 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 21.

8. CAPITAL EXPENDITURE

During 2021/22, 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 £48,330 as at 31 March 2022. The estimated net pension liability at 31 March 2021 was £272,024.

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 2022.

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 valuation for these accounts having taken place at 31 March 2020 resulting in the employer's contributions remaining at 17% of pensionable pay from 1 April 2021.

10. GOING CONCERN

The Treasurer is responsible for making an annual assessment of whether it is appropriate to prepare the accounts on a going concern basis. In accordance with the Code of Practice on Local Authority Accounting in the United Kingdom, an authority's financial statements shall be prepared on a going concern basis; that is, the accounts should be prepared on the assumption that the functions of the authority will continue in operational existence for at least twelve months from the date of approval of the financial statements and it can only be discontinued under statutory prescription. In addition, under the Transport (Scotland) Act 2005, the constituent local authorities have a legal obligation to meet all liabilities borne by the authority. The activities of the authority have not been significantly impaired, and the authority continues to work towards the delivery of the Regional Transport Strategy. On this basis, the Treasurer has determined that it remains appropriate to prepare the financial statements on a going concern basis.

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 2021/22 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 2021/22 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 2021/22 Annual Accounts.

**Chair of Partnership Board
Tactran**

**Scott Walker
Treasurer
Tactran**

**Mark Speed
Partnership Director
Tactran**

TAYSIDE AND CENTRAL SCOTLAND TRANSPORT PARTNERSHIP

MEMBERS AND OFFICIALS 2021/22

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 2021/22 was:-

Councillor Members

Angus Council

Councillor Mark McDonald
Provost Ronnie Proctor

Dundee City Council

Councillor Mark Flynn
Councillor Richard McCready (Chair)
Councillor Stephen Rome

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 2021/22 were:-

Ms Heather Anderson – Heather was appointed in September 2019. Heather participated in the Climate 2050 Young Leaders Development Programme. She went on to manage a cross-boundary active travel project and has understanding of the challenges of implementing inter-regional active travel infrastructure. She also has experience of developing strategy and managing national programmes. Heather resigned from this post in December 2021.

Dr Jonathan Berg – Jonathan was appointed in September 2020. Jonathan is a doctor specialising in genetic and rare diseases. With an 18km cycle commute, he understands the problems faced by cyclists every day on the roads and is a keen proponent of improved cycle paths and infrastructure.

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.

Ms Amy McDonald – Amy was appointed in September 2020. Amy is a chartered accountant having held Director roles in both the commercial and public sector. Amy brings her experience of finance, strategic development and delivery to the Board together with that of transport and associated smart card ticketing.

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

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.

Mark brings a wealth of experience of working at a National, Regional and Local level of Government. Mark has previously been engaged as Head of Place Management at Sunderland City Council, Commissioning Manager for Transport and Infrastructure at Peterborough City Council, Senior Travel Demand Engineer at TRANSIT New Zealand and as Senior Policy Officer for the Tyne and Wear Local Transport Plan Core Team. Mark studied Environmental Management at Dundee University and Transport Policy and Planning at Newcastle University.

Senior Partnership Manager

Niall Gardiner was appointed as Projects Manager in October 2007. Niall has over 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 over 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)

Claudia Stuerck took up the post of Strategy Officer (Strategic Connectivity) in October 2021. Claudia joined Tactran from Free Hanseatic City of Bremen in Germany and has 14 years' experience in Scottish, UK and European transport planning, policy and strategy.

Strategy Officer (Sustainable Transport)

Merry Scott started in the post of Strategy Officer for Sustainable Transport in October 2020. Merry has previously worked in Dundee City Council and Transport Consultancy and has 17 years' experience in Sustainable Transport. Merry is a Chartered Member of the Institute of Logistics & Transport and has an MSc in Passenger Transport Management.

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.

Tayside Bus Alliance – Project Manager

James Cooper joined Tactran in March 2022 on a fixed term post to end of March 2023 to manage all aspects of the Tayside Bus Alliance for the Bus Partnership Fund STAG appraisal and associated initiatives. The post is funded by Transport Scotland through the Bus Partnership Fund. James has over 30 years' experience working in the transport sector, mainly in academic and research roles, but also brings significant project management experience to the post.

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.

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 2021/22

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 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.

Due to the Covid pandemic adjustments have been made to the financial control process that permits the process to be undertaken without need to physically meet or access the office. No other specific governance improvement areas have been identified for 2021/22.

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. Work commenced during 2020/21 on producing a new Regional Transport Strategy for the Tactran region, aiming for it to be formally adopted by summer 2023.

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 Review of Risk Register (Report RTP/22/04 refers) considered by the Partnership on 15 March 2022 provided revisions and updates to relevant Risk Controls and Actions.
- 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 2022. 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.

**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 2022.

**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 2022

	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 2020	20	20	(6)	(206)	(192)
<u>Movement in reserves during 2020/21</u>					
Surplus on provision of services	32	32	0	0	32
Other Comprehensive Expenditure and Income	0	0	0	(14)	(14)
Total Comprehensive Expenditure and Income	32	32	0	(14)	18
Adjustments between accounting basis & funding basis under regulations (note 5)	50	50	2	(52)	0
Increase in 2020/21	82	82	2	(66)	18
Balance at 31 March 2021 carried forward	102	102	(4)	(272)	(174)
<u>Movement in reserves during 2021/22</u>					
Deficit on provision of services	(89)	(89)	0	0	(89)
Other Comprehensive Expenditure and Income	0	0	0	306	306
Total Comprehensive Expenditure and Income	(89)	(89)	0	306	217
Adjustments between accounting basis & funding basis under regulations (note 5)	87	87	(5)	(82)	0
Increase/(decrease) in 2021/22	(2)	(2)	(5)	224	217
Balance at 31 March 2022 carried forward	100	100	(9)	(48)	43

TAYSIDE AND CENTRAL SCOTLAND TRANSPORT PARTNERSHIP
COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

For the year ending 31 March 2022

2020/21			2021/22			
<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						
1,544	(1,528)	16		1,539	(1,403)	136
51	0	51		51	0	51
COST OF SERVICES						
1,595	(1,528)	67		1,590	(1,403)	187
4	0	4	4	5	0	5
0	(103)	(103)		0	(103)	(103)
(SURPLUS)/DEFICIT ON PROVISION OF SERVICES						
		(32)				89
		14				(306)
TOTAL COMPREHENSIVE INCOME AND EXPENDITURE						
		(18)				(217)

TAYSIDE AND CENTRAL SCOTLAND TRANSPORT PARTNERSHIP

BALANCE SHEET

Year Ending 31 March 2022

<i>As at</i> 31 March 2021 £'000 £'000		Notes	<i>As at</i> 31 March 2022 £'000 £'000
211	Short Term Debtors	16	219
<u>51</u>	Cash and Cash Equivalents	8	<u>160</u>
262	Current Assets		379
<u>(164)</u>	Short Term Creditors	17	<u>(288)</u>
98	Net Current Assets/(Liabilities)		91
(272)	Other Long Term Liabilities	11	(48)
<u>(174)</u>	Net Liabilities		<u>43</u>
Financed by Fund Balances and Unusable Reserves:			
102	General Fund Reserve		100
(272)	Pensions Reserve	7	(48)
(4)	Accumulated Absence	7	(9)
<u>(174)</u>			<u>43</u>

The Unaudited Annual Accounts were issued on 14 June 2022.

Scott Walker CPFA
Treasurer
Tactran

TAYSIDE AND CENTRAL SCOTLAND TRANSPORT PARTNERSHIP

CASH FLOW STATEMENT

Year Ending 31 March 2022

2020/21 £'000	Notes	2021/22 £'000
32	Net surplus/(deficit) on provision of service	(89)
	Adjustments to net surplus on the provision of services for non-cash movements:-	
(95)	Debtors (increased)/decreased by	(8)
(38)	Creditors (decreased)/increased by	119
(2)	Employee Accrual	5
52	Pension adjustments	82
(51)	Net (decrease)/increase in cash and cash equivalents	109
102	Cash and cash equivalents at the beginning of the reporting period	51
51	Cash and cash equivalents at the end of the reporting period	160

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 2020/21</i>	Salary Banding	Number of Employees 2021/22
1	£80,000 - £84,999	1
1	£60,000 - £64,999	0
0	£55,000 - £59,999	1

(iv) Senior Employees Remuneration

Name and Post Title	Salary, Fees and Allowance	Total Remuneration 2021/22	Total Remuneration 2020/21
Mark Speed Partnership Director	£84,515	£84,515	£81,540
	£84,515	£84,515	£81,540

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		
	2020/21 £'000	2021/22 £'000		As at 31 March 2021 £'000	As at 31 March 2022 £'000	Difference from 31 March 2021 £'000
Mark Speed Partnership Director	7	8	Pension Lump Sum	24 0	26 0	2 0
	7	8				

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

(a) Exit package cost band (including special payments)	(b) Number of compulsory redundancies		(c) Number of other departures agreed		(d) Total number of exit packages by cost band (b) + (c)		(e) Total cost of exit packages in each band	
	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22 £'000	2020/21 £'000
£0 – £20,000	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0

(vii) Audit Review

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

Mark Speed
Partnership Director
Tactran

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 2021/22 and its position at 31 March 2022. 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 2021/22 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,
 - unlisted 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.

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.

GOING CONCERN

The Treasurer is responsible for making an annual assessment of whether it is appropriate to prepare the accounts on a going concern basis. In accordance with the Code of Practice on Local Authority Accounting in the United Kingdom, an authority's financial statements shall be prepared on a going concern basis; that is, the accounts should be prepared on the assumption that the functions of the authority will continue in operational existence for at least twelve months from the date of approval of the financial statements and it can only be discontinued under statutory prescription. In addition, under the Transport (Scotland) Act 2005, the constituent local authorities have a legal obligation to meet all liabilities borne by the authority. The activities of the authority have not been significantly impaired, and the authority continues to work towards the delivery of the Regional Transport Strategy. On this basis, the Treasurer has determined that it remains appropriate to prepare the financial statements on a going concern basis.

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.

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 which 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 2022 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 £106,442 (£126,215 for 2020/21).

However, the assumptions interact in complex ways. During 2021/22, the Partnership's actuaries advised that the net pension's liability had decreased by £223,694 (2020/21 pension liability had increased by £66,324) due to an updating of the assumptions.

3. ADJUSTMENTS BETWEEN ACCOUNTING AND FUNDING

	2020/21	2021/22
	£'000	£'000
Pension adjustment	52	82
Re-measurement of net defined benefit liability/(asset)	14	(306)
Accumulated Absence	(2)	5
Total Adjustments	64	(219)

4. EXPENDITURE AND FUNDING ANALYSIS – 2021/22

Services	Gross expenditure £'000	Adjustment between accounting & funding basis (note 3) £'000	Gross income £'000	Net (income)/ expenditure £'000
Highways & Transport Services	1,457	82	(1,403)	136
Corporate & Democratic Services	51	0	0	51
Cost of Services	1,508	82	(1,403)	187
Financing and Investment Income and Expenditure	0	5	0	5
Constituent Council Requisitions	0	0	(103)	(103)
(SURPLUS)/ DEFICIT ON PROVISION OF SERVICES	1,508	87	(1,506)	89
Remeasurements of the net defined benefit liability/(asset)	0	(306)	0	(306)
TOTAL COMPREHENSIVE INCOME AND EXPENDITURE	1,508	(219)	(1,506)	(217)

EXPENDITURE AND FUNDING ANALYSIS – 2020/21

Services	Gross expenditure £'000	Adjustment between accounting & funding basis (note 3) £'000	Gross income £'000	Net (income)/ expenditure £'000
Highways & Transport Services	1,498	46	(1,528)	16
Corporate & Democratic Services	51	0	0	51
Cost of Services	1,549	46	(1,528)	67
Financing and Investment Income and Expenditure	0	4	0	4
Constituent Council Requisitions	0	0	(103)	(103)
(SURPLUS)/ DEFICIT ON PROVISION OF SERVICES	1,549	50	(1,631)	(32)
Remeasurements of the net defined benefit liability/(asset)	0	14	0	14
TOTAL COMPREHENSIVE INCOME AND EXPENDITURE	1,549	64	(1,631)	(18)

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

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>2020/21 £'000</i>	2021/22 £'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	(99)	(130)
Employer's pensions contributions and direct payments to pensioners payable in the year	47	48
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	2	(5)
Total Adjustments	<u>(50)</u>	<u>(87)</u>

6. BALANCE SHEET – USABLE RESERVES

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

7. BALANCE SHEET – UNUSABLE RESERVES

<i>31 March 2021 £'000</i>		<i>31 March 2022 £'000</i>
(272)	Pensions Reserve	(48)
(4)	Accumulating Compensated Absences Adjustment Account	(9)
<u>(276)</u>	Total Unusable Reserves	<u>(57)</u>

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.

2020/21		2021/22
£'000		£'000
(206)	Balance at 1 April	(272)
(14)	Other Comprehensive Income	306
(99)	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	(130)
47	Employer's pensions contributions and direct payments to pensioners payable in the year	48
(272)	Balance as at 31 March	(48)

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.

2020/21		2021/22
£'000		£'000
(6)	Balance at 1 April	(4)
2	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	(5)
(4)	Balance at 31 March	(9)

8. CASH FLOW STATEMENT – CASH AND CASH EQUIVALENTS

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

31 March 2021		31 March 2022
£'000		£'000
51	Bank current accounts	160
51	Balance at 31 March	160

9. MEMBERS ALLOWANCES

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

	2020/21 £'000	2021/22 £'000
Expenses	0	0
	<hr/> 0	<hr/> 0

10. EXTERNAL AUDIT COSTS

The external auditor of the Partnership is appointed by the Accounts Commission for Scotland for a period of 5 years from 2016/17. The significant disruption to public bodies arising from the Covid-19 pandemic resulted in the Auditor General and Accounts Commission announcing in October 2020 that a one-year extension to auditor appointments was agreed for the purpose of maintaining stability. The appointment of the current auditor was, therefore, extended to include the audit of the 2021/22 annual accounts. The total fee payable to KPMG LLP in respect of the 2021/22 financial year for external audit services undertaken in accordance with the Code of Audit Practice is £16,630 (2020/21 £16,340). During 2021/22 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 2020/21	Local Government Pension Scheme £'000 2021/22
Costs of Services		
Service Cost	95	125
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	99	130
Remeasurements	(14)	306
Total Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement	85	436
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	(52)	(82)
Employers contributions payable to scheme	47	48

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 2020/21 £'000	Funded liabilities Local Government Pension Scheme 2021/22 £'000
Opening Balance at 1 April	2,920	3,906
Current Service Costs	95	125
Past Service Costs	0	0
Interest Cost	67	80
Contributions by scheme participants	21	22
Change in assumptions:		
Change in financial assumptions	821	(182)
Change in demographic assumptions	(115)	0
Experience loss on defined benefit obligation	183	8
Estimated benefits paid net of transfer	(86)	187
Closing balance at 31 March	3,906	4,146
	Assets	Assets
	2020/21	2021/22
	£'000	£'000
Opening Balance at 1 April	2,714	3,634
Interest on assets	64	75
Return on assets (less interest)	820	132
Actuarial gains	55	0
Estimated benefits paid net of transfer	(86)	187
Employer contributions	47	48

Contributions by scheme participants	21	22
Administration Expenses	(1)	(1)
Closing balance at 31 March	3,634	4,097

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 £206,952 (2020/21: gain of £883,556).

Scheme History

	2018/19 £	2019/20 £	2020/21 £	2021/22 £
Present Value of Liabilities				
Local Government scheme	(2,611,231)	(2,919,456)	(3,904,430)	(4,142,524)
Fair Value of Assets in Local Government Pension Scheme	2,384,358	2,713,756	3,632,406	4,094,194
Deficit of the Scheme	(226,873)	(205,700)	(272,024)	(48,330)

The liabilities show the underlying commitments that the Partnership has in the long term to pay post employment (retirement) benefits. The total liability of £48,330 has an impact of reducing the net worth of Tactran as recorded in the Balance Sheet, resulting in an overall balance of £43,026. However, statutory arrangements which require the pensions funding deficit to be met by constituent Councils, means 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:

	2018/19	2019/20	2020/21	2021/22
Expected Return	4%	(5%)	33%	6%
Longevity at 65 for current pensioners:				
Retiring Today:	19.6	18.9	19.7	18.9
	21.6	22.2	21.7	22.2
Retiring in 20 Years:	21.3	20.2	21.4	20.3
	23.4	23.8	23.5	23.9
Past service liability duration (years)	19	19	19	19
Rate of inflation (CPI)	2.4%	1.9%	2.8%	3.2%

	2018/19	2019/20	2020/21	2021/22
Rate of increase in salaries	3.4%	2.9%	3.8%	4.2%
Rate for discounting scheme liabilities	2.4%	2.4%	2.0%	2.6%

Sensitivity Analysis

Adjustment to discount rate	+0.1%	0.0%	-0.1%
- Present value of total obligation	4,065,789	4,142,524	4,220,784
- Projected service cost	106,442	109,589	112,818
Adjustment to long term salary increase	+0.1%	0.0%	-0.1%
- Present value of total obligation	4,156,662	4,142,524	4,128,499
- Projected service cost	109,652	109,589	109,527
Adjustment to pension increase and deferred revaluation	+0.1%	0.0%	-0.1%
- Present value of total obligation	4,206,111	4,142,524	4,080,182
- Projected service cost	112,786	109,589	106,468
Adjustment to mortality age rating assumption	+ 1 Year	None	- 1 Year
- Present value of total obligation	4,333,185	4,142,524	3,960,420
- Projected service cost	114,945	109,589	104,446

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 2021	31 March 2022
Equities	72%	71%
Gilts	4%	4%
Other Bonds	13%	12%
Property	9%	11%
Cash	2%	2%
Total	100%	100%

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 2023 is £48,063.

12. CONTINGENT LIABILITY

A recent employment tribunal case (Goodwin v Department for Education) resulted in the issue of a UK Government Written Ministerial Statement on 20 July 2020 in respect of survivor benefits payable from the Teachers' Pension Scheme in England. Survivor benefits payable to male survivors of females in opposite sex marriages will now be equal to those payable to other categories of survivor.

The Statement has implications for other public service pensions schemes and changes will also be required to devolved schemes, including the Local Government Pension Scheme. The potential impact upon the pension liability for Tactran is presently unknown.

13. TRANSACTIONS WITH RELATED PARTIES

The four constituent Councils are related parties of Tactran, in terms of the Accounting Code of Practice, as councillors from each authority area serve as Board members of the Partnership. During 2021/22, the Partnership entered into a number of transactions with the constituent Councils and these are detailed as follows:

2020/21			2021/22	
Income From £	Payments To £		Income From £	Payments To £
Angus Council				
(23,595)	0	Tactran Requisition	(23,595)	0
(10,876)	0	Other Income	(925)	0
0	91,000	Third Party Payments	0	140,000
<u>(34,471)</u>	<u>91,000</u>		<u>(24,520)</u>	<u>140,000</u>
Dundee City Council				
(29,265)	0	Tactran Requisition	(29,265)	0
(5,943)	0	Other Income	(4,382)	0
0	55,600	Third Party Payments	0	161,375
<u>(35,208)</u>	<u>55,600</u>		<u>(33,647)</u>	<u>161,375</u>
Perth & Kinross Council				
(31,210)	0	Tactran Requisition	(31,210)	0
(295)	0	Interest Receivable	(331)	0
(10,876)	0	Other Income	(925)	0
0	2,997	Supplies and Services	0	3,323
0	72,500	Third Party Payments	0	93,400
0	33,250	Central Support Services	0	33,250
0	0	Property Costs	0	0
<u>(42,381)</u>	<u>108,747</u>		<u>(32,466)</u>	<u>129,973</u>
Stirling Council				
(18,950)	0	Tactran Requisition	(18,950)	0
0	40,000	Third Party Payments	0	65,000
<u>(18,950)</u>	<u>40,000</u>		<u>(18,950)</u>	<u>65,000</u>

14. 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 2022.

2020/21 Amount Due To/(From) £		2021/22 Amount Due To/(From) £
	Angus Council	
0	Tactran Requisition	0
(5,756)	RTS	74,075
<u>(5,756)</u>		<u>74,075</u>
	Dundee City Council	
0	Tactran Requisition	0
600	Supplies and Services	(2,857)
37,177	RTS	119,075
<u>37,777</u>		<u>116,218</u>
	Perth & Kinross Council	
(161)	Interest (Receivable)/Payable	(173)
0	Tactran Requisition	0
(7,756)	RTS	29,075
32,670	Staff Cost	34,822
10,366	Supplies and Services	1,901
<u>35,119</u>		<u>65,625</u>
	Stirling Council	
0	Tactran Requisition	0
<u>0</u>		<u>0</u>

15. FINANCE AND OPERATING LEASES

Partnership as Lessee

The Partnership held no assets on finance lease during 2021/22 (2020/21: None) and accordingly there were no finance lease rentals paid to lessors during 2021/22 (2020/21: None). The Partnership occupies office premises in Perth on an operating lease which commenced in November 2006. Tactran is legally committed to future lease payments of £49,463 as at 31 March 2022. As reported to board on 15 June 2021 (Report RTP/21/16 refers), a four-year extension to the lease has been agreed from November 2021 with no change to the rent of £13,490. The table below documents the minimum lease payments due in future years:-

	2020/21 £	2021/22 £
Not later than one year	13,490	13,490
Later than one year and not later than five years	49,463	35,973
	<u>62,953</u>	<u>49,463</u>

16. DEBTORS

2020/21		2021/22
£'000		£'000
	<u>Current (Due within 1 year)</u>	
8	Angus Council	1
65	Central Government	56
3	Dundee City Council	4
8	Perth and Kinross Council	1
<u>127</u>	Other Entities and Individuals	<u>157</u>
<u>211</u>		<u>219</u>

17. CREDITORS

2020/21		2021/22
£'000		£'000
2	Angus Council	75
41	Dundee City Council	121
43	Perth and Kinross Council	67
0	Stirling Council	0
<u>78</u>	Other Entities, Individuals & Employee Accrual	<u>25</u>
<u>164</u>		<u>288</u>

18. GRANT INCOME

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

	2020/21	2021/22
	£'000	£'000
Scottish Government	523	523
Constituent Authorities	<u>103</u>	<u>103</u>
	<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.

19. 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 2021		31 March 2022	
	Carrying Amount £'000	Fair Value £'000	Carrying Amount £'000	Fair Value £'000
Cash	51	51	160	160
	<u>51</u>	<u>51</u>	<u>160</u>	<u>160</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 2022 £'000	Historical experience of default %	Historical experience adjusted for market conditions as at 31 March 2022 %	Estimated maximum exposure to default and uncollectability £'000
Deposits with banks and other financial institutions	160	0	0	0
Customers	0	0	0	0
Total	160	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 2022 £'000
Less than three months	219
Total	<u><u>219</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.