

TAYSIDE AND CENTRAL SCOTLAND TRANSPORT PARTNERSHIP

Minute of the Meeting of the Tayside and Central Scotland Transport Partnership held virtually via Microsoft Teams on Tuesday 20 September 2022 at 10.30am.

Present: Councillors Lois Speed (substitute for Councillor Heather Doran) and Bill Duff (substitute for Councillor Mark McDonald) (Angus Council); Councillors Mark Flynn, Dorothy McHugh and Steven Rome (Dundee City Council); Councillors Hugh Anderson and Andrew Parrott (Perth & Kinross Council); Councillors Danny Gibson (Stirling Council); Paul Cronin, Bryan Doyle and Amy McDonald (Members).

In Attendance: M Speed (Director); N Gardiner, M Smith, J Cooper and C Stuerck (Tactran); S Hendry (Secretary); Scott Walker (Treasurer); E MacNaughton and J Mullen (Dundee City Council); D Coyne, J Salisbury and A Deans (Perth & Kinross Council) T Horner (Stirling Council); M Wilkie and Carol Batchelor (KPMG) for item 3; C Clark and C Towers (Transport Scotland) for item 4.

Apologies for absence were received from: Councillors Heather Doran and Mark McDonald (Angus Council) Councillor Richard Watters (Perth and Kinross Council).

Councillor Andrew Parrott, Chair, Presiding

The Chair welcomed everyone to the meeting and advised of the protocol regarding the virtual meeting.

1. **DECLARATIONS OF INTEREST**

None.

2. **MINUTE OF MEETING OF 14 JUNE 2022 AND 2 AUGUST 2022**

The minutes of the meetings of the Tayside and Central Scotland Transport Partnership of 14 June 2022 and 2 August 2022 were submitted and approved as a correct record.

3. **DRAFT AUDITED ANNUAL ACCOUNTS FOR 2021/22 AND DRAFT ANNUAL AUDIT REPORT TO THE MEMBERS OF TACTRAN AND THE CONTROLLER OF AUDIT FOR THE YEAR ENDED 31 MARCH 2022**

There was submitted a joint report by the Director and Treasurer (RTP/22/20) presenting the Partnership's 2021/22 Audited Annual Accounts (unsigned) in accordance with the Local Authority Accounts (Scotland) Regulations 2014.

Michael Wilkie presented the auditor's review of the draft annual report. The report would remain as a draft until the final opinions on annual statements are presented.

It was anticipated that the auditors would present an unqualified opinion on the financial statements following approval by the Board. Significant risks and focus areas were unchanged from those set out in the audit strategy.

Issues highlighted, a slight increase in cash and creditors as a result of some additional funding from Transport Scotland. A challenge was made as the income was received close to the year end, which may be associated with risks in terms of which year should be presented in and how it should be reflected in the financial statements.

Management prepared their accounting analysis in respect of that income, and the auditors were satisfied with how it has been presented in the financial statements, both in respect of the income, creditors, and debtors amounts that are reflected.

The report set out the significant risks, identified at the outset of the audit as having the greatest risk of misstatement within the financial statements. The first two being presumed risks that may exist in any audit. The first being management's ability because of their unique position within an organisation to potentially override controls. The auditors remained alert to that risk, set out tests to identify instances where that may have occurred and had nothing to report.

The second presumed risk is in respect of the potential for fraud regarding income recognition. In a public sector body that risk is also extended to expenditure. The auditor rebutted that risk, as they don't believe that risk exists in respect of income because, to a large extent, the Partnership's income is received in large chunks and for a given specific financial year. The risk was also rebutted in respect of certain aspects of expenditure e.g. routine payroll expenditure, but did accept that the risk could remain in respect of other expenditure.

Procedures had been designed to identify any instances where that risk may have arisen. There was nothing that required to reporting back.

The report defines the third significant risk, in respect of accounting for retirement benefit obligations - the pension liability. That is a risk because it is driven by actuarial assumptions decided by management and approved by the board, and small changes in those assumptions can give rise to very large changes in the liability reflected in the financial statements.

The auditors test controls over the provision of information by Tactran to the scheme administrators throughout the year, and also use our own KPMG actuarial specialists as support to any challenges by the auditor. The auditor's conclusion, set out in the appendix, that the assumptions set out by Tactran to be balanced, with nothing else to highlight that respect.

Other summary points: That there are no adjusted or unadjusted misstatements, meaning there were no changes required to the financial statements other than few very minor presentational points.

The auditors require a representation letter to be signed on behalf of the board. There are no representations in the report other than the standard representations that would be included in any audit.

The auditors are required to review various aspects of the front-end narrative of the accounts, the management commentary, governance statement, remuneration report, testing against various requirements and are content in what has been presented.

It was confirmed that KPMG considered themselves independent of the board.

Two recommendations exist from previous years, one implemented in respect of journals; the second not implemented, in respect of management review of pension assumptions, that recommendation being very challenging, with most organisations having chosen not to implement the recommendation.

Cllr Duff noted that in respect of page 7 of the KPMG report, the numbers on the balance sheet do not seem to add up. M Wilkie thought this likely to be a typographical error and he will ensure it is correct in the final version.

The Director and Chair expressed thanks to the KPMG team for their work for the Partnership.

Resolved:

- (i) To note the contents of KPMG's Draft Annual Audit Report for the year ended 31 March 2022, as attached at Appendix 1;
- (ii) To approve the 2021/22 Audited Annual Accounts at Appendix 2 and authorises the Partnership Chair, Director and Treasurer to sign them.
- (iii) To authorise the Treasurer to sign the Letter of Representation as attached at Appendix 3.

4. NATIONAL RAIL CONVERSATION

There was a presentation by Chris Towers and Chris Clark of Transport Scotland's Rail Directorate on a planned National Rail Conversation.

The Director thanked the presenters and commented that the Tactran would be happy to work with Transport Scotland to get the conversation right, and that they would be welcome to work with Tactran's established groups, and to identify the best way to engage with the Tactran Board. The Director asked about the proposal for in-person meetings with the public, how they were being developed. He suggested members of the Board may be interested in participating in the in-person meetings.

C Towers responded there were various elements Transport Scotland were working towards. One by having stands at stations and speaking to people who are using the railway stations on a daily basis. They had not defined a finite finalised list of such engagements but would concentrate on main stations. The examples of Perth and Dundee were given, partially dictated by funding, but they want to be speaking to rail travellers and non-rail travellers. Other initiatives may include an online element, e.g. a web portal, stakeholder meetings, including with Tactran; and further public engagement in other locations such as bus stations, and possibly shopping centres. These details were yet to be finalised. The importance of a wide input, reaching people who do not usually use the railway and getting their opinions of why they don't use the railway is recognised.

Cllr McHugh wanted to know if older people's groups would be included in the stakeholder engagement. A significant number of older people were digitally excluded making it important to reach out to this group directly, both to local and national groups.

C Clark confirmed the groups would be included. They had a long list and recognised the need to include a wide range of stakeholders in the conversation. It was intended that they would reach out to national organisations in the first instance and would then come to the members at a more local level. In the first instance, they intend to meet with Mobility Access Scotland and Disability Scotland, and this may evolve to others as well.

Cllr Duff asked whether the consultation was focused on 'soft' issues, such as timetabling and services, or would they be consulting on infrastructure improvements.

C Clark responded that their work would be focused on the soft issues, primarily as major investments in infrastructure including stations and the rail network are addressed elsewhere. This conversation would be more specific about Scotrail, and the services that they provide. C Towers added the point that their work was not specifically a consultation, but rather a conversation and as such was more a two-way process.

Cllr Speed asked if Transport Scotland would be able to engage with people for whom English is not their first language, or who have communication difficulties such as the deaf and blind community. She also asked whether they would gather evidence that could show that the engagement has been far reaching in terms of demographics, ages and protected characteristics.

C Clark commented that the issues raised were in line with their planning. They would include this in the scope to prospective consultants. He was aware and highly conscious of the issues raised. The need to reach out to the groups discussed would be part of the commissioning process.

Cllr Flynn welcomed the previous response noting that the work was a conversation not a consultation. He thought that there would be many people within Dundee who do not use rail travel that should be included in the conversation and it would be important to get the message out. Cllr Flynn offered the services of the Council to make sure that Transport Scotland meet the relevant groups within the city. He felt they could reach many communities via the Dundee Partnership, as an example, and it would be important that localities be included. He suggested Transport Scotland's consultants do not just look to major stakeholders but also ensure it takes place more effectively, using local authority resources as much as possible. C Clark agreed with the comment.

Cllr McHugh referenced the previous comment from Cllr Duff, adding she felt it was important that the conversation be an open conversation, and that the questions to be asked were not simply a list of Transport Scotland priorities. They needed to be open enough to allow full responses. She felt this conversation should genuinely want to engage with the public, to find out what their feelings are about rail travel. To do so it would need to be open, where participants can bring up any topic they like.

C Clark agreed and added that the Transport Minister's view was the same. The Minister had stressed that the work should not be a conversation between professionals.

The Director picked up on Cllr Flynn's comment, highlighting that the extent of outreach would depend on what budget was available. Tactran had a long list of consultees and local groups, pulled together recently as part of the development of a Regional Transport Strategy. Tactran could assist prior to the conversation going live. The Partnership had significant amount of information related to groups that Transport Scotland might be able to approach. C Clark confirmed that this was exactly what Transport Scotland wanted.

The Chair added that he would welcome a round table discussion between all interested Tactran Board members and Transport Scotland. The Chair acknowledged the pragmatic approach that would be required in terms of budgets but added he hoped that the conversation would embrace aspirations from residents and the population in Scotland as to what they would like their railway to be able to do. He added that whilst much of the work will focus on Scotrail, he believed the conversation should look at a wider range of issues and any tensions between interests, such as road and rail freight, moving goods traffic to rail, and resulting tensions in terms of capacity. He hoped this would include the use of the new Blackford Rail freight terminal, which might be part of a solution. Tensions may also exist for longer distance cross border trains, particularly for areas north of the central belt potentially being of great importance to the region, with one or two further opportunities for longer distance cross border services which are not met at the moment.

5. TRANSPORT (SCOTLAND) 2019 ACT BUS LEGISLATION AND ALLIANCES UPDATE

There was submitted a report by Project Manager, Tayside Bus Alliance (RTP/22/21) providing the Partnership with an overview of the Transport (Scotland) Act 2019 specific to bus operation and gives an update on bus alliances in the region.

The Chair commented that much of the RTP Chairs meeting, which had taken place at the end of August in Dundee was engaged with the issue of bus services and their problems. The Chair felt that this would be a vital issue going forwards in terms of reducing dependence on the car, increasing the viability and the reach of bus services; that would be a major concern for all of the RTPs.

Cllr McHugh asked what was meant by Local Transport Authorities.

J Cooper responded that Local Transport Authorities (LTAs) were the Council authorities themselves, including Angus, Dundee City, Perth & Kinross and Stirling. The authorities being responsible for the delivery of public transport. The LTAs form the basis for the delivery of the act, but this did not exclude a role for RTPs as some services necessarily travel across Local Authority boundaries

The Chair added a question whether the legislation permitted LTA authorities to combine in combinations which may or may not replicate the regional transport partnerships. J Cooper responded he believed that it did not prevent it and would look in more detail at that aspect.

A McDonald made reference to longstanding discussions around transport. She considered that there is high car usage across the area because the bus services are not as flexible as people might like. Recent initiatives allowed under 22s to have free transport, which had led to a huge number of journeys being undertaken. She felt it would be useful to measure but was not sure from where the information would be available. Important analyses might include to understand which routes are attracting the highest subsidy just now; which routes have the greatest number of free ticket sales, not just for under 22s but over 60s who hold a bus pass; and a comparison of subsidy rates before and after under 22 free travel concessions were introduced. As young people start travelling, which services are they using? The data would inform future decision making, where we need to invest, and understanding more about the network and where that needs investment, with the observation that older travellers may use the same routes over and over again, while younger travellers may travel further and more widely.

A McDonald also identified the opportunity in the legislation to introduce workplace parking levies, set out in the paper, and felt this needs to be linked to assessment as to how good public transport is and whether it would be a realistic ask of employers. Having the range of travel data would be useful.

J Cooper agreed with A McDonald, that information and data is a vital starting place. Any analysis would need to know where we are at baseline. He identified the potential for virtuous circles arising from some initiatives to deliver something that would be greater than the sum of its parts. Links existed between policies, including workplace parking, and across many other elements of public activity. He underlined the use of trip data was integral to the analysis being undertaken in the Bus Alliances, agreeing fully with the use and utility of such data to identify demand, opportunity and plan steps forward to a positive outcome, rather than the continuation of the status quo.

The Chair highlighted to his knowledge within Perth & Kinross at the moment, one in six primary school aged children now have a bus pass and just under half of secondary school aged children have a bus pass. Just over 40% of those over school age that also qualify by virtue of being under 22 have a bus pass. 80% of journeys that could be done using a bus pass are being done using a bus pass. This was, for Perth & Kinross Council, encouraging, but it would be nice to see greater uptake and more usage.

Cllr Gibson added an update that First Scotland East bus services in the Stirling area had been taken over by McGill's in Stirling, Clackmannanshire, Falkirk and West Lothian. He also noted the company was going to rebrand local services to Midland Bluebird. As in other places in Scotland the area has been struggling with issues including national recruitment shortages and driver shortages, cancelled services particularly some of the more rural areas being heavily impacted. He was concerned at what the future might hold for bus services. He noted from his view, he would like to see publicly owned buses or mutually owned buses, linked also to railway provision for the future, the railway having returned to public ownership. He saw the act as a big opportunity despite many challenges.

The Chair added a comment that McGill's, did appear to be a growing and expanding business, having grown from their original base of Inverclyde, on the western side of Scotland. He felt the company seemed to be entrepreneurial, looking to the future of the company.

Cllr Duff added a comment that Angus Council had debated about workplace parking in one of the first council meetings after the election. Rural transport is a challenge for the council, noting that the council had a good rail service down the East Coast but transport from East - West was challenging. In reality, a car was just about essential to get about, and there was no appetite for workplace parking charges.

The Chair added that they had had much the same conversation, in Perth & Kinross, and there is no appetite, at the moment, for a car parking levy simply because we have too big a rural hinterland and that public transport was not good enough at the moment to permit the policy.

Cllr Flynn added that Xplore Dundee was also a McGill's company, McGill's having entered the market in Dundee about a year ago. He felt the company had done a good job in challenging times. He asked a question in respect of the presentation regarding the STAG process and whether there was a conflict between how quickly the commercial bus companies want to progress and the procedure for the STAG process. He asked if there was any sense of frustration from the operators themselves with the 20 corridors being assessed under STAG and were differences in expectations problematic.

J Cooper responded it was hard to give a direct answer on speed of process as the process was developing, but it would have been pointless to have started the process if we didn't see an outcome that was beneficial. He acknowledged there was likely to be a conflict with speed of delivery and the expectations of the various parties involved. The process was, however, dictated by the funding process that supports it. The Alliance was somewhat limited by that. All parties wished to deliver quickly. He added the alliance should not look at individual elements in isolation.

The Director added a point specific to frustration that could be experienced. That organisations outside the public sector may not necessarily understand the processes associated with public sector projects. The Alliance had brought operators in from the outset and sought to shorten the process. Transport Scotland were also trying to streamline the STAG process. He felt operators had been engaged. He also noted a couple of small operators who had not engaged with the alliance who would be welcome to do so. He highlighted the project included a large sum of public investment at this stage.

N Gardiner added he was aware of some of the operators' frustrations. He had presented the process in more detail at the last Tayside Bus Alliance full meeting and also the work to streamline the process. The alliance needed to ensure that all evidence was in place in the appraisal, and account for the operators' knowledge of problems and opportunities. Evidence needed to be stated in a certain way to ensure the greatest chance of Scottish Government funding.

Resolved:

- (i) To note the information provided on the Transport (Scotland) Act 2019, and bus alliances.
- (ii) To remit officers to liaise with Tayside and Forth Valley Bus Alliance members to consider legislative options and opportunities.
- (iii) To agree to receive an update on the Transport (Scotland) Act 2019 in respect to local bus services at a future meeting.

6. 2022/23 BUDGET AND MONITORING

There was submitted a joint report by the Director and Treasurer (RTP/22/22) providing a monitoring update on the Partnership's Revenue and Capital expenditure and seeking the Partnership's approval of a revised 2022/23 RTS Revenue Programme.

N Gardiner provided updates to the report. The contract for market research to support the RTS has been awarded to Taylor McKenzie Research and Marketing Limited at a cost of just under £20,000. He also confirmed the award of the 'get on the go' social media contract had been awarded to Flourish Marketing at a value of £18,000 per annum, subject to annual review.

N Gardiner stated that, following discussion with Stirling Council officers, a request had been made to reallocate £80,000 of Active Travel Capital funding from Masterplan for Active Travel in Kildean/Craigforth to South of Stirling and Eastern Villages Active Travel Masterplan. The Partnership agreed to the reallocation.

A McDonald asked for an explanation that other categories budgets allocated £170,000, but only £5,000 has been spent or committed. N Gardiner explained that projects receiving external funding were funded in arrears with the funding claimed once work had been completed. It was agreed that this information would be provided in future reporting to the Board.

Cllr Flynn noted that for the Regional EV strategy it was stated that Stirling was looking to pool resources with Falkirk and Clackmannanshire Councils for their Electric Vehicle Infrastructure Fund (EVIF) strategy and infrastructure expansion plans. He queried what impact this would have on the Tactran Regional EV Strategy and whether Stirling going with these authorities meant they had withdrawn from Tactran's strategy.

N Gardiner responded that Stirling Council remain part of the Regional EV Strategy and Steering Group. He noted that Dundee, Perth & Kinross and Angus Councils were still considering how closely they are going to collaborate for their EVIF strategy and infrastructure expansion plans and that infrastructure was only one strand of the Tactran EV Strategy, with Vehicles and Communications and Promotion being the others. However, until there is a clearer understanding of what each of the Local Authority's plans are for EVIF expansion, it would be difficult to predict the impact it will have on Tactran's Regional EV Strategy. N Gardiner expected there would be more clarity once these had been completed with Local Authorities aiming for end of 2022 for submission to Transport Scotland.

B Doyle asked for details related to the hydrogen decarbonisation project.

N Gardiner responded the hydrogen decarbonisation project was currently looking at Local Authority and Tayside Contract large vehicles fleets as a result of Tactran being approached by Transport Scotland and the Hydrogen Accelerator at St Andrews University to consider demand and supply.

Cllr Duff highlighted that Angus Council had recently agreed to secure a number of hydrogen powered refuse trucks, and a tentative agreement to source hydrogen from the ex-Michelin facility at Dundee. N Gardiner noted this was a quick win from the hydrogen decarbonisation project, yielding benefit in the region.

The Director added the RTP would bring a paper on the Regional EV strategy and the hydrogen decarbonisation project, to a future board meeting, with the timing depending on progress.

Cllr Rome asked if the funding for the MaaS ENABLE project was fully committed or were there opportunities for other organisations to get support, or whether there was any other funding support that might be coming from Transport Scotland.

N Gardiner noted that the MaaS ENABLE project funding had been fully allocated. He also referenced a bid to the EU Horizon project, which might be able to extend some further support for the ENABLE MaaS but, was not aware of further funding from Transport Scotland at the moment.

The Director highlighted a gap between the MaaS ENABLE pilots finishing and any announcement from Transport Scotland as to how these may move forward, but Tactran officers were in discussion with other RTPs, particularly those with MaaS platforms regarding where and how these projects could combine. Tactran was taking steps to make sure as much as possible that these pilots continue once the pilot funding is complete.

Resolved:

- (i) To note the position regarding Core Revenue expenditure as at 31 July 2022 as detailed in Appendix A;
- (ii) To note progress on and approve a revised 2022/23 RTS Revenue Programme and related expenditure as discussed within the report and detailed in Appendices B and C;
- (iii) To note progress on the 2022/23 Capital Programme and related expenditure as discussed within the report and detailed in Appendix D; and
- (iv) To reallocate £80,000 Capital funding from Masterplan for Active Travel in Kildean/Craigforth to South of Stirling and Eastern Villages Active Travel Masterplan.

7. DIRECTOR'S REPORT

There was submitted a report by the Director (RTP/22/23) asking the Partnership to note updates on various projects and initiatives; extend the Tayside Bus Alliance Project Managers contract and to delegate responsibility to the Director to respond to two consultations.

The Director noted that the Aberdeen to Central Belt rail project delivery group had offered to present to the Tactran and Nestrans board at a joint meeting. The Chair suggested a joint meeting with Nestrans would be appropriate and it was agreed that the necessary arrangements should be made.

Cllr Duff mentioned two infrastructure projects, first under discussion in 2016/17 as part of the Aberdeen City deal, improvements to the Laurencekirk junction, which was funded if not yet built, and an attempt to de-bottleneck the rail line south of Montrose. He asked if these were still live projects under consideration.

N Gardiner answered that he was a representative on the Aberdeen to Central Belt key stakeholder group. The original suggestion of doubling the track from Montrose to Usan had been considered but not taken forward, as modernisation of signalling and freight loops would provide a better solution. This would include improving local services currently terminating at Arbroath, and at Montrose to allow an all stops service Aberdeen to Glasgow as well as journey time improvements.

The Director noted the report's request to extend the Tayside Bus Alliance Project Manager position for six months from its current conclusion. The Chair stated he understood the importance of the extension and noted this may give an element of financial risk, but he was supportive of extending the post to improve prospects in continuing the bus partnership.

Cllr Flynn added he agreed with the Chair but asked for reassurance that the Partnership had sufficient funding available, and that the extension would not have a negative impact on the reserves.

The Director noted that the policy was to maintain non-earmarked reserves between 3% and 5% and confirmed he had reviewed the proposal through Tactran's financial support to ensure the Partnership's reserves would comply with this policy should funding of the post not be contributed to by other Alliance members or provided by Transport Scotland. The Director agreed to provide updated information at the next Partnership meeting.

The report sought delegated authority to the Director for two consultation documents to respond on behalf of the Partnership. Following discussion, it was agreed to delegate authority to the Executive Committee for approval.

Resolved:

- (i) To note updates on the various projects and initiatives outlined within the report;
- (ii) To agree to extend the Tayside Bus Alliance, Project Manager's contract to September 2023;
- (iii) To delegate responsibility to the Executive Committee to respond to consultation on Strathclyde Partnership for Transport (SPT) draft Regional Transport Strategy and Stirling Local Development Plan Draft Supplementary Guidance on Developer Contributions; and
- (iv) To ask the Director to arrange a presentation on the Aberdeen to Central Belt Rail Project, jointly with Nestrans.

8. A NEW REGIONAL TRANSPORT STRATEGY: UPDATE

There was submitted a report by the Senior Strategy Officer (RTP/22/24) providing the Partnership with updates on writing a new Regional Transport Strategy, the tasks involved in identifying and assessing potential options, and introducing members to a monitoring framework.

Cllr McHugh commented the outreach appeared to be working. She was involved with an older people's group in Dundee and confirmed they had been contacted through the older People's Network in Dundee with information about the strategy and how to engage with the consultation.

Resolved:

- (i) To note the ongoing work in writing a new regional transport strategy; and
- (ii) To agree to member briefing session on the work considering how the national target of a 20% reduction in car km could be met in the Region.

9. MEMBERS ISSUES AND AOCB

None

10. DATE OF FUTURE MEETING

13th December 2022 at 10.30am