TAYSIDE AND CENTRAL SCOTLAND TRANSPORT PARTNERSHIP

16 JUNE 2026

DRAFT UNAUDITED ANNUAL ACCOUNTS FOR 2025/26

JOINT REPORT BY DIRECTOR AND TREASURER

This report presents the Draft Unaudited Annual Accounts for 2025/26.

1 RECOMMENDATIONS

1.1 The Partnership is asked to:

(i) approve the contents of the Draft Unaudited Annual Accounts for 2025/26; and

(ii) authorise the Treasurer to sign the Annual Accounts for submission to the Controller of Audit by 30 June 2026.

2 BACKGROUND

2.1 Regional Transport Partnerships (RTP's) are required to submit their Unaudited Annual Accounts for 2025/26 to the Controller of Audit by 30 June 2026.

3 DISCUSSION

3.1 Following approval by the Partnership, the Unaudited Annual Accounts for 2025/26 will be signed and submitted to the Controller of Audit and the External Auditors, Audit Scotland.

3.2 The Unaudited Annual Accounts will be available for public inspection online between 1 July and 21 July 2026 (inclusive) with any objections being sent to the external auditors by 22 July 2026.

3.3 It is anticipated that the audit of the Annual Accounts for 2025/26 by Audit Scotland will be undertaken between September and November 2026.

3.4 It is further anticipated that the External Auditors Report on the 2025/26 audit, along with the unsigned Audited Annual Accounts for 2025/26, will be discussed at the Partnership Board on 15 December 2026.

3.5 The Unaudited Accounts are attached at Appendix A to this report. The balance sheet provides the net assets of the Partnership as at 31 March 2026.

3.6 Included within the balance sheet is general fund reserves. Tactran recorded a surplus of £49,000 in 2025/26, which when combined with the opening usable reserves of £249,000, results in a total usable reserves balance of £298,000 at 31 March 2026.

3.7 The reserves balance comprises:

- Core Reserve as per the Reserves Policy of £38,000.
- £151,000 of People and Place Grant towards education provider related projects, which has been earmarked in reserves for spend by 30 June 2026 in alignment with the academic year.
- RTS earmarked reserve of £109,000 mainly relating to projects being delivered over multiple years.

3.8 The 2026/27 Budget and Monitoring Report to be considered at this meeting includes further details of the use of these reserves for the 2026/27 RTS Revenue Programme and People and Place Grant.

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

Report prepared by Scott Walker. For further information contact email swwalker@pkc.gov.uk or telephone 01738 475515.

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 2026

UNAUDITED

TAYSIDE AND CENTRAL SCOTLAND TRANSPORT PARTNERSHIP

ANNUAL ACCOUNTS 2025/26

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TAYSIDE AND CENTRAL SCOTLAND TRANSPORT PARTNERSHIP

MANAGEMENT COMMENTARY

1. BACKGROUND

Tayside and Central Scotland Transport Partnership (Tactran) is the statutory Regional Transport Partnership (RTP) covering Angus, Dundee City, Perth and 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 (RTS) 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.

During 2015/16 the Partnership completed a refresh of the RTS. This process included alignment of the RTS2 planning timescale with that for the second TAYplan Strategic Development Plan, which covered much of the Tactran region. The Regional Transport Strategy 2015 – 2036 Refresh was approved by Ministers in July 2015.

A new Draft Regional Transport Strategy 2024 – 2034 was submitted in February 2024 to the Cabinet Secretary for Transport and approved in April 2024. The new Regional Transport Strategy was formally adopted by Tactran at its Partnership meeting on 11 June 2024.

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 objectives and outcomes. 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. Work commenced on updating the Delivery Plan following the adoption of the new Regional Transport Strategy 2024 – 2034. In March 2025 the Partnership considered and noted a RTS Delivery Plan for the period 2024-2029 and approved a RTS Delivery Improvement Programme.

2. REVIEW OF 2025/26 DEVELOPMENTS AND ACHIEVEMENTS

Each year the Partnership approves an annual RTS Revenue Programme which sets out the Partnership's key development and delivery priorities for the financial year ahead, aligned with the Strategic Objectives of the RTS.

During 2025/26 the approved RTS Revenue Programme, amounting to **£230,503** (including **£13,259** interest received) to support a wide range of regional, local and national priorities including:

- Ongoing development, renewal and monitoring of the RTS and Delivery Plan, promotion of Tactran and maintenance of Tactran website;
- Supporting further work undertaking economic and equalities assessments of options within the Tactran area to assist in meeting national targets for reduction in car km travelled;
- Promoting and addressing relationships between Health and Transport, including continued contribution towards the costs of the Safe Drive Stay Alive road safety campaign in the Stirling area;
- Maintenance and promotion of the Thistle Assistance website, app and card scheme;
- Membership of East Coast Mainline Authorities (ECMA); continued development of Tay Cities Local Rail Development Fund Detailed STAG appraisal, including use of the Tay Cities Regional Transport Model;

- Contribution towards the Stirling and Tayside Timber Transport Group's continued appointment of a Timber Transport Officer;

In addition, Transport Scotland provided Tactran with a grant of **£2,303,394**, (comprising £1,518,659 Capital and £784,735 Revenue), through a Sustainable and Active Travel People & Place Programme comprising travel behaviour change projects throughout the region.

The programme focuses on four themes being: Schools and young people, Workplaces, Accessibility and inclusion, and Capacity and capability. The 2025/26 programme, includes coordination to support RTP and LA activities, including LA funding streams focused on staffing capacity. All Tactran Local Authorities were actively involved in the development of the draft proposal.

The 2025/26 Tactran People and Place programme consists of three 'funds': a community fund, focused on locally delivered projects; a place fund, focused on priority interventions at a locality level; and a regional fund, focused on complex and multi-authority projects.

In addition, a significant proportion of Tactran staff time, consultancy support and resource was committed to supporting these initiatives. In addition to staff time, resources included ongoing promotion of Get on the Go social media campaign.

Tactran also continued to support general Community Planning engagement and development in all four partner Council areas. The Partnership also continued to work with and support Development Planning Authorities.

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

3. STRATEGIC DEVELOPMENTS

The second National Transport Strategy (NTS2) was published on 5 February 2020. This was followed by the publication of the Strategic Transport Projects Review 2 (STPR2) on 8 December 2022, with Transport Scotland announcing that they intended to develop an associated delivery plan. Both of these documents together set out policies, future direction and investment plans over the next 20 years and together with Transport Scotland's route map to achieve a reduction in car kilometres by 2030, have also influenced the development of Tactran's new **Regional Transport Strategy 2024 – 2034**. Tactran's new RTS reflects the 4 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.

2024/25 began with a new Draft RTS 2024 – 2034 being approved by the Cabinet Secretary for Transport in April 2024. This was subsequently adopted by Tactran at its Partnership meeting in June 2024. The strategy recognised:

- The different circumstances and opportunities as they relate to the rural and urban populations across the region.

- Given that the achievement of a number of national targets are unlikely to be achieved within existing resources, delivery arrangements and timescales, the Partners need to:
    - focus activity on those locations and groups in society where support to access facilities or encourage behaviour change is most required;
    - Recognise that the alternative to the car (whether for people with cars, or those without) requires integrated solutions. This requires agreeing priorities and co-ordinating programmes within and across partner organisations;
    - Investigate a step change in public transport provision;
    - Investigate mechanisms to reduce car km to support the national climate change target;
    - Understand the potential gaps between 'the best that we can do' and the achievement of the national targets, and to encourage the Government to continue to work with Partners to understand how these targets can be achieved.

Tactran commenced developing a delivery plan for the new Regional Transport Strategy (RTS) during 2024/25 and by March 2025 the Partnership considered and noted a RTS Delivery Plan for the period 2024-2029 and approved a RTS Delivery Improvement Programme.

In addition to the NTS2 and STPR2, the Transport (Scotland) Act 2019 received Royal Ascent on 15 November 2019 and set 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. Of these initiatives Tactran has progressed research into Bus Services and the opportunity for and benefits arising from the new bus powers contained within the Transport (Scotland) Act 2019.

The City Deals represent an 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. Work continued supporting the Tay Cities Deal, covering Angus, Dundee City, Perth and Kinross and North-East Fife including transport projects for Dundee Airport, Perth Rail and Bus Stations and Low Carbon Transport in Perth.

Strategic Development Plans have been replaced by Regional Spatial Strategies (RSS) and Tactran continues to engage proactively with the various Development Planning Authorities. The National Planning Framework 4 (NPF4) was adopted and published by Scottish Ministers on 13 February 2023. Tactran anticipates further involvement through ongoing participation with the steering groups for the two RSS covering the Tactran region.

Tactran continued to be significantly involved in two bus alliances in the area – the Tayside Bus Alliance and Forth Valley Bus Alliance. Tactran's Project and Programme Manager continued to provide management and administrative support to the Tayside Bus Alliance. Building on research into Bus Services and the opportunity for and benefits arising from the new bus powers contained within the Transport (Scotland) Act 2019, during 2024/25 a Tactran Bus Plan was developed, in agreement with the local transport authorities, bus operators and other stakeholders within the region. This and Bus Alliance Strategic Business Case was used to develop a bid of around £3m by the Tayside Bus Alliance to the 2025/26 Bus Infrastructure Fund, with Stirling Council also bidding for funding.

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 2025/26 included Scottish Government's Draft Climate Change Action Plan; Scottish Government's Environment Strategy Transport Scotland's Draft Just Transition Plan for Transport; Local Development Plan Evidence Reports (Angus; Cairngorms & Loch Lomond and the Trossachs National Park Authorities); Transport Scotland / CoSLA Car Use Reduction Renewed Policy Statement; Transport Scotland's Development Planning Transport Appraisal Guidance; NHS Forth Valley Draft Population Health and Care Strategy 2025 – 2035; Public Health Scotland Shaping our Strategy: 2025-2035; Stirling Council's draft Sustainable Mobility Strategy.

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 2025/26 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)

4. PLANS FOR THE FUTURE

In the year ahead Tactran staff will continue to adopt a hybrid model of office-based and home working.

The Partnership will focus on working with partners to implement the new RTS, including:

- Further developing and implementing the RTS Delivery Plan and RTS Delivery Improvement Plan and Monitoring Framework for the new RTS;
- Further work on reduction in car km in tandem with Transport Scotland;
- Continuing development and implementation of the Bus Alliances proposals;
- Continuation review and proposals for Bus Services in accordance with the Tactran Bus Plan;
- Implementation of Sustainable and Active Travel Behaviour Change proposals, funded through Transport Scotland's People and Place fund;
- Assisting in City Deals;
- Delivery of the RTS revenue programme;
- Re-establishment of a Tactran Freight Forum; and
- Rail 'Positioning' Strategy.

5. 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 and governance; RTS development and delivery; management and operation of the Partnership; and financial support and management.

Risks are inherent and Tactran has taken and will continue to implement measures to mitigate these risks. The Risk Register is reviewed by Board members not less than annually. The last review took place at the March 2026 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 collaboration and levering external & match delivery funding through engagement with partner Councils, Community Planning Partners, Transport Scotland, Government, other RTPs and transport agencies and providers. In addition, recognising the risk that annual funding creates, Tactran has developed a Medium-Term Financial Plan looking forward five years to understand and manage any risks or threats to its financial sustainability. This will be maintained, refined and considered annually to provide a rolling five-year plan.

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). The Partnership continues to prepare a Public Sector Climate Change Report annually with the latest report submitted in November 2025.

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 2025.

As outlined above, delivery opportunities continue in the form of City Deals covering the Tay Cities region (Angus, Dundee City, Perth and Kinross and North East Fife) and Stirling City region (Stirling and Clackmannanshire). Moving forward it is expected that 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 the 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.

6. 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 2026. 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 and Expenditure recognises all income received in the 2025/26 financial year in line with the terms and conditions of funding.

The Movement in Reserves Statement recognises the **£49,000** surplus for 2025/26 (£152,000 surplus in 2024/25).

The Balance Sheet includes a General Fund Reserve to recognise the cumulative surpluses and deficits including the surplus for 2025/26. Also included are Unusable Reserves for Capital Adjustment Account, 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 18 March 2025, the Tayside and Central Scotland Transport Partnership Board approved the 2025/26 Core Revenue Budget of **£521,035**; of which **£418,015** was met by Grant in Aid funding from the Scottish Government and **£103,020** was requisitioned from the four constituent Councils. Constituent Council requisitions utilise a Scottish Government allocation methodology based on 95% population and 5% area, as follows:

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

At its meeting on 17 June 2025 the Tactran Board approved the unaudited 2024/25 Annual Accounts. The final surplus returned to reserves in 2024/25 was confirmed as **£152,149** resulting in opening reserves of **£248,856** in 2025/26. RTS reserves of **£138,646** and People and Place reserves of **£77,597** were budgeted for use in 2025/26. This resulted in a projected Core reserve balance at 31 March 2026 of **£32,613**.

The Scottish Government Grant in Aid revenue funding for financial year 2025/26 for the Regional Transport Strategy (RTS) was **£78,598**; which is supplemented by budgeted use of reserves set out above. This resulted in a draft RTS gross expenditure budget of **£217,244**. During the year, **£13,259** of Interest was added to the RTS Income, resulting in a final RTS gross expenditure budget of **£230,503** in 2025/26.

In addition to the Core and RTS budgets, Tactran was awarded **£2,303,394** from Transport Scotland – People and Place Grant and **£125,000** from Transport Scotland towards Mobility as a Service (MaaS). Additionally, working in collaboration with Dundee City and Perth and Kinross Councils, **£70,451** was granted for work on the Bus Infrastructure Fund, resulting in an Active and Sustainable Transport gross expenditure budget of **£2,498,845**.

The final 2025/26 Tactran gross revenue budgets amounted to **£3,250,383**.

During 2025/26, 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 2025/26 excluding accounting adjustments relating to accumulated absences (£4,194) and capital adjustment account (£31); was a surplus of **£48,442** which was returned to reserves.

	Budget £'000	**Actual £'000**	**Variance £'000**
Employee Costs	419	388	(31)
Property Costs	30	26	(4)
Supplies and Services	18	20	2
Transport	5	2	(3)
Third Party	2,856	2,639	(217)
Total Expenditure	**3,328**	**3,075**	**(253)**
Scottish Government Grant	2,925	2,925	0
Council Requisitions	103	103	0
Other Income	84	96	12
Total Income	**3,112**	**3,124**	**12**
(Deficit)/Surplus	**(216)**	**49**	**265**

The table above summarises the 2025/26 Budget approved by the Partnership Board and provides the actual income and expenditure for the year ended 31 March 2026. The overall **£48,442** surplus comprises a **£46,628** underspend on the Core Revenue Budget; an actual overspend of **£71,452** on projects within the Regional Transport Strategy programme; and an underspend on People and Place Grant of **£73,266**. The underspend within People and Place is a result of timing differences with spend on some projects being aligned to the academic year. The total People and Place Grant carry forward in 2025/26 is **£150,863**; with this amount earmarked in reserves for spend by 30 June 2026.

The underspend on Employee Costs of **£31,000** relates to savings from a vacant post **(£52,000)**, and an increase in the salary recharges **(£48,000)**, offset by an increase in secondment costs **(£69,000)**.

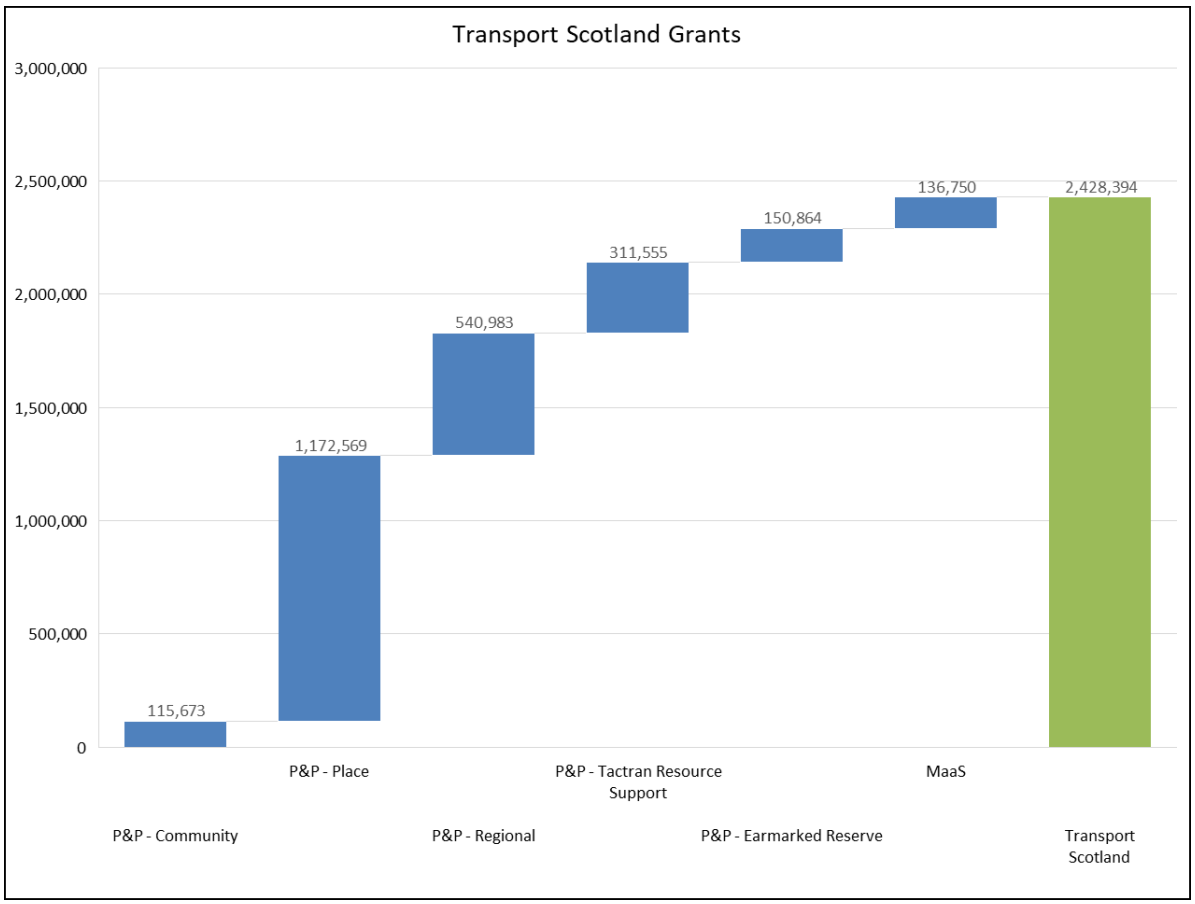
The underspend on Property Costs of **£4,000** mainly comprises underspend in Energy **(£3,000)** following a reduction in office use through current hybrid working arrangements, supplemented by smaller underspends in Cleaning and Maintenance.

Further savings from the use of hybrid working and meetings have resulted in an underspend of **£3,000** on Transport.

The variance on Third Party expenditure of **£217,000** is primarily due to overall underspend against budget on the RTS Programme **(£67,000)** and underspend on People and Place Grant **(£151,000)**. These are partially offset by a slight overspend on Core Third Party Payments **(£1,000)**.

The **£12,000** variance in Other Income relates to interest received for the second half of the year that was not budgeted for use as part of the RTS.

The usage of Transport Scotland funding towards People and Place, and MaaS is summarised below:-



The total surplus on the Comprehensive Income and Expenditure Statement was **£53,000** which reflects, International Accounting Standard 19 (Retirement Benefits) ("IAS 19"), the entries required in respect of pension costs, accumulated absences and the capital adjustment account.

7. 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.

8. STATEMENT OF RESPONSIBILITIES FOR THE ANNUAL ACCOUNTS

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

9. 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.

10. CAPITAL EXPENDITURE

During 2025/26, the Partnership did not incur any direct capital expenditure.

11. PENSION ASSET / 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 no pensions asset or liability as at 31 March 2026 or 31 March 2025.

Triennial valuations of the fund are carried out with the latest valuation having taken place at 31 March 2023, which resulted in a decrease in the employer pension contribution rate to 15.7% of pensionable pay from 1 April 2024. The triennial review at 31 March 2026 is ongoing and will inform the pension contribution rate from 1 April 2027.

12. 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.

13. PRIOR PERIOD ADJUSTMENTS

There are no prior period adjustments.

14. 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 2025/26 Annual Accounts.

15. 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.

16. 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 Expenses.

17. ACKNOWLEDGEMENTS

During the 2025/26 financial year the Partnership's financial position has undertaken regular scrutiny and strict budgetary control. We would wish to place on record our appreciation of the excellent work carried out by the Partnership's officers, supported by the officers of Perth and Kinross Council in the financial management of the Partnership and in the preparation of the 2025/26 Annual Accounts.

Andrew Parrott
Chair of Partnership Board
Tactran

Scott Walker
Treasurer
Tactran

Mark Speed
Partnership Director
Tactran

TAYSIDE AND CENTRAL SCOTLAND TRANSPORT PARTNERSHIP

MEMBERS AND OFFICIALS

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 and 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 and Kinross and 2 per Council from Angus and Stirling – plus 4 or 5 non-Councillor members.

Board membership during 2025/26:

Councillor Members

Angus Council
Provost Linda Clark (to June 2025)
Councillor Heather Doran (to June 2025)
Councillor Brenda Durno (from June 2025)
Councillor Ronnie Proctor (from June 2025)

Dundee City Council
Depute Provost Kevin Cordell
Councillor Dorothy McHugh (to Sept 2025)
Councillor George Irvine (from Sept 2025)
Councillor Siobhan Tolland

Perth and Kinross Council
Councillor Hugh Anderson
Depute Provost Andrew Parrott (Chair)
Councillor Richard Watters

Stirling Council
Councillor Rachel Nunn (to Dec 2025)
Councillor Jennifer Preston (to Dec 2025)
Councillor Alasdair Tollemache (from Dec 2025)
Councillor Jim Thomson (from Dec 2025)

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 2025/26:

Mr Bryan Doyle – appointed in March 2020
Ms Amy McDonald – appointed in September 2020
Mr Paul Reid – appointed in June 2022
Mr Alan Stewart – appointed in September 2023
Mr Duncan Henderson – appointed in January 2026

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.

Currently there is one appointed advisor, 'Walk, Cycle, Wheel Trust' Infrastructure Partnership Manager.

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

Jonathan Padmore took up the post of Senior Partnership Manager on 1st June 2025. Jonathan joined from Stirling Council in 2018 and has been 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 since 1992. Jonathan is a member of the Royal Town Planning Institute and has a BSc in Geography from Glasgow University and an MA in Environmental Planning from Nottingham University.

Projects and Programme Manager

James Cooper joined Tactran in March 2022 to manage all aspects of the Tayside Bus Alliance for the Bus Partnership Fund STAG appraisal and associated initiatives. 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.

Strategy Officer for Sustainable Transport

Merry Smith took up the post of Strategy Officer for Sustainable Transport in October 2020, having formerly worked for Tactran for ten years from 2006 to 2016. Merry has previously worked for Dundee City Council and ran a self-employed Transport Consultancy, totalling 23 years' experience in Active and Sustainable Transport. She has been a Chartered Member of the Institute of Logistics & Transport for 20 years and has an MSc in Passenger Transport Management.

Transport Strategy Officer

Kimberley Ewan joined Tactran in June 2025 from Guildford Borough Council. Kimberly has 9 years' experience in transport strategy, planning policy and delivery of sustainable travel projects, having worked previously for Guildford Borough Council, East Dunbartonshire Council and NHS Greater Glasgow & Clyde. Kimberley has an MA (Hons) in Environmental Sustainability from the University of Dundee and is a Member of the Chartered Institution of Highways and Transportation.

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 two Proper Officers who provide specialist financial and legal support and advice to the Partnership Board and Partnership Director. These are:-

Partnership Treasurer

Scott Walker is the Strategic Lead – Finance and Business Support (Chief Finance Officer/ S95 Officer) within Perth and Kinross Council and is the Proper Officer for all matters relating to financial probity, treasury management and reporting.

Partnership Legal Adviser

Lisa Simpson is the Strategic Lead – Legal and Governance within Perth and 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.

OTHER OFFICERS

In addition to the Proper Officers set out above, Tactran has also appointed another officer as detailed below, to provide specialist corporate governance advice and support to the Partnership Board and Partnership Director.

Partnership Secretary

Scott Hendry is the Democratic Services Manager within Committee Services for Perth and Kinross Council and is the officer for all matters relating to Partnership governance, meetings and proceedings, and for ethical standards.

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

1. Scope of Responsibility

Tactran's aim is to develop a transportation system for the region covering the Angus, Dundee City, Perth and Kinross and Stirling Council areas, as outlined in the Partnership's new Regional Transport Strategy 2024 - 2034.

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 including Financial Regulations, Scheme of Delegation, Risk Management Strategy and Policy; and Standing Orders were updated in 2024 and were approved by the Partnership Board on 10 September 2024. The Code of Conduct for Members of the Partnership was updated in March 2022.

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.

As part of the ongoing commitment to hybrid working, 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 2025/26.

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 and Kinross and Stirling Council areas, which is focussed on reducing inequalities, addressing climate change, improving health and wellbeing and assisting in the delivery of sustainable inclusive economic growth.

The Partnership's purpose, vision for the region and intended Outcomes for the Community are set out in the Tayside and Central Scotland Regional Transport Strategy (RTS) which was approved by the Cabinet Secretary in April 2024 and adopted by the Partnership in June 2024.

The RTS was informed by national, regional and local policy documents, and extensive engagement with stakeholders and partners.

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.

Review of Effectiveness

The Partnership, which uses some of Perth and 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/26/05 refers) considered

by the Partnership on 17 March 2026 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 operates Anti-Bribery, Anti-Fraud and Corruption policies in accordance with the CIPFA Code of Practice on Managing the Risk of Fraud and Corruption.

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.

4. Certification

It is the Treasurer's opinion that reasonable assurance can be placed upon the adequacy and effectiveness of the Partnership's internal control system for the year ended 31 March 2026.

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.

The Partnership's governance arrangements and systems are confirmed as being operational and current at the date of signing of this Annual Governance Statement.

Andrew Parrott
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.
- Ensure the Annual Accounts are prepared in accordance with legislation (The Local Authority Accounts (Scotland) Regulation 2014), and so far as is compatible with that legislation, in accordance with proper accounting practices (Section 12 of the Local Government in Scotland Act 2003).
- Approve the Annual Accounts for signature.

I confirm that these Annual Accounts were approved for signature by the Partnership Board at its meeting on 16 June 2026.

Signed on behalf of Tactran

Andrew Parrott
Chair of Partnership Board
Tactran

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 legislation; and
- complied with the Local Authority Code (in so far as it is compatible with legislation).

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.

I certify that the Annual Accounts give a true and fair view of the financial position of Tactran at the reporting date and the transactions of Tactran for the year ended 31 March 2026.

Scott Walker CPFA
Treasurer
Tactran

TAYSIDE AND CENTRAL SCOTLAND TRANSPORT PARTNERSHIP

MOVEMENT IN RESERVES STATEMENT

For the year ended 31 March 2026

	General Fund Balance	**Total Usable Reserves**	Accumulated Absences Unusable Reserves (see Note 7)	Pensions Reserve Unusable Reserves (see Note 7)	Capital Adjustment Unusable Reserves (see Note 7)	**Total Tactran Reserves**
	£'000	**£'000**	£'000	£'000	£'000	**£'000**
Balance at 31 March 2024	97	**97**	(2)	0	0	**95**
Movement in reserves during 2024/25						
Surplus on provision of services	124	**124**	0	0	0	**124**
Other Comprehensive Expenditure and Income	0	**0**	0	19	0	**19**
Total Comprehensive Expenditure and Income	124	**124**	0	19	**0**	**143**
Adjustments between accounting basis and funding basis under regulations (note 5)	28	**28**	(9)	(19)	0	**0**
Increase in 2024/25	152	**152**	(9)	0	0	**143**
Balance at 31 March 2025 carried forward	249	**249**	(11)	0	0	**238**
Movement in reserves during 2025/26						
Surplus on provision of services	53	**53**	0	0	0	**53**
Other Comprehensive Expenditure and Income	0	**0**	0	(0)	0	**0**
Total Comprehensive Expenditure and Income	53	**53**	0	(0)	0	**53**
Adjustments between accounting basis and funding basis under regulations (note 5)	(4)	**(4)**	4	0	(0)	0
Increase/(reduction) in 2025/26	49	**49**	4	0	(0)	**53**
Balance at 31 March 2026 carried forward	298	**298**	(7)	0	0	**291**

TAYSIDE AND CENTRAL SCOTLAND TRANSPORT PARTNERSHIP

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

For the year ending 31 March 2026

2024/25					2025/26		
Gross Exp £'000	*Gross Income £'000*	*Net (Income) / Exp £'000*		**Note**	**Gross Exp £'000**	**Gross Income £'000**	**Net (Income) /Exp £'000**
			SERVICES				
2,432	*(2,457)*	*(25)*	Highways and Transport Services		3,024	(2,996)	28
48	*0*	*48*	Corporate and Democratic Core		48	0	48
2,480	*(2,457)*	*23*	**COST OF SERVICES**		3,072	(2,996)	76
1	*(45)*	*(44)*	Financing and Investment Income and Expenditure	12	1	(27)	(26)
0	*(103)*	*(103)*	Constituent Council Requisitions		0	(103)	(103)
1	*(148)*	*(147)*			1	(130)	(129)
		(124)	**SURPLUS ON PROVISION OF SERVICES**				(53)
		(19)	Remeasurements of the net defined benefit asset				0
		(143)	**TOTAL COMPREHENSIVE INCOME AND EXPENDITURE**				(53)

TAYSIDE AND CENTRAL SCOTLAND TRANSPORT PARTNERSHIP

BALANCE SHEET

Year Ending 31 March 2026

As at 31 March 2025			Notes	As at 31 March 2026	
£'000	*£'000*			**£'000**	**£'000**
8		Right of Use Property, Plant and Equipment	17	33	
	8	**Long-Term Assets**			**33**
426		Short Term Debtors	18	663	
903		Cash and Cash Equivalents	8	454	
	1,329	**Current Assets**			**1,117**
(1,091)		Short Term Creditors	19	(826)	
(8)		Short Term Right of Use Liability	16	(12)	
	(1,099)	**Current Liabilities**			**(838)**
0		Long Term Right Of Use Liability		(21)	
	0	**Long Term Liabilities**			**(21)**
	238	**Net Assets**			**291**
		Financed by Fund Balances and Unusable Reserves:			
	249	General Fund Reserve			298
	0	Pensions Reserve	11		0
	(11)	Accumulated Absence	7		(7)
	0	Capital Adjustment Account	7		0
	238				**291**

The Unaudited Annual Accounts were issued on 16 June 2026.

Scott Walker CPFA
Treasurer
Tactran

TAYSIDE AND CENTRAL SCOTLAND TRANSPORT PARTNERSHIP

CASH FLOW STATEMENT

Year Ending 31 March 2026

2024/25 £'000		Notes	**2025/26 £'000**
124	**Net (deficit)/surplus on provision of service**		53
	Adjustments to net deficit on the provision of services for non-cash movements:-		
216	Debtors (increased)/decreased by	18	(237)
369	Creditors increased/(decreased) by	19	(261)
9	Employee Accrual	7 and 19	(4)
19	Pension adjustments	11	0
13	Depreciation	17	12
1	Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities		1
751	**Net cash flows from Operating Activities**		**(436)**
	Financing Activities		
(13)	Lease Interest and Repayment of Liability		(13)
738	**Net increase/(decrease) in cash and cash equivalents**		**(449)**
165	Cash and cash equivalents at the beginning of the reporting period		903
903	**Cash and cash equivalents at the end of the reporting period**	8	**454**

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 and Kinross Council and are not included within the Remuneration report. The Partnership is charged a total of £25,000 by Perth and Kinross Council for Financial, Legal and Secretarial support, which includes a cost recharge for the Proper Officers.

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

Number of Employees 2024/25	**Salary Banding**	**Number of Employees 2025/26**
0	£100,000 - £105,000	1
1	£95,000 - £99,999	0
0	£70,000 – £74,499	1
1	£65,000 - £69,999	0
0	£60,000 - £64,999	0
1	£50,000 - £54,999	1

(iv) Senior Employees Remuneration

Name and Post Title	**Salary, Fees and Allowance**	**Total Remuneration 2025/26**	***Total Remuneration 2024/25***
Mark Speed Partnership Director	£103,553	£103,553	*£99,570*
	£103,553	**£103,553**	***£99,570***

The senior employee 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 person has 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:

	In year pension contributions		Accrued pension benefits			
Name and Post Title	***2024/25*** **£**	**2025/26 £**		***As at 31 March 2025*** ***£'000***	**As at 31 March 2026 £'000**	**Difference from 31 March 2025 £'000**
Mark Speed Partnership Director	*15,632*	16,258	Pension	*37*	40	3
			Lump Sum	*0*	0	0
	15,632	**16,258**				

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

There were no exit packages agreed in either 2024/25 or 2025/26.

(vii) Audit Review

All information disclosed within the tables, and the number of exit packages, 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

Andrew Parrott
Chair of Partnership Board
Tactran

NOTES TO THE CORE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

GENERAL PRINCIPLES

The Annual Accounts summarise the Partnerships transactions for 2025/26 and its position at 31 March 2026. 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 2025/26 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.

Where Tactran is acting as an agent for another party, income and expenditure is not recognised due to the absence of commission receivable for the services rendered nor direct expenditure being incurred on behalf of rendering the services.

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

Employees, subject to qualifying criteria, are eligible to join the Local Government Pension Scheme (LGPS). The LGPS is a statutory funded defined final benefit salary scheme operated through local pension funds. Tactran and its employees pay contributions into the Tayside Pension Fund administered by Dundee City Council calculated at a level to balance the pension liabilities with investment assets. The contributions paid into the scheme by employees and member pension benefits are prescribed, for the period to which the accounts relate, by the Local Government Pensions Scheme (Scotland) Regulations 1998 as amended. Tactran's contributions, as employer, into the Tayside Pension Fund are subject to the advice of the Fund actuary.

For 2025/26 the employer's contribution as set at the triennial valuation as at 31 March 2023 is 15.7%.

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

- The liabilities of Tayside Pension Fund attributable to the Partnership are included in the Balance Sheet on an actuarial basis using the projected unit method – i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates etc, and projections of projected earnings for current employees,
- The assets of Tayside Pension Fund attributable to the Partnership are included in the Balance Sheet at their fair value –
    - quoted securities – current bid price,
    - unquoted securities – professional estimate,
    - unitised securities – current bid price,
    - property – market value,
- The change in the net pensions liability is analysed into seven components:
    - current service cost – the increase in liabilities as a result of years of service earned this year – allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked;
    - past service cost – the increase in liabilities arising from current year decisions whose effect relates to years of service earned in earlier years – debited to the Surplus/Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Non Distributed Costs;
    - interest cost – the expected increase in the present value of liabilities during the year as they move one year closer to being paid – debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement;
    - expected return on assets – the annual investment return on the fund assets attributable to the Authority, based on an average of the expected long-term return – credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement;
    - gains/losses on settlements and curtailments – the result of actions to relieve the Partnership of liabilities or events that reduce the expected future service or accrual of benefits of employees – debited/credited to the Surplus/Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Non Distributed Costs;
    - actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – debited to the Pensions Reserve;
    - contributions paid to Tayside Pension fund – cash paid as employer's contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

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

Right of Use

Tactran has adopted IFRS 16 (Leases) with effect from 1 April 2024. The adoption of the new standard resulted in the balance sheet recognition of a right-of-use asset and related lease liability in relation to former operating leases. A contract is, or contains a lease, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Tactran has one lease for which a contract exists at 31 March 2026, for office accommodation, which at 1 April 2026 had a minimum remaining lease term of 32 months.

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.

The Core reserve is the uncommitted balance as per the reserves policy, to maintain a useable reserve of 3-5% of the Core gross expenditure budget. The RTS reserve comprises underspend on the RTS Programme, and transfers from Core underspend that would otherwise exceed the uncommitted Core reserve level, for use towards the RTS Programme in future years. The People and Place reserve comprises the balance of People and Place Grant receivable in advance of spend, with commitments aligned to the 2026/27 academic year. At 31 March 2026, Core reserve was **£37,204**; RTS reserve was **£109,231** and Active Travel reserve was **£150,864**.

VAT

VAT payable is included as an expense only to the extent that it is not recoverable from His 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 2026 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 **£41,316** (£43,688 for 2024/25).

However, the assumptions interact in complex ways. During 2025/26, the Partnership's actuaries updated the assumptions and, with the asset ceiling incorporated (see Note 11), advised that the net pension liability remains unchanged and there is a nil pension liability at 31 March 2026. The 2024/25 liability was nil at 31 March 2025.

3. ADJUSTMENTS BETWEEN ACCOUNTING AND FUNDING

	2024/25 £'000	2025/26 £'000
Depreciation	*13*	12
IFRS 16 Lease Repayments	*(13)*	(12)
Pension adjustment	*19*	0
Re-measurement of net defined benefit asset	*(19)*	0
Accumulated Absence	*9*	4
Total Adjustments	***9***	**4**

4. EXPENDITURE AND FUNDING ANALYSIS – 2025/26

Services	**Net (Income) / Expenditure Chargeable to General Fund £'000**	**Adjustment Between Accounting and Funding Basis (note 3) £'000**	**Net (Income) / Expenditure in the Comprehensive Income and Expenditure Statement £'000**
Highways and Transport Services	30	(2)	28
Corporate and Democratic Services	48	0	48
Cost of Services	**78**	**(2)**	**76**
Financing and Investment Income and Expenditure	(24)	(2)	(26)
Constituent Council Requisitions	(103)	0	(103)
(SURPLUS)/ DEFICIT ON PROVISION OF SERVICES	**(49)**	**(4)**	**(53)**
Remeasurements of the net defined benefit asset	0	(0)	0
TOTAL COMPREHENSIVE (INCOME) AND EXPENDITURE	**(49)**	**(4)**	**(53)**
Opening General Fund Balance	249		
Surplus on General Fund Balance in Year	49		
Closing General Fund Balance	**298**		

EXPENDITURE AND FUNDING ANALYSIS – 2024/25

Services	Net (Income) / Expenditure Chargeable to General Fund £'000	Adjustment Between Accounting and Funding Basis (note 3) £'000	Net (Income) / Expenditure in the Comprehensive Income and Expenditure Statement £'000
Highways and Transport Services	(54)	29	(25)
Corporate and Democratic Services	48	0	48
Cost of Services	**(6)**	**29**	**23**
Financing and Investment Income and Expenditure	(43)	(1)	(44)
Constituent Council Requisitions	(103)	0	(103)
(SURPLUS)/ DEFICIT ON PROVISION OF SERVICES	**(152)**	**28**	**(124)**
Remeasurements of the net defined benefit asset	0	(19)	(19)
TOTAL COMPREHENSIVE (INCOME) AND EXPENDITURE	**(152)**	**9**	**(143)**
Opening General Fund Balance	97		
Surplus on General Fund Balance in Year	152		
Closing General Fund Balance	**249**		

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.

	Movement in Unusable Reserves 2024/25 £'000	Movement in Unusable Reserves 2025/26 £'000
Adjustments involving the Capital Adjustment Account:		
Charge for depreciation and impairment of non-current assets	*(13)*	(12)
Principal repayments during the year	*13*	12

Adjustments involving the Pensions Reserve: Reversal of items relating to post employment benefits debited or credited to the Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement	*(79)*	(59)
Employer's pensions contributions and direct payments to pensioners payable in the year	*60*	59
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	*(9)*	4
Total Adjustments	***(28)***	**4**

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

31 March 2025 £'000		**31 March 2026 £'000**
0	Capital Adjustment Account	0
0	Pensions Reserve	0
(11)	Accumulating Compensated Absences Adjustment Account	(7)
(11)	**Total Unusable Reserves**	**(7)**

Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The Account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement. The Account is credited with the amounts set aside by Tactran as finance for the costs of acquisition, construction and enhancement.

2024/25 £'000		**2025/26 £'000**
0	**Balance at 1 April**	0
	Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:	
(13)	Charges for depreciation on non-current assets	(12)
	Capital financing applied in the year:	
13	Lease repayments	12
0	**Balance at 31 March**	**0**

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 nil balance on the Pensions Reserve therefore shows there is neither a surplus nor deficit in the benefits earned by past and current employees and the resources the Partnership has set aside to meet them.

2024/25		**2025/26**
£'000		**£'000**
0	**Balance at 1 April**	0
19	Other Comprehensive Income	0
(79)	Reversal of items relating to retirement benefits debited or credited to the Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement	(59)
60	Employer's pensions contributions and direct payments to pensioners payable in the year	59
0	**Balance as at 31 March**	**0**

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.

2024/25		**2025/26**
£'000		**£'000**
(2)	**Balance at 1 April**	(11)
(9)	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	4
(11)	**Balance at 31 March**	**(7)**

8. CASH AND CASH EQUIVALENTS

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

31 March 2025		**31 March 2026**
£'000		**£'000**
903	Bank current accounts	454
903	**Balance at 31 March**	**454**

9. MEMBERS EXPENSES

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

	2024/25 £'000	2025/26 £'000
Expenses	*0*	1
	0	1

10. EXTERNAL AUDIT COSTS

The external auditor of the Partnership is appointed by the Accounts Commission for Scotland for a period of 5 years from 2022/23. The total fee payable to Audit Scotland in respect of the 2025/26 financial year for external audit services undertaken in accordance with the Code of Audit Practice is **£13,360** (2024/25: £14,065). During 2025/26 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, the 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 2024/25	**Local Government Pension Scheme £'000 2025/26**
Costs of Services		
Service Cost	*80*	60
Financial and Investment Income and Expenditure		
Net Interest on defined liability	*(1)*	(2)
Total Post Employment Benefit Charged to the Surplus on the Provision of Services	***79***	**58**
Remeasurements	*19*	0
Total Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement	***98***	**58**

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	*(19)*	(0)
Employers' contributions payable to scheme	*60*	59

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 2024/25 £'000	**Funded liabilities Local Government Pension Scheme 2025/26 £'000**
Opening Balance at 1 April	***3,260***	**2,911**
Current Service Costs	*80*	59
Interest Cost	*158*	161
Contributions by scheme participants	*28*	28
Change in assumptions:		
Change in financial assumptions	*(486)*	(155)
Change in demographic assumptions	*(8)*	37
Experience loss/(gain) on defined benefit obligation	*(7)*	7
Estimated benefits paid net of transfer	*(114)*	(301)
Closing balance at 31 March	***2,911***	**2,747**

	Assets 2024/25 £'000	**Assets 2025/26 £'000**
Opening Balance at 1 April	***4,489***	**4,607**
Interest on assets	*219*	261
Return on assets (less interest)	*(74)*	327
Other actuarial gains	*0*	0
Estimated benefits paid net of transfer	*(114)*	(301)
Employer contributions	*60*	59
Contributions by scheme participants	28	28
Administration Expenses	(1)	(2)
Closing balance at 31 March	***4,607***	**4,979**

	2024/25 £'000	**2025/26 £'000**
Opening impact of asset ceiling	***(1,229)***	**(1,696)**
Interest on asset ceiling	*(60)*	(99)
Actuarial losses / (gains)	*(407)*	(437)
Closing balance at 31 March	***(1,696)***	**(2,232)**

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 **£588,268** (2024/25: gain of £145,277).

Scheme History

	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000
Present Value of Liabilities				
Local Government scheme	(2,884)	(3,260)	(2,911)	(2,747)
Fair Value of Assets in Local Government Pension Scheme	3,911	4,489	4,607	4,979
Impact of Asset Ceiling	(1,027)	(1,229)	(1,696)	(2,232)
(Deficit)/Surplus of the Scheme	0	0	0	0

The liabilities show the underlying commitments that the Partnership has in the long term to pay post employment (retirement) benefits. The asset ceiling is defined as the present value of any economic benefits available in the form of reductions in future contributions to the plan. The actuaries have calculated whether there are economic benefits in the form of reductions in future contributions, in accordance with International Financial Reporting Interpretations Committee - Interpretation 14 (IFRIC 14). The economic benefits were calculated as £2,231,843 (including interest of £98,383); however, as there is no unconditional right to a refund, no asset is recognised.

In 2025/26 the pension balance of nil has no impact on the Balance Sheet of Tactran.

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 2026.

The principal assumptions used by the actuary have been:

		2022/23	2023/24	2024/25	2025/26
Expected Return		(5%)	14%	3%	13%
Longevity at 65 for current pensioners:					
Retiring Today:	Males	19.0	18.9	18.8	19.4
	Females	22.4	21.6	21.7	21.9
Retiring in 20 Years:	Males	20.4	20.2	20.2	20.7
	Females	23.9	23.1	23.2	23.4
Past service liability duration (years)		16	17	16	16
Rate of inflation (CPI)		2.9%	2.95%	2.9%	2.9%
Rate of increase in salaries		3.9%	3.95%	3.9%	3.9%
Rate for discounting scheme liabilities		4.8%	4.9%	5.8%	6.15%

Sensitivity Analysis

	£'000	£'000	£'000
Adjustment to discount rate	**+0.1%**	**0.0%**	**-0.1%**
- Present value of total obligation	2,706	2,747	2,789
- Projected service cost	52	53	55
Adjustment to long term salary increase	**+0.1%**	**0.0%**	**-0.1%**
- Present value of total obligation	2,755	2,747	2,740
- Projected service cost	53	53	53

Adjustment to pension increase and deferred revaluation	**+0.1%**	**0.0%**	**-0.1%**
- Present value of total obligation	2,782	2,747	2,713
- Projected service cost	55	53	52
Adjustment to mortality age rating assumption	**+ 1 Year**	**None**	**- 1 Year**
- Present value of total obligation	2,829	2,747	2,667
- Projected service cost	55	53	52

Pension Scheme Asset Breakdown

Local Government Pension Scheme assets consist of the following categories, by proportion of the total assets.

	31 March 2025	**31 March 2026**
Equities	*66%*	75%
Gilts	*6%*	6%
Other Bonds	*7%*	6%
Property	*15%*	10%
Cash	*6%*	3%
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 2027 is **£58,907**.

12. FINANCING AND INVESTMENT INCOME AND EXPENDITURE

	2024/25 £'000	**2025/26 £'000**
Pensions interest cost and expected return on pensions assets	*(1)*	(2)
Interest receivable and similar income	*(44)*	(25)
Interest payable and similar charges	*1*	1
	(44)	(26)

13. AGENCY SERVICES

Agency arrangements operate where Tactran undertakes work on behalf of other RTP's and other public bodies. The agency income and related expenditure is shown below.

	31 March 2025		**31 March 2026**	
	Income £'000	***Expenditure £'000***	**Income £'000**	**Expenditure £'000**
Community Projects Transition Fund	*2,428*	*2,428*	0	0
	2,428	*2,428*	0	0

14. 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. The Scottish Government is also a related party providing the statutory framework under which Tactran operates and providing a significant amount of grant funding amounting to £496,612 in 2025/26 (£496,612 in 2024/25).

During 2025/26 the Partnership entered into a number of transactions with the constituent Councils, and these are detailed as follows:

2024/25			2025/26	
Income From £'000	***Payments To £'000***		**Income From £'000**	**Payments To £'000**
		Angus Council		
(24)	*0*	Tactran Requisition	(24)	76
(3)	*0*	Other Income	(0)	0
(27)	*0*		(24)	76
		Dundee City Council		
(29)	*0*	Tactran Requisition	(29)	70
(4)	*0*	Other Income	(18)	0
0	*22*	Supplies and Services	0	67
0	*1*	Third Party Payments	0	2
(33)	*23*		(47)	139
		Perth and Kinross Council		
(31)	*0*	Tactran Requisition	(31)	0
(43)	*0*	Interest Receivable	(25)	0
(4)	*0*	Other Income	(53)	0
0	*4*	Supplies and Services	0	7
0	*0*	Third Party Payments	0	67
0	*33*	Central Support Services	0	33
(78)	*37*		(109)	107
		Stirling Council		
(19)	*0*	Tactran Requisition	(19)	0
0	*0*	Third Party Payments	0	0
(19)	*0*		(19)	0

15. 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 2026.

2024/25 Amount Due To/(From) £'000		**2025/26 Amount Due To/(From) £'000**
	Angus Council	
(4)	RTS	0
0	P&P	60
(4)		60
	Dundee City Council	
(6)	Supplies and Services	88
(4)	RTS	0
(10)		88
	Perth and Kinross Council	
(24)	Interest Receivable	(12)
(4)	RTS	0
0	Staff Cost	39
2	Supplies and Services	29
0	P&P	(24)
(26)		32
	Stirling Council	
(5)	Requisition	0
0	RTS	0
(5)		0

16. FINANCE AND OPERATING LEASES

Partnership as Lessee

The Partnership held no assets on finance lease during 2025/26 (2024/25: None) and accordingly there were no finance lease rentals paid to lessors during 2025/26 or 2024/25. The Partnership occupies office premises in Perth on an operating lease which commenced in November 2006.

Tactran adopted IFRS 16 from 1 April 2024. Properties that fall under the scope of IFRS 16 have now been reclassified as right-of-use assets on the balance sheet.

Right of Use Assets

Tactran has applied IFRS 16 Leases as required by the CIPFA Code of Practice for Local Authority Accounting in the United Kingdom (the Code) for 2025/26. The main impact of the requirement is that for arrangements previously accounted for as operating leases (i.e. without recognising the leased property as an asset and future rents as a liability) a right-of- use asset and a lease liability are to be brought into the balance sheet from 1 April 2024.

Tactran renewed the lease for office premises in November 2025 for a further three years, with the lease now expiring in November 2028. Tactran has applied PWLB interest rates at 20 November 2025 to the outstanding lease rentals at a rate in line with the term remaining on the lease of 4.60%. Lease interest charged in 2025/26 was £1,036.

	2024/25 £'000	**2025/26 £'000**
Value at 1 April	*0*	8
Additions during the year	*20*	37
Principal repaid in year	*(12)*	(12)
Value at 31 March 2026	***8***	**33**
Analysed by:		
Current	*8*	12
Non-current	*0*	21

17. FIXED ASSETS

	2024/25 £'000 *Right-of-Use Assets*	**2025/26 £'000** Right-of-Use Assets
Gross Book Value		
As at 1 April	*0*	21
Additions	*21*	16
As at 31 March	*21*	37
Depreciation		
As at 1 April	*0*	13
Depreciation Charge for Year	*13*	12
Depreciation W/B on Lease Renewal	*0*	(21)
As at 31 March	*13*	4
Net Book Value at 31 March	***8***	**33**

18. DEBTORS

2024/25 £'000		2025/26 £'000
	Current (Due within 1 year)	
4	Angus Council	0
71	Central Government	65
11	Dundee City Council	0
28	Perth and Kinross Council	58
5	Stirling Council	0
307	Other Entities and Individuals	540
426		663

19. CREDITORS

2024/25 £'000		2025/26 £'000
0	Angus Council	60
1	Dundee City Council	88
2	Perth and Kinross Council	90
0	Stirling Council	0
1,088	Other Entities, Individuals and Employee Accrual	588
1,091		826

20. GRANT INCOME

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

	2024/25 £'000	2025/26 £'000
Scottish Government	*497*	497
Constituent Authorities	*103*	103
	600	600

Additional funding received during the year to augment the RTS and Capital Programmes is disclosed within Section 6 – Financial Performance.

21. 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 2025		31 March 2026	
	Carrying Amount £'000	*Fair Value £'000*	Carrying Amount £'000	Fair Value £'000
Cash	*903*	*903*	454	454
Debtors	*355*	*355*	598	598
	1,258	*1,258*	1,052	1,052

Fair value of Financial Liabilities carried at Amortised Cost

	Long-Term		Current		Total	
	31 March 2025 £'000	*31 March 2024 £'000*	*31 March 2025 £'000*	*31 March 2024 £'000*	*31 March 2025 £'000*	*31 March 2024 £'000*
Creditors	*0*	*0*	795	1,061	795	1,061
Lease	*21*	*0*	12	8	33	8
	21	*0*	807	1,069	828	1,069

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 2026 £'000	**Historical experience of default %**	**Historical experience adjusted for market conditions as at 31 March 2026 %**	**Estimated maximum exposure to default and uncollectability £'000**
Deposits with banks and other financial institutions	454	0	0	0
Customers	0	0	0	0
Total	**454**	**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 2025 £'000	31 March 2026 £'000
Less than three months	355	598
Total	355	598

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.

Market Risk

Interest rate risk

Tactran has no borrowing, with interest rate risk limited to interest earned. The Partnership is exposed to interest rate fluctuations on its deposit of surplus funds with Perth and Kinross Council, with the rate being variable through its link to the Bank of England base rate. Reductions in interest rate will reduce interest earned and reduce income credited to the Comprehensive Income and Expenditure Statement. For example, a 1% reduction in interest rate would result in a £9,860 reduction in interest receivable.