



**TRANSPORT  
SCOTLAND**  
CÒMHDHAIL ALBA

# Annual Report and Accounts

2023-24





# Contents



## **03 Introduction**

---

## **04 Performance Report**

---

## **04 Chief Executive's Foreword**

---

## **06 The story of 2023-24**

---

06 Our highlights

11 Case study 1 Caledonian Sleeper into Public Ownership

13 Case study 2 Project PRIME – Motorcycle Casualty Reduction Innovation

15 Case study 3 Road Safety Improvements

## **17 Performance Overview**

---

18 Purpose and activities

19 What we are responsible for

20 Organisational structure

## **30 What We Do**

---

## **36 Performance Summary**

---

## **39 Financial Performance**

---

40 Our key risk and challenges

## **44 Performance Analysis**

---

45 Promote equality

48 Take climate action

49 Help deliver inclusive economic growth

53 Improve our health and wellbeing

55 Putting people at the heart of our delivery

58 Financial performance and use of resources

59 Outturn analysis

## **64 Environmental and Social Matters**

---

66 Sustainability

## **69 Social inclusion and community benefits**

---

## **77 Looking Ahead**

---

## **80 Accountability**

---

81 Corporate Governance report

81 Directors' report

87 Statement of Accountable Officer's responsibilities

88 Governance statement

## **99 Remuneration and Staff Report**

---

100 Remuneration report

108 Staff report

## **113 Parliamentary Accountability and Audit Report**

---

## **116 Independent Auditors' Report**

---

116 Reporting on the audit of the financial statements

118 Reporting on the regularity of expenditure and income

119 Reporting on other requirements

120 Use of my report

## **121 Annual Accounts**

---

122 Statement of comprehensive net expenditure

123 Statement of financial position

124 Statement of cash flows

125 Statement of changes in taxpayers' equity

## **126 Notes to the accounts**

---

172 Glossary

## **175 Annex**

---

176 Transport Scotland direction by The Scottish Ministers



# Introduction



# Performance Report

## Chief Executive's Foreword



**Alison Irvine**  
Interim Chief Executive  
Transport Scotland

I am pleased to present Transport Scotland's Annual Report and Accounts for 2023-24. As Interim Chief Executive, I am immensely proud of the work and dedication my colleagues have shown this past year.

Our annual report and accounts set out our structure, how we work, our financial performance and how we have performed against our organisation's objectives during the 2023-24 financial year.

There have been some significant achievements over the reporting year which are contributing to improving the lives of the people of Scotland. For example, the Young Person's Free Bus Travel Scheme is having a major impact in improving the lives of our young people, helping them access a wider range of opportunities. Over 130 million journeys had been made under the scheme by March 2024.

The Caledonian Sleeper moved into Public Ownership in June 2023 and has shown strong operational performance, improving guest satisfaction levels and revenue growth. Improvements to Scotland's Railway have progressed including the East Kilbride enhancement project and Barrhead route electrification.

Air quality has been improved through the work on enforcement of the Low Emission Zone (LEZ) in Glasgow which commenced on 1 June 2023, with preparation for LEZ enforcement in Dundee, Aberdeen, and Edinburgh continuing throughout the year.

Major progress has been made on delivering the A9 Dualling Programme in December 2023; a delivery plan for the completion of the programme was announced by Scottish Ministers in the Scottish Parliament. Procurement for the £184.7 million Tomatin to Moy section commenced in Autumn 2023 whilst investment continued for the safety, operation, and maintenance of A9 with over £30 million spent in the 2023-24 financial year. This includes a package of improvements to the route and measures to encourage safer driving.

Our Events and Resilience teams supported the inaugural UCI Cycling World Championships in August 2023 which were staged at ten venues across Scotland and were the single biggest cycling event in history. There were eleven named storms in 2023-24 presenting a number of challenges across the transport sector. We provided rapid and robust responses to these impacts, particularly Storm Babet in October 2023; most notably in Angus, Argyll and Bute and Aberdeenshire.



We published the draft Islands Connectivity Plan in February 2024 including the Vessels and Ports Plan and in Spring 2024 the Fair Fares Review and bus task force report were published. These set out actions to make public transport more accessible, available, and affordable throughout Scotland.

In the year ahead we will continue to focus on the priorities of our National Transport Strategy, fulfilling transport's important role in delivering the Government's priorities to eradicate child poverty, drive economic growth, tackle the climate emergency, and improve public services.



# The story of 2023-24

Transport Scotland's aim is to help deliver the Scottish Government Strategy of creating a healthier, fairer, and more prosperous Scotland for communities, business, and visitors. We seek to create and nurture sustainable and inclusive growth, increase the wellbeing of the people of Scotland and reduce inequalities.

## Our highlights

### Rail

The Caledonian Sleeper moved into Public Ownership in late June 2023, following the successful transition of ScotRail Trains the previous year.

The pilot project to remove peak fares commenced in October 2023 and was initially scheduled to run for six months to March 2024. It was extended twice, first for three months to June 2024 and then to September 2024. Findings from the pilot are due to be published in 2024-25. The year also saw the successful opening of East Linton station on 13 December 2023 alongside continued progress on the East Kilbride enhancement project and Barrhead

route electrification. The Final Delivery Plan for Network Rail to achieve Scottish Ministers requirements in Control Period 7 from 1 April 2024 to 31 March 2029 was agreed with ORR (the Office of Road and Rail). The delivery plan sets out planned activities, outputs, and expenditure of operating, maintaining, and renewing the railway infrastructure over the next five years.

### Ferries

Funding was provided for the operation of essential Clyde and Hebrides and Northern Isles ferry services to support island communities and continuing major investment in ports and vessels.

Key milestones were met in the construction of the four new vessels for Islay and Little Minch routes, including the launch of MV Isle of Islay.

We progressed and completed port improvements to maintain and enhance existing ports and accommodate the new vessels for Islay and Little Minch, including opening of Lochmaddy, and the start of works at Port Askaig, Kennacraig and Colonsay.

## June 2023

Caledonian Sleeper transition into public ownership



## Four

new vessels for Islay and Little Minch routes





### Motorways and Trunk Roads

Short-term improvement measures at the A83 Rest and Be Thankful were completed in year while we progressed the design and assessment of the permanent solution to landslip risks. Construction of Phase 1 of the medium-term improvements to bring increased resilience to the route commenced and are currently ongoing.

Commitment to dualling the A9 from Perth to Inverness was reaffirmed in December 2023 and the delivery plan for its completion published. The procurement process for the construction of the section between Tomatin and Moy was undertaken throughout the year, with the contract awarded in July 2024.

We provided rapid and robust responses to the impact on transport infrastructure from several named storms, in particular Storm Babet in October 2023.

Transport Scotland was a key partner in the delivery of UCI Cycling World Championships, the multi-event championships, which showcased Scotland on a world stage and was a huge success.

### Low Carbon Economy

In 2023-24 our electric vehicle grant activities and loan schemes delivered 1,196 domestic, rural, and factored development charge point grants and funded 1,148 electric vehicles (EV) as well as supporting EV's for community groups. This included vehicles funded through the Low Carbon Transport Loan, which this year approved 1,086 loans for funding, to the value of £24.8 million. Since the fund launched in 2011, we have funded over 7,800 vehicles, representing a value over 150,000 tCO2e saved. Our projected emissions savings for this financial year are 35,261 tCO2e.

We supported delivery of the transition to zero-emission technologies in the bus market through the ScotZEB 2 fund. The fund ScotZEB 2 is designed to drive necessary change in the market, by building collaboration among operators, financiers, and the supply chain into consortia to decarbonise buses and coaches at scale, as rapidly as possible and remove the need for ongoing government subsidy. ScotZEB 2 aims to create new ways of working which can maintain a vibrant and dynamic bus sector, and build new, sustainable jobs in a

## Phase 1

Construction of Phase 1 improvement to the A83 Rest and Be Thankful



## £43 million

to support the transition to zero-emission technologies in the bus market





decarbonised, wellbeing economy. This fund awarded funds totalling £43 million in-year with project implementation to follow in 2024-25 and 2025-26.

The Switched On Fleets grant supports the decarbonisation of public sector fleets. Through this programme, 12 local authorities and 6 public bodies received funding in 2023-24, including NHS boards and the Scottish Ambulance service. Funding supported the installation of EV charging infrastructure.

We supported senior leaders from Scotland's HGV industry to develop a set of actions to help the sector transition to net zero. The **HGV Decarbonisation Pathway** is the result of 18 months of work by the Zero-Emission Truck Taskforce, whose members come from the haulage and logistics sector; energy sector (both hydrogen and electricity); truck manufacturing; government; unions; and commercial financiers. The pathway which was published in March 2024 sets out the four key challenges posed by a move to zero-emission trucks, and how to address these.

We also supported the introduction of the Vehicle Emissions Trading Schemes in Scotland, alongside the parallel introduction of the Schemes in England and Wales – a significant measure to support the delivery of net zero for the automotive sector. The Schemes set an annual target for the percentage of new cars and vans sold to be zero emission, from 22% cars and 11% vans in 2024, to 80% cars and 70% vans by 2030.

## Bus

We delivered over £353 million in concessionary reimbursement payments to 300 participating operators. This covered both the National Bus Travel Concession Scheme for Older and Disabled Persons and the National Bus Travel Concessions Scheme for Young Persons.

We also delivered over £44 million in Network Support Grant payments. All of these are critical in supporting the continued effective operation of Scotland's bus industry.

We published the summary bus taskforce report in April 2024. The Bus Taskforce was set up in 2022 to support this transition of the bus sector from the additional government support provided during the pandemic to a more sustainable future. This report summarises the findings of the bus taskforce sub groups on patronage growth, driver shortages and community engagement. A best practice guide on community engagement was published alongside the report.

## £353 million

in concessionary  
reimbursement  
payments







The National Smart Ticketing Advisory Board was established in November 2023. This board is responsible for advising Scottish Ministers on smart ticketing in Scotland and is one of the measures from the Transport (Scotland) Act 2019. It will set forth its roadmap in 2024.

We launched the ferry concession scheme on the concession's smartcard platform, moving from the previous paper format to bring the national bus and ferry concession services for Islands residents in Orkney and Shetland into one place, on their saltirecard (also known as the National Entitlement Card) in a first for concession services in the UK.

We commenced the project to implement the next generation Digital Travel Data Services, to improve journey planning services via Traveline Scotland and other third-party planning services.

### Active Travel

220 Places for Everyone active travel projects were in progress throughout the year. 21 of these completed including major routes at South City Way (Glasgow) and Edinburgh East West Route.

25 National Cycle Network projects were delivered continuously through the year, with 9 completed and over 400 barriers removed to make the network more accessible, including Cullen Embankment and Gourrock Station.

A number of projects that were supported by the Active Travel Transformation Fund completed during 2023-24. These included Picardy Place Public Realm by City of Edinburgh Council, A77 Active Travel Corridor Phase 2 by East Renfrewshire Council, Habost Phase 3 – active travel pedestrian pathway by Comhairle

Nan Eilean Siar and A970 South Rd Roundabout Path by Shetland Islands Council.

300 schools across Scotland took part in the 15th Anniversary Big Walk and Wheel.

The 'I Bike' Schools Programme was delivered across nine local authority areas with over 52,000 pupils in attendance. Successful events were held in Perth & Kinross and Dumfries & Galloway Councils to coincide with the UCI Cycling World Championships – combined, these had over 300 participants. In addition, 300 schools across Scotland took part in the 15th Anniversary Big Walk and Wheel.

In addition, we supported Active Nation Fund projects through the year including school active travel hubs, 'pop up' Mobility Hubs that focus on bike share, a national walking campaign, e-bike trials with employers, work aimed at children and young people, and community access to bikes.

Through Smarter Choices Smarter Places, we allocated £5 million in grants across thirty-two local authorities, and £5 million across over 100 public and third sector projects.

**400 barriers**  
removed to make the National  
Cycle Network more accessible





## Transport Strategy and Analysis

In November 2023 we provided the first National Transport Strategy report to the Scottish Parliament as required by statute. This report provides an overview of the continued commitment to the Strategy and as detailed in the publication of our annual Delivery Plans, the actions being taken by the Scottish Government to deliver the vision and priorities for transport.

We published the third annual Delivery Plan for Scotland's National Transport Strategy in December 2023, which set out the key actions taken by the Scottish Government to deliver the Strategy's vision and priorities for 2023 and 2024.

The Transport Just Transition discussion paper was published in June 2023 to support public engagement on how the transport sector should achieve net zero in a fair and just manner.

The Fair Fares Review, published in March 2024, sets out recommendations and actions to be undertaken to deliver on our vision for the future of public transport. These recommendations and actions will ensure a sustainable and integrated approach to public transport fares that supports the future long-term viability of a public transport system that is accessible, available, and affordable for people throughout Scotland.

In addition, we have continued to produce and publish key pieces of transport analysis. This has included the one year on evaluation of the young people's concessionary travel scheme in December 2023, showing the impacts of

the scheme to date; and Transport and Travel in Scotland in February 2024, which provided key statistical analysis and insights on travel behaviours following the Covid-19 pandemic.

In December 2023, Transport Scotland hosted a stakeholder event on women's and girls' safety on public transport, bringing together over 30 organisations to discuss with the Cabinet Secretary how to take forward recommendations from research on this produced earlier in the year.

We have continued to lead engagement with the UK Government on transport matters, including leading the process of obtaining legislative consent for the new UK legislation on automated vehicles.

## Aviation

We have continued to work in close partnership with VisitScotland, Scottish Development International (SDI) and Scotland's airports to grow international connectivity for business, tourism, and exports.

We welcomed the start of Delta Air Lines Atlanta route in 2023, operating alongside their established New York and Boston routes and WestJet's decision to add a Calgary route in addition to their Toronto and Halifax routes.

We continued to engage with airlines at Routes events, promoting Scotland as a destination that can support new long haul routes connecting Scotland with key global markets, and progressing the Scottish Government's ambition to help make Scotland at least as well connected as peer nations.



# Case studies

## Caledonian Sleeper Services Into Public Ownership



In March 2023, the then Minister for Transport announced that Caledonian Sleeper services would be brought into public ownership.

An experienced and committed project team in Transport Scotland worked with colleagues in Scottish Rail Holdings and Caledonian Sleeper to undertake the management of the work involved to successfully bring Caledonian Sleeper services into public ownership.

Bringing Caledonian Sleeper services into public ownership has enabled the following key benefits:

1. Operating under public sector control, our railway is fully integrated and truly accountable and will continue to deliver better and more efficient services for rail users, communities, the economy, business, and tourism.



2. Maximising the contribution that rail services can make to tackling climate change. While the numbers using the Caledonian Sleeper services are comparably low to other operators, the service offers a viable alternative to both aviation and private car journeys. This has the potential to shift such journeys onto the railway thus providing a positive contribution to tackling climate challenge.
3. Improving industry alignment and service integration, where possible, to increase effectiveness, reduce costs and place the rail industry on a sustainable financial footing.
4. Supporting an environment where the whole rail system can respond swiftly and effectively to proposals for rail reform.

Caledonian Sleeper guest numbers have now recovered beyond the levels experienced prior to the pandemic. It is now enjoying record levels of patronage, forward bookings, and revenue and guest satisfaction levels remain consistently above target. Caledonian Sleeper is successfully managing the transition from SERCO, with key appointments recruited to and secured to develop the business.

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**The service plays a significant role in showcasing the best of Scotland and it is important to continue to build on that success which will contribute to Scotland's tourism market in the years to come.**

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## Project PRIME – Motorcycle Casualty Reduction Innovation



Motorcyclists account for only 2.2% of registered vehicles in Scotland but represent a disproportionately high number of killed or seriously injured casualties.

Project Perceptual Rider Information for Maximising Expertise and Enjoyment (PRIME) was the first ever large-scale trial of dedicated road markings for motorcyclists, addressing the specific problem of motorcycle casualties on Scotland's roads and supporting interim targets in the Scottish Government Road Safety Framework to 2030.

From 2020 to 2022 innovative road markings and associated signs were installed on approach to demanding bends at 22 trial sites and two comparison sites on the trunk road network across the West Highlands of Scotland. The PRIMEs are intended to influence three aspects of rider behaviour; namely, lateral position, speed, and braking, all of which are associated with safe cornering.



The project is managed by a team which includes Transport Scotland, BEAR NW operating company and a leading academic in the field of human factors psychology. Each year the work included site-identification, design, applications for non-prescribed signs installation, research ethics applications, installations, road safety audits, the research road trials, data analyses and reporting, along with journal submissions and dissemination of key findings.

With 32,213 motorcycles analysed (the largest investigation of its kind), PRIMEs produced significant and sustained positive behavioural changes in speed, road position and braking, supporting Scotland's 'Road Safety Framework to 2030' and the 'Safe System' approach to road safety.

In 2023 the project received recognition at a number of award ceremonies including the coveted Prince Michael International Road Safety Award.

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**Phase 2 of Project PRIME is now well underway with further road trials intended to broaden the understanding of the effects of PRIMEs and assist with their wider use on our roads.**

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**32,213**

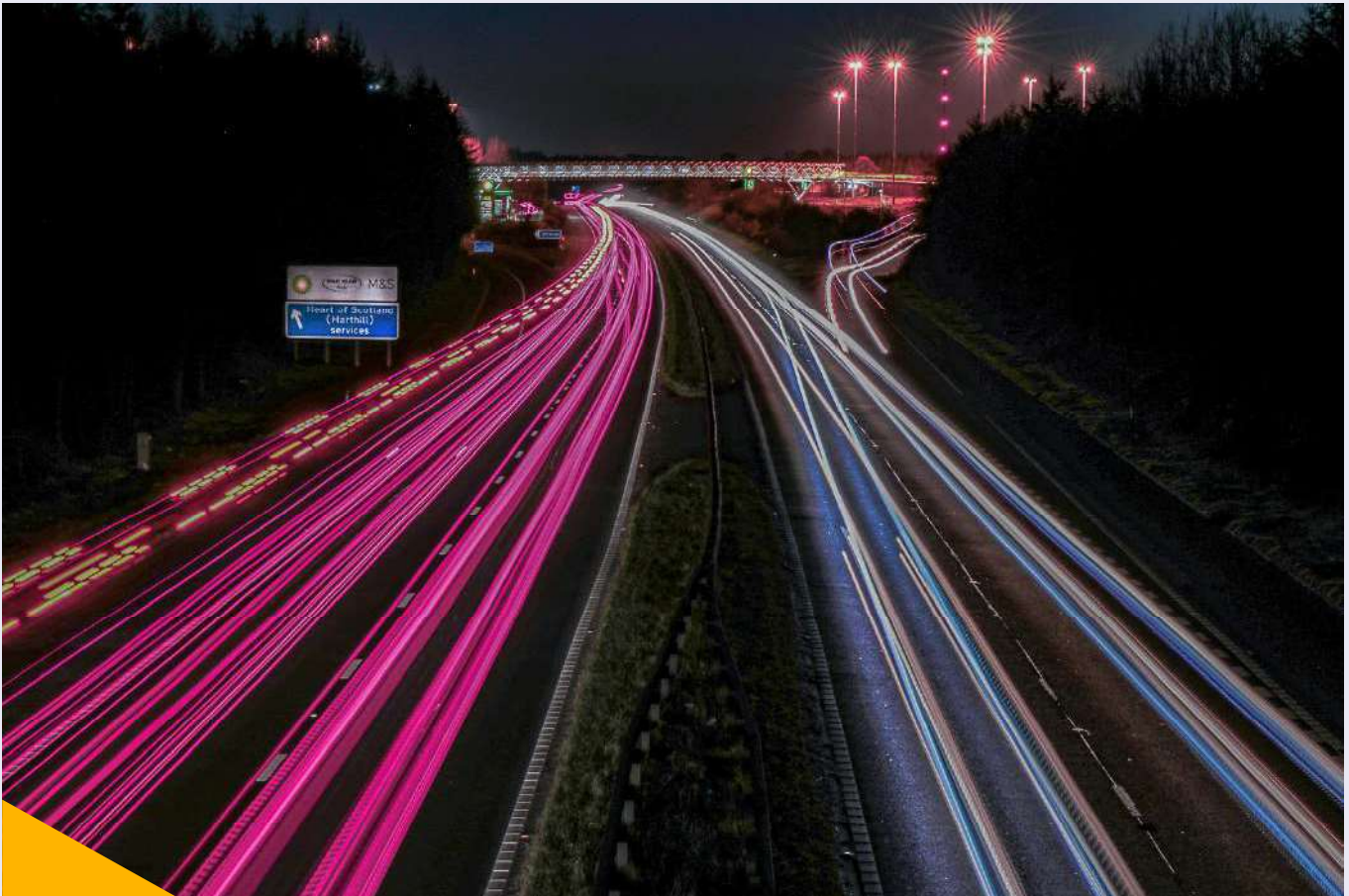


**motorcycles analysed (the largest investigation of its kind), PRIMEs produced significant and sustained positive behavioural changes in speed, road position and braking, supporting Scotland's 'Road Safety Framework to 2030' and the 'Safe System' approach to road safety.**

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## Road Safety Improvements



In 2022, thirteen people sadly lost their lives on the A9 between Perth and Inverness in eight separate collisions. This was a concerning increase from the one fatality recorded in each of the three preceding years. Urgent action was required, and in December 2022 a £5 million package of funding over a 27-month period was announced. It was to focus on two key areas: road safety engineering measures and public road safety campaigns.

Aware of the benefits of partnership working, Transport Scotland established a group comprising the Trunk Road Casualty Reduction Team, Network Maintenance, Road Safety Scotland, BEAR Scotland and Police Scotland with the remit of bringing their collective expertise to agree mitigations and solutions.



The engineering measures which commenced in January 2023 and will continue until April 2025 focus on:

- enhancing road markings on single carriageway sections with new centre and edge lines
- solar-powered illuminated road studs and surface markings that provide improved clarity of junction layout at night
- upgrading the transitions from dual to single carriageway
- doubling the number of signs and road markings, reaffirming 'drive on the left' on single carriageway sections
- deployment of eight mobile variable message signs at key locations on the route during the peak tourist season to reinforce key road safety and considerate driving messages

Alongside these engineering measures, Road Safety Scotland undertook two campaigns around fatigue and driving on the left, to improve road safety. These campaigns were shaped by data we collated and conversations with Police Scotland which highlighted these as factors in a number of collisions.

**The group continues to meet on a regular basis and focuses on understanding the accidents trends and ensuring that engineering and campaign activities are focused on the right areas, effectively managing the funding package for the greatest benefit.**



**£5 million**  
awarded in funding





# Performance Overview





# Performance overview

The purpose of this section is to provide an overview of Transport Scotland, its purpose, and activities. The section also includes information on key risks and issues for the organisation and a high-level summary of performance in 2023-24.

## Purpose and activities

Formed on 1 January 2006, Transport Scotland is the national transport agency for Scotland and forms part of the Scottish Government.

Transport underpins how Scotland works and performs, and through the development of our transport projects and policies, we support our businesses, communities, and services, connecting people across Scotland and beyond. Our purpose is to deliver the Scottish Government's vision for transport which is set out in the National Transport Strategy 2.

### Reduces inequalities

- Will provide fair access to services we need
- Will be easy to use for all
- Will be affordable for all



### Helps deliver inclusive economic growth

- Will get people and goods where they need to get to
- Will be reliable, efficient and high quality
- Will use beneficial innovation



### Take climate action

- Will help deliver our net zero target
- Will adapt to the effects of climate change
- Will promote greener, cleaner choices



### Improves our health and wellbeing

- Will be safe and secure for all
- Will enable us to make healthy travel choices
- Will help make our communities great places to live





## What we are responsible for:

- Developing and delivering policies that are consistent with the National Transport Strategy
- Promoting active and sustainable travel and reducing car dependency
- Work to transition the transport sector to a decarbonised future
- Supporting the key movement of goods and people
- Improving travel experiences for all users
- Overseeing the delivery of a safe and reliable rail service for passengers
- Managing the Clyde and Hebrides and Northern Isles Ferry Service Contract and investment for vessel replacement and associated port and harbour infrastructure
- Supporting our sponsor bodies in their duties
- Operating, maintaining, and improving Scotland's motorway and trunk road as well as bridge network
- Administering subsidy, concessionary travel programmes and grants for bus services
- Working with airports and airlines on sustainable aviation
- Connecting rural Scotland and growing international connectivity
- Collating and publishing Transport statistics, research, and data
- Working with the UK Government's Department for Transport to better understand the potential impact of policies in reserved areas or changes in UK legislation



### Organisational structure:

The Chief Executive is the Accountable Officer for the agency, appointed by the Permanent Secretary to the Scottish Government and reporting to the Portfolio Accountable Officer, currently Director-General Net Zero. They are supported by a senior management team comprising nine Directors.

Each Director oversees one or more transport modes and/or policy areas and is supported by a range of teams covering all aspects of business delivery within their respective directorates. We also support Scottish Ministers in prioritising future transport policy, strategy and investments and the delivery of a low carbon economy.

There are nine Transport Scotland directorates as shown below.





## Aviation, Maritime, Freight & Canals

Promotes Scotland's international connectivity and transport links to our remote and island communities, and responsible for:

- project delivery, operational performance, and policy development
- aviation route development and lifeline services
- maritime interest including ports, harbours, and freight
- looking after Scottish Ministers' interests in, David MacBrayne Limited, Caledonian Maritime Assets Limited, Highlands and Islands Airports Limited, and Scottish Canals.



Kirkintilloch Canal Festival by Joanne Demarco



Wick Airport



## Bus, Accessibility & Active Travel

Responsible for the Scottish Government's policy relating to bus, active travel, smart and integrated ticketing, and accessible travel, including:

- enabling local authorities, operators, and delivery partners to improve sustainable, accessible local transport options and get the travelling public back on the buses
- promoting walking, cycling, and wheeling
- operating the concessionary bus travel scheme for disabled, older, and young people
- working with operators to ensure all journeys on Scotland's bus, rail, ferry, subway, and tram networks can be ticketed or paid for using smart technologies.



Glasgow Bus by Tommy McPhelim



New ScotRail bus link service. Photo by ScotRail



## Ferries

Promoting connectivity of our islands and remote communities through contract management, vessel and infrastructure replacement and the Islands Connectivity Plan and responsible for:

- management and future development of Clyde and Hebrides (CHFS) and Northern Isles (NIFS) ferry contracts
- operational policy development, including fares, timetabling, accessibility
- strategic policy development, including island connectivity, climate change response and links with population and economic growth
- broad range of active stakeholders for island communities, SMEs/industries (food/drink, tourism, etc.), local authorities, essential services
- impacts across wider Ministerial portfolios (Islands, Energy, Food & Drink, Environment, Climate Change etc.)
- local authority Ferries administration of Scottish Government funding, task forces and engagement.



CalMac Ferry in Arran by David Hall



Waverley Paddle Steamer at Largs by David Hall



## Finance & Corporate Services

Supports the operation and governance of Transport Scotland, including:

- providing staff across the organisation with dedicated HR and Learning and Development, ICT, facilities management and health and safety services
- helping the organisation to run smoothly through advice, support and challenge on information governance, business planning and risk management, as well as coordinating corporate correspondence
- aiding Transport Scotland messaging both internally and externally through corporate, digital and media communications
- providing technical and management accounting support to policy areas to drive best practice, compliance, and value for money
- overseeing the financial accounting and reporting function of the organisation, as well as providing an accounts payable service
- providing a strategic advice and coordination function to the Cabinet Secretary on Portfolio Finance
- ensuring the smooth running of the organisation's Risk, Health & Safety and Audit & Risk Committees.



Scottish Parliament by Patrick Down





## Low Carbon Economy

Responsible for working with partners and stakeholders to create the conditions for Scotland to lead in and benefit from the shift to zero-emission vehicles and infrastructure, including:

- leading on the delivery of the Scottish Government's road transport Climate Change targets
- driving the transition to zero-emission vehicles for consumers and fleets through legislation, regulation, research, advice, engagement, and support
- delivering Scotland's Vision for public electric vehicle (EV) charging, working with local authorities and the private sector to leverage private investment to continue to grow public EV charging in Scotland at pace and scale
- exploring long-term grid implications of electrification of transport
- collaborating with partners on economic and workforce strategy within the Transport Just Transition Plan.



Decarbonising Scotland's HGVs



Electric Infrastructure



## Major Projects

Responsible for design, development, procurement, and construction of major trunk road improvement projects across Scotland.

Other responsibilities include:

- delivering large-scale infrastructure projects, such as road upgrades, expansions, and bridge constructions
- co-ordinating with various stakeholders, including government agencies, local authorities, private contractors, and design consultants, to ensure project alignment and successful implementation
- conducting feasibility studies, risk assessments and environmental impact assessments to inform project decision making
- leading and advising on procurement and contract management matters for Transport Scotland
- contributing to our ambition to become a Centre of Excellence for the delivery of major projects.



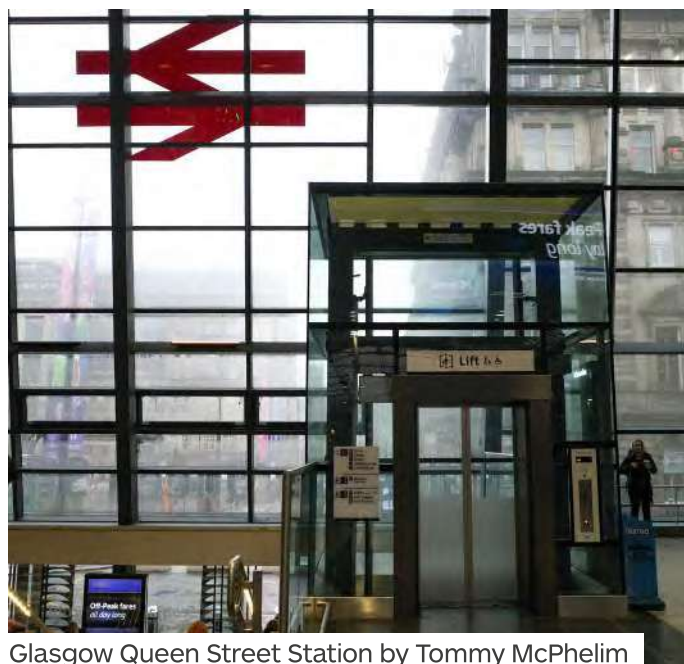
Forth Rail Bridge by Tommy McPhelim



## Rail

Responsible for Scotland's rail policy and delivery, including:

- sponsoring and overseeing the management of the ScotRail and Caledonian Sleeper rail services
- developing rail policy and strategic planning, including aligning it with wider social and economic policy
- delivering major projects alongside industry partners
- promoting and investing in the development of sustainable rail freight
- overseeing the economic regulation of the railways, and monitoring and advising on the affordability of the rail programme.



Glasgow Queen Street Station by Tommy McPhelim



Transport Minister Fiona Hyslop formally opens the new East Linton station



## Roads

Responsible for the safe, efficient, and sustainable operation and maintenance of the Scottish Trunk Roads including:

- asset management and technical standards
- procurement, contracts, and commercial management
- roads policy
- road safety casualty reduction
- Intelligent Transport Systems
- transport resilience, winter service, incident response and planning for major events
- roads and bridges design standards
- air quality, environmental protection, sustainability, landscape, biodiversity, and climate change adaptation.



By Tommy McPhelim



By John Stewart



## Transport Strategy & Analysis

Responsible for transport strategy and integration, transport futures, transport analysis and strategic transport planning, including:

- oversight of the delivery of the National Transport Strategy and the transport sector's contribution to the Government's statutory targets, priorities, and missions (this includes climate change policy and transport's contribution to the Scottish Government Climate Change plan including a just transition for Transport)
- supporting the organisation with analytical research, statistics, transport appraisal, economics, modelling, and evaluation
- the future of transport including public transport fares, integration, and modal shift
- the route map to reducing car distance travelled in Scotland and establishing a demand management framework
- advice and support on transport infrastructure investment, including application of Scottish Transport Appraisal Guidance and business case development
- portfolio management for Transport at Cabinet, including performance reporting and coordination
- strategic relationships with UK and other devolved administrations, EU alignment and relevant legislation

- transport governance, including strategic relationship with Regional Transport Partnerships, sponsorship of the Scottish Roadworks Commissioner and Mobility and Access Committee for Scotland, also oversight of European Regional Development Funding for low carbon transport.



M8 Carriageway by Tommy McPhelim

# What We Do





## What we do

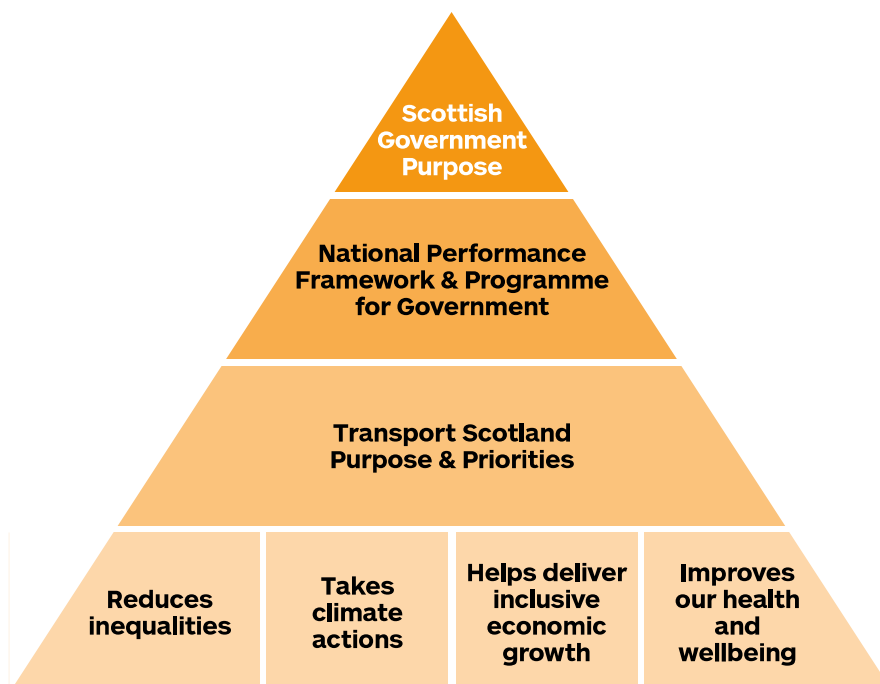
As an executive agency of the Scottish Government, and Scotland's national transport agency, we focus our activities on delivering, through our **National Transport Strategy (NTS2)**, the transport-focused National Outcomes within the **National Performance Framework (NPF)** and the **Programme for Government (PfG)**. We are focused on the priorities underpinning our vision for Scotland – to deliver a transport system that reflects Scottish Ministers' NTS priorities of reducing inequality, tackling climate change, delivering inclusive economic growth, and improving our health and wellbeing, while delivering on our commitment of managing a just transition to net zero by 2045.

## Our contribution to The National Performance Framework

Our organisational focus continues to be on how we will support, through our **National Transport Strategy (NTS2)**, the transport-focused national outcomes within the **National Performance Framework (NPF)** and the **Programme for Government (PfG)**. Our five organisational priorities have been developed to focus our work towards them and are supported by a suite of supporting targets and outcomes which we have reported in this report.

The PfG is steered by the longer-term vision in the NPF, and its aim is to set out the actions required to deliver the outcomes within the NPF.

Our NTS has been mapped against the National Outcomes within the NPF, contributing to nine of these, as well as all seventeen of the Key United Nations Sustainable Development Goals.





## Our national transport strategy

In our NTS, we have set out an ambitious and compelling vision for our transport system for the next twenty years. It seeks to protect our climate and improve the lives of the people of Scotland.

The NTS commits to collaborative working with wider partners in shaping our future transport system. Continued close partnership and collaboration with partners will be vital to successfully realising the strategy's vision, priorities, and outcomes.

NTS2 has four priorities, each with three associated outcomes. It sets out a high-level framework to inform transport decision making. These priorities and outcomes, outlined below in the Performance Summary, form the heart of the Strategy and are the basis upon which we take decisions and evaluate the success of Scotland's transport policies going forward.

In December 2023 we delivered our first **National Transport Strategy: Report to Parliament** which provides an overview of the continued commitment to the Strategy and, as detailed in the publication of **our annual Delivery Plans**, the actions being taken by the Scottish Government to deliver the vision and priorities for transport.





**The National Outcomes will help us to achieve Our Purpose:**

To focus on creating a more successful country with opportunities for all of Scotland to flourish through increased wellbeing and sustainable and inclusive economic growth.

**National Transport Strategy – Contribution Story**

We will have a sustainable, inclusive, safe and accessible transport system helping deliver healthier, fairer and more prosperous Scotland for communities, businesses and visitors.

<p><b>Reduces Inequality</b></p> <ul style="list-style-type: none"> <li>• We will provide fair access to the services we need.</li> <li>• Will be easy to use for all.</li> <li>• Will be affordable for all.</li> </ul>	<p><b>Takes Climate Action</b></p> <ul style="list-style-type: none"> <li>• Helps deliver our net zero target.</li> <li>• Adapts to the effects of climate change.</li> <li>• Promotes greener, cleaner choices.</li> </ul>	<p><b>Helps Deliver Inclusive Economic Growth</b></p> <ul style="list-style-type: none"> <li>• Will get us where we need to get to.</li> <li>• Will be reliable, efficient and high quality.</li> <li>• Will use beneficial technology.</li> </ul>	<p><b>Improves Our Health and Wellbeing</b></p> <ul style="list-style-type: none"> <li>• Will enable us to make healthy travel choices.</li> <li>• Will help make our communities great places to live.</li> <li>• Will be safe and secure for all.</li> </ul>
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**National Performance Framework National Outcomes**



**UN Sustainable Development Goals**



# National Performance Framework



## Key

### National Outcomes in the National Performance Framework



**Children and young people:** We grow up loved, safe and respected so that we realise our full potential



**Communities:** We live in communities that are inclusive, empowered, resilient and safe



**Culture:** We are creative and our vibrant and diverse cultures are expressed and enjoyed widely



**Economy:** We have a globally competitive, entrepreneurial, inclusive and sustainable economy



**Education:** We are well educated, skilled and able to contribute to society



**Environment:** We value, enjoy, protect and enhance our environment



**Fair work and business:** We have thriving and innovative businesses, with quality jobs and fair work for everyone



**Health:** We are healthy and active



**Human rights:** We respect, protect and fulfil human rights and live free from discrimination



**International:** We are open, connected and make a positive contribution internationally



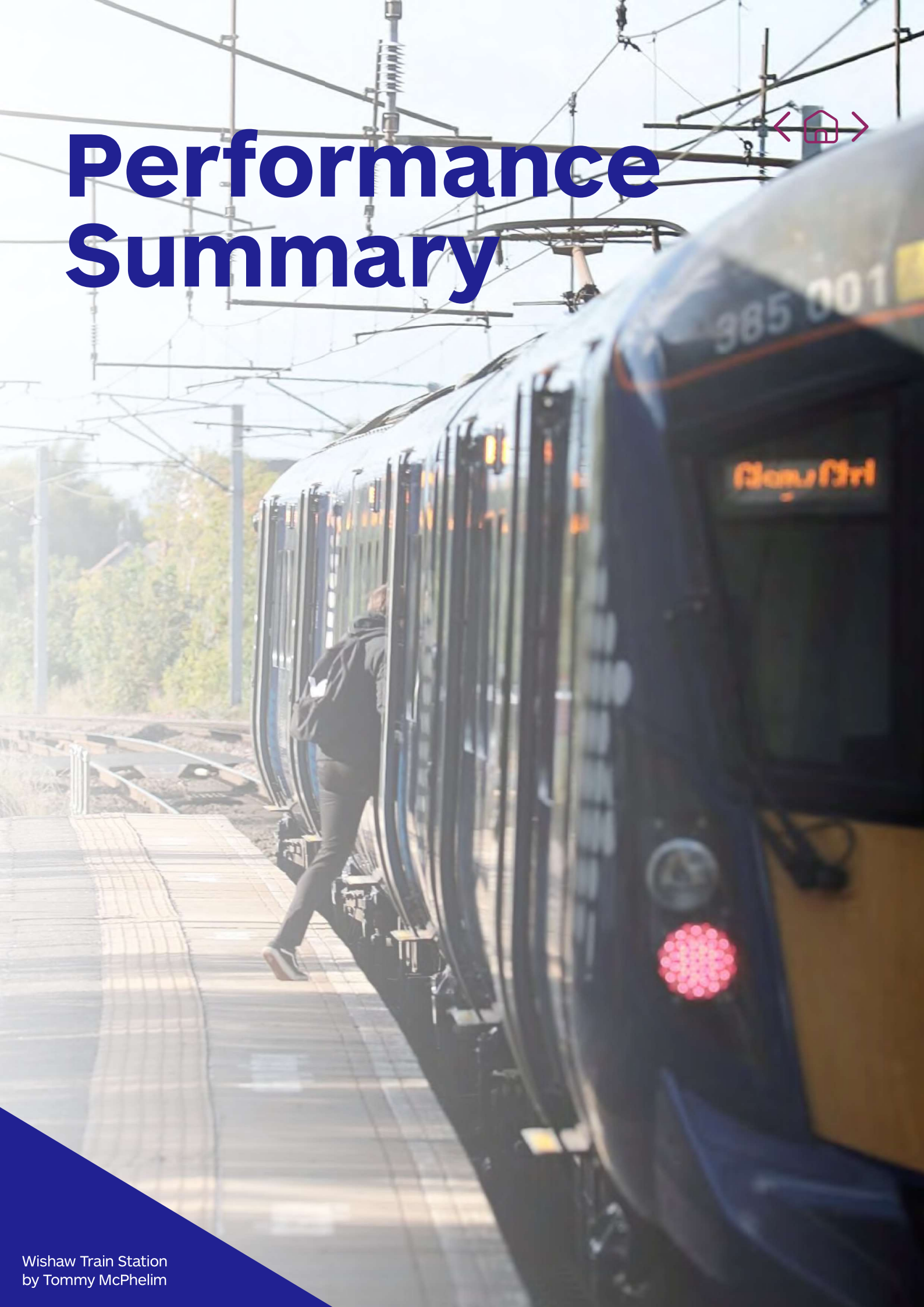
**Poverty:** We tackle poverty by sharing opportunities, wealth and power more equally

# UN Sustainable Development Goals



## Key: UN Sustainable Development Goals

<p><b>1</b> NO POVERTY</p>	<p><b>2</b> ZERO HUNGER</p>	<p><b>3</b> GOOD HEALTH AND WELL-BEING</p>	<p><b>4</b> QUALITY EDUCATION</p>	<p><b>5</b> GENDER EQUALITY</p>	<p><b>6</b> CLEAN WATER AND SANITATION</p>
<p><b>1</b> No Poverty</p>	<p><b>2</b> Zero Hunger</p>	<p><b>3</b> Good Health and Wellbeing</p>	<p><b>4</b> Quality Education</p>	<p><b>5</b> Gender Equality</p>	<p><b>6</b> Clean Water and Sanitation</p>
<p><b>7</b> AFFORDABLE AND CLEAN ENERGY</p>	<p><b>8</b> DECENT WORK AND ECONOMIC GROWTH</p>	<p><b>9</b> INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>	<p><b>10</b> REDUCED INEQUALITIES</p>	<p><b>11</b> SUSTAINABLE CITIES AND COMMUNITIES</p>	<p><b>12</b> RESPONSIBLE CONSUMPTION AND PRODUCTION</p>
<p><b>7</b> Affordable and Clean Energy</p>	<p><b>8</b> Decent Work and Economic Growth</p>	<p><b>9</b> Industry, Innovation and Infrastructure</p>	<p><b>10</b> Reduced Inequalities</p>	<p><b>11</b> Sustainable Cities and Communities</p>	<p><b>12</b> Responsible Consumption and Production</p>
<p><b>13</b> CLIMATE ACTION</p>	<p><b>14</b> LIFE BELOW WATER</p>	<p><b>15</b> LIFE ON LAND</p>	<p><b>16</b> PEACE, JUSTICE AND STRONG INSTITUTIONS</p>	<p><b>17</b> PARTNERSHIPS FOR THE GOALS</p>	
<p><b>13</b> Climate Action</p>	<p><b>14</b> Life Below Water</p>	<p><b>15</b> Life on Land</p>	<p><b>16</b> Peace, Justice and Strong Institutions</p>	<p><b>17</b> Partnerships for the Goals</p>	



# Performance Summary



# Performance summary

During 2023-24 Transport Scotland contributed towards the key deliverables set out in the Corporate and Business Plan 2021-24. A summary of our performance is included below.

## NTS Priority 1: Promote equality

To promote equality, we have:

- continued to provide concessionary bus travel schemes for older and disabled people and young persons (under-22s) in Scotland
- held ticket prices on the Northern Isles and Clyde & Hebrides ferry networks throughout the year, to help people and businesses from Scotland's remote rural and island communities
- introduced the Scotrail Peak Fares Removal Pilot. It was initially scheduled to run for six months between October 2023 and March 2024 and was extended twice, first for three months to June 2024 and then to September 2024.

## NTS Priority 2: Takes climate action

To take climate action, we have:

- launched the second round of the Scottish Zero-Emission Bus Challenge Fund (ScotZEB2) to support change in the bus market in favour of zero-emission technologies, while supporting the work of the Zero-Emission Truck Taskforce to publish an HGV Decarbonisation Pathway for Scotland
- introduced the Vehicle Emissions Trading Schemes Order 2023, setting new targets for the sales of zero-emission cars and vans in Scotland

- progressed our rolling programme of railway electrification, including the East Kilbride Enhancement Project and Barrhead route electrification and station improvement works
- published our discussion paper to support engagement on a just transition for the transport sector
- launched the Active Travel Transformation Fund to provide funding directly to Local Authorities, Regional Transport Partnerships and National Park Authorities to deliver ambitious, construction-ready active travel infrastructure schemes across Scotland
- published our Vision for Scotland's public electric vehicle charging network, setting out what an ideal public charging offer for cars and vans would look like across Scotland; together with private sector provision, our public charging network is the most comprehensive per head in the UK outside of London
- published the Approach to Climate Change Adaptation and Resilience which outlines the key climate risks affecting Scotland's transport system.

## NTS Priority 3: Helps deliver inclusive economic growth

To help deliver inclusive economic growth, we have:

- opened East Linton station in December 2023 and progressed work on the Levenmouth rail project, which entered service in June 2024



- invested over £450 million to date on the A9 dualling project between Inverness and Perth, improving journey times and safety on the route
- provided funding to procure four new major vessels for Islay and the Little Minch routes, which are on track for delivery in 2024 and 2025
- established new air services from Scotland to destinations such as Atlanta and Calgary
- supported delivery of the Cycling World Championships in August 2023, helping to ensure the events across the country ran smoothly for participants and visitors while keeping our transport network moving.

#### NTS Priority 4: Improves our health and wellbeing

To improve our health and wellbeing, we have:

- supported local authorities to look at different ways of delivering bus services in their areas through the Transport (Scotland) Act 2019
- continued the roll-out of 20 miles per hour speed limits in built up areas
- introduced Low Emission Zones (LEZ) in our four largest cities, with Glasgow enforcement commencing in June 2023, as well as offering the LEZ Support Fund for 2023-24 which provides cash incentives and Travel Better credits if non-compliant vehicles are removed from Scotland's roads
- invested in active travel behaviour change programmes aimed at encouraging, empowering, and inspiring children and young people across Scotland to develop sustainable travel habits from an early age.

#### Corporate Priority: To put our people at the heart of our delivery

To put our people at the heart of our delivery, we have:

- continued to review the size and shape of Transport Scotland to best address both current and future challenges. This work will continue through 2024-25 and will consider how we work together to deliver our business objectives
- explored options for the best physical working environment for our people while making the most efficient use of our estate space
- supported preparations for the move of TS HR and Finance data to Oracle Cloud to create a joined-up service, with improved data and insight
- developed a Wellbeing Strategy & Action Plan that will ensure targeted action continues in support of our drive to improve the health and wellbeing of colleagues.

# Financial Performance





# Financial performance

## Our key risks and challenges

The management of risk is an integral part of Transport Scotland strategy, operations and decision making. A risk is anything that can impede or enhance our ability to meet our current or future objectives and the achievement of the Transport Scotland's priorities, responsibilities, and outcomes.

The Transport Scotland Senior Management Team review risks monthly, supported by the Transport Scotland Risk Management Group, which includes representatives of each Directorate. The risk register is also reviewed by the Transport Scotland Audit and Risk Committee at each meeting. Our work and responses to identified risks are underpinned by a programme management approach which encourages cross directorate working to cut across traditional team boundaries and bring together a variety of skills, professions, and knowledge.

Risks are reported and escalated to Ministers, the Portfolio Accountable Officer, and Scottish Government Executive Team, as appropriate.

### Key risks

Transport Scotland categorises risk in line with the **Orange Book: Management of risk – Principles and Concepts**.

The corporate risks below are grouped by category and reflect those considered for escalation to the Portfolio Accountable Officer.

## Commercial

The current Clyde and Hebrides Ferry Service contract (CHFS2) is due to expire on 30 September 2024.

The risk of the next contract not being awarded by expiry of the current contract is being mitigated through the proposed extension of the current contract for twelve months. A due diligence process has been launched to establish the feasibility of a direct award using the 'Teckal exemption', in accordance with the Public Contracts Scotland Regulations 2015. It will look at the award from a financial, operational, and legal perspective.

## Financial

### Budgeting

There is a risk of allocated budgets being inadequate to meet ongoing operational requirements, legal commitments, ministerial priorities, and objectives.

We have mitigated this risk through regular review and updates to financial forecasts, continued dialogue with Ministers and Scottish Government colleagues and seeking to deliver value for money projects.

During 2023-24 we have provided further support and training to Directors and budget holders.





## Operational

### Trunk road maintenance

The trunk road network needs to be maintained to meet the level required for its safe operation and to ensure it can support Scotland's economy. Transport Scotland has worked with Scottish Government finance and Ministers to prioritise assets with greatest potential for significant network disruption and maintain our 10-year Infrastructure Investment Plan to help inform capital investment decisions. This is supported by continuing to review our resilience arrangements across all transport modes as appropriate, maintenance interventions incorporated in Strategic Transport Projects Review 2 (STPR2) **Strategic Transport Projects Review 2 | Transport Scotland**, and developing maintenance programmes to meet statutory and Ministerial commitments.

### Significant incidents

A prompt and effective response to significant incidents is essential to minimise disruption to the strategic transport network. Multi-agency contingency plans are in place across all modes for dealing with both anticipated and unanticipated disruptive events. Key freight flows and lifeline services are given priority in any contingency plans and forums and processes are in place to ensure that lessons learnt from incidents, including severe weather events, are included in future contingency plans and procedures.

## Project and programme

### Climate change

The transport emissions reductions required to meet our statutory climate change targets require ambitious new policies for inclusion in the next Climate Change Plan and delivering of existing Climate Change Plan Update transport sector commitments.

The Scottish Government recently announced its intention to bring forward a Climate Change Bill recognising the Climate Change Committee's position that the interim 2030 target set by Parliament is out of reach. The government will now bring forward legislation that will seek to introduce a target approach based on five-yearly carbon budgets, supporting a credible pathway to net zero in 2045.

To achieve this, we have commissioned research to build the evidence base to inform and identify policy options to ensure a just transition to net zero. We monitor policy delivery and take forward engagement with internal and external stakeholders including public sector organisations, businesses, industry, and the public.

Transport Scotland continues to be represented on the Scottish Government Global Climate Emergency Board and manages its own response through the Transport Climate Change Board. Transport Scotland Directors are Senior Responsible Officers for oversight of their delivery objectives and risk mitigation, reporting and escalating to the Climate Change Board as required.



## Reputational

### Future transport

Changes to the usage of the transport network following recent societal and economic changes could lead to a medium to long-term reduction in farebox passenger revenue and impact on service provision that would disproportionately impact on vulnerable communities and groups. We published the Fair Fares Review in March 2024 setting out the recommendations and actions to advance our vision for the future of public transport – reliable, accessible, available, and affordable public transport services and a public transport system that is viable and sustainable in the long term.

## Security

### Cyber resilience

The threat of cyber-attacks requires proactive management of risk to ensure we secure and have access to our systems and data. Working closely with the Scottish Government, we have cyber resilience policies, systems, procedures, resources, and an incident response plan in place, which are supported by staff awareness and training to identify and avoid risk exposure.

## People

### Wellbeing

Our people are central to what we do and essential in achieving our organisational objectives. If we do not create the conditions to promote the wellbeing of our staff, then we will reduce our capability and capacity to deliver our business objectives. Our Senior Management Team review management information and discuss issues impacting our people regularly. Work to consider how the agency develops is underway to ensure we are the right size and shape for the challenges ahead.

To support effective management of our people resource we have revised our resource plan to better reflect the current operation of the organisation. In addition, we are currently working through a programme of transformation. The Transformation Programme is the term we are using to describe the overall work to improve Transport Scotland. It is made up of the following six workstreams which have been informed by staff feedback:

- Organisation purpose
- Prioritisation exercise
- Wellbeing
- Organisational design
- Leadership and managing change
- Learning and development



The programme is guiding us through a process to shape Transport Scotland to continue to deliver for Ministers and the people of Scotland, and looks at how we currently work and how we want to work to become an organisation where:

- we are resilient – we have the tools we need to do our job, workload expectations are clear, balanced with capacity and we have collective and transparent controls in place
- we are delivery and outcomes focussed
- we understand our purpose and can effectively prioritise our work
- we can efficiently use our available working time
- we are empowered to work broadly and flexibly across teams
- we work in a way that aligns with our values and we have capacity to do that.

## Strategic

### Sponsored Bodies

We continue to actively review the coordination of our sponsorship roles to ensure that we are promoting best practice and continuous improvement aligned with wider public sector reform programmes and ensuring we are embedding the latest in public body governance and risk guidance.

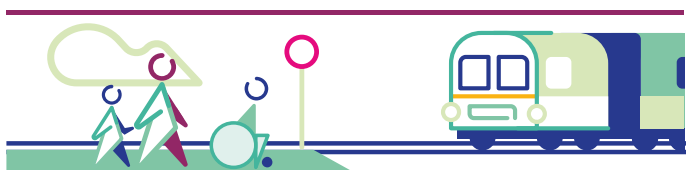


# Performance Analysis



# Performance analysis

The purpose of this section is to provide a detailed analysis of the performance of the organisation in 2023-24.



## Performance

We assess our performance against the objectives in our business plan. Each objective is grouped under our corporate plan priorities and measured against the progress expected at the start of the year. We are continuing to develop and refine our Key Performance Indicators and milestones to improve our programme and portfolio management.

## Promotes equality

Commitment	Action
<p>We will support delivery of concessionary travel and bus sector support by providing a managed payment service.</p>	<p>In 2023-24, we delivered over £353 million in concessionary reimbursement payments to participating operators and over £44 million in Network Support Grant payments, critical in supporting the continued effective operation of Scotland's bus industry. In our operation of an effective managed service, we have also undertaken significant work to mitigate and deter instances of fraud within the concessionary schemes and have assisted scheme users and other stakeholders by responding to 99.6% of 3,420 items of correspondence, including 100% of FOIs, within the required timescales.</p>



Commitment	Action
<p>We will deliver smart, integrated ticketing and payment policy, projects, and services for public transport.</p>	<p>In 2023-24 we established the National Smart Ticketing Advisory Board, comprising of different modes, transport authorities, users, and experts to advise Scottish Ministers on the strategic direction for interoperable and accessible smart ticketing in Scotland. We made concessionary ferry vouchers digital, meaning eligible residents in Orkney and Shetland can now use digital vouchers stored on their National Entitlement Card, and commenced delivery of the Digital Travel Data Services to make travel information and journey planning easier, more accessible and prepared for future bus open data legislation. 2023-24 also saw the completion of five 'Mobility as a Service' (MaaS) pilots funded through our £2 million MaaS Investment fund, which will provide the evidence base for future policy and investment requirements.</p>
<p>We will improve travel opportunities for disabled people by continuing to deliver under the Accessible Travel Framework.</p>	<p>Following completion of an evaluation project in 2023, the final delivery plan for the Accessible Travel Framework (for 2024-26) is being drafted with input from disabled people's organisations and will be published later in 2024. Work is underway to instigate a new internal Delivery Board to increase oversight and governance within Transport Scotland. A consultation on Inclusive Design Guidance closed at the end of March 2024 and responses are being analysed.</p>



Commitment	Action
We will complete Bus Taskforce work to address ongoing bus operator challenges and develop longer term bus sector transformation plans to improve sustainable bus service provision post-Covid.	The Bus Taskforce was set up in 2022 to support the transition of the bus sector from the additional government support provided during the pandemic to a more sustainable future. It convened for a total of four meetings over the course of ten months, with the final meeting taking place in June 2023. A report summarising the findings of the Taskforce was published on 3 April 2024.
We will continue preparation of the Islands Connectivity Plan.	Published on 31 January 2024.
We will support delivery of the 20% Car KM Route Map working across government and with local and regional partners, including development of additional policy measures to reduce car demand.	Engagement with partners has continued throughout 2023-24 to inform publication of 20% Car KM Route Map in 2024-25.
We will complete our Fair Fares Review and publish our draft vision for public transport to set out our future priorities and the actions we will take to ensure there is a viable and sustainable public transport system for the future.	Fair Fares Review publication on 22 March 2024.



## Take climate action

Commitment	Action
We will work with the maritime sector in Scotland to transition to a decarbonised future while continuing to facilitate key movement of goods and people and offshore energy development.	We have worked with Scottish Maritime Cluster and continue to engage with British Ports Association (BPA) and their members, to enable sharing of best practice for ports decarbonisation plans.
We will support a just transition for people and businesses to establish the infrastructure required to enable sufficient and fair access for consumers and businesses to net zero transport options.	Research has commenced into future infrastructure requirements based on future technology trends.
We will take action to accelerate progress to net zero in key sectors, namely trucks and heavy vehicles, to ensure the swiftest possible transition to zero-emission vehicles, whilst at the same time reducing car use.	<p>HGV Decarbonisation Pathway published on 19 March.</p> <p>Scottish Zero-Emission Bus challenge fund Phase 2 applications closed on 15 September 2023, with the fund launched and awards made totalling £41 million for project implementation over 2024-25 and 2025-26.</p>
We will maintain a programme of rail investment aligned to Scottish Government priorities which will maintain the continued safe and efficient delivery of existing services and continue with the delivery of the Scottish Government's Rail Decarbonisation Action Plan.	Electrification of the East Kilbride Line is now underway with a completion date of December 2025. We are continuing to deliver feeder station works to support Fife and Borders electrification. Design and development work for electrification of routes in Fife, Borders and to Aberdeen are continuing. Accessibility works ('access for all' schemes and Carstairs Accessibility Scheme) continue to progress to plan.
We will drive the decarbonisation of transport through the promotion of modal shift of passengers and freight from road and air to rail.	Plans for decarbonisation and rolling stock procurement continue to be developed and refined. The Outline Business Case for the Suburban Fleet Procurement was endorsed by Investment Decision-Making Board, subject to the updating of the Management and Commercial case.





Commitment	Action
<p>We will plan for and respond to resilience challenges and planned major events as they effect Scotland's strategic transport network.</p>	<p>A review of resilience processes is in progress and existing vacancies being progressed to sustain team and support wider TS/SG resilience outcomes.</p> <p>UCI successfully supported and planning for future events taking place, including the Interpol Conference.</p>

## Help deliver inclusive economic growth

Commitment	Action
<p>We will support sponsor bodies, Scottish Rail Holdings, Caledonian Maritime Assets Ltd (CMAL), David MacBrayne Ltd, Highlands and Island Airports Ltd (HIAL) and Scottish Canals to ensure all necessary action is taken to allow each Board to deliver on Scottish Ministers objectives including financial stewardship and governance oversight of each individual body.</p>	<p>Review of Transport Scotland Sponsored Bodies Framework Documents with ongoing bespoke support being provided to each as required.</p>
<p>We will work with Scotland's airports to help restore lost connectivity, and grow international connectivity, while not returning to previous levels of emissions.</p>	<p>Analysis of routes we have supported to determine economic impact of route development to inform future support actions has commenced.</p>
<p>We will continue development of an aviation strategy and help to develop Scottish Government policy on sustainable aviation fuel (SAF).</p>	<p>The first meeting of the SAF working group took place on 15 February 2024, involving a range of stakeholders. Further meetings are to be arranged to support policy development in 2024-25.</p>
<p>We will support the enabling environment for bus transformation through delivery of the Bus Partnership Fund, Transport (Scotland) Act Powers and Community Bus Fund.</p>	<p>Secondary legislation to enable bus franchising and partnership options came in to force on 4 December 2023, meaning we have now commenced all the bus powers within the 2019 Act. The Bus Partnership Fund has delivered bus gates, enforcement cameras and traffic light equipment to help buses get through them more quickly in North Ayrshire, Glasgow, Inverness, and Edinburgh.</p>



Commitment	Action
We will develop options and take steps to ensure service continuity on the Clyde and Hebrides ferry network until the next generation of the contract has commenced.	Project Board and Governance Board meetings continue, and we continue our engagement with CMAL and CalMac Ferries Ltd (CFL).
We will develop and procure the next generation of the Clyde and Hebridean Ferry Services (CHFS) contract, building on lessons learned from previous contracts, and the knowledge gained through ongoing stakeholder engagement.	Minister for Transport statement to the Scottish Parliament in November 2023 followed by further stakeholder engagement events in January to March 2024.
We will continue to manage the Clyde and Hebrides and Northern Isles Ferry Service Contract.	Contract management has continued in preparation for award of new contract.
We will deliver an investment programme for vessel replacement and associated port and harbour infrastructure.	Islands Connectivity Plan – Vessels and Ports Plan consultation launched on 31 January 2024 with community engagement programme commencing in February 2024.  MV Isle of Islay Launched in March 2024.



Commitment	Action
<p>We will continue to progress the A9 Dualling programme between Perth and Inverness; take forward a transport enhancement programme on the A96 corridor; and conclude the A96 Corridor Review.</p>	<p>In December 2023, a delivery plan for the completion of A9 Dualling was announced in the Scottish Parliament.</p> <p>Procurement for the £184.7 million Tomatin to Moy section commenced in Autumn 2023 with the contract awarded in July 2024.</p> <p>An MSP engagement briefing session took place in January 2024 and stakeholder briefing event and public drop-in sessions across the route in February 2024 with an A9 Dualling website launched.</p> <p>Pass of Birnam to Tay Crossing detailed development continued including assessment of the preferred route option, which will culminate with the publication of draft Orders by Spring 2025 for comment. Preferred route public exhibitions held in Birnam on 29 and 30 January 2024.</p> <p>A96 Inverness to Nairn – continued to progress preparation for publication of Made Orders in March 2024.</p>
<p>We will progress the Medium-Term Solution and announce the preferred route for the Long-Term Solution for the A83 Access to Argyll and Bute.</p>	<p>Continued development of medium-term solution proposals, including a detailed programme and procurement strategy. Short term improvement measures at the Rest and Be Thankful – A83 were completed in year while we progressed the design and assessment of the permanent solution to landslip risks. Construction of Phase 1 of the medium-term improvements to bring increased resilience to the route commenced and are currently ongoing.</p>



Commitment	Action
<p>We will strive to secure a safe and efficient performance and capability for Scotland's Railway infrastructure through the regulatory process.</p>	<p>Dedicated event held with the Office of Road and Rail, Network Rail, and Scottish Rail Holdings to progress key requirement of Scottish Ministers on train performance.</p> <p>Enhanced governance arrangements are being developed to provide greater assurance for Scottish Ministers on Value for Money and improved monitoring and reporting of the high-level output specification requirements for the rail sector in Scotland.</p>
<p>We will protect, promote, and enhance the devolved responsibilities of Scottish Ministers for Scotland's Railway, including through engagement with wider UK Government on rail reform process.</p>	<p>Following the February 2024 UK Government announcement of pre-legislative scrutiny on their draft Rail Reform Bill, we are identifying opportunities for effective further engagement on the reform process.</p>
<p>We will ensure that arrangements are in place to maintain the delivery and development of Caledonian Sleeper services.</p>	<p>Transition of Caledonian Sleeper services to publicly owned arrangements completed in June 2023.</p>
<p>We will continue to safely operate and maintain Scotland's trunk road and bridge network using established and robust asset management and environmental principles.</p>	<p>Structural Maintenance Programme for 2023-24 approved and work commenced on 2024-25 programme.</p> <p>2023 State of the Asset Report completed.</p> <p>Propping working continues on the M8 Woodside Viaduct.</p>
<p>We will grow supply chains, skills, and innovation in zero-emission mobility ensuring Scotland will maximise benefits from the move to net zero through green jobs and just transition.</p>	<p>Distributed Energy Resources (DERs) project activity within Transport Scotland complete and kit operational on site. LOCATE project closed and activity ongoing to repurpose kit procured with grant funds to recuperate costs, work being undertaken by St Andrews University.</p>



Commitment	Action
We will publish an investment plan for transport, following the conclusion of STPR2.	STPR2 delivery plan development continued with further capital spend forecasting created and refreshed Investment Decision Making Board (IDM) Checklist provided to improve decision making.
We will lead work for Transport on the UKG Bill and subsequent Scottish Parliament processes for the repeal of Retained EU Law; and to lead and coordinate the Transport Scotland input to any UKG transport-related bills being progressed.	Preparation for repeal of Retain EU Law work progressed and replacement legislation around public service obligations completed.

## Improve our health and wellbeing

Commitment	Action
We will promote a modal shift to active and sustainable travel through joined-up infrastructure, behavioural interventions, and equal access to bikes.	Throughout 2023-24 we have invested over £15 million in 'access to bikes' interventions to ensure that those individuals who face barriers to making Active Travel choices, have a better chance to participating. We have invested £16 million specifically on behaviour change interventions that aim to maximise the benefits for infrastructure interments by promoting change directly in communities.
We will improve delivery, investment, and governance of Active Travel through the introduction and implementation of recommendations for Active Travel Transformation.	In 2023-24 the Active Travel Transformation programme tested new methods for the distribution of investment to Local Authorities, both under the Verity House Agreement and through a tier distribution model. Launched in December 2022, the Active Travel Transformation Fund (ATTF) provided over £13 million grant funding to partners to support the delivery of eligible construction-ready projects and design of active travel schemes throughout 2023-24.



Commitment	Action
<p>We will demonstrate environmental sustainability through the delivery of environmental protection, community benefit, climate change mitigation/adaptation and air quality initiatives across our operations, projects, and maintenance activities.</p>	<p>LEZ awareness campaigns commenced.</p> <p>Trunk Road Adaptation Plan and the Trunk Road Network Natural Capital baseline assessment and accounts are both completed.</p> <p>Development of a Net Zero Road Map for the Trunk Road Network within our Carbon Management Plan commenced. Carbon sequestration sites underway at A83 Rest and be Thankful, Blacklaw Woodland and M80 Mollinsburn Woodland. Work continuing on the promotion of Natural Capital and the development of a Biodiversity Strategy.</p>
<p>We will work with key stakeholders and partners to implement the Road Safety Framework to 2030 to support the delivery of the safe system and the targets to halve road fatalities and serious injuries by 2030.</p>	<p>Programme development ongoing across active travel casualty reduction and safety camera teams.</p> <p>Initial driver distraction camera trial completed.</p> <p>PRIMEs project update to Road Safety Trust (RST) and ongoing scheme delivery for guidance document and wider roll-out in future years.</p>
<p>We will continue to manage, maintain, and develop the Traffic Scotland Service and the provision of accurate and relevant traffic and travel information to customers through roadside display equipment, variable message signs, and web services, contributing to the safe, efficient, and resilient operation of the trunk road and motorway network.</p>	<p>Traffic Scotland System continues to provide accurate and relevant information to customers to support safe operation of the Trunk Road and Motorway Network.</p>
<p>We will support Scotland's first Low Emission Zone enforcement scheme in Glasgow and work towards the introduction of Low Emission Zones in Edinburgh, Dundee, and Aberdeen in 2024.</p>	<p>Enforcement of the Low Emission Zone in Glasgow commenced on 1 June 2023 following launch of our LEZ Vehicle Registration Checker in April 2023 and preparation for enforcement in Dundee, Aberdeen, and Edinburgh in 2024 complete.</p>



## Putting our people at the heart of our delivery

Commitment	Action
<p>We will monitor and improve upon wellbeing, particularly mental health by offering strategic interventions to build the mental resilience and wellbeing of all colleagues in the organisation.</p>	<p>The Senior Management Team continue to receive a range HR management information to inform their proactive management of wellbeing issues within their business areas enabling appropriate targeted action. A wellbeing lead has been appointed to drive this work and has delivered wellbeing sessions across the agency. We have also developed a Wellbeing Strategy &amp; Action Plan that will ensure targeted action continues in support of our drive to improve the health and wellbeing of colleagues.</p>
<p>We will support the move of HR and Finance data to Oracle Cloud to create a joined-up service, with improved data and insight.</p>	<p>The Scottish Government programme is currently progressing for implementation in October 2024. Transport Scotland remains in close contact with Scottish Government colleagues.</p>
<p>We will provide media, corporate and digital communications services to the agency and Ministers.</p>	<p>A comprehensive media planner and communications strategy has been introduced with strengthened teams across our communications services.</p>
<p>We will provide guidance, advice, supporting policies and services to ensure Transport Scotland complies with its statutory responsibilities and functions in an effective and efficient manner.</p>	<p>HR, health and safety, data protection, financial and communications advice has been provided throughout the year, both through proactive internal publication and events, engagement through committees and boards, and in response to enquiries.</p>
<p>We will procure, manage, and deliver a full fit-out programme for our new headquarters at 177 Bothwell Street, Glasgow.</p>	<p>The Senior Management Team agreed our approach to this project which follows the RIBA Plan of Work, we have a design team in place led by our project managers with the overall design detail agreed. Work has now begun on the final phase of the project, procuring fit out contractors to deliver the final design.</p>



Commitment	Action
<p>We will ensure we are undertaking high quality analysis and providing evidence-based advice across the transport portfolio, to inform policy decisions within and affecting transport.</p>	<p>Pilot removal of peak rail fare evaluation interim results produced to inform future strategy.</p> <p>Publication of output from women's and girls' safety on public transport event in March.</p> <p>Work ongoing on monitoring on the NTS and accessible and active travel frameworks.</p> <p>Active Travel Funding mechanism refreshed in February 2023.</p> <p>Analytical support provided for Concessionary Reimbursement.</p>
<p>We will take forward the Organisations transformation programme which aims to make us more resilient, delivery-focussed and flexible and will align with our Civil Service values. We will work inclusively with staff to develop options for structural change that better balance workload, staff professions and availability of resources helping create softer boundaries between teams to bring efficiencies.</p>	<p>Updates on the development work continue to be provided to staff as the programme progresses towards delivery.</p>





# 2023-24 Financial Performance



# 2023-24

## financial performance



### Financial performance and use of resources

The purpose of this section is to summarise financial performance against budgets for the 2023-24 financial year. Transport Scotland receives the majority of its funding from the Scottish Government. In addition, a small amount of operating income is also generated (Note 5). During 2023-24, total income reported was £13.6 million and funding received from the Scottish Government was £3.5 billion reflected in our revised budget (HMT Total).

The original budget allocated to Transport Scotland in the 2023-24 Budget Bill was £3.58 billion. Transport Scotland's overall budget includes its Non-Departmental Public Bodies (NDPBs) Highlands and Islands Airports (HIAL), David MacBrayne (DML), Scottish Canals and Scottish Rail Holdings (SRH). The expenditure of NDPBs is reported in Transport Scotland's consolidated HMT budgets in the same way as Transport's Scotland's own spending. Scottish Government funding is accounted for in the Scottish Government accounting system (SEAS) but there are further accounting adjustments in the NDPBs that are reflected in Transport Scotland's overall HMT outturn. The amounts shown in all the tables below show all expenditure and accounting adjustments to reflect the total HMT budget envelope that Transport Scotland is accountable for. During the year, budgets are subject to revision and adjustment via the Scottish Government Autumn Budget Revision (ABR) and Spring Budget Revision (SBR) processes.

**£13.6  
million**

reported income  
during 2023-24



**£3.5  
billion**

funding received  
during 2023-24





The table below shows the movement in our overall budget and comparison with realised outturn for 2023-24.

	Original Budget 2023-24 £000s	Revised Budget 2023-24 £000s	Outturn 2023-24 £000s	Variance £000s
<b>Rail Services</b>	1,418,262	1,430,777	1,351,350	(79,427)
<b>Bus Services</b>	425,693	396,051	393,191	(2,860)
<b>Motorway and Trunk Roads</b>	775,769	768,408	740,639	(27,769)
<b>Ferries</b>	439,970	393,254	385,115	(8,139)
<b>Air</b>	73,977	68,877	67,194	(1,683)
<b>Other Transport</b>	346,334	220,126	197,644	(22,482)
<b>Local Authority Grants</b>	58,454	83,429	90,863	7,434
<b>Total SG Funding</b>	<b>3,538,459</b>	<b>3,360,922</b>	<b>3,225,996</b>	<b>(134,926)</b>
<b>HMT Adjustments</b>	40,145	142,057	177,037	34,980
<b>HMT TOTAL</b>	<b>3,578,604</b>	<b>3,502,979</b>	<b>3,403,033</b>	<b>(99,946)</b>

Other Transport includes: Sustainable and Active Travel and Low Carbon expenditure.

### Outturn analysis

Budget Classification	Revised Budget 2023-24 £000s	Outturn 2023-24 £000s	Variance £000s
<b>Resource</b>	1,435,534	1,385,381	(50,153)
<b>Capital</b>	1,746,255	1,729,140	(17,115)
<b>Non-Cash</b>	302,493	301,098	(1,395)
<b>AME</b>	18,697	(12,586)	(31,283)
<b>HMT TOTAL</b>	<b>3,502,979</b>	<b>3,403,033</b>	<b>(99,946)</b>



## Outturn variances – summarised by type

	2023-24 £000s
<b>Total Outturn Variance</b>	<b>(99,946)</b>
of which:	
Technical accounting adjustments (provisions)	(31,283)
Non-cash	(1,395)
Rail Resource	(19,276)
Rail Resource – one-off receipt	(23,853)
Other Resource	(7,024)
Bus and Active Travel Capital	(19,470)
Other Capital	2,355
<b>Total Outturn Variance</b>	<b>(99,946)</b>

### Overview

As can be seen from above, £55.1 million or 55.1% of the overall underspend related to technical accounting adjustments in relation to provisions and a one-off adjustment in rail.

Resource outturn of £50.1 million underspend was largely delivered by a one-off and non-recurring receipt received from the finalisation of the close-out of the Abellio ScotRail Franchise and increased rail passenger revenue. To a more minor extent, in the final quarter of the year, there were late changes to the National Support Grant and Concessionary Travel demand forecasts in Bus Directorate and the impact of extreme weather events, prohibiting planned road maintenance programmes, increased the net positive impact further.

Capital savings have also contributed to the overall fiscal position and planned activity resulted in managing the position to less than 1% variance from budget.

Capital underspend resulted from late notification by some delivery partners of grants that could not be fully claimed in year, some minor savings in capital investments at HIAL, and the impact of extreme weather events on planned road investment that crystallised in the final quarter.

The Annually Managed Expenditure (AME) variance of £31.3 million underspend against the budget of £18 million represents a number of accounting adjustments to release previously made provisions where the liability had crystallised or, upon reconciliation, were no longer required.



The Statement of Comprehensive Net Expenditure (SoCNE) on page 122 records net operating costs of £3.033 billion. The total underspend of £100 million (2022-23: £267 million underspend) represents approximately 2.8% (2022-23: 6.2%) of the overall budget.

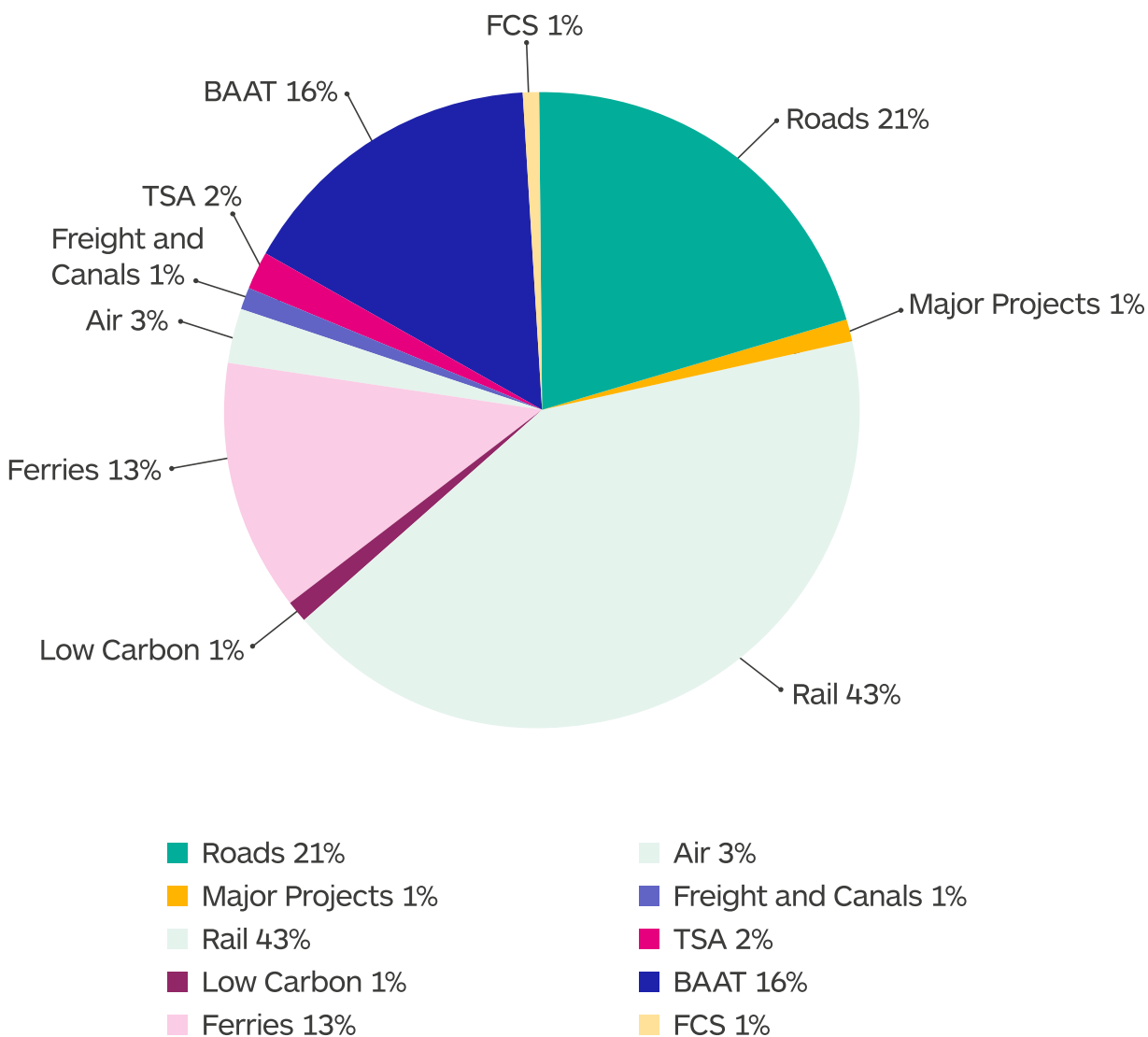
Capital expenditure and HMT Adjustments in NDPBs are not recognised as in-year expenditure within the SoCNE, and the table below provides a reconciliation of overall outturn to the SoCNE.

	<b>2023-24 £000s</b>
<b>Net Operating Costs from SoCNE</b>	<b>3,032,784</b>
Add HMT Adjustments that do not go through the SoCNE	<b>177,037</b>
Add: Additions to PPE (Note 6)	138,217
Add: Additions to Right of Use (Note 7)	2,231
Add: Additions to Intangible Assets (Note 8)	70
Add: Additions to Investments (Note 9)	63,920
Less: Repayments of Investments (Note 9)	(11,225)
<b>Outturn</b>	<b>3,403,033</b>



The majority of Transport Scotland’s budget is spent, either directly or indirectly, with external suppliers. Only 1% is utilised on the ongoing

agency running costs, i.e. staff and premises. The chart below shows the percentage spent by Directorate in 2023-24.





## Statement of Financial Position analysis

Transport Scotland's asset base is £28.4 billion, the majority of which relates to the trunk road network (£27.4 billion). Increases in the balance this year primarily relates to the increase in value of the trunk road network and an increase in Voted Loans issued. As at 31 March 2024, Transport Scotland did not hold any assets available for sale.

There has been an increase in financial assets of £63.6 million which is mainly driven by an increase in voted loan funding.

There has been a decrease in provisions of £18.6 million which is driven mainly by the settlement of land payments and the release of provisions no longer required.

There has been a decrease of £10 million within trade and other receivables and an increase of £26 million within trade and other payables in year. The main reason for the increase in payables is due to the level of accruals in year. As at 31 March 2024, the accounts record accruals totalling £237 million (2022-23: £222 million) which is linked to the timings of payments on specific contracts.

There has been a decrease of £41 million within non-current liabilities due to the progression of PFI contracts reducing the time period remaining in these contracts.

Increase in Financial Assets of

**£63.6 million**

Decrease within trade  
receivables of

**£10 million**

Increase within trade and other  
payables in year of

**£26 million**



# Environmental and Social Matters







# Environmental and social matters

## Working collaboratively

Our corporate support teams continue to forge strong working relationships with colleagues across all business areas in Transport Scotland and core Scottish Government, and with external partners.

Our HR, Corporate Communications, Health and Safety, Facilities and Workplace teams were responsible for managing our approach to a continued move to hybrid working and the relocation to our temporary headquarters within George House in Glasgow city centre before we move to a permanent location at 177 Bothwell Street in 2024. We moved into George House in March 2023, and we started engaging with our 177 Project Team in January 2023. When we started engaging with our project team and looked at our project timeline, it became clear that to allow us to complete all necessary works we would need to remain in our interim office space within George House for a longer period. We expect practical completion of works in December 2024 and a move soon after.

As part of this interim move, we have been able to provide and test a range of more flexible working environments and approaches for our people including a range of collaborative working spaces, flexible furniture options and hybrid working technology.

## Developing our people

Transport Scotland's ambition is to be a supportive and inclusive employer, with learning at its heart. As part of our transformation work, we have introduced a Director-level Learning Champion and have developed a new Learning and Development Strategy to continue to nurture a learning culture where we develop the right skills at the right time, to help us deliver to the best of our ability for the people of Scotland. We have also re-introduced our Corporate Induction programme to ensure our staff are supported at the outset of their career and have both skills to do their job and access to tools and resources to address their learning needs.

## Corporate systems

Our information technology team has worked closely with colleagues within Scottish Government to ensure that we remain well placed to benefit from new and emerging technologies. This has included the continued exploitation of Office 365 services, which provide an up-to-date suite of Microsoft Office programmes which are also available from corporately owned mobile phones. The increase in mobile services has also allowed us to move away entirely from desk-based telephony.



## Information management and data protection

We comply with the overarching Scottish Government information governance strategy and the Records Management Plan. All information assets are recorded on the Scottish Government Information Asset Register (IAR). Each of our Directors is the Information Asset Owner (IAO) for their business areas and has been provided with the associated guidance and mandatory IAO training. In line with the Scottish Government Information Governance Strategy, deputy IAOs have also been appointed to support the IAOs.

Throughout 2023-24 we have continued to focus on ensuring compliance with key legislation and identifying actions for continuous improvement. This resulted in the delivery of the annual data protection and information governance check and report which included a number of recommendations to sustain existing good practice. This was supplemented by the ongoing provision of advice, support and training on information handling policies and procedures.

All data subject rights requests were completed within the statutory timescales. We also continued to monitor correspondence response rates with weekly, monthly, and annual performance returns provided to our Chief Executive, Senior Management Team, and Business Managers.

## Sustainability

The Climate Change Branch within the Roads Environment team at Transport Scotland lead on corporate climate change mitigation, including the development and implementation of a Carbon Management Plan (CMP), associated targets and statutory annual reporting.

In March 2023, we published the fourth iteration of our **Carbon Management Plan: Pathway to Net Zero 2022-27**, which sets out Transport Scotland's commitment to meeting the Scottish Government's net zero targets. Implementation of this plan has begun during 2023-24.

The Climate Change Branch also leads on climate change adaptation on behalf of Transport Scotland and is responsible for overseeing delivery of the allocated sub-outcomes associated with the second Scottish Climate Change Adaptation Programme (SCCAP2) as well as statutory annual reporting for adaptation.

This year, we published our Approach to Climate Change Adaptation and Resilience (ACCAR). It includes an ambitious Vision for "a transport system which is well adapted and prepared for current and future impacts of climate change, is safe for all users, reliable for everyday journeys, and resilient to weather-related impacts". The ACCAR provides our current approach to adaptation and Strategic Outcomes for Road, Rail, Aviation and Maritime transport networks, to address the key climate risks affecting Scotland's transport system.



## The statistics

Throughout the last year, climate change has continued to be a primary focus for both Scotland and Transport Scotland. The nation is now seeing increasingly severe effects of climate change. Adaptation, alongside mitigation, therefore, continues to be a focus to ensure our transportation networks remain resilient.

In response to the Scottish Government's updated Climate Change Plan and net zero targets, in March 2023 Transport Scotland published the next iteration of our Carbon Management Plan (CMP). This plan outlines a pathway to 2027 for the agency to meet net zero emissions by reducing the impact on the environment across our corporate functions. We aim to be zero direct emissions by 2025, net zero for Scope 2 emissions by 2025 and all indirect emissions net zero by 2045. Within the CMP, we have redefined our corporate boundary and widened the scope of data collection to include the 'scope of influence.' This is where we aim to identify areas where the agency can work with stakeholders to reduce emissions in our supply chain.

In 2023-24, we have progressed actions within the CMP, seeking to replace the gas boiler and improve energy efficiency at our Traffic Control Centre and the development of a Net Zero Route Map for Operation, Maintenance, and Improvement of the Trunk Road Network, assisting with emissions reduction in our 'scope of influence'.

During 2023-24 we have seen a slight increase of 1.34% in our overall corporate emissions. This increase is predominantly associated with electricity use on the Trunk Road Network which can fluctuate from year to year and constitutes the largest area of our emission footprint. Overall emissions from electricity use have increased by 3.24%, however, we have also seen a reduction in emissions in several other areas within our footprint. Our emissions boundary does not cover bus or rail, these are captured and appropriately reported by service providers.

A hybrid approach to working has continued to operate and approximately 63% of staff are now working in our offices on average, our home working emissions have decreased by 35%. We have spent all of 2023-24 situated in our George House office and alongside usage in our Traffic Control Centre, overall gas usage has decreased by 33.7%. During 2023-24, emissions from electricity use in our buildings has seen a decrease of 20.9%.

Business travel has returned to pre-pandemic levels and under the CMP we aim to strengthen our business travel position statement and ensure that active and public transport is always considered as the first option. Overall, in 2023-24, we have reduced our business travel footprint by just under 25%. In 2023-24, as part of the CMP we have undertaken a new staff commute travel survey to gather data on staff commute travel modes, frequency and mileage. Based on the results from this survey, emissions associated with staff commute travel have decreased by 29.7%, likely down to hybrid working arrangements as the last survey was undertaken before the pandemic.



Next year, we aim to continue building upon the commitments in our CMP to ensure we meet our ambitious net zero goals, continue to work closely with our colleagues and enhance relationships with stakeholders to facilitate climate action in our supply chain. We will also

continue as a leading public sector body in Scotland to sequester carbon on our estate and prime ourselves for meeting net-zero emissions whilst supporting nature and local biodiversity.

Corporate Carbon Emissions 2023-24 <sup>1</sup>					
Element	Metric	Baseline 2015-16	Actual in 2022-23	Actual in 2023-24	% change compared to previous year
<b>Total Emissions</b>	<b>tCO<sub>2</sub>e</b>	<b>22,222</b>	<b>5,570</b>	<b>5,664</b>	<b>+1.34%</b>
<b>Gas</b>	tCO <sub>2</sub> e	265	43.69	28.96	-33.70%
<b>Electricity</b>	tCO <sub>2</sub> e	20,137	5,257	5,424	+3.17%
<b>Water</b>	tCO <sub>2</sub> e	3.13	0.48	0.56	+16.69%
<b>Waste</b>	tCO <sub>2</sub> e	2.02	0.50	0.50	+0.83%
<b>Business Travel</b>	tCO <sub>2</sub> e	188	139.79	105.24	-24.72%
<b>Commuter Travel</b>	tCO <sub>2</sub> e	156	38.79	27.27	-29.70%
<b>Home Working</b>	tCO <sub>2</sub> e	-	90	58.11	-35.43%

1 tCO<sub>2</sub>e figures are based on the UK Department for Business, Energy, and Industrial Strategy (BEIS) Greenhouse Gas Reporting Conversion Factors – these are updated annually.

# Social inclusion and community benefits



## Levenmouth Rail Project

This is a programme of investments to deliver social inclusion and sustainable economic growth, within which the rail project is the largest element.

Through Scottish Government investment of around £116 million we re-opened the railway to Levenmouth, over 50 years after the last passenger service ran.

The railway forms part of a multi-modal transport system (Rail, Bus, and Active Travel) that will improve connectivity in the Levenmouth area. Creating new journey opportunities and economic benefits for the Levenmouth area.

The delivery scope consists of 19 single track kilometres of new/ reinstated railway, two new modern accessible stations at Leven and Cameron Bridge, and circa 1 km of active travel routes.

A number of community events have been undertaken with schools in the Levenmouth area, to raise awareness of rail safety. The Rail Skills Academy was launched by Network Rail in July 2023 on the Levenmouth project. Nine young people were recruited, and the Academy equipped the participants with competencies, skills, qualifications, and work experience over a nine-week period. Following the course all nine people successfully obtained permanent employment.

Construction was successfully completed with Transport Scotland and Network Rail working closely with their partners to deliver this transformational project with commencement of service on 2 June 2024.



By John Stewart



Transport Minister Fiona Hyslop and Scotland's Railway MD Alex Hynes at Levenmouth rail track



## Academy9

We continue to deliver the award-winning, Academy9 educational initiative to both Primary and High School pupils throughout the A9 Dualling corridor and beyond. In addition to promoting STEM (Science, Technology, Engineering and Maths) learning in schools, our annual programme of events increases pupils' awareness of infrastructure and civil engineering-related careers.

Although the immediate effect of lockdown due to the Covid-19 pandemic was the cancellation of all our face-to-face events, the long-term effect for Academy9 is our ability to offer a more flexible delivery programme, better able to respond to requests from individual schools. We have reached this stage in our development by digitising some of our core events, where appropriate and practicable. The enforced restrictions placed on us by the pandemic also resulted in our creation of new online events, both further aligning with the Scottish Government's digital e-learning and teaching strategy.

The events and activities we have delivered during the past year brings the total to date to over 8,200 pupil and 890 teacher engagements along the length of the A9 Dualling Corridor.

The most recent evaluation of the effectiveness of the Academy9 educational programme showed that 93% of young people felt their knowledge of STEM careers increased following Academy9 experiences.



A9 Community Benefits – Academy

Following an invitation from Developing the Young Workforce (DYW) towards the end of 2023 to attend a business breakfast and deliver a presentation with Academy9 billed as the 'gold standard for employer-school engagement', we will look to further develop this status.

Further evidence of the effectiveness of Academy9 as an award-winning initiative can be found in our success in winning the 'Best Practice-Knowledge Sharing' category at the CIEEM (Chartered Institute for Ecology and Environmental Management) Awards 2023 held in Birmingham in June last year. This achievement, following earlier award success, not only raises the profile of Academy9, but also demonstrates its recognition as a wide-ranging programme that impacts skills, promotes educational outreach, engenders innovation in young people and connects with communities, contributing to social value.



## A9/A96 Inshes to Smithton and A9/A82 Longman junction improvement schemes

As part of the delivery of the A9/A82 Longman Junction Improvement and A9/A96 Inshes to Smithton schemes, Transport Scotland and its consultant, Jacobs, have engaged with several schools and local organisations to provide educational support, supply equipment, and facilitate Science, Technology, Engineering, Arts and Maths (STEAM) activities. Engagement has been carried out with a number of schools

within Inverness and the surrounding areas, which has been well received by pupils and teachers alike. In addition to direct engagement with schools, the projects have also facilitated engagement at events or with local organisations, such as the Young Engineers and Science Clubs (YESC) Scotland's Celebration of Science, Technology, Engineering and Maths (STEM) Event, STEM Ambassadors and Teacher Drop-in Sessions, STEM after School Club Sessions, Sustainable Development Goal (SDG) Sessions and Career Fairs.



A9/A96 Inshes to Smithton and A9/A82 Longman junction improvement schemes



## Sustainable procurement

Transport Scotland's Corporate Procurement Strategy for 2023-24, which was published in July 2023, detailed how procurement activity would support Transport Scotland in achieving our corporate objectives. Our procurement strategy for the reporting period is aligned with the seven Public Procurement Priorities and has a focus on implementing sustainable procurement throughout all our procurement activity. During the reporting period we spent just over £770 million on our procured contracts. Details of our procurement activity including spend figures will be published in Transport Scotland's Annual Procurement Report later in 2024.

Each of our procurements requires a project procurement strategy, which ensures that project managers consider supported businesses, environmental impact, fair work, and community benefits for all our regulated procurements.

We remain at the forefront of implementing community benefits into our contracts and a wide range of community benefits are delivered through our contracting activity. These include new job, training, and work placement opportunities as well as engagements with the communities in which we work, such as school visits, interaction with community groups, and donations to charities. A case study detailing some of the community benefits we have provided will be included within our Annual Procurement Report.





## Bus Taskforce – Best Practice on Community Engagement Guidance

The Bus Taskforce was convened in October 2022 as a short-life working group to address the immediate challenges facing the bus industry as it recovered from the challenges of Covid-19 and to support the sector to collectively adjust to changing travel patterns brought about by the pandemic.

The **Best Practice on Community Engagement Guidance** was produced by the Community Engagement sub-group and provides bus operators, local authorities and communities with specific guidance on the active and positive role which local people and communities can and should play. This guide

is for anyone with a personal or professional interest in, or responsibility for contributing to or making decisions in, the design or delivery of bus services in Scotland, especially those tasked with engaging with or empowering local people and communities. It recognises that community engagement is a mutually beneficial, two-way process which entails rights and responsibilities for all parties as part of an approach which is open, fair, and collaborative.

Public transport has a crucial role to play in achieving our government's priorities on equality, opportunity, and community. The work conducted during the Bus Taskforce will form the basis of ongoing collaborative work with the bus sector to help achieve a transport network that works for everyone.



Bus Taskforce - Best Practice on Community Engagement Guidance by John Stewart



## Ferry services

Subsidised ferry operators, CalMac Ferries Limited (CFL) and Serco NorthLink Ferries (SNF) engage regularly with relevant stakeholders and in the market when procuring services so that community benefits reflect relevant community needs across their business. For example, this includes targeted employment and training such as modern apprenticeships and seafarer training; education support initiatives such as placements and school visits; enabling SMEs, third sector and supported businesses to compete for business as contractors or sub-contractors and other community initiatives. They also have a successful community fund so support local causes.

SNF endeavour where possible to ensure the supply chain is within a 50-mile radius of ports or are island-based to allow Serco to support the island economies and mainland communities in which they operate. SNF also sponsor Shetland Junior Football Association for the next two years, and both are working together on designs for the home and away strips.

Onboard SNF promotes products made by the social enterprise COPE Ltd through their brand Shetland Soap, which enables those with learning or physical disabilities to gain employment in Shetland. They also promote food lines that have been produced in Shetland, Orkney, and Caithness. The team work closely with the island craft associations and host Meet the Buyer days on a regular basis.

Caledonian Maritime Assets Limited (CMAL) provide a range of community benefits through provision and maintenance of infrastructure, including the use of locally based contractors and subcontractors. As fleet owners CMAL also work with the operators, CFL and SNF, on the provision and new and maintenance of current vessels, sourcing where appropriate locally based contractors and subcontractors. They also have a community fund and are involved in supporting local causes.



CalMac Ferries Limited (CFL) and Serco NorthLink Ferries (SNF)



## Plugged-in Communities

In 2023-24 we continued to fund the Plugged-in Communities grant fund. This fund is administered by Energy Saving Trust. This fund has supported a growing number of community transport schemes across the country make the switch to zero-emission vehicles, including charities, local groups for the elderly, rural mobility initiatives and schools. As well as performing an important social mission, zero-emission community transport plays a key role in local communities by providing access to a more sustainable form of mobility, making a contribution to improved air quality, and reducing polluting greenhouse gas emissions, while at the same time supporting the Scottish Government's world-leading car reduction and climate commitments.

These services are much valued by their users allowing them to play a greater part in their local community, helping them to remain independent with less reliance on social and health services. Through grant funding these community-led organisations have been able to purchase zero-emission vehicles and the associated infrastructure that allows them to recharge the vehicles at their premises.

To date the Scottish Government has invested over £3.5 million supporting 38 community transport organisations procure 52 zero-emission vehicles covering over 250,000 of zero-emission miles.



## Natural Capital and the Trunk Road Network

The application of Natural Capital and Ecosystem Services as a means of valuing and taking full account of the benefits we derive from the environment around us is a new and rapidly developing policy area across the UK and beyond. Despite society being fundamentally dependant on nature for our economy, health, and wellbeing, it has historically been overlooked, leading to our natural assets becoming damaged and degraded.

By understanding and recording the importance of nature, and nature-based solutions for climate change, the economy and biodiversity, we can ensure that natural capital can be properly considered alongside other factors to help support balanced and sustainable decision-making.

To support this approach, Transport Scotland has set out to create a means by which the Natural Capital of the linear trunk road estate can be assessed. Phase 2 of this challenging work is complete and has delivered a geo-spatial/mapping tool with an interactive function allowing the user to focus on any area around the network and analyse the extent and (in some cases) the monetary values for different ecosystem services supported by the natural environment.

The tool provides data related to habitat connectivity, wood production, carbon sequestration, flood regulation, water quality, recreation, noise reduction, pollination, and biodiversity. The development has been overseen by a steering group made up of representatives from across the Agency, bringing together colleagues from a number of directorates to ensure differing perspectives and requirements were considered. There was also development testing involving targeted staff from the Operating Companies.

The project is not yet complete and there is the potential to improve the functionality and integration of the tool with further phased development work.

This innovative Natural Capital tool has the potential to inform a range of actions to support the Agency's efforts against the environmental crises we face through the sustainable development and management of the network, whilst allowing us to monitor our progress towards achieving the crucial net zero and biodiversity targets.

# Looking Ahead





# Looking ahead

As an agency of the Scottish Government, we remain focused on the national outcomes of the National Performance Framework, and the four priorities of the National Transport Strategy: Reduces Inequalities, Takes Climate Action, Helps Deliver Inclusive Economic Growth and Improves our Health and Wellbeing.

Associated outcomes include the following:

- The contribution of transport to the Climate Change Plan and achieving Scotland's commitment to net zero.
- Making our public transport system more accessible, available, and affordable, with the costs of transport more fairly shared across government, business, and society.
- Making progress on our target to reduce car use by 20% by 2030. This includes more 20 mph zones, improved road safety and Low Emission Zones in our four largest cities.
- Investing in spaces where people can walk, wheel and cycle safely and confidently, when undertaking short everyday journeys, and ensuring there are more spaces that put people first, not cars, with the development of active travel freeways underway.
- Delivering a higher proportion of zero-emission vehicles on our roads, doubling the electric charge point network to at least 6,000, continuing to grow the zero-emission bus fleet, and electrifying the East Kilbride rail line by the end of 2025.
- Deliver three of the six new major ferries currently under construction to provide services for Arran, Islay, and the Little Minch
- Adapting our strategic road networks including improving the resilience of the transport network to climate change impacts, while continuing to deliver road safety initiatives that will reduce road casualties in line with targets in the Road Safety Framework to 2030 and continued the dualling of the A9 between Perth and Inverness.
- Driving the decarbonisation of transport through the promotion of modal shift of passengers and freight from road and air to rail.

These actions, alongside others, will not only help tackle climate change but also improve our air quality, contributing to our aim for Scotland to have the best air quality in Europe.



## Future spending plans

The Scottish Budget 2024-25 provides details of our spending plans that will help deliver sustainable economic growth. The table below presents the allocations that were provided in line with the **Scottish Budget: 2024 to 2025**.

The 2024-25 Budget of £3,704,765 (2023-24 £3,538,459) is an increase of 4.7% from the prior year's Budget.

Transport Scotland Budget Type	£000s
Resource Operating Costs	1,192,012
Resource – Investment	1,728,617
Resource Depreciation (Non-Cash)	337,926
SG AME Non-Cash	500
Capital	337,225
PFI Resource (ODEL)	108,485
<b>Total SG Funding</b>	<b>3,704,765</b>

The going concern basis has been used in preparation of this Annual Report and Accounts as all activities performed by Transport Scotland are expected to continue for the foreseeable future.

*Alison Irvine*

**Alison Irvine**

Interim Chief Executive

29 August 2024

# Accountability



By John Stewart





# Accountability Report

The purpose of the accountability report is to meet key accountability requirements of the HM Treasury's Financial Reporting Manual for 2023-24. It includes the Corporate Governance Report, the Remuneration and Staff Report and the Parliamentary Accountability and Audit Report.

## Corporate Governance report

The Corporate Governance Report describes Transport Scotland's governance structures and how they achieve the agency's objectives. It comprises of the Directors' Report, the Statement of Accountable Officer's Responsibilities, and the Governance Statement.

## Directors' report

### Relationship with Scottish Government

Scottish Ministers are responsible for determining the overall policy and resources framework within which Transport Scotland operates.

From the start of the 2023-24 Financial Year until 6 June 2023, Kevin Stewart MSP held the role of Minister for Transport, supporting Màiri McAllan MSP as the Cabinet Secretary for Transport, Net Zero and Just Transition (titled 'Cabinet Secretary for Net Zero and Just Transition' from 29 March 2023 until 13 June 2023). Following the resignation of Kevin Stewart MSP on 6 June 2023, Fiona Hyslop MSP was formally appointed as the Minister for Transport on 14 June 2023.

Following a Cabinet reshuffle on 8 February 2024, the Cabinet Secretary Portfolios changed, with Transport returning to cabinet, with Fiona Hyslop MSP becoming Cabinet Secretary for Transport. In this expanded role, the Cabinet Secretary is supported by Jim Fairlie MSP as Minister for Agriculture and Connectivity, with responsibility for Aviation and Air Services, Island Connectivity, Bus Services and Concessionary Fares and Scottish Canals. The Minister reports jointly to the Cabinet Secretary for Transport and for Rural Affairs, Land Reform, and Islands. The Minister has additional responsibilities sitting within the latter portfolio but that fall outwith the remit of Transport Scotland.

Throughout the 2023-24 reporting period, Patrick Harvie MSP, Minister for Zero Carbon Buildings, Active Travel and Tenants' Rights, had responsibility for active travel and the Future Transport Fund, which fall within the remit of Transport Scotland.

Transport Scotland forms part of the Net Zero Portfolio overseen by Director General (DG) Net Zero, Roy Brannen. The relationship between Transport Scotland, DG Portfolio and the wider Scottish Government is outlined within the agency's Framework Document.



## The Chief Executive

The Chief Executive is the Accountable Officer for Transport Scotland. They are appointed by the Permanent Secretary as Principle Accountable Officer for the Scottish Government under the terms set out in their letter of appointment, in line with the Scottish Public Finance Manual.

The Chief Executive is supported by the Transport Scotland Senior Management Team, comprised of nine Executive Directors with specific responsibilities delegated from the Chief Executive, in addition to a direct support team and secretariat responsible for handling official correspondence. The Executive Directors are, in turn, supported by their own staff, with responsibilities aligned to Transport Scotland's corporate objectives.

### Transport Scotland Directors:

- Alison Irvine, interim Chief Executive (from 20 March 2023)
- Hugh Gillies, Roads (Director from 4 July 2022; resumed Roads Director role on 1 October 2023)
- Kerry Twyman – Finance and Corporate Services (FCS)
- Bill Reeve – Rail
- Lawrence Shackman – Major Projects
- Bettina Sizeland – Bus Accessibility and Active Travel (BAAT)
- Roddy Macdonald – Ferries
- Morna Cannon – Low Carbon Economy (LCE) (interim from 1 May 2023)

- Gary Cox – Aviation, Maritime, Freight and Canals (AMFC) (interim from 1 May 2023)
- Fiona Brown – Transport Strategy and Analysis (TSA) (interim from 11 January 2022)
- Stewart Leggett – Roads (interim from 29 November 2021 until 30 September 2023)

From the start of the reporting period until 1 May 2023, the director responsibilities for the vacant Directors of AMFC and LCE lay with the Chief Executive until the appointment of interim Directors.

### Audit and Risk Committee

The external Members of the Transport Scotland Audit and Risk Committee provide the Chief Executive with further assurance in that role and are members of major project boards. Throughout the reporting period, the Audit and Risk Committee was chaired by John Matheson. He is joined on the Committee by Lesley MacLeod and Graeme Dickson.



## Directors' Register of Interests

Name	Position	Interests
Fiona Brown	Director of Transport Strategy and Analysis (interim) From 11 January 2022	<ul style="list-style-type: none"> <li>Chartered Engineer, C Eng</li> <li>Member of the Chartered Institution of Highways and Transportation, MCIHT</li> <li>Member of Women in Transport</li> <li>Owns a share of a holiday home on the Isle of Arran, which is a business as well as for personal use</li> </ul>
Hugh Gillies	Director from 4 July 2022 to 30 September 2023; Director of Roads from 1 October 2023	<ul style="list-style-type: none"> <li>Small share holdings in Lloyds TSB and Banco Santander</li> <li>Small Share holding in Brew Dog</li> <li>Member of Stewarton Bonnet Guild (local children's gala committee)</li> <li>Chartered Engineer, C Eng</li> <li>Member of the Institution of Civil Engineers, MICE</li> <li>Fellow of the Chartered Institution of Highways and Transportation, FCIHT</li> <li>Chartered Transport Planning Professional, CTPP</li> </ul>
Alison Irvine	Chief Executive (interim) From 20 March 2023	<ul style="list-style-type: none"> <li>Member of Heriot Watt University's Civil Engineering Strategic Advisory Board</li> <li>Chartered Engineer, C Eng Member of the Institution of Civil Engineers</li> <li>MICE Fellow of the Chartered Institution of Highways and Transportation, MCIHT</li> <li>Judge for the Scottish Transport Awards</li> <li>Husband is a director and shareholder IH Property Investment Ltd, All Property Mgt Ltd and Drumcarron Property Group Ltd</li> <li>Recipient of an interest-free loan for an electric vehicle from Energy Savings Trust</li> </ul>
Stewart Leggett	Director of Roads (interim) From 29 November 2021 to 30 September 2023	<ul style="list-style-type: none"> <li>Trustee on the Board of the West of Scotland's Deaf Children's Society charity.</li> </ul>



Name	Position	Interests
Roddy Macdonald	Director of Ferries	<ul style="list-style-type: none"> <li>Member of Advisory Board and Programme Committee of Scottish Universities Insight Institute</li> <li>Member of Bespoke Community Development Company</li> <li>Member of Glasgow Vintage Vehicle Trust</li> </ul>
Bill Reeve	Director of Rail	<ul style="list-style-type: none"> <li>Fellow of Institution of Mechanical Engineers, Member of Scottish Centre Committee of Railway Division of IMechE and Head Judge of IMechE Railway Challenge competition (no remuneration).</li> <li>100 Banco Santander Shares</li> <li>Membership of Bluebell Railway Preservation Society and Scottish Railway Preservation Society</li> <li>Member of the BR section of the Railway Pension Scheme</li> <li>Director of Scottish Government-owned Caledonian Sleeper Ltd. (until 25 June 2023), to facilitate transfer of Sleeper Franchise to Scottish Government Operator of Last Resort control from 25 June 2023.</li> </ul>
Lawrence Shackman	Director of Major Projects	<ul style="list-style-type: none"> <li>Fellow of the Institution of Civil Engineers (ICE) and the Chartered Institution of Highways and Transportation (CIHT)</li> <li>Previously Chair of ICE Scotland and ICE Glasgow and West of Scotland Branch</li> <li>Small share holdings in BT Group, Banco Santander and IAG</li> <li>Judge for the Construction News</li> </ul>
Bettina Sizeland	Director of Bus, Accessibility and Active Travel	<ul style="list-style-type: none"> <li>Member of Institution of Civil Engineers.</li> <li>Non-executive Director, Argyll College Highlands, and Islands University</li> <li>Judge for the Scottish Transport Awards</li> <li>Member of Cramond Boat Club</li> </ul>
Kerry Twyman	Director of Finance and Corporate Services	<ul style="list-style-type: none"> <li>Member of Institute of Chartered Accountants in England and Wales</li> <li>Recipient of EV and renewable technology loans from the Energy Saving Trust</li> </ul>



Name	Position	Interests
Gary Cox	Director of Aviation, Maritime, Freight and Canals  From 1 May 2023	<ul style="list-style-type: none"> <li>• Shareholdings in Diageo plc</li> <li>• Shareholdings in DP Poland</li> <li>• Shareholdings in NatWest Group</li> <li>• Shareholdings in Tesco plc</li> <li>• Shareholdings in WPP plc</li> </ul>
Morna Cannon	Director of Low Carbon Economy  From 1 May 2023	<ul style="list-style-type: none"> <li>• None declared</li> </ul>

During periods of extended Director leave, arrangements are made to cover Director responsibilities, with key decisions reserved for the Accountable Officer.

#### Audit and Risk Committee External Members' Register of Interests

Name	Position	Interests
John Matheson	Chair; external Member	<ul style="list-style-type: none"> <li>• Member of Doctors and Dentists Review Board</li> <li>• Consultant, CGI</li> <li>• Consultant, DHI University of Strathclyde</li> <li>• Director and Trustee, Edinburgh Sculpture Workshop (since September 2016)</li> <li>• Advisor to CIPFA</li> </ul>
Graeme Dickson	External Member	<ul style="list-style-type: none"> <li>• Director and Trustee, Edinburgh Sculpture Workshop (until June 2023)</li> <li>• Charity Trustee, Keep Scotland Beautiful (since May 2018)</li> <li>• Member of Court and Audit and Risk Committee of Heriot-Watt University (since August 2018)</li> <li>• Fellow, Royal Society of Arts (until February 2024)</li> <li>• Share ISA, Nutmeg plc.</li> <li>• Pension Fund, Scottish Widows</li> </ul>
Lesley MacLeod	External Member	<ul style="list-style-type: none"> <li>• None declared</li> </ul>



## Other disclosures

### Personal Data-Related Incidents

There were no personal data-related incidents reported to the Information Commissioner's Office (ICO) in 2023-24 (2022-23: None).

### Supplier Payment Policy

We are committed to prompt payment of bills for goods and services in compliance with the Scottish Government's Public Finance Manual. We aim to settle all undisputed invoices within contract terms and in line with the Scottish Government 10-day payment policy. We settled 96% of invoices within this timescale within 2023-24 (2022-23: 95%).

### Freedom of Information (FOI) Request Statistics

Under the Freedom of Information (Scotland) Act 2002 (FOISA), a person who requests information from a Scottish public authority which holds it is entitled to be given it by the authority, subject to certain conditions and exemptions set out in the Act. Within 2023-24, Transport Scotland received 590 FOI requests (2022-23: 509), 97% of which were responded to within the statutory working time of 21 working days (2022-23: 72%).

## Basis of Accounts

The Transport Scotland accounts are prepared in accordance with the Accounts Direction issued by Scottish Ministers under section 19(4) of the Public Finance and Accountability (Scotland) Act 2000. This can be found at page 164.

## Departmental Accounting

These accounts reflect the assets and liabilities of Transport Scotland as at 31 March 2024, and the financial results of the agency for financial year 2023-24, as required by and defined in the Government Financial Reporting Manual (FRoM). As an Executive Agency of the Scottish Government, Transport Scotland falls within the reporting boundary and is consolidated within the Scottish Government accounts, as required by the FRoM.

## Auditors

The financial statements for 2023-24 were audited by auditors appointed by the Auditor General for Scotland. Audit Scotland carried out this audit and the notional fee for this service was £201,960 (2022-23: £190,640), which related solely to the provision of the statutory audit service. There were no payments made for non-audit work in the year.



## Statement of Accountable Officer's responsibilities

Under Section 19(4) of the Public Finance and Accountability (Scotland) Act 2000, the Scottish Ministers have directed Transport Scotland to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of Transport Scotland and of its income and expenditure, Statement of Financial Position, and cash flows for the financial year.

In preparing the accounts, the Accountable Officer is required to comply with the requirements of the *Government Financial Reporting Manual* and in particular to:

- observe the Accounts Direction issued by Scottish Ministers, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis.
- make judgements and estimates on a reasonable basis.
- state whether the applicable accounting standards as set out in the *Government Financial Reporting Manual* have been followed and disclose and explain any material departures in the financial statements.
- prepare the financial statements on a going concern basis; and
- confirm that the Annual Report and Accounts as a whole is fair, balanced, and understandable and take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced, and understandable.

The Principal Accountable Officer for the Scottish Administration has designated the Chief Executive of Transport Scotland as Accountable Officer for the agency. The responsibilities of an Accountable Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the assets of Transport Scotland, as set out in the Memorandum to Accountable Officers issued by the Scottish Government.

As the Accounting Officer, I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that Transport Scotland's auditors are aware of that information. So far as I am aware, there is no relevant audit information of which the auditors are unaware.

Under Section 15 of the Public Finance and Accountability (Scotland) Act 2000, the Principal Accountable Officer for the Scottish Administration has designated the Chief Executive of Transport Scotland as its Accountable Officer. She is personally answerable to the Scottish Parliament for the propriety and regularity of Transport Scotland activities and for the economical, efficient, and effective use of all associated resources. The Accountable Officer is also responsible for signing the accounts of Transport Scotland.



## Governance statement

### Corporate Governance Framework

The corporate governance framework is comprised of the systems, processes, culture, and values by which Transport Scotland is directed and controlled. It is concerned with the structures and procedures of decision-making and accountability. It is used to monitor the achievement of corporate outcomes within the organisation.

The framework includes, but is not limited to, the responsibilities of the Chief Executive, the Senior Management Team, the Investment Decision-Making Board and the Audit and Risk Committee.

According to the **Scottish Government and Executive Agencies Accountability and Governance Policy**, the Agency Chief Executive determines the appropriate structures for managing the operations of their Agency. This may take the form of a Management Advisory Board, which includes Non-Executive Directors, or by a Senior Management Team, operating as an advisory board without Non-Executive Directors. Transport Scotland adheres to the latter structure and therefore does not have a Board. Information relating to the Agency's Senior Management Team is available below.

### The Chief Executive

The Chief Executive, as the agency's Accountable Officer, is responsible for maintaining a sound system of internal control that supports the achievement of Transport Scotland's policies, aims and objectives as set out by Scottish Ministers, while safeguarding the public funds and departmental assets for which she is responsible, in accordance with the Scottish Public Finance Manual.

### The Senior Management Team

The Chief Executive is supported in discharging their duties by a Senior Management Team (SMT), an advisory body of nine Directors. In 2023-24, the SMT met on a twice weekly basis and provided support, advice, and challenge on a number of areas, including:

- Transport Scotland's values, vision, strategy, and objectives
- corporate performance, including policy across the remit of Transport Scotland's remit and the operation of the transport network
- governance and delivery of projects
- ensuring that Transport Scotland has the necessary financial, human, infrastructural and physical resources to deliver on its objectives
- assurance on risk management, governance, and internal control.

### Investment Decision Making Board

The Investment Decision Making Board (IDM) is a forum where Directors meet to agree on investment decisions within Transport Scotland, providing the Chief Executive Officer with assurances on:

- value for money
- financial implications (current year and future commitments)
- fit with overall transport policy and strategic aims
- technical assessment of options
- procurement strategy.





IDM is a management forum used to ensure delivery of the business targets and strategic direction agreed by the SMT and Ministers. It is not a sub-committee of the SMT, but minutes of IDM are circulated to SMT members for information.

The Chief Executive, as Accountable Officer, is the Investment Decision Maker within Transport Scotland. They may call on both Transport Scotland Directors and external experts to provide them with advice on the decisions to be made.

### Project Boards

Some projects, due to their wider implications beyond Transport Scotland, have separately constructed Projects Boards. These operate within a bespoke Investment Decision Making structure but retain the Chief Executive as the Investment Decision Maker. The decision-making process for these structures is consistent with the principles of the IDM Board.

### Audit and Risk Committee

The Audit and Risk Committee is comprised of external members who bring constructive challenge and independent judgement to the governance of Transport Scotland. It meets four times per year, although the Chair has the power to convene additional meetings if required. The Chair also meets regularly with the Chief Executive and the Director of Finance and Corporate Services to keep abreast of developments.

In addition to the Committee's members, it is normally attended by the Chief Executive, the Director of Finance and Corporate Services, a representative of internal audit and a representative of Audit Scotland. Other Transport Scotland officials may also attend to support the consideration of specific issues as required.

The Audit and Risk Committee advises on risk management, control and governance, audit and the approval of the annual report and accounts, and assurances on corporate governance. The external members are also invited to participate in boards appointed for the governance, approval and oversight of major projects, investments, and climate change.

The Audit and Risk Committee receives copies of minutes of the weekly Senior Management Team meetings, as well as the monthly finance reports. It also meets with Directors biennially on an individual basis, as well as with representatives of internal and external audit privately on an annual basis.

The Committee produces an Annual Report, which supports this Governance Statement. This report summarises the Committee's work over the reporting period and assesses:

- the reliability and comprehensiveness of assurances received
- issues pertinent to this governance statement
- financial reporting
- the quality of both internal and external audit
- its view of its own effectiveness.