

Item:
8



Report to Partnership Meeting – 6th February 2008

COMMUNITY PLANNING

Single Outcome Agreement Input from HITRANS

PURPOSE OF REPORT

To provide Members with full details of the content prepared by HITRANS for submission through the community planning process I support of our partner local authorities in preparing their second Single Outcome Agreements as set out in the Concordat signed between local government and the Scottish Government.

BACKGROUND

The Concordat between the Scottish Government and CoSLA sets out the terms of a new relationship between the Scottish Government and local government that will underpin the funding provided to local government over the period 2008-09 to 2010-11. A central proposal of this historic agreement is the creation of a Single Outcome Agreement (SOA) between each Council and the Scottish Government, based on achieving 15 key national outcomes agreed in the Concordat. The outcomes reflect the National Performance Framework and aim to deliver the National Purpose.

The Single Outcome Agreements are the key policy and programme setting documents for each Council and will set the direction of policy and delivery among community planning partners. To ensure the Regional Transport Strategy aims and objectives flow into the process HITRANS Board recommended that the Partnership engage in the development of each SOA in our region.

HITRANS Input to Partner Council SOA Process

Following discussion at the Partnership meeting on 5th December 2008 regarding HITRANS involvement in the Community Planning Process run by each of our partner Councils it was agreed that Partnership officers would prepare draft content to be submitted to each Council in support of their Single Outcome Agreement.

Draft content has been prepared in relation to each local authority area. The partnership manager has liaised with partnership advisors and in most cases the key personnel managing the SOA process within partner authorities to ensure our content will help support the SOA process. The content produced by the Partnership is in a standard format so there will still be the need to work with Council officers to identify how this can be drawn in to the SOA as no two Council SOAs will be the same. Therefore it will be necessary to tailor the information to fit the architecture of each SOA and this will require further dialogue with Council CPP staff and indeed other Community Planning Partners such as HIE and the NHS.

Full details of the information prepared for each Council area is included in Appendix A of this report and Members are asked to consider this and recommend any changes required to the content particularly in the case of the Council Board Members as it relates to their area. Changes can still be made to the content to ensure it is fit for purpose.

Recommendation

1. Members are invited to comment on the draft content supplied in Appendix A and recommend changes before this is submitted to local authority CPP lead officers.
2. Members are asked to support partnership officers in the process of engaging with the CPP lead officers at their Council to ensure that transport features to an appropriate degree in each SOA.

Report by: Ranald Robertson
Designation: Partnership Manager
Date: 28 January 2009
Background Papers: Appendix A – Local Authority Content

Appendix A – Detailed Content Submitted to Each Local Authority Partner

Context and HITRANS Input to the Council Single Outcome Agreement

HITRANS Input and the Regional Context

Through the National Performance Framework the Scottish Government has set as its purpose to focus the Government and public services on creating a more successful country, with opportunities for all of Scotland to flourish, through increasing sustainable economic growth.

The Concordat between the Scottish Government and CoSLA sets out the terms of a new relationship between the Scottish Government and local government that will underpin the funding provided to local government over the period 2008-09 to 2010-11. A central proposal of this historic agreement is the creation of a Single Outcome Agreement (SOA) between each Council and the Scottish Government, based on achieving 15 key national outcomes agreed in the Concordat. The outcomes reflect the National Performance Framework and aim to deliver the National Purpose.

In taking forward its focus on Sustainable Economic Growth HITRANS has completed the development of a Regional Transport Strategy which aims to deliver a more successful Highlands and Islands, with opportunities for the whole region to flourish, through increasing the competitiveness of the region as part of Scotland as a whole. Economic sustainability and growth is a core purpose for the HITRANS partnership, and to which all the constituent Local Authorities and Community Planning partners are committed, support and actively contribute where appropriate. The Strategy identifies how improvements in transportation across the Highlands and Islands can directly support the Government in achieving its National purpose across a number of its national outcome areas.

The Highlands and Islands is a diverse region comprising many islands, remote rural communities, and also fast developing urban areas. Essential journeys are long, often through mountainous terrain or involving sea crossings. The cost of daily transport for business and for residents and visitors to the region is high. Many essential journeys involve using roads, rail, buses and ferries that are not of modern standards or fit for purpose; public transport where available tends to be infrequent and slow. For the Highlands and Islands the stakes are high. Our transport networks dictate to a large extent how we live our daily lives, how we travel to school, shops or hospitals, and how our businesses deliver their goods and services across the area.

The Highlands and Islands is a distinctive region with a potentially major role to play in developing a world class Scotland. The region has leading strengths in renewable energy and the best natural energy resources in Europe in the north and west on which to draw, providing opportunities across the region to contribute to Scotland's renewable energy targets. Inverness is one of the fastest growing cities in the UK, with one of Europe's fastest growing digital economies based on our greatest asset, Scotland's people. The region's stunning natural, cultural and historic landscape is a draw for tourists to Scotland, and provides the high quality environment enjoyed by residents across the Highlands and Islands.

The HITRANS Strategy is founded on a strong consultative base. Early in 2006 we facilitated workshops with key stakeholders throughout the region to explore and reach consensus on the key issues that the Strategy needs to address. The key focus that emerged from these

workshops and from others' participation in the Strategy development was that a modern transport system is needed for the region to make the Highlands and Islands a competitive location for business, and to enhance the region's viability. The region at present is only at 80% of Scotland's average Gross Value Added – a huge gap from the norm and an even greater one from the more affluent areas. Modernising the transport network is vital to bridging that gap in order that the Highlands and Islands can contribute their full potential to deliver the overall economic growth of Scotland desired by the Government.

For a long time the region has suffered a lack of investment in the transport network and services that is needed to enable it to fulfil its role in a successful Scotland. Underinvestment in maintaining and upgrading the road, rail, bus and ferry network has constrained the community's ability to translate hard work into growing the region's economic contribution to Scotland. A low growth economy is a concern, but innovation and vigour are core attributes of the region's people, and these, with the assistance of a modern transport system, will unleash the region's full potential.

The HITRANS Strategy is compatible with each of the five key priorities of the Scottish Government – wealthier & fairer, smarter, healthier, safer & stronger and greener. Delivery of a modern transport system in the Highlands and Islands, improving how people and business get access to services and destinations, is central to overcoming all the problems and constraints that were identified through analysis of the issues facing the region during the consultation on the Strategy. Delivering a modern transport system as detailed in the Strategy will enable businesses and people to increase their individual and collective wealth, with more and more people around the Highlands and Islands being able to have an active share in that wealth.

The modern transport system that is detailed in the Regional Transport Strategy will support a smarter community through better access to learning opportunities. The Strategy and the joint working of the Partnership, its Councils and Community Planning partners will help people across the Highlands and Islands to sustain and improve their health, ensuring faster, more reliable, and more affordable access to healthcare, and greater opportunities to lead an active lifestyle through active travel access to local services and facilities.

The Strategy sets out the way in which the Partnership and its constituent Councils will support people across the region in participating fully in everyday life, by supporting the delivery of a fit for purpose, multimodal transport system and associated infrastructure. The Strategy recognises that the ability to travel efficiently around a region, that comprises nearly half the land mass of Scotland, is essential to maintaining a good quality of life and in helping communities to thrive, but at the same time, that it puts significant pressure on natural resources and impacts significantly on the environment. More sustainable travel choices, such as walking and cycling and using new technology, are a real opportunity in the Highlands and Islands, and through the Strategy will deliver major health as well as environmental benefits, improving Scotland's natural and built environment and the opportunities for sustainable use and enjoyment of it.

The Regional Transport Strategy represents the vision that HITRANS and our partners have for the best way of developing the modern transport system that will unleash the opportunities that the region has to achieve sustained economic growth – more opportunities for new jobs, successful business start ups, more people staying, moving and returning to the region. This will only happen with the collective support of all our partners and

Government and to take this forward the Government has developed a process that we can follow to ensure this happens. A key element of this process will be the engagement with Councils and Community Planning Partners to ensure that this modern transport system is identified as a component in the measures required to deliver the Government purpose, both by influencing central government resource allocation and through the local allocation of resources through the Single Outcome Agreements of the constituent Councils across the Highlands and Islands and encouraging supportive action from the other Community Planning partners.

Key Interventions Identified in the Regional Transport Strategy – Argyll and Bute

Highlands and Islands Fuel Cost and RTFO Issues

In summer 2008 HITRANS and Partners engaged consultancy firm Experian to undertake research into the fuel price differential recorded at filling stations across the Highlands and Islands. This research was designed to identify the cause of the higher cost of petrol and diesel that was particularly evident in rural and island communities in the Highlands and Islands. The Consultant has now completed the majority of the brief and it has confirmed the belief that fuel prices are significantly higher in parts of the region than for example the inner Moray Firth where prices are similar to other parts of Scotland. The main reason for the fuel cost differential is the low volumes of sales at many filling stations making it difficult to spread the base operating cost. However although less outlets would enable increased volume this is not the answer to the problem as the closure of these facilities could have disastrous effects on rural communities across the region and their long term viability. Having completed this part of the research HITRANS and our partners will now seek to develop mechanisms to support retention of a strategic rural filling station network the loss of which poses such a threat on the sustainability of rural and island communities.

In taking forward the research into the fuel cost differential Experian identified a significant threat to the fuel supply chain in the Highlands and Islands posed by the proposed introduction of bio-gasoline across the UK as part of the UK Government's Renewable Transport Fuels Obligation (RTFO) due to the chemical properties of the product. In essence bio gasoline requires more onerous product handling criteria given the propensity to denature when coming into contact with water. This would make it impossible to deliver the product to the pump utilising the existing marine vessel fleet that delivers gasoline (petrol) to many parts of the Highlands and Islands through Inverness and other coastal ports. Furthermore many of the filling stations in the Highlands and Islands are several decades old and the existing storage tanks may potentially allow conditions to exist which would permit water to interact with the new fuel thus rendering it unusable. Without swift intervention to come up with a solution to this issue there is a very real risk that the supply chain delivering fuel to the Highlands and Islands will be inoperable and have to be replaced or fuel moved to road tanker delivery. A number of filling station would in addition have to invest heavily in their storage facilities which given the low sales volumes could force their closure. HITRANS and our partners are working with Scottish Government and the Scotland Office to encourage the Department for Transport to avert the threat posed by this measure and come up with a solution that will ensure the Highlands and Islands is not disadvantaged as a result of the UK's commitment to meeting the increasing EU environmental targets.

Road Equivalent Tariff Extension

The Road Equivalent Tariff introduced by Scottish Government on a number of key routes linking the Outer Hebrides, Coll and Tiree with mainland Scotland is delivering a real and welcome reduction in the cost of travel to the communities served. We are confident that this scheme will deliver long lasting socio economic benefits even during the relatively short

timescale of the existing pilot scheme reflecting HITRANS view that an overall reduction in the cost of ferry travel will stimulate economic activity. It is important that all communities served by Scotland's network of ferry services including Argyll and Bute engage with the monitoring arrangements in place during the trial period.

Although the RET pilot area is limited we are supportive of the principals that have already been adopted in its application where pragmatic good sense has been used to get round certain failures in the formula devised as it is applied to certain routes. On completion of the pilot scheme we are strongly supportive of the extension of reduced ferry fares to all the Scottish ferry services currently funded directly by the Scottish Government. We accept that the RET option is particularly valuable when applied to medium distance ferry routes. Further we would hope that the pragmatism that saw a work around found when the formula did not offer a saving to people travelling on services to Lochboisdale and Barra who previously possessed a six journey book of tickets with the RET rate pegged at the equivalent to the six journey rate is the type of exception that would be needed for longer distance routes. Equally the formula as it stands may not work very well for short distance routes such as for services to Gigha so again this will need to be considered in the future.

Argyll and Bute Council is committed to working closely with HITRANS to support the RET pilot and ensure that this fair system of charging for travel on all Scottish Government funded ferry routes is extended to the benefit of all the communities served by this network.

ADS / PSO Development

HITRANS working with our local government partners developed proposals to improve air services across the Highlands and Islands through the promotion of a PSO network aimed at improving access to the more remote parts of the region thus creating a catalyst for economic and social development in the areas served. While these proposals were not adopted by the then Government, action was taken by Government to support improved air access for those living in the remote areas of the Highlands and Islands through introduction of the Air Discount Scheme offering a 40% discount to residents of these areas on commercial flights within the Highlands and Islands and to and from the major hub airports in Scotland. There is no question that the ADS scheme has not been a welcome addition to our transport network and that this scheme has improved accessibility for residents of the islands and remote mainland areas of the region.

The original work on the PSO network was led by Mott MacDonald and Steer Davis Gleeve, and an interim review of the ADS project was undertaken by Halcrow in late 2007. Since both these pieces of work were completed a number of changes have taken place which might impact on the services and air sector, not least the local change of framework arrangements by Loganair from BA Connect to FlyBe, and the substantial reappraisal of routes and frequencies by commercial airlines following the fuel and subsequent economic crisis across the world.

HITRANS and our partner local authorities believe it is an appropriate time to consider the services currently available compared to those promoted in the PSO proposal, the level of asset usage being achieved, and the challenges faced within the Highlands and Islands in maintaining a viable commercial air network in the current economic climate when compared with challenges currently being faced by commercial airlines elsewhere and by Councils in delivering local PSO air services. This will take account of the full range of issues faced in providing air services in the region including factors such as the aging fleet of Islander and Twin Otter aircraft which currently ply the existing PSO networks in the region. HITRANS has allocated a budget of £30,000 to progress this study in 2009. We will work closely with Argyll and Bute Council members and officers to develop this work and to take forward any recommendations this makes.

Mainstream Passenger Transport

Since 2003 Argyll and Bute Council and HITRANS have worked hard to improve the physical accessibility of the Argyll and Bute bus fleet. This followed the identification of this as a major issue faced by bus operators in rural and island areas of Scotland as identified in a report for the Scottish Executive by Reid Howie Associates. A great deal of progress has been made in tackling this issue across Argyll and Bute to the situation that the majority of core local bus services in the local authority area are now operated by low floor easy access buses meeting the latest environmental criteria as well as being wheelchair accessible. HITRANS and Argyll and Bute Council are committed to working together to ensure the bus fleet serving the area continues to improve to offer the best possible service to the community.

HITRANS and Argyll and Bute Council are working closely together on the delivery of a Real Time Passenger Information system across parts of the bus network including all the long distance services from the area to the central belt. This system will mean buses and coaches are fitted with on board commuters that will transfer information to bus stop displays relaying exactly when the bus will arrive at the stop. Passengers will also have access to information in real time through a dedicated public transport information website and this will let people check on the progress of their bus from the comfort of their own home or office. The project has been funded by HITRANS and Argyll and Bute Council has identified the extension of this scheme as something worth taking forward in the future utilising the former RTP funding which is now channelled directly to the Council.

The HITRANS Regional Transport Strategy identifies the need to increase the sustainability of transport provision particularly how this can support the tourist industry more appropriately with the Gaelic Rings project in particular identified as a way HITRANS has supported this objective for the West Highlands and Islands. HITRANS has committed funding in 2008 to 2011 to this project to ensure it extends to other parts of the west highlands and islands and continue to deliver a boost to sustainable travel and with it sustainable economic growth across the region.

HITRANS working with Argyll and Bute Council and other local government partners undertook a study looking at the Road Based Passenger Transport network in the Highlands and Islands. This work recognised the particular challenges faced by transport planners in terms of delivering sustainable passenger transport solutions that meet the needs of residents and visitors in the region. At the core of the study was the development of a tool to support transport planners come to decisions on how best to allocate funding to ensure equitable use of funding to maximise community accessibility. With the unique situation that large swathes of the area is designated as Remote Rural under the Scottish Government's Urban/Rural Sixfold Classification there was a need to move to a more 'fine grain' measure of typology which allows comparable zones to be identified. Journey times, particularly by public transport, to key services and opportunities are often extended, making accessibility a prime concern for local authorities. By relating measures of geography, accessibility and need in one tool, it is believed that the most appropriate and cost effective solution can be consistently arrived at. The HITRANS Index of Sparsity combines measures of accessibility (by journey purpose/destination), population density and car ownership, as the key indicator of transport need, to produce an integrated tool for identifying areas of a similar 'type'. The Index helps to ensure that throughout each Council area no one resident is more disadvantaged by transport provision than those in comparable zones. This tool has now been made available to each local authority in the Highlands and Islands with the costs met by HITRANS.

Active Travel Regional Audit

HITRANS along with our partner local authorities has undertaken to deliver an active travel audit of each of the 13 key regional centres as identified in the Regional Transport Strategy. These audits will survey existing streetscape infrastructure to assess opportunities for cycling and walking. This process will take account of desire lines to attractors such as schools, libraries and sports facilities. The output and study recommendations will be useful for attracting third party funding from developers or as the basis of future bids for sustainable travel funding from Scottish Government and will encourage even closer integration between land use and transportation planning in and around the regional centres. In Argyll and Bute an audit is now underway in Dunoon and this will be completed in 2009. HITRANS is committed to delivering audits across all 13 regional centres by 2011.

National Outcomes

<p>National Outcome 1</p> <p>We live in a Scotland that is the most attractive place for doing business in Europe.</p>	<p>There is no doubt that the natural environment of the Highlands and Islands is second to none however there is a clear need to improve travel and connectivity across the Highlands and Islands if we are to be an attractive place to do business. Together with the constituent Councils and their Community Planning Partners this can be achieved by ensuring our built infrastructure is developed in a manner that reflects its environmental setting. In developing the Regional Transport Strategy HITRANS undertook a Strategic Environmental Assessment that has ensured that only appropriate interventions and policies are promoted.</p>
<p>National Outcome 2</p> <p>We realise our full economic potential with more and better employment opportunities for our people.</p>	<p>Sustainable economic growth is particularly important across the Highlands and Islands with GVA at only 80% of the Scottish average. It is essential that the region closes this gap to ensure it contributes proportionately to the nation's prosperity. To give the region the best chance of attracting new employment opportunities it is essential that the cost of travel within and to the region is not a deterrent to attracting this inward investment. Intervention is needed to reduce travel times and make journeys more reliable. Transport fares must be competitive for people to travel within the area and services have to be of a high standard and integrated where necessary.</p> <p>The RET pilot for ferry fares would lower the cost of travel to the Argyll isles and the Council will work with HITRANS to observe the RET pilot as it is introduced in the Western Isles and to Coll and Tiree with a view to this being extended to all the Scottish Government funded ferry services.</p> <p>The ADS scheme has lowered the cost of external air services and the Council will work with HITRANS to study the full impact of the scheme and review how services have benefited from ADS. This will also consider the earlier HITRANS led proposals for a full PSO network across the Highlands and Islands.</p> <p>The Council will work with HITRANS to promote the measures identified in the Regional Transport Strategy that would reduce end to end journey times for people travelling to and from Argyll and Bute.</p> <p>The Council will engage in the Scottish Ferry Review and will make the case for the implementation of measures that will reduce end to end journey times and improve access to all our island communities.</p> <p>Fuel is a major factor in the cost of travel and HITRANS and the Council will seek to develop recommendations that should be implemented as a result of the research undertaken by HITRANS and HIE into fuel costs and bio-fuel introduction.</p> <p>With the marked population sparsity in the Highlands and Islands when compared with average</p>

	<p>population density in Scotland it is clear that the car cannot be discounted as the main mode of travel for a significant proportion of our population. As has been shown by HITRANS research into fuel prices the rural areas where people are most dependant on their own car also have the highest costs of fuel. There is a clear opportunity for car sharing to be promoted to improve sustainable travel to work in the Highlands and Islands and to help this process HITRANS has established our free car sharing portal www.IfYouCareShare.com. HITRANS has set a target for membership of this scheme to increase by 20% per annum in the first three years of the portal.</p>
<p>National Outcome 3</p> <p>We are better educated, more skilled and more successful, renowned for our research and innovation.</p>	<p>HITRANS with its constituent Councils and their Community Planning Partners will undertake research that determines how we can best improve connectivity within such a diverse and challenging region and increases knowledge of the benefits that investment can achieve. This research will be aimed at informing investment decisions and improving delivery across all transport modes.</p> <p>HITRANS and the Council will fund a study looking at air service provision across the region.</p> <p>HITRANS and the Council will continue to develop our research into fuel costs and the potential impact of planned bio fuels introduction on our region.</p>
<p>National Outcome 4</p> <p>Our young people are successful learners, confident individuals, effective contributors and responsible citizens.</p>	
<p>National Outcome 5</p> <p>Our children have the best start in life and are ready to succeed.</p>	
<p>National Outcome 6</p> <p>We live longer, healthier lives.</p>	<p>HITRANS working with and on behalf of its constituent Councils will seek to promote Active Travel and investment in measures that will make it safer to walk and cycle to education and work. This will have a consequent beneficial effect on the health of our citizens while reducing the environmental impact of transport particularly in built up areas. The Single Outcome Agreement</p>

	<p>can target investment opportunities that will promote this aim.</p> <p>The Active Travel Regional Audits will help HITRANS and Argyll and Bute Council identify measures to increase active travel within the area helping promote healthier lives.</p>
<p>National Outcome 7</p> <p>We have tackled the significant inequalities in Scottish society</p>	<p>Better public transport with affordable fare structures can help tackle significant inequalities in society by tackling the social exclusion that currently acts as a barrier to access to employment, education and health. Better information is a key to promoting and increasing use of public transport and the further development by HITRANS and Argyll and Bute Council of the real time passenger information system on the bus network will greatly help this.</p> <p>Improved accessibility of public transport will help empower people and allow them to fully participate and contribute to the economy. HITRANS and Argyll and Bute Council are committed to working towards continuous development of our transport networks.</p> <p>HITRANS on behalf of its constituent Councils has invested in a region wide web based car sharing service which will as it develops help match journeys that are made on a regular or one off basis thereby reducing the cost of travel and improving access to jobs, services and recreational and social activity for those without direct access to a car.</p>
<p>National Outcome 8</p> <p>We have improved the life chances for children, young people and families at risk</p>	<p>HITRANS will work with Argyll and Bute Council, Community Planning Partners and Government to ensure transport investment is made to make communities safer places for children and young people. It is important that children can safely walk, cycle and play and transport improvements and integrated land use and transport planning can help achieve this aims. We will work towards meeting clearly defined targets aimed at restricting unsustainable traffic growth.</p>
<p>National Outcome 9</p> <p>We live our lives safe from crime, disorder and danger.</p>	<p>The SOA is an important tool in the development of measures to make society safer. In the past HITRANS on behalf of its constituent Councils has funded measures aimed at improving personal safety</p> <p>such as CCTV and better lighting on buses, at railway stations and bus stops that have significantly improved the experience of travelling by public transport particularly at night. HITRANS will work with the Council and other Community Planning Partners through the SOA to ensure that this type of investment continues to be an important means of improving confidence in the use of public transport and reducing car dependence.</p>
<p>National Outcome 10</p> <p>We live in well-designed,</p>	<p>The SOA should ensure that all new developments are designed to provide an acceptable level of facilities to minimise the need to travel. Existing communities should be provided with a range of local services reflecting their size providing opportunities for all people to access the full spectrum</p>

<p>sustainable places where we are able to access the amenities and services we need.</p>	<p>of facilities for education, employment and health. In partnership with Argyll and Bute Council and other local government partners HITRANS has developed a transport modelling tool detailing public transport and active travel opportunities to identify when a community is well designed and sustainable and where a community has insufficient access to these important services. This tool has been made available free of charge to Argyll and Bute Council to support transport planning in the area.</p>
<p>National Outcome 11</p> <p>We have strong, resilient and supportive communities where people take responsibility for their own actions and how they affect others.</p>	
<p>National Outcome 12</p> <p>We value and enjoy our built and natural environment and protect it and enhance it for future generations.</p>	<p>The Highlands and Islands have a high quality natural environment that is the greatest asset we possess in developing tourism as our biggest industry. This provides opportunities for inward investment by individuals and companies looking for high quality locations in which to work and live. While we need to see industry grow it is equally necessary to protect the asset we have so that future generations can also enjoy it. Development must be sustainable and where possible we must manage travel to attractions and services with well designed car parking and good access by public transport. We must where possible also support active travel both to and within our natural environment. HITRANS will continue to work with Argyll and Bute Council and other Community Planning Partners to ensure the SOA promotes sustainable development of our built and natural environment. HITRANS has developed arrangements for consultation with key stakeholders across a number of modes including Active Travel interests.</p>
<p>National Outcome 13</p> <p>We take pride in a strong, fair and inclusive national identity.</p>	

<p>National Outcome 14</p> <p>We reduce the local and global environmental impact of our consumption and production.</p>	<p>With some of the best food and produce available within our area there are clear opportunities to source more of the goods we consume locally. This will support local business and reduce the impact caused by transporting goods unnecessarily around the country improving the flow of necessary traffic on our transport corridors giving better connectivity between national centres and the region.</p> <p>HITRANS and Argyll and Bute Council are working with other Councils across the Highlands and Islands and freight industry stakeholders in the development of consultation arrangements on freight issues and are considering the the development of a Freight Quality Partnership to ensure best practice is followed in the transport of goods to, from and within the Highlands and Islands. This linkage is useful to support closer working with hauliers and we hope it will help promote more sustainable forms of transport such as sea and rail for the carriage of goods.</p>
<p>National Outcome 15</p> <p>Our public services are high quality, continually improving, efficient and responsive to local people's needs.</p>	<p>With Sustainable Economic Growth as the National Purpose it is essential that our public services are high quality and continually improving to meet people's expectations. The SOA should ensure our transport network is fit for this purpose in terms of public transport, active travel options, and the provision and maintenance of transport infrastructure. In this regard servicing this infrastructure it is crucial that maintenance is well planned so that disruption to the public is minimised.</p>

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HITRANS Input and the Regional Context

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location for business, and to enhance the region's viability. The region at present is only at 80% of Scotland's average Gross Value Added – a huge gap from the norm and an even greater one from the more affluent areas. Modernising the transport network is vital to bridging that gap in order that the Highlands and Islands can contribute their full potential to deliver the overall economic growth of Scotland desired by the Government.

For a long time the region has suffered a lack of investment in the transport network and services that is needed to enable it to fulfil its role in a successful Scotland. Underinvestment in maintaining and upgrading the road, rail, bus and ferry network has constrained the community's ability to translate hard work into growing the region's economic contribution to Scotland. A low growth economy is a concern, but innovation and vigour are core attributes of the region's people, and these, with the assistance of a modern transport system, will unleash the region's full potential.

The HITRANS Strategy is compatible with each of the five key priorities of the Scottish Government – wealthier & fairer, smarter, healthier, safer & stronger and greener. Delivery of a modern transport system in the Highlands and Islands, improving how people and business get access to services and destinations, is central to overcoming all the problems and constraints that were identified through analysis of the issues facing the region during the consultation on the Strategy. Delivering a modern transport system as detailed in the Strategy will enable businesses and people to increase their individual and collective wealth, with more and more people around the Highlands and Islands being able to have an active share in that wealth.

The modern transport system that is detailed in the Regional Transport Strategy will support a smarter community through better access to learning opportunities. The Strategy and the joint working of the Partnership, its Councils and Community Planning partners will help people across the Highlands and Islands to sustain and improve their health, ensuring faster, more reliable, and more affordable access to healthcare, and greater opportunities to lead an active lifestyle through active travel access to local services and facilities.

The Strategy sets out the way in which the Partnership and its constituent Councils will support people across the region in participating fully in everyday life, by supporting the delivery of a fit for purpose, multimodal transport system and associated infrastructure. The Strategy recognises that the ability to travel efficiently around a region, that comprises nearly half the land mass of Scotland, is essential to maintaining a good quality of life and in helping communities to thrive, but at the same time, that its puts significant pressure on natural resources and impacts significantly on the environment. More sustainable travel choices, such as walking and cycling and using new technology, are a real opportunity in the Highlands and Islands, and through the Strategy will deliver major health as well as environmental benefits, improving Scotland's natural and built environment and the opportunities for sustainable use and enjoyment of it.

The Regional Transport Strategy represents the vision that HITRANS and our partners have for the best way of developing the modern transport system that will unleash the opportunities that the region has to achieve sustained economic growth – more opportunities for new jobs, successful business start ups, more people staying, moving and returning to the region. This will only happen with the collective support of all our partners and Government and to take this forward the Government has developed a process that we can follow to ensure this happens. A key element of this process will be the engagement with

Councils and Community Planning Partners to ensure that this modern transport system is identified as a component in the measures required to deliver the Government purpose, both by influencing central government resource allocation and through the local allocation of resources through the Single Outcome Agreements of the constituent Councils across the Highlands and Islands and encouraging supportive action from the other Community Planning partners.

Key Interventions Identified in the Regional Transport Strategy – Comhairle Nan Eilean Siar

Highlands and Islands Fuel Cost and RTFO Issues

In summer 2008 HITRANS and Partners engaged consultancy firm Experian to undertake research into the fuel price differential recorded at filling stations across the Highlands and Islands. This research was designed to identify the cause of the higher cost of petrol and diesel that was particularly evident in rural and island communities in the Highlands and Islands. The Consultant has now completed the majority of the brief and it has confirmed the belief that fuel prices are significantly higher in parts of the region than for example the inner Moray Firth where prices are similar to other parts of Scotland. The main reason for the fuel cost differential is the low volumes of sales at many filling stations making it difficult to spread the base operating cost. However although less outlets would enable increased volume this is not the answer to the problem as the closure of these facilities could have disastrous effects on rural communities across the region and their long term viability. Having completed this part of the research HITRANS and our partners will now seek to develop mechanisms to support retention of a strategic rural filling station network the loss of which poses such a threat on the sustainability of rural and island communities.

In taking forward the research into the fuel cost differential Experian identified a significant threat to the fuel supply chain in the Highlands and Islands posed by the proposed introduction of bio-gasoline across the UK as part of the UK Government's Renewable Transport Fuels Obligation (RTFO) due to the chemical properties of the product. In essence bio gasoline requires more onerous product handling criteria given the propensity to denature when coming into contact with water. This would make it impossible to deliver the product to the pump utilising the existing marine vessel fleet that delivers gasoline (petrol) to many parts of the Highlands and Islands through Inverness and other coastal ports. Furthermore many of the filling stations in the Highlands and Islands are several decades old and the existing storage tanks may potentially allow conditions to exist which would permit water to interact with the new fuel thus rendering it unusable. Without swift intervention to come up with a solution to this issue there is a very real risk that the supply chain delivering fuel to the Highlands and Islands will be inoperable and have to be replaced or fuel moved to road tanker delivery. A number of filling station would in addition have to invest heavily in their storage facilities which given the low sales volumes could force their closure. HITRANS and our partners are working with Scottish Government and the Scotland Office to encourage the Department for Transport to avert the threat posed by this measure and come up with a solution that will ensure the Highlands and Islands is not disadvantaged as a result of the UK's commitment to meeting the increasing EU environmental targets.

Road Equivalent Tariff Extension

The Road Equivalent Tariff introduced by Scottish Government on a number of key routes linking the Outer Hebrides, Coll and Tiree with mainland Scotland is delivering a real and welcome reduction in the cost of travel to the communities served. We are confident that this scheme will deliver long lasting socio economic benefits even during the relatively short timescale of the existing pilot scheme reflecting HITRANS view that an overall reduction in

the cost of ferry travel will stimulate economic activity. It is important that all communities served by Scotland's network of ferry services not least the current pilot area of the Western Isles engage with the monitoring arrangements in place during the trial period.

Although the RET pilot area is limited we are supportive of the principals that have already been adopted in its application where pragmatic good sense has been used to get round certain failures in the formula devised as it is applied to certain routes. On completion of the pilot scheme we are strongly supportive of the extension of reduced ferry fares to all the Scottish ferry services currently funded directly by the Scottish Government. We accept that the RET option is particularly valuable when applied to medium distance ferry routes. Further we would hope that the pragmatism that saw a work around found when the formula did not offer a saving to people travelling on services to Lochboisdale and Barra who previously possessed a six journey book of tickets with the RET rate pegged at the equivalent to the six journey rate is the type of exception that would be needed for longer distance routes. Equally the formula as it stands may not work very well for short distance routes such so we would hope that this is reflected in the long term arrangements.

Comhairle Nan Eilean Siar is committed to working closely with HITRANS to support the RET pilot and ensure that this fair system of charging for travel on all Scottish Government funded ferry routes is extended to the benefit of all the communities served by this network.

ADS / PSO Development

HITRANS working with our local government partners developed proposals to improve air services across the Highlands and Islands through the promotion of a PSO network aimed at improving access to the more remote parts of the region thus creating a catalyst for economic and social development in the areas served. While these proposals were not adopted by the then Government, action was taken by Government to support improved air access for those living in the remote areas of the Highlands and Islands through introduction of the Air Discount Scheme offering a 40% discount to residents of these areas on commercial flights within the Highlands and Islands and to and from the major hub airports in Scotland. There is no question that the ADS scheme has not been a welcome addition to our transport network and that this scheme has improved accessibility for residents of the islands and remote mainland areas of the region.

The original work on the PSO network was led by Mott MacDonald and Steer Davis Gleeve, and an interim review of the ADS project was undertaken by Halcrow in late 2007. Since both these pieces of work were completed a number of changes have taken place which might impact on the services and air sector, not least the local change of framework arrangements by Loganair from BA Connect to FlyBe, and the substantial reappraisal of routes and frequencies by commercial airlines following the fuel and subsequent economic crisis across the world.

HITRANS and our partner local authorities believe it is an appropriate time to consider the services currently available compared to those promoted in the PSO proposal, the level of asset usage being achieved, and the challenges faced within the Highlands and Islands in maintaining a viable commercial air network in the current economic climate when compared with challenges currently being faced by commercial airlines elsewhere and by Councils in delivering local PSO air services. This will take account of the full range of issues faced in providing air services in the region including factors such as the aging fleet of Islander and Twin Otter aircraft which currently ply the existing PSO networks in the region. HITRANS has allocated a budget of £30,000 to progress this study in 2009. We will work closely with Comhairle Nan Eilean Siar members and officers to develop this work and to take forward any recommendations this makes.

Mainstream Passenger Transport

The HITRANS Regional Transport Strategy identifies the need to increase the sustainability of transport provision particularly how this can support the tourist industry more appropriately with the Gaelic Rings project in particular identified as a way HITRANS has supported this objective for the West Highlands and Islands. HITRANS has committed funding in 2008 to 2011 to this project to ensure it extends to other parts of the west highlands and islands and continue to deliver a boost to sustainable travel and with it sustainable economic growth across the region.

HITRANS working with Comhairle Nan Eilean Siar and other local government partners undertook a study looking at the Road Based Passenger Transport network in the Highlands and Islands. This work recognised the particular challenges faced by transport planners in terms of delivering sustainable passenger transport solutions that meet the needs of residents and visitors in the region. At the core of the study was the development of a tool to support transport planners come to decisions on how best to allocate funding to ensure equitable use of funding to maximise community accessibility. With the unique situation that large swathes of the area is designated as Remote Rural under the Scottish Government's Urban/Rural Sixfold Classification there was a need to move to a more 'fine grain' measure of typology which allows comparable zones to be identified. Journey times, particularly by public transport, to key services and opportunities are often extended, making accessibility a prime concern for local authorities. By relating measures of geography, accessibility and need in one tool, it is believed that the most appropriate and cost effective solution can be consistently arrived at. The HITRANS Index of Sparsity combines measures of accessibility (by journey purpose/destination), population density and car ownership, as the key indicator of transport need, to produce an integrated tool for identifying areas of a similar 'type'. The Index helps to ensure that throughout each Council area no one resident is more disadvantaged by transport provision than those in comparable zones. This tool has now been made available to each local authority in the Highlands and Islands with the costs met by HITRANS.

Active Travel Regional Audit

HITRANS along with our partner local authorities has undertaken to deliver an active travel audit of each of the 13 key regional centres as identified in the Regional Transport Strategy. These audits will survey existing streetscape infrastructure to assess opportunities for cycling and walking. This process will take account of desire lines to attractors such as schools, libraries and sports facilities. The output and study recommendations will be useful for attracting third party funding from developers or as the basis of future bids for sustainable travel funding from Scottish Government and will encourage even closer integration between land use and transportation planning in and around the regional centres. In Comhairle Nan Eilean Siar an audit is now underway in Stornoway and this will be completed in 2009. HITRANS is committed to delivering audits across all 13 regional centres by 2011.

National Outcomes

<p>National Outcome 1</p> <p>We live in a Scotland that is the most attractive place for doing business in Europe.</p>	<p>There is no doubt that the natural environment of the Highlands and Islands is second to none however there is a clear need to improve travel and connectivity across the Highlands and Islands if we are to be an attractive place to do business. Together with the constituent Councils and their Community Planning Partners this can be achieved by ensuring our built infrastructure is developed in a manner that reflects its environmental setting. In developing the Regional Transport Strategy HITRANS undertook a Strategic Environmental Assessment that has ensured that only appropriate interventions and policies are promoted.</p>
<p>National Outcome 2</p> <p>We realise our full economic potential with more and better employment opportunities for our people.</p>	<p>Sustainable economic growth is particularly important across the Highlands and Islands with GVA at only 80% of the Scottish average. It is essential that the region closes this gap to ensure it contributes proportionately to the nation's prosperity. To give the region the best chance of attracting new employment opportunities it is essential that the cost of travel within and to the region is not a deterrent to attracting this inward investment. Intervention is needed to reduce travel times and make journeys more reliable. Transport fares must be competitive for people to travel within the area and services have to be of a high standard and integrated where necessary.</p> <p>The RET pilot for ferry fares is lowering the cost of travel to the Western Isles. HITRANS will work with the Comhairle to observe the RET pilot as it is introduced in the Western Isles and to Coll and Tiree with a view to this being extended to all the Scottish Government funded ferry services including the Sound of Harris and Sound of Barra services which are not included in the pilot scheme.</p> <p>The ADS scheme has lowered the cost of external air services and the Council will work with HITRANS to study the full impact of the scheme and review how services have benefited from ADS. This will also consider the earlier HITRANS led proposals for a full PSO network across the Highlands and Islands.</p> <p>The Council will work with HITRANS to promote the measures identified in the Regional Transport Strategy that would reduce end to end journey times for people travelling to and from Comhairle Nan Eilean Siar.</p> <p>The Council will engage in the Scottish Ferry Review and will make the case for the implementation of measures that will reduce end to end journey times and improve access to all our island communities.</p> <p>Fuel is a major factor in the cost of travel and HITRANS and the Council will seek to develop recommendations that should be implemented as a result of the research undertaken by HITRANS and HIE into fuel costs and bio-fuel introduction.</p>

	<p>With the marked population sparsity in the Highlands and Islands when compared with average population density in Scotland it is clear that the car cannot be discounted as the main mode of travel for a significant proportion of our population. As has been shown by HITRANS research into fuel prices the rural areas where people are most dependant on their own car also have the highest costs of fuel. There is a clear opportunity for car sharing to be promoted to improve sustainable travel to work in the Highlands and Islands and to help this process HITRANS has established our free car sharing portal www.IfYouCareShare.com. HITRANS has set a target for membership of this scheme to increase by 20% per annum in the first three years of the portal.</p>
<p>National Outcome 3</p> <p>We are better educated, more skilled and more successful, renowned for our research and innovation.</p>	<p>HITRANS with its constituent Councils and their Community Planning Partners will undertake research that determines how we can best improve connectivity within such a diverse and challenging region and increases knowledge of the benefits that investment can achieve. This research will be aimed at informing investment decisions and improving delivery across all transport modes.</p> <p>HITRANS and the Council will fund a study looking at air service provision across the region.</p> <p>HITRANS and the Council will continue to develop our research into fuel costs and the potential impact of planned bio fuels introduction on our region.</p>
<p>National Outcome 4</p> <p>Our young people are successful learners, confident individuals, effective contributors and responsible citizens.</p>	
<p>National Outcome 5</p> <p>Our children have the best start in life and are ready to succeed.</p>	
<p>National Outcome 6</p> <p>We live longer, healthier</p>	<p>HITRANS working with and on behalf of its constituent Councils will seek to promote Active Travel and investment in measures that will make it safer to walk and cycle to education and work. This will have a consequent beneficial effect on the health of our citizens while reducing the</p>

lives.	environmental impact of transport particularly in built up areas. The Single Outcome Agreement can target investment opportunities that will promote this aim. The Active Travel Regional Audits will help HITRANS and Comhairle Nan Eilean Siar Council identify measures to increase active travel within the area helping promote healthier lives.
<p>National Outcome 7</p> <p>We have tackled the significant inequalities in Scottish society</p>	<p>Better public transport with affordable fare structures can help tackle significant inequalities in society by tackling the social exclusion that currently acts as a barrier to access to employment, education and health. Improved accessibility of public transport will help empower people and allow them to fully participate and contribute to the economy. HITRANS and Comhairle Nan Eilean Siar Council are committed to working towards continuous development of our transport networks. HITRANS on behalf of its constituent Councils has invested in a region wide web based car sharing service which will as it develops help match journeys that are made on a regular or one off basis thereby reducing the cost of travel and improving access to jobs, services and recreational and social activity for those without direct access to a car.</p>
<p>National Outcome 8</p> <p>We have improved the life chances for children, young people and families at risk</p>	<p>HITRANS will work with Comhairle Nan Eilean Siar Council, Community Planning Partners and Government to ensure transport investment is made to make communities safer places for children and young people. It is important that children can safely walk, cycle and play and transport improvements and integrated land use and transport planning can help achieve this aims. We will work towards meeting clearly defined targets aimed at restricting unsustainable traffic growth.</p>
<p>National Outcome 9</p> <p>We live our lives safe from crime, disorder and danger.</p>	<p>The SOA is an important tool in the development of measures to make society safer. In the past HITRANS on behalf of its constituent Councils has funded measures aimed at improving personal safety such as CCTV and better lighting on buses, at railway stations and bus stops that have significantly improved the experience of travelling by public transport particularly at night. HITRANS will work with the Council and other Community Planning Partners through the SOA to ensure that this type of investment continues to be an important means of improving confidence in the use of public transport and reducing car dependence.</p>
<p>National Outcome 10</p> <p>We live in well-designed, sustainable places where we are able to access the</p>	<p>The SOA should ensure that all new developments are designed to provide an acceptable level of facilities to minimise the need to travel. Existing communities should be provided with a range of local services reflecting their size providing opportunities for all people to access the full spectrum of facilities for education, employment and health. In partnership with Comhairle Nan Eilean Siar Council and other local government partners HITRANS has developed a transport modelling tool</p>

<p>amenities and services we need.</p>	<p>detailing public transport and active travel opportunities to identify when a community is well designed and sustainable and where a community has insufficient access to these important services. This tool has been made available free of charge to Comhairle Nan Eilean Siar Council to support transport planning in the area.</p>
<p>National Outcome 11</p> <p>We have strong, resilient and supportive communities where people take responsibility for their own actions and how they affect others.</p>	
<p>National Outcome 12</p> <p>We value and enjoy our built and natural environment and protect it and enhance it for future generations.</p>	<p>The Highlands and Islands have a high quality natural environment that is the greatest asset we possess in developing tourism as our biggest industry. This provides opportunities for inward investment by individuals and companies looking for high quality locations in which to work and live. While we need to see industry grow it is equally necessary to protect the asset we have so that future generations can also enjoy it. Development must be sustainable and where possible we must manage travel to attractions and services with well designed car parking and good access by public transport. We must where possible also support active travel both to and within our natural environment. HITRANS will continue to work with Comhairle Nan Eilean Siar Council and other Community Planning Partners to ensure the SOA promotes sustainable development of our built and natural environment. HITRANS has developed arrangements for consultation with key stakeholders across a number of modes including Active Travel interests.</p>
<p>National Outcome 13</p> <p>We take pride in a strong, fair and inclusive national identity.</p>	
<p>National Outcome 14</p>	<p>With some of the best food and produce available within our area there are clear opportunities to</p>

<p>We reduce the local and global environmental impact of our consumption and production.</p>	<p>source more of the goods we consume locally. This will support local business and reduce the impact caused by transporting goods unnecessarily around the country improving the flow of necessary traffic on our transport corridors giving better connectivity between national centres and the region.</p> <p>HITRANS and Comhairle Nan Eilean Siar Council are working with other Councils across the Highlands and Islands and freight industry stakeholders in the development of consultation arrangements on freight issues and are considering the the development of a Freight Quality Partnership to ensure best practice is followed in the transport of goods to, from and within the Highlands and Islands. This linkage is useful to support closer working with hauliers and we hope it will help promote more sustainable forms of transport such as sea and rail for the carriage of goods.</p>
<p>National Outcome 15</p> <p>Our public services are high quality, continually improving, efficient and responsive to local people's needs.</p>	<p>With Sustainable Economic Growth as the National Purpose it is essential that our public services are high quality and continually improving to meet people's expectations. The SOA should ensure our transport network is fit for this purpose in terms of public transport, active travel options, and the provision and maintenance of transport infrastructure. In this regard servicing this infrastructure it is crucial that maintenance is well planned so that disruption to the public is minimised.</p>

Context and HITRANS Input to the Council Single Outcome Agreement

HITRANS Input and the Regional Context

Through the National Performance Framework the Scottish Government has set as its purpose to focus the Government and public services on creating a more successful country, with opportunities for all of Scotland to flourish, through increasing sustainable economic growth.

The Concordat between the Scottish Government and CoSLA sets out the terms of a new relationship between the Scottish Government and local government that will underpin the funding provided to local government over the period 2008-09 to 2010-11. A central proposal of this historic agreement is the creation of a Single Outcome Agreement (SOA) between each Council and the Scottish Government, based on achieving 15 key national outcomes agreed in the Concordat. The outcomes reflect the National Performance Framework and aim to deliver the National Purpose.

In taking forward its focus on Sustainable Economic Growth HITRANS has completed the development of a Regional Transport Strategy which aims to deliver a more successful Highlands and Islands, with opportunities for the whole region to flourish, through increasing the competitiveness of the region as part of Scotland as a whole. Economic sustainability and growth is a core purpose for the HITRANS partnership, and to which all the constituent Local Authorities and Community Planning partners are committed, support and actively contribute where appropriate. The Strategy identifies how improvements in transportation across the Highlands and Islands can directly support the Government in achieving its National purpose across a number of its national outcome areas.

The Highlands and Islands is a diverse region comprising many islands, remote rural communities, and also fast developing urban areas. Essential journeys are long, often through mountainous terrain or involving sea crossings. The cost of daily transport for business and for residents and visitors to the region is high. Many essential journeys involve using roads, rail, buses and ferries that are not of modern standards or fit for purpose; public transport where available tends to be infrequent and slow. For the Highlands and Islands the stakes are high. Our transport networks dictate to a large extent how we live our daily lives, how we travel to school, shops or hospitals, and how our businesses deliver their goods and services across the area.

The Highlands and Islands is a distinctive region with a potentially major role to play in developing a world class Scotland. The region has leading strengths in renewable energy and the best natural energy resources in Europe in the north and west on which to draw, providing opportunities across the region to contribute to Scotland's renewable energy targets. Inverness is one of the fastest growing cities in the UK, with one of Europe's fastest growing digital economies based on our greatest asset, Scotland's people. The region's stunning natural, cultural and historic landscape is a draw for tourists to Scotland, and provides the high quality environment enjoyed by residents across the Highlands and Islands.

The HITRANS Strategy is founded on a strong consultative base. Early in 2006 we facilitated workshops with key stakeholders throughout the region to explore and reach consensus on the key issues that the Strategy needs to address. The key focus that emerged from these workshops and from others' participation in the Strategy development was that a modern transport system is needed for the region to make the Highlands and Islands a competitive

location for business, and to enhance the region's viability. The region at present is only at 80% of Scotland's average Gross Value Added – a huge gap from the norm and an even greater one from the more affluent areas. Modernising the transport network is vital to bridging that gap in order that the Highlands and Islands can contribute their full potential to deliver the overall economic growth of Scotland desired by the Government.

For a long time the region has suffered a lack of investment in the transport network and services that is needed to enable it to fulfil its role in a successful Scotland. Underinvestment in maintaining and upgrading the road, rail, bus and ferry network has constrained the community's ability to translate hard work into growing the region's economic contribution to Scotland. A low growth economy is a concern, but innovation and vigour are core attributes of the region's people, and these, with the assistance of a modern transport system, will unleash the region's full potential.

The HITRANS Strategy is compatible with each of the five key priorities of the Scottish Government – wealthier & fairer, smarter, healthier, safer & stronger and greener. Delivery of a modern transport system in the Highlands and Islands, improving how people and business get access to services and destinations, is central to overcoming all the problems and constraints that were identified through analysis of the issues facing the region during the consultation on the Strategy. Delivering a modern transport system as detailed in the Strategy will enable businesses and people to increase their individual and collective wealth, with more and more people around the Highlands and Islands being able to have an active share in that wealth.

The modern transport system that is detailed in the Regional Transport Strategy will support a smarter community through better access to learning opportunities. The Strategy and the joint working of the Partnership, its Councils and Community Planning partners will help people across the Highlands and Islands to sustain and improve their health, ensuring faster, more reliable, and more affordable access to healthcare, and greater opportunities to lead an active lifestyle through active travel access to local services and facilities.

The Strategy sets out the way in which the Partnership and its constituent Councils will support people across the region in participating fully in everyday life, by supporting the delivery of a fit for purpose, multimodal transport system and associated infrastructure. The Strategy recognises that the ability to travel efficiently around a region, that comprises nearly half the land mass of Scotland, is essential to maintaining a good quality of life and in helping communities to thrive, but at the same time, that its puts significant pressure on natural resources and impacts significantly on the environment. More sustainable travel choices, such as walking and cycling and using new technology, are a real opportunity in the Highlands and Islands, and through the Strategy will deliver major health as well as environmental benefits, improving Scotland's natural and built environment and the opportunities for sustainable use and enjoyment of it.

The Regional Transport Strategy represents the vision that HITRANS and our partners have for the best way of developing the modern transport system that will unleash the opportunities that the region has to achieve sustained economic growth – more opportunities for new jobs, successful business start ups, more people staying, moving and returning to the region. This will only happen with the collective support of all our partners and Government and to take this forward the Government has developed a process that we can follow to ensure this happens. A key element of this process will be the engagement with

Councils and Community Planning Partners to ensure that this modern transport system is identified as a component in the measures required to deliver the Government purpose, both by influencing central government resource allocation and through the local allocation of resources through the Single Outcome Agreements of the constituent Councils across the Highlands and Islands and encouraging supportive action from the other Community Planning partners.

Key Interventions Identified in the Regional Transport Strategy – Highland

Highlands and Islands Fuel Cost and RTFO Issues

In summer 2008 HITRANS and Partners engaged consultancy firm Experian to undertake research into the fuel price differential recorded at filling stations across the Highlands and Islands. This research was designed to identify the cause of the higher cost of petrol and diesel that was particularly evident in rural and island communities in the Highlands and Islands. The Consultant has now completed the majority of the brief and it has confirmed the belief that fuel prices are significantly higher in parts of the region than for example the inner Moray Firth where prices are similar to other parts of Scotland. The main reason for the fuel cost differential is the low volumes of sales at many filling stations making it difficult to spread the base operating cost. However although less outlets would enable increased volume this is not the answer to the problem as the closure of these facilities could have disastrous effects on rural communities across the region and their long term viability. Having completed this part of the research HITRANS and our partners will now seek to develop mechanisms to support retention of a strategic rural filling station network the loss of which poses such a threat on the sustainability of rural and island communities.

In taking forward the research into the fuel cost differential Experian identified a significant threat to the fuel supply chain in the Highlands and Islands posed by the proposed introduction of bio-gasoline across the UK as part of the UK Government's Renewable Transport Fuels Obligation (RTFO) due to the chemical properties of the product. In essence bio gasoline requires more onerous product handling criteria given the propensity to denature when coming into contact with water. This would make it impossible to deliver the product to the pump utilising the existing marine vessel fleet that delivers gasoline (petrol) to many parts of the Highlands and Islands through Inverness and other coastal ports. Furthermore many of the filling stations in the Highlands and Islands are several decades old and the existing storage tanks may potentially allow conditions to exist which would permit water to interact with the new fuel thus rendering it unusable. Without swift intervention to come up with a solution to this issue there is a very real risk that the supply chain delivering fuel to the Highlands and Islands will be inoperable and have to be replaced or fuel moved to road tanker delivery. A number of filling station would in addition have to invest heavily in their storage facilities which given the low sales volumes could force their closure. HITRANS and our partners are working with Scottish Government and the Scotland Office to encourage the Department for Transport to avert the threat posed by this measure and come up with a solution that will ensure the Highlands and Islands is not disadvantaged as a result of the UK's commitment to meeting the increasing EU environmental targets.

Road Equivalent Tariff Extension

The Road Equivalent Tariff introduced by Scottish Government on a number of key routes linking the Outer Hebrides, Coll and Tiree with mainland Scotland is delivering a real and welcome reduction in the cost of travel to the communities served. We are confident that this scheme will deliver long lasting socio economic benefits even during the relatively short timescale of the existing pilot scheme reflecting HITRANS view that an overall reduction in the cost of ferry travel will stimulate economic activity. It is important that all communities

served by Scotland's network of ferry services including Highland engage with the monitoring arrangements in place during the trial period.

Although the RET pilot area is limited we are supportive of the principals that have already been adopted in its application where pragmatic good sense has been used to get round certain failures in the formula devised as it is applied to certain routes. On completion of the pilot scheme we are strongly supportive of the extension of reduced ferry fares to all the Scottish ferry services currently funded directly by the Scottish Government. We accept that the RET option is particularly valuable when applied to medium distance ferry routes. Further we would hope that the pragmatism that saw a work around found when the formula did not offer a saving to people travelling on services to Lochboisdale and Barra who previously possessed a six journey book of tickets with the RET rate pegged at the equivalent to the six journey rate is the type of exception that would be needed for longer distance routes. Equally the formula as it stands may not work very well for short distance routes such as for services to Raasay so again this will need to be considered in the future.

Highland Council is committed to working closely with HITRANS to support the RET pilot and ensure that this fair system of charging for travel on all Scottish Government funded ferry routes is extended to the benefit of all the communities served by this network.

ADS / PSO Development

HITRANS working with our local government partners developed proposals to improve air services across the Highlands and Islands through the promotion of a PSO network aimed at improving access to the more remote parts of the region thus creating a catalyst for economic and social development in the areas served. While these proposals were not adopted by the then Government, action was taken by Government to support improved air access for those living in the remote areas of the Highlands and Islands through introduction of the Air Discount Scheme offering a 40% discount to residents of these areas on commercial flights within the Highlands and Islands and to and from the major hub airports in Scotland. There is no question that the ADS scheme has not been a welcome addition to our transport network and that this scheme has improved accessibility for residents of the islands and remote mainland areas of the region.

The original work on the PSO network was led by Mott MacDonald and Steer Davis Gleeve, and an interim review of the ADS project was undertaken by Halcrow in late 2007. Since both these pieces of work were completed a number of changes have taken place which might impact on the services and air sector, not least the local change of framework arrangements by Loganair from BA Connect to FlyBe, and the substantial reappraisal of routes and frequencies by commercial airlines following the fuel and subsequent economic crisis across the world.

HITRANS and our partner local authorities believe it is an appropriate time to consider the services currently available compared to those promoted in the PSO proposal, the level of asset usage being achieved, and the challenges faced within the Highlands and Islands in maintaining a viable commercial air network in the current economic climate when compared with challenges currently being faced by commercial airlines elsewhere and by Councils in delivering local PSO air services. This will take account of the full range of issues faced in providing air services in the region including factors such as the aging fleet of Islander and Twin Otter aircraft which currently ply the existing PSO networks in the region. HITRANS has allocated a budget of £30,000 to progress this study in 2009. We will work closely with Council members and officers to develop this work and to take forward any recommendations this makes.

Mainstream Passenger Transport

Since 2003 Highland Council and HITRANS have worked hard to improve the physical accessibility of the Highland bus fleet. This followed the identification of this as a major issue faced by bus operators in rural and island areas of Scotland as identified in a report for the Scottish Executive by Reid Howie Associates. A great deal of progress has been made in tackling this issue across Highland to the situation that the majority of core local bus services in the local authority area are now operated by low floor easy access buses meeting the latest environmental criteria as well as being wheelchair accessible. HITRANS and Highland Council are committed to working together to ensure the bus fleet serving the area continues to improve to offer the best possible service to the community.

HITRANS and Highland Council are working closely together on the delivery of a Real Time Passenger Information system across parts of the bus network including all services in Inverness. This system will mean buses and coaches are fitted with on board commuters that will transfer information to bus stop displays relaying exactly when the bus will arrive at the stop. Passengers will also have access to information in real time through a dedicated public transport information website and this will let people check on the progress of their bus from the comfort of their own home or office. Until now the project has been funded by HITRANS and Highland Council has identified the extension of this scheme as something worth taking forward in the future utilising the former RTP funding which is now channelled directly to the Council.

The HITRANS Regional Transport Strategy identifies the need to increase the sustainability of transport provision particularly how this can support the tourist industry more appropriately with the Gaelic Rings project in particular identified as a way HITRANS has supported this objective for the West Highlands and Islands. HITRANS has committed funding in 2008 to 2011 to this project to ensure it extends to other parts of the west highlands and islands and continue to deliver a boost to sustainable travel and with it sustainable economic growth across the region.

HITRANS working with Highland Council and other local government partners undertook a study looking at the Road Based Passenger Transport network in the Highlands and Islands. This work recognised the particular challenges faced by transport planners in terms of delivering sustainable passenger transport solutions that meet the needs of residents and visitors in the region. At the core of the study was the development of a tool to support transport planners come to decisions on how best to allocate funding to ensure equitable use of funding to maximise community accessibility. With the unique situation that large swathes of the area is designated as Remote Rural under the Scottish Government's Urban/Rural Sixfold Classification there was a need to move to a more 'fine grain' measure of typology which allows comparable zones to be identified. Journey times, particularly by public transport, to key services and opportunities are often extended, making accessibility a prime concern for local authorities. By relating measures of geography, accessibility and need in one tool, it is believed that the most appropriate and cost effective solution can be consistently arrived at. The HITRANS Index of Sparsity combines measures of accessibility (by journey purpose/destination), population density and car ownership, as the key indicator of transport need, to produce an integrated tool for identifying areas of a similar 'type'. The Index helps to ensure that throughout each Council area no one resident is more disadvantaged by transport provision than those in comparable zones. This tool has now been made available to each local authority in the Highlands and Islands with the costs met by HITRANS.

Active Travel Regional Audit

HITRANS along with our partner local authorities has undertaken to deliver an active travel audit of each of the 13 key regional centres as identified in the Regional Transport Strategy. These audits will survey existing streetscape infrastructure to assess opportunities for cycling and walking. This process will take account of desire lines to attractors such as schools, libraries and sports facilities. The output and study recommendations will be useful for attracting third party funding from developers or as the basis of future bids for sustainable travel funding from Scottish Government and will encourage even closer integration between land use and transportation planning in and around the regional centres. In Highland an audit has been completed in Dingwall. HITRANS is committed to delivering audits across all 13 regional centres by 2011.

National Outcomes

<p>National Outcome 1</p> <p>We live in a Scotland that is the most attractive place for doing business in Europe.</p>	<p>There is no doubt that the natural environment of the Highlands and Islands is second to none however there is a clear need to improve travel and connectivity across the Highlands and Islands if we are to be an attractive place to do business. Together with the constituent Councils and their Community Planning Partners this can be achieved by ensuring our built infrastructure is developed in a manner that reflects its environmental setting. In developing the Regional Transport Strategy HITRANS undertook a Strategic Environmental Assessment that has ensured that only appropriate interventions and policies are promoted.</p>
<p>National Outcome 2</p> <p>We realise our full economic potential with more and better employment opportunities for our people.</p>	<p>Sustainable economic growth is particularly important across the Highlands and Islands with GVA at only 80% of the Scottish average. It is essential that the region closes this gap to ensure it contributes proportionately to the nation's prosperity. To give the region the best chance of attracting new employment opportunities it is essential that the cost of travel within and to the region is not a deterrent to attracting this inward investment. Intervention is needed to reduce travel times and make journeys more reliable. Transport fares must be competitive for people to travel within the area and services have to be of a high standard and integrated where necessary.</p> <p>The RET pilot for ferry fares would lower the cost of travel to the Argyll isles and the Council will work with HITRANS to observe the RET pilot as it is introduced in the Western Isles and to Coll and Tiree with a view to this being extended to all the Scottish Government funded ferry services.</p> <p>The ADS scheme has lowered the cost of external air services and the Council will work with HITRANS to study the full impact of the scheme and review how services have benefited from ADS. This will also consider the earlier HITRANS led proposals for a full PSO network across the Highlands and Islands.</p> <p>The Council will work with HITRANS to promote the measures identified in the Regional Transport Strategy that would reduce end to end journey times for people travelling to and from Highland.</p> <p>The Council will engage in the Scottish Ferry Review and will make the case for the implementation of measures that will reduce end to end journey times and improve access to all our island communities.</p> <p>Fuel is a major factor in the cost of travel and HITRANS and the Council will seek to develop recommendations that should be implemented as a result of the research undertaken by HITRANS and HIE into fuel costs and bio-fuel introduction.</p> <p>With the marked population sparsity in the Highlands and Islands when compared with average population density in Scotland it is clear that the car cannot be discounted as the main mode of</p>

	<p>travel for a significant proportion of our population. As has been shown by HITRANS research into fuel prices the rural areas where people are most dependant on their own car also have the highest costs of fuel. There is a clear opportunity for car sharing to be promoted to improve sustainable travel to work in the Highlands and Islands and to help this process HITRANS has established our free car sharing portal www.IfYouCareShare.com. HITRANS has set a target for membership of this scheme to increase by 20% per annum in the first three years of the portal.</p>
<p>National Outcome 3</p> <p>We are better educated, more skilled and more successful, renowned for our research and innovation.</p>	<p>HITRANS with its constituent Councils and their Community Planning Partners will undertake research that determines how we can best improve connectivity within such a diverse and challenging region and increases knowledge of the benefits that investment can achieve. This research will be aimed at informing investment decisions and improving delivery across all transport modes.</p> <p>HITRANS and the Council will fund a study looking at air service provision across the region.</p> <p>HITRANS and the Council will continue to develop our research into fuel costs and the potential impact of planned bio fuels introduction on our region.</p>
<p>National Outcome 4</p> <p>Our young people are successful learners, confident individuals, effective contributors and responsible citizens.</p>	
<p>National Outcome 5</p> <p>Our children have the best start in life and are ready to succeed.</p>	
<p>National Outcome 6</p> <p>We live longer, healthier lives.</p>	<p>HITRANS working with and on behalf of its constituent Councils will seek to promote Active Travel and investment in measures that will make it safer to walk and cycle to education and work. This will have a consequent beneficial effect on the health of our citizens while reducing the environmental impact of transport particularly in built up areas. The Single Outcome Agreement can target investment opportunities that will promote this aim.</p>

	The Active Travel Regional Audits will help HITRANS and Highland Council identify measures to increase active travel within the area helping promote healthier lives.
<p>National Outcome 7</p> <p>We have tackled the significant inequalities in Scottish society</p>	<p>Better public transport with affordable fare structures can help tackle significant inequalities in society by tackling the social exclusion that currently acts as a barrier to access to employment, education and health. Better information is a key to promoting and increasing use of public transport and the further development by HITRANS and Highland Council of the real time passenger information system on the bus network will greatly help this.</p> <p>Improved accessibility of public transport will help empower people and allow them to fully participate and contribute to the economy. HITRANS and Highland Council are committed to working towards continuous development of our transport networks.</p> <p>HITRANS on behalf of its constituent Councils has invested in a region wide web based car sharing service which will as it develops help match journeys that are made on a regular or one off basis thereby reducing the cost of travel and improving access to jobs, services and recreational and social activity for those without direct access to a car.</p>
<p>National Outcome 8</p> <p>We have improved the life chances for children, young people and families at risk</p>	<p>HITRANS will work with Highland Council, Community Planning Partners and Government to ensure transport investment is made to make communities safer places for children and young people. It is important that children can safely walk, cycle and play and transport improvements and integrated land use and transport planning can help achieve this aims. We will work towards meeting clearly defined targets aimed at restricting unsustainable traffic growth.</p>
<p>National Outcome 9</p> <p>We live our lives safe from crime, disorder and danger.</p>	<p>The SOA is an important tool in the development of measures to make society safer. In the past HITRANS on behalf of its constituent Councils has funded measures aimed at improving personal safety</p> <p>such as CCTV and better lighting on buses, at railway stations and bus stops that have significantly improved the experience of travelling by public transport particularly at night. HITRANS will work with the Council and other Community Planning Partners through the SOA to ensure that this type of investment continues to be an important means of improving confidence in the use of public transport and reducing car dependence.</p>
<p>National Outcome 10</p> <p>We live in well-designed, sustainable places where</p>	<p>The SOA should ensure that all new developments are designed to provide an acceptable level of facilities to minimise the need to travel. Existing communities should be provided with a range of local services reflecting their size providing opportunities for all people to access the full spectrum of facilities for education, employment and health. In partnership with Highland Council and other</p>

<p>we are able to access the amenities and services we need.</p>	<p>local government partners HITRANS has developed a transport modelling tool detailing public transport and active travel opportunities to identify when a community is well designed and sustainable and where a community has insufficient access to these important services. This tool has been made available free of charge to Highland Council to support transport planning in the area.</p>
<p>National Outcome 11</p> <p>We have strong, resilient and supportive communities where people take responsibility for their own actions and how they affect others.</p>	
<p>National Outcome 12</p> <p>We value and enjoy our built and natural environment and protect it and enhance it for future generations.</p>	<p>The Highlands and Islands have a high quality natural environment that is the greatest asset we possess in developing tourism as our biggest industry. This provides opportunities for inward investment by individuals and companies looking for high quality locations in which to work and live. While we need to see industry grow it is equally necessary to protect the asset we have so that future generations can also enjoy it. Development must be sustainable and where possible we must manage travel to attractions and services with well designed car parking and good access by public transport. We must where possible also support active travel both to and within our natural environment. HITRANS will continue to work with Highland Council and other Community Planning Partners to ensure the SOA promotes sustainable development of our built and natural environment. HITRANS has developed arrangements for consultation with key stakeholders across a number of modes including Active Travel interests.</p>
<p>National Outcome 13</p> <p>We take pride in a strong, fair and inclusive national identity.</p>	

<p>National Outcome 14</p> <p>We reduce the local and global environmental impact of our consumption and production.</p>	<p>With some of the best food and produce available within our area there are clear opportunities to source more of the goods we consume locally. This will support local business and reduce the impact caused by transporting goods unnecessarily around the country improving the flow of necessary traffic on our transport corridors giving better connectivity between national centres and the region.</p> <p>HITRANS and Highland Council are working with other Councils across the Highlands and Islands and freight industry stakeholders in the development of consultation arrangements on freight issues and are considering the the development of a Freight Quality Partnership to ensure best practice is followed in the transport of goods to, from and within the Highlands and Islands. This linkage is useful to support closer working with hauliers and we hope it will help promote more sustainable forms of transport such as sea and rail for the carriage of goods.</p>
<p>National Outcome 15</p> <p>Our public services are high quality, continually improving, efficient and responsive to local people's needs.</p>	<p>With Sustainable Economic Growth as the National Purpose it is essential that our public services are high quality and continually improving to meet people's expectations. The SOA should ensure our transport network is fit for this purpose in terms of public transport, active travel options, and the provision and maintenance of transport infrastructure. In this regard servicing this infrastructure it is crucial that maintenance is well planned so that disruption to the public is minimised.</p>

Context and HITRANS Input to the Council Single Outcome Agreement

HITRANS Input and the Regional Context

Through the National Performance Framework the Scottish Government has set as its purpose to focus the Government and public services on creating a more successful country, with opportunities for all of Scotland to flourish, through increasing sustainable economic growth.

The Concordat between the Scottish Government and CoSLA sets out the terms of a new relationship between the Scottish Government and local government that will underpin the funding provided to local government over the period 2008-09 to 2010-11. A central proposal of this historic agreement is the creation of a Single Outcome Agreement (SOA) between each Council and the Scottish Government, based on achieving 15 key national outcomes agreed in the Concordat. The outcomes reflect the National Performance Framework and aim to deliver the National Purpose.

In taking forward its focus on Sustainable Economic Growth HITRANS has completed the development of a Regional Transport Strategy which aims to deliver a more successful Highlands and Islands, with opportunities for the whole region to flourish, through increasing the competitiveness of the region as part of Scotland as a whole. Economic sustainability and growth is a core purpose for the HITRANS partnership, and to which all the constituent Local Authorities and Community Planning partners are committed, support and actively contribute where appropriate. The Strategy identifies how improvements in transportation across the Highlands and Islands can directly support the Government in achieving its National purpose across a number of its national outcome areas.

The Highlands and Islands is a diverse region comprising many islands, remote rural communities, and also fast developing urban areas. Essential journeys are long, often through mountainous terrain or involving sea crossings. The cost of daily transport for business and for residents and visitors to the region is high. Many essential journeys involve using roads, rail, buses and ferries that are not of modern standards or fit for purpose; public transport where available tends to be infrequent and slow. For the Highlands and Islands the stakes are high. Our transport networks dictate to a large extent how we live our daily lives, how we travel to school, shops or hospitals, and how our businesses deliver their goods and services across the area.

The Highlands and Islands is a distinctive region with a potentially major role to play in developing a world class Scotland. The region has leading strengths in renewable energy and the best natural energy resources in Europe in the north and west on which to draw, providing opportunities across the region to contribute to Scotland's renewable energy targets. Inverness is one of the fastest growing cities in the UK, with one of Europe's fastest growing digital economies based on our greatest asset, Scotland's people. The region's stunning natural, cultural and historic landscape is a draw for tourists to Scotland, and provides the high quality environment enjoyed by residents across the Highlands and Islands.

The HITRANS Strategy is founded on a strong consultative base. Early in 2006 we facilitated workshops with key stakeholders throughout the region to explore and reach consensus on the key issues that the Strategy needs to address. The key focus that emerged from these workshops and from others' participation in the Strategy development was that a modern transport system is needed for the region to make the Highlands and Islands a competitive

location for business, and to enhance the region's viability. The region at present is only at 80% of Scotland's average Gross Value Added – a huge gap from the norm and an even greater one from the more affluent areas. Modernising the transport network is vital to bridging that gap in order that the Highlands and Islands can contribute their full potential to deliver the overall economic growth of Scotland desired by the Government.

For a long time the region has suffered a lack of investment in the transport network and services that is needed to enable it to fulfil its role in a successful Scotland. Underinvestment in maintaining and upgrading the road, rail, bus and ferry network has constrained the community's ability to translate hard work into growing the region's economic contribution to Scotland. A low growth economy is a concern, but innovation and vigour are core attributes of the region's people, and these, with the assistance of a modern transport system, will unleash the region's full potential.

The HITRANS Strategy is compatible with each of the five key priorities of the Scottish Government – wealthier & fairer, smarter, healthier, safer & stronger and greener. Delivery of a modern transport system in the Highlands and Islands, improving how people and business get access to services and destinations, is central to overcoming all the problems and constraints that were identified through analysis of the issues facing the region during the consultation on the Strategy. Delivering a modern transport system as detailed in the Strategy will enable businesses and people to increase their individual and collective wealth, with more and more people around the Highlands and Islands being able to have an active share in that wealth.

The modern transport system that is detailed in the Regional Transport Strategy will support a smarter community through better access to learning opportunities. The Strategy and the joint working of the Partnership, its Councils and Community Planning partners will help people across the Highlands and Islands to sustain and improve their health, ensuring faster, more reliable, and more affordable access to healthcare, and greater opportunities to lead an active lifestyle through active travel access to local services and facilities.

The Strategy sets out the way in which the Partnership and its constituent Councils will support people across the region in participating fully in everyday life, by supporting the delivery of a fit for purpose, multimodal transport system and associated infrastructure. The Strategy recognises that the ability to travel efficiently around a region, that comprises nearly half the land mass of Scotland, is essential to maintaining a good quality of life and in helping communities to thrive, but at the same time, that its puts significant pressure on natural resources and impacts significantly on the environment. More sustainable travel choices, such as walking and cycling and using new technology, are a real opportunity in the Highlands and Islands, and through the Strategy will deliver major health as well as environmental benefits, improving Scotland's natural and built environment and the opportunities for sustainable use and enjoyment of it.

The Regional Transport Strategy represents the vision that HITRANS and our partners have for the best way of developing the modern transport system that will unleash the opportunities that the region has to achieve sustained economic growth – more opportunities for new jobs, successful business start ups, more people staying, moving and returning to the region. This will only happen with the collective support of all our partners and Government and to take this forward the Government has developed a process that we can follow to ensure this happens. A key element of this process will be the engagement with

Councils and Community Planning Partners to ensure that this modern transport system is identified as a component in the measures required to deliver the Government purpose, both by influencing central government resource allocation and through the local allocation of resources through the Single Outcome Agreements of the constituent Councils across the Highlands and Islands and encouraging supportive action from the other Community Planning partners.

Key Interventions Identified in the Regional Transport Strategy – Moray

Highlands and Islands Fuel Cost and RTFO Issues

In summer 2008 HITRANS and our partners engaged consultancy firm Experian to undertake research into the fuel price differential recorded at filling stations across the Highlands and Islands. This research was designed to identify the cause of the higher cost of petrol and diesel that was particularly evident in rural and island communities in the Highlands and Islands. The Consultant has now completed the majority of the brief and it has confirmed the belief that fuel prices are significantly higher in parts of the region than for example the inner Moray Firth where prices are similar to other parts of Scotland. The main reason for the fuel cost differential is the low volumes of sales at many filling stations making it difficult to spread the base operating cost. However although less outlets would enable increased volume this is not the answer to the problem as the closure of these facilities could have disastrous effects on rural communities across the region and their long term viability.

Having completed this part of the research HITRANS and our partners will now seek to develop mechanisms to support retention of a strategic rural filling station network the loss of which poses such a threat on the sustainability of rural and island communities.

In taking forward the research into the fuel cost differential Experian identified a significant threat to the fuel supply chain in the Highlands and Islands posed by the proposed introduction of bio-gasoline across the UK as part of the UK Government's Renewable Transport Fuels Obligation (RTFO) due to the chemical properties of the product. In essence bio gasoline requires more onerous product handling criteria given the propensity to denature when coming into contact with water. This would make it impossible to deliver the product to the pump utilising the existing marine vessel fleet that delivers gasoline (petrol) to many parts of the Highlands and Islands through Inverness and other coastal ports. Furthermore many of the filling stations in the Highlands and Islands are several decades old and the existing storage tanks may potentially allow conditions to exist which would permit water to interact with the new fuel thus rendering it unusable. Without swift intervention to come up with a solution to this issue there is a very real risk that the supply chain delivering fuel to the Highlands and Islands will be inoperable and have to be replaced or fuel moved to road tanker delivery. A number of filling station would in addition have to invest heavily in their storage facilities which given the low sales volumes could force their closure. HITRANS and our partners are working with Scottish Government and the Scotland Office to encourage the Department for Transport to avert the threat posed by this measure and come up with a solution that will ensure the Highlands and Islands is not disadvantaged as a result of the UK's commitment to meeting the increasing EU environmental targets.

Upgrading the A95

A96 Bypasses – The Missing Link

ADS / PSO Development

HITRANS working with our local government partners developed proposals to improve air services across the Highlands and Islands through the promotion of a PSO network aimed at improving access to the more remote parts of the region thus creating a catalyst for economic and social development in the areas served. While these proposals were not adopted by the then Government, action was taken by Government to support improved air access for those living in the remote areas of the Highlands and Islands through introduction of the Air Discount Scheme offering a 40% discount to residents of these areas on commercial flights within the Highlands and Islands and to and from the major hub airports in Scotland. There is no question that the ADS scheme has not been a welcome addition to our transport network and that this scheme has improved accessibility for residents of the islands and remote mainland areas of the region.

The original work on the PSO network was led by Mott MacDonald and Steer Davis Gleave, and an interim review of the ADS project was undertaken by Halcrow in late 2007. Since both these pieces of work were completed a number of changes have taken place which might impact on the services and air sector, not least the local change of framework arrangements by Loganair from BA Connect to Flybe, and the substantial reappraisal of routes and frequencies by commercial airlines following the fuel and subsequent economic crisis across the world.

HITRANS and our partner local authorities believe it is an appropriate time to consider the services currently available compared to those promoted in the PSO proposal, the level of asset usage being achieved, and the challenges faced within the Highlands and Islands in maintaining a viable commercial air network in the current economic climate when compared with challenges currently being faced by commercial airlines elsewhere and by Councils in delivering local PSO air services. This will take account of the full range of issues faced in providing air services in the region including factors such as the aging fleet of Islander and Twin Otter aircraft which currently ply the existing PSO networks in the region. HITRANS has allocated a budget of £30,000 to progress this study in 2009. We will work closely with Council members and officers to develop this work and to take forward any recommendations this makes.

Mainstream Passenger Transport

Since 2003 Moray Council and HITRANS have worked hard to improve the physical accessibility of the Moray bus fleet. This followed the identification of this as a major issue faced by bus operators in rural areas of Scotland as identified in a report for the Scottish Executive by Reid Howie Associates. A great deal of progress has been made in tackling this issue across Moray to the situation that the majority of core local bus services in the local authority area are now operated by low floor easy access buses meeting the latest environmental criteria as well as being wheelchair accessible. HITRANS and Moray Council are committed to working together to ensure the bus fleet serving the area continues to improve to offer the best possible service to the community.

The HITRANS Regional Transport Strategy identifies the need to increase the sustainability of transport provision particularly how this can support the tourist industry more appropriately with the Gaelic Rings project in particular identified as a way HITRANS has supported this objective for the West Highlands and Islands. In considering the issue of boosting sustainable travel with particular reference to tourism in other parts of the region in the same way as success has been achieved through the Gaelic Rings project it seems clear that there could be a number of opportunities for public transport to better serve key facilities and

attractions from hub tourism centres across the region. Moray in particular has major tourist attractions where sustainable travel opportunities could be improved. A Whisky trail for example could increase access to the many distilleries in Speyside. HITRANS has allocated £10,000 in 2009 to be used to develop opportunities that could form the basis of a bid for EU funding. HITRANS will work closely with partner Councils to ensure the measures included are the right ones for each area in advance of submitting the funding bid.

HITRANS working with Moray Council and other local government partners undertook a study looking at the Road Based Passenger Transport network in the Highlands and Islands. This work recognised the particular challenges faced by transport planners in terms of delivering sustainable passenger transport solutions that meet the needs of residents and visitors in the region. At the core of the study was the development of a tool to support transport planners come to decisions on how best to allocate funding to ensure equitable use of funding to maximise community accessibility. With the unique situation that large swathes of the area are designated as Remote Rural under the Scottish Government's Urban/Rural Sixfold Classification there was a need to move to a more 'fine grain' measure of typology which allows comparable zones to be identified. Journey times, particularly by public transport, to key services and opportunities are often extended, making accessibility a prime concern for local authorities. By relating measures of geography, accessibility and need in one tool, it is believed that the most appropriate and cost effective solution can be consistently arrived at. The HITRANS Index of Sparsity combines measures of accessibility (by journey purpose/destination), population density and car ownership, as the key indicator of transport need, to produce an integrated tool for identifying areas of a similar 'type'. The Index helps to ensure that throughout each Council area no one resident is more disadvantaged by transport provision than those in comparable zones. This tool has now been made available to each local authority in the Highlands and Islands with the costs met by HITRANS.

HITRANS and Moray Council are working in partnership to bring the benefits of real time passenger information to bus services in the area. A pilot project funded jointly by HITRANS and the Council has seen six Stagecoach buses and four Council buses fitted with on board computers and GPS tracking to enable more efficient service running through better fleet management. It is intended to make this system available to the benefit of passengers by displaying information at bus stop displays and Infocolumn kiosks throughout Moray. In time it is planned that this system will be available on more buses and information can be displayed online through a dedicated website facility.

Working in partnership HITRANS and Moray Council have secured a commitment from Stagecoach to operate a new direct link bus service from Elgin via Forres and Nairn to Inverness Airport. This service will be branded in the JET livery developed for the bus service from Inverness to Inverness Airport and will see the existing high quality buses on this service extend their area of operations to Elgin. The new service will also require two new high quality single deck buses to be provided for the network and these buses will be part funded by HITRANS through their EU INTERRED IVB START project. All the buses on the route will meet the latest European environmental standards while the low floor easy access to the vehicles will be a very welcome benefit on the corridor. Excellent customer information will be assured as all the buses will come equipped with real time information computers to give passengers up to the second information to bus stops and via the internet to the comfort of their own homes. Business class standards will be assured on this service with each of the six buses being fitted with leather seats.

Active Travel Regional Audit

HITRANS along with our partner local authorities has undertaken to deliver an active travel audit of each of the 13 key regional centres as identified in the Regional Transport Strategy. These audits will survey existing streetscape infrastructure to assess opportunities for cycling and walking. This process will take account of desire lines to attractors such as schools, libraries and sports facilities. The output and study recommendations will be useful for attracting third party funding from developers or as the basis of future bids for sustainable travel funding from Scottish Government and will encourage even closer integration between land use and transportation planning in and around the regional centres. In Moray an audit has been complete in Keith and this has provided a useful framework for future action. The next audit in Moray is planned to be focussed on Elgin and this will be completed during 2009. HITRANS is committed to delivering audits across all 13 regional centres by 2011.

National Outcomes

<p>National Outcome 1</p> <p>We live in a Scotland that is the most attractive place for doing business in Europe.</p>	<p>There is no doubt that the natural environment of the Highlands and Islands is second to none however there is a clear need to improve travel and connectivity across the Highlands and Islands if we are to be an attractive place to do business. Together with the constituent Councils and their Community Planning Partners this can be achieved by ensuring our built infrastructure is developed in a manner that reflects its environmental setting. In developing the Regional Transport Strategy HITRANS undertook a Strategic Environmental Assessment that has ensured that only appropriate interventions and policies are promoted.</p>
<p>National Outcome 2</p> <p>We realise our full economic potential with more and better employment opportunities for our people.</p>	<p>Sustainable economic growth is particularly important across the Highlands and Islands with GVA at only 80% of the Scottish average. It is essential that the region closes this gap to ensure it contributes proportionately to the nation's prosperity. To give the region the best chance of attracting new employment opportunities it is essential that the cost of travel within and to the region is not a deterrent to attracting this inward investment. Intervention is needed to reduce travel times and make journeys more reliable. Transport fares must be competitive for people to travel within the area and services have to be of a high standard and integrated where necessary.</p> <p>Fuel is a major factor in the cost of travel and HITRANS and the Council will seek to develop recommendations that should be implemented as a result of the research undertaken by HITRANS and HIE into fuel costs and bio-fuel introduction.</p> <p>With the marked population sparsity in the Highlands and Islands when compared with average population density in Scotland it is clear that the car cannot be discounted as the main mode of travel for a significant proportion of our population. As has been shown by HITRANS research into fuel prices the rural areas where people are most dependant on their own car also have the highest costs of fuel. There is a clear opportunity for car sharing to be promoted to improve sustainable travel to work in the Highlands and Islands and to help this process HITRANS has established our free car sharing portal www.IfYouCareShare.com. HITRANS has set a target for membership of this scheme to increase by 20% per annum in the first three years of the portal.</p>
<p>National Outcome 3</p> <p>We are better educated, more skilled and more successful, renowned for our research and</p>	<p>HITRANS with its constituent Councils and their Community Planning Partners will undertake research that determines how we can best improve connectivity within such a diverse and challenging region and increases knowledge of the benefits that investment can achieve. This research will be aimed at informing investment decisions and improving delivery across all transport modes.</p> <p>HITRANS and the Council will fund a study looking at air service provision across the region.</p>

innovation.	HITRANS and the Council will continue to develop our research into fuel costs and the potential impact of planned bio fuels introduction on our region.
<p>National Outcome 4</p> <p>Our young people are successful learners, confident individuals, effective contributors and responsible citizens.</p>	
<p>National Outcome 5</p> <p>Our children have the best start in life and are ready to succeed.</p>	
<p>National Outcome 6</p> <p>We live longer, healthier lives.</p>	<p>HITRANS working with and on behalf of its constituent Councils will seek to promote Active Travel and investment in measures that will make it safer to walk and cycle to education and work. This will have a consequent beneficial effect on the health of our citizens while reducing the environmental impact of transport particularly in built up areas. The Single Outcome Agreement can target investment opportunities that will promote this aim.</p> <p>The Active Travel Regional Audits will help HITRANS and Moray Council identify measures to increase active travel within the area helping promote healthier lives.</p>
<p>National Outcome 7</p> <p>We have tackled the significant inequalities in Scottish society</p>	<p>Better public transport with affordable fare structures can help tackle significant inequalities in society by tackling the social exclusion that currently acts as a barrier to access to employment, education and health. Better information is a key to promoting and increasing use of public transport and the further development by HITRANS and Moray Council of real time passenger information and intelligent transport systems on the bus network will greatly help this.</p> <p>Improved accessibility of public transport will help empower people and allow them to fully participate and contribute to the economy. HITRANS and Moray Council are committed to working towards continuous development of our transport networks.</p> <p>HITRANS on behalf of its constituent Councils has invested in a region wide web based car sharing service which will as it develops help match journeys that are made on a regular or one off basis</p>

	thereby reducing the cost of travel and improving access to jobs, services and recreational and social activity for those without direct access to a car.
<p>National Outcome 8</p> <p>We have improved the life chances for children, young people and families at risk</p>	HITRANS will work with Moray Council, Community Planning Partners and Government to ensure transport investment is made to make communities safer places for children and young people. It is important that children can safely walk, cycle and play and transport improvements and integrated land use and transport planning can help achieve this aims. We will work towards meeting clearly defined targets aimed at restricting unsustainable traffic growth.
<p>National Outcome 9</p> <p>We live our lives safe from crime, disorder and danger.</p>	<p>The SOA is an important tool in the development of measures to make society safer. In the past HITRANS on behalf of its constituent Councils has funded measures aimed at improving personal safety</p> <p>such as CCTV and better lighting on buses, at railway stations and bus stops that have significantly improved the experience of travelling by public transport particularly at night. HITRANS will work with the Council and other Community Planning Partners through the SOA to ensure that this type of investment continues to be an important means of improving confidence in the use of public transport and reducing car dependence.</p>
<p>National Outcome 10</p> <p>We live in well-designed, sustainable places where we are able to access the amenities and services we need.</p>	The SOA should ensure that all new developments are designed to provide an acceptable level of facilities to minimise the need to travel. Existing communities should be provided with a range of local services reflecting their size providing opportunities for all people to access the full spectrum of facilities for education, employment and health. In partnership with Moray Council and other local government partners HITRANS has developed a transport modelling tool detailing public transport and active travel opportunities to identify when a community is well designed and sustainable and where a community has insufficient access to these important services. This tool has been made available free of charge to Moray Council to support transport planning in the area.
<p>National Outcome 11</p> <p>We have strong, resilient and supportive communities where people take responsibility for their own actions and how they affect others.</p>	

<p>National Outcome 12</p> <p>We value and enjoy our built and natural environment and protect it and enhance it for future generations.</p>	<p>The Highlands and Islands have a high quality natural environment that is the greatest asset we possess in developing tourism as our biggest industry. This provides opportunities for inward investment by individuals and companies looking for high quality locations in which to work and live. While we need to see industry grow it is equally necessary to protect the asset we have so that future generations can also enjoy it. Development must be sustainable and where possible we must manage travel to attractions and services with well designed car parking and good access by public transport. We must where possible also support active travel both to and within our natural environment. HITRANS will continue to work with Moray Council and other Community Planning Partners to ensure the SOA promotes sustainable development of our built and natural environment. HITRANS has developed arrangements for consultation with key stakeholders across a number of modes including Active Travel interests.</p>
<p>National Outcome 13</p> <p>We take pride in a strong, fair and inclusive national identity.</p>	
<p>National Outcome 14</p> <p>We reduce the local and global environmental impact of our consumption and production.</p>	<p>With some of the best food and produce available within our area there are clear opportunities to source more of the goods we consume locally. This will support local business and reduce the impact caused by transporting goods unnecessarily around the country improving the flow of necessary traffic on our transport corridors giving better connectivity between national centres and the region.</p> <p>HITRANS and Moray Council are working with other Councils across the Highlands and Islands and freight industry stakeholders in the development of consultation arrangements on freight issues and are considering the the development of a Freight Quality Partnership to ensure best practice is followed in the transport of goods to, from and within the Highlands and Islands. This linkage is useful to support closer working with hauliers and we hope it will help promote more sustainable forms of transport such as sea and rail for the carriage of goods.</p>
<p>National Outcome 15</p>	<p>With Sustainable Economic Growth as the National Purpose it is essential that our public services</p>

Our public services are high quality, continually improving, efficient and responsive to local people's needs.

are high quality and continually improving to meet people's expectations. The SOA should ensure our transport network is fit for this purpose in terms of public transport, active travel options, and the provision and maintenance of transport infrastructure. In this regard servicing this infrastructure it is crucial that maintenance is well planned so that disruption to the public is minimised.

Context and HITRANS Input to the Council Single Outcome Agreement

HITRANS Input and the Regional Context

Through the National Performance Framework the Scottish Government has set as its purpose to focus the Government and public services on creating a more successful country, with opportunities for all of Scotland to flourish, through increasing sustainable economic growth.

The Concordat between the Scottish Government and CoSLA sets out the terms of a new relationship between the Scottish Government and local government that will underpin the funding provided to local government over the period 2008-09 to 2010-11. A central proposal of this historic agreement is the creation of a Single Outcome Agreement (SOA) between each Council and the Scottish Government, based on achieving 15 key national outcomes agreed in the Concordat. The outcomes reflect the National Performance Framework and aim to deliver the National Purpose.

In taking forward its focus on Sustainable Economic Growth HITRANS has completed the development of a Regional Transport Strategy which aims to deliver a more successful Highlands and Islands, with opportunities for the whole region to flourish, through increasing the competitiveness of the region as part of Scotland as a whole. Economic sustainability and growth is a core purpose for the HITRANS partnership, and to which all the constituent Local Authorities and Community Planning partners are committed, support and actively contribute where appropriate. The Strategy identifies how improvements in transportation across the Highlands and Islands can directly support the Government in achieving its National purpose across a number of its national outcome areas.

The Highlands and Islands is a diverse region comprising many islands, remote rural communities, and also fast developing urban areas. Essential journeys are long, often through mountainous terrain or involving sea crossings. The cost of daily transport for business and for residents and visitors to the region is high. Many essential journeys involve using roads, rail, buses and ferries that are not of modern standards or fit for purpose; public transport where available tends to be infrequent and slow. For the Highlands and Islands the stakes are high. Our transport networks dictate to a large extent how we live our daily lives, how we travel to school, shops or hospitals, and how our businesses deliver their goods and services across the area.

The Highlands and Islands is a distinctive region with a potentially major role to play in developing a world class Scotland. The region has leading strengths in renewable energy and the best natural energy resources in Europe in the north and west on which to draw, providing opportunities across the region to contribute to Scotland's renewable energy targets. Inverness is one of the fastest growing cities in the UK, with one of Europe's fastest growing digital economies based on our greatest asset, Scotland's people. The region's stunning natural, cultural and historic landscape is a draw for tourists to Scotland, and provides the high quality environment enjoyed by residents across the Highlands and Islands.

The HITRANS Strategy is founded on a strong consultative base. Early in 2006 we facilitated workshops with key stakeholders throughout the region to explore and reach consensus on the key issues that the Strategy needs to address. The key focus that emerged from these workshops and from others' participation in the Strategy development was that a modern transport system is needed for the region to make the Highlands and Islands a competitive

location for business, and to enhance the region's viability. The region at present is only at 80% of Scotland's average Gross Value Added – a huge gap from the norm and an even greater one from the more affluent areas. Modernising the transport network is vital to bridging that gap in order that the Highlands and Islands can contribute their full potential to deliver the overall economic growth of Scotland desired by the Government.

For a long time the region has suffered a lack of investment in the transport network and services that is needed to enable it to fulfil its role in a successful Scotland. Underinvestment in maintaining and upgrading the road, rail, bus and ferry network has constrained the community's ability to translate hard work into growing the region's economic contribution to Scotland. A low growth economy is a concern, but innovation and vigour are core attributes of the region's people, and these, with the assistance of a modern transport system, will unleash the region's full potential.

The HITRANS Strategy is compatible with each of the five key priorities of the Scottish Government – wealthier & fairer, smarter, healthier, safer & stronger and greener. Delivery of a modern transport system in the Highlands and Islands, improving how people and business get access to services and destinations, is central to overcoming all the problems and constraints that were identified through analysis of the issues facing the region during the consultation on the Strategy. Delivering a modern transport system as detailed in the Strategy will enable businesses and people to increase their individual and collective wealth, with more and more people around the Highlands and Islands being able to have an active share in that wealth.

The modern transport system that is detailed in the Regional Transport Strategy will support a smarter community through better access to learning opportunities. The Strategy and the joint working of the Partnership, its Councils and Community Planning partners will help people across the Highlands and Islands to sustain and improve their health, ensuring faster, more reliable, and more affordable access to healthcare, and greater opportunities to lead an active lifestyle through active travel access to local services and facilities.

The Strategy sets out the way in which the Partnership and its constituent Councils will support people across the region in participating fully in everyday life, by supporting the delivery of a fit for purpose, multimodal transport system and associated infrastructure. The Strategy recognises that the ability to travel efficiently around a region, that comprises nearly half the land mass of Scotland, is essential to maintaining a good quality of life and in helping communities to thrive, but at the same time, that its puts significant pressure on natural resources and impacts significantly on the environment. More sustainable travel choices, such as walking and cycling and using new technology, are a real opportunity in the Highlands and Islands, and through the Strategy will deliver major health as well as environmental benefits, improving Scotland's natural and built environment and the opportunities for sustainable use and enjoyment of it.

The Regional Transport Strategy represents the vision that HITRANS and our partners have for the best way of developing the modern transport system that will unleash the opportunities that the region has to achieve sustained economic growth – more opportunities for new jobs, successful business start ups, more people staying, moving and returning to the region. This will only happen with the collective support of all our partners and Government and to take this forward the Government has developed a process that we can follow to ensure this happens. A key element of this process will be the engagement with

Councils and Community Planning Partners to ensure that this modern transport system is identified as a component in the measures required to deliver the Government purpose, both by influencing central government resource allocation and through the local allocation of resources through the Single Outcome Agreements of the constituent Councils across the Highlands and Islands and encouraging supportive action from the other Community Planning partners.

Key Interventions Identified in the Regional Transport Strategy – Orkney Islands

Orkney Internal Ferry Network

The Orkney Internal Ferry Network operated by Orkney Ferries is in need of substantial investment to overhaul the aging fleet and ensure fit for purpose infrastructure at ferry terminals. This investment is desperately needed if the communities living in the outer isles of Orkney are to remain sustainable. HITRANS RTS identified the need for investment to be made in this key Regional project and we are supportive of the ongoing efforts of Orkney Islands Council to reach agreement with the Scottish Government on how to fund this project.

Highlands and Islands Fuel Cost and RTFO Issues

In summer 2008 HITRANS and Partners engaged consultancy firm Experian to undertake research into the fuel price differential recorded at filling stations across the Highlands and Islands. This research was designed to identify the cause of the higher cost of petrol and diesel that was particularly evident in rural and island communities in the Highlands and Islands. The Consultant has now completed the majority of the brief and it has confirmed the belief that fuel prices are significantly higher in parts of the region than for example the inner Moray Firth where prices are similar to other parts of Scotland. The main reason for the fuel cost differential is the low volumes of sales at many filling stations making it difficult to spread the base operating cost. However although less outlets would enable increased volume this is not the answer to the problem as the closure of these facilities could have disastrous effects on rural communities across the region and their long term viability. Having completed this part of the research HITRANS and our partners will now seek to develop mechanisms to support retention of a strategic rural filling station network the loss of which poses such a threat on the sustainability of rural and island communities.

In taking forward the research into the fuel cost differential Experian identified a significant threat to the fuel supply chain in the Highlands and Islands posed by the proposed introduction of bio-gasoline across the UK as part of the UK Government's Renewable Transport Fuels Obligation (RTFO) due to the chemical properties of the product. In essence bio gasoline requires more onerous product handling criteria given the propensity to denature when coming into contact with water. This would make it impossible to deliver the product to the pump utilising the existing marine vessel fleet that delivers gasoline (petrol) to many parts of the Highlands and Islands through Inverness and other coastal ports. Furthermore many of the filling stations in the Highlands and Islands are several decades old and the existing storage tanks may potentially allow conditions to exist which would permit water to interact with the new fuel thus rendering it unusable. Without swift intervention to come up with a solution to this issue there is a very real risk that the supply chain delivering fuel to the Highlands and Islands will be inoperable and have to be replaced or fuel moved to road tanker delivery. A number of filling station would in addition have to invest heavily in their storage facilities which given the low sales volumes could force their closure. HITRANS and our partners are working with Scottish Government and the Scotland Office to encourage the Department for Transport to avert the threat posed by this measure and come up with a

solution that will ensure the Highlands and Islands is not disadvantaged as a result of the UK's commitment to meeting the increasing EU environmental targets.

Road Equivalent Tariff Extension

The Road Equivalent Tariff introduced by Scottish Government on a number of key routes linking the Outer Hebrides, Coll and Tiree with mainland Scotland is delivering a real and welcome reduction in the cost of travel to the communities served. We are confident that this scheme will deliver long lasting socio economic benefits even during the relatively short timescale of the existing pilot scheme reflecting HITRANS view that an overall reduction in the cost of ferry travel will stimulate economic activity. It is important that all communities served by Scotland's network of ferry services including Orkney engage with the monitoring arrangements in place during the trial period.

Although the RET pilot area is limited we are supportive of the principals that have already been adopted in its application where pragmatic good sense has been used to get round certain failures in the formula devised as it is applied to certain routes. On completion of the pilot scheme we are strongly supportive of the extension of reduced ferry fares to all the Scottish ferry services currently funded directly by the Scottish Government. We accept that the RET option is particularly valuable when applied to medium distance ferry routes. Further we would hope that the pragmatism that saw a work around found when the formula did not offer a saving to people travelling on services to Lochboisdale and Barra who previously possessed a six journey book of tickets with the RET rate pegged at the equivalent to the six journey rate is the type of exception that would be needed for example to fares from Aberdeen to Orkney and Shetland.

Orkney Islands Council is committed to working closely with HITRANS to support the RET pilot and ensure that this fair system of charging for travel on all Scottish Government funded ferry routes is extended to the benefit of all the communities served by this network.

ADS / PSO Development

HITRANS working with our local government partners developed proposals to improve air services across the Highlands and Islands through the promotion of a PSO network aimed at improving access to the more remote parts of the region thus creating a catalyst for economic and social development in the areas served. While these proposals were not adopted by the then Government, action was taken by Government to support improved air access for those living in the remote areas of the Highlands and Islands through introduction of the Air Discount Scheme offering a 40% discount to residents of these areas on commercial flights within the Highlands and Islands and to and from the major hub airports in Scotland. There is no question that the ADS scheme has been a welcome addition to our transport network and that this scheme has improved accessibility for residents of the islands and remote mainland areas of the region.

The original work on the PSO network was lead by Mott MacDonald and Steer Davis Gleeve, and an interim review of the ADS project was undertaken by Halcrow in late 2007. Since both these pieces of work were completed a number of changes have taken place which might impact on the services and air sector, not least the local change of framework arrangements by Loganair from BA Connect to FlyBe, and the substantial reappraisal of routes and frequencies by commercial airlines following the fuel and subsequent economic crisis across the world.

HITRANS and our partner local authorities believe it is an appropriate time to consider the services currently available compared to those promoted in the PSO proposal, the level of

asset usage being achieved, and the challenges faced within the Highlands and Islands in maintaining a viable commercial air network in the current economic climate when compared with challenges currently being faced by commercial airlines elsewhere and by Councils in delivering local PSO air services. HITRANS has allocated a budget of £30,000 to progress this study in 2009. We will work closely with Orkney Islands Council members and officers to develop this work and to take forward any recommendations this makes.

Mainstream Passenger Transport

Since 2003 OIC and HITRANS have worked hard to improve the physical accessibility of the Orkney bus fleet. This followed the identification of this as a major issue where the Orkney bus fleet was very old when compared to other parts of the Highlands and Islands and not a single bus met the DiPTAC recommendations for wheelchair access. Much has happened since and today as a result of investment from OIC and HITRANS virtually all the buses operating the core public service routes are low floor easy access buses meeting the latest environmental criteria as well as being wheelchair accessible. HITRANS and OIC are committed to working together to ensure the bus fleet serving the islands continues to improve to offer the best possible service to the community.

HITRANS and Orkney Islands Council are working closely together on the delivery of a Real Time Passenger Information system to the Orkney bus network. The system will see 10 buses initially fitted with on board commuters that will transfer information to bus stop displays relaying exactly when the bus will arrive at the stop. Passengers will also have access to information in real time through a dedicated public transport information website and this will let people check on the progress of their bus from the comfort of their own home or office. The project has been funded by HITRANS and OIC has identified the extension of this scheme as something worth taking forward in the future.

The HITRANS Regional Transport Strategy identifies the need to increase the sustainability of transport provision particularly how this can support the tourist industry more appropriately with the Gaelic Rings project in particular identified as a way HITRANS has supported this objective for the West Highlands and Islands. In considering the issue of boosting sustainable travel with particular reference to tourism in other parts of the region in the same way as success has been achieved through the Gaelic Rings project it seems clear that there could be a number of opportunities for public transport to better serve key facilities and attractions from hub tourism centres across the region. Orkney in particular has a number of heritage sites where sustainable travel opportunities could be significantly improved. HITRANS has allocated £10,000 in 2009 to be used to develop opportunities that could form the basis of a bid for EU funding. HITRANS will work closely with partner Councils to ensure the measures included are the right ones for each area in advance of submitting the funding bid.

HITRANS has allocated £20,000 to contribute to the Smart Card based integrated ticketing pilot being pioneered by Orkney Islands Council. HITRANS will also offer in kind support in the form of staff time as a partner to the Council and the other key stakeholders in the project including Transport Scotland. The multi modal integrated ticketing pilot project will test the opportunity to build on the infrastructure established to support the national concessionary fares system and national entitlement card. This will allow integrated ticketing on internal bus and ferry services in the short term. Looking to the future the system may be extended to external links and as part of future tendering of the internal Air Service PSO there could be an opportunity to include aviation in the modes covered by the scheme.

HITRANS working with OIC and other local government partners undertook a study looking at the Road Based Passenger Transport network in the Highlands and Islands. This work

recognised the particular challenges faced by transport planners in terms of delivering sustainable passenger transport solutions that meet the needs of residents and visitors in the region. At the core of the study was the development of a tool to support transport planners come to decisions on how best to allocate funding to ensure equitable use of funding to maximise community accessibility. With the unique situation that large swathes of the area is designated as Remote Rural under the Scottish Government's Urban/Rural Sixfold Classification there was a need to move to a more 'fine grain' measure of typology which allows comparable zones to be identified. Journey times, particularly by public transport, to key services and opportunities are often extended, making accessibility a prime concern for local authorities. By relating measures of geography, accessibility and need in one tool, it is believed that the most appropriate and cost effective solution can be consistently arrived at. The HITRANS Index of Sparsity combines measures of accessibility (by journey purpose/destination), population density and car ownership, as the key indicator of transport need, to produce an integrated tool for identifying areas of a similar 'type'. The Index helps to ensure that throughout each Council area no one resident is more disadvantaged by transport provision than those in comparable zones. This tool has now been made available to each local authority in the Highlands and Islands with the costs met by HITRANS.

The Yellow School Bus Commission under the chairmanship of David Blunkett has recently publicised their findings. This commission found that there could be merit in adopting a number of measures already commonplace in the USA such as a ban on overtaking of stationary school buses, the use of flashing lights on buses in operation carrying school children and the fitting of seat belts to buses carrying school children. The Commission did not come to the conclusion that school buses should be painted yellow and used only for school transport purposes. HITRANS supports a number of the conclusions of the review and we believe it is right that American style yellow school buses are not imported as a sole purpose school vehicle. This would not be appropriate for our rural areas where it would make little sense to duplicate the number of vehicles on our roads. Further these buses would not offer the same level of access as the increasingly low floor bus fleet in operation in the Highlands and Islands already gives. However we feel that a pilot project testing a number of the recommendations could be implemented in our region giving a good opportunity to test these and measure their effectiveness. Orkney would be a good location for this as the bus fleet is generally of a high standard, seat belts are already standard on all school services and the number of buses involved would be small enough to make a trial cost effective. HITRANS and Orkney Islands Council could deliver this trial and report back to Scottish Government with a view to a nationwide roll out of those measures that proved to be valuable.

Active Travel Regional Audit

HITRANS along with our partner local authorities has undertaken to deliver an active travel audit of each of the 13 key regional centres as identified in the Regional Transport Strategy. These audits will survey existing streetscape infrastructure to assess opportunities for cycling and walking. This process will take account of desire lines to attractors such as schools, libraries and sports facilities. The output and study recommendations will be useful for attracting third party funding from developers or as the basis of future bids for sustainable travel funding from Scottish Government and will encourage even closer integration between land use and transportation planning in and around Kirkwall. The Active Travel Audit of Kirkwall is already underway with HITRANS funding in place to meet the costs of this. The study will report in 2009.

National Outcomes

<p>National Outcome 1</p> <p>We live in a Scotland that is the most attractive place for doing business in Europe.</p>	<p>There is no doubt that the natural environment of the Highlands and Islands is second to none however there is a clear need to improve travel and connectivity across the Highlands and Islands if we are to be an attractive place to do business. Together with the constituent Councils and their Community Planning Partners this can be achieved by ensuring our built infrastructure is developed in a manner that reflects its environmental setting. In developing the Regional Transport Strategy HITRANS undertook a Strategic Environmental Assessment that has ensured that only appropriate interventions and policies are promoted.</p>
<p>National Outcome 2</p> <p>We realise our full economic potential with more and better employment opportunities for our people.</p>	<p>Sustainable economic growth is particularly important across the Highlands and Islands with GVA at only 80% of the Scottish average. It is essential that the region closes this gap to ensure it contributes proportionately to the nation's prosperity. To give the region the best chance of attracting new employment opportunities it is essential that the cost of travel within and to the region is not a deterrent to attracting this inward investment. Intervention is needed to reduce travel times and make journeys more reliable. Transport fares must be competitive for people to travel within the area and services have to be of a high standard and integrated where necessary.</p> <p>The RET pilot for ferry fares would lower the cost of travel to Orkney and the Council will work with HITRANS to observe the RET pilot as it is introduced in the Western Isles with a view to this being extended to Northern Isles routes in due course.</p> <p>The ADS scheme has lowered the cost of external air services and the Council will work with HITRANS to study the full impact of the scheme and review how services have benefited from ADS. This will also consider the earlier HITRANS led proposals for a full PSO network across the Highlands and Islands.</p> <p>The cost of the internal PSO has increased as a result of changes to Scottish Ambulance Service provision. The Council and HITRANS will look at this issue when considering the external links and the fares mechanism for these with a view to ensuring that all air routes in the region offer best value.</p> <p>The Council will work with HITRANS to promote the measures identified in the Regional Transport Strategy that would reduce end to end journey times for people travelling to and from Orkney.</p> <p>The Council will engage in the Scottish Ferry Review and will make the case for the implementation of measures that will reduce end to end journey times and improve access to all our island communities.</p> <p>Fuel is a major factor in the cost of travel and HITRANS and the Council will seek to develop recommendations that should be implemented as a result of the research undertaken by HITRANS</p>

	<p>and HIE into fuel costs and bio-fuel introduction.</p> <p>With the marked population sparsity in the Highlands and Islands when compared with average population density in Scotland it is clear that the car cannot be discounted as the main mode of travel for a significant proportion of our population. As has been shown by HITRANS research into fuel prices the rural areas where people are most dependant on their own car also have the highest costs of fuel. There is a clear opportunity for car sharing to be promoted to improve sustainable travel to work in the Highlands and Islands and to help this process HITRANS has established our free car sharing portal www.IfYouCareShare.com. HITRANS has set a target for membership of this schem to increase by 20% per annum in the first three years of the portal.</p>
<p>National Outcome 3</p> <p>We are better educated, more skilled and more successful, renowned for our research and innovation.</p>	<p>HITRANS with its constituent Councils and their Community Planning Partners will undertake research that determines how we can best improve connectivity within such a diverse and challenging region and increases knowledge of the benefits that investment can achieve. This research will be aimed at informing investment decisions and improving delivery across all transport modes.</p> <p>HITRANS and the Council will fund a study looking at air service provision across the region.</p> <p>HITRANS and the Council will continue to develop our research into fuel costs and the potential impact of planned bio fuels introduction on our region.</p>
<p>National Outcome 4</p> <p>Our young people are successful learners, confident individuals, effective contributors and responsible citizens.</p>	
<p>National Outcome 5</p> <p>Our children have the best start in life and are ready to succeed.</p>	
<p>National Outcome 6</p>	<p>HITRANS working with and on behalf of its constituent Councils will seek to promote Active Travel</p>

<p>We live longer, healthier lives.</p>	<p>and investment in measures that will make it safer to walk and cycle to education and work. This will have a consequent beneficial effect on the health of our citizens while reducing the environmental impact of transport particularly in built up areas. The Single Outcome Agreement can target investment opportunities that will promote this aim. The Active Travel Regional Audits will help HITRANS and OIC identify measures to increase active travel within the county helping promote healthier lives.</p>
<p>National Outcome 7</p> <p>We have tackled the significant inequalities in Scottish society</p>	<p>Better public transport with affordable fare structures can help tackle significant inequalities in society by tackling the social exclusion that currently acts as a barrier to access to employment, education and health. Better information is a key to promoting and increasing use of public transport and the further development by HITRANS and OIC of the Orkney real time passenger information system on the bus network will greatly help this. Improved accessibility of public transport will help empower people and allow them to fully participate and contribute to the economy. HITRANS and OIC are committed to working towards continuous development of our transport networks. HITRANS on behalf of its constituent Councils has invested in a region wide web based car sharing service which will as it develops help match journeys that are made on a regular or one off basis thereby reducing the cost of travel and improving access to jobs, services and recreational and social activity for those without direct access to a car.</p>
<p>National Outcome 8</p> <p>We have improved the life chances for children, young people and families at risk</p>	<p>HITRANS will work with OIC, Community Planning Partners and Government to ensure transport investment is made to make communities safer places for children and young people. It is important that children can safely walk, cycle and play and transport improvements and integrated land use and transport planning can help achieve this aims. We will work towards meeting clearly defined targets aimed at restricting unsustainable traffic growth.</p>
<p>National Outcome 9</p> <p>We live our lives safe from crime, disorder and danger.</p>	<p>The SOA is an important tool in the development of measures to make society safer. In the past HITRANS on behalf of its constituent Councils has funded measures aimed at improving personal safety such as CCTV and better lighting on buses, at railway stations and bus stops that have significantly improved the experience of travelling by public transport particularly at night. HITRANS will work with OIC and other Community Planning Partners through the SOA to ensure that this type of investment continues to be an important means of improving confidence in the use of public transport and reducing car dependence.</p>

<p>National Outcome 10</p> <p>We live in well-designed, sustainable places where we are able to access the amenities and services we need.</p>	<p>The SOA should ensure that all new developments are designed to provide an acceptable level of facilities to minimise the need to travel. Existing communities should be provided with a range of local services reflecting their size providing opportunities for all people to access the full spectrum of facilities for education, employment and health. In partnership with OIC and other local government partners HITRANS has developed a transport modelling tool detailing public transport and active travel opportunities to identify when a community is well designed and sustainable and where a community has insufficient access to these important services. This tool has been made available free of charge to OIC to support transport planning in the county.</p> <p>The HITRANS Regional Transport Strategy has identified the urgent need for a programme to be established for the replacement of the aged and inaccessible fleet of ferries operating the internal network of ferries within the islands. HITRANS supports Orkney Islands Council's case for the Scottish Government to allocate funding to this key scheme.</p>
<p>National Outcome 11</p> <p>We have strong, resilient and supportive communities where people take responsibility for their own actions and how they affect others.</p>	
<p>National Outcome 12</p> <p>We value and enjoy our built and natural environment and protect it and enhance it for future generations.</p>	<p>The Highlands and Islands have a high quality natural environment that is the greatest asset we possess in developing tourism as our biggest industry. This provides opportunities for inward investment by individuals and companies looking for high quality locations in which to work and live. While we need to see industry grow it is equally necessary to protect the asset we have so that future generations can also enjoy it. Development must be sustainable and where possible we must manage travel to attractions and services with well designed car parking and good access by public transport. We must where possible also support active travel both to and within our natural environment. HITRANS will continue to work with OIC and other Community Planning Partners to ensure the SOA promotes sustainable development of our built and natural environment. HITRANS has developed arrangements for consultation with key stakeholders across a number of modes including Active Travel interests.</p>

<p>National Outcome 13</p> <p>We take pride in a strong, fair and inclusive national identity.</p>	
<p>National Outcome 14</p> <p>We reduce the local and global environmental impact of our consumption and production.</p>	<p>With some of the best food and produce available within our area there are clear opportunities to source more of the goods we consume locally. This will support local business and reduce the impact caused by transporting goods unnecessarily around the country improving the flow of necessary traffic on our transport corridors giving better connectivity between national centres and the region. Orkney with its strong local brand identity and awareness is an exemplar in this respect and HITRANS see this as an example that can be followed by other parts of the region. HITRANS and OIC are working with other Councils across the Highlands and Islands and freight industry stakeholders in the development of consultation arrangements on freight issues and are considering the the development of a Freight Quality Partnership to ensure best practice is followed in the transport of goods to, from and within the Highlands and Islands. This linkage is useful to support closer working with hauliers and we hope it will help promote more sustainable forms of transport such as sea and rail for the carriage of goods.</p>
<p>National Outcome 15</p> <p>Our public services are high quality, continually improving, efficient and responsive to local people's needs.</p>	<p>With Sustainable Economic Growth as the National Purpose it is essential that our public services are high quality and continually improving to meet people's expectations. The SOA should ensure our transport network is fit for this purpose in terms of public transport, active travel options, and the provision and maintenance of transport infrastructure. In this regard servicing this infrastructure it is crucial that maintenance is well planned so that disruption to the public is minimised.</p>