

Item:

6



Report to Partnership Meeting 10 April 2015

PARTNERSHIP

HITRANS Business Plan for 2015-16

SUMMARY

The Report seeks approval from the Partnership for the HITRANS Business Plan for 2015/16. The Business Plan sets out how we intend to support delivery of our Strategy during 2015/16 working with our constituent Councils and Stakeholders with a view to improving transport services across the Highlands and Islands. As with the 2014/15 Business Plan the programme of work set out includes a 2 year Research and Strategy Development Programme in line with the recommendation of the Partnership Board discussion at the February 2013 meeting.

BACKGROUND

The Business Plan sets out the planned activities of the Highlands and Islands Transport Partnership (HITRANS) and where we will focus our energy and resources in partnership working with our constituent Councils and key stakeholders. The objective of our work will be to improve the delivery of transport services across the Highlands and Islands. The Business Plan defines how we will move forward in promoting and implementing our Regional Transport Strategy (RTS).

The Scottish Executive published guidance on Regional Transport Strategies in March 2006. Paragraph 112 of the Guidance requires the preparation of an annual delivery or business plan to be submitted to Scottish Ministers. From 2009/10, Councils have been tasked with their Community Planning Partners to develop Single Outcome Agreements which link local spending priorities to the National Purpose. HITRANS reviewed its Regional Transport Strategy in 2008/09 to reflect the changes to funding mechanisms and to tie this document more closely in future to Single Outcome Agreements and national priorities and is currently in the process of refreshing the related RTS Delivery Plan.

The Business Plan as included in the Appendix to this report is intended to fulfil our requirement to produce such a document. After approval by the HITRANS Board this will be submitted to Scottish Ministers.

RECOMMENDATIONS

The Partnership is asked to

1. Approve the Business Plan for Financial Year 2015/16.

| Risk | impact | Comment |
|--------------|---------------|--|
| RTS delivery | √ | The aim of the Business Plan is to promote delivery of the RTS through the actions identified in the Plan |
| Policy | √ | HITRANS is bound to produce a Business Plan detailing its intentions for the period covered by the Plan, and provide a copy of the Approved Plan to Scottish Ministers |
| Financial | √ | Funding of the commitments in the Business Plan can be met within the 2015/16 Budget |
| Equality | √ | Equality is always central to our actions, and the 2015/16 Business Plan includes actions which will improve equality of access and opportunity across transport services. |

Report by: Ranald Robertson
Designation: Partnership Director
Date: 23rd March 2015
Background Papers: Appendix A - Draft 2014/15 Business Plan

APPENDIX A - HITRANS Business Plan 2015/16

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1. Foreword

Our Business Plan for 2015/16 sets out where and how HITRANS will focus our efforts and resources in the year ahead. The Plan aims to link our work plan clearly to the Regional Transport Strategy and sets out how we will work with our partners and stakeholders to achieve our objectives.

HITRANS continue to focus our efforts on developing and delivering the Regional Transport Strategy for the Highlands and Islands. Our focus is on enhancing the region's viability and has the core aim of enabling sustainable economic growth across the Highlands and Islands to be supported by a modern transport system that meets the needs of our region. This reflects the Scottish Government's purpose of increasing sustainable economic growth for Scotland as a whole. The light touch refresh of the Regional Transport Strategy will continue into 2015/6 when it is intended to complete this refresh.

In 2015/16 we have a number of important actions to take forward to support HITRANS core focus. Public finance and the funding pressures associated with it continue to provide a challenge but we feel real progress is being made in developing efficient working practices and models through partnership working. Our core aim is to support our partner Local Authorities, Scottish Government and other key public and private sector partners in delivering improved transport services across the Highlands and Islands. We will continue to work hard to attract external funding and focus on a partnership approach to delivery.

Community planning is designed to be a key means of ensuring optimum use of resources across the public sector. Sharing and integrating the use of transport resources between partners has to be a core means of ensuring communities can continue to access services and employment opportunities on a daily basis. HITRANS will continue to work with members of our five Community Planning Partnerships to achieve this aim and to highlight the important enabling role transport services play in supporting good communities in both an economic and social sense.

The Partnership will continue developing its role in supporting better integration of public transport services between modes and service suppliers. Last year saw the establishment of our shared service collaboration project on public transport information that is already achieving a great deal for our partner Councils. There remains significant potential for this project to improve the quality and effectiveness of public transport information and services through our open and inclusive way of working. This project is being supported by HITRANS, our Council partners and Transport Scotland through the Bus Investment Fund.

In the area of improving bus services HITRANS will continue to manage the delivery of the East Inverness Bus Improvement Corridor Project. This £2.7 Million project is delivering a wide range of enhancements to bus networks in the east of Inverness and represents a great example of public and private sector partnership working.

HITRANS will continue to build on the partnership established with Sustrans in 2013/14. This partnership has seen Sustrans commit a funding allocation of £100,000 to HITRANS each year to deliver a range of Active Travel initiatives and to support partners in the Highlands and Islands to prepare projects to be submitted for consideration by Sustrans through the Community Links Fund. The project has already proved a great success with a significant increase in spending on Active Travel already achieved both in terms of HITRANS own successful applications for Community Links Funding and the support our Active Travel Officer has given to our partner Councils developing Community Links applications.

In the area of Health and Social care HITRANS is working with NHS Highland, Highland Council and the Scottish Ambulance Service on the Highland Integrated

Transport project. This project secured funding from the Scottish Government as one of two pilot integrated transport projects designed to explore new approaches to the provision and integration of health and social care transport.

2015/16 is going to be a huge year for rail services with the start of two new rail franchises with Abellio taking on the operation of the ScotRail franchise and Serco the Caledonian Sleeper franchise. We look forward to building a strong relationship with the teams at both franchisees and the new team who took on the East Coast Franchise for Virgin / Stagecoach in late 2014/15.

The pilot ferry services from Ardrossan to Campbeltown and Mallaig to Lochboisdale will continue and the largest most sophisticated ferry ever operated by Caledonian MacBrayne will have it's first summer season now that the MV Loch Seaforth has entered service on the Stornoway to Ullapool route. HITRANS will continue our close work with partners on ferry service consultation and service development opportunities. This year also sees the retendering of the Clyde and Hebrides Ferry Services contract get underway. HITRANS will have an important role in this process and we will continue our good partnership work on internal ferry services in Orkney and looking ahead to the next Northern Isles Ferry Services contract.

In 2015/16 we will continue to strive identify further European funding opportunities and deliver projects where we have secured funding from ERDF and INTERREG programme sources. Our aim in this will be to improve transport services and systems and establish best practice through transnational co-operation and joint working.

Our Business Plan for 2015/16 sets out how we intend to achieve the objectives detailed above as well as moving forward the many other activities HITRANS is involved in. It sets out how the Partnership will work in throughout the year underlining the need for a nimble approach that ensures that we do not merely horizon scan for opportunities to deliver improvement across our region but that in identifying such an opportunity we are ready to take advantage of this. We are committed at all levels to focus on a strong partnership approach to delivery to ensure scarce resources are targeted in the most efficient manner to achieve the best result for the Highlands and Islands.

James Stockan
Chair

Ranald Robertson
Partnership Director

2. Guidance

The Scottish Executive published guidance on Regional Transport Strategies in March 2006. Paragraph 112 of the Guidance requires the preparation of an annual delivery or business plan to be submitted to Scottish Ministers. The plan should normally cover the first three years of implementation of the Regional Transport Strategy, and be updated annually to reflect local and central government planning and funding cycles and include plans for capital and revenue spending and borrowing. There have been changes in Government since this Guidance was issued and this has significantly changed the mechanism for funding of transportation investment from 2008/09. Ring fencing of much of the Council and previously centrally managed funding has been removed. Councils were tasked in 2008/09 with producing Single Outcome Agreements with Government and from 2009/10 onwards with their Community Planning Partners.

It is proposed that HITRANS again produce a single year Business Plan identifying its intentions in 2015/16. In response to guidance from the Partnership Board the Business Plan for 2015/16 will include a 2 year Research and Strategy Delivery Programme that will include an indicative programme of projects for 2016/17. This Business Plan is intended to fulfil that requirement and, after approval by the HITRANS Board, will be submitted to Scottish Ministers.

It describes the good governance procedures adopted by HITRANS and defines the areas where HITRANS may in time seek additional powers beyond the current Model 1 level. It forms the basis, with the detailed draft Delivery Plan linked to the Partnership's Transport Strategy which is currently being refreshed, of HITRANS' ongoing input to partner authorities' transport prioritisation, the related and developing Community Planning Partnership Single Outcome Agreements, and with Government for future bids for finance.

3. The HITRANS Board

HITRANS was established by the Transport (Scotland) Act 2005 (“the Act”) and subordinate legislation, namely the Regional Transport Partnership (Establishment, Constitution and Membership) (Scotland) Order 2005. The Order came into effect - and HITRANS came into existence - on 1st December, 2005. The Partnership operates in terms of the Act and the Order. Although “the Board” is not a statutory term for Regional Transport Partnerships, it is a useful term for distinguishing between HITRANS’ main decision making body, i.e. the members meeting together, from the Partnership as a corporate entity comprised of members, officials and other associated groups.

Membership

In terms of the Order which established HITRANS, members consist of a total of 5 councillor members from the constituent councils, The Highland Council, Moray Council, Argyll and Bute Council, Comhairle nan Eilean Siar, and Orkney Islands Council. In addition, HITRANS is entitled to have between 2 and 3 other (non-councillor) members (paragraph 1(2) of Schedule 2 of the Order) which, during the period ending with the ordinary elections for councillors in 2007, were appointed by the Scottish Ministers and have subsequently been appointed by the Partnership with the agreement of Scottish Ministers.

The current Chair, Councillor James Stockan, was appointed on 8th November 2013. There is one Vice-Chair: Councillor Thomas Prag.

The Partnership has a full quota of 5 councillor members and currently has 3 other (non-councillor) members.

In order to ensure that quorate decisions are achieved an annual calendar of meetings for 2015 was agreed in November 2014 to provide advance notice for Members to include the meetings in their diaries. Five Partnership meetings are scheduled for the 2014 calendar year. Meetings are being held in February, April, June, September and November. Should a situation arise that requires the call of additional meetings these can be called in accordance with the Standing Orders. Details of all Board Meetings, Agendas and Minutes are available on the HITRANS website.

Performance and Audit

Good governance of any corporate body involves three elements of a constant cycle: planning, performance and scrutiny. Proper scrutiny, which reviews performance and informs the next phase of planning of an organisation’s activities, is often most difficult to achieve. However, for organisations such as HITRANS, it is essential that there are appropriate mechanisms for review of all the Partnership’s activities. Whilst the burden of auditing HITRANS’s performance falls in the first instance on its officials, and internal/external auditors, it was considered by the Partnership good practice to have an Audit and Finance Sub Committee which can scrutinise the financial aspects of the running of the Partnership and suggest improvements.

Accordingly, at its meeting of 10th April 2015, the Board agreed to set up an Audit and Finance Sub Committee to meet at least twice yearly composed of three Council Board Members (including either the Chair or Vice Chair) and one non-councillor member. The Committee meets two weeks before each Board meeting unless there is no business to transact in that cycle.

4. Governance

Good governance is essential to any public body and HITRANS is no exception. The essential building blocks for governance are set out below.

Standing Orders

The Standing Orders were reviewed and revised by the Partnership at their meeting on 6 February 2015. The Scottish Government had, in its provisions in the Establishment Order, set out certain minimum parameters for Standing Orders and these have been incorporated wholesale into our Standing Orders. The Standing Orders have used best practice from those of other organisations and are designed to meet the needs of the Partnership. They comprise not only procedural rules regarding meetings but also financial rules which dovetail with the financial regulations as well as the tendering and contractual rules which require to be followed for all contracts entered into by HITRANS. These, with the Partnership's Financial Regulations were subject to review during 2013/14 and may in the future additionally require adapting to any new functional changes, as well as the normal requirement for periodic review.

Scheme of Delegation

In any corporate body, day to day operational decisions need to be taken by officials rather than awaiting a formal decision making process. A clear distinction can be drawn between policy making and operational decisions and this is the purpose of a scheme of delegation which allows officers to keep the Partnership's activities running whilst leaving the main policy decisions to the Board itself.

The Scheme of Delegation was reviewed and revised at the Board meeting of 3 February 2012 and represents a set of powers tailored specifically for the workings of HITRANS as they currently stand.

Financial Regulations

As part of the Partnership's commitment to the development of its corporate governance arrangements the Partnership has adopted the Financial Procedures of the Highland Council with adjustment to reflect our organisational needs and structure. The financial rules were adopted by the Partnership at their meeting on 20 January 2006 and provide the basis under which all actions overseen by staff that have financial responsibilities and interests are undertaken. The Partnership is committed to reviewing the Financial Regulations and adopted the latest version of the Highland Council Financial Regulations in 2014/15.

Human Resources policies / procedures

Comhairle nan Eilean Siar provide the function of HR advisor for HITRANS. The agreement on this commenced in January 2006 and included the production and development of several policies. The continuation of policy creation and development working with in-house staff is ongoing as and when required.

Equalities

HITRANS, as a Regional Transport Partnership, has a statutory requirement to comply with requirements associated with Race Equality, Disability Equality and Gender Equality legislation and also tackle discrimination on age, religious and sexuality grounds. The requirements under these headings have a common approach and therefore an agreement on the approach to fulfilling our requirements is required.

The implementation of equalities policies is an ongoing process rather than simply the requirement to publish a specific scheme. Equal opportunities are at the heart of the HITRANS ethos and we do intend to meet our statutory duties in this regard. It has to be recognised that we are also a small public authority with limited resources and influence and the scope of any scheme should reflect this.

Two reports were approved by the HITRANS Partnership Board in April 2013 and these were duly published ahead of the deadline set by the Equalities Commission of 30th April 2013 and these have now been reviewed and updated in line with the requirement to review them after 24 months and will be published on 14th April 2015. These are:

Mainstreaming the Equality Duty. This report includes how equality becomes part of the structures, behaviours and culture of HITRANS and demonstrates how, in carrying out its functions we are promoting equality. Mainstreaming equality contributes to continuous improvement and better performance.

Equality outcomes. This report is designed to define a set of equality outcomes which it considers will enable the authority to better perform the general equity duty.

The implementation of equalities policies and practice is clearly an on-going process rather than simply the requirement to publish and monitor a specific scheme. Equal Opportunities are at the heart of the HITRANS ethos and we are committed to meeting our statutory duties in this regard. We will review the effectiveness of this change of process on an on-going basis and change it should it be found not to be identifying relevant equality matters to the Partnership.

Interaction with Stakeholders

HITRANS has established a series of effective liaison groups with transport operators, service users, linked service providers, and the wider community planning groupings across the spectrum of its activities as detailed in HITRANS Partnership Approach to Delivery in Appendix 1. The Liaison Groups serve as forums for Members and officers of the Partnership, officers from the constituent Councils and wide stakeholder interests to discuss issues relating to policy, strategy and operations, and to form a consensus view (or otherwise) to inform the Partnership Board's deliberations. The Groups have no delegated powers and are not Sub-Committees of the Partnership. As such their meetings are not regulated by HITRANS Standing Orders but add significant value to HITRANS appreciation of issues and provide direction for further development of strategy and improved delivery by the Partnership and its constituent Councils. We continue to develop the structure and processes of these groups to ensure they best meet their function. They have proven to be invaluable in ensuring close working relationships with our partners and stakeholders. As indicated above the current groups with their respective remits are described in Appendix 1.

Powers and Functions

Services should be delivered in the most efficient way and with appropriate democratic accountability in promoting a viable and sustainable region into the future. This is particularly important given the challenges being faced in funding across the public sector. HITRANS looks forward during 2015/16 to working with the Scottish Government and its agencies to help deliver better transport services. HITRANS are focussed on how the Partnership, Member Councils and other public and voluntary sector bodies can best contribute to improving outcomes for the people of Scotland: by driving up the quality and accessibility of services.

A distinction can be drawn between the **powers** and **functions** of HITRANS. Dealing briefly with its **duties**, these are, principally, in two categories. The first category relates to regional transport strategies and HITRANS, like the other transport partnerships, is under an obligation to produce a regional transport strategy and to monitor and, wherever possible, ensure its implementation (sections 5, 9 and 12 of the 2005 Act). The second category is in relation to a more general raft of duties to comply with various regulatory matters both under the 2005 Act and other pieces of legislation (auditing requirements; Ethical Standards in Public Life, etc. (Scotland) Act

2000; Freedom of Information (Scotland) Act 2002; Scottish Public Services Ombudsman Act 2002).

HITRANS' Powers

In common with all transport partnerships, HITRANS' powers are set out by the 2005 Act. In summary, the powers of the Partnership, where it sees fit, are to (references being to sections of the 2005 Act):

- require funding from its constituent councils (section 3);
- give grants and loan in implementation of the RTS (section 3);
- borrow money for specific capital expenditure (section 3);
- employ staff (para. 1 of Schedule 1);
- acquire land by agreement or compulsorily and dispose of it (paras. 6 and 9 of Schedule 1);
- develop land for its own purposes - or if surplus for other persons' use (paras. 6 and 7);
- promote or oppose private legislation (para. 10);
- participate in community planning (para. 11);
- form or promote companies (para. 12); and
- erect buildings; provide offices, entering into building contracts etc. (para. 16).

HITRANS Functions

The legislative framework setting up HITRANS recognises that transport functions are currently carried out by other bodies and makes provision for transfer of some or all of these functions in certain circumstances should HITRANS, its constituent Councils and Scottish Ministers consider this is appropriate and adds value to the delivery of transport services in the area. Section 10 of the 2005 Act provides that transport partnerships such as HITRANS can carry out transport functions either instead of the previous function provider (usually the constituent council or a Government Agency); or concurrently with that person.

To exercise further transportation functions, HITRANS would have two options. The first would be for HITRANS to reach agreement with all the constituent councils and/or the Scottish Ministers that it carries out or supports certain of the transport functions which the councils are currently providing. This route is provided by section 14 of the 2005 Act. The second, as outlined above, is to apply to the Scottish Government under section 10 for additional functions.

Application for Additional Functions

Section 10 of the Act sets out the procedure which will require to be followed, should HITRANS resolve to seek additional functional capability. The precise functions would require to be the subject of Board approval. Thereafter HITRANS would require to consult with its constituent authorities for additional functions (s.10 (6)). It would in such circumstances be our intention to report to the Board on the results of that consultation before finalising any request to the Scottish Ministers. In terms of s.10 (8), the Scottish Ministers would again consult the local authorities on any request for additional functions.

The HITRANS Regional Transport Strategy (RTS) and related Delivery Plan do not indicate any area where additional powers might be sought at this time but areas within which the Partnership might wish to examine the benefits of attracting additional powers in supporting improved delivery of transport services across the Highlands and Islands would include:

Ticketing - Transport (Scotland) Act 2001: S28, 29. This area presents the strongest case for HITRANS to seek powers for direct delivery, as integrated ticketing is an area where the public and stakeholders would see the greatest benefit.

Quality Partnership and Quality Contracts - Transport (Scotland) Act 2001: S3,13. There could be benefits of HITRANS facilitating a Quality Partnership or a Quality Contract on some strategy cross-boundary corridors along with the local authorities affected and the bus operator(s). The potential benefits should HITRANS assume some statutory Quality Partnership and Quality Contract functions to support and simply any negotiation, should be considered.

Supporting Constituent Authorities - Where constituent councils may not have the capacity and resources to deliver local authority measures, the RTP could consider providing support to the local authority to provide optimum delivery of services, implement projects and initiatives relevant to the RTS, with agreement from the relevant authority. This could be the case in developing real time information systems and management, and management of demand responsive transport services.

For HITRANS to implement the regional transport strategy, projects, and initiatives, there is no need to transfer any powers from local authorities or central government to HITRANS, but there may be benefits in taking on parallel powers to ensure that the strategy is delivered in accordance with the associated delivery plan.

5. Funding

Our Business Plan should be based upon a realistic estimate of the funding which is likely to be available to HITRANS. Grant income from the Scottish Government directly to HITRANS in its first two years represented the vast majority of the Partnership's funding. The 2007 Spending Review fundamentally changed the funding route for implementation of proposals within the RTS. Capital funding is included in the Local Authority block grant with little or no ring fencing for transport. Core revenue funding for HITRANS is provided by Transport Scotland and our partner local authorities.

In 2014/2015 HITRANS received Grant-in-aid from Scottish Government/Transport Scotland of £522,750 to fund revenue expenditure to support implementation of the Regional Transport Strategy. For 2015/16 HITRANS has had confirmation that the Scottish Government direct Grant-in- Aid contribution will continue to be provided to HITRANS to the sum of £522,750.

Transport Scotland have also confirmed a grant allocation for 2015/16 to HITRANS of £155,000 for the third year of the East Inverness Bus Improvement Corridor project.

Transport Scotland have also confirmed a grant allocation for 2015/16 to HITRANS of £150,000 for the second year of the Hltravel project.

SUSTRANS have confirmed a grant of £100,000 to HITRANS in 2015/16 for the Active Travel Partnership Project.

Constituent Authority Requisitions

The Transport (Scotland) Act 2005 requires the constituent councils of each Regional Transport Partnership to fund its net expenses, after allowing for any income, including any grants from the Scottish Government. In 2014/2015 HITRANS constituent Councils contributed £200,000 towards the Partnership's net expenses. This represents match funding to complement the Scottish Government's revenue Grant-in-aid contribution towards nominal Core Funding. For the purposes of development of the business plan, HITRANS has intimated to the partner authorities a proposed requisition of £200,000 as core revenue funding for 2015/16.

The detailed Revenue Budget for 2015/2016 is shown in Appendix 2.

Revenue: Other sources of funding

In order to deliver on our aspirations HITRANS investigate a wide range of funding opportunities. There are numerous European funding initiatives available to the Partnership as well as central Government funding. These opportunities continue to be assessed by HITRANS and we have enjoyed success through our engagement with other regions across Europe. Some successes that we have achieved in this arena are listed below and these represent current live projects:

- SPARA 2020 is a Northern Periphery Programme project. The aim of the project is to develop smart and sustainable solutions focussing on peripheral airports and air services. This project is led by HITRANS and represents a total budget over the next three years of EURO 494,253.
- REPUTE is an Atlantic Area project that is focussed on creating an Atlantic Area framework for encouraging innovation in promoting the use of renewable energy in public transport. HITRANS are looking to deliver travel behaviour change projects and passenger information displays powered by a renewable source through the project.

The Partnership is actively looking into the possibility of engagement in a number of other potential projects with European partners with a view to adding significant value in the delivery of transport services across the region. All these initiatives fit with HITRANS strategy objectives and our work to support our partner local authorities. There is a requirement for co-funding of trials, projects and studies from these European sources and allowance has been made within the Business Plan for this work.

Borrowing

Under the Transport (Scotland) Act 2005, HITRANS is permitted to borrow money for the purposes of its capital expenditure. HITRANS must have regard to the Prudential Code for Capital Finance in Local Authorities when determining any programme for capital investment. The key objectives of the Prudential Code are to ensure that the capital investment plans of local authorities are affordable, prudent and sustainable. No borrowing for the purposes of capital expenditure is anticipated during the period covered by this business plan. The Regional Transport Partnerships as a group continue to engage with Government and CoSLA on whether these powers and developing other potential funding opportunities may through joint working help support Government in delivering the Economic Strategy.

Reserves

It is the responsibility of the Treasurer to advise the Partnership about the level of reserves that they should hold and to ensure that there are clear protocols in place for their establishment and use. Guidance issued by CIPFA advises that local authorities and Partnerships, on the advice of their Finance Directors / Treasurers should make their own judgements regarding an appropriate level of reserves, taking into account all the relevant local circumstances.

Under the Transport (Scotland) Act 2005, constituent authorities are required to meet the net expenses of the Partnership. This means that, technically, it is not possible for HITRANS to make a "surplus" or "deficit" in any year and, therefore it is not possible for the Partnership to have a General Fund balance or Reserve. Scottish Government officials have indicated that they may in time consider supporting an amendment to the Transport (Scotland) Act 2005, to allow for reserves, but this is unlikely in the near future. In the absence of a properly constituted reserve, any shortfall in the net expenses of HITRANS will fall to be met by the Partnership's constituent authorities.

6. The Regional Transport Strategy (RTS)

The HITRANS Regional Transport Strategy was submitted to the Scottish Government on 14 May 2008 and approved by Scottish Ministers on 25 July 2008.

We believe that our RTS remains a valid strategy reflecting closely the Scottish Government's Economic Strategy. HITRANS is confident that our Strategy is in line with Local, Regional and National aspirations for the HITRANS area.

In reviewing the draft Strategy before submission and revising and subsequently updating the associated delivery plan in the light of national and local resource commitments available to support its delivery and the new funding mechanism for delivery of capital projects and service improvements, we have made the necessary adjustments to the RTS package to ensure it provides a prioritised approach to investment while still meeting the realistic aspirations of the constituent Councils, Community Planning Partners and transport service providers. Councils continue to have to revise their Capital and Revenue Programmes in light of reducing funding availability and developing Single Outcome Agreements and as a result have been unable to commit to the specific investment proposals of the draft RTS Delivery Plan.

HITRANS commenced a process of light touch review and refresh of the RTS in 2014/15 and it is our aim to complete this work in 2015/16.

Monitoring and Evaluation

It is important that HITRANS demonstrates that it is achieving its aims and objectives. The RTS provides a basis for monitoring and evaluation and the means of measuring success of implementation in a factual manner was further developed during 2010/11 with the agreement of interim Transport Indicator targets for 2013 and 2018, as well as final targets for 2022. Updates on performance against targets will be reported to the Board on a regular basis and included in the Partnership's Annual Report using the Framework that has been developed.

Delivery Mechanisms

The predominant method of delivery that HITRANS had utilised to deliver improvements in service up to 2007/08 when a direct Capital Programme was available had been by the issue of Grant in Aid to the Partnership Authorities and other stakeholders. This has changed for the funding of regionally significant transport projects from 2008/09 as funding has been redirected, without ring fencing, to the Partnership authorities.

HITRANS working in partnership with its Member Councils has undertaken the process to establish Term Framework contracts, for a range of interventions and activities with the intention of appointing consultancy support available across the HITRANS area. By establishing these Framework contracts HITRANS and its constituent Councils intend to call on the appropriate technical support without the need for lengthy tendering procedures thus reducing the timescales for project delivery. The sharing of resources between Councils, between the RTP and Councils, and between RTPs is now possible and being used to promote specific activities to the benefit in the delivery of transport services across the Highlands and Islands. With the identification of projects to be delivered by 2030 within the Government's Infrastructure Investment Plan, and related regional projects included in the draft RTS Delivery Plan, there is a clear opportunity for HITRANS and the constituent Councils to positively work with Government and its agencies to develop the Interventions to be taken forward, and HITRANS will continue to promote and develop joint working and collaboration to realise Government's, RTP's, and Council's joint goals in the preliminary design and preparation of schemes and action strategies on transport corridors.

The Programme of Research and Strategy Development proposed to be undertaken by HITRANS during 2014 - 2016 to support delivery of the Regional Transport Strategy is detailed in Appendix 3 to this Plan.

Risk

HITRANS financial position requires stringent management and at times difficult decisions over resource priorities. It is important, therefore, that the maximum amount of resources is channelled into achieving HITRANS' objectives. There are, however, risks to us achieving these objectives. Risks are inevitable and, in practice, cannot be avoided. Risks, therefore, have to be managed, understood and controlled if we are to meet our objectives.

Risk management is about managing the Partnership's exposure to risk, the probability of it occurring and the impact it would have. It involves identifying the risks, assessing them and responding to them. Risk management is not restricted to limiting adverse outcomes and it can be used to achieve desirable outcomes.

Consequently, HITRANS needs to be pro-active and prepared in the way we manage our risk portfolio. Incorporating a more formal approach to risk management in our day to day operations will enable us to deliver our responsibilities and work towards achieving our objectives. In fact, management of risks is fundamental to ensuring that we fulfil our objectives.

Between 2010 and 2012 the Partnership developed and agreed a Risk Management Strategy and established a Risk Register which is reviewed regularly. This strategy is firmly embedded in the work of the Partnership and is subject to annual review through the Partnership board meeting process.

7. Revenue

The Research/Strategy Development Programme for 2015 to 2017 and the programme for delivery are as detailed in Appendix 3.

8 Marketing & Communications

The objective of HITRANS' marketing & communications strategy and Action Plan, is to increase awareness of our role and objectives among the travelling public within the Highlands and Islands of Scotland, engender change in public behaviour towards transportation, and indicate to our partners and other stakeholders that HITRANS is achieving its aims.

Our communications objectives through 2015/2016 will be to:

- Provide Newsletters following Partnership Meetings to publicise the decisions taken at the Meeting and the actions currently being taken by HITRANS to promote delivery of the RTS.
- Refine the HITRANS Website content to make it more informative and accessible.
- Continue to make people aware of what we are doing and why, explained in terms of the high level aims of the RTS, what HITRANS aims to deliver as described in the RTS and the benefits that will accrue to business and the population of the region.
- Encourage behavioural change among the public in line with the objectives laid out in the RTS – e.g. making “smart transport choices” including: greater use of public transport, car sharing, personal travel plans, alternative and active transport options, etc, through highlighting the advantages, practical benefits and needs which these address.
- To promote the case working in partnership with other peripheral regions of the UK, and key local stakeholders including HIAL, for these regions to have levels of access to the south east of England hub airports and in the absence of access to Heathrow for well-timed secure business access directly from Inverness to an alternative EU hub airport.

9. Resources

Establishment

With effect of 1st April 2015, HITRANS will employ 8 paid Staff in 2015/16:

Ranald Robertson - Partnership Director
Neil MacRae - Partnership Manager
Frank Roach – Partnership Manager
Katy Cunningham - Office Manager (Inverness)
Christine Kendall – Officer Manager (Lairg)
Fiona McNally – Active Travel Project Officer
Julie Cromarty – Public Transport Information Officer
Jayne Westbrook – Graduate Business Support Officer (through Adopt an Intern Programme)

The specific areas of engagement and activities of each employee in 2015/16 are detailed in HITRANS Partnership Approach to Delivery in Appendix 1.

Consultants will be engaged as and when required to support strategy, research and project requirements, in line with our ongoing practice.

Permanent Advisors

The Partnership invites input from a number of Key Stakeholders at officer level on a regular basis through Permanent Advisor Meetings and ad hoc contact on specific issues. As well as a senior transportation officer from each of the 5 constituent Councils a representative from the following organisations participates on an on-going basis in our Advisory arrangements

Highland and Islands Enterprise
Scottish Council for Development and Industry
Health Board

Accommodation

The Partnership employees are located in 2 offices, at Inverness and Lairg station. The Partnership moved to a new office in January 2014 after the expiry of the lease on our previous office allowed the Partnership to review our option. The Partnership board approved the office move in November 2013 and the new office offers improved and more spacious accommodation in a central location. The new office includes a meeting room and the costs of the meeting room are shared with SCDI who have located in the adjacent office suite. Overall the new office has resulted in a reduction in rental costs to the partnership and is expected to deliver further savings as a result of having an in house meeting room rather than having to pay for hotel meeting room hire as was the previous practice.

Equipment / IT Resources

In an effort to maintain efficiency and effectiveness HITRANS practice has been to replace PCs on a 3 to 4 year cycle. The redundant units are kept as standby units where serviceable. The Partnership moved to a Cloud based server system in 2014/15.

Video conferencing equipment is available within the Inverness office and Skype is used by Partnership officers for internal meetings and to participate in conference calls. The Partnership officers aim to utilise these systems to minimise the need for unnecessary travel and produce efficiency gains.

Appendix 1: The Partnership Approach to Delivery

Summary

HITRANS is committed to working with all sectors and interests within transport in adding value to the transport services delivered across the region. This note indicates the structures HITRANS has put in place to achieve this aim.

Involvement in each area of policy development and delivery

The partnership has identified eight areas in which it would aim to work towards improving service provision as follows

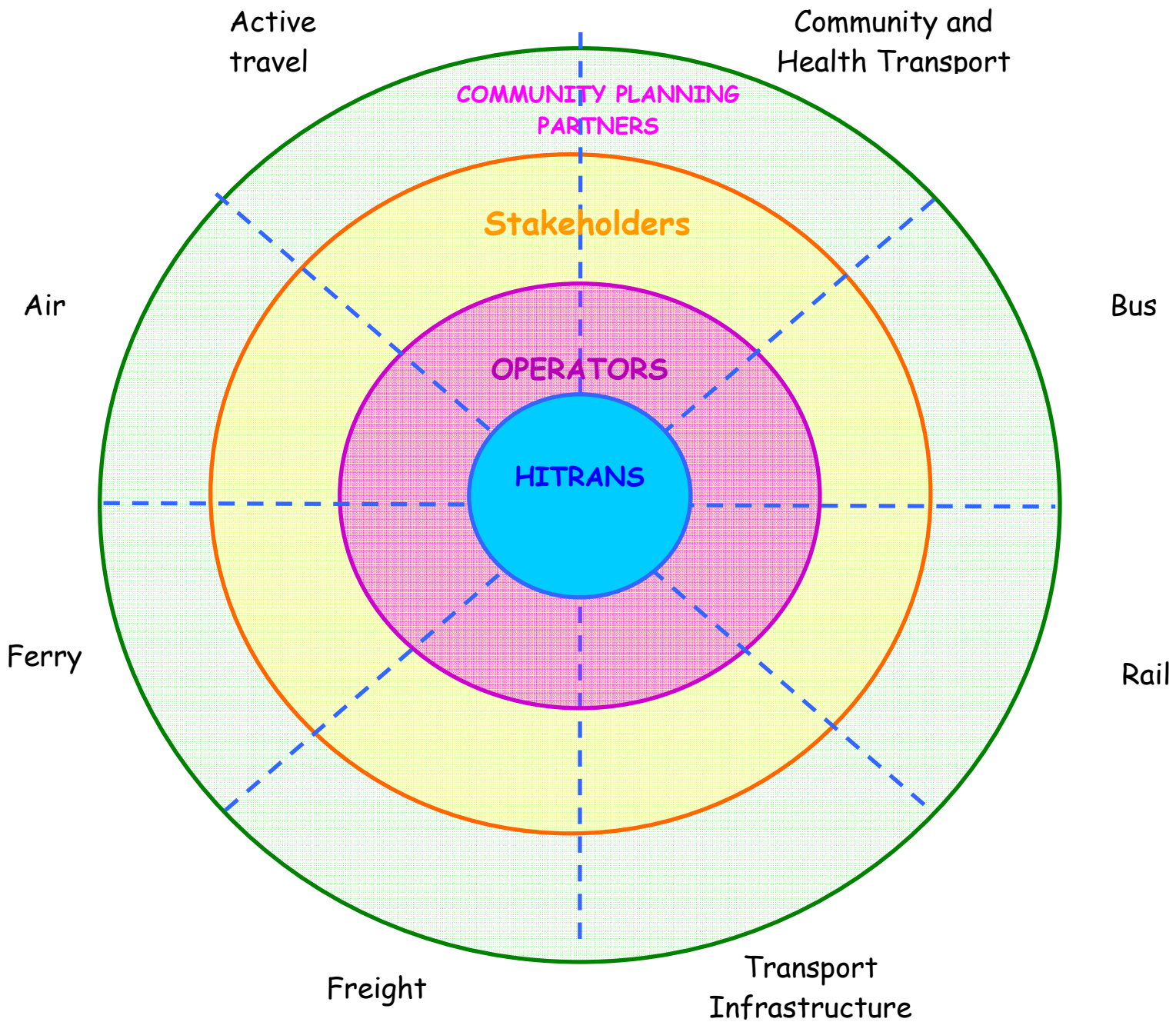
| Area | Description |
|--------------------------------|---|
| Active travel | Walking, cycling |
| Community and health transport | Third sector transport, social and health transport, car sharing schemes |
| Bus | Supported and commercial bus services, and taxis |
| Rail | Passenger and freight rail services |
| Transport Infrastructure | Roads (both trunk and local), Rail Infrastructure, Airports, Ports, Harbours, and Ferries |
| Freight | Cross modal, road, rail, ferry, air and sea |
| Ferry | Supported and commercial ferry services, national and local |
| Air | Supported and commercial air passenger services, including charter and freight |

In each area HITRANS will seek active participation from the 5 constituent Councils, our Community Planning Partners, Stakeholders, Operators, Permanent Advisors and the Board. HITRANS will encourage its Community Planning Partners, Stakeholders and Operators to participate in policy development and delivery options appraisal. Operators in particular will be encouraged to interact not only within their individual area of expertise but across the 8 areas and will be given the opportunity individually to discuss issues with Board Members. This will allow HITRANS the greatest opportunity to learn from their knowledge and experience.

Objectives

HITRANS wishes to ensure maximum effective involvement of all groups and will devise, in each service area, mechanisms and structures that will ensure that each group's views are heard and their input valued in ensuring the Partnership delivers improved transport services across the region. HITRANS has formed and will continue to develop advisory and consultative groups both within and between linked transport areas, to promote improved integration across the Highlands and Islands. Regular meetings of these groups are arranged to obtain valuable input and provide information on developments and proposals and updates will be provided on the HITRANS website.

The chart below diagrammatically reflects the approach HITRANS is taking to achieve this aim.



Engagement with Stakeholders and Operators

The following are the HITRANS proposed arrangements for engagement and consultation in 2013/2014

| Area | Proposed action | Timescale |
|--------------------------------|--|--------------------------------------|
| Rail | Users and A+C Groups Meet 2x Stakeholders 1x | June 15, Dec 15 Mar 16 |
| Bus / TIF | Stakeholders – meet 1x | Sept 15 |
| Community and Health Transport | Meet Health Boards, And engage with Community Transport Operators | Ongoing |
| Active Travel | A+C forum Meet 2x | May 15, Nov 15 |
| Air | Stakeholder meeting 1x | June 15 |
| Ferry | Ferry User Group Meetings | June 15, October 15 |
| Freight | Meetings of Freight Quality Forum | May 15 |
| Transport Infrastructure | Operator meetings, trunk, rail, air, meet each 1x | ongoing |
| Equality Issues Development | Feedback from Council Permanent Advisors | Ongoing through Advisors Meetings |
| Public Transport co-ordination | Meeting of public transport officers of each Council | May 15, September 15, February 16 |

Key

| | | |
|-----|---------------------------|--------------------------------------|
| A+C | Advisory and Consultative | |
| RR | Ranald Robertson | Partnership Director |
| NM | Neil MacRae | Partnership Manager |
| FR | Frank Roach | Partnership Manager |
| KC | Katy Cunningham | Office Manager, Inverness |
| CK | Christine Kendall | Office Manager, Lairg |
| FM | Fiona McInally | Active Travel Project Officer |
| JC | Julie Cromarty | Public Transport Information Officer |
| MM | Mike Mitchell | Finance Manager (THC) |
| DM | Derek Mackay | Partnership Secretary (CNES) |
| DS | David Smart | HITCOG Chair |
| PM | Peggy Morrison | HR support (CNES) |
| AM | Allan MacDonald | Legal (CNES) |

Delivery Areas – Lead officer

| Area | Administration | Development | Stakeholder Engagement |
|--------------------------------|----------------|-------------|------------------------|
| Rail | CK | FR | CK/FR |
| Bus | KC | JC | KC/JC |
| Community and Health Transport | KC | NM / RR | KC/NM |
| Active Travel | CK | FM | CK/ FM |
| Air | CK | NM | CK/NM |
| Ferry | KC | RR/NM | KC/NM/RR |
| Freight | CK | FR | CK/FR |
| Transport Infrastructure | KC/CK | RR/NM/FR/FM | RR/NM/FR/FM/ KC/CK |
| Equalities | KC | RR | RR/KC |
| Integration of Services | CK/KC | JC/FN/NM/FR | JC/FM |
| Public Transport Co-ordination | CK | NM/DS | NM/DS |

Other Areas of Partnership Activity

| Area | Lead | Comment |
|--|---|--|
| RTS Development - Monitoring and evaluation | RR | RTS approved by Government. Framework and targets produced to assess success in achieving outcomes linked to governments objectives |
| Community Planning – engagement in CPPs | RR, Council Advisors and Board member for each CPP areal | Critical that the development and implementation of SOAs and cross sector agreement of priorities reflects the importance of transport in all public and private sector delivery areas |
| Learning from European Best Practice – Working with partners in EU | RR/FR/NM/FM/JC | Intention to identify opportunities for working with partners to develop best practice, and investigating opportunities for engagement |
| RTPs – joint working | Chair and RR | Joint working to support government in achieving its Purpose and key national outcomes |
| Working to support Councils | Individual Council Board Members and Council Permanent Advisors | Engage with Councils to support the development of their SOAs and to support optimum development of best practice throughout the H+I |
| Joint Working between Councils | RR | Delivery of working arrangements between the 5 Councils to encourage sharing of resources and expertise and in particular to support |

| | | |
|----------------------|--------------|--|
| | | Government in delivering IIP and Regional priorities. |
| SPARA 2020 Project | RR / NM / JC | Development of main project application and final work on preparatory project. |
| REPUTE Project | FM | Deliver actions under HITRANS programme of travel behaviour change and signage projects. |
| Travel Planning | NM / FM | KC supporting in promoting sustainable transport arrangements by public and private sector employers and employees |
| Development Planning | NM | Inputting into the development of Council's Development Plans, and engaging in pre-consultation during development of large scale projects within and across Council areas |

HITRANS General and Support Activities

In meeting its aims and objectives the Partnership is involved in a wide area of general and support activities. These are identified below with details of the roles of both employees and support service providers during 2015/16

| Function | Sub function/description | Lead Officer |
|--|--|--------------------------------------|
| Revenue budget management | Overall budget management THC Internal systems plus inputting to THC Individual budget line management | MM KC/CK RR/FR/NM/FM/JC |
| Equalities issues management | Implementation of HITRANS approach to Equalities | KC |
| Board administration | Overall administration by WI Distribution of papers and local admin | DM KC |
| HR and Legal support | HR – CNES support Legal – CNES advice and support | PM/RR AM/RR |
| Travel Planning | Promote Travel Planning by Employers and monitor success | FM with external support |
| Press Relations/Promotion | Establish delivery mechanisms to best meet the Partnership's needs, including Newsletters | RR/FR/NM with external support |
| Integration of Pub Trans | Improve linkages between transport modes and service providers | FR/NM/JC/FM |
| Community Planning | Engage in Community Planning across the highlands and islands | RR supported by KC |
| Study Management | Delivery of research programme | RR/FR/NM/FM/JC with external support |
| Project Management | Delivery of individual projects | FM/JC/NM/FR/RR |
| IT and Website Management | Support by external supplier RR/FR/NM/KC/CK input to website | RR/KC |
| Meetings, Events and Diary Management | Organisation/management of events and Board Meetings | KC |
| Member/ Officer/ Advisor Travel arrangements | Organisation, management and arrangements for payment | KC |
| Employee Development | Complete Personal Development Reviews for each employee | RR |

Appendix 2: Revenue Budget for 2015/16

| Budget Heading | Budget 2014/15 | Budget 2015/16 |
|---|-----------------|-------------------|
| Income | | |
| Argyll and Bute | £26,600 | £26,600 |
| CnES | £18,800 | £18,800 |
| Highland | £90,900 | £90,900 |
| Moray | £46,300 | £46,300 |
| Orkney | £17,400 | £17,400 |
| Scottish Government - Core | £200,000 | £200,000 |
| Scottish Government – Non-core | £322,750 | £322,750 |
| SUSTRANS – Active Travel | £100,000 | £100,000 |
| SUSTRANS – Community Links | £0 | £610,000 |
| Bus Investment Fund – East Inverness | £155,000 | £180,000 |
| Bus Investment Fund – Information Project | £0 | £150,000 |
| Total Income | £977,750 | £1,762,750 |
| Running Costs | | |
| Director | £96,000 | £98,000 |
| Programme Managers | £118,000 | £122,000 |
| Office Managers | £58,000 | £59,000 |
| Active Travel Project Officer | £35,000 | £38,000 |
| Public Transport Officer | £0 | £36,000 |
| Staff/Members/Advisors Travel/Subsistence | £36,000 | £36,000 |
| Partnership/Consultation Meetings | £12,000 | £12,000 |
| Office Costs - Property | £16,000 | £16,000 |
| Office Costs - Administration | £20,000 | £20,000 |
| | £391,000 | £437,000 |
| Programme Costs | | |
| Publicity | £10,000 | £10,000 |
| Research and Strategy Development | £536,750 | £1,275,750 |
| | £546,750 | £1,285,750 |
| Finance/HR/Legal/Admin | | |
| CnEs | £8,000 | £8,000 |
| Highland | £21,500 | £21,500 |
| External Audit | £10,500 | £10,500 |
| | £40,000 | £40,000 |
| Total Costs | £977,750 | £1,762,750 |

Appendix 3: Research/strategy development programme for 2015 – 2017

| Area | Project | 2015/16 | 2016/17 | Comments |
|-----------------------------|--|---------|---------|---|
| Active Travel | Smarter Choices Smarter Places Match Funding | 30000 | 30000 | Match funding to help partner Councils draw down their allocation under SCSP. |
| | Community Links (Sustrans Award) | 610000 | | Budget for Inverness Campus (north bridges) |
| | Sustrans Partnership / Active Travel Projects | 100000 | 100000 | Partnership with Sustrans for Active Travel Officer to deliver active travel projects across the region. |
| Aviation | Development and promotion of case for sustainable air connectivity through London / EU hub | 2000 | 5000 | Further work to provide evidence in support of the need for the Highlands and Islands to have secure connectivity to world markets. |
| | Skye Air Service Project Development | 5000 | 0 | Development of the case for a new Skye Air link |
| | Air Discount Scheme - SME Extension | 10000 | | Research to identify the feasibility and potential cost of extending the Air Discount Scheme to include business travel for island based SMEs. |
| | Regional Air Service Development Support | 10000 | 15000 | Funding to support de minimis air service enhancement of Glasgow - Barra service as a 3 way partnership project with HIE and CnES. HITRANS will meet a third share of the total estimated £30k spend. |
| European / External Funding | ERDF - SPARA 2020 Project | 40000 | 50000 | HITRANS cash contribution to the budget for the SPARA 2020 project which attracts a 65% intervention rate from ERDF. |
| | ERDF / INTERREG Project Support | 30000 | 30000 | Support towards the development of new EU/External funding opportunities. |
| | Ferry Accessibility Fund | 3000 | | Roll out of Thistle Assistance Card in the Highlands and Islands which will be submitted for part funding through the Ferry Accessibility Fund. |

| | | | | |
|--------------------------------|--|----------------|--------|--|
| Ferry | Ferry Capacity Study | 6000 | 8000 | Partnership project with ABC, CNES and OHTIA to capture booking system availability on west coast ferry routes in summer 2015 |
| Travel Information | Severe Weather Information for Transport (SWIFT) | 10000 | 10000 | Extension to live eye cameras and severe weather alerts to points on the local road network across the region. |
| | Smart Ticketing Project Support | 10000 | | Trials of smart cross modal ticketing to improve customer experience in using public transport in the Highlands and Islands |
| | Real Time Information Development | 30000 | 30000 | Delivery of improved real-time information for public transport passengers |
| RTS | Regionally Significant Scheme Development | 50000 | 50000 | Funding support to help partner Councils develop Regionally Significant Transport Projects. |
| | Green Transport Efficiency Baseline Review RTS Refresh | 15000 | | To support the refresh of the RTS. |
| Rail | Network Rail Control Period 5 - Project Development | 40000 | 40000 | Research to support delivery of improved rail services within NR Control Period 5. Includes STPR projects inc Dalcross Station, Inverness - Elgin etc. |
| Road Based Passenger Transport | Bus Investment Fund | 200000 | | Delivery of HITRANS BIF Projects and developing applications to any third round of BIF. |
| Marketing and Communications | Communications Annual Review | 0 | 0 | Annual Publicity and Communications Review |
| | Total Identified Project Expenditure | 1201000 | 368000 | |
| | Current Estimated Budget | 1275750 | | |