



# LGR REVIEW PROPOSAL

The Past we Inherit, the Future we Build.

EMPOWER, INNOVATE AND DELIVER.  
SHAPING AND SHARING PLAN 2020-2022

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## **Foreword**

In recognition of the approach by The Highland Council, Moray Council, Argyll and Bute Council, Orkney Islands Council and Comhairle nan Eilean Siar to collaborative working, this document sets out proposals for discussion regarding the potential vision and delivery assurance proposals for focussing additional Transportation responsibilities through the existing governance framework offered by HITRANS potentially with effect by 2022. HITRANS outline in this document our vision for transportation services and wider collaboration across all councils and communities of the area we are proud to serve.

As Chair of HITRANS, I want to use this document to set out for discussion the involvement and co-production plans and strategies we suggest putting in place over the next year or so to ensure the agreement of a vision and delivery plan in a collegiate manner. The Local Governance Review is our chance to enhance local democracy in the HITRANS area on key services, many lifeline transport services, whilst delivering greater collaboration between all sectors and services to retain and improve locally empowered decision making responsive to communities needs and furthering the delivery of locally inclusive growth and best value.

I see a clear opportunity from the current invitation from Scottish Government and COSLA to submit a proposal for new governance approaches for development and testing. I view not only the setting out of a clear vision at the start important to gain maximum consensus across all involved but also how we can and will co-create this opportunity going forward with all residents and communities.

The vision is for decentralisation of key services to the Highlands and Islands area and bringing its governance much closer to its communities and representatives is a fundamental right of communities. We believe that shaping the future delivery of those services in a shared manner and enabling a number of councils through HITRANS to improve local involvement in decision making, retain their own independence and identity is possible so enabling communities and councils to work together and share resources and assets, leading to a more involved local democratic process, more efficient and effective delivery of services, retention and development of the local workforce and supporting wider outcome improvements across the partnership area.

I am looking forward to the debate and discussion on how decentralisation and aggregation could work for all of the Highland & Islands area to improve outcomes on these key services. We need to seize this opportunity to develop and test how to make our democracies in the Highlands and Islands more involved in decisions on these lifeline transport services. Enabling greater listening to communities of their aspirations and not leaving them remaining as a remote subsidiary of a far-removed process of governance of services which they use every day for very local reasons.

**Cllr Allan Henderson, Chair of HITRANS.**

## **HITRANS Sharing and Shaping Services Plan**

This Sharing and Shaping Plan outlines the initial proposal for development and testing via the Local Governance Review and for further co-creation with local communities of the HITRANS area. We seek to articulate here the core values and structures we will seek to utilise over the period to 2022 if selected as a priority project by Scottish Government and COSLA. This is only an initial document to start discussion; clearly further work would need to be undertaken with communities, stakeholders, staff and users to further scope out and embed these values and requirements into the new HITRANS structure of devolved and aggregated local governance. This document at the start of the pitching process seeks to set out key stages of testing and development which we think would be needed and also seeks alongside the suite of other documents submitted to demonstrate why we should be selected as a priority for the LGR process.

The current democratic balance on key decision impacting on communities needs to be reset. Strong local democracy requires communities to feel they have real influence and involvement on decisions taken which affect their daily lives. In the context, of transport this distance between communities and decisions is stark, not only geographically within the Highlands and Islands but psychologically with real impact on the empowerment of communities and impacts on their well-being. In this document, we outline how we would seek to utilise the opportunity of the LGR process to respond to these challenges of community empowerment whilst also considering the fiscal and functional implications of greater local democracy for transport.

This is a journey that started in the early part of this century with the setting up of HITRANS before it became a statutory body. We do not anticipate that it will be a quick journey to a new structure, but we feel through the three phases proposed of re-empowerment/consolidation; transformation and delivery; and, further growth and development, we can by the early years of the next decade have produced and delivered a successful test of a proposal which will develop local democracy positively with the context of the LGR review ambitions.

In this testing process, we would want to start the co-creation process by developing and debating the following mission statement and vision, before progressing onto a review of key transport and governance issues with communities, agree core values and vision, business planning requirement, financial plans and key success criteria.

### ***Proposed Mission Statement for Shaping and Sharing via HITRANS***

**Mission Statement:** to continue to enable the co-creation and delivery of ever improving transportation and accessible public services across the Highlands and Islands through collaboration, aggregation and a focus on community-based and lead innovation, governance and involvement in the delivery of public outcomes.

## ***Stage 1 – Context/Background***

Despite the existing LGR process being highly inclusive there will be a requirement in our view for further promotion of the opportunity for co-creation of the proposal. Re-articulating the principles of the LGR and also the existing organisational structures of HITRANS, its current roles and responsibilities and also the proposed timescales and phase for involvement in the delivery of a successful proposal.

### **Local Governance Review**

The Scottish Government and Convention of Scottish Local Authorities (COSLA) has in recent years been undertaking a Local Governance Review (LGR) in Scotland. HITRANS and its member councils have over the course of the last few years actively debated the enhanced role, new structures of governance they could play in delivering key services for local communities.

Therefore, the launching in 2017 of the LGR across Scotland has been welcomed, whilst it has focussed on the formation of new structures primarily. HITRANS have sought to advocate for its member councils, that RTPs and their statutory structure and place in the legislative landscape has been under-utilised as a tool of decentralisation and empowerment for the communities of the Highlands and Islands. So, when in 2018, COSLA Leaders and the Scottish Government Cabinet Sub-Committee agreed several key themes (listed below) for the Local Governance Review to consider, HITRANS were keen to ensure that this also enabled the re-empowering of HITRANS for local communities' benefit:

#### **“Asymmetric” and “Permissive” approaches to governance**

- The diversity of communities and the importance of ensuring that public services can meet that diversity;
- The ability to explore potentially different models of governance for different communities (potentially including city powers, islands governance, and single public authority models);
- Enabling/permissive legislation which could create the conditions and capabilities to provide locally sensitive services.

#### **Collaboration and Integration across public services and councils**

- Collaboration and integration including across neighbouring authorities (or those with similar needs/interests e.g. island authorities);
- Collaboration with other public bodies including Community Planning Partnerships, and with social enterprises, the third sector and community models, with varying levels of integration being proposed

#### **Subsidiarity, Empowerment and Participation**

- Devolution of power and rebalancing the relationship between national and local government and communities; Maximising opportunities for greater local

democratic control of other public services beyond local government; The roles, functions and capabilities of Area Committees, Community Planning Partners, and other arrangements; Building participatory budgeting, community engagement, and the need to push down power and resources beyond local government to communities; Addressing the role of community councils, as well as the future relationship between representative, participatory and deliberative democracy.

### Scale

- Developing public services at the right scale, for example in relation to regional collaborations, existing council or CPP levels, and community level.
- Capturing economies of scale or scope, but in ways that enable local government and communities to deploy this according to local circumstances and priorities.

### Fiscal Empowerment

- Greater financial autonomy over the resources available to provide services
- The consideration of specific measures such as a transient visitor tax
- Reviewing the ways in which financial measures are used for central policy initiatives or specific input measures.
- Other opportunities such as budget sharing within CPPs and across specific public services.
- The context of increasing demand for services, significant perceived constraints on local financial flexibility, and reductions in grant.

In terms of the second strand of the review which has just concluded with a call for development and testing proposals both the Scottish Government and COSLA have outlined a continuing commitment to strengthen subsidiarity and local democracy on ways that improve outcomes locally, grows the economy in an inclusive manner across all of Scotland and enables opportunities for new ideas to flourish. The review is an exploratory process and seeks to highlight opportunities for positive change. The Scottish Government and COSLA recognise that in making this commitment it brings a wide range of Scotland's public services into scope for exploration of positive change. It also recognises that there are also several reform or review processes ongoing/progressing which are considering the powers and functions held at national level. In the context of HITRANS the most relevant in the forthcoming conclusion of the second National Transport Strategy for Scotland and its associated review of transport governance, roles and responsibilities.

The aim of this Sharing and Shaping Plan is to demonstrate to Scottish Government and COSLA how we could transform service delivery outcomes for and involvement of communities across the HITRANS area improving service performance and pluralism of involvement in local democratic process and service design and scrutiny.

## **HITRANS**

We would also clearly need to articulate and explain what HITRANS itself currently does and how it was established as a statutory Regional Transport Partnership (RTP) on 1 December 2005 to strengthen the planning and delivery of regional transport so that it better serves the needs of people and businesses. However, it had operated for many years previous as a voluntary partnership in recognition of the wider strategic impact transport had across the member council area. The appended reports detail how the original proposed balance of sovereignty on strategic transport matters have fallen short of the equilibrium originally proposed.

The first task of each RTP was to prepare a regional transport strategy. This is supported by a delivery plan where RTPs set out when and how projects and proposals would be delivered. HITRANS Regional Transport Strategy has been agreed by its members and is awaiting approval from Scottish Ministers. Within it there is a current commitment to a vision that seeks further sharing and an enhanced role for HITRANS with a buy-in and public commitment from all partners to working together more for the betterment of community outcomes.

HITRANS as an RTP brings together 5 local authorities and other key regional stakeholders to take a strategic approach to transport in the Highlands and Islands area of Scotland. In terms of legal background, RTPs are independent bodies corporate defined in the Transport (Scotland) Act 2005. That legislation bases them on the local government model, but they are not local authorities and they are not Non-Departmental Public Bodies (NDPBs). RTPs are like joint boards, bringing councils together to perform local government functions collectively and strategically over a larger area, however they do have a requirement for deliberative involvement with communities of interest and all stakeholders regarding regional transport.

All local authorities in Scotland are members of regional transport partnerships. Councillors make up around two-thirds of the membership. There can be up to a maximum of 5 councillor members from each constituent council but no more than 20 councillor members in total. The RTPs can also appoint Advisers/Observers. Around a third of members of RTPs are non-councillor members who fulfil a role similar to that of Non-Executive Directors. HITRANS currently operate on a balance of 1 councillor from each of the 5 member councils and 3 non-councillor members drawn from the local community.

## **Involvement Timescales**

The proposal would be subsequent to acceptance by SG/COSLA as a priority proposal to take a paper and the finalised version of this plan to the HITRANS Board for agreement to launch a formal consultation with councils and communities on the proposals for the decentralising of national powers and aggregation of certain functions to HITRANS utilising the existing statutory procedure under the Transport

(Scotland) Act 2005. A broad outline timetable for phasing in of new proposals could be:

- Pre-Phase – A paper tabled to HITRANS February 2020 seeking members approval to begin the formal consultation on this LGR priority proposal via the statutory mechanisms of the Transport (Scotland) Act 2005 with member councils and communities.
- Phase 1 “Re-empowering and Consolidation” – Timescale to agreed, operate in shadow form with existing funders and service deliverers, continuing discussions around co-location and co-decision making, involvement of current providers within the HITRANS board structure.
- Phase 2 “Transformation” – following the consolidation of the identified areas of new governance focus e.g. shared Active Travel and Ferries, Bus and wider specialist services as agreed during the consultation for decentralisation or aggregation into a HITRANS model, the new delivery and governance structures would be initiated.
- Phase 3 “Growth and Development” Post 2022 – Start to deliver services collectively and in light of NTS2/STPR2, have further potential discussions for further growth development of certain functions and co-location of other services from national or local levels to enable HITRANS to operate in a further shadow form for testing and development of new functions alongside the new centralised/aggregated model.

## ***Stage 2 Key Issues Driving Change for Affirmation***

The key issue for the shaping and sharing proposal is to test and develop whether decentralising current national functions and finances would empower local communities and at the same time whether aggregation of local services would increase local control and involvement in decision making on vital lifeline services for communities across the Highlands and Islands area given the cross-boundary and interdependent nature of the regional transport network.

The updated Regional Transport Strategy (RTS) in 2017 observed that much has changed since the previous RTS was published in 2008. At a local level there is now an emphasis on Community Planning bringing together a number of statutory partners, including HITRANS. A range of new or updated policies have been produced at the national level in the last decade and more which were of relevance for the HITRANS RTS refresh. However, in some cases it is felt that key transport and corporate issues impacting on HITRANS and the delivery of transport services across the HITRANS area have not had the involvement and decentralised input we would have found helpful to further community aspirations within the policy and product design. This was because of geographical or structural remoteness of communities from decision makers and at times a default national policy and partnership for RTPs in general across Scotland rather than the asymmetrical response envisaged by the current Local Governance Review. A particular procedural issue has been the lack of devolution of key funding streams limiting the ability of a collective and strategic empowered approach to key transport services across the Highlands and Islands. This is further exacerbated by the lack of co-location of service and funding providers in the area for key community lifeline services.

### **Key transport issues**

The RTS highlights the need for a much greater equity of delivery of transport services for the HITRANS area relevant to Scotland. This is vital for supporting sustainable and inclusive economic growth across the region, and also reducing barriers to participation in employment, learning, social, leisure, health and cultural activities.

There is also a clear need to reduce journey times and improve reliability and resilience of transport services in the area; improving safety of transport and travel; tackle clear capacity constraints across a number of networks; and improve the quality, availability, accessibility and integration of travel options. All in a sustainable manner in the context of a climate emergency, whilst recognising the clear rights based issue of asking rural areas to mitigate their activities at the same rate as urban areas given different network availability and all the while ensure that transport services improve health and well-being.

Looking forward, the HITRANS proposal for development and testing will be vital to ensure good transport connections:



- For business to grow and to thrive

Communities across the region should be able to access / be accessed from the Central Belt within 2-3 hours by rail or air. Some more remote areas may need to travel to an airport or main centre to start / end the journey, perhaps by local plane or ferry, but the onward connection to / from the central belt will allow a day's business to be undertaken.

- For communities and individuals

There should be good access to and around the nearest local centre; this might be by bus, ferry, plane, community transport, on foot or by bike, with generally, for all but some distant communities, a minimum of three return public transport journeys per weekday, allowing for full and part-time employment and attendance at appointments and leisure opportunities. Normally this will be a mix of many of these means in an area suited to the geographical and social and accessibility needs of the community.

- For moving goods

Goods should be able to travel into and from the region with minimal delay, with good reliability and at a reasonable and consistent cost across the region. Good local transport will allow local business activity to thrive and distribute goods efficiently. It is essential that there is good access to the national networks of road, rail and ferry for onward travel.

Decentralising decisions closer to communities can only help with the co-design of these required outcomes. Transport in the Highlands and Islands is of a lifeline nature to many communities, therefore the current severance of communities from decision-makers on key services and a lack of local involvement in decisions affecting local communities is simply sub-optimal for the key outcomes sought or the H&I transport system. A lack of transport and connections can act as a barrier, but the geography that generates these challenges also produces the region's unique identity. Transport should ensure that all communities can make their contribution to Scotland, socially and economically and democratically.

Transport in the H&Is is often a single route, be it road, ferry, rail or air, that connects a community with key destinations, such as a GP surgery, onwards to hospital, to work, shopping and leisure opportunities. If a lifeline route is unavailable, that community will often be cut off, or in some cases have a long diversionary route. For those without access to private transport, public transport can be a lifeline service; bus, rail, community transport and local ferries and air services provide lifeline connections between communities and where they need to travel to. This is a situation unique to the area and so it would appear that the LGR offers the route to provide an asymmetric response to an asymmetric situation of user experience.

## **Key issues for Local Governance**

One of the corporate reasons beyond enhancing local democracy is that there are many challenges facing local governance at present. A rapidly changing workforce, leaner management structures, a greater focus on outcomes and partnership, continued funding pressures on public services and an impact on morale of communities and workforce, and a real pressure to translate national priorities into local policies whilst retaining local democracy and outcomes.

This creates within the current governance structures a clear expectation versus capacity challenge for all to continue to deliver the same best value results through the existing local democratic structures. The new leaner management structures require a greater appetite for risk but also a greater empowerment of communities and officers and a change to the accountability and scrutiny culture of services. There is a much greater focus on outcomes through partnership and greater involvement in the co-design of services and delivery of outcomes. Alongside decentralisation or aggregation of powers there need to be a change in mindset regarding communication and involvement. Focussing on actively involving communities in processes, moving towards a much greater collaborative design of services and a clear cultural shift in how work and decisions are made. Whilst, again not wishing to focus on cost, the clear message on fiscal empowerment from the LGR is a welcome given the declining expenditure environment for public services. This can help avoid a clear challenge to the continuation of the transferred responsibility to local structures by national structures as a local delivery agent but without the functional and fiscal empowerment of these responsibilities for those tasked with delivering but not given the responsibility of budgets to do the job. This represents a clear change from a focus on universalism of service design to a focus on inequalities and targeted service delivery on certain groups which this proposal seeks to further enable continuous improvement in community governance and shaping of outcomes. However, the Highlands and Islands area has a strong tradition and culture of facilitating local democracy through its public service structures giving a head start in terms of the LGR proposal for test.

A key part of the proposal for development of the HITRANS shaping/sharing agenda will be to involve and discuss with communities the previously identified key issues. In addition to identifying new and emerging issues so that the governance and devolution of powers can be future proofed to address current deficiencies in the remote management of transport services and funds currently which many local communities quite rightly don't see as national services or functions. Enabling involvement in what are rightly viewed as local services which should be accountable and empowered by local communities' views and feedback, with accountable representatives empowered to make service change located within their communities to deliver for their immediate benefit.

## **Proposed Devolved or Aggregated Areas**

Emerging from these community and partners discussions it will be key to focus on certain key areas to test and develop, it is suggested in this context that active travel strategy and funding, bus and mobility policy and ferry finances and delivery might prove fruitful test beds for communities of a LGR decentralised delivery.

However, Section 10 of the Transport (Scotland) Act 2005 outlines a number of examples of additional areas of capabilities which RTPs such as HITRANS could deliver decentralised or aggregated services for the communities it serves with the consent of Scottish Ministers: entering into quality partnership schemes; entering into quality contract schemes; entering into ticketing arrangements and ticketing schemes; providing information about bus services; installing bus lanes; providing subsidised bus services; making and implementing road user charging schemes; operating ferry services; managing tolled bridges; operating airports and air services; entering into public service contracts.

The Act is clear in its wording that the aforementioned topics do not form an exhaustive list of potential areas of responsibilities for RTPs. This legislative context provides an immediate statutory and procedural context for the proposed new governance arrangements via HITRANS. The proposal is also staged in terms of the test proposal suggesting co-exercising of functions during a transition period to full decentralisation/aggregation of agreed policy functions.

This element of the proposal will also have beneficial synergies with Section 11 which also allows different operating models for the RTP. From the current Model 1 operation of progressing and co-ordinating a strategy but not significant services, through a Model 2 where certain functions can be concurrently exercised by the RTP and other service deliverers through a Model 3 structure where all functions are directly exercised and delivered by the Partnership itself. The proposal for testing has been drafted to reflect and utilise this hugely beneficial statutory underpinning and its staged possibilities around the transfer of functions and finances to communities in the three phases proposed within this plan: consolidation, transformation and growth and development. There is also potential for service aggregation at different rates between member councils, where it might be more relevant for horizontal aggregation of services between smaller councils first, alongside devolution of national functions, followed by larger member councils if current service planning cycles and budgets make immediate agglomeration of locally held services difficult within the current Local Government term.

### **Stage 3 Vision and Values**

After reaffirming the key issues of transport and democracy the next stage would be the co-creation of a vision and values to oversee the testing and development of the proposal.

The HITRANS current strategic transport vision for the Highlands and Islands is:

***To deliver connectivity across the region which enables sustainable economic growth and helps communities to actively participate in economic and social activities.***

The proposed Corporate Vision for this LGR testing proposal is:

***By 2022, HITRANS will have further empowered and protected for its communities the local democracy of the Highlands and Islands it serves through a partnership with the councils and wider partners by providing a range of high quality sustainable mobility services that support the frontline transport operations of Councils and enable citizens and communities to have greater involvement and genuine influence in the outcomes delivered.***

The transformation of the existing governance structures and responsibilities for HITRANS would be progressed to seek to further the agreed vision for communities and would be based on an involvement exercise following the agreement of key core values around subsidiarity and innovation, voluntary aggregation, greater innovation and continuous improvement and impact for Highlands and Islands from resources available.

The proposed core values for shaping the sharing process via HITRANS are:

- Active Listening and Learning from Communities
- Working Together Collaboratively with Communities
- Taking Local Responsibility for Delivery
- Striving for Continuous Improvement and Innovation

It is proposed for comment that the sharing and shaping plan for HITRANS will be developed around this initial set of outline corporate objectives, which will be subject to refinement and redevelopment as the process is tested and developed with communities via the next stage of the LGR if selected as a priority project. These core values, would flow into objectives and a clear delivery plan, seeking in a joined-up manner to ensure that the 3 key empowerments proposed by LGR:

- Community empowerment through a new relationship with public services where communities have greater control over decisions
- Functional empowerment of public sector partners to better share resources and work together
- Fiscal empowerment of democratic decision-makers to deliver locally identified priorities.

As well as the 5 principles for LGR proposals:

- Subsidiarity and local decision making – decisions should be democratically accountable and taken at the lowest possible level or at the level closest to the people they affect.
- Simple Open Democracy – people should be able to genuinely influence the decisions that affect them and their families and can trust in the decisions the people they elect make on their behalf.
- Personal and Empowering – people should have the equal opportunity to participate and have their voice heard in decisions shaping their local community and the society
- Fairness and Equality of Outcomes – Arrangements should be appropriate and tailored towards the needs and aspirations of people and places, to support the delivery of shared national outcomes.
- Financially sustainable and preventative – Arrangements should be effective, efficient and represent value for money for Scotland as a whole.

Whilst being cognisant with the other key elements of the LGR

- The commitment to a place-based approach, which embraces asymmetric decision-making arrangements as a means to help promote integration across public services and energise local democracy
- Accounting for learning from the LGR's ongoing workstream which is gathering research and evidence on empowerment and local democracies.
- The continuation of a Rights Based Approach and seeking to build on and expand the efforts of all in the LGR process, to involve whose voices who are least often heard.
- The review will continue to take account and be guided by the wider political environment to ensure the continued delivery of the shared ambitions for democratic renewal and public service reform.
- The current 2019-20 budget settlement has identified a number of Fiscal Empowerment related workstreams but the LGR will consider additional fiscal proposals as the review progresses.

## Draft Corporate Objectives

### **1) *TRANSFORM – To set up and create an initial HITRANS 2.0 as a fit for purpose service to deliver key services and outcomes with a greater subsidiarity and local democratic involvement.***

HITRANS is an existing organisation with governance, performance and financial mechanisms. In seeking to develop this proposal there will need to be changes to current corporate management processes and involvement mechanisms for communities. The decentralisation and aggregation changes to be consulted upon will enable the new HITRANS (2.0) to build upon the existing culture and trust it enjoys with community and their representatives to drive efficient and effective transformation being proactive and engaging for local decision makers. This may involve embracing new mechanisms and technologies to enable service design and feedback which is more agile and will empower all to engage, inform and support change needed.

### **2) *TRANSPARENT Further Development of governance and community facing interfaces for HITRANS.***

The development of the LGR proposal will at all times take an electorate or customer mindset, despite the desire for decentralisation of service it is critical at all times that we do not blindly inherit and retain the same decision making procedures, HITRANS will proactively seek to take a lead in driving transparency in governance of devolved services and continuously improve aggregated services in line with community requirements. The governance and involvement structures will seek to build on current structures to deliver effective, efficient and engaging ways of collaboration and co-production, which is focussed upon end users' needs of the services devolved. This will enable the new empowered HITRANS to scale up co-creation with communities to address its rural mobility challenges so that the new structures deliver not only process but also impact changes in the delivery and governance of transport plans and policies in the Highlands and Islands.

### **3) *PEOPLE To continue to develop and co-locate an empowered and engaged employed and voluntary workforce and develop the skills base for transport in the Highlands and Islands.***

HITRANS will undertake a survey of the workforce and skillset of the transport industry in the area, seeking opportunities for further community wealth building from the devolution and aggregation of services to HITRANS. The aim of the process is to develop areas of expertise and skills within house to reduce councils exposure to external expertise and also improve key skills such as improving community, customer and employee engagement to drive an engaged and empowered workforce and communities to deliver transport services and projects across the Highland & Islands area.

**4) BEST VALUE – to ensure delivery of social value as well as value for money from devolved and aggregated sustainable mobility projects.**

Building upon the previous work for HITRANS regarding the need to focus on improvements in well-being outcomes and not solely Gross Value Added (GVA) to the local and regional economy. We need to develop in line with the Scottish Government's new National Performance Framework a system of value measurement to clearly differentiate between cost and value of activities. This will allow social value and cohesion outcomes not just financial savings or prices to be incorporated into the delivery plan in order to drive action on key issues of well-being and rights-based actions on local democracy alongside those where fiscal performance measures are also needed.

These key corporate objectives will enable the setting of a clear monitoring framework of indicators. Delivering Planning, Assurance and Reporting mechanisms aligned to these indicators will also enable progress to be measured and recorded in a manner that is transparent to all stakeholders who are invested in this process of transformation change via the LGR development proposal. Crucial for retaining buy-in and recording agreed actions to keep the momentum going during the development testing process.

Ultimately, for this process to be a success it requires lots of actions to be done well, in order to make a service more responsive to local needs, but also more efficient to drive better local outcomes and genuinely community collaborative in every sense in order to improve and sustain this proposal in the longer term. We are open in admitting that there are significant evidence gaps on the long-term impact on user satisfaction and staff morale of shared services, so need to recognise and design into the process clear involvement mechanisms keeping all involved and engaged in the process.

Through this process it will be essential to set some clear success criteria for business planning consultation with communities. Whilst there is a need to set clear and achievable targets, we need to avoid the monetarisation of local democracy. For example, whilst it was understandable for example the Ayrshire Roads Alliance to set a savings target of £8m over 10 years when formed as the primary focus there was service efficiency. However, in the context of this proposal whilst it's important that evidence is gathered about expected results as it will need to demonstrate better outcomes, there is not a monetary value on local decision making and so we need to have a discussion as part of this proposal that is not solely about econometric costs or savings.

The more qualitative information from service users in terms of satisfaction and confidence will be important, as it will provide a clear psychological signifier of progress and help shape and reinforce the vision through this process and push for the improvement of standards. The Improvement Service benchmarking will be

important, despite the 5 member councils of HITRANS being in different Family Groups. It will be vital that monitoring and risk management of any process enables the avoidance several key risks of future further shaping and sharing:

- Costs increase as replacing deeply embedded practices
- Significant transaction costs if monitoring is not targeted
- Service Quality decreases as changes are being made
- Collaboration doesn't lead to efficiency it introduces duplication and embeds it
- The time spent on sharing, could have been spent on reducing costs in other ways.

The development of the whole Shaping and Sharing Plan and this section in particular will be vital in measuring progress and achieving the agreed Vision whilst maintaining all statutory services duty to deliver Best Value.



## Stage 4 Business Planning

This section seeks to give an indication of how HITRANS seek to change and what evidence we would continuously provide to communities of interest to provide assurance to stakeholders. For example,

- Identification and agreement on Key Performance Indicators (KPIs) and other measures of financial and operating performance to demonstrate best value.
- Benchmarking using Improvement Service and other common data across five councils and to wider family groups and other information to identify service design possibilities.
- Communication to external partners and internally to existing and councils staff engaged on key areas and use of citizens panels and surveys to measure change in empowerment and rights exercising by communities.
- There will also clearly be workforce issues around transfer of responsibilities and also potential discussion of whether to use 2005 Act to transfer staff to the RTP.
- The existing HITRANS Risk Management plan, structure and principles will require to be transitioned from HITRANS 1.0 to 2.0 operating principles.
- Also, levels of community involvement in shaping sharing proposals will need to be measured to ensure equitable participation from all communities of interest and impact.

It will be important from the very beginning of testing and developing this proposal to track progress and proposals against a series of key indicators such as community involvement, cost, outcome delivery and staff turnover. However, these indicators cannot be the sole success factor and as discussed later there will need to be agreed wider success criteria. At the moment, from a review of CPPs and council service plans, there is a significant difference in format and focus of narrative around common strategic transport themes, understandably reflecting very local needs but this will be a clear area of focus for strategic business planning for this proposal development testing. This may point to the need for a collective strategic needs assessment as a clear necessity of the development phase of this test proposal.

A major change by 2022 would be to establish the new HITRANS arrangements and change the existing culture and trust to support greater local governance of the current national delivery model of transport services. The proposal from HITRANS benefits from existing clear and statutory governance schemes and procedures, which are open for consultation but at least at the outset provide a clear framework for involvement and engagement. This will enable HITRANS on this journey to be

clear with all involved, what is going to change and what is not, in advance to enable the maximum engagement and involvement of all communities of interest in shaping the sharing proposals.

Clearly if chosen as a priority project there would need to be an implementation plan developed for project delivery, monitoring, managing performance in financial, user satisfaction and benchmarking amongst other monitoring actions. There would also need to be a focus plan for relationship management given the changes, with the need for new committees, nominated lead officers from all organisations involved, the resourcing and creation of service user groups and community interfaces, alongside communication with the workforce involvement and a clear risk management framework for the change proposed to ensure continued delivery for users during the change, also information governance, asset management and sustainability proposals to ensure business continuation.

The Business Planning element of the development and testing of the HITRANS proposal will be supported by a range of consultation and involvement activities seeking to understand how decentralisation and aggregation could address issues of current real or perceived inefficiency, lack of local governance and non-local priorities for infrastructure investment.

It will also be important to test what types of collaborative proposals we are seeking for HITRANS. For this new collaboration to be a success we need to scope many different elements of an inclusive and collaborative testing delivery. We need to scope out what could work in terms of decentralisation or aggregation to improve local democracy. Firstly, it could be business planning of services and functions internally or externally between departments or between the councils and other organisations, contiguous or not contiguous to its boundaries. This could be collaborative procedures or procurement of services, internal corporate consolidation in terms of specialist or technical services, a lead authority model with others to deliver a service or specialism for others where the council has a comparative advantage.

There could be joint management of services, or a strategic partnership with the private sector or outsourcing to the third sector or communities to deliver services and maintain assets alongside co-design or participative budgeting. There needs to be flexibility and heterogeneity to the delivery strategy debated and discussed actively with communities. Collaboration beneficial to furthering subsidiarity in Scotland could and should take many forms. The key is to bring and keep partners together and equally focus our energy in debates about structure as well as improving outcomes through fostering positive collaborative behaviours within existing structures

Collaboration is prone to procrastination and so a key area is also people and behaviours. There clearly needs to be a place-based focus to collaboration as suggested above, however it cannot just be on cost savings alone; it needs to focus

on behaviours and investing in quality of services for a local democratic success to achieved.

Culture and trust are just as important to successful collaborative working as the structures of delivery and business planning needs to enable this across all involved. The collaboration within HITRANS structures proposed for testing would involve a pool of partners across communities, voluntary, public and private sectors, with valid inputs being involved and participating, not just “engaged”, creating a supportive climate of consultation through the collaborative partnership, promoting innovation and protecting its development space, continuously building trust and a willingness to experiment, not just rallying the troops or a top-down vertical leadership model, but fostering co-design and co-production of collaboration and then championing its delivery. There also needs to be a people focus, so that community-led collaboration has the staff whose own skills and behaviours ensure successful delivery in partnership of any business plan, draft template below, would provide the process with an ongoing indicate benefits register for all involved in the process.

**Business Plan Template entry example**

Benefit Type	Benefits Identified	Key Milestones	Key Measurements	Owner	Realisation Date	Cash benefits
Community Fiscal Functional	Opportunities to develop more locally beneficial service user design relationships	Co-location of existing Ferry policy and practice staff	Agreement for	TS	June 2021	N/A

## **Stage 5 – Finance Plan**

Normally a sharing plan would require more detailed financial planning, however whilst other forms of governance re-design have had an overwhelming focus on savings, this has a greater focus on local democratic outcomes and efficiencies to drive greater outcomes, increasing impact with existing resources. However, it will be key to identify following the early stages of the co-creation process of this test proposal, the resources that would follow the decentralisation or aggregation of functions. There will be two distinct elements to any HITRANS 2.0 budget, the services that have previously been delivered from a national basis and also services previously undertaken by local authorities. This will be a challenging process to identify consistent baseline budgets and this is why the test proposal is for the initial period proposing the co-powering of HITRANS by relevant agencies and authorities retaining responsibility for finance whilst co-exercising those powers through a new governance structure whilst producing the baseline.

There will clearly need to be work undertaken to collate and ensure consistency in terms of how budgets are determined, and principles applied to departmental allocations prior to any transfer of fiscal and functions powers and responsibilities to the structure. Therefore, whilst the focus of the LGR review is not on financial savings but fiscal empowerment alongside functional and community empowerment. However, in order to deliver and strengthen local democratic context for the Highlands and Islands Area, it will be imperative to ensure a fair, transparent and equitable fiscal baseline position that is agreed to all parties especially the communities empowered by the LGR. Therefore, whilst the focus of the proposal is to target the triumvirate of empowerments, it is critical that the new structure should not have a budget which immediately sets it on a path to failure. Consideration will have to be given to clear financial declarations by all parties, clarity over existing proposals for efficiencies and savings on those declarations e.g. the number of staff in post and level of running vacancies, identification of any proposed transfer of inherited deficits or liabilities and how these will be resourced between the individual party and the new regional structure and whilst individual liabilities may remain between individual authorities and the new structure, there will have to be a clear shared responsibility to deliver the fiscal, functional and community empowerments within the overall budget. There will also need to be a value associated with the potential for change in benefits such as the potential community wealth building context of greater co-exercising of procurement functions and how much further location of local employment this might deliver for the H&I area. Therefore, it will be important to have a financial consideration of the social value to be generated from this community empowerment proposal as well as the direct fiscal implications of the functional change in governance, in line with the well-being focus of the new National Performance Framework. We do not underestimate this task, but we also have to be clear at this stage not to pre-empt the community involvement over which services should be involved.

## **Stage 6 – Local Democracy and Service Innovation Outcomes**

Clearly, by this stage of the test process there will have been a clear financial, risk governance and service plan developed and this in itself may require a revision to the existing Regional Transport Strategy and its associated Delivery Plan. However, there will be a clear opportunity here to match these with community empowerment success factors.

The proposal will face a number of key issues and challenges and requirement to consistently outline the benefits from shifting from HITRANS 1.0 to 2.0. Therefore, doing the initial co-creation phase of development, it will be vital to agree success criteria and factors, over and above KPIs, on the key core values identified for the proposal, enabling the agreement on what would be a successful change and how success would be audited after the development proposal stage has ended.

This process needs to avoid fiscal and functional empowerment elements of this process may lead to value measurements that overtly focus around standardised quantitative indicators across a number of services. The measure of community empowerment and improvement in local democracy is not a tangible subject with an off the shelf measurement for all communities and it is important when seeking to measure this process in retrospect that community empowerment is not forced into a one size fits all measurement framework.

Measuring improvements in local democracy are difficult but far from impossible. All involved in this process will have to agree a holistic issues of success criteria for the proposal. These will include more tangible measures around improvements in the sustainability and distribution of economic, environmental and social impacts, increasing involvement in governance its impact on involvement in local democratic processes and greater local accountability to drive service delivery. However, some form of intangible measure is going to be needed, as with a rights-based approach some communities will want empowered for the improvement in their rights, which they may perceive as beneficial regardless of the important on more quantitatively measured impacts or knowing they have a more direct right of intervention. They may see the value of local democracy as more to do with participation, increases in their well-being and better local rights to take local decisions, a strengthened culture of community. It will be critical to arrive at a balanced scorecard of indicators.

Given that the preceding business planning process will have probably identified a degree of differentiation in service provision across decentralised and aggregated services identified for co-exercising under the new structure, the identification of a broad range of success criteria will be vital to ensure a linkage between the Vision and Values, KPIs that enables the measure of the community empowerment aspects of this proposal. Otherwise, a nearly inevitable consequence of this process will be a de-facto evaluation of sharing services in an econometric fashion rather than a diagnostic system for all 3 empowerments during the test proposal phase.

## **Concluding Remarks**

In conclusion I believe as HITRANS Partnership Director based on a strong personal and professional commitment that there is no contradiction in terms of enhancing and strengthening local democracy between the people focussed priority of greater community empowerment of local services and local councils delivering less services solely themselves. However, in doing so also enabling the confidence of national government to decentralise national functions and finances to be commissioned as a more local strategic service through larger locally accountable and transparent services to communities such as HITRANS in an intelligent multi-agency approach.

Local governance in other countries have long taken this approach which balances inclusivity for communities with strategic decision making for wider services and makes positive differences to people's lives locally yet still enables services to operate and outcomes to be delivered efficiently and transparently by sharing or aggregating certain services and functions where that type of service model better responds to local needs and reflects the most appropriate level of subsidiarity other than national level, yet maintains strategic operational efficacy during empowerment.

HITRANS have sought to recognise in producing this Sharing and Shaping Plan for consultation that a crucial aspect of this transition and transformation period is effective involvement, planning and timing for communities. I see a plan as vital to involve with all communities and also vital from experience and previous learning to avoid the most common pitfall of sharing or transforming services for communities, that or a lack of a clear agreed plan or poor planning overall in co-creating.

I look forward to all H&I communities contribution to this collective conversation about how we can test and develop a model of transport service delivery across the Highlands and Islands area, that better reflects the very unique set of circumstances faced by the communities we serve and that this process enabling meaningfully debate around how that decentralisation of services from national level can involvement more meaningful engagement of those service users and communities who utilise transport in the Highlands and Islands area.

This is not the end of a process, which I and others see as a continuing deliberation, a roadmap of where we could go but recognising, we haven't involved communities yet but my view is it is always easier to comment on a well-intended starter of a proposal than a blank sheet of paper. We are keen through clear and consistent involvement of all communities set achievable targets, demonstrate progress and anchor this process into a strong local democratic fabric of co-created service delivery. Embedding social value in the commissioning and governance locally.

This will help us to build bridges, not continue to bypass, local communities in decisions about their aspirations for shaping local outcomes and sharing benefits across the Highlands and Islands, which impact upon them daily as service users.

**Ranald Robertson, Partnership Director**