ANNUAL REPORT 2007/08

CONTENTS

HI TRANS

THE HIGHLANDS AND ISLANDS TRANSPORT PARTNERSHIP

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FOREWORD

During the year we have concentrated our efforts on the review of the Regional Transport Strategy, carrying out research to support interventions that we feel should figure highly in the output of the Government's Strategic Transport Review as currently being undertaken by Transport Scotland, and investing in improvements in the public transport network across the Highlands and Islands. The new Government has asked each of the Regional Transport Partnerships to review their draft strategies as previously submitted in March 2007 to ensure they align with their Purpose and associated Objectives and accord with the ability of Councils to deliver within the terms they have agreed under their individual Concordats with Government. The Strategy represents our agreed aspirations for dealing with the current inadequacies of the region's transport network, and for putting transport in a position to support the economic and social development of the region for the 21st century. I am delighted that the research we have undertaken has so clearly shown the case for investment in transport across the highlands and islands We hope to maintain this progress, to positively input into the national transport debate, and to investigate moving in time to a model 3 Partnership to encourage greater local input and accountability in service delivery, and to help deliver with our Local Authorities partners the Delivery Plan accompanying the Strategy.

On behalf of the other Regional Transport Partnerships, and at the Minister's request, HITRANS, SPT and Zetrans have put in place the new arrangements for ferry user consultation to replace the Shipping Services Advisory Committees. The first meetings of these new groups took place during the summer of 2007 and have encouraged input into and stakeholder engagement in the new contracted ferry service delivery arrangements put in place by Government. Ferry services are an important part of life in our region and the communities served must be given the opportunity to participate in their development. We are encouraged by the engagement of both the Ferry Operator, key stakeholders, and Government in the new arrangements at the appropriate level. We do however still have to carry out work to ensure ferry users are aware of these new arrangements so they can bring their views forward and receive answers to questions they wish to raise.

DUNCAN Macintyre
HITRANS CHAIR

HI TRANS

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THE HITRANS TEAM

The HITRANS Board comprises a councillor from each local authority area covered by the partnership and 3 non-councillor members appointed in a personal capacity by the Minister for Transport following open advertisement and selection. The Board has appointed a group of professional advisers who play an important role, working with the executive team, in developing policy. The executive team report to the Board. Dave Duthie joined the team as Director in June 2007.

Board

Cllr Duncan MacIntyre, Chair (Argyll and Bute Council)
Cllr John Laing, Deputy Chair (Highland Council)
Cllr Jim Foubister (Orkney Islands Council)
Cllr Donald Manford (Comhairle Nan Eilean Siar)
Cllr George McIntyre (Moray Council)
Donald MacNeill
Wilson Metcalfe
Louise Smith

Advisors

Naomi Coleman (Orkney Islands Council)
Iain Duff (Scottish Council for Development and Industry)
Blair Fletcher (Argyll and Bute Council)
Murdo Gray (Comhairle Nan Eilean Siar)
Sam MacNaughton (Highland Council)
Donald MacNeill (Highlands and Islands Enterprise)
Gordon Holland (Moray Council)
Frank Roach (Highland rail Partnership)
David Summers (Highlands and Islands Public Transport Forum)

Executive Team

Dave Duthie (Partnership Director)
Howard Brindley (Partnership Co-ordinator)
Andrew Capes (Travel Plans Officer)
Katy Cunningham (Office Manager)
Ranald Robertson (Programme Manager)

Review of the Year

The HITRANS Regional Transport Partnership held its first full meeting in April when the non-councillor members were appointed by the Minister. In addition the Council Membership in the Partnership changed greatly following the Local Government Elections in May 2007 with only 2 of the 5 Council Members continuing through this period. A new Chair and Vice Chair were appointed at the Partnership Meeting on …

Equally as significant were the changes in Government at a Scottish level at this election with the change from a Labour/Liberal Democrat to a minority SNP administration. With this change came a stronger focus in approach from national to local delivery of services, and the resultant service delivery impacts are now implemented from April 2008 through the Concordat between Councils and Government and the removal of ring fencing of a number of funding streams, some of which are in the transport field.

Government has asked each RTP to review their Draft Strategies to ensure these align with the new Government's policies as encompassed in their Purpose and associated five Strategic Objectives of greener, safer and stronger, healthier, smarter and wealthier and farer. Transport plays a key part in delivering each of these objectives and we continue to work with our five constituent Councils to meet this end. The final revised draft of the Strategy was agreed by member Councils in February 2008. A full copy is available on our web site. The Partnership have been asked to work closely with the 5 constituent Councils in formulating the related Delivery Plan detailing how the aims of the strategy will be achieved and each Council will be asked to confirm their commitment to this plan during 2008 as their ability to fund capital works through their individual Capital programmes becomes clearer as they work forward with Government at the start of the new 3 year budgetary period 2008-11.

We have continued the programme of **studies and research** to support interventions identified in the Strategy and to promote the case for transport investment across the highlands and islands. Major elements of the work on each of the following studies were undertaken during the year and a summary of the findings from each is provided for the following studies:

1. A9 Economic Appraisal
2. Active Travel Audit
3. Road Based Public Transport
4. A96 Economic Appraisal of Bypass Options
5. Locally Significant Roads
6. Congestion and Urban Issues in the Inner Moray Firth Area
7. Caledonian Canal Freight Study
8. Economic Impact of Transport Investment
9. Skye Airport Preliminary Study

RESEARCH

A9 Perth – Inverness Trunk Road - Economic Appraisal

Background

The A9 is the main trunk route from the central belt to the Highlands and Islands and as such has been assessed as having the highest level of functionality of any transport link in the region, accounting for almost all passenger journeys and freight movements between Inverness and the central belt along the corridor. It is a lifeline route for the island communities of Orkney, Lewis and Harris for supplies and business links and is an essential route for tourist trips visiting the north of Scotland.

This study was commissioned jointly by HITRANS and Highlands & Islands Enterprise (HIE) to help inform decision-makers of the economic benefits of improvements to the A9. Its purpose is to report the economic benefits of improvements to the trunk road between Perth and Inverness in both quantitative and qualitative terms at a level that meets the STAG requirements for the consideration of investment in transport. The study comprised of desktop research, a workshop, traffic surveys, telephone and face-to-face business surveys to provide information on the high level impacts on regional income, employment, business aspirations and the public sector, and to estimate future traffic flows and their impact. This research has included:

- analysis of key economic issues and identification of two improvement options;
- an analysis of the potential Gross Value Added (GVA) and employment impacts; and
- an economic activity and location impacts (EALI) appraisal.

The results of the above are outlined below

Key Economic Issues and Options Identified for Improvements to the A9

Growth in the study area has been consistently better than that of Scotland as a whole, but remains substantially worse off in terms of GVA per capita, with a value for Moray of only 89% of that of Scotland in 2005. Low GVA per capita and low earnings, despite some recent positive trends, are characteristic of the area compared to Scotland as a whole. The public sector provides most jobs, about a third of those employed, followed by the tourism and leisure sector with over a quarter of jobs. However the core areas of Inverness and the surrounding region have one the highest proportion of unemployed with high (tertiary) qualifications of any part of Scotland.

The importance of the A9 has emerged in sharp relief as the economy and population of Inverness and the surrounding Moray and East Highland region has grown significantly in recent years. There is a growing perception that competitiveness and continuing economic success of the sub-region cannot be guaranteed without investment to upgrade the A9, in particular dualling of the sections of the route, or dualling the entire route between Inverness and Perth.

Evidence from various sources of data and consultations suggests that the A9 is substandard in terms of safety and the lack of overtaking opportunities, both of which cause considerable stress placed on drivers. This is deemed as a more serious issue than long or unreliable journey times.

Discussions with the study stakeholders has highlighted the concern that travel conditions on the A9 are deteriorating, with increased travel times and driving frustration, less reliable journey times and uncertainty for businesses. Businesses and organisations in the area have identified accessibility as a major issue for staff retention, recruitment and commuting, and a major cause of concern.

Two principal options for upgrading the A9 have been identified for consideration:

- Full dualling along the entire route between Perth and Inverness; and
- Dualling between Perth to Pitlochry and strategic dualling north of Pitlochry.

Potential Benefits of Upgrading the A9

a. Gross Value Added (GVA) Impacts

In terms of estimating the investment impacts on business performance and GVA, a combination of survey results and Government forecasts for employment and sector growth were used to estimate the changes in GVA as a result of upgrading the A9. This was undertaken for each sector in turn for each dualling option. The results suggest there is potentially an increase in GVA in discounted terms of:

- £956m over a 30-year appraisal period for the full dualling option; and
- £683m over a 30-year appraisal period for the strategic dualling option.

Translated in terms of employment changes, this indicates that, again over the short term, a total of 724 jobs are created for the full dualling option, and 485 jobs are created for the strategic dualling option. These jobs include both full and part time, with an approximate 70%: 30% split between full and part time employment.

Although these estimated full- and part-time job totals are short term, over the 30-year appraisal period, employment may potentially increase towards the maximum levels achievable with this investment. This is equivalent to circa 4,500 full-time and part-time equivalent jobs for the full dualling option, and approximately two-thirds of this total (circa 3,000 jobs) for the strategic dualling option.

A sensitivity test was carried out using local projections of employment changes supplied by HIE, which take into account proposals and policies set out in local economic and development strategies. These suggest there could be significant increases to the above GVA estimates.

b. Economic Activity and Location Impacts (EALI)

The EALI appraisal indicates that the impacts of the A9 upgrading are potentially very significant for the Highlands. In particular the analysis shows that Moray is particularly reliant on the A9 particularly for tourism orientated development, and manufacturing construction and retail/distribution account for nearly 75% of the total value of GVA dependent on the A9.

The analysis has identified that the major impacts are on the perception of the Highlands reducing concerns about remoteness and potentially:

- the benefits of A9 improvements are largely distributed throughout the study area;
- growing the population and helping to ensure that the Highlands continues to become a better place to live and work. This affects particularly the residential location choices of high skill professionals;
- travel itineries and thresholds in the tourism sector. Cultural industries are critical and demand high quality bus and coach connections using the A9; and
- life science businesses are well suited to the Highlands economy but require excellent access for international travel, where the role of the A9 and Inverness airport are critical for access.

Tee appraisal

A further appraisal of the potential benefits from dualling the A9 from Perth to Inverness, for the whole route and targeted sections of the route was undertaken. The evaluation, which is based on a TEE appraisal, is presented in an additional report as a high-level assessment using a CUBE Voyager/TRIPS traffic model and the Transport User Benefits Appraisal (TUBA) program. No cost estimates were prepared and included in the TEE appraisal, and only the Present Value of Benefits (PVBs) have been estimated.

Appraisal Assumptions

The specific economic assumptions and cost adjustments are consistent with the Government's Scottish Transport Appraisal Guidance (STAG)/webTAG appraisal convention. All monetary values are in market prices, and values are discounted to the base year 2002, as adopted in TUBA. The test discount rate is 3.5% for project years 1 to 30, and 3% thereafter. An appraisal period of 60 years has been adopted, with a first year construction year (opening year) in 2010, and a horizon year (final appraisal year) in 2069. The modelled years are from 2010 and 2025.

As this assessment is only a partial appraisal, with no account taken of the costs, the assumptions relating to costs such as risk and optimism bias do not apply. As pointed out above, only the benefits are presented here.

Appraisal Results: Full Dualling

The results of the TUBA appraisal on monetised benefits are shown below.

- User benefits (Consumers): £582 million;
- User benefits (Businesses): £594.1 million;
- Carbon benefits: -£3.3 million; and
- Net Present Value (PVB) £1,173.3 million.

It was noted that TUBA does not take account of accident impacts. However these results show that the predominant benefits are travel-time savings. Savings on vehicle operating costs are also a feature of the benefits, although they are less significant.

Appraisal Results: Targeted Dualling

The appraisal of targeted sections of the A9 was based on a pro-rata of time savings at key sections of the A9 against the total saving along the whole route, multiplied by the total PVB. The appraisal shows the PVBs for the three top individual sections of the A9 in terms of benefits:

- Between Kingussie junction and Aviemore North junction: a PVB of £17.4 million per km in 2002 prices;
- Between Aviemore North junction and Slochd: a PVB of £12.8 million per km in 2002 prices; and
- Drumochter to Dalwhinnie junction: a PVB of £12.1 million per km in 2002 prices.

Concluding remarks

The overall conclusion from this research is that there are likely to be significant economic benefits to upgrading the A9, which would be welcomed and supported by key stakeholders and various businesses in the study area.

Although ideally full dualling of the entire A9 would be the preferred option with the investment returning benefits of over £1.1 billion (in 2002 prices), clearly there will be huge cost implications to this scale of investment. To cope with the cost profile, an alternative option is to dual sections staggered over a period of time. The appraisal above shows which sections could be prioritised in terms of upgrading, based on their relative contribution in benefits.

RESEARCH

Active Travel Regional Audit Study

Halcrow was commissioned to undertake an Active Travel Regional Audit Study. The HITRANS Transport Strategy identifies the need to undertake infrastructure audits for the Active Travel modes (walking, cycling and other non-motorised transport) as a key policy intervention. Furthermore, it is acknowledged that there is currently a widespread lack of reliable information on which to base a suitable investment strategy for the Active Travel modes within the HITRANS areas.

This Study provides baseline information on existing infrastructure provision for Active Travel and recommend priorities for future investment. The overall aim of the study was to assess where best to apply available funding in order to increase the potential for active travel, and ideally see an increase in the numbers of people choosing to walk or cycle in the settlements covered by this Study.

The overall approach when applied will ensure that Active Travel Infrastructure Audits will enable the partners to establish and develop a costed programme of implementation for:

"A practical network of high quality routes suitable for cycling within each settlement that provides convenient and safe access to all major destinations"

AND

"A network of routes for pedestrians focused upon railway stations, bus stations, major employment areas, local shopping areas, leisure/recreation centres, hospitals and main trip generators"

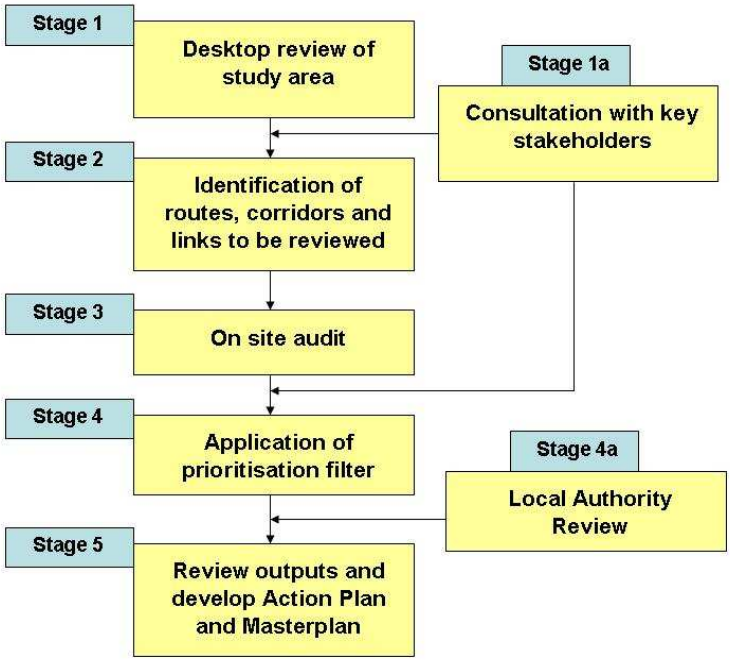
The studies primarily consider walking and cycling utility trips and also trips by people with disabilities.

The Study was split into two parts, firstly a statement of the proposed methodology for the Study and secondly the application of the methodology to settlements within the HITRANS area, including the City of Inverness. The study as undertaken completed Part 1 and carried out a trial Audit of Dingwall to test the Methodology on site.

This study report as submitted represents completion of the first part of the Study, outlining in detail a clear and consistent tested methodology for assessing the walking and cycling networks including both practical and perception issues, which may currently be a barrier to people choosing to walk or cycle. This methodology also outlines how an Action Plan will be developed for each individual audited settlement, with clear recommendations for levels of future investment.

The Methodology

The study describes the proposed methodology and how it will be used in conjunction with site audits to identify potential schemes and to generate a proposed Network Development Strategy for each settlement.



ROAD BASED PASSENGER TRANSPORT STUDY

The HITRANS Regional Transport Strategy (RTS) recognised that certain transport modes required more detailed consideration than had been permitted as part of the RTS process. In particular it was evident that there is a key role for road-based passenger transport. This mode is given added significance due to the fact there is very limited rail infrastructure in the region. HITRANS appointed MVA Consultancy to undertake a comprehensive study of road-based passenger transport in the Highlands and Islands.

Approach

In order to identify the current baseline situation, a number of parallel initiatives were undertaken.

These involved:

- objective assessment of existing accessibility in the HITRANS region;
- a review of relevant consultation undertaken during preparation of the HITRANS RTS; and
- additional consultation with key transport stakeholders in the region.

In terms of assessing accessibility within the region, research and analysis focused upon:

- the development of an Accessibility Planning Model for HITRANS;
- social inclusion;
- access to/from Key Settlements;
- employment;
- healthcare; and
- tourism.

Accessibility

MVA developed an accessibility model of the area using the ACCESSION package to examine accessibility issues. The model took account of public transport service details, road network details, origins, destinations and 2001 Census Data. The Model will support work by member Councils in their assessment and development of publicly supported transport services in their areas and copies have been made available to each Council for their individual use.

One of the primary concerns of accessibility must lie with the 26% of HITRANS households which do not currently have access to a car. Furthermore, the accessibility analysis considered various population sub-groups which had the potential to suffer from 'social exclusion'. These included the elderly, disabled and those in deprived and/or rural areas.

Consultation

As part of the investigation process, telephone consultations with transport managers within the five local authorities that comprise HITRANS took place. The primary aim of this scoping exercise was to ascertain:

- general opinion on the current level of service provided in the region;
- particular issues that are recognised to occur in specific locations;
- current profile of road-based public transport patronage; and
- details of any initiatives which have been trialled in the past, are currently in operation, or which are planned for the future.

A number of issues emerged following the scoping exercise. These included, among others, the clear need for road-based passenger transport, coverage of service, integration of service, type of vehicle used and the frequency/hours of service. Furthermore, the exercise revealed that, in general, direct revenue generated through road-based passenger transport in the region is low.

As part of the initial baselining exercise, MVA were able to draw up an extensive list of evidence from the consultation exercise for the HITRANS RTS. A number of key stakeholder concerns were identified. These included a wide range of issues, such as the desire for better integration of transport services, the need for improved connectivity and transport links both within the Highlands and Islands and from the region to the rest of Scotland, and a number of social inclusion matters. Additionally, concern over the short term nature of funding for road-based passenger transport was noted.

Best Practices

In order to seek to improve performance in bus service provision for rural communities, a number of best practices have been recommended by the Department for Transport. These recognise what has proved successful elsewhere, and are summarised in the report. These best practices exemplify that the provision of effective, successful and sustainable transport in rural areas is dependent upon several key factors. These include service planning, enhancement and monitoring, public awareness, vehicle selection and opportunity for interchange. Demand Responsive Transport (DRT), an extremely efficient and flexible approach, is also emerging as a valuable concept.

MVA investigated a number of case studies which were of relevance to identify potential solutions to those problems which exist. They focused on innovations both within the region (eg Cowal Dial-a-Bus, low floor buses in Moray) and outwith (Lincolnshire InterConnect, Rural Transport Initiative in Ireland, northern European best practices.

Sparsity Index

The quality of access that people have to services and amenities is an issue of particular importance in the HITRANS area. This is a complex relationship which is influenced by many factors including:

- population densities in the area which affects the commercial viability of services and amenities as well as public transport services; access to frequent public transport services that provide links to key locations;
- car ownership and availability;
- the social and demographic characteristics of a given area e.g. is it affluent, deprived, a tourist area, etc;
- the geographical characteristics of an area.

Ensuring similar levels of access are delivered across the HITRANS area is consequently important in mitigating the occurrence of social exclusion in certain locations and making sure that levels of accessibility are consistent regardless of the particular characteristics of the area. This equity of access can only be created by the provision of similar levels of and access to public transport services across the HITRANS area. There is consequently a need for consistency in the type, cost-effectiveness, hours of operation and frequency of public transport service provided.

MVA developed an “Index of Sparsity” which further disaggregates the Urban-Rural Classification to Datazone level and which reflects car ownership levels as well as issues affecting access to key services and opportunities in more detail. This takes account of all the variables affecting accessibility as well as the potential transport solutions and incorporates these into a matrix which provides guidance on the transport services that should be available to ensure equitable provision for all rural residents and households.

Regional Transport Information and Quality Partnership

The study included research into regional travel information provision and opportunities for statutory Quality Bus Partnerships in the HITRANS area. These resulted in separate documents analysing the current situation and proposing how these could both be taken forward by HITRANS in partnership with local councils and transport operators.

The HITRANS Public Transport Information Strategy therefore sets out proposals for future public transport information provision under the following headings.

- **Form of information** – states what / how the information should be provided (eg printed timetable leaflets, websites);
- **Content and Standards** – sets common standards for the content of information so that the way in which information made available is appropriate, meaning it is consistent, complete and coherent ;
- **Distribution** – regulates how the information should be distributed, so that it is accessible to a greater population; and
- **Responsibilities** – assigns responsibilities for the development/production of information, to ensure that the information is made available to the public in the appropriate way.

A specific pro forma Statutory Quality Partnership document for Service 11 (which links Inverness with the airport, Ardersier and Fort George) has been drafted and it is hoped to make progress with implementing this partnership agreement with Stagecoach shortly.

Conclusions of the Study and Future Actions

The range of potential solutions for meeting the accessibility needs of Highlands and Islands residents and visitors is diverse, ranging from some of the more conventional public transport options (such as fixed route bus services) through to completely bespoke options (such as taxis or organised lift-giving / car-sharing). Rather than simply funding a 'wave' of new projects, a method of transferring best practice across the region represents a more efficient means of delivering a fit-for-purpose road-based passenger transport network. By transferring best practice we thus ensure that a similar level of public transport service is provided across rural communities within the HITRANS region. By "similar" we refer to the same type, cost-effectiveness, hours of operation and frequency of service. In order to ensure that this is achieved, the Sparsity Index is used for describing the area and its particular accessibility issues is required. The Sparsity Index would be used to facilitate provision of the "best" solution for road-based passenger transport in any location following the methodology developed for the tool.

Delivering a consistent level of service across the region implies that similar standards will be applied in similar places no matter how far apart they are or which council area they fall within. For example: an interurban bus service between Stornoway and Tarbert should be broadly comparable to one between Kirkwall and Stromness or between Oban and Inveraray – users of such services would experience similar levels of quality, similar infrastructure, similar information provision.

A key theme throughout this study has been the wide variety of demands placed on road-based passenger transport across the region, but also an acknowledgement that bringing order and objectivity to service provision could deliver improved quality of service at no greater cost. The most obvious example of this concept is the clear advantage to be gained by pooling existing DRT, CT, social work and non-emergency ambulance vehicles to provide a more widely-available service within existing budgetary constraints.

VA developed their service hierarchy drawing heavily on the Dutch experience, and identifies:

- city bus services;
- "town" bus services;
- interurban bus services;
- rural bus services;
- community transport;
- taxis;
- wheels to work; and
- car-sharing.

Drawing together the conclusions from this study the next steps need to include the following actions:

- use the Network Hierarchy to identify regional standards for services and infrastructure;
- apply the Sparsity Index to prioritise regional actions to improve public transport provision;
- agree a Statutory Quality Bus Partnership as the basis for future relationships with the private sector operators;
- integrate Community Transport into the wider transport offer – including concessionary fares scheme;
- tackle artificial boundaries between transport providers within local councils (social work and/or education departments) and the Scottish Ambulance Service;
- work towards increasing the availability of taxis in selected rural areas, perhaps through some form of community enterprise approach;
- consider which areas would benefit from Wheels to Work and Car-Sharing schemes;
- progress with existing plans for Park and Ride;
- work with partners to identify specific fare offers which would improve the attractiveness of road-based passenger transport; and
- underpin the whole region-wide public transport network with a consistent, comprehensive and targeted travel information strategy.

These link back closely to the RTS interventions and the strategic objectives we set ourselves for this study.

A96 Economic Appraisal of Bypass Options

Background

The A96 between Inverness and Keith is part of the Inverness to Aberdeen transport corridor and is a key route linking the sub-regional economy. Concern has been growing at the performance of the route and which has led to the development of a number of policies aimed at reducing journey times and improving journey time reliability. Foremost among these is the construction between 2012 and 2022 of bypasses at Nairn, Elgin and Keith, three towns where the problems are viewed as the most acute.

This study is therefore an evaluation of the potential benefits resulting from journey time reductions and improvements to journey time reliability on both through and local traffic and the potential benefits to businesses and on communities that have been bypassed. The bypasses would be expected to produce business efficiencies in terms of improved access to customers, suppliers and on training opportunities. The appraisal also examines the benefits resulting from the opening up of land for development, the resultant employment impacts and the influence of new land use opportunities on traffic growth and transport patterns.

Key Issues of the A96

A major symptom of growing traffic flows on the A96 has been increasing congestion, on a road poorly designed with insufficient capacity. Average speeds drop precipitously on the A96 when

passing through Nairn, Elgin and Keith, and longer journey times are causing poorer air quality, platooning and with few or no overtaking opportunities, frustration.

The A96, because it bisects Nairn, Elgin and Keith in two, is also causing severance effects, particularly on pedestrians attempting to reach their place of work, shops or other amenities. The bypasses offer, in principle, a solution to this by taking cars off the trunk route in the centre of the towns. It is also reasonable to assume that for the same reason the bypasses should assist in reducing the number of vehicle accidents in the towns as well providing a safer environment for all road users within the respective urban centres.

There is major proposed development for Nairn and Elgin, and more modest development for Keith. Commercial, retail and residential development would all be expected to generate additional traffic flows, which, in the absence of the bypasses, would add significantly to the existing levels of congestion, and contribute to existing traffic conflict.

Traffic passing through all three towns has to negotiate a series of busy junctions, through traffic sharing road space with local journeys, and this is especially acute in Elgin. In addition, this traffic pattern constrains the performance of local public transport, and reduces the incentive for modal shift away from car use and to introduce faster express services to and through each of the towns.

The problems of the A96 through the towns have a braking effect on the growth of the local economies, and they become less attractive to businesses wishing to set up in the area. Better road connections would encourage diversification of the economy by linking up with the main regional service centres, and facilitate access to the major regional air and sea ports.

Perceived Business and Social Impacts of the Bypasses

The local businesses interviewed for the study use the A96 relatively frequently, with two-thirds or more using the A96 on a daily basis. The businesses report a number of findings, the most important of which are:

- Businesses use the A96 mostly to deliver goods and pick up supplies;
- The A96 is also heavily used by local commuters, who travel to and from work almost entirely by car;
- The main problem businesses report with using the A96 is traffic congestion and delays;
- Although the problems are not enough to force businesses to review their location, they may well impact on future plans for expansion;
- Businesses suggest that the main impact of the bypasses will be to offer substantial journey time savings, with 75% of businesses reporting a possible saving of between 6 and 30 minutes; and
- Businesses most strongly agreed that proposed bypasses would present opportunities in expanding sales in existing markets.

With the significant reduction in congestion, the local communities living within Nairn, Elgin and Keith will be able to access facilities in the respective town centres more easily by foot and by bus. The easing of traffic should also encourage cycling for both work and leisure purposes.

In addition reduced congestion on the A96 in the three towns might signal an opportunity to introduce an improved strategic bus service network serving the wider catchment areas along the Aberdeen to Inverness corridor, and to introduce circular routes in the vicinity of the respective town centres, thereby improving accessibility to these areas.

Transport Impacts of the Bypasses

The results of applying diversion curve algorithms suggest the following traffic flows diverted to the bypasses for each respective town:

- Nairn 10,700 vehicles per day;
- Elgin 12,200 vehicles per day; and
- Keith 5,200 vehicles per day.

These levels of diversion onto the bypasses give an estimated journey time savings for the three towns of:

- Nairn: 47,300 hours per year;
- Elgin: 163,200 hours per year;
- Keith: 35,100 hours per year; and
- Combined towns saving of 245,600 hours per year.

Transforming these estimated journey time savings into annualised total (first year) monetised benefits in 2002 prices for the three towns, gives values calculated to be:

- Nairn: £5.2m per annum;
- Elgin £14.6m per annum
- Keith £1.7m per annum; and

The bypasses therefore confer major journey time benefits, with a combined value for first year monetised benefits of £21.5 million in 2002 prices.

It is generally accepted that severance is not a problem for pedestrians where the PV^2 value (used to measure severance) is below 1. However, average current values for the three towns range from 4.1 for Nairn, 17.7 for Elgin and 2.2 for Keith, indicating a high degree of pedestrian severance in the three towns, especially so for Elgin. With the bypasses in place, these values dropped significantly. The PV^2 value of 1 was met comfortably by nearly all the major pedestrian crossing points, with only the pedestrian crossing in Elgin accessing the bus station and adjacent shopping area just meeting this criterion.

Impacts of New Development

As noted above there will be major new development in the three towns and this is expected to generate substantial new traffic. The anticipated total increase in traffic in the three towns including that from the predicted developments is as follows:

- Nairn: by 2012, traffic volumes on the A96 estimated to be transferred to the bypass will be 998 vehicles for each of the AM and PM peak hours both directions, and this number is expected to rise to 1,880 by 2025, well within the capacity of the bypass;
- Elgin: by 2012, traffic volumes on the A96 estimated to be transferred to the bypass will be 1,216 vehicles for each of the AM and PM peak hours both directions, and this number is expected to rise to 2,340 by 2025, at a loading of 73%, well within the capacity of the bypass; and
- Keith: by 2012, traffic volumes on the A96 estimated to be transferred to the bypass will be 403 vehicles for each of the AM and PM peak hours both directions, and this number is expected to rise to 489 by 2025, well within the capacity of the bypass.

The construction of the bypasses will release additional land for development within the respective alignments over and above the development identified above. This releases resources in terms of developers' contributions, available to the local authority, for example, to offset any adverse environmental impact occurring during the construction of the bypasses, the amount of which, based on discussions with developers, is estimated for the three towns as follows;

- Nairn: £12.3 million;
- Elgin: £21.9 million; and

- Keith: £4.0 million.

In addition to these resources, there are significant additional benefits resulting from the additional employment and local GVA resulting from the new housing and commercial development. The total direct employment impacts if all the three bypasses were built is estimated to be 1,039 FTEs, and total local GVA impacts in the order of £27.7 million per annum in 2007 prices. Breaking these down by town gives the following results:

- Nairn: net direct employment (FTEs): 355;
- Elgin: net direct employment (FTEs): 584; and
- Keith: net direct employment (FTEs): 100.

In terms of GVA:

- Nairn: GVA = £9.4 million;
- Elgin: GVA = £15.9 million; and
- Keith: GVA = £2.4 million.

In addition to these, it is important to note that there will also be long-term employment and GVA benefits from the commissioning of the commercial developments into business use, although a number of factors other than the proximity of the bypass will determine the mix and scale of these benefits.

Concluding remarks

The overall conclusion from this research is that there are likely to be significant economic and social benefits to the implementation of the three bypasses at Nairn, Elgin and Keith, which would be welcomed and supported by key stakeholders and businesses in the study area.

Locally Significant Roads Study

The HITRANS Regional Transport Strategy sets out a commitment to invest in the improvement of the locally significant roads network in the region.

Building on this intention, the purpose of this study is to develop a strategy for investment in the network over the period 2008-11. The strategy aims to enhance the reliability and quality of the local network, particularly for freight and public transport, and to enhance the accessibility of small rural communities.

The study was carried out in three stages. Stage One reviewed current conditions and constraints on the locally significant road network in the region and generated a statement of core objectives for the investment strategy. Stage Two assessed each road in the network against these objectives to identify those routes and projects which are eligible for investment. Stage Three considered the social and economic impacts of investment in the network.

Locally Significant Road Network

The HITRANS Regional Transport Strategy defines the locally significant road network as one part of the overall hierarchy of roads across the region. Locally significant roads make up that part of the region's road network which connect small, rural communities to local service centres and provide onward transport links to the regional and strategic road network.

Taken together the network comprises a total of 69 individual routes covering all parts of the region. These routes cover a total length of 1,939 kilometres reaching into the most remote rural parts of the HITRANS region. Overall, 37 of the routes (more than half) are described as being single track for more than 75% of their total length. Communities served by the locally significant road network include some of the most fragile in the country, with these roads often providing the sole means of access to vital lifeline services. Typically the roads examined in this study serve groups of small, remote communities with a combined population of less 2,000 people.

A review of the condition and adequacy of routes included in the network revealed a number of common issues across all areas. While some routes are considered in good condition or adequate for their current use, most roads exhibit one or more of the following types of constraint: poor surface quality, poor geometry and alignment, poor visibility, inadequate numbers of passing places, narrow roads, high traffic volumes, weight and height restrictions and slow average speeds.

As previous studies in the region have demonstrated, such factors can have a serious impact on the sustainability of businesses and communities which rely on these routes. Poor conditions and long journey times along the routes can place a significant constraint on the ease and comfort with which residents can access employment and lifeline services such as health, education, retailing and banking. At the same time, the poor condition of the network also acts as a barrier to growth among local businesses by adding to journey times, increasing the cost of transport, increasing vehicle operating costs and restricting labour catchment areas.

Strategy Objectives

One of the first outputs from the study was the presentation of a clear statement of the overarching objectives of the proposed investment strategy. In line with other existing strategies developed for the region, it was agreed that the overall aim of the investment should be to *"improve the viability of remote communities"* served by locally significant roads in the HITRANS region. Towards this, the core objectives of the strategy should be to help:

- Maintain population levels, and
- Support business and encourage growth in remote parts of the region.

These are the objectives which have been used to guide the process of identifying routes and interventions which are eligible for inclusion in the final investment plan. The key aim of the sifting process has been to ensure that investment is directed towards:

- Routes which provide lifeline links for the most fragile communities in the region
- Routes which provide important links for key industries operating in the region
- Interventions which can resolve or alleviate specific problems on routes
- Interventions which can be achieved within the timescale and budget of the strategy.

Identifying and ranking eligible projects

Stage Two of the study assessed each of the 69 routes in the locally significant road network to identify those roads and interventions which best met the objectives of the investment strategy and to filter out those routes which did not meet the criteria for investment. In order to make these assessments a number of criteria were developed which related to the core strategy objectives. These included assessment of:

- The **fragility** of the communities served by each route: A key requirement of the investment strategy is that it is concentrated upon the most fragile communities in the region. Fragility of communities was assessed against a number of indicators derived from ERDF guidance. Roads in areas of 'low fragility' were not considered as eligible for investment in this programme.
- The **severity** of constraints currently active on each route and the identification of suitable **interventions** to relieve these constraints: assessment against these criteria was carried out in close consultation with local transport officers in each region. Roads for which suitable interventions could not be identified were not considered as eligible for investment in this programme.

Overall, this assessment identified eligible projects on 34 of the 69 locally significant roads in the HITRANS area. These projects were then ranked to assess the degree of their fit with the objectives of the investment strategy. The ranking was carried out using a simple points system

which scored each route against the **fragility** of the community it serves, the **severity** of existing constraints on the route and potential **impact** of relieving these constraints.

Table 1 presents the results of the ranking process. Of the 34 projects which are eligible for inclusion in the investment strategy, 7 receive an overall score towards the top of the possible range are rated as showing a 'very good' fit with the objectives of the strategy. A further 16 are rated as showing a 'good' fit with the strategy objectives. The remaining 11 routes are rated as showing a 'moderate' fit with the objectives of the strategy.

It should be noted that this ranking is based on a quantitative assessment of fragility indicators alongside a qualitative assessment of severity and impact criteria. The ranking is used to demonstrate the fit of projects with the objectives described earlier and may not reflect the investment priorities of individual local authorities. All 34 of the routes included in Table 1 are considered to meet the basic requirements of this strategy and to be eligible for funding support by HITRANS.

Overall, the cost estimates provided by local authorities for these interventions suggest that a total investment package of some £41 million would be sufficient to cover all 34 projects identified here. In practice, since it is unlikely that this level of funds will be available for investment in the network, the purpose of this ranking is to assist in guiding the use of those funds which are available and helping to secure successful ERDF bids for additional investment.

Table 1
Rating of eligible projects

LA*	Route	Description	Type of Intervention	Fit with objectives
THC	A855	Portree to Uig via Staffin	Upgrade to double track	**Very good**
THC	A896	Kinlochewe to Strathcarron	Passing places/visibility imp.	**Very good**
THC	B8007	Salen to Kilchoan	Passing places/visibility imp.	**Very good**
ABC	B8073	Tobermory to Salen	Widening, realignment, visibility	**Very good**
OC	A964	Kirkwall to Clouston	Widening and re-alignment	**Very good**
WI	B8011	Garynahine to Uig	Upgrade sections to dual track	**Very good**
ABC	B836	Glen Lean	Widening, realignment, visibility	**Very good**
WI	A858 (2)	Lower Barvas to Carloway	Upgrade sections to dual track	**Good**
ABC	A846	Feolin Ferry to Keills	Widening, realignment, visibility	**Good**
WI	A858 (1)	Carloway to Leurbost	Upgrade sections to dual track	**Good**
ABC	B844	Kilninver to Cuan Ferry	Upgrade sections to dual track	**Good**
THC	A837	Ledmore to Invershin	Passing places/visibility imp.	**Good**
THC	Achiltibuie	Achiltibuie	Passing places/visibility imp.	**Good**
ABC	B8000	Millhouse to Newton	Widening, realignment, visibility	**Good**
ABC	B8035	Salen/ to	Widening, realignment, visibility	**Good**

		Junct w A849		
ABC	A880	Ardbeg to Kilmun	New footpaths, widening	**Good**
THC	A839 (2)	Rosehall to Lairg	Passing places/visibility imp.	**Good**
WI	A865	Clachan to Trumisgarry	Upgrade sections to dual track	**Good**
THC	A884	Strontian to Lochaline	Widening	**Good**
THC	A897	Melvich to Helmsdale	Passing places/visibility imp.	**Good**
ABC	B8024	Tarbert to Inverneill	Widening, realignment, visibility	**Good**
ABC	B828/839	Hell's Glen/Rest & be Thankful	Upgrade sections to double track	**Good**
THC	A836/838	Bettyhill to Rhiconich	Passing places/visibility imp.	**Good**
THC	A832 (1)	Braemore Junction to Gairloch	Visibility improvements/widening	**Moderate**
THC	A836 (1)	Tongue to Lairg	Passing places/visibility imp.	**Moderate**
WI	Benbecula	Benbecula Link Road	Upgrade sections to dual track	**Moderate**
ABC	B8025	Kilmartin to Tayvallich	Widening, realignment, visibility	**Moderate**
ABC	B8045	Point Ramsay to Kilcheran	Widening, realignment, visibility	**Moderate**
WI	A888	Castlebay to Northbay	Upgrade sections to dual track	**Moderate**
WI	Rodel-A859	Rodel to A859	Widening and realignment	**Moderate**
ABC	A847	Bridgend to Portnahaven	Widening, realignment, visibility	**Moderate**
THC	B8004	Acharacle to Ardtoe	Passing places upgrade	**Moderate**
WI	B8060	Lemreway to Balallan	Upgrade sections to dual track	**Moderate**
ABC	B840	Cladich to Ford (Loch Awe)	Widening, realignment, visibility	**Moderate**
*: THC=Highlands, ABC=Argyll and Bute, WI=Western Isles, OC=Orkney Council				

Economic Activity and Location Impacts (EALI)

The final stage of the study involved making an assessment of the socio-economic impact of the package of eligible interventions listed in Table 1. This assessment was to be compliant with a Part One economic assessment and location impact (EALI) as outlined in the Scottish Transport Appraisal Guidance (STAG).

Analysis of the transport benefits likely to arise from the initiatives proposed on eligible routes show a common general pattern across all areas. In general, the package of initiatives proposed

on each route are made of a combination of: road widening initiatives, visibility improvements, road realignment, construction of new passing places, construction of new footpaths and action to relieve weight or other restrictions.

In some cases these investments are expected to result in significant impacts on journey times and costs along the route, but for the most part the impact of the initiatives are expected to:

- Improve journey quality and comfort – by improving visibility, making it easier to meet oncoming traffic, by improving road surfaces and straightening bends
- Improve reliability of journey times – by increasing the number of passing places, improving visibility and widening corners the initiatives expect to allow traffic to maintain more steady speeds along the length of routes and to reduce instances of queuing and convoying
- Improved journey safety – again, better visibility and wider, straighter roads are expected to have an impact on journey safety along the routes.

Table 2 provides a summary of the overall economic and location impacts expected to arise across the region as a whole from investment in the eligible routes.

Table 2 Summary of EALI impacts across HITRANS region	
National impacts	▪ No net impact is expected to arise at a national level
Local impacts	
Economic	▪ Improve efficiency and sustainability of key industries – particularly forestry and fish farming businesses located in remote areas – through improved route reliability and improved journey times ▪ Encourage expansion of industry in areas where opportunities have been limited by poor access ▪ Promote tourism by improving accessibility to key sites and improving links between remote parts of the region ▪ Widen labour catchment areas by improving accessibility of employers in remote areas
Social	▪ Improve accessibility of key services such as health, education, retailing and leisure ▪ Improve accessibility to employment by making it easier for residents in remote areas to travel to work in regional centres and other towns ▪ Help maintain the sustainability of fragile and remote communities

Congestion and Urban Issues in the Inner Moray Firth Area

Elgin Demand Potential

Based on existing traffic conditions and population P&R is unlikely to be successful in Elgin, but given future growth projections for Elgin with its hinterland, P&R is potentially viable at the lower end of scale. Feasibility would critically depend on willingness to impose restraint measures in the city centre, particularly removing free long term parking, and secondly supported by bus priority at any critically congested locations on the P&R bus route.

The current levels of traffic delay and congestion are the primary reason why P&R is not viable at present as the incentive to switch mode is not sufficient. If the proposals to expand the road network capacity in Elgin go ahead, this would be expected to reduce the incentive to switch mode in the future.

Park & Ride may be desirable for Elgin as part of the options for the future if a culture of reduced dependence on the private car is an overall objective. As such Park & Ride can offer an alternative option which reduces the impact right in the city centre for those without access to bus or travelling too far to switch to non motorised modes.

However given that the congestion created by people travelling to city centre car parks at present is relatively modest it is not considered that there is sufficient benefit for Elgin in removing car parking from the centre and relocating to the edge of the city. In traffic/transport management terms the incentive is small at present and in the foreseeable future with current plans this is not expected to change. Reconsideration of P&R potential could be undertaken when further decisions are made on road network changes in Elgin.

Inverness Demand Potential

Inverness has a high volume of trips on the potential P&R corridors from the North and East. Analysis of the trip matrices for journeys to the city reveals that a relatively small proportion of these are trips bound for the city centre, as opposed to the wider city. Trips to the wider city are more difficult to cater for with Park & Ride bus services.

In conclusion there is reasonably strong case for a Park & Ride site on the east of the city to provide for trips to the city centre; the demand from the north is smaller for city centre trips, but enough to make some service worthwhile. From the north there is a reasonable volume of trips going to Longman estate; but the ability to attract those to a Park & Ride site is low because of the nature of the sites, which tend to have their own free parking, and the likelihood that a number of the users to these sites then require vehicles during the day. Overall there is a weaker case for a northerly site but a lower cost option may be appropriate to take forward.

A site to the West/A82 is not viable based on commuting period trips alone. This site has however been promoted to cater primarily for tourist trips, although accurate figures to assess potential demand have not been available for conclusions in this study.

This conclusion presumes that the patterns of work trips remain the same with high numbers to the periphery of Inverness. If this changes to a greater concentration in the city centre, then the case for a site to the north could be further enhanced, but data to assess this potential is not available.

Travel patterns around Inverness.

A considerable number of trips on the Inverness network could not be catered for by Park & Ride, according to the analysis of origin and destination data. Investigation of improvements to local bus services is a secondary recommendation to reduce congestion and local car trips as there is a large proportion of trips which have origins and destinations within Inverness itself. Although the proportions are expected to change a certain extent with the development of the A96 corridor, it is still expected that significant number of trips will be within Inverness.

Bus priority measures.

Bus priority measures are a key part of creating sufficient incentive and would benefit other bus services travelling to and from Inverness.

Demand management.

Parking controls and demand management are essential to Park & Ride. Parking charges in Inverness city centre which are sufficiently high to make Park & Ride bus fares competitive and attractive would be essential at the time of introducing any Park & Ride car parks. It is also recommended that short stay maximum periods are introduced at more car parks to shift commuters to Park & Ride. It is also thought likely that a further shift could be achieved if employers are encouraged to implement further restrictions on privately owned car parks, possibly through Travel Plans.

Caledonian Canal Freight Study

The Caledonian Canal runs for 60 miles along the Great Glen from Corpach near Fort William in the south west to Inverness in the north east and provides a route between eastern and western Scotland. The 60 mile transit of the Canal includes Loch Lochy, Loch Oich and Loch Ness and a total of 29 locks. Map 1 shows the canal corridor and its immediate hinterland.

During 2006 British Waterways completed a ten year £20 million lock stabilisation programme which was required to secure the long term future of the canal. British Waterways aims to double freight carriage on its inland waterways throughout the UK by 2010 and the lock stabilisation programme on the Caledonian Canal was required to support, amongst other initiatives, the potential reintroduction of freight onto the waterway.

The purpose of this study is to assess the potential market for freight on the Caledonian Canal and any technical issues which arise in relation to moving identified goods on the Canal.

What is the Market for Freight along the Canal Corridor?

Interviews with businesses in key industries identified significant producers of processed wood products, suppliers of raw timber, producers of fish feed, fish farms and producers of quarry goods located at either end and along the canal corridor. Volumes of traffic along the corridor itself, however, were limited with sawmills, for instance, sourcing most of their raw timber from local supplies and exporting goods by sea through local ports at either end of the canal. Even with these patterns, however, the analysis identified northbound flows of raw timber, southbound potential flows of fish feeds and small flows of quarry goods in both directions.

What is the Potential to Use the Canal?

The business interviews identified a number of companies who expressed, in principle, a strong or potential interest in using the canal for freight transport, providing concerns over cost and practical considerations can be addressed. In particular the consultations identified the potential demand for the following flows of key commodities:

Northbound – 63,000 tonnes per annum of raw timber supplies

Southbound – 36,000 tonnes per annum of feeds for fish farms

Are there any Supply Side Constraints?

In terms of the canal infrastructure and its operating requirements, there are no constraints which cannot be addressed through careful passage planning. However, there is a major constraint in terms of vessel availability with a recent British Waterways search not identifying any suitable vessels for sale or contract hire.

There are two main options in terms of securing a vessel which is either to commission a 'purpose built' vessel which is the correct dimensions for the Canal or to adopt a tug and barge operation. The costs of commissioning a vessel are likely to be prohibitive at upwards of £3 million, but the tug and barge operation is also limiting when transiting the locks. It is however, likely to be a more realistic cost option.

How Competitive is the Canal?

Using road equivalent haulage rates of £10 to £12 per tonne, the revenue generated from the identified goods would not cover the operating costs of a service and make no contribution to the vessel costs and profit.

To cover all operating costs and make a contribution to vessel capital charges and profit of £250,000, an operator would have to charge approximately £19 to £28 per tonne depending on the availability of a backload.

Is the Proposed Service Viable?

Under current market conditions, the proposed service would have an annual operating deficit of £90,000 to £218,000 before capital costs. It is not, therefore, financially viable at current market prices on a "stand alone" basis.

There are two possible grants which could contribute to the costs of introducing a service:

Waterborne Freight Grant support is available during the first 3 years of operation and is limited to the lower of 30% of the operating costs, the environmental benefits generated by the project or €1m in year one, €0.66m in year 2 and €0.33m in year 3. Applicants are required to present a business case which demonstrates that break even position will be reached by the end of the 3 year period. The grant available would be in the range £91,000 to £135,000 depending on loads, but this does not make the service viable and the grant is only available for three years.

Freight Facilities Grant could be available to support the costs of acquiring facilities or a vessel. Grant is limited to the lower of the environmental benefits generated by the project or the additional costs of the water freight operation compared with road. However, the grant is usually limited to 50% of the capital cost, which would be £1.5 million. This would leave annual capital costs of around £120,000 which could not be met by a service which was not also having its running costs subsidised.

Waterborne Freight Grant and Freight Facilities Grant can be combined although there the total grant which can be awarded is restricted to 30% of the total project cost and in this situation would be less favourable that the capital grant alone.

The overall conclusion is that under current and foreseeable market conditions and the current and foreseeable grant regime, a freight service on the canal is not commercially viable even although there is substantial interest in such a service from potential users. A sharp increase in road freight rates *could* make a service viable – especially if grant aided. While such a rate increase is not foreseen in the short to medium term the position should be monitored and the proposal revisited if such a change in freight rates occurs.

Skye Airport Preliminary Study

This Report examines the feasibility of expanding the current airstrip at Ashaig, Broadford, on the Isle of Skye to be able to accept a limited range of aircraft types suitable to operate intra-Scotland scheduled passenger services.

A review of various demand studies is made which suggest that around 20-30,000 passengers a year are expected on the main route linking Skye with either Glasgow or Edinburgh. This is equivalent to a three times daily service by a 19-seat aircraft, such as the Twin Otter, or a twice-daily service by a 34-seat Saab 340B. These are the two aircraft types most in evidence in Western Scotland today. In the longer term, the possibility of using 50-seat aircraft should be considered, but this is probably the largest aircraft that would be considered for regular service to Skye.

Details of the two main aircraft types – the Twin Otter and the Saab 340B are considered together with the Beechcraft King Air, as currently used by the Scottish Air Ambulance Service. Of specific interest are the landing and take-off distances required by each aircraft type under the most severe circumstances. A variety of other aircraft types are also considered in outline, but specific landing and take-off distances required for an operation to or from Glasgow or Edinburgh have not been obtained, relying instead on industry publications.

The relevant UK CAA regulations concerning the runway codes are laid out, depending upon runway lengths and aircraft wingspans. The change in CAA regulations in February 2001 concerning the methodology of determining the step-change from Code 2 runways to Code 3 is considered.

The obstacle environment for aircraft approaching and departing from the airport under Code 2 and Code 3 precision approach conditions are analysed. At 281m, Ben Suardel, about 6km to the southwest of the runway is the critical obstacle for both Runway 25 departures and Runway 07 approaches. There are in addition some small penetrations through a Code 3 precision approach surface from the northeast, but these are not considered as likely to have any significant impact on procedures. The existing high ground to the southeast of the Ashaig airstrip unavoidably penetrates the inner horizontal and the conical surfaces. Numerous high hills and some mountains are present in the vicinity that penetrate the outer horizontal surface and the wider area approach and departure procedures will have to be designed to take due account of these.

A variety of runway development options are presented for consideration by Hitrans. The existing runway has visual approaches, no runway end safety areas (RESAs) and a limited length. For the provision of a runway suitable for commercial public transport operations by the Twin Otter and the Beechcraft King Air, plus a small number of other civil aircraft, Mott MacDonald recommends a 1,035m Code 2C Instrument Approach Runway.

Various other options are intermediate development options above Code 2C are presented, but these offer nothing extra for Twin Otter operators and do not permit Saab 340B operations. The exception the 1,319m Code 3 non-precision approach option, but this has substantial construction and environmental impacts along the coast and across Ob Lusa bay and does not meet the requirements of the brief for a precision approach – these options are therefore not recommended by Mott Macdonald.

Specific note is made of areas within which any planning application for wind turbine farms, or any other tall structures will need to be considered carefully, so as not to potentially infringe aircraft safety surfaces.

Rail Service Progress

Rail development across the region has been dealt with in 2007/08 by the Highland Rail Partnership. This not for profit company was 90% funded by HITRANS in 07-08. HRP has been active on all rail corridors.

Highland Main Line

HRP worked with other partners on the development of the specification for the next stage of Room for Growth/Highland Main Line Upgrade, which was included in both Scottish Ministers' High Level Output Statement (HLOS) and Network Rail's Route Utilisation Strategy (RUS).

Inverness-Aberdeen

HRP commissioned work on Dalcross Station, both as a single platform, and as a two platform design with passing loop. Forres rebuilding was also investigated, as a means to cut journey time. Timetabling work was also carried out to provide a limited range of station calls at Dalcross, to be

provided by additional services. Transport Scotland took the view that any enhancements could only be considered as part of the STPR process. Study of section running times, including unconstrained running, was also undertaken.

North Highland Lines

HRP undertook a detailed timetable recast on north of Inverness services, and analysed the economic case. This resulted in planned changes for December 08 which will see four trains each to Wick and Kyle each day, plus other new services. Additionally, provision has been made for stops at the new station at Conon Bridge, although the capital required for its construction is no longer in the HITRANS budget. Section running time analysis should enable some journey time reductions to be achieved in December 09. A pre-feasibility study on resignalling Inverness-Dingwall was funded to inform the debate about RETB (radio-signalling) replacement.

West Highland Lines

Timetabling enhancements were considered on Oban-Glasgow, with the five trains per day each way option selected for business case analysis.

Integration

A study into rail-bus connections was carried out to identify where small changes can be made to bus schedules to permit better integration of existing services.

Freight

HRP continued to work with the rail freight industry to attract new flows to rail, and to develop new terminals.

Rolling Stock

HITRANS and HRP assisted Transport Scotland with the specification for the class 158 refurbishment programme, which received positive national coverage and customer reaction.

Stations

HITRANS co-funded the upgrade of Fort William Station to coincide with the World Mountain Bike Championships in September 2007, and has been working with First ScotRail and Transport Scotland on Inverness Station upgrade. HITRANS/HRP also funded CCTV and cycle lockers at stations.

Relationship with other RTPs

HRP/HITRANS actively worked with TACTRAN and NESTRANS to ensure compatibility of rail aspirations across the network.

Ferry Services

On behalf of the other Regional Transport Partnerships, and at Government's request, HITRANS, SPT and Zetrans have put in place the new arrangements for ferry user consultation to replace the Shipping Services Advisory Committees. The first meetings of these new groups took place during the summer of 2007 and have encouraged input into and stakeholder engagement in the new contracted ferry service delivery arrangements put in place by Government. Ferry services are an important part of life in our region and the communities served must be given the opportunity to participate in their development. We

are encouraged by the engagement of the Ferry Operator, key stakeholders, and Government in the new arrangements at the appropriate level. We do however still have to carry out work to ensure ferry users are aware of these new arrangements so they can bring their views forward and receive answers to questions they wish to raise.

Our **budget** is outlined in detail in the final section of this report. We had a revenue budget of £910,000 contributed by Member Councils and the Scottish Executive plus a 2006/07 surplus of £14,000. Administration and running costs were £329,000; the preparation and development of the Regional Transport Strategy £330,000; research and feasibility studies £57,000; travel plan expenditure £61,000; and contributions to rail partnerships £105,000. The capital budget of £3.5 million was provided by the Scottish Executive. Under new Government arrangements developed with Local Government through the Concordat and encompassed in the Single Outcome Agreements initiated for the year 2008/09 transport funding previously directed through the Partnership to deliver improvements across the area have now been passed non-ring fenced to the Councils This funding has in 2007/08 allowed us to continue the programme of public transport infrastructure improvements for a fourth year and also to assist Councils to undertake a number of major projects.

THE REGIONAL TRANSPORT STRATEGY

The Transport Scotland Act 2005 placed the preparation of the Regional Transport Strategy as the first duty of the new Regional Transport Partnerships. Guidance from the Scottish Executive required the Strategy to be submitted to the Minister by the end of March 2007 which all the Partnerships including HITRANS achieved. Following the Elections in May 2007 the Government asked that RTPs review their draft Strategies and that related interventions should be considered in separate Delivery Plans. The Strategies should be strategic high level documents that focus on the transport strategies necessary to support Government's key objectives and the single outcome agreements of the constituent local authorities.

HITRANS strategic vision and objectives as included in the draft Strategy link very closely with those of Government and the review confirmed this synergy of purpose. The draft Strategy has been amended to identify the links between Government's aims and those of HITRANS and its constituent Councils.

Parallel work on the potential environmental implications of the Strategy has been going on during the year and Steer Davis Gleave have been working with a sub consultant on preparing Appropriate Assessments for elements of the potential interventions resulting from the Strategy which should be completed once the Strategy is approved.

The Board approved the revised Strategy in February 2008 and we now await Scottish Minister's approval of the document.

As a separate document, a proposed delivery plan identifying the actions required to deliver this Strategy and estimates the investment is being updated to reflect Council and Government investment plans and this will in due course be passed to Councils for their consideration before being included as a base document in the monitoring of the success of the Strategy in delivering the desired outcomes.

CAPITAL PROGRAMME

HITRANS received an annual capital grant from the Scottish Government to support our investment in strategic transport projects totalling £3,530,227 in 2007/08.

In addition to the annual budget HITRANS also received £2,610,000 from the Scottish Government as the final year of the Public Transport Fund through which local authorities and regional transport partnerships secured funding for specific projects through succeeding in a bidding process.

Progress reports on the delivery of the capital programme are provided to each meeting of the Partnership board and are available for download on the HITRANS website at www.hitrans.org.uk

Kirkwall Travel Centre

HITRANS secured £1,125,000 in funding from the fifth round of the Public Transport Fund to deliver a purpose built passenger transport interchange in Kirkwall. This funding was supplemented by Orkney Islands Council who contributed approximately £600,000 towards the scheme.

The Kirkwall Travel Centre was officially opened in April 2008 by Orkney Islands Council's Convener Councillor Stephen Hagan with the HITRANS board in attendance.

The Travel Centre is a facility to stand comparison with any major public transport hub in Scotland. A very comfortable heated waiting room is provided for people waiting to travel by one of the many buses that depart from the facility and passengers can get service information, buy tickets or leave luggage at the office staffed by Orkney Coaches within the concourse. Visit Orkney have relocated their premises to the Travel Centre so tourist can get information on the many attractions Orkney has to offer and tourist office staff will provide information on the internal network of ferries operated by Orkney Ferries. The 21st Century experience is completed by the electronic timetable displays in the concourse and at each of the five bus stances that give passengers up to the second accurate real time information on their bus service.

To mark its status as a key port of entry to Orkney the Kirkwall Travel Centre has been given a true artistic representation of Orkney and the isles and their culture by local artist Sheila Scott.

Oban to Connel Active Travel Link

The Regional Transport Strategy emphasised the importance of active travel as a great way to stay healthy, help the environment and cut traffic congestion. We welcome all active travel and encourage agencies to work in partnership to improve opportunities for the cycling and walking as a leisure activity and for daily travel. Our primary focus has been to encourage people to walk and cycle for everyday travel and invested £300,000 from the 2007/08 capital budget into providing a dual purpose path from Oban to Connel via Dunbeg.

Port Askaig Ferry Terminal

Port Askaig Ferry Terminal on Islay is an important regional transport facility. It serves as one of two harbours used to link Islay with the mainland and is also the terminal for the ferry crossing to the neighbouring island of Jura. The ferry terminal at Port Askaig is undergoing a major redevelopment under the project management of Argyll and Bute Council. HITRANS contributed £300,000 towards the costs of this project.

Inverness City Centre Streetscape and Invernet

The Scottish Executive transferred funding to HITRANS to support Highland Council's Invernet commuter rail project into Inverness and the Streetscape project which is transforming a number of key city centre streets into a modern attractive landscape that pedestrians can enjoy. This funding amounting to £621,000 has helped fund the commuter rail network and fund the public transport elements of Streetscape.

Lochmaddy Ferry Terminal

HITRANS secured funding through the fifth round of the Public Transport Fund for the £450,000 redevelopment of Lochmaddy Ferry Terminal. This funding has allowed the demolition of a redundant pier building and its replacement with a new purpose built terminal building that affords passengers and staff every comfort. Large windows in the building afford panoramic views of one of the most picturesque natural harbours in the country.

With the natural environment paramount in the design concept of the building the decision was taken at an early stage to investigate renewable and green energy sources. This has resulted in the building getting its heat source from geo thermal climate system.

Earlier phases of the work funded by HITRANS saw the expansion of vehicle marshalling facilities at the port and improved bus interchange and car parking. In 2007/08 HITRANS worked in partnership with Comhairle Nan Eilean Siar to complete external structural works aimed at improving the pier structure. HITRANS have part funded this work through a £215,000 grant.

The works funded by HITRANS in 2007/08 at Lochmaddy Harbour has allowed the harbour authority to provide excellent passenger facilities while also ensuring the pier itself is fit for purpose for many years into the future.

Hatston Ferry Terminal Extension and Active Travel Link to Kirkwall

Growth in passenger demand for travel from Kirkwall to Aberdeen has been so rapid that the recently completed Hatston Ferry Terminal Building was already operating at capacity by summer 2006. In response to this Orkney Islands Council developed plans to increase capacity in the terminal building. In developing these plans the need to provide better facilities for people walking and cycling from Kirkwall town centre was identified as something that needed to be improved. Plans were developed for a town centre to Hatston pedestrian and cycle link as well as extending the passenger terminal waiting facilities and HITRANS met the £400,000 cost of both projects from our capital budget.

Accessible Bus Funding

In 2007/08 HITRANS continued our focus on the need for our rural communities to catch up with the rest of Scotland in having wheelchair accessible buses on local services. Through partnership working with bus operators and local authorities we were able to support this across the region with the result that nine new low floor buses have been introduced across the Highlands and Islands as a result of HITRANS funding support of £427,000. The new buses will benefit residents and visitors in Oban, Cowal, Kintyre, Moray and the Isle of Mull.

Air Services and Airport Facilities

Through capital grant support of £50,000 from HITRANS waiting facilities for passengers have been improved at North Ronaldsay airstrip. This project has been developed through a multi agency partnership also involving the Council and Highlands and Islands Fire Brigade.

Argyll and Bute Council completed construction of the new airstrips at Coll and Colonsay and the upgrade of Oban Airport which will make it possible to introduce a network of air services linking Col, Colonsay and Tiree to Oban early in 2008/09. Among the many benefits this project will bring to residents of and visitors to the Argyll isles is the opportunity for school children from Colonsay and Coll to return home from school in Oban every weekend rather than the current situation where they are away for an entire term at a time. HITRANS supported this project with grant funding of £1,200,000.

Bus Interchange Facilities

In common with other parts of Scotland the bus is the most used mode of public transport in the Highlands and Islands. With the often infrequent nature of many services it is essential that good interchange facilities are provided at stops. New waiting shelters, bus stop poles and infrastructure such as turning circles for buses have been provided across the region in 20007/08.

Intelligent Transport Systems

HITRANS continues to lead the way in Scotland for providing of real time information to bus passengers through mobile phone GPRS technology.

Progress continued towards the implementation of a real time information system to cover the local bus network in the Orkney Islands in partnership with Orkney Coaches. On board computers for installation on buses and operator workstations have been supplied and the system will go live in summer 2008 once the system has gathered all the relevant service data to ensure it is giving passengers accurate information. Displays have been located at Kirkwall Travel Centre, Kirkwall Airport and Stromness Travel Centre with a number of bus stops scheduled to be equipped with LED displays in 2008/09. Information will also be available through mobile phones by SMS and WAP and through the internet. This system is being supplied by ACIS.

The ACIS real time information systems already in operation in Inverness and Argyll have also been expanded and will see real time coverage introduced on a number of new corridors by autumn 2008 once new electronic ticket machines funded by Transport Scotland are in place.

Buses in Moray have been equipped with real time tracking devices and these are currently gathering data before public launch of their real time capability. Service information will be available online, by SMS, at bus stops fitted with JMW Infostop kiosks and through the bus station information system at Elgin Bus Station.

Innovative travel information kiosks supplied by JMW have been introduced at 13 locations in Argyll and Moray.

Railway Station Facilities

The final stage of delivering a multi modal Travel Centre for Fort William was completed in 2007/08. The former railway station building now meets the needs of rail passengers, walkers, ferry services and bus interchange since it was redeveloped at a cost of approximately £700,000 with funding from Transport Scotland, First ScotRail and HITRANS. Passengers can buy rail tickets from First ScotRail's booking office while bus and ferry passengers are catered for by Caledonian MacBrayne

In partnership with First ScotRail and Transport Scotland we have been looking at a phased upgrade of Inverness Station. HITRANS contributed funding totalling £150,000 towards the upgrade of this key gateway facility. The first stage of works completed was the replacement of

the aged customer information system and at the same time 24 hour CCTV coverage has been introduced.

Roads

HITRANS funded a proportion of the costs of upgrading a section of the Colintraive to Sandbank road to double track standard. This will support the timber industry as well as improving travel opportunities for locals and visitors. HITRANS grant funding to this project totalled £450,694.

The uncertainty over whether HITRANS would receive any capital grant in 2008/09 meant we had to postpone the first phase of the Inverness Airport Park and Ride site which was scheduled for delivery by July 2008. As a result of this change the Partnership agreed to offer funding to Comhairle Nan Eilean Siar to assist with a significant cost overrun on the Western Isles Spinal Route schemes in Harris and North Uist. Our grant support to this project in 2007/08 was £146,479.

BUS ROUTE DEVELOPMENT

2007/08 saw the launch of an exciting project by HITRANS in partnership with Rapsons Coaches which has delivered a step change in bus transport to a number of locations within the Inverness area. The scheme has been funded by the £2.084 million award to HITRANS from the Scottish Executive through the Bus Route Development Grant Scheme in March 2007.

The scheme has seen a substantial investment in upgrading the core service linking Inverness Airport with the City Centre with service frequency increased to a 30 minute headway and the timetable extended for early morning, evening and Sunday operation. The four new highly specified double deck buses operating this route come with excellent luggage capacity and leather seats so they really are bringing business class to bus travel for the Inverness area. The route also now benefits from a really high local profile as a result of the striking JET branded livery applied to each bus. Positive results have been recorded and the operator feels the service is on tract to deliver a 15-20% increase in passenger numbers for the first full year of operation.

A new service from Nairn to the Airport provides a long awaited link to the Airport for communities to the east of Dalcross. This service operates on an hourly basis and is operated by a modern low floor easy access midibus which is also styled in the JET livery.

Links with the Airport have been improved for residents of Lochardil, Arness and Holm Park whose services have increased to a 30 minute frequency with times set to connect with the JET service to the Airport. Four new modern low floor buses have been introduced on these routes to offer easy access and high environmental standards to passengers.

The final service to be upgraded as a result of the project is the service from Croy to Inverness. The frequency of service has been boosted and a new bus has been introduced which again offers passengers low floor easy access and meets the latest strict European environmental standard. To attract more passengers and mark the fact that this is the route that serves Culloden Battlefield and the Visitor Centre a new livery has been applied to the bus that marks it very clearly as the Battlefield Bus. This bus is appropriately named the “Bonnie Prince”.

TRAVEL PLANS

HITRANS recognition of the need to reduce over-dependence on the private car for travel was at the core of our Travel Plan policy in 2007/08. This is acknowledged in several sections of the HITRANS Regional Transport Strategy, and it underlies the action of the Scottish Government in ring fencing funding for this area.

Good progress has been made in rolling out travel planning policy to all public sector organizations in the Highlands and Islands. With consultancy advice funded by the Energy Savings Trust each local authority and health board in the region has made major progress in developing their organizational travel plans over the course of the year. Work undertaken to date has included site specific surveying and reports have been presented to each employer setting out the measures that could be put in place to ensure travel to and from each workplace is managed in an environmentally sustainable way and that staff are given the means to make more informed travel choices to ensure they travel by the most appropriate means available. In 2008/09 we will work with the Councils and Health Boards to support their implementation of their organizational travel plans and to help extend them to other sites. In the case of the Health Boards it is also important to look at non acute patient travel as a partnership approach might make it much easier to access facilities by sustainable travel modes.

To support employers across the private and public sectors in implementing good travel planning we have produced a set of leaflets aimed at managers and employees which give good advice on the benefits of changing their travel behaviour. We have already distributed these leaflets to a number of employers across the region and are happy to meet any requests for copies made by employers. It is widely agreed that a good communications strategy is essential in encouraging the acceptance of Travel Plans.

Get Healthy, Get Active! was launched in 2007/08 as a direct intervention by HITRANS aimed at encouraging sustainable travel. This grant scheme allowed employers and organisations from the voluntary, public and private sectors to apply to HITRANS to share the cost of providing facilities at workplaces to encourage sustainable travel. Successful applications were received from Argyll and Bute Council, Moray Council and Orkney Council. An application form detailing the criteria for the scheme has been printed and is available to download at www.hitrans.org.uk. The following measures were delivered from the total budget of £21,000 in 2007/08:

- Argyll and Bute Council received £5,000 from HITRANS as part funding for new shower and changing facilities at the Council office at Kilmory.
- Orkney Islands Council received £3,500 for new bicycle parking facilities at the Council office at School Place, Kirkwall.
- Orkney Islands Council received £500 towards the purchase of bicycles as part of the introduction of a Bike Pool at the Council office at School Place, Kirkwall.
- Moray Council received part funding of £5,000 towards the cost of establishing a Cycle Champions Scheme across a number of Council employment locations including education establishments.
- Moray Council received £5,000 as part funding for improved cycle parking facilities at a number of Council premises.
- Moray Council received £2,500 as part funding for a week long awareness raising event by the Company of Cyclists.

HITRANS has worked closely with the Scottish Executive, local authorities, and with other Regional Transport Partnerships to develop shared experience in delivery of travel plans. We have played an active part in encouraging the activities of the Scottish Sustainable Travel Group and the National TravelWise Association in Scotland, and has fostered its own Active Travel Advisory Group, which was established in 2006 in direct response to the consultation process on the Regional Transport Strategy.

HITRANS commissioned a journey sharing website towards the end of the year with the portal being provided by Jambusters Ltd. The portal was scheduled to go live early in 2008/09 but before this could happen we needed to come up with a name that we could use to brand the site and encourage more people across the Highlands and Islands to share travel arrangements. The main aim of our site will be to encourage people to car share which will be good for the environment, good for our transport network and will save people money too. To get a good name we organized a competition through Primary and Secondary Schools across the region and the winning name selected by our judging panel was appropriately www.IfYouCareShare.com This suggestion was made by Tom Lane and Effie Anne MacInnes both S2 pupils at Paible Secondary School in North Uist who came up with the name during a class session on climate change.

Equalities Scheme

HITRANS as the new Transport Partnership for the Highlands and Islands has statutory duties to introduce an Equalities Scheme and engagement in matters relating to equality very seriously. Since the new Partnership was established at the end of 2006, we have made significant progress in adopting and implementing policies in the human resources area which have equalities of opportunity enshrined within them. In addition a major theme throughout our Regional Transport Strategy is the need for equality of access to transport facilities and services and through these to jobs, health care, education, shopping and social activities.

We have a statutory duty to publish an equalities scheme under legislation covering Race, Gender and Disability and we chose to introduce a single scheme addresses what we intend to do in these areas. It also addresses our proposals in other areas as well, for example age, religion/belief and sexuality.

We have chosen to combine these commitments in one equalities scheme rather than publish a series of individual schemes addressing specific legal duties but we have made it clear in the scheme which sectors of society should benefit from our proposals. The Scheme and its associated Action Plan 2007/10 was approved by the Board on 30th November 2007.

As a new organisation we realise that the scheme we have published will not be perfect and will need to evolve with the organisation and the functions it is tasked to deliver. At the core of that process will be the establishment of an Equalities Forum that will make sure that we continue to promote equal opportunities in the work we do in a way that is relevant to our core activity as a transport partnership. The publication of this scheme is not the end of our duty to promote equal opportunities but simply the beginning. We hope that stakeholders and service users find this scheme informative and we welcome constructive feedback with a view to its improvement.

BUDGET

BUDGET AND ACTUAL

The annual budget for 2007/8 totalled £924,000.

Income

Income was contributed by Member Councils and the Scottish Government. The Partnership's allocation of net expenditure between the constituent authorities changed for 2007/08. In 2006/07 net expenditure was allocated between the constituent authorities on the basis of the funding previously given to the unofficial HITRANS grouping of Local Authorities uplifted by £54,000 distributed pro rata. The constituent authorities allocation changed for 2007/08 and future years, and is now based 50% on voting weight and 50% on population share. For 2007/08 the net expenditure has been allocated as follows:

2006/07		Constituent Authority	2007/08	
£000	% share		£000	% share
63	31.5	The Highland Council	89	44.5
45	22.5	Moray Council	46	23.0
37	18.5	Argyll and Bute Council	29	14.5
28	14.0	Comhairle Nan Eilean Siar	19	9.5
27	13.5	Orkney Islands Council	17	8.5
200	100.00	**Total**	200	100.00

Income comprised:

	Budget	Actual
Member Councils	£200,000	£200,000
Scottish Govt – match funding of core costs	£200,000	£200,000
Scottish Govt – Strategy funding	£330,000	£330,000
Scottish Govt – Travel Plan Officer support	£100,000	£100,000
Scottish Govt – Capital programme support	£80,000	£80,000
Interest on Revenue Balances	£0	£46,428
Other Income – match funding for studies	£0	£59,239
2006/07 Surplus	£14,000	£14,396
Total Income	**£924,000**	**£1,030,063**

Total income is ahead of budget, mainly as a result of receiving unbudgeted income £105,667 in respect of interest on revenue and capital balances and contributions from Highlands and Islands Enterprise towards the costs of the A9 Economic Appraisal and Freight Diversion studies.

Expenditure
The running costs of the Partnership include staff, administrative and office costs and expenses for travelling and running the HITRANS meetings. New office premises were occupied in January 2006 at Inverness Airport, and members of staff were appointed to fill clerical and travel plan posts in July 2006. The budget to run the Partnership comprised:

	Budget	Actual
Staff salaries	£145,000	£142,783
Travel plan officer	£38,000	£32,691
Co-ordinator fees and expenses	£30,000	£20,346
Staff travelling and subsistence	£16,000	£19,689
Members and advisers travelling and subsistence	£25,000	£43,766
Office costs - property	£25,000	£28,055
Office costs - admin	£25,000	£16,609
Financial and administrative services from Member Councils	£42,000	£38,463
Total running costs	**£346,000**	**£342,402**

Overall direct running costs were contained within budget, however travel and subsistence for staff, members and advisers overspent cumulatively in excess of £22,000, and was met by underspends under the other various headings.

Programme costs comprise the development and implementation of the Regional Transport Strategy; research studies; feasibility reports on future projects; and contributions to partners. The budget to run this programme of work comprised:

	Budget	Actual
Regional Transport Strategy	£330,000	£325,007
Research studies	£57,000	£93,409
Contribution to Highland Rail Partnership	£95,000	£95,707
Travel plan work	£61,000	£109,720
Contribution to NESRFDG	£10,000	£10,000
Publicity	£25,000	£24,463
Capital expenditure funded from revenue	£0	£46,810
Other costs	£0	£100
Total programme costs	**£578,000**	**£705,216**

Overall programme costs overspent, including the capital expenditure funded from revenue, by £127,216. However, the majority of the overspend is met from unbudgeted income.

Summary Financial Position

The Partnership returned a small overspend of £17,555 (1.9%) for the year ended 31 March 2008 out of a net budget of £924,000. The overspend situation has arisen due to the capital programme overspending by £46,810, subsequently met from the revenue budget. The overspend of £17,555 will be carried forward to the 2008/09 budget, and will be allowed for in the 2008/09 financial year.