

Item:
12



Report to Partnership Meeting 8th April 2011

PARTNERSHIP

HITRANS Business Plan for 2011/12

SUMMARY

The Report seeks approval from the Partnership for the HITRANS Business Plan for 2011/12. This is the fourth annual Business Plan to be prepared by the Highlands and Islands Transport Partnership and it sets out how we intend to support delivery of our Strategy during 2011/12 working with our constituent Councils and Stakeholders with a view to improving transport services across the Highlands and Islands.

BACKGROUND

This is the fourth Business Plan to be prepared by the Highlands and Islands Transport Partnership and it sets out what we intend to do during 2011/12 in working with our constituent Councils and Stakeholders to improve the delivery of transport services across the Highlands and Islands. It defines how we will move forward in promoting and implementing our Regional Transport Strategy (RTS).

The Scottish Executive published guidance on Regional Transport Strategies in March 2006. Paragraph 112 of the Guidance requires the preparation of an annual delivery or business plan to be submitted to Scottish Ministers. There has been a change in Government since this Guidance was issued and this has significantly changed the mechanism for funding of transportation investment from 2008/09. Ring fencing of much of the Council and previously centrally managed funding has been removed. From 2009/10, Councils have been tasked with their Community Planning Partners to develop Single Outcome Agreements which link local spending priorities to the National Purpose. HITRANS reviewed its Regional Transport Strategy in 2008/09 to reflect the changes to funding mechanisms and to tie this document more closely in future to Single Outcome Agreements and national priorities.

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

RECOMMENDATIONS

The Partnership is asked to

1. approve the one year Business Plan for 2011/12.

Risk	impact	comment
RTS delivery	√	The aim of the Business Plan is to promote delivery of the RTS
Policy	√	HITRANS is bound to produce a Business Plan detailing its intentions for the period covered by the Plan, and provide a copy of the Approved Plan to Scottish Ministers
Financial	-	Funding of the commitments in the Business Plan can be met within the 2011/12 Budget
Equality	-	

Report by: Dave Duthie
Designation: Partnership Director
Date: 29 March 2011

HITRANS Draft Business Plan 2011/12

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1. Foreword

HITRANS continues to focus its efforts on developing and delivering the Regional Transport Strategy for the Highlands and Islands which focuses on enhancing the region's viability and has the core aim of enabling sustainable economic growth across the Highlands and Islands. This reflects the Scottish Government's purpose of increasing sustainable economic growth for Scotland as a whole.

In 2011/12 we have a number of important actions to take forward to support delivery of this aim. Funding of the Public Sector as a whole is being reduced in real terms and this places challenges on us all to continue to deliver the most effective and efficient services, not least in the transport sector. One of our core aims is to support our member Councils, Government and other key public and private sector partners in delivering transport services across the region.

The Partnership will continue developing its role in supporting better integration of public transport services between modes and service suppliers.

In the area of Healthcare, HITRANS looks to support improving patient access to healthcare across the region by working with the National Health Service and other agencies to develop systems and approaches that will sustain and improve access to healthcare. We will look to assist Partners taking forward any recommendations from the Audit Scotland Health and Social Transport Review and the parallel work being undertaken through the Scottish Government's Short Term Working Healthcare Transport Group. Health Boards have each produced Healthcare Transport Framework Action Plans in 2010/11 and HITRANS will engage with them to establish if common action will add value to their delivery.

HITRANS will continue to engage with Government, our local authority partners and key stakeholders in supporting the process of developing Scotland's Ferry services through the Scottish Ferries Plan and tender proposals for both the Northern Isles and the Clyde and Hebrides Ferries Services. We will ensure Government are informed of the views of the island and peninsular communities across the Highlands and Islands for whom quality and effective ferry services are so critical.

We will increasingly work with European Partners during 2011/12 to improve transport services and systems through transnational co-operation and joint working with a particular focus on facilitating more integrated and accessible business and tourist usage of public transport services. As a result added value will be achieved in the delivery of public transport services for all users. This will help place the Highlands and Islands at the forefront in terms of providing intelligent transport systems and high quality passenger transport services.

Community Planning is designed to be a key means of ensuring optimum use of resources across the public sector. Sharing and integrating the use of transport resources between partners has to be a core means of ensuring communities can continue to access services and employment opportunities on a daily basis. HITRANS will continue to work with members of our 5 Community Planning Partnerships both through the Partnerships and individually, and with others in the wider transport sector through 2011/12 to achieve this aim.

Our Business Plan for 2011/12 sets out how we intend to achieve the objectives detailed above as well as moving forward with the many other activities HITRANS is involved in. We are committed at all levels to focus on a strong partnership approach to delivery to ensure scarce resources are targeted in the most efficient manner to achieve the best result for the Highlands and Islands.

Duncan MacIntyre
Chair

2. Guidance

The Scottish Executive published guidance on Regional Transport Strategies in March 2006. Paragraph 112 of the Guidance requires the preparation of an annual delivery or business plan to be submitted to Scottish Ministers. The plan should normally cover the first three years of implementation of the Regional Transport Strategy, and be updated annually to reflect local and central government planning and funding cycles and include plans for capital and revenue spending and borrowing. There has been a change in Government since this Guidance was issued and this has significantly changed the mechanism for funding of transportation investment from 2008/09. Ring fencing of much of the Council and previously centrally managed funding has been removed. Councils were tasked in 2008/09 with producing Single Outcome Agreements with Government and from 2009/10 onwards with their Community Planning Partners. In these rapidly changing circumstances, and with Scottish Parliamentary elections being held in May 2011, it is proposed that HITRANS again produce a single year Business Plan identifying its intentions in 2011/12 and engage during that year with the new term Government, its agencies, HITRANS constituent Councils and their Community Partners to develop its future focus and delivery role.

This Business Plan is intended to fulfil that requirement and, after approval by the HITRANS Board, will be submitted to Scottish Ministers.

It describes the good governance procedures adopted by HITRANS and defines the areas where HITRANS may in time seek additional powers beyond the current Model 1 level. It reflects the outcome of the 2011/15 Comprehensive Spending Review and the 2011/12 Scottish Government Budget, with their Capital and Revenue implications. It forms the basis, with the detailed draft Delivery Plan linked to the Partnership's Transport Strategy, of HITRANS' ongoing input to partner authorities' transport prioritisation, the related and developing Community Planning Partnership Single Outcome Agreements, and with Government for future bids for finance.

3. The HITRANS Board

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

Membership

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

The current Chair, Duncan MacIntyre, was appointed on 22 June, 2007. There is one vice-Chair: Councillor John Laing.

The Partnership has a full quota of 5 councillor members and currently has 3 other (non-councillor) members, following the appointment of a new non Council Member following the resignation of one of the previous non Council Members. During 2010/11 the Partnership was pleased to appoint a member with particular knowledge in the policy, research and academic transport fields particularly as they impact on rural communities as particularly found in the HITRANS Partnership area.

In order to ensure that quorate decisions are achieved, an annual calendar of meetings for 2011 was agreed in December 2010, with the proposal to hold 5 Partnerships Meetings during the 2011 calendar year. While this was the intention at that time, in reflection of the changed funding position and the need to identify further efficiency savings, it is proposed to ask the Board to reduce the number scheduled Meetings to 4 each year with Meetings being held at the start of February, April, June, and October. Additional Meetings where necessary can be called in accordance with the Standing Orders should circumstances so require. Details of all Board Meetings, Agendas and Minutes are available on the HITRANS website.

Performance and Audit

Good governance of any corporate body involves three elements of a constant cycle: planning, performance and scrutiny. Proper scrutiny, which reviews performance and informs the next phase of planning of an organisation’s activities, is often most difficult to achieve. However, for organisations such as HITRANS, it is essential that there are appropriate mechanisms for review of all the Partnership’s activities. The burden of auditing HITRANS’ performance falls in the first instance on its officials, and internal/external auditors, and the Board considers their findings and recommendations on an ongoing basis.

4. Governance

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

Standing Orders

The existing Standing Orders were adopted by the Partnership at their meeting on 5 May 2006. The Scottish Government had, in its provisions in the Establishment Order, set out certain minimum parameters for Standing Orders and these have been incorporated wholesale into our Standing Orders. The Standing Orders have used best practice from those of other organisations and are designed to meet the needs of the Partnership. They comprise not only procedural rules regarding meetings but also financial rules which dovetail with the financial regulations as well as the tendering and contractual rules which require to be followed for all contracts entered into by HITRANS. These, with the Partnership's Financial Regulations were subject to review during 2009/10 and may in the future additionally require to adapt to any new functional changes, as well as the normal requirement for periodic review.

Scheme of Delegation

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

The Scheme of Delegation was put in place at the Board meeting of 5 May 2006 and represents a set of powers tailored specifically for the workings of HITRANS as they currently stand.

Financial Regulations

As part of the Partnership's commitment to the development of its corporate governance Arrangements the Partnership has initially adopted the Financial Procedures of the Highland Council. The financial rules were adopted by the Partnership at their meeting on 20 January 2006 and provide the basis under which all actions overseen by staff that have financial responsibilities and interests are undertaken. A review of the Financial Regulations was undertaken in 2009/10 and the intention is to review these every two years to ensure they are fit for purpose. A review will therefore be undertaken during the period of this Business Plan.

Human Resources policies / procedures

Comhairle nan Eilean Siar has been commissioned to take on the function of HR advisor for HITRANS. The agreement commencing in January 2006, saw the production and development of several policies, and the continuation of policy creation and development working with in-house staff is ongoing as and when required.

Equalities

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

An Equality Scheme for HITRANS covering the period up to December 2010 has previously been published on the HITRANS website. The scheme provides clear cross referencing to other approved and published HITRANS documents so that anyone wishing to establish our position on equity issues can find it. A key element of the initial scheme was the establishment of an Equalities Forum which would meet on a six monthly basis, to discuss the work that HITRANS is doing and how it operates, to get feedback and suggestions from across the highlands and islands on how we could usefully improve on equalities issues. We engaged closely with our constituent Councils in 2008/09 and in particular their Equalities officers as they develop their individual equality schemes as we implemented our equality plan. It has been agreed with them that the best means of ensuring Equality issues are

imbedded in transport processes and development is at a local level through their individual Forums. To this end each of our Council Partnership Advisors is tasked with considering any issues identified at Council level and feeding these back to the Partnership for debate, action and dissemination as appropriate. With this change in emphasis agreed by the 5 Councils the decision has been taken not to set up a separate Equalities Forum for the Partnership as this would in many ways duplicate the work being done at Council level.

The Equality and Human Rights Commission have indicated they “do not plan to require publication of an equality scheme or to specify the documentation that public authorities must publish. But to aid transparency we want public authorities to say in advance where they will publish their equality outcomes and report on progress”. On this basis HITRANS intend to “mainstream” equalities and a summary of the proposed reporting arrangements relating to specific duties we are putting in place are detailed below

HITRANS Summary of Proposed Duties Reporting Arrangements

Regulation	Duty	Start Date	Reporting Arrangements	Report Date	Review Date
3	Publish equality outcomes based on evidence and informed by the Partnership's Council Advisors through their involvement in and interaction with local equality groups and communities.	April 2012	Report within the Partnership's public performance reporting systems on progress made towards equality outcomes.	April 2014 then no later than every 2 years thereafter	Publish revised outcomes no later than every 4 years from April 2012
4	'Mainstreaming' - report on progress on promoting equality across all protected characteristics.	April 2012	Report within the Partnership's public performance reporting systems on action taken on mainstreaming.	April 2012 and no later than every 2 years thereafter	N/A
5	Impact Assessment – consider the impact on equality of new policies and practices, through an evidence based approach where practicable.	April 2011	Report within the Partnership's public performance reporting systems on identified impacts of policies and practices on equality outcomes	April 2014 then no later than every 2 years thereafter	N/A
8	Publication duty – progress on specific outcomes will be published biannually in the Partnership's Annual Report.	April 2012	Report within the Partnership's public performance reporting systems	April 2012 and no later than every 2 years thereafter.	N/A

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

Interaction with Stakeholders

HITRANS has established a series of effective liaison groups with transport operators, service users, linked service providers, and the wider community planning groupings across the spectrum of its activities as detailed in HITRANS Partnership Approach to Delivery in Appendix 1. The Liaison Groups serve as forums for Members and officers of the Partnership, officers from the constituent Councils and

wide stakeholder interests to discuss issues relating to policy, strategy and operations, and to form a consensus view (or otherwise) to inform the Partnership Board's deliberations. The Groups have no delegated powers and are not Sub-Committees of the Partnership. As such their meetings are not regulated by HITRANS Standing Orders but add significant value to HITRANS appreciation of issues and provide direction for further development of strategy and improved delivery by the Partnership and its constituent Councils. We continue to develop the structure and processes of these groups to ensure they best meet their function. They have proven to be invaluable in ensuring close working relationships with our partners and stakeholders. As indicated above the current groups with their respective remits are described in Appendix 1. It has been our intention to establish a Community and Health Transport Forum to facilitate discussion on issues and develop initiatives to improve access to healthcare and social services across the HITRANS area. Work is currently being undertaken at national level around this topic area and it is our intention to take forward findings from this work as it applies to the HITRANS area during 2011/12 which will involve meetings with key stakeholders and potentially setting up of a Forum to discuss options and support taking forward actions.

Powers and Functions

One of the key elements of the 2009/10 Business Plan was the proposal that HITRANS investigate in 2008/09 the case for it taking additional functions in terms of section 10 of the Act. This work has now been completed. The findings of the Study as reflected in the subsequent workshop has formed the basis of a debate within the Partnership, its Councils and across the transport community in the Highlands and Islands during 2010/11, on how services can be delivered most efficiently and with appropriate democratic accountability in promoting a viable and sustainable region into the future. This is particularly important given the challenges being faced in funding across the public sector and in transport in particular. HITRANS looks forward during 2011/12 to working with others to help deliver better transport services taking recognition of the outputs from the work of the Christie Commission and focussing on how the Partnership, Member Councils and other public sector bodies can best contribute to improving outcomes for the people of Scotland: by driving up the quality of services.

A distinction can be drawn between the **powers** and **functions** of HITRANS. Dealing briefly with its **duties**, these are, principally, in two categories. The first category relates to regional transport strategies and HITRANS, like the other transport partnerships, is under an obligation to produce a regional transport strategy and to monitor and, wherever possible, ensure its implementation (sections 5, 9 and 12 of the 2005 Act). The second category is in relation to a more general raft of duties to comply with various regulatory matters both under the 2005 Act and other pieces of legislation (auditing requirements; Ethical Standards in Public Life, etc. (Scotland) Act 2000; Freedom of Information (Scotland) Act 2002; Scottish Public Services Ombudsman Act 2002).

HITRANS' Powers

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

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

HITRANS' Functions

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

To exercise further transportation functions, HITRANS would have two options. The first would be for HITRANS to reach agreement with all the constituent councils and/or the Scottish Ministers that it carries out or supports certain of the transport functions which the councils are currently providing. This route is provided by section 14 of the 2005 Act. The second, as outlined above, is to apply to the Scottish Government under section 10 for additional functions. The case for either of these approaches was considered in the Delivery Review undertaken in 2009/2010 and will be subject to further consideration in 2011/12.

Application for Additional Functions – Process (Section 10)

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

The draft HITRANS RTS does not indicate any area where additional powers might be sought at this time but areas within which the Partnership might wish to examine the benefits of attracting additional powers in supporting improved delivery of transport services across the Highlands and Islands would include:

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

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

Supporting Constituent Authorities - Where constituent councils may not have the capacity and resources to deliver local authority measures, the RTP could consider

providing support to the local authority to provide optimum delivery of services, implement projects and initiatives relevant to the RTS, with agreement from the relevant authority. This could be the case in developing real time information systems and management, and management of demand responsive transport services.

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

5. Funding

Business Plans should be based upon a realistic estimate of the funding which is likely to be available to HITRANS and its partner authorities. Grant income from the Scottish Government directly to HITRANS in its first two years represented the vast majority of the Partnership's funding. The outcome of the 2007 Spending Review has fundamentally changed the funding route for implementation of proposals within the RTS. Capital funding has now been included in the Local Authority block grant with little or no ring fencing for transport. Core revenue funding for HITRANS continues over the three years from 2008 to 2011 on the basis of core funding from Government and match funding from partner authorities. HITRANS funding to allow the development of proposals and implementation of sustainable transport measures to encourage organisations to facilitate modal shift and carbon reduction within transport for its operations was concluded in 2009/10 with a much reduced level based on the budget set by Government in the final year. The level of capital funding that has been included in the local authority settlement is understood to be generally in line with the RTP core capital grant that has been forthcoming from government in 2006/7 and 2007/8 and has been distributed to the authorities on the basis of 95% on population and 5% on area. This amounted to £3.530m within the partnership area in 2007/08. The five partner authorities have indicated that they would each wish to make provision in their developing capital programmes for regional initiatives to the extent that they can having regard to local priorities and continue to develop their proposals within their revenue and capital budgets as part of their commitment to their communities working with their Community Planning Partners through their Single Outcome Agreements with Government.

In 2010/2011, HITRANS received Grant-in-aid from Government of up to £615,000 to fund revenue expenditure, comprising £200,000 of what was previously defined as Core Funding, with the overall aim to support implementation of the Regional Transport Strategy. In 2011/12 for the purposes of development of the business plan, HITRANS have assumed funding directly to HITRANS of £522,750.

Constituent Authority Requisitions

The Transport (Scotland) Act 2005 requires the constituent councils of each Regional Transport Partnership to fund its net expenses, after allowing for any income, including any grants from the Scottish Government. In 2010/2011, HITRANS constituent Councils contributed £200,000 towards the Partnership's net expenses. This represents match funding to complement the Scottish Government's revenue Grant-in-aid contribution towards nominal Core Funding. For the purposes of development of the business plan, HITRANS has intimated to the partner authorities a proposed requisition of £200,000 as core revenue funding.

The detailed Revenue Budget for 2011/2012 is shown in Appendix 2.

Revenue: Other sources of funding

In order to deliver on the aspirations of HITRANS and its partner authorities, it is beneficial to investigate alternative sources of funding. There are numerous European funding initiatives through which HITRANS and its partners could achieve added value. These opportunities continue to be assessed by HITRANS working with the constituent Councils and the Partnership has successfully engaged with other regions across the Atlantic seaboard of Europe in a project, START, promoting better integrated public transport with improvements in real time information and services between transport hubs and the areas they serve. The Partnership has been successful with other European Partners in the Northern Periphery Programme Area in obtaining support funding from the European Commission to fund a project called TRANSTOUR, aimed at promoting better access for visitors to areas. Our local commitment is to improve web and mobile phone based travel information on services within the Highlands and Islands for visitors not familiar with the internal transport networks to encourage them to come to the area and use public transport to enhance their experience of the region. HITRANS is in addition part funding an ERDK funded project led by The Highland Council which aims to promote greater levels of active travel by developing better walking and cycling facilities within

communities, based largely on the output from the Active Travel Audits undertaken by HITRANS in its area. In addition the Partnership is actively looking into the possibility of engagement in a number of other potential INTERREG projects with European partners with a view to adding significant value in the delivery of transport services across the region. All these initiatives fit with HITRANS strategy objectives and the aspirations of the Member Councils. There is a requirement for co-funding of trials, projects and studies from these European sources, and while only very limited funding can be provided from within the HITRANS budget for 2011/12, potential support funding is being attracted from within existing Council commitments and sources from other Partners to facilitate taking these projects forward.

Borrowing

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

Reserves

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

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

6. The Regional Transport Strategy (RTS)

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

We believe that our RTS remains a valid strategy reflecting closely Government's aspirations in its Economic Strategy announced in November 2007. HITRANS is confident that its Strategy is in line with Local, Regional and National aspirations for the HITRANS area.

In reviewing the draft Strategy before submission and revising and updating the associated delivery plan in the light of available national and local resources and the new funding mechanism for delivery of capital projects and service improvements, we have made the necessary adjustments to the RTS to ensure it provides a prioritised approach to investment while still meeting the realistic aspirations of the constituent Councils, Community Planning Partners and transport service providers. Councils continue to have to revise their Capital and Revenue Programmes in light of reducing funding availability, the developing Single Outcome Agreements and as a result have been unable to commit to the specific investment proposals of the draft RTS Delivery Plan. This Plan still remains HITRANS aspiration and we will review its content during 2011/2012 to take account of the output from the Government's Strategic Transport Projects Review which aims to set the national transport investment priorities until 2030, and Councils revised Capital Programme commitments.

Monitoring and Evaluation

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

Delivery Mechanisms

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

HITRANS through its Member Councils has begun the process to establish Term Framework contracts, for a range of interventions and activities with the intention of appointing consultancy support available across the HITRANS area. By establishing these Framework contracts HITRANS and its constituent Councils intend to call on the appropriate technical support without the need for lengthy tendering procedures which will reduce the timescales for project delivery. The sharing of resources between Councils, between the RTP and Councils, and between RTPs is now possible and being used to promote specific activities to the benefit in the delivery of transport services across the Highlands and Islands. During 2010/11 HITRANS commenced a review of in-house resources within Councils and consider what opportunity exists for their optimum use and their development, as well as the potential impact of employee demographics on sustainable future delivery. This review is on-going taking on board changes in both human resource availability and potential work levels over the next 5 years. With the identification of projects in the output from the STPR, and related regional projects included in the draft RTS Delivery Plan, there is a clear opportunity for HITRANS and the constituent Councils to work with Government and its agencies to develop the Interventions to be taken forward, and HITRANS will continue to promote and develop joint working and collaboration to realise Government's, RTP's, and Council's joint goals in the preliminary design and preparation of schemes and action strategies on transport corridors.

Risk

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

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

The management of risk is not a new concept to HITRANS as risks are currently managed throughout the organisation, either consciously or sub-consciously. However, there is a need for a common corporate framework to facilitate a consistent and logical approach, which should lead to better decision-making and better use of resources. We are also obliged, under the process of corporate governance, to account for our actions. To achieve compliance with best practice we need to ensure that we have a robust system of risk management in place.

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

During 2010/11 the Partnership developed and agreed a Risk Management Strategy and carried out preliminary work in preparing a Risk Register. . In 2011/12 we will further develop these management processes and imbed these in the work of the Partnership.

7. Revenue

The Research/Strategy Development Programme for 2011/2012 and the programme for delivery are as detailed in Appendix 3.

8 Marketing & Communications

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

Our communications objectives through 2011/2012 will be to:

- Provide Newsletters following each Partnership Meeting identifying the decisions taken at the Meeting and the actions currently being taken by HITRANS to promote delivery of the RTS.
- Develop the HITRANS Website content to make it more informative and accessible.
- Make HITRANS a household name in the Highlands and Islands.
- Continue to make people aware of what we are doing and why, explained in terms of the high level aims of the RTS, what HITRANS aims to deliver as described in the RTS and the benefits that will accrue to business and the population of the region.
- Become the automatic first point of contact on transport planning and delivery issues in
- the Highlands and Islands: **e.g. transport = HITRANS.**
- Encourage behavioural change among the public in line with the objectives laid out in the RTS – e.g. making “smart transport choices” including: greater use of public transport, car sharing, personal travel plans, alternative transport options, etc, through highlighting the advantages, practical benefits and needs which these address.

9. Resources

Establishment

With effect of 31st March 2011, HITRANS will employ 5 paid Staff:

Dave Duthie- Partnership Director

Ranald Robertson - Partnership Manager

Frank Roach – Partnership Manager

Katy Cunningham - Office Manager (Inverness)

Christine Kendall – Officer Manager (Lairg)

Their specific areas of engagement and activities of each employee in 2011/12 are detailed in HITRANS Partnership Approach to Delivery in Appendix 1.

Part time consultants will in addition continue to be employed as and when required to support strategy, research and project requirements, in line with our ongoing practice.

Permanent Advisors

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

Highland and Islands Enterprise

Scottish Council for Development and Industry

The Health Sector

The Public Transport Co-ordination Group

Previous practice has been to invite a single nominee from each organisation to fulfil this role, but this has on occasions resulted in periods when a key stakeholder has been unable to input into Advisors Meetings. For 2011/12 HITRANS therefore propose to offer each organisation the opportunity, if it so wishes, to nominate a substitute Advisor who could participate in Meetings on the occasions their Permanent Advisor is unavailable, in the same way as Substitute Members are permitted for Council Members of the Partnership.

Accommodation

The Partnership employees have been located in 2 offices from April 2008, at Dalcross and at Lairg station, The Lease for the Dalcross premises were renegotiated at the at the end of 2008 and a new lease for our more focussed needs agreed for the period up to 2012, at a reduced cost to the Partnership. .

Equipment/ IT Resources

In an effort to maintain efficiency and effectiveness HITRANS practice has been to replace PCs on a 3 to 4 year cycle and a further two of the 5 PCs being replaced in 2010/11 in line with this approach, the redundant units being kept as standby units where still serviceable. The Server has been continually upgraded as and when required with additional storage capacity added in 2008/09 to meet immediate operational needs. During 2010/11 capacity of the server has been an issue on occasions, and given its age and the reliance the Partnership has on its continuing reliable operation consideration has been given to its replacement with either a new server or a cloud computing option. It is envisaged that the existing server will be replaced by one of these options during 2011/12. Previous investment in video conferencing equipment should meet the ongoing needs of the Partnership and minimise the need for unnecessary travel and produce efficiency gains. The HITRANS web-site was replaced in 2010/11 reflecting general improvements in web-site design while retaining the current web address. During 2011/12 we will revise our internal office and communication systems to take advantage of this new facility to the benefit of our interface with our Members, the public and other stakeholders.

Appendix 1: The Partnership Approach to Delivery

Summary

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

Involvement in each area of policy development and delivery

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

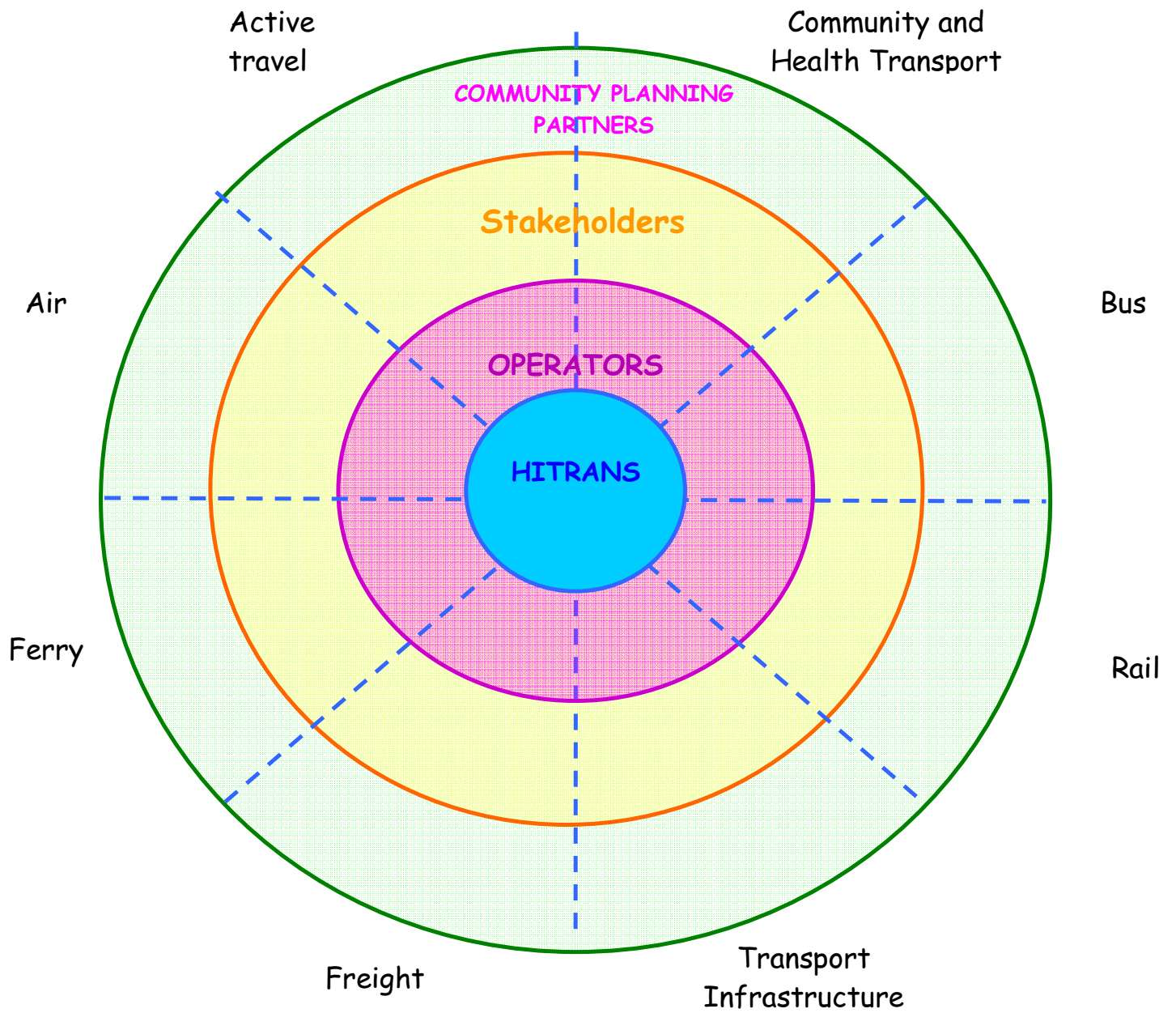
Area	Description
Active travel	Walking, cycling
Community and health transport	Third sector transport, social and health transport, car sharing schemes
Bus	Supported and commercial bus services, and taxis
Rail	Passenger and freight rail services
Transport Infrastructure	Roads (both trunk and local),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

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

Objectives

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

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



Engagement with Stakeholders and Operators

The following are the HITRANS proposed arrangements for engagement and consultation in 2011/2012

Area	Proposed action	timescale
Rail	Users and A+C Groups Meet 2x Stakeholders 1x	June 11, Dec 11 Mar 12
Bus	Stakeholders – meet 1x	Sept 11
Community and Health Transport	Meet Health Boards, And engage with Community Transport Operators	April 11, Dec 10 ongoing
Active Travel	A+C forum Meet 2x	April 11, Nov 11
Air	Stakeholder meeting 1x	June 11
Ferry	Tier 1 Meetings Tier 2 (CHFS) Tier 2 (N.Isles)	June 11, Mar 12 Sept 10 Sept 10
Freight	Meetings of Freight Quality Forum	May 11
Transport Infrastructure	Operator meetings, trunk, rail, air, meet each 1x	ongoing
Equality Issues Development	Feedback from Council Permanent Advisors	Ongoing through Advisors Meetings
Integration of Public Transport Services	Operator group Meet 1x	Oct 11
Public Transport co-ordination	Meeting of public transport officers of each Council	Sept 11

Key

A+C	Advisory and Consultative	
DD	Dave Duthie	Partnership Director
RR	Ranald Robertson	Partnership Manager
FR	Frank Roach	Partnership Manager
KC	Katy Cunningham	Office Manager, Inverness
CK	Christine Kendall	Office Manager, Lairg
MM	Mike Mitchell	Finance Manager (THC)
DM	Derek Mackay	Partnership Secretary (CNES)
DS	David Summers	Permanent Advisor, Public Transport
SMacN	Sam MacNaughton	Permanent Advisor, (THC)
PG	Peggy Morrison	HR support (CNES)
GL	Gavin Lawson	Legal (CNES)

Delivery Areas – Lead officer

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

Other Areas of Partnership Activity

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

START Project	Interreg 4	RR	Delivery of European Project actions and outputs with Partners within the Highlands and Islands and across Europe
TransTourism Preparatory Project	NPP Pool	FR	Promoting bid and progressing project if bid successful
Travel Planning		RR	KC supporting in promoting sustainable transport arrangements by public and private sector employers and employees
Development Planning		DD	Inputting into the development of Council's Development Plans, and engaging in pre-consultation during development of large scale projects within and across Council areas

HITRANS General and Support Activities

In meeting its aims and objectives the Partnership is involved in a wide area of general and support activities. These are identified below with details of the roles of both employees and support service providers during 2011/11

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

Appendix 2: Revenue Budget for 2011/12

Budget Heading	Budget 2011/12 Recommendation
Income	
Argyll and Bute	£28,700
CnES	£18,900
Highland	£88,800
Moray	£46,400
Orkney	£17,200
Scottish Government - Core	£200,000
Scottish Government – Non-core	£322,750
Total Income	£722,750
Running Costs	
Director	£100,000
Programme Managers	£124,000
Office Managers	£56,500
Staff Travelling and Subsistence	£25,000
Members/Advisors Travel/Subsistence	£10,000
Partnership/Consultation Meetings	£20,000
Office Costs - Property	£15,000
Office Costs - Administration	£20,000
	£370,500
Programme Costs	
Publicity	£12,500
Research and Strategy Development	£298,750
	£311,250
Finance/HR/Legal/Admin	
CnEs	£8,000
Highland	£22,500
External Audit	£10,500
	£41,000
Total Costs	£722,750

Appendix 3: Research/strategy development programme for 2011/12

Area	Funding	Delivery timetable	Lead	Comments
ERDF - TransTourism	35000	Apr 11 – Mar 12	FR	Funding to support delivery of the Interreg Project as previously agreed by the Board
ERDF - Active Travel Highland	45000	Apr 11 - Mar 12	FR	Support for Highland Council ERDF project as previously agreed by the Board, and completion of the Active Travel Audit programme to include Forres.
ERDF - AFLOAT Project	30000	Apr 11 - Mar 12	RR	Atlantic Area project aimed at improving access to and travel by ferry services including initiatives such as Smart Card Ticketing, Interchange Improvements and Information Sharing.
ERDF - START Project	25000	Apr 11 - Mar 12	RR	Support to allow HITRANS to increase the effectiveness of support provided from the START project for enhancing service delivery within the Highlands and Islands transport network.
ERDF - EFFIPLAT	10000	Apr 11 - Mar 12	FR	Funding towards proposed European partnership bid for intermodal biomass/ roundwood transport system
TSB - CHRONOS	5000		RR	Part funding to support the introduction of CHRONOS solar powered passenger information displays at more rail stations in the Highlands.
Road - Severe Weather Transport Information Project	30000	Apr 11 - Mar 12	RR	Introduce live eye cameras and severe weather alerts to points on the local road network.
Rail - Severe Weather Info	20000	May 11 – Oct 11	FR	Introduce live eye cameras and severe weather alerts at locations on the regional rail network.
BRDG - Elgin to Aviemore (Perth) and Campbeltown / Glasgow	40000	Apr 11 - Mar 12	RR	Support to kick start bus services between Elgin and the Central Belt and Campbeltown to Glasgow.
Airport Security Arrangements	10000	Sep 11 – Mar 12	DD	Review the level of security that could be required in a fit for purpose scenario considering CAA guidance, as recommended in the H+I Air Services Review. An announcement is expected from the UK Government on this matter.
Community and Health Transport	15000	Sep11 – Mar 12	DD	Part funding to support the delivery of Healthcare Transport Frameworks in the Highlands and Islands.
Fixed Links - Renewable Energy Development	5000	Sep 11 – Mar 12	JF	Part fund investigation into viability of fixed links through energy generation with interested Councils and Crown Estate. Awaiting lead agency action by Orkney Islands Council, funding carried forward to 2011/12

Business Model for Virtual Infrastructure Investment - Rail Freight	20000	July 11 – Mar 12	FR	Study to investigate business case for investment in freight rolling stock that maximises the existing envelope
Timber Freight / Biomass	10000	Apr 11 - Mar 12	FR	Continuing development work on establishing strategic partnership to overcome the transport problems of remote forests
ScotRail Franchise 2014 Input	15000	Sep 11 – Mar 12	FR	Work to identify the requirements for service enhancements in our area in the new ScotRail franchise
Rail Forecasting Refresh	10000	Sep 11 – Mar 12	FR	A revisit of previous work taking into account actual passenger growth since the original forecasting which has been higher than previously forecasted.
Ferry Hull Study	10000	Jun 11 – Nov 11	RR	To inform ferry hull configuration on major routes from a desk top study of options for the Minch. Work to initially draw on previous research and identify gaps. Extent of necessary work still to be identified and therefore expenditure, though not project development, can be delayed to 2011/12.
Total Identified Project Expenditure	335000			
Current Estimated Budget	298750			