

Item:  
**4**



## Report to Partnership Meeting 20 April 2018

### FINANCE

#### HITRANS Business Plan for 2018-19

#### SUMMARY

The Report seeks approval from the Partnership for the HITRANS Business Plan for 2018/19. The Business Plan sets out how we intend to support delivery of our Strategy during 2018/19 working with our constituent Councils and Stakeholders with a view to improving transport services across the Highlands and Islands. As with previous Business Plans the programme of work set out includes a 2 year Research and Strategy Development Programme in line with the recommendation of the Partnership Board discussion at the February 2018 meeting.

#### BACKGROUND

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

The Scottish Government 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. HITRANS had our Regional Transport Strategy approved by Ministers in 2008 and this sets out how the Partnership will work and the priorities we (and our partners) identify to optimise transport connectivity to and within our region. The refresh of the RTS is complete pending Ministerial consideration of the finalised documents.

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.

#### RISK REGISTER

##### RTS Delivery

Impact - Positive

Comment – The aim of the Business Plan is to promote delivery of the RTS through the actions identified in the Plan

##### Policy

Impact – Positive

Comment - 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

Impact – Positive

Budget line and value – Funding of the commitments in the Business Plan can be met within the 2018/19 Budget and the Plan sets out how this will be managed across all budget areas.

#### Equality

Impact – Positive

Comment – Equality is always central to our actions, and the 2018/19 Business Plan includes actions which will improve equality of access and opportunity across transport services.

### **RECOMMENDATIONS**

The Partnership is asked to

1. Approve the Business Plan for Financial Year 2018/19.

<b>Report by:</b>	Ranald Robertson
<b>Designation:</b>	Partnership Director
<b>Date:</b>	21 March 2018
<b>Background Papers:</b>	Appendix A - Draft 2018/19 Business Plan

## **APPENDIX A - HITRANS Business Plan 2018/19**

<b>Contents:</b>	<b>Page:</b>
<b><u>1. Foreword</u></b>	<b><u>3</u></b>
<b><u>2. Guidance</u></b>	<b><u>5</u></b>
<b><u>3. The HITRANS Board</u></b>	<b><u>6</u></b>
Membership	
Performance and Audit	
<b><u>4. Governance</u></b>	<b><u>7</u></b>
Standing Orders	
Scheme of Delegation	
Financial regulations	
HR Policies/Procedures	
Equalities	
Interaction with Stakeholders	
Powers and Functions	
HITRANS' Powers	
HITRANS Functions	
Application for Additional Functions	
<b><u>5. Funding</u></b>	<b><u>12</u></b>
Constituent Authority Requisitions	
Revenue: Other Sources of Funding	
Borrowing	
Reserves	
<b><u>6. The Regional Transport Strategy</u></b>	<b><u>14</u></b>
Monitoring and Evaluation	
Delivery Mechanisms	
Risk	
<b><u>7. Revenue</u></b>	<b><u>16</u></b>
<b><u>8. Marketing &amp; Communications</u></b>	<b><u>17</u></b>
<b><u>9. Resources</u></b>	<b><u>18</u></b>

### **Appendices:**

<b>1. The Partnership Approach to Delivery</b>	<b>19</b>
<b>2. Revenue Budget for 2018/19</b>	<b>25</b>
<b>3. Research/Strategy/Development Programme for 2018/19</b>	<b>27</b>

## 1. Foreword

Our Business Plan for 2018/19 sets out where and how HITRANS will focus our efforts and resources in the year ahead. The Plan aims to link our work plan clearly to the Regional Transport Strategy and sets out how we will work with our partners and stakeholders to achieve our objectives.

HITRANS continue to focus our efforts on developing and delivering the Regional Transport Strategy for the Highlands and Islands. Our focus is on enhancing the region's viability and has the core aim of enabling sustainable economic growth across the Highlands and Islands to be supported by a modern transport system that meets the needs of our region. This reflects the Scottish Government's purpose of increasing sustainable economic growth for the nation. The light touch refresh of the Regional Transport Strategy has now been completed and all being well 2018/19 will see the documents receive approval from the Minister for Transport and Islands.

In 2018/19 we have a number of important actions to take forward to support HITRANS core focus. Public finance and the funding pressures associated with it continue to provide a challenge, but we feel real progress is being made in developing efficient working practices and models through partnership working. Our core aim is to support our partner Local Authorities, Scottish Government and other partners in delivering improved transport services across the Highlands and Islands. We will continue to work hard to attract external funding and focus on a partnership approach to delivery.

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

The Partnership will continue developing its role in supporting better integration of public transport. An example of our focus in this regard is our shared service collaboration project on public transport information that is already achieving a great deal for our partner Councils. There remains significant potential for this project to improve the quality and effectiveness of public transport information and services through our open and inclusive way of working. We are also building the case for investment at key transport hubs including Inverness Airport Rail Station and the Oban Hub (ferry, rail and bus).

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

Community Links Funding and the support our Active Travel Officer has given to our partner Councils developing Community Links applications. Our Active Travel Strategy for the region provides a useful advocacy document for walking and cycling and is designed to identify opportunities to deliver improvements in active travel that promote modal shift towards more sustainable travel choices. The regional transport partnerships were well represented on the Active Travel Taskforce established by the Minister for Transport and Islands and we continue to provide a strong voice for positive action on developing better sustainable travel opportunities.

In February 2017 Humza Yousaf MSP, Minister for Transport and Islands announced a policy review on the future tendering of Scottish Government funded ferry services. This will investigate the feasibility of applying the Teckal Exemption to enable direct operation of these ferry services by a state owned operator. This would also see the reintegration of CMAL and David MacBrayne Group. During the review process the Gourock-Dunoon ferry service contract tender is suspended and the Northern Isles Ferry Service contract has been extended to allow the review to complete. Following publication of the interim report in December 2017 the implications of the process are potentially far reaching and HITRANS will continue to engage positively Transport Scotland as this work progresses.

While the Ferry Service Procurement Review has potentially far reaching impacts HITRANS will still continue to feed into workstreams relating to future ferry service levels and fares including the Outer Hebrides STAG, NIFS STAG / Contract Development and the Gourock to Dunoon Town Centre to Town Centre procurement process.

Internal ferry services remain particularly important in Orkney, Argyll and Bute and Highland. These services specified and delivered by our partner local authorities remain a priority for attention in HITRANS Business Plan and we will continue working closely with Councils and Transport Scotland to ensure these services remain fit for purpose and supported fully and fairly whatever way they remain specified and delivered. A major focus this year will be the development of Outline Business Cases for Orkney Internal Transport connectivity.

Rail improvements continue as a key focus with planning permission now in place for a new Station to be developed to serve Inverness Airport, Business Park and the new settlement at Tornagraim. We hope the Station will be in place in time for the new enhanced timetable of hourly services on the Inverness – Aberdeen line.

In 2018/19 we will continue to strive to identify further European funding opportunities and deliver projects where we have secured funding from ERDF and INTERREG programme sources. Our aim in this will be to improve transport services and systems and establish best practice through transnational co-operation and joint working. We will continue in our delivery of the Northern Periphery and Arctic Programme Area SPARA 2020 project in our capacity of lead partner and delivering better low carbon transport solutions through our role in the G-PaTRA (Green Passenger Transport in Rural Areas) North Sea Region project. We are also a partner in the INCLUSION Horizon 2020 project where we hope to foster mobility as a service (MaaS) interventions in our region. We are a partner in a number of Low Carbon Transport and Travel project proposals. As we look more closely at available ERDF or similar programmes we feel there are opportunities for similar Smart Island and Smart Rural projects to be developed.

Our Business Plan for 2018/19 sets out how we intend to achieve the objectives detailed above as well as moving forward a number of other actions. It sets out how the Partnership will work in throughout the year underlining the need for a nimble approach that ensures that

we do not merely horizon scan for opportunities to deliver improvement across our region but that in identifying such an opportunity we act swiftly upon it. 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.

Allan Henderson  
Chair

Ranald Robertson  
Partnership Director

## **2. Guidance**

The Scottish Executive published guidance on Regional Transport Strategies in March 2006. Paragraph 112 of the Guidance requires the preparation of an annual delivery or business plan to be submitted to Scottish Ministers. The plan should normally cover the first three years of implementation of the Regional Transport Strategy, and be updated annually to reflect local and central government planning and funding cycles and include plans for capital and revenue spending and borrowing.

It is proposed that HITRANS again produce a single year Business Plan identifying its intentions in 2018/19. The Business Plan for 2018/19 will again include a two year Research and Strategy Delivery Programme that will include an indicative programme of projects for 2019/20. This Business Plan is intended to fulfil that requirement and, after approval by the HITRANS Board, will be submitted to Scottish Ministers.

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

### **3. The HITRANS Board**

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

#### **Membership**

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

The current Chair, Councillor Allan Henderson, and Vice Chair, Councillor John Cowe were appointed on 23 June 2017.

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

In order to ensure that quorate decisions are achieved an annual calendar of meetings was agreed in February 2018 to provide advance notice for Members to include the meetings in their diaries. Four full Partnership meetings are scheduled for the calendar year. Meetings are being held in February, April, September and November. Should a situation arise that requires the call of additional meetings these can be called in accordance with the Standing Orders. Details of all Board Meetings, Agendas and Minutes are available on the HITRANS website.

#### **Performance and Audit**

Good governance of any corporate body involves three elements of a constant cycle: planning, performance and scrutiny. Proper scrutiny, which reviews performance and informs the next phase of planning of an organisation’s activities, is often most difficult to achieve. However, for organisations such as HITRANS, it is essential that there are appropriate mechanisms for review of all the Partnership’s activities.



## **4. Governance**

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

### **Standing Orders**

The Standing Orders were reviewed and revised by the Partnership at their meeting on 3 February 2017. 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 2016/17 and may in the future additionally require adapting to any new functional changes, as well as the normal requirement for periodic review.

### **Scheme of Delegation**

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

The Scheme of Delegation was reviewed and revised at the Board meeting of 3 February 2017 and represents a set of powers tailored specifically for the workings of HITRANS as they currently stand.

### **Financial Regulations**

As part of the Partnership's commitment to the development of its corporate governance arrangements the Partnership has adopted the Financial Procedures of the Highland Council with adjustment to reflect our organisational needs and structure. The financial rules were adopted by the Partnership at their meeting on 20 January 2006 and provide the basis under which all actions overseen by staff that have financial responsibilities and interests are undertaken. The Partnership is committed to reviewing the Financial Regulations and adopted the latest version of the Highland Council Financial Regulations in 2016/17.

### **Human Resources policies / procedures**

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

### **Equalities**

HITRANS, as a Regional Transport Partnership, has a statutory requirement to comply with requirements associated with Race Equality, Disability Equality and

Gender Equality legislation and also tackle discrimination on age, religious and sexuality grounds. The requirements under these headings have a common approach and therefore an agreement on the approach to fulfilling our requirements is required.

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

On 13th April 2017 the HITRANS Board approved an update of HITRANS Equality Duty which was subsequently presented to the Equalities Commission. The report is set out in two documents, these are:

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

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

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

### **Interaction with Stakeholders**

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

### **Powers and Functions**

Services should be delivered in the most efficient way and with appropriate democratic accountability in promoting a viable and sustainable region into the future. This is particularly important given the challenges being faced in funding across the public sector. HITRANS looks forward during 2018/19 to working with the Scottish Government and its agencies to help deliver better transport services. HITRANS are focused on how the Partnership, Member Councils and other public and voluntary sector bodies can best contribute to improving outcomes for the people of Scotland: by driving up the quality and accessibility of services.

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

## **HITRANS' Powers**

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

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

## **HITRANS Functions**

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

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

## **Application for Additional Functions**

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

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

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

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

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

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

## 5. Funding

Our Business Plan should be based upon a realistic estimate of the funding which is likely to be available to HITRANS. HITRANS 2018/19 Grant-in-aid from Scottish Government/Transport Scotland has been confirmed at £522,750 (the same as last year) to fund revenue expenditure to support implementation of the Regional Transport Strategy.

Sustrans have confirmed a grant of £100,000 to HITRANS in 2018/19 for the Active Travel Partnership Project.

### **Constituent Authority Requisitions**

The Transport (Scotland) Act 2005 requires the constituent councils of each Regional Transport Partnership to fund its net expenses, after allowing for any income, including any grants from the Scottish Government. In 2017/2018 HITRANS constituent Councils contributed £200,000 towards the Partnership's net expenses. This represents match funding to complement the Scottish Government's revenue Grant-in-aid contribution towards nominal Core Funding. For the purposes of development of the business plan, HITRANS has intimated to the partner authorities a proposed requisition of £200,000 as core revenue funding for 2018/19.

The detailed Revenue Budget for 2018/19 is shown in Appendix 2.

### **Revenue: Other sources of funding**

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

- SPARA 2020 is a Northern Periphery Programme project. The aim of the project is to develop smart and sustainable solutions focusing on peripheral airports and air services. This project is led by HITRANS and represents a total budget over the next three years
- ERDF – Inverness the Smart City is a project that HITRANS will deliver in partnership with Highland Council with each local partner providing 25% of the project budget to secure a 50% ERDF contribution.
- G-PaTRA is a North Sea Region Programme project. The aim of the project is to test through lighthouse pilot projects ways of delivering low carbon / zero carbon public transport in rural areas.
- INCLUSION is a Horizon 2020 project that has secured funds for HITRANS on the basis of a 100% funded support contribution.

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

from these European sources and allowance has been made within the Business Plan for this work. Live funding applications are pending the European Commission / Management Authority assessment process for the following projects:

- North Sea Area INTERREG Project – MOVE
- North Sea Area INTERREG Project – Stronger Combined
- North Sea Area INTERREG Project – MAGS
- Northern Periphery and Arctic Area – Northern RETRO Project

### **Borrowing**

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

### **Reserves**

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

Under the Transport (Scotland) Act 2005, constituent authorities are required to meet the net expenses of the Partnership. This means that, technically, it is not possible for HITRANS to make a “surplus” or “deficit” in any year and, therefore it is not possible for the Partnership to have a General Fund balance or Reserve. Scottish Government have recently consulted on a proposal to change RTP Financial Arrangements to permit carrying reserves and this is likely to be addressed within the forthcoming Transport Bill. In the absence of a properly constituted reserve, any shortfall in the net expenses of HITRANS will fall to be met by the Partnership’s constituent authorities.

## **6. The Regional Transport Strategy (RTS)**

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

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

In reviewing the Strategy before submission and revising and subsequently updating the associated delivery plan in the light of national and local resource commitments available to support its delivery and the new funding mechanism for delivery of capital projects and service improvements, we have made the necessary adjustments to the RTS package to ensure it provides a prioritised approach to investment while still meeting the realistic aspirations of the constituent Councils, Community Planning Partners and transport service providers.

HITRANS hope the refreshed Strategy will be approved by Ministers in 2018/19.

### **Monitoring and Evaluation**

It is important that HITRANS demonstrates that it is achieving its aims and objectives. The RTS provides a basis for monitoring and evaluation and the means of measuring success of implementation in a factual manner was comprehensively overhauled in 2017/. 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 Programme of Research and Strategy Development proposed to be undertaken by HITRANS during 2018-2020 to support delivery of the Regional Transport Strategy is detailed in Appendix 3 to this Plan.

### **Risk**

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

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

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



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

## **7. Revenue**

The Research/Strategy Development Programme for 2018/19 (and extended to 2019) 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 2018/19 will be to:

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

## **9. Resources**

### **Establishment**

With effect of 1<sup>st</sup> April 2018, HITRANS will employ 7 staff:

Ranald Robertson - Partnership Director  
Neil MacRae - Partnership Manager  
Frank Roach – Partnership Manager  
Katy Cunningham - Office Manager  
Fiona McInally – Active Travel Project Officer  
Julie Cromarty – Public Transport Information Officer  
Jayne Golding – Projects and Policy Officer

The specific areas of engagement and activities of each employee in 2018/19 are detailed in HITRANS Partnership Approach to Delivery in Appendix 1.

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

### **Permanent Advisors**

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

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

### **Accommodation**

The Partnership employees are located in 2 offices, at Inverness and Lairg station. The Partnership moved to our Inverness office in January 2014 after the expiry of the lease on our previous office allowed the Partnership to review our options. The Partnership board approved the office move in November 2013 and the office offers improved and more spacious accommodation including a meeting room in a central location.

### **Equipment / IT Resources**

In an effort to maintain efficiency and effectiveness HITRANS practice has been to replace PCs on a 3 year cycle. The redundant units are kept as standby units where serviceable.

Skype for Business is used to enable video conferencing by Partnership officers both for internal and external meetings and to participate in conference calls. The Partnership officers aim to utilise these systems to minimise the need for unnecessary travel and produce efficiency gains.

## Appendix 1: The Partnership Approach to Delivery

### Summary

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

### Involvement in each area of policy development and delivery

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

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

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

### Objectives

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

## Engagement with Stakeholders and Operators

The following are the HITRANS proposed arrangements for engagement and consultation in 2018/19

Area	Proposed action
Rail	Users and A+C Groups Meet 2x Stakeholders 1x
RTIG	Stakeholders – meet 1x
Community and Health Transport	Meet Health Boards, And engage with Community Transport Operators
Active Travel	A+C forum Meet 2x
Air	Stakeholder meeting 1x
Ferry	Ferry User Group Meetings
Freight	Meetings of Freight Quality Forum
Transport Infrastructure	Operator meetings, trunk, rail, air, meet each 1x
Equality Issues Development	Feedback from Council Permanent Advisors
Public Transport co-ordination	Meeting of public transport officers of each Council

### Key

A+C	Advisory and Consultative	
RR	Ranald Robertson	Partnership Director
NM	Neil MacRae	Partnership Manager
FR	Frank Roach	Partnership Manager
KC	Katy Cunningham	Office Manager
FM	Fiona McInally	Active Travel Officer
JC	Julie Cromarty	Public Transport Information Officer
JW	Jayne Golding	Projects and Policy Officer
MM	Mike Mitchell	Finance Manager (THC)
DM	Derek Mackay	Partnership Secretary (CNES)
DMacR	Donald MacRae	HITCOG Chair
HR	Lena Murray	HR support (CNES)
AM	Allan MacDonald	Legal (CNES)

## Delivery Areas – Lead officer

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

## Other Areas of Partnership Activity

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

Working to support Councils	Individual Council Board Members and Council Permanent Advisors	Engage with Councils to support the development of their SOAs and to support optimum development of best practice throughout the H+I
Joint Working between Councils	RR / NM / FR	Delivery of working arrangements between the 5 Councils to encourage sharing of resources and expertise and in particular to support Government in delivering IIP and Regional priorities.
SPARA 2020 Project	JG / RR / NM / JC	Development of main project application and final work on preparatory project.
Smart Cities ERDF	NM / RR / JC	HITRANS input to Smart Cities ERDF project.
G-PATRA Project	JC / JG	Provide HITRANS input to G-PATRA project.
Horizon 2020 Projects	JG / JC / NM / RR	HITRANS input to the three Horizon 2020 project submissions made by HITRANS.
Travel Planning	NM / FM / JC	KC supporting in promoting sustainable transport arrangements by public and private sector employers and employees
Development Planning	NM	Inputting into the development of Council's Development Plans, and engaging in pre-consultation during development of large scale projects within and across Council areas

## HITRANS General and Support Activities

In meeting its aims and objectives the Partnership is involved in a wide area of general and support activities. These are identified below with details of the roles of both employees and support service providers during 2018/19

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 RR/FR/NM/FM/JC / JG
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	HR/RR AM/RR
Travel Planning	Promote Travel Planning by Employers and monitor success	FM/JC with external support
Press Relations/Promotion	Establish delivery mechanisms to best meet the Partnership's needs, including Newsletters	RR/FR/NM with external support
Integration of Public Transport	Improve linkages between transport modes and service providers	FR/NM/JC/FM
Community Planning	Engage in Community Planning across the highlands and islands	RR supported by KC
Study Management	Delivery of research programme	RR/FR/NM/FM/JC/JG with external support
Project Management	Delivery of individual projects	FM/JW/JC/NM/FR/RR
IT and Website Management	Support by external supplier RR/FR/NM/KC input to website	RR/KC
Meetings, Events and Diary Management	Organisation/management of events and Board Meetings	KC
Member/ Officer/ Advisor Travel arrangements	Organisation, management and arrangements for payment	KC
Employee Development	Complete Personal Development Reviews for each employee	RR



## Appendix 2: Revenue Budget for 2018/19

Budget Heading	Budget 2017/18	Budget 2018/19
<b>Income</b>		
Argyll and Bute	£26,500	£26,500
CnES	£18,700	£18,700
Highland	£90,700	£90,700
Moray	£46,700	£46,700
Orkney	£17,400	£17,400
Scottish Government - Core	£200,000	£200,000
Scottish Government – Non-core	£322,750	£322,750
SUSTRANS – Active Travel	£100,000	£100,000
SUSTRANS – Community Links	£0	£0
<b>Total Income</b>	<b>£822,750</b>	<b>£822,750</b>
<b>Running Costs</b>		
Staff Costs	£301,500	£301,500
Staff/Members/Advisors Travel/Subsistence	£34,000	£34,000
Partnership/Consultation Meetings	£10,000	£10,000
Office Costs - Property	£22,000	£22,000
Office Costs - Administration	£20,000	£20,000
	<b>£387,500</b>	<b>£387,500</b>
<b>Programme Costs</b>		
Publicity	£10,000	£10,000
Travel Information Shared Service Project and SPARA 2020 Staff Costs	£68,500	£68,500
Research and Strategy Development	£316,250	£316,250
	<b>£395,250</b>	<b>£395,250</b>
<b>Finance/HR/Legal/Admin</b>		
CnEs	£8,000	£8,000
Highland	£21,500	£21,500
External Audit	£10,500	£10,500
	<b>£40,000</b>	<b>£40,000</b>
<b>Total Costs</b>	<b>£822,750</b>	<b>£822,750</b>

### Appendix 3: Research/strategy development programme for 2018 – 2020

Area	Project	2018/19	2019/20	Comments
Active Travel	External Sustainable Travel Budget Support	30000	30000	Match funding to help partner Councils draw down their allocation under programmes including SCSP, Community Links and Bus Investment.
	Community Links - Inverness Station and Active Aviemore			Community engagement, feasibility and design of active travel enhancement associated with Inverness Station Redevelopment and Active Aviemore opportunities funded through Community Links award.
	SUSTRANS Partnership / Active Travel Projects	100000	100000	Partnership with SUSTRANS for Active Travel Officer to deliver active travel projects across the region.
Aviation	Skye Air Service Project Development	0	0	Development of the case for Skye Airport as a pilot project applying SPARA 2020 principles. Work funded initially through SPARA with potential for partner funding contributions.
External Funding Match	ERDF - SPARA 2020 Project	75000		HITRANS cash contribution to the budget for the SPARA 2020 project which attracts a 65% intervention rate from ERDF.
	G-PaTRA	150000	150000	North Sea Region ERDF project with 50% intervention rate. Focus on green public transport.
	INCLUSION Project	60000	60000	Horizon 2020 project with 100% funding. Focus on MaaS project in CNPA.
	ERDF Smart Mobility	300000	300000	ERDF Smart Mobility Project. HITRANS are seeking new match funding to complete draw down of ERDF.
	ERDF / INTERREG / SG Bid Project Support	30000	30000	

Travel Information	Intelligent Transport Systems	15000	15000	Support towards ITS within Smart Cities including the project officer resource.
	Real Time Information Development	20000	20000	Delivery of improved real-time information for public transport passengers
RTS	Regionally Significant Scheme Development	60000	60000	Funding support to help partner Councils develop Regionally Significant Transport Projects e.g. Corran Narrows Options, Orkney Internal OBC, Growth Deal Support etc.
	EV Strategy	30000	30000	Funding to support the roll out of EV Strategy Projects.
Rail	Rail Policy Development	30000	30000	Support for HITRANS rail project delivery. There might be an opportunity to draw r=down rail development funding through the £2M rail development fund introduced by Transport Scotland.
	Inverness Airport (Dalcross) Station	40,000	40,000	HITRANS are lead local partner and will be supporting project delivery.
Bus / DRT	Bus Service Development and HiTravel	30,000	30,000	Delivery of HiTravel and Integrated Transport Solution support.
	Total Identified Project Expenditure	970000	895000	
	Current Estimated Budget (R&D)	350000		
	Current Estimated Budget (External - EU, Sustrans)	410000		NSR ERDF to G-PaTRA, NPA ERDF to SPARA 2020, ERDF Smart Mobbity, H2020 to INCLUSION, Sustrans to Regional Partnership, Sustrans from CL award.